FIRST SUPPLEMENT dated 12 January 2023 to the Base Prospectus dated 27 May 2022

TÜRKİYE İŞ BANKASI A.Ş.

US$7,000,000,000

Global Medium Term Note Programme

This supplement (this "*Supplement*") is supplemental to, and must be read in conjunction with, the Base Prospectus dated 27 May 2022 (the "*Base Prospectus*") prepared by Türkiye İş Bankası A.Ş. (the "*Issuer*" or the "*Bank*") under the Issuer's global medium term note programme. Capitalised terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Base Prospectus.

This Supplement has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) No. 2017/1129 (as amended, the "*Prospectus Regulation*"). The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes and investors should make their own assessment as to the suitability of investing in the Notes. This document constitutes a supplement for the purposes of the Prospectus Regulation and has been prepared and published for the purposes of incorporating into the Base Prospectus the Issuer's latest financial statements and updating certain provisions of the Base Prospectus. As a result, modifications to the Base Prospectus are hereby being made.

A copy of each of: (a) the consolidated BRSA Financial Statements of the Group as of and for the nine month period ended 30 September 2022 (including any notes thereto and the independent auditor's review report thereon, the "*Group's New BRSA Financial Statements*") and (b) the unconsolidated BRSA Financial Statements of the Issuer as of and for the nine month period ended 30 September 2022 (including any notes thereto and the independent auditor's review report thereon, the "*Issuer's New BRSA Financial Statements*" and, with the Group's New BRSA Financial Statements, the "*New BRSA Financial Statements*") has been filed with the Central Bank of Ireland and the Irish Stock Exchange plc trading as Euronext Dublin and, by means of this Supplement, is incorporated by reference into, and forms part of, the Base Prospectus (and the Group's and the Issuer's BRSA Financial Statements as of and for the three month period ended 31 March 2022, which were incorporated into the Base Prospectus, shall cease to be considered to be incorporated into the Base Prospectus). Copies of the New BRSA Financial Statements can be obtained without charge from the registered office of the Issuer and from the Issuer's website at: (a) with respect to the Group's New BRSA Financial Statements, https://www.isbank.com.tr/contentmanagement/IsbankFinancialDocuments/TAS%20Consolidated/pdf/isbnk30092022cons.pdf, and (b) with respect to the Issuer's New BRSA Financial Statements, https://www.isbank.com.tr/contentmanagement/IsbankFinancialDocuments/TAS%20Bank-only/pdf/IsbankUnconsolidatedFinancial30092022.pdf (such websites do not, and shall not be deemed to, constitute a part of, nor are incorporated into, this Supplement or the Base Prospectus). The New BRSA Financial Statements, which are in English, were prepared as convenience translations of the corresponding Turkish language BRSA Financial Statements (which translations the Issuer confirms are direct and accurate). The New BRSA Financial Statements were not prepared for the purpose of their incorporation by reference into the Base Prospectus.

The New BRSA Financial Statements were reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst & Young Global Limited) ("*EY*"), independent auditors. EY's review reports included within the New BRSA Financial Statements note that they applied limited procedures in accordance with professional standards for a review of such information and such reports state that they did not audit and they do not express an opinion on the interim financial information in the New BRSA Financial Statements. Accordingly, the degree of reliance upon their reports on such information should be restricted in light of the limited nature of the review procedures applied. The financial information in the New BRSA Financial Statements is subject to any adjustments that might be necessary as a result of the audit process to be undertaken in respect of the full financial year. In addition, EY's review reports included within the New BRSA Financial Statements contain a qualification. See "Risk Factors - Risks Relating to the Group and its Business - Other Group-Related Risks - Audit Qualification" in the Base Prospectus as hereby amended.

Statements contained herein (or in the New BRSA Financial Statements incorporated by reference into the Base Prospectus by means of this Supplement) shall, to the extent applicable and whether expressly, by implication or otherwise, modify or supersede statements set out in, or previously incorporated by reference into, the Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Base Prospectus. Where there is any inconsistency between the information contained in (or incorporated by reference into) the Base Prospectus and the information contained herein (or incorporated by reference into the Base Prospectus by means of this Supplement), the information contained herein (or incorporated by reference into the Base Prospectus by means of this Supplement) shall prevail.

Other than to the extent described in (including in the information incorporated by reference into) the Base Prospectus (including in the New BRSA Financial Statements incorporated by reference into the Base Prospectus by means of this Supplement), there has been: (a) no material adverse change in the prospects of the Bank since 31 December 2021, (b) no significant change in the financial performance of the Group since 30 September 2022 to the date of this Supplement and (c) no significant change in the financial position of the Group since 30 September 2022.

The Issuer accepts responsibility for the information contained in this Supplement or incorporated by reference into the Base Prospectus by means of this Supplement. To the best of the knowledge of the Issuer, the information in (including incorporated by reference into) the Base Prospectus (as supplemented hereby) is in accordance with the facts and makes no omission likely to affect the import of such information. To the full extent permitted by applicable law, none of the Dealers, the Arrangers, the Agents or any of their respective affiliates accept any responsibility for the information contained in this Supplement or incorporated by reference into the Base Prospectus by means of this Supplement.

AMENDMENTS

The following amendments are made to the Base Prospectus:

References to the "Republic of Turkey" or "Turkey" other than in the Conditions are hereby replaced with the "Republic of Türkiye" or "Türkiye" (as applicable).

All financial and other information with respect to the Group (and any member thereof) and the Bank (including all related amounts, percentages and discussion) as of or for the three month periods ended 31 March 2021 and 2022 are hereby deleted in their entirety from, and shall hereafter not form part of, the Base Prospectus.

GENERAL INFORMATION

The first three sentences of the sixth paragraph of the section titled "General Information" on page iii of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

> The Issuer has obtained the CMB approval letter (dated 6 January 2023 and numbered E-29833736-105.02.02-31350) and the CMB approved issuance certificate (in Turkish: *onaylanmış ihraç belgesi*) (approved by the decision of the CMB dated 5 January 2023 and numbered 01/07) (together, the "*CMB Approval*") based upon which any offering of the Notes might be conducted. The Issuer also obtained the BRSA approval letter (dated 5 December 2022 and numbered E-20008792-101.02.01[44]-69777) (the "*BRSA Approval*" and, with the CMB Approval, the "*Programme Approvals*") required for the issuance of Notes under the Programme. The maximum principal amount of securities that the Bank can issue under the CMB Approval is US$5,000,000,000 (or its equivalent in other currencies) in aggregate (the "*Approved Issuance Limit*"); *provided* that, as per the BRSA Approval, the aggregate outstanding nominal amount of debt instruments denominated in Turkish Lira issued by the Issuer (whether under these approvals or otherwise) may not exceed TL 27,000,000,000.

Accordingly, the date of the CMB approval noted on the cover of the Base Prospectus is hereby revised to 6 January 2023.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The third sentence of the first paragraph of the section titled "Presentation of Financial and Other Information" on page ix of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

> All financial statements incorporated by reference herein, including the Bank's consolidated and unconsolidated annual statutory financial statements as of and for each of the years ended 31 December 2020 (including comparative information for 2019) and 2021 (including comparative information for 2020) (in each case, including any notes thereto and the independent auditor's audit reports thereon) (the "*BRSA Annual Financial Statements*") and the Bank's consolidated and unconsolidated interim statutory financial statements as of and for the nine month period ended 30 September 2022 (including comparative information for the same period of 2021) (including any notes thereto and the independent auditor's review report thereon) (the "*BRSA Interim Financial Statements*"), have been prepared and presented in accordance with the BRSA Principles except for the free provisions (which do not meet the recognition criteria of Turkish Accounting Standards 37 "Provisions, Contingent Liabilities and Contingent Assets") recognised by the Bank.

The following is hereby inserted at the end of the tenth paragraph of the section titled "Presentation of Financial and Other Information" on page x of the Base Prospectus:

> As a result of the recent high levels of inflation in Türkiye, IFRS requires Turkish companies (including the Bank) to start applying the hyperinflationary accounting policies of IAS 29 (Financial Reporting in Hyperinflationary Economies) starting with the IFRS Financial Statements as of and for the six months ended 30 June 2022; *however*, as of 12 January 2023, there has been no further announcement by the POA regarding this issue and, as a result, inflation adjustments for such periods have not been applied on the BRSA Financial Statements, though such adjustments might be applied in the future (including with respect to the year-end 2022 BRSA Financial Statements). As a result, the Group's BRSA Financial Statements and IFRS Financial Statements will: (a) for so long as they apply different inflation accounting approaches, be less comparable than before such change, and (b) to the extent they have been so adjusted for inflation, not be comparable to financial statements from earlier periods prepared without such policies.

DOCUMENTS INCORPORATED BY REFERENCE

Clauses (c) and (f) of the fourth paragraph of the section titled "Documents Incorporated by Reference" starting on page xvi of the Base Prospectus are hereby deleted in their entirety and replaced by the following, respectively:

(c) with respect to the Bank's BRSA Interim Financial Statements as of and for the nine month period ended 30 September 2022, https://www.isbank.com.tr/contentmanagement/IsbankFinancialDocuments/TAS%20Bank-only/pdf/IsbankUnconsolidatedFinancial30092022.pdf,

(f) with respect to the Group's BRSA Interim Financial Statements as of and for the nine month period ended 30 September 2022, https://www.isbank.com.tr/contentmanagement/IsbankFinancialDocuments/TAS%20Consolidated/pdf/isbnk30092022cons.pdf,

RISK FACTORS

The following is hereby inserted before the last sentence of the fourth paragraph of the section titled "Risk Factors - Risks Relating to Türkiye - Political Conditions - Political Developments" starting on page 11 of the Base Prospectus:

In 2022, the Central Bank initially held its policy rate notwithstanding rapidly increasing inflation and then, contrary to the expectations of many market participants, reduced the rate to 13.00% on 18 August 2022 and again to 12.00% on 22 September 2022, both of which reductions resulted in the Turkish Lira declining to a new all-time low, and then further reduced the rate to 10.50% on 20 October 2022 and 9.00% on 24 November 2022.

The fourth and fifth paragraphs of the section titled "Risk Factors - Risks Relating to Türkiye - Terrorism and Conflicts" starting on page 13 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

Most recently, Russia invaded Ukraine on 24 February 2022, triggering significant geopolitical tension. As a result thereof, the United States, the United Kingdom, the EU and other jurisdictions have imposed significant and broad economic and other sanctions upon Russia, parts of Russian-controlled Ukraine and various designated entities and individuals that have contributed military and other supplies to Ukraine, which included restrictions on the import of Russian oil and transactions with the Russian central bank and a number of Russian banks. Certain countries froze the assets of the Russian central bank and the United States barred U.S. agents and other financial intermediaries from making payments on Russian debt payments, making it harder for Russia to repay its international debts (in June 2022, Russia defaulted on part of its foreign currency-denominated debt). Some Russian banks have been removed from the international financial messaging system SWIFT and several international companies have disposed of, liquidated, suspended or otherwise limited their businesses in Russia. This has already had, and likely will continue to have, a material impact on: (a) global economic and market conditions, including increasing inflation (particularly for food, energy and shipping costs), contributing to volatility in interest and exchange rates and exacerbating already difficult global supply chain challenges (including through limitations on imports to and exports from Russia), and (b) geopolitical relationships and militarisation. According to the International Monetary Fund's October 2022 World Economic Outlook report, the war in Ukraine (including sanctions on Russia), increased inflation and the slowdown in China are expected to slow global economic growth, with projections that Ukraine and Russia will experience declines in GDP of 35.0% and 3.4% in 2022, respectively, and (for Russia) 2.3% in 2023. Projections for EU and global growth in 2023 were reduced to 0.5% and 2.7%, respectively, from 3.1% and 3.2%, respectively, in 2022. It is also possible that this war could lead to further military conflicts, particularly involving Eastern Europe, and extension or escalations in the conflict could lead to additional sanctions being imposed on Russia, thereby leading to more economic disruption. While, as of the date of this Base Prospectus, the Turkish government has indicated that it seeks to maintain functioning relationships with all parties, there can be no certainty as to how events might develop and their impact on Türkiye, including due to Türkiye's complex relationship with Russia and Türkiye's membership in NATO (including its ability to veto new NATO applicants, such as Finland and Sweden). In addition to the global impact, the Bank is impacted directly as a result of its ownership of a Russian subsidiary bank (JSC İşbank, which represented 0.60% of the Group's assets as of 30 September 2022, 0.08% of its net profit during 2021 and 0.96% of its net profit during the first nine months of 2022) and Şişecam, which has operations in Russia.

In 2021, Türkiye received 4.7 million and 2.0 million tourists from Russia and Ukraine, respectively, representing 27% of all international tourists during the year (in the first 11 months of 2022, 4.9 million, 0.6 million and 13.2%, respectively). The total exports to these two countries was US$8.7 billion in 2021 whereas imports were US$33.5 billion, representing 3.9% and 12.3% of Türkiye's exports and imports, respectively, during the year (in the first 11 months of 2022, US$10.7 billion, US$58.3 billion, 4.6% and 17.6%, respectively). Any negative impacts on these results relating to the war in Ukraine might have a significant adverse effect on the Turkish economy, including the balance of payments and inflation. In addition, as Türkiye is a net energy importer, higher global oil and natural gas prices might result in higher energy costs for consumers and companies (in March 2022, Brent crude oil prices increased to the highest level since 2008, which prices then declined but might increase further, including as a result of the conflict in Ukraine and related sanctions, particularly if Russian energy supplies become subjected to additional sanctions and/or Russia continues to reduce or stops its supply of energy to Europe). These increases in the current account deficit, particularly when combined with monetary tightening in developed economies, might contribute to the depreciation pressure on the Turkish Lira, which might result in even higher inflation in Türkiye.

The sixth sentence of the second paragraph of the section titled "Risk Factors - Risks Relating to Türkiye - Economic Conditions" on page 15 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

During 2021, GDP increased by 11.4%, which growth was supported by the recovery in global growth, moderate credit growth and a favourable base effect, whereas growth during the first nine months of 2022 (compared to the same period of the previous year) was 6.2%, due primarily to strong consumption and moderate export performance.

The second paragraph of the section titled "Risk Factors - Risks Relating to Türkiye – Economic Conditions – Turkish Economy" on page 16 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Domestic macroeconomic factors, including the current account deficit, high levels of unemployment (a seasonally adjusted 10.2% as of November 2022), high levels of inflation and interest rate and currency volatility, remain of concern, particularly in light of the further depreciation of the Turkish Lira. These conditions have had, and likely will continue to have, a material adverse effect on the Group's business, financial condition and/or results of operations, including as a result of their impact on the Group's customers. The Turkish government has sought to improve economic growth and, in September 2022, the Turkish Treasury published a three-year medium-term economic programme (referred to as the "Medium Term Programme") under which GDP growth was anticipated to be 5.0% for both 2022 and 2023 and 5.5% for both 2024 and 2025; *however*, consumer inflation has substantially exceeded the target for 2022 and is anticipated to remain well above the inflation target of 5.0% through the programme period.

The fifth, sixth and seventh paragraphs of the section titled "Risk Factors - Risks Relating to Türkiye - Economic Conditions - Turkish Economy" on pages 16 and 17 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

Since February 2001, the Central Bank has applied a floating exchange rate policy. Exchange rates for the Turkish Lira have historically been, and continue to be, highly volatile and recent events have further contributed to significant fluctuations in the value of the Turkish Lira and various governmental policies to respond to currency volatility and the resulting economic conditions. In recent years, there have been a number of periods of sharp depreciation and some recovery in the value of the Turkish Lira (*e.g.*, the Turkish Lira depreciated against the U.S. dollar by 11.4% in 2019, 19.1% in 2020, 43.4% in 2021 and 30.6% in 2022, with significant volatility driven in part by changes in Central Bank policy and regulatory changes, particularly since September 2021 with the Central Bank's decision to reduce policy rates despite very high levels of inflation). The Central Bank has from time to time used its interest rate policy, reserve requirements and other tools to try to lower inflationary pressures arising from exchange rate volatility, including some fairly large hikes in interest rates in 2018 (which were then followed by large decreases in 2019 and early 2020 as inflation moderated and then, notwithstanding the disinflationary impact of COVID-19 pandemic-related shutdowns, significant increases starting in August 2020 to address a significant depreciation in the value of the Turkish Lira; *however*, contrary to the expectations of some market participants, the Central Bank reduced its policy rate by 100 basis points in September 2021 and then, after three members of the Central Bank's monetary policy committee were replaced on 13 October 2021, further reduced the policy rate by a larger-than-expected 200 basis points (to 16.00%) on 21 October 2021, another 100 basis points (to 15.00%) on 18 November 2021 and another 100 basis points (to 14.00%) on 16 December 2021), following which the Turkish Lira reached an all-time low of TL 17.47/US$1 on 20 December 2021 given the Central Bank's accommodative 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 reduce the volatility in exchange rates and lower the inflation rate, resulting in some improvement in exchange rates. 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. In 2022, the Central Bank initially held its policy rate notwithstanding rapidly increasing inflation and then, contrary to the expectations of many market participants, reduced the rate to 13.00% on 18 August 2022 and again to 12.00% on 22 September 2022, both of which reductions resulted in the Turkish Lira declining to a new all-time low, and then further reduced its policy rate to 10.50% on 20 October 2022 and 9.00% on 24 November 2022. The impact of these circumstances, including changes in the exchange rates of the Turkish Lira, might 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 Group's obligations in other currencies), a decline in capital and/or rapid changes in the economic and legal environment. As of 30 September 2022, these economic conditions had a negative impact on the Bank's capital adequacy ratio, though it is still above the minimum legal requirement of 8%.

As described elsewhere, the BRSA announced a rule allowing banks to use: (a) the arithmetic mean of the Central Bank's foreign exchange buying rates for the previous 252 business days in certain capital and other calculations for 31 December 2021 and (b) thereafter until such date as determined by the BRSA, the foreign exchange buying rate as of 31 December 2021. As also described elsewhere, the BRSA (in response to the COVID-19 pandemic) announced regulatory forbearance measures that allow banks to use 0% risk weightings for foreign currency-denominated receivables owed by the centralised administration (*i.e.*, Turkish state institutions and other public institutions that do not have a separate legal entity and act under the legal entity of Turkish state institutions) while calculating the principal amount subject to credit risk in accordance with the standard approach as determined under the Capital Adequacy Regulation. Collectively, these accommodations have had a material positive impact on the capital adequacy ratios of the Group and the Bank and, if such were to be discontinued or limited, the Group's and/or the Bank's capital adequacy ratios would likely decline.

Any further significant depreciation of the Turkish Lira against the U.S. dollar or other major currencies, or any actions taken by the Central Bank or other Turkish authorities (such as changes to interest rates or other policy actions by the Central Bank), might adversely affect the financial condition of Türkiye as a whole, including its inflation rate and/or the ability of the Central Bank to implement its policy goals, and might have a material negative effect on the Group's business, financial condition and/or results of operations. As of 31 December 2022, the Central Bank had net negative foreign exchange reserves (excluding swap transactions), which could further limit the Central Bank's policy actions, including actions to limit any further reductions in foreign currency liquidity in Türkiye.

Any monetary policy tightening of the U.S. Federal Reserve (including as started in early 2022) and/or the ECB (such as the announced wind-down of asset purchases or the interest rate increases started in July 2022), or any other increase in market interest rates, particularly if it is more accelerated than expected, might have an adverse impact on Türkiye, including on Türkiye's external financing needs, and might reduce the availability of and/or increase the cost of funding to the Turkish banking sector.

The sixth sentence of the first paragraph of the section titled "Risk Factors - Risks Relating to Türkiye – Economic Conditions – Current Account Deficit" on page 19 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

During the first ten months of 2022, and despite an increase in export and tourism revenues, Türkiye's current account deficit increased to US$43.4 billion on a 12 months basis due largely to the increase in energy prices (including resulting from the Russian invasion of Ukraine). Various events and circumstances, including (*inter alia*) a decline in Türkiye's foreign trade and tourism revenues (including due to a resurgence of COVID-19), political risks, changes to Türkiye's macroeconomic policy (such as with respect to domestic interest rates) and an increase in the price of oil, might result in an increase in the current account deficit.

The first two paragraphs of the section titled "Risk Factors - Risks Relating to Türkiye – Economic Conditions – Inflation" on page 20 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

The Turkish economy has been subject to significant inflation increases in recent years which might continue (including at elevated levels). In 2019, the annual consumer price index ("*CPI*") inflation rate was 11.8% and domestic producer price inflation was 7.4%. In 2020, the CPI inflation rate was 14.6%, reflecting primarily an increase in food, energy and commodity prices (including due to the depreciation of the Turkish Lira). In 2021, the CPI inflation rate surged to 36.1%, reflecting primarily an increase in the prices of food, energy, consumer durables and transportation, which increases resulted from the depreciation of the Turkish Lira, the impact of disruptions in supply chains, the rise in government-administered prices and the reopening of the Turkish economy from COVID-19-related restrictions. On 27 October 2022, the Central Bank published an inflation report indicating an inflation forecast of 65.2%, 22.3% and 8.8% at the end of 2022, 2023 and 2024, respectively. In 2022, the CPI inflation rate was 64.27% and the domestic producer price inflation rate was 97.72% (it should be noted that this is the official inflation rate whereas other analysts have published different rates, in some cases significantly higher than the official rate), again reflecting significant increases in the prices of food, energy and imported products. While the Bank's management expects inflation to decline in the first half of 2023 due to the impact of the higher base created in 2022, inflation might continue at an elevated, or even higher, pace due to potential higher food inflation (in part due to droughts, wildfires, logistics obstacles and other supply side challenges), cost push factors (where sellers pass along increasing costs to their customers) and/or worsening inflation expectations. In addition, high inflation levels in Türkiye since 2022 matched with reduced policy rates have resulted in a de-linking of market interest rates in Türkiye from Central Bank rates since market participants set borrowing and lending rates on broader market conditions, including expectations regarding inflation.

High inflation rates might distort the Group's results of operations, with nominal growth rates of the balance sheet and profitability in the Group's BRSA Financial Statements signficantly exceeding the rates as measured on a constant-currency basis. As noted in "Presentation of Financial and Other Information," as Türkiye's cumulative inflation has exceeded 100% over the past three years, the criteria of IAS 29 (Financial Reporting in Hyperinflationary Economies) for inflation-adjusted accounting have been satisfied and the Group's IFRS Financial Statements starting with those as of and for the six months ended 30 June 2022 are required to utilise inflation accounting, which not only complicates comparisons with past periods but materially impacts the Group's reported financial results under IFRS, including its reported net income. While, as of 12 January 2023, there has been no further announcement by the POA regarding this issue, such an adjustment might be required in the future (as noted in Note 1 of Section 3 of the BRSA Interim Financial Statements, the POA announced that such was not applicable for the 2021 BRSA Financial Statements but had not yet provided any guidance with respect to later BRSA Financial Statements), which change in accounting practices would similarly make the BRSA Financial Statements published at that time not comparable to those incorporated by reference herein and might materially impact the Group's reported financial results.

The fourth sentence of the fourth paragraph of the section titled "Risk Factors - Risks Relating to the Group and its Business - Credit Risks - Counterparty Credit Risk" starting on page 23 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

The Group's NPL ratio decreased from 6.3% as of 31 December 2019 to 5.4% as of 31 December 2020, 4.0% as of 31 December 2021 and 3.2% as of 30 September 2022 and the Stage 2 loans to performing loans ratio decreased from 12.8% as of 31 December 2019 to 12.0% as of 31 December 2020, 11.6% as of 31 December 2021 and 9.9% as of 30 September 2022.

The last sentence of the second paragraph of the section titled "Risk Factors - Risks Relating to the Group and its Business - Credit Risks - Government Default" starting on page 25 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

On 11 February 2022, Fitch downgraded Türkiye's long-term foreign currency issuer default credit rating to "B+" (with a negative outlook), which was followed on 8 July 2022 by a further downgrade to "B" (with a negative outlook). On 12 August 2022, Moody's downgraded Türkiye's sovereign rating to "B3" (with a stable outlook).

The fifth sentence of the first paragraph of the section titled "Risk Factors - Risks Relating to the Group and its Business - Market Risks - Foreign Exchange and Currency Risk" on page 26 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

As a reference, the Turkish Lira depreciated against the U.S. dollar by 11.4% in 2019, 19.1% in 2020, 43.4% in 2021 and 30.6% in 2022.

The second paragraph of the section titled "Risk Factors - Risks Relating to the Group and its Business - Other Group-Related Risks - Audit Qualification" starting on page 34 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> For the Group, these free provisions amounted to: (a) TL 1,125 million as of 31 December 2019, (b) TL 2,875 million as of 31 December 2020, reflecting a TL 1,750 million increase in additional provisions during 2020, and (c) TL 4,075 million as of 31 December 2021, reflecting a TL 1,200 million increase in additional provisions during 2021. In the first nine months of 2022, there was a further TL 2,400 million increase in free provisions, resulting in a total of TL 6,475 million as of 30 September 2022. The Group's capital adequacy ratios and net profit/(loss) might otherwise be higher in the periods in which such reserves are established and lower in the periods in which such reserves are reversed.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The first sentence of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 57 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> The following discussion and analysis of the consolidated financial position and results of operations of the Group covers the fiscal years ended 31 December 2019, 2020 and 2021 and, in "-Recent Developments" below, the nine month periods ended 30 September 2021 and 2022.

The last sentence of the penultimate paragraph of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting the Group's Financial Condition and Results of Operations – Central Bank Reserve Requirements" on page 63 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> See also the last five paragraphs of "Turkish Regulatory Environment – Liquidity and Reserve Requirements" with respect to certain actions taken since the beginning of 2022.

The second sentence of the second paragraph of the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant Factors Affecting the Group's Financial Condition and Results of Operations – Exchange Rates" starting on page 63 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

> A bank's limit imposed by the BRSA is defined as an amount *plus/minus* 5% of the total capital used in the calculation of such bank's regulatory capital adequacy ratios; *however*, the BRSA may increase (up to 20%) or reduce (but not below 5%) such amount from time to time.

The section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Recent Developments" starting on page 84 of the Base Prospectus is hereby deleted in its entirety and replaced by the section set out on Exhibit A.

CREDIT RATINGS

The tables of ratings from Fitch and Moody's on page 136 of the Base Prospectus are hereby deleted in their entirety and replaced by the following:

Fitch (26 July 2022)

Long-term Foreign Currency Issuer Default Rating/Outlook:	B- / Negative
Short-term Foreign Currency Issuer Default Rating:	B
Long-term Local Currency Issuer Default Rating/Outlook:	B / Negative
Short-term Local Currency Issuer Default Rating:	B
Viability Rating	b
National Long-term Rating/Outlook:	A+ (tur) / Negative

Moody's (16 August 2022)

Long-term Foreign Currency Deposit Rating/Outlook:	B3 / Stable
Short-term Foreign Currency Deposit Rating:	Not Prime
Long-term Local Currency Deposit Rating/Outlook:	B3 / Stable
Short-term Local Currency Deposit Rating:	Not Prime

Accordingly, the Fitch ratings for the long-term senior Notes issued under the Programme, including on the cover of the Base Prospectus and in "General Description of the Programme – The Programme – Rating" on page 8 of the Base Prospectus, are hereby updated to "B-."

MANAGEMENT

Mehmet Celayir is hereby added as a Deputy Chief Executive in the table of members of the Bank's Executive Committee on page 155 of the Base Prospectus and the following is hereby added after the paragraph about Mr. O. Tufan Kurbanoğlu starting on page 157 of the Base Prospectus:

Mehmet Celayir

Mr. Celayir (born 1970) graduated from the Faculty of Economics in the Department of International Relations at İstanbul University. Mr. Celayir started his career as an officer at the Bank's branch is Elazığ in 1996. After serving in various positions in the Bank, he was promoted to the Branch Manager of the Cizre/Şırnak Branch in 2004. He then was appointed as an Assistant Regional Manager of the SME Loans Underwriting Division for the Diyarbakır Region in 2006 and then, in 2009, was promoted to Regional Manager in the same division. He then successively served as a Branch Manager of the Mersin Commercial Branch, the Head of Commercial Banking's Sales Division and a Branch Manager of the Gaziantep Corporate Branch. Mr. Celayir was appointed as a Deputy Chief Executive on 14 December 2022.

TURKISH REGULATORY ENVIRONMENT

The last two paragraphs of the section titled "Turkish Regulatory Environment – Liquidity and Reserve Requirements" starting on page 186 of the Base Prospectus are hereby deleted in their entirety and replaced with the following:

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. With respect to such amendments (as further amended on 10 June 2022), banks are required to reserve 20% of the relevant commercial loans (as calculated on the last Friday of every four week period) for a maintenance period of four weeks. 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*").

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%.

The Central Bank issued on 10 June 2022 the Regulation on the Maintenance of Turkish Lira Securities for Foreign Currency Liabilities (the name of which was later changed to Regulation on the Maintenance of Securities) (the "*Regulation on the Maintenance of Securities*"). Pursuant to this regulation (as amended on 31 December 2022), 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 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 Regulation on the Maintenance of Securities made on 18 October 2022 and 31 December 2022, each Turkish bank is required to hold an amount of such securities equal to 5% 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 50%, then such rate is to be increased to 12%, and (b) greater than or equal to 50% but less than 60%, then such rate is to be increased to 7% (in each case, one-third of such increase is to apply for the calculation date 30 December 2022 and two-thirds of such increase is to apply for the calculation date 27 January 2023). On 7 January 2023, the Central Bank further amended the Regulation on the Maintenance of Securities so that, effective from 24 February 2023, the general rate is increased to 10%; *however*, if a bank's ratio of Turkish Lira deposits to total deposits is: (i) less than 50%, then such rate is to be increased to 17%, (ii) greater than or equal to 50% but less than 60%, then such rate is to be increased to 12%, (iii) greater than or equal to 60% but less than 70%, then such rate is to be decreased to 5%, and (iv) 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 Regulation on the Maintenance of Securities 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:

(A) 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

(B) 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.

The sole paragraph of the section titled "Turkish Regulatory Environment – Foreign Exchange Requirements" on page 187 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

According to the Regulation on Foreign Exchange Net Position/Capital Base issued by the BRSA and published in the Official Gazette No. 26333 dated 1 November 2006 (and amendments thereto effective as of 9 January 2023), for both the bank-only and consolidated financial statements, the weekly arithmetic mean of 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. The net foreign exchange position is the difference between the Turkish Lira equivalent of a bank's foreign exchange assets and its foreign exchange liabilities. 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; and 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. In addition, a bank must include any general and special provisions it has set aside pursuant to the Classification of Loans and Provisions Regulation for the calculation of the standard ratio of its foreign exchange net position to its capital base. If such ratio 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 this ratio up to six times per calendar year.

The third sentence of the third paragraph of the section titled "Turkish Regulatory Environment – Disclosure of Financial Statements" on page 193 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

As companies in Türkiye 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 2024, 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.

The following is inserted before the section titled "Turkish Regulatory Environment – Additional COVID-19-Related Temporary Measures" starting on page 198 of the Base Prospectus:

Turkish Lira Borrowing Restrictions

On 24 June 2022, the BRSA introduced Turkish Lira borrowing restrictions 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 Türkiye itself).

According to these restrictions, these companies with such foreign currency assets of the equivalent of at least TL 10 million at the time of loan application are not permitted to receive Turkish Lira-denominated commercial cash loans (including swap transactions) if such foreign currency assets exceed 5% of the higher of their total assets and net sales revenue for the most recent financial year. The BRSA has, however, provided an exception for companies with such foreign currency assets of at least TL 10 million but who are not permitted to borrow foreign currency-denominated loans due to restrictions imposed by applicable laws at the time of the loan application, which 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 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.

OVERVIEW OF DIFFERENCES BETWEEN IFRS AND THE BRSA PRINCIPLES

The second paragraph of Appendix A (Overview of Differences between IFRS and the BRSA Principles) - Basis for Consolidation on page 315 of the Base Prospectus is hereby deleted in its entirety and replaced by the following:

Only financial sector subsidiaries are consolidated under the BRSA Principles, whereas other associates are recorded according to the equity method. Under IFRS, all subsidiaries are consolidated.

The following is hereby added at the end of Appendix A to the Base Prospectus:

Hyperinflationary Accounting

Pursuant to TAS 29, Financial Reporting in High Inflation Economies ("*TAS 29*") under Turkish financial reporting standards ("*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, which monitors countries experiencing high inflation, categorised Türkiye as a country with three-year cumulative inflation rate greater than 100% as of 28 February 2022. Accordingly, Turkish companies reporting under IFRS should apply IAS 29 to their financial statements for periods ending on and after 30 June 2022.

With respect to TFRS, on 20 January 2022, the POA 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 12 January 2023, there has been no further announcement by the POA regarding this issue and, as a result, inflation adjustments for such periods have not been applied on the BRSA Financial Statements. As a result, the BRSA Financial Statements that do not apply hyperinflationary accounting might differ materially from those applying hyperinflationary accounting in accordance with IAS 29.

EXHIBIT A

Recent Developments

The Bank published its consolidated and unconsolidated BRSA Financial Statements (*i.e.*, the BRSA Interim Financial Statements) on 15 November 2022 and 7 November 2022, respectively. The following tables set out certain information regarding the Group as of (or for the nine month periods ended) on the indicated dates. The following financial information has been extracted from the Group's BRSA Interim Financial Statements without material adjustment. These tables should be read in conjunction with the Group's BRSA Interim Financial Statements (including the notes therein) incorporated by reference into this Base Prospectus.

Analysis of Results of Operations for the First Nine Months of 2021 and 2022

	Nine months ended 30 September	
	2021	2022
	(TL thousands, except where indicated)	
Consolidated Income Statement Data		
Interest Income	**47,359,447**	**98,102,406**
Interest Income on Loans	33,418,776	61,464,220
Interest Income on Reserve Deposits	576,664	284,989
Interest Income on Banks	507,595	778,264
Interest Income on Money Market Placements	331,479	1,010,838
Interest Income on Marketable Securities Portfolio	11,425,757	32,272,747
Financial Assets at Fair Value Through Profit or Loss	101,069	216,380
Financial Assets at Fair Value Through Other Comprehensive Income	6,963,901	19,369,543
Financial Assets at Measured at Amortised Cost	4,360,787	12,686,824
Finance Lease Income	593,585	1,147,618
Other Interest Income	505,591	1,143,730
Interest Expense	**23,317,842**	**37,125,216**
Interest on Deposits	13,301,011	22,388,746
Interest on Funds Borrowed	1,729,705	3,557,539
Interest on Money Market Funds	3,807,465	3,143,742
Interest on Securities Issued	4,128,884	6,209,772
Financial Lease Expense	118,460	170,532
Other Interest Expense	232,317	1,654,885
Net Interest Income	**24,041,605**	**60,977,190**
Net Fees and Commissions Income	**4,637,455**	**9,716,226**
Fees and Commissions Received	7,165,370	15,110,656
Non-cash Loans	937,869	1,637,081
Other	6,227,501	13,473,575
Fees and Commissions Paid	2,527,915	5,394,430
Non-cash Loans	8,637	25,588
Other	2,519,278	5,368,842
Dividend Income	**62,543**	**237,594**
Trading Income (net)	**-5,876,057**	**10,730,250**
Gains/(Losses) on Securities Trading	709,255	2,976,393
Derivative Financial Transactions Gains/(Losses)	(4,061,784)	(8,878,712)
Foreign Exchange Gains/(Losses)	(2,523,528)	16,632,569
Other Operating Income	**11,575,385**	**17,904,950**
Gross Operating Income	**34,440,931**	**99,566,210**
Expected Credit Loss (-)	**6,488,384**	**11,747,487**
Other Provision Expenses (-)	**1,029,158**	**3,325,783**
Personnel Expense (-)	**5,275,002**	**12,057,101**
Other Operating Expenses (-)	**14,354,531**	**29,444,292**
Net Operating Income/(Loss)	**7,293,856**	**42,991,547**
Profit/(Loss) From Associates Accounted for Using the Equity Method	**2,197,989**	**7,232,359**
Profit/(Loss) On Continuing Operations Before Tax	**9,491,845**	**50,223,906**
Tax Provision For Continuing Operations	**1,264,305**	**9,365,034**
Current Tax Provision	1,171,524	14,277,776
Deferred Tax Income Effect (+)	2,270,772	2,476,563
Deferred Tax Expense Effect (-)	2,177,991	7,389,305
Net Period Profit/(Loss) From Continuing Operations	**8,227,540**	**40,858,872**
Group's Profit/(loss)	7,076,703	37,973,995
Non-controlling Interest Profit/(loss)	1,150,837	2,884,877
Earnings Per Share[(1)]	**0.028306557**	**0.151894613**

(1) Earnings per share are calculated by using the average number of shares of the applicable period. Presented in Turkish Lira instead of thousands of Turkish Lira.

Net Interest Income

The Group's interest income increased by 107.1% to TL 98,102 million in the first three quarters of 2022, which increase resulted primarily from an increase in interest income on loans and securities as described below. Interest income from loans totalled TL 61,464 million (62.7% of total interest income) and interest income from total securities totalled TL 32,273 million (32.9% of total interest income) during the first three quarters of 2022, compared to TL 33,419 million (70.6% of total interest income) and TL 11,426 million (24.1% of total interest income), respectively, during the same period of 2021. The primary drivers of the increase in interest income were the increase in the volume of loans and, for the securities portfolio, the growth in interest income on CPI-linked bonds due to the significant increase in inflation.

The Group's interest expense increased by 59.2% to TL 37,125 million in the first three quarters of 2022 from TL 23,318 million in the same period of 2021, which increase was mainly due to 68.3%, 50.4% and 105.7% increases in interest expenses on deposits, marketable securities issued and funds borrowed, respectively. As there were no significant changes in the rate of interest paid deposits, the increase in interest expense mainly resulted from an increase in the volume of Turkish Lira deposits and, although there was a decline in the amount of securities issued and funds borrowed, increases in the Turkish Lira-equivalent cost of foreign currency-denominated borrowings due to the depreciation of the Turkish Lira.

As a result of this interest income and interest expense, the Group's net interest income was TL 60,977 million in the first three quarters of 2022, increasing by 153.6% from TL 24,042 million in the same period of 2021. The Bank's net interest margin in the first three quarters of 2022 was 8.7%, compared to 5.1% in the same period of 2021, which increase was mainly driven by net interest income increasing by a greater percentage than the increase in the average interest-earning assets. The calculation of the Bank's net interest margin for the indicated periods is as follows:

	Nine months ended 30 September	
	2021	**2022**
	(TL thousands, except percentages)	
Net interest income	19,922,261	53,078,876
Interest from the Central Bank	575,968	284,681
Total	**19,346,293**	**52,794,195**
Average loans and receivables (performing)	369,492,474	587,674,775
Average total securities portfolio	115,308,321	186,382,421
Average banks	18,310,627	29,220,204
Average money market placements	-	3,005,547
Average interest-earning assets	**503,111,422**	**806,282,946**
Nominal net interest margin	3.8%	6.5%
Annualisation factor	**4/3**	**4/3**
Net interest margin	5.1%	8.7%

Other Income

The Group's net fees and commission income increased by 109.5% to TL 9,716 million in the first three quarters of 2022 from TL 4,637 million in the same period of 2021, which increase was primarily a result of the increase in fees and commissions received by the Bank from cash loans and payment systems.

The Group's dividend income increased by 279.9% to TL 237.6 million in the first three quarters of 2022 from TL 62.5 million in the same period of 2021.

The Group's trading gain was TL 10,730 million in the first three quarters of 2022, compared to a loss of TL 5,876 million in the same period of 2021, which gain in 2022 was the result of securities trading gains of TL 2,976 million and foreign exchange gains of TL 16,633 million, which more than offset derivative transactions losses of TL 8,879 million in the first three quarters of 2022. This significantly improved performance in 2022 was largely due to the depreciation of the Turkish Lira and interest rate movements, which resulted in foreign exchange valuation gains on the Group's foreign exchange position and certain derivative transactions.

The Group's other operating income in the first three quarters of 2022 was TL 17,905 million, increasing by 54.7% from TL 11,575 million in the same period of 2021, which increase was primarily attributable to an increase in the activities of the Group's insurance and reinsurance companies, resulting in an increase in income from those activities by 67.9% to

TL 12,526 million in the first three quarters of 2022 from TL 7,461 million in the same period of 2021. In addition, in the first three quarters of 2022, the Group collected TL 5,770 million, or 23.6%, of its NPLs as of 31 December 2021, an increase of TL 2,933 million from the same period of 2021.

Provisioning for Loans and other Receivables

The Group's provision expenses for loans and other receivables were TL 11.7 billion in the first three quarters of 2022, increasing by 80.0% from TL 6.5 billion in the same period of 2021. In the first three quarters of 2022, Stage 3 expected credit loss expenses increased by 108.5% compared to the same period of 2021, which increase was primarily due to the Bank's decision during the period to increase the Stage 3 coverage ratio. Conversely, the expected credit loss expenses for Stage 1 and Stage 2 increased by 37.8% in the first three quarters of 2022 compared to the same period of 2021. The net NPL formation was TL 6.5 million in the first three quarters of 2022 compared to TL 1.3 million in the same period of 2021, which increase was primarily attributable to additional NPLs, which increased more than the collections on NPLs.

The Group's NPL ratio was 3.2% as of 30 September 2022, compared to 4.0% as of 31 December 2021. During the third quarter of 2022, the Bank sold NPLs with a face value of TL 364 million for TL 76.5 million. As of 30 June 2022, the Group classified as an NPL and then wrote-off a large corporate loan amounting to TL 4,476 million, for which the Group received shares (held as "assets for sale and related to discontinued operations"), additional information on which is set out in Note I.b.3 of Section Five of the Group's BRSA Interim Financial Statements.

The following tables show the Group's provisioning for loans and other receivables for the indicated periods:

	Nine months ended 30 September	
	2021	**2022**
	(*TL thousands*)	
Expected Credit Loss(-)	**6,488,384**	**11,747,487**
12 Month Expected Credit Losses (Stage 1)	861,491	970,986
Significant Increase in Credit Risk (Stage 2)	1,654,533	2,495,852
Credit-Impaired Losses (Stage 3/Special Provision)	3,972,360	8,280,649
Marketable Securities Impairment Losses	**14,076**	**126,624**
Financial Assets at Fair Value through Profit and Loss	6,702	68,275
Financial Assets at Fair Value through Other Comprehensive Income	7,374	58,349
Impairment Losses on Investments in Associates, Subsidiaries, Jointly Controlled Entities	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Jointly Controlled Entities	-	-
Other	**1,015,082**	**3,199,159**
Total	**7,517,542**	**15,073,270**

Other Operating Expenses

The Group's other operating expenses in the first three quarters of 2022 were TL 29,444 million, increasing by 105.1% from TL 14,355 million in the same period of 2021, which change was principally attributable to a 108.4% increase in the activities of the Group's insurance and reinsurance companies, with expenses related to such businesses contributing TL 6,824 million and TL 14,219 million, respectively, in the first three quarters of 2021 and 2022.

Net Period Profit/(Loss) from Continuing Operations

As a result of the above described income and expenses for the first three quarters of 2022, the Group's net period profit/(loss) from continuing operations during such period was TL 40,859 million, increasing by 396.6% from TL 8,228 million in the same period of 2021. The following table sets out certain of the Group's selected financial ratios and other data for the indicated periods:

	Nine months ended 30 September	
	2021	2022
	(*TL thousands, except percentages*)	
Net period profit/(loss) from continuing operations	8,227,540	40,858,872
Average total assets	782,890,705	1,320,792,576
Average shareholders' equity	69,703,640	116,738,451
Average shareholders' equity as a percentage of average total assets	8.90%	8.84%
Return on average total assets[(1)]	1.4%	4.1%
Return on average shareholders' equity[(1)]	13.5%	43.4%

(1) As this is determined for a period shorter than 12 months, this is expressed on an annualised basis in the manner described in "Presentation of Financial and Other Information - Alternative Performance Measures."

Financial Condition

The table below sets forth the Group's balance sheet data as of the indicated dates.

	As of 31 December 2021	As of 30 September 2022
	(*TL thousands*)	
ASSETS		
Financial Assets (Net)	371,298,917	500,784,285
Cash and Cash Equivalent	*222,209,531*	*280,393,740*
Financial Assets at Fair Value Through Profit or Loss	*14,481,038*	*24,611,209*
Financial Assets at Fair Value Through Other Comprehensive Income	*109,943,659*	*174,918,649*
Derivative Financial Assets	*24,750,427*	*21,028,586*
Expected Credit Loss (-)	*85,738*	*167,899*
Financial Assets Measured at Amortised Cost (Net)	633,433,762	874,528,949
Loans	*595,522,165*	*802,224,326*
Lease Receivables	*12,325,197*	*16,324,477*
Factoring Receivables	*6,895,358*	*8,199,398*
Other Financial Assets Measured at Amortised Cost (Net)	*51,545,328*	*87,179,903*
Expected Credit Loss (-)	*32,854,286*	*39,399,155*
Assets Held For Sale And Discontinued Operations (Net)	910,871	1,609,624
Equity Investments	21,918,409	33,285,826
Investments in Associates (Net)	*316,851*	*330,466*
Subsidiaries (Net)	*21,593,954*	*32,941,537*
Joint Ventures (Net)	*7,604*	*13,823*
Tangible Assets (Net)	11,407,024	12,376,821
Intangible Assets (Net)	2,182,025	3,428,838
Investment Property (Net)	4,601,916	4,743,877
Current Tax Asset	74,819	44,585
Deferred Tax Asset	3,118,976	1,837,845
Other Assets (Net)	75,457,354	116,383,411
Total Assets	**1,124,404,073**	**1,549,024,061**
LIABILITIES & EQUITY		
Deposits	617,679,203	863,906,863
Funds Borrowed	128,923,683	154,782,288
Money Markets	53,737,853	45,910,766
Securities Issued (Net)	48,077,312	59,027,755
Funds	691,704	540,092
Derivative Financial Liabilities	14,078,527	12,426,993
Lease Payables (Net)	1,239,714	1,547,521
Provisions	35,609,317	54,485,951
Current Tax Liability	2,561,136	4,985,600
Deferred Tax Liability	124,949	80,609
Subordinated Debts	41,479,277	52,026,860
Other Liabilities	84,033,219	140,789,904
Total Liabilities	**1,028,235,894**	**1,390,511,202**
Shareholders' Equity	96,168,179	158,512,859
Total Liabilities and Shareholders' Equity	**1,124,404,073**	**1,549,024,061**

Assets

As of 30 September 2022, the Group had total assets of TL 1,549,024 million, an increase of 37.8% from 31 December 2021. This increase was primarily attributable to a 35.8% increase in cash loans (excluding lease receivables, factoring receivables and NPLs) and a 62.9% increase in total securities. Some of this growth was, however, a result of the depreciation of the Turkish Lira and the corresponding increase in the Turkish Lira-equivalent value of foreign currency-denominated loans. When the impact of the appreciation of foreign currencies against the Turkish Lira is excluded, the Group's total assets increased by 18.7% during the first three quarters of 2022.

As of 30 September 2022: (a) the Group's cash and cash equivalents was TL 280,394 million, an increase of 26.2% from 31 December 2021, (b) the Group had gross loans (which for these purposes comprises loans, leasing receivables and factoring receivables) of TL 826,748 million, an increase of 34.5% from 31 December 2021, which increase was primarily attributable to increases in loans and the appreciation of foreign currencies against the Turkish Lira, and (c) the Group's other assets totaled TL 116,383 million, an increase of 54.2% from 31 December 2021, which increase was principally driven by increases in the activities of the Group's insurance and reinsurance companies, the assets of which increased by 42.6% during the first three quarters of 2022.

Liabilities

As of 30 September 2022, the Group had total liabilities of TL 1,390,511 million, an increase of 35.2% from 31 December 2021. The increase was primarily attributable to 39.9%, 20.1% and 64.8% increases in deposits, funds borrowed and shareholders' equity, respectively, compared to year-end 2021. When the impact of the depreciation of the Turkish Lira is excluded, the Group's total liabilities increased by 16.4% in the first nine months of 2022.

Shareholders' Equity

As of 30 September 2022, the Group's shareholders' equity including minority shares amounted to 10.2% of the Group's total assets, compared to 8.6% as of 31 December 2021. Total shareholders' equity was TL 158,513 million as of 30 September 2022, an increase of 64.8% from 31 December 2021, which increase was due to current period profits. As noted above, the Bank paid dividends in March 2022 with respect to earnings from 2021.

Off-Balance Sheet Arrangements

The aggregate amount of off-balance sheet arrangements comprising guarantees, letters of credit and similar obligations totalled TL 235,982 million as of 30 September 2022, an 18.2% increase from 31 December 2021. This increase was largely due to increases in the letters of credit portfolio.

Capital Adequacy

The following table sets out information on the Group's capital and its capital adequacy ratios as of the indicated dates.

	As of 31 December 2021	As of 30 September 2022
	(*TL thousands, except percentages*)	
Paid-in capital	4,500,000	10,000,000
Paid-in capital inflation adjustments	1,615,938	1,615,938
Profit reserves	50,721,897	57,138,225
Profit	13,502,913	37,831,052
Tier 1 Capital (I)	93,801,462	156,446,344
Tier 2 Capital (II)	31,933,847	38,744,926
Deductions (III)	1,274	2,002
Own Funds (I+II-III)	125,734,035	195,189,268
Risk Weighted Assets (including market and operational risk)	672,862,034	985,879,132
Capital Ratios:		
Tier 1 Ratio	13.9%	15.9%
Own Funds/Risk Weighted Assets	18.7%	19.8%

In June 2022, the Bank completed an increase in its paid-in capital to TL 10,000,000 thousand, funding the increase internally by transferring extraordinary reserves to paid-in capital. In October 2022, the Bank repaid US$1,000,000,000 of Tier 2 notes on their maturity date; *however*, due to its age, such had already ceased to contribute to the Bank's capital as of 31 December 2021.

Please see: (a) "Risk Factors - Risks Relating to Türkiye - Economic Conditions - Turkish Economy" with respect to the negative impact on the capital ratios resulting from the depreciation of the Turkish Lira and positive (but likely temporary) impacts of certain regulatory accommodations provided by the BRSA and (b) "Risk Factors - Risks Relating to Türkiye - Economic Conditions - Inflation" with respect to the potential distorting impact of high inflation, including the use of non-inflation-adjusted figures in the BRSA Financial Statements.