

7. *Yıl Dönümü*
Year Anniversary
2015-2022 ICBC Turkey

a new milestone

ANNUAL REPORT
2022

CONTACT INFORMATION

ICBC Turkey Bank Anonim Şirketi (ICBC Turkey) conducts operations as a foreign-capitalized deposit bank in Türkiye. The contact information of our branches can be reached on our website under the heading of the "Contact Us"/ "Branch-ATMs" or by QR Code.

Period of the Report	01.01.2022 - 31.12.2022
Trade Name of the Bank	ICBC Turkey Bank A.Ş.
Currency of the Report	Unless indicated otherwise, all of the amounts are indicated in thousand TL.
Trade Registry Number of the Bank	224058 - İstanbul Chamber of Commerce
Head Office Address	Maslak Mah. Dereboyu/2 Cad. No: 13 34398 Sarıyer - İstanbul, Türkiye
Head Office Phone No.	0212 335 53 35
Head Office Fax No	0212 328 13 28
Internet Site Address	www.icbc.com.tr
Electronic Mail	info@icbc.com.tr



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

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the General Assembly of ICBC Turkey Bank A.Ş.

1) Opinion

As we have audited the full set consolidated and unconsolidated financial statements of ICBC Turkey Bank A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") for the period between 01/01/2022–31/12/2022, we have also audited the annual report for the same period.

In our opinion, the consolidated and unconsolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit.

2) Basis for Opinion

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published by Banking Regulation and Supervision Agency (BRSA) in the Official Gazette dated 2 April 2015 with No. 29314 and the Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibility is disclosed under Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report in detail. We declare that we are independent from the Bank in accordance with the Code of Ethics for Independent Auditors ("Code of Ethics") issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor's Opinion for the Full Set Consolidated and Unconsolidated Financial Statements

We have presented unqualified opinion for the Bank's full set consolidated and unconsolidated financial statements for the period between 01/01/2022–31/12/2022 in our Auditor's Report dated 24 February 2023.

4) Management's Responsibility for the Annual Report

The Bank Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 ("TCC") and the regulation on "Preparing and Publishing the Annual Report by Banks" published in the Official Gazette dated 1 November 2006 and No. 26333 ("the Communiqué"):

- Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- Preparing the annual report with the all respects of the Bank's flow of operations for that year and the Bank's financial performance accurately, completely, directly and fairly. In this report, the consolidated financial position is assessed in accordance with the financial statements. The Bank's development and risks that the Bank may probably face are also pointed out in this report. The Board of Director's evaluation on those matters are also stated in this report.

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

c) The annual report also includes the matters stated below:

- The significant events occurred in the Bank's activities subsequent to the financial year ends,
- The Bank's research and development activities,
- The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Banking Regulation and Supervision Agency and the Ministry of Trade and related institutions while preparing the annual report.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit

The engagement partner on the audit resulting in this independent auditor's report is Müjde Aslan.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Müjde Aslan
Partner

İstanbul, 24 February 2024

ICBC TURKEY BANK ANONİM ŞİRKETİ STATEMENT REGARDING ANNUAL REPORT FOR YEAR 2022



Address of the Bank	Maslak Mah. Dereboyu/2 Caddesi No: 13 34398 Sarıyer - İstanbul/Türkiye
Telephone number	(0212) 335 53 35
Fax number	(0212) 328 13 28
Website of the Bank	www.icbc.com.tr

Annual Report for year 2022 of ICBC Turkey Bank A.Ş., has been prepared in accordance with the "Regulation on the Procedures and Principles for Preparation and Publishing of Annual Report by Banks" published in the Official Gazette no.26333 dated 1 November 2006 by Banking Regulation and Supervision Agency, and enclosed here with.

XIANGYANG GAO Chairman of Board of Directors	PEIGUO LIU Member of Board of Directors and Chairman of Audit Committee	CHUNYI ZHENG Deputy General Manager	HÜSEYİN HASAN İMECE Deputy General Manager Responsible for Financial Control and Accounting, Asset and Liability, Economic Research Department	HUI JIN Managing Director
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ICBC Turkey Bank A.Ş.
Maslak Mah. Dereboyu/2 Cad. No: 13 34398 Sarıyer - İstanbul
Tel: 0212 335 53 35 Faks: 0212 328 13 28
İstanbul Ticaret Sicil Memurluğu / 224058
Mersis No: 0836004772800050

THE WORLD'S MOST VALUABLE BANK **ICBC**

Industrial and Commercial Bank of China Limited maintained its top position this year with a brand value of USD 75,119 million, according to the result of the "Banking 500 - The World's 500 Most Valuable Bank Brands - 2022 Research" prepared by the international brand valuation agency Brand Finance.

CONTENTS

Section I

GENERAL INFORMATION

- 6 Corporate Profile
- 7 Vision, Mission and Strategic Targets
- 8 Awards
- 9 ICBC Turkey's Strategic Development Plan (2021-2023)
- 10 48 Character Guideline
- 12 Historical Development of the Bank
- 13 Milestones
- 14 ICBC - The World's Largest Bank
- 16 Chairman's Message
- 20 Deputy General Manager's Message
- 24 Employee Health At ICBC Turkey
- 26 ICBC Turkey 2022 Share (ICBCT) Performance
- 27 2022 Economic Outlook and 2023 Projections
- 28 Key Performance Indicators
- 30 Assessment of the Bank's Activities in the Year 2022
- 69 Sustainability at ICBC Turkey
- 72 Share Capital and Shareholding Structure
- 73 The Subsidiaries and the Associates
- 76 Organizational Structure
- 78 Information on the Privileged Shares and the Voting Rights
- 79 Other General Information

Section II

MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

- 80 Board of Directors and Top Management
- 82 Board of Directors
- 84 Top Management
- 88 The Structure, Formation and Activity Principles of the Board
- 89 Financial Rights
- 90 Independency Declarations
- 91 Independency Declarations
- 92 Committees
- 98 Ordinary General Assembly Held in 2022
- 100 ICBC Turkey 2022 Ordinary General Assembly Meeting Agenda
- 100 Summary Board of Directors Annual Report
- 102 ICBC Turkey Bank A.Ş. Dividend Distribution Policy and Proposal for Dividend Distribution for the Year of 2022
- 103 Risk Groups, Support Services and Information About Non-Competition Activities
- 104 Human Resources Implementations
- 108 Donations and Social Responsibility Projects
- 109 Corporate Governance Principles Compliance Report
- 130 Sustainability Principles Compliance Report
- 138 Significant Legislative Changes Regarding the Banking Sector

Section III

UNCONSOLIDATED FINANCIAL INFORMATION AND THE ASSESSMENTS RELATED TO THE RISK MANAGEMENT

- 141 Assessment of Operation of the Internal Control, Internal Audit and the Risk Management Systems by the Audit Committee
- 142 Information Regarding the 2022 Activities of the Internal Control, Internal Audit and the Risk Management Systems
- 147 Information on the Financial Position, Profitability and Solvency of the Bank
- 149 Bank's Credit Rating Scores and Related Explanations
- 149 Summary of 5-Years Financial Information Including the Report Period
- 149 Other Issues - Explanations Regarding the Post Balance Sheet Events Period

Section IV

CONSOLIDATED FINANCIAL INFORMATION

- 150 CONSOLIDATED FINANCIAL INFORMATION
- 150 INFORMATION RELATED TO THE CONSOLIDATED SUBSIDIARIES

INDEPENDENT AUDITOR REPORT

Consolidated Financial Statements and the Independent Auditor's Report for Period Ended 31 December 2022



You can scan the QR code on your device to access ICBC Turkey financial data.

Maslak Mah. Dereboyu 2 Cad. No: 13, 34398 Sarıyer/İstanbul-TÜRKİYE Phone: +90 212 335 53 35
www.icbc.com.tr

CORPORATE PROFILE

ICBC Turkey provides services through its Head Office in Istanbul and 39 branches across Türkiye, its Internet Branch and Mobile Branch channels.

Capital markets and investment banking services are provided by ICBC Turkey Yatırım Menkul Değerler A.Ş., in which the Bank has a 99.9% stake. (ICBC Turkey Securities).

The operations of the Bank consist of corporate banking, project finance, commercial banking, SME, financial market operations (foreign currency, money market and securities trading), international banking services, retail and digital banking and credit card business. The Bank also operates, through its branches, as insurance agent of leading Turkish insurance services providers.

The main shareholder of ICBC Turkey is Industrial and Commercial Bank of China Limited (ICBC), the largest bank in China and the world. ICBC's extensive service network and experience in international trade facilitates ICBC Turkey's access to global resources, and also enables it to provide active service in Chinese yuan (RMB) transactions as the first Chinese bank in Türkiye.

Focusing on diversifying its activities in the Turkish market, ICBC Turkey continues the integration of its regional operations to further improve its asset size, quality and efficiency.

ICBC Turkey completed its seventh year in Türkiye with a stable and successful performance and left behind the second year of its 3-year (2021-2023) Strategic Development Plan, by reaching its goals.

Based on the "48 Character Guideline" of the ICBC Group, the Bank progressing with determination in its journey in the direction of stable growth without compromising its strategic priorities.



39
branches

43
ATMs

756
employees

39%

ratio of employees working for 10 years or more

51.7%

ratio of female employees

51%

ratio of female managers

VISION, MISSION AND STRATEGIC TARGETS



VISION

Within the context of the international banking conception, to become a bank that is innovative, open to developments, expeditious and meticulous in its services and the most favored by its customers with its prudential risk management approach.



MISSION

To generate tailor-made solutions to our customers' for their current and future needs, to establish long-lasting relations through our high-quality service approach based on knowledge and creativity, to contribute to our country's economy by creating social and economic values, to continuously generate added value for our customers, employees and shareholders.



STRATEGIC TARGETS

In light of the political movements in the nearby geography and the global financial fluctuations, achieve a deliberate and sustainable growth by protecting the Bank's steady balance sheet and strong capital structure by identifying risks correctly,

Grow in the corporate, commercial, and investment banking segments,

sustain the growth in the retail banking area,

Closely monitor the costs and taking savings measures in all possible areas.



ICBC Turkey provides services through its Head Office in Istanbul and 39 branches across Türkiye, its Internet Branch and Mobile Branch channels.

AWARDS



The Banker Magazine selected the first RMB syndication coordinated by ICBC Turkey as the **DEAL OF THE YEAR 2022** in the **European Region**.

World Finance Magazine named ICBC Turkey as the **"BEST COMMERCIAL BANK OF THE YEAR"** and **"BEST INVESTMENT BANK OF THE YEAR"** in Türkiye within the scope of the World Finance Banking Awards 2022

ICBC Turkey Securities won the **MOST CREATIVE INTERMEDIARY INSTITUTION** award at the International Finance Awards, organized annually by the London-based International Finance Magazine.



ICBC Turkey received 2 awards from Brandon Hall Group in the Human Capital Management Award Program with the categories of

"BEST ADVANCE IN BENEFITS STRATEGY AND ADMINISTRATION" and **"BEST ADVANCE IN TALENT MOBILITY"**.

ICBC Turkey was awarded as Türkiye's **"FASTEST GROWING CORPORATE BANK"**, **"BEST CORPORATE BANK"** and **"BEST INVESTMENT BANK"**

by Global Banking & Finance Magazine and Chairman Mr. Gao Xiangyang was honored with the **"BANKING CHAIRMAN OF THE YEAR"** award in the Turkish banking sector.

At the 2021 Vision Awards organized by the League of American Communication Professionals (LACP), ICBC Turkey's 2021 Annual Report has received 6 awards in total including platinum award in **"COMMERCIAL BANKS"** and gold award in **"DIVERSIFIED FINANCIAL SERVICES"** categories.



ICBC TURKEY'S STRATEGIC DEVELOPMENT PLAN (2021-2023)

ICBC TURKEY, WHICH STARTED TO PROVIDE SERVICES IN THE TURKISH MARKET ON MAY 22, 2015, HAS FULLY IMPLEMENTED THE INTERNATIONAL STRATEGIES OF THE ICBC HEAD OFFICE AND BUILT THE LEADING BANK WITH CHINESE CAPITAL, PREFERRED BY THE BELT AND ROAD INITIATIVE. THE BANK HAS TAKEN STEPS TOWARDS BECOMING A MODEL FOR FINANCIAL COOPERATION BETWEEN CHINA AND TÜRKİYE AND A PIONEER IN CULTURAL INTEGRATION.

IN ACCORDANCE WITH THE REQUIREMENTS SET OUT IN THE ICBC HEAD OFFICE'S THREE COMPARISONS, ICBC TURKEY HAS CONTINUOUSLY REINFORCED ITS "HARD POWER" ON THE AXES OF SIZE, QUALITY, BENEFIT, MANAGEMENT AND INNOVATION, AND BUILT "SOFT POWER" IN CORPORATE GOVERNANCE, TEAM BUILDING, CORPORATE CULTURE AND CORPORATE SOCIAL RESPONSIBILITY ASPECTS.

48 CHARACTER GUIDELINE

48 CHARACTER GUIDELINE

ADHERE TO GUIDANCE OF STRATEGY AND GOOD GOVERNANCE

Deepens the building of governance systems and capacity; improves scientific decision making process and effectiveness of governance.

ADHERE TO PUTTING THE CUSTOMER FIRST AND SERVING THE REAL ECONOMY

ICBC remains steadfast in serving the real economy and commits to satisfying people's new expectations and demands for financial services, making every effort to build the No.1 Personal Finance Bank.

ADHERE TO A BROAD INTERNATIONAL VISION AND GLOBALIZED OPERATIONS

ICBC proactively taps resources from both domestic and overseas markets, and undertakes to constantly promote international development, which well-integrates with China's high-level opening-up.

ADHERE TO PUSHING FOR PRAGMATIC BUSINESS TRANSFORMATION AND PROGRESSING THROUGH REFORM

Keeping pace with changing times, ICBC endeavors to advance reforms in key areas and critical steps, seeking room for development through transformation and vitality for growth through reform.

战略引领、从严治理
客户至上、服务实体
科技驱动、价值创造
国际视野、全球经营
转型务实、改革图强
风控强基、人才兴业

THE ESSENCE OF 48 CHARACTER GUIDELINE DIRECTING ICBC GROUP IS BASED ON STRATEGIC PRIORITIES.

ADHERE TO TECHNOLOGY-DRIVEN DEVELOPMENT AND VALUE CREATION

ICBC empowers its business operations and management with FinTech, and creates superior value for the real economy, shareholders, customers, employees and the society as a whole.

ADHERE TO LAYING A SOLID FOUNDATION FOR RISK CONTROL AND ACHIEVING DEVELOPMENT THROUGH TALENT CULTIVATION

ICBC safeguards the lifeline of asset quality by reinforcing bottom-line thinking with a combination of prevention and control measures. Meanwhile, corporate culture formation and caring for staff are strengthened to increase group cohesion.

HISTORICAL DEVELOPMENT OF THE BANK

1986

ICBC Turkey Bank A.Ş. (formerly named as Tekstil Bankası A.Ş.) was incorporated as a privately owned bank and authorized to accept deposits, on April 29th 1986 and started its operations on October 13th 1986.

1990

Shares of the Bank have started publicly traded and listed on Borsa İstanbul (Istanbul Stock Exchange - BIST) as of May 23rd 1990.

2006

The Bank has grown until 2006 based on the banking strategy predominantly focusing on commercial and corporate banking. In 2006, the Bank restructured its retail banking organization and since then has started providing services in this area as well. The Bank has continued to meet the needs of its customers with boutique banking concept by closely following the developments in the banking sector, including the commercial-corporate banking, retail banking and the investment banking areas.

2007

GSD Holding A.Ş. acquired 75.5% of the Tekstil Bankası A.Ş.'s shares and became the majority shareholder in 2007; and the remaining shares at 24.5% continued to publicly trade at the BIST.

2008

The Bank's share capital was increased from 300 million TL to 420 million TL; 60 million TL out of this 120 million TL incremental share capital raise was obtained from the internal sources and the remaining 60 million TL was paid in cash.

2015

The Bank belonged to GSD Group until May 21st 2015. With its resolution dated April 2nd 2015 and numbered 6262, the Banking Regulation and Supervision Agency (the BRSA) authorized the transfer of all of the shares owned by GSD Holding A.Ş. corresponding to 75.5% of the Tekstil Bankası A.Ş.'s shares, to Industrial Commercial Bank of China Limited (ICBC), domiciled at the People's Republic of China. Share transfer was realized on the date of 22nd May 2015 by Extraordinary General Assembly. As of May 22nd 2015, the Bank was included in the group of foreign banks incorporated in Türkiye.

Pursuant to the Article 11, related to the mandatory bid offer transactions, of the Communiqué on Mandatory Bid Offers issued by the Capital Markets Board, with Serial Number II. 26.1, ICBC became obligated to make a share purchase proposal to purchase the remaining shares belonging to the other shareholders as a result of its purchase of the shares owned by GSD Holding A.Ş. representing 75.50% of the share capital of Tekstil Bankası A.Ş. In this context, ICBC, the majority shareholder of the Bank, made a mandatory bid offer pursuant to the "Communiqué on Mandatory Bid Offers" with Serial II, No.26.1, which expired on August 14th 2015, as a result of which the shares of the Bank held by ICBC increased from 75.50% to 92.82%.

In the context of the resolution taken at the Extraordinary General Meeting on 5th November 2015, the Parent Bank's trade title has been changed from "Tekstil Bankası A.Ş." to "ICBC Turkey Bank A.Ş." and this matter was registered with the trade registry on November 13th 2015 and published in the Turkish Trade Registry Gazette dated November 19th 2015 and numbered 8950.

On the other hand, capital markets and investment banking services out of the banking services, are provided by ICBC Turkey Yatırım Menkul Değerler A.Ş., 99.998% of which is owned by the Bank.

Tekstil Portföy Yönetimi A.Ş., 100% of the share capital of which is held by ICBC Turkey Yatırım A.Ş., has been incorporated on the date of April 21st 2015 and by the resolution taken at the extraordinary general assembly meeting held on November 5th 2015, its trade name has been changed as "ICBC Turkey Portföy Yönetimi A.Ş.". Main field of activities of the company is to establish and manage investment funds.

2017

By the capital increase made in 2017, share capital of the Bank, which used to be 420 million TL, has been increased by an amount of 440 million TL in cash, to 860 million TL. As a result of the capital increase, shares held by the major shareholder ICBC in the share capital of the Bank, has increased from 92.82% to 92.84%.

By the resolution taken at the extraordinary general assembly meeting, held on the date of September 8th 2017, of ICBC Turkey Yatırım Menkul Değerler A.Ş., which is an affiliate of our bank and 99.998% of the share capital of which is held by our Bank; it has been decided to increase its share capital. In this context, it has been resolved by the Board of Directors of our Bank, to exercise our pre-emption right for an amount of 39,999,200.-TL, arising from the portion of the share capital increased in cash, and to pay the amount of pre-emption right within the period set by said affiliated company. Within the framework of said resolution, said amount pre-emption right amount was paid to ICBC Turkey Yatırım Menkul Değerler A.Ş. on the date of October 4th 2017. New share capital of the company has been registered as 76,000,000.-TL on the date of October 9th 2017.

2022

ICBC Turkey conducts its operations through its Head Office located in Istanbul and 39 branches nationwide. Aside from its branches, the Bank also offers banking services through its retail and corporate internet banking and mobile banking.

According to the International Financial Reporting Standards ("IFRS"), at the end of the first half of 2022, the share of total consolidated assets held by ICBC Turkey Bank A.Ş. in the asset size of the Industrial and Commercial Bank of China Limited is 0.061%.

MILESTONES

2015

Industrial and Commercial Bank of China Group, the world's largest bank, has expanded its field of activity to include Türkiye as well, and ICBC Turkey Bank A.Ş., Türkiye's first Chinese-owned bank, was officially established.

2016

The first annual Turkish Trade Finance and RMB Client Meeting was held, and more than 40 commercial enterprise customers attended this meeting.

ICBC Turkey launched its online banking service in English for the first time.

2017

ICBC Turkey opened a clearing account in RMB for Türk Eximbank. This was the first RMB-denominated clearing account opened for a public bank in Türkiye.

ICBC Turkey opened an account in RMB for the Central Bank of the Republic of Türkiye (CBRT), a first for the CBRT.

ICBC Turkey Securities has been authorized by Borsa İstanbul to become a market maker for RMB transactions.

2018

ICBC Turkey Mobile Branch has been completely redesigned and put into service in order to meet the daily banking transaction needs of customers.

The CHINEX Project, which is a fast, easy and economical service for direct money transfer to China, has been successfully implemented.

2019

The Daily Time Deposit Account product, which is a major breakthrough in serving individual customers, was offered to customers.

The Human Resources Development Project, which laid a solid foundation for the redesign and further development of the Bank's compensation, title and organizational structure, was completed.

2020

In the face of the COVID-19 pandemic, an epidemic that has not been encountered for centuries, ICBC Turkey has made its best efforts to protect its customers, employees, families and society with all its means.

WeChat Pay, one of the most used voice and text messaging services in China, was launched for the first time in Türkiye at Istanbul Airport in July 2020.

2021

ICBC Business Matchmaking Platform has been developed, which offers local and foreign businesses the opportunity to trade comprehensively and securely by taking advantage of global business opportunities without foreign language barriers.

With the domestic QR Code payment method, customers are provided with the opportunity to withdraw/deposit money and make shopping transactions from ATMs of both ICBC Turkey and other banks.

With the Contactless Card Project, the needs of customers in this regard were met.

ICBC Turkey took place as a coordinator in the syndication of Denizbank, the first RMB syndication loan in the Turkish market.

2022

By implementing the green financing strategies of the ICBC Group, high quality and green financial services and investment projects have been started to be supported.

The "ICBC Turkey Asset Management Sustainability Equity Fund", which provides the opportunity to invest in stocks included in the BIST Sustainability Index, has been offered to customers who want to evaluate their savings with a sustainability focus.

ICBC Turkey has published its "Sustainability Policy" based on the principles of environmental protection, human rights, social welfare and good governance, with the aim of becoming one of Türkiye's green lending banks. To ensure governance, the Sustainability Committee and the Green Finance Committee were established, and the objectives and working conditions of both committees were determined.

The first sustainability report, which includes the Bank's targets set within the framework of its sustainability strategy, its economic, environmental and social performance, and its contributions to the United Nations Sustainable Development Goals (SDGs), was published within the scope of "GRI Standards".

The Belt and Road Financial Cooperation Forum was held, hosted by the Turkish Chinese Embassy, with the support of ICBC Turkey and the Istanbul Chinese Businessmen and Industrialists Association, where Türkiye-China economic relations were evaluated.

ICBC - THE WORLD'S LARGEST BANK

Industrial and Commercial Bank of China was established on 1 January 1984. On 28 October 2005, the Bank was wholly restructured to a joint-stock limited company.

Industrial and Commercial Bank of China was established on 1 January 1984. On 28 October 2005, the Bank was wholly restructured to a joint-stock limited company. On 27 October 2006, the Bank was simultaneously listed on both Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited.

Through its continuous endeavor and stable development, the Bank has developed into the leading bank in the world, possessing an excellent customer base, a diversified business structure, strong innovation capabilities and market competitiveness. The Bank regards service as the very foundation to seek further development and adheres to creating value through services while providing a comprehensive range of financial products and services to over 10,287 thousand corporate customers and 712 million retail customers. Having a global coverage network, ICBC has 421 overseas institutions, 16,550 branches, 23,436 self-service banking service points and distribution channels consisting of 79,229 intelligent devices and 63,885 ATMs in 49 countries. The bank also has correspondent relationships with 1,434 banks in 142 countries.

The Bank has been consciously integrating the social responsibilities with its development strategy and operation and management activities, promoting inclusive finance, backing rural revitalization, developing green finance and participating in public welfare undertakings.

The Bank always considers its mission of serving the real economy, which is its main field of activity. By adopting a risk-based approach, ICBC maintains stability and builds resilience. Adhering to the understanding of progress through innovation, ICBC actively supports FinTech and prioritizes digital transformation.

ICBC was ranked the 1st place among the "Top 1000 World Banks" by The Banker, and the 1st place in the list of commercial banks of the "Global 500" in Fortune for the tenth consecutive year, and took the 1st place among the "Top 500 Banking Brands" of Brand Finance for the sixth consecutive year.

ICBC is supervised and regulated by the China Banking and Insurance Regulatory Commission (CBIRC), the banking authority of the People's Republic of China.

ICBC among "Top 1000 World Banks" by the Banker

In the Forbes "Global 2000" list

In the Fortune "Global 500" commercial banks list for the tenth time

Ranked #1 in Brand Finance's Top 500 Banking Brands for the sixth consecutive year.



ICBC'S MAIN FINANCIAL INDICATORS AS OF 2021 YEAR-END¹

Total assets

billion 351,714 RMB

Total loans

billion 206,672 RMB

Total deposit

billion 264,418 RMB

Net profit

billion 3,502 RMB

Operational income

million 860.8 RMB

¹Source: <https://v.icbc.com.cn/userfiles/Resources/ICBCLTD/download/2022/4ndyee.pdf>



XIANGYANG GAO

Chairman

“With the reputation and presence we have built in the Turkish market and the confidence and encouragement given by our successes in the past 7 years, we will continue to create stronger value, contribute to a sustainable future, and grow hand in hand with our stakeholders.”

CHAIRMAN’S MESSAGE

In its 7th year, under the correct leadership of the ICBC Group, ICBC Turkey actively served the strategic deployments of China and Türkiye while earnestly implementing the Group’s “48-Character” guideline, adhering to the general principle of making and maintaining stability the top priority while seeking progress.



In its World Economic Outlook October 2022 update the IMF expressed that the global economy had recorded its weakest growth profile since 2001.



The Turkish economy escaped the crisis relatively unscathed, posting 6.2% GDP growth in the first nine months of 2022, with growth driven primarily by domestic demand and net foreign demand.

Backed by its strong capital base, competent human resources and strong managerial structure, the Turkish banking sector rounded off 2022 successfully.

Based on the December 2022 figures announced by the BRSA, the total assets of the Turkish banking sector reached TL 14.3 trillion with loans reaching TL 7.5 trillion. On the same date, the capital adequacy ratio stood at 19.46% with a NPL ratio of 2.10%.

Dear stakeholders,

The word “Permacrisis”, which refers to a long period of instability and volatility, was one of the most recent additions to the Collins Dictionary in 2022. This term encapsulates the ongoing crisis conditions in globalized markets that have been disrupted by the pandemic on the economic, geopolitical, and climate axes.

The United States recorded some of the highest inflation rates in the last 40 years, while the Eurozone experienced an all-time high in inflation. In a bid to restrain this course of inflation, many central banks, particularly the FED, halted asset purchases and rapidly raised interest rates.

While these events precipitated a deterioration of global growth expectations, the IMF stated in its October 2022 World Economic Outlook update that the global economy had recorded its weakest growth profile since 2001. While the report maintained its 3.2% global economic growth forecast for 2022, it revised its forecast for 2023 from 2.9% to 2.7%.

The Turkish economy escaped the crisis relatively unscathed, posting 6.2% GDP growth in the first nine months of 2022, with growth driven primarily by domestic demand and net foreign demand. However, the Turkish economy was not immune to the effects of inflation, as a combination of global supply-demand imbalance, rising energy and food costs, and the Turkish Lira’s depreciation were reflected in prices, sending the rate of CPI inflation soaring throughout the year. The annual rate of CPI inflation surged to 85.5% in October before falling to 64.3% at the end of the year. Due to the base effect and the easing of cost-led price pressures, annual inflation rate is expected to make a sharp fall in the first half of next year. Economic growth might lose some momentum in the first half of 2023, but real GDP growth may still be around 5% by the end of next year, outperforming most other countries in the World.

Backed by its strong capital base, competent human resources, and strong managerial structure, the Turkish banking sector rounded off 2022 successfully and continued to significantly support the real sector and households in what has been a difficult year. According to the BRSA’s December 2022 figures, the total assets of the Turkish banking sector reached TL 14.3 trillion, with loans totaling TL 7.5 trillion. The capital adequacy ratio stood at 19.46% on the same date, with an NPL ratio of 2.10%.

A PROFITABLE, STRONG PERFORMANCE IN LINE WITH TARGETS.

In its 7th year, under the correct leadership of the ICBC Group, ICBC Turkey actively served the strategic deployments of China and Türkiye while earnestly implementing the Group’s “48-Character” guideline, adhering to the general principle of making and maintaining stability the top priority while seeking progress. It insisted on theoretical innovation and practiced

business transformation, achieving stable development of core businesses while leapfrogging development of emerging transformation businesses, laying a solid foundation for our steady and promising advancement, and completing the success of the Three-year Plan.

We continued to provide uninterrupted credit support to the real and productive sectors, as well as to offer competitive services through our extensive and diversified banking product range. The Bank played an active role in boosting capital flows from China, bringing Chinese entrepreneurs to Türkiye, and expanding the market presence of those who were already there.

In this challenging year, in which we strived to act while always taking into account our responsibility to construct our customers’ financial futures, we achieved new heights in net profits, with a 1,037% increase from the previous year, which is a historical high. The total deposits entrusted to our Bank increased by 44.1% to TL 24.3 billion. Our loan portfolio grew from TL 21,7 billion the previous year to TL 34.2 billion as of the end of December 2022. Our total loan portfolio ended the year with an expansion of 58.0% compared to the previous year, while our total assets increased to TL 60.7 billion, with a net profit of TL 1.3 billion.

Our Bank has unwaveringly maintained its efforts to increase its net fee and commission income. Another indicator of our effectiveness in financial services is the 26% increase in derivatives transactions in FX trading volume compared to the end of 2021, with the Bank’s total profit from financial market products growing by 234% to reach TL 86 million.

THE NPL RATIO KEEPS LEADING THE PEERS.

I am delighted to note that, despite a difficult year, ICBC Turkey managed its loan portfolio successfully and in close cooperation with its customers, and met its 2022 targets by achieving maximum collections.

Our NPL ratio, which was 0.21% at the beginning of 2022, was decreased to 0.12% by the end of the year thanks to astute and effective management methods. ICBC Turkey’s NPL ratio was once again well below the sector level, maintaining its leading position among its peers.

We believe that the “Data Governance” project, which we launched in 2022 to develop and enhance “Credit Data Reporting Management”, will enable us to manage the risks in our portfolio much more effectively and proactively.

CHAIRMAN'S MESSAGE

ICBC Turkey Securities has positioned the ICBC brand as a preferred brand that has gained appreciation and recognition in the Turkish capital markets.

SUPPORTING KEY PROJECTS AND ADDING VALUE TO TÜRKİYE.

In 2022, we continued to support important projects developed by the Turkish private sector as well as publicly supported initiatives.

A high level of performance has been achieved in project and cross-border financing transactions, corporate banking, and capital markets, and the synergy created with ICBC Turkey Securities has positioned the ICBC brand as a preferred brand that has gained appreciation and recognition in the Turkish capital markets.

The Bank maintained its collaboration with the ICBC's global network in order to provide a better and more competitive service for our customers located in Türkiye, with joint solutions created in many transactions and products with ICBC London, ICBC Hong Kong, ICBC Singapore and ICBC Zurich in the field of trade finance.

Our efficiency and leadership in RMB-denominated transactions in Türkiye are embodied in the Bank's increasing market share and transaction volumes.

While our digitalization efforts continue unabated, our digitalized channel with WeChat Pay continued to grow in 2022. While our other key digital product, CHINEX, completed its 4th year with new successes, our Bank recorded a total of US\$ 17.9 million in transfer volume with 2,608 transactions through CHINEX.

Our ultimate goal is to offer all portable products via digital channels in order to strengthen our value, convenience, unlimited, high value proposition and to enhance the level of customer satisfaction we provide our customers.

16 PRESTIGIOUS AWARDS IN 2022.

Another development is the awards, which provided recognition for our activities.

We won awards in four categories at the Global Banking and Finance Awards organized by the UK-based Global Banking & Finance Review magazine in 2022. ICBC Turkey received awards in the "Best Corporate Bank" and "Fastest Growing Corporate Bank" categories. We were also honored to receive the "Deal of the Year in Europe" award from the Banker for the first time.

ICBC Turkey Securities, our subsidiary and a key source of our strength, was selected as the "Best Investment Bank in Türkiye" by the London-based World Finance magazine.

ICBC Turkey, which won 16 prestigious awards in 2022 within the scope of its activities, is a distinguished member of the Turkish financial sector as Türkiye's first bank with Chinese capital. We believe that the success we have achieved in the international arena will help ICBC Turkey further increase the trade volume between China and Türkiye and advance our economic relations to new and higher levels.

RAPID STEPS TO ADOPT THE CONCEPTS OF SUSTAINABILITY AND ESG.

I would like to share some of what we have done to evaluate ICBC Turkey's business lines, infrastructure, and processes with a focus on contributing to efforts to tackle the global climate crisis, and how we have taken quick steps adhering to the sustainability principles as well as the ICBC Group principles as a guide.

We are in a transition period while we aim to curb global warming, which affects our planet and every aspect of human life. ICBC Turkey is focused on managing this period and stepping up its contribution in accordance with the green finance and responsible banking approaches, in line with the roadmap laid out by the effective Enterprise Risk Management approach developed by the ICBC Group.

Our Bank established the Sustainability Committee under the Board of Directors, in 2022 with the aim of effective management of environmental, social, and economic sustainability and implemented the Sustainability Management System, announced the Sustainability Policy, and published its first Sustainability Report.

ICBC Turkey is committed to supporting the sector and the Turkish economy in its transition to a low-carbon economy by providing the medium- and long-term financing required by the concepts of green production, the circular economy, and renewable energy.

ICBC'S FIRST M&A INSTITUTION IN THE EUROPEAN CONTINENT.

In 2015, ICBC Turkey was established while Türkiye and China signed a memorandum of understanding for the Belt and Road Initiative and the Middle Corridor Initiative. We are the first ICBC and even the first Chinese Bank M&A institution in Europe. ICBC Turkey was born because of the Belt and Road Initiative and Middle Corridor Initiative, and we have grown stronger because of the continuous deepening of China-Türkiye economic and trade cooperation.

In the past 7 years, ICBC Turkey steadily increased its annual net profit and transformed into a bank with an annual net profit of approximately USD 70 million as of 2022. Over the course of seven extraordinary years, ICBC Turkey actively served the economic and trade cooperation between China and Türkiye.

We realized high-quality development. Especially since 2018, we have firmly implemented the requirements of the Group, insisting on the "48 Characters" and the "three comparisons" guideline, "bringing out strengths and overcoming weaknesses, consolidating foundation and strengthening infrastructure". We adapted to external changes while overcoming the difficulties resulting from internal integration and the impacts of the pandemic and kept improving our "hard power" in the aspects of scale, quality, efficiency, management and innovation and our "soft power" in the aspects of corporate governance, team building, corporate culture, social responsibility, and corporate image.

In the past 7 years, ICBC Turkey has received many awards from Türkiye, the United States, the United Kingdom, and China. We are listed among the 15 major overseas institutions of the ICBC Group and components of the Borsa Istanbul Banks Index. We have now successfully ranked among Türkiye's mainstream foreign banks, fully demonstrating that the Group made a great, correct decision and ICBC Turkey has made a great integration, establishing a new successful practice for the ICBC Group's internationalization.

OUR SUCCESS IN HUMAN RESOURCES.

Our team of Turkish and Chinese employees work towards common corporate goals and offers an excellent example of integration.

Our success in this area is also clearly demonstrated in the results of the 2021 performance evaluation in the field of human resources management at the ICBC Group Head Office, the ICBC branches and subsidiaries outside of China, which was conducted on May 27, 2022.

I am proud to declare that ICBC Turkey ranked an impressive 4th among the 51 human resources departments of foreign ICBC institutions included in the assessment.

I would like to take this opportunity to congratulate our Human Resources Department for their outstanding effort and performance and reiterate my conviction that they have built strategic steps towards ensuring the sustainability of our human capital, which will play a key role in our Bank's medium- and long-term success.

WORKING TO BUILD A STRONG FUTURE.

As a key representative of the Belt and Road Initiative in Türkiye and the surrounding region, we are determined to maintain our efforts to improve our efficiency and market presence in the field of financial services in order to build a link between Asia and Europe and to support sustainable growth with a range of responsible and correct products and services.

We foresee a volatile outlook for the economy in 2023 and 2024, and strive to evaluate risks and opportunities and generate solutions with a meticulous and objective perspective. We should always bear in mind that each challenge also presents new opportunities and growth areas.

With its performance in 2022 and the breakthroughs we have summarized above, ICBC Turkey has once again demonstrated that it is ready for the future. In line with its strategic plan, our Bank will continue to grow resolutely in 2023 with the support of its prudent risk approach. In this process, we will move forward by ensuring stability and creating value for our stakeholders.

We will continue to provide the best service to our individual and corporate customer bases in a practical, time-limited, easy-to-use format and to implement the best practices by taking advantage of the latest opportunities offered by digitalization.

Dear stakeholders,

In concluding my message, I would like to share our feelings and thoughts on the great earthquake disaster that took place on February 6th. The earthquakes centered in Kahramanmaraş, which also affected 11 provinces have caused many casualties and deeply saddened us as well as the whole of Türkiye. As ICBC Turkey, we have mobilized our resources in every channel to which we can contribute since the moment we found out about the earthquake. Our thoughts are with those who lost their loved ones in the great disaster, we share their pain and wish healing to the injured. The ICBC Group and ICBC Turkey will continue to stand by the people of the region during these difficult times and support the redevelopment of the region during the recovery period.

As the first institution in Europe that was merged and acquired by the ICBC Group, ICBC Turkey will continue to follow our strategic positioning of "Locating in Türkiye, expanding around and connecting Europe and Asia" by building the preferred bank for the Belt and Road Initiative, the leading bank integrating Chinese elements, the best bank practicing prudent operation, the model of Sino-Turkish financial cooperation, and the business card of cultural integration.

With the reputation and presence we have built in the Turkish market and the confidence and encouragement given by our successes in the past 7 years, we will continue to create stronger value, contribute to a sustainable future, and grow hand in hand with our stakeholders.

Here, I would like to take this opportunity to thank the ICBC Turkey management team and employees, our customers, correspondent banks, our Head Office, and our other stakeholders for their support and contributions over the past 7 years to this extraordinary performance.

Xiangyang GAO
Chairman of the Board of Directors



CHUNYI ZHENG

Board Member, Deputy General Manager

"ICBC Turkey will continue to deploy its strong potential in cooperation and provide high-quality financial services, maintaining its focus on "acting locally, opening up to neighboring regions and connecting Europe and Asia".

DEPUTY GENERAL MANAGER'S MESSAGE

We believe the forthcoming period will produce opportunities as well as challenges. We will continue to seize these opportunities and create, and share added value.

We will continue to work together around ICBC Turkey's long-term and high-quality development based on a solid foundation, focusing on key tasks, constantly improving the efficiency of human resources management by eliminating deficiencies, advancing business reform and development capability, and going to greater lengths to achieve further development.

In 2022, rising energy and commodity prices, driven by geopolitical developments, precipitated a spike in inflation around the globe. In a bid to tackle these high levels of inflation, central banks in developed countries raised interest rates to record levels.

The Turkish economy expanded by 7.52% on an annual basis in the first quarter of 2022 and by 7.74% in the second quarter as private consumption demand remained buoyant.

In its 7th year in the Turkish market, ICBC Turkey recorded a strong financial and operational performance which exceeded its annual targets and contributed substantially to shareholder, investor and stakeholder value.

A YEAR SHAPED BY GEOPOLITICAL DEVELOPMENTS.

As a new year dawned, the global economy remained under the shadow of pandemic-related uncertainty.

Energy prices soared in the first months of the year due to the geopolitical tension the price of a barrel of Brent crude oil reached a 10 year high. The flight to safety of capital towards safe investment instruments sent gold prices surging in February and March, with gold prices reaching USD 2,050/oz.

In 2022, rising energy and commodity prices, driven by geopolitical developments, precipitated a spike in inflation around the globe. In a bid to tackle these high levels of inflation, central banks in developed countries raised interest rates to record levels. The Fed raised the policy rate 7 times by a total of 425 basis points in 2022 to its highest level since 2007.

The modest improvement in global inflation indicators in parallel with an easing in commodity prices, especially prices of energy, also supports expectations that central banks will ease the pace of monetary tightening in 2023.

In its January 2023 update, the IMF projected that global growth would come in at 3.4% in 2022 and 2.9% in 2023.

TÜRKİYE: A DIVERGENT ECONOMIC POLICY AND GROWTH

After leaving the policy rate on hold at 14% in the first two quarters of 2022, the CBRT reduced the policy rate by emphasizing the need for supportive financial conditions to stimulate industrial production and employment. With this strategic policy choice, Türkiye has prioritized domestic demand and export-oriented growth.

As in the rest of the world, inflation has risen in Türkiye as well. With the pressure from soaring energy prices being the driving force of this, the annual rate of CPI inflation peaked at 85.51% in October before retreating to 64.27% by the end of the year due to the base effect as well as a general easing in global energy prices.

The Turkish economy expanded by 7.52% on an annual basis in the first quarter of 2022 and by 7.74% in the second quarter as private consumption demand remained buoyant. In the third quarter of the year, the economy grew by 3.85% in line with market expectations.

OUR INDUSTRY PROVIDES UNWAVERING SUPPORT FOR THE ECONOMY THANKS TO ITS SOUND AND DURABLE STRUCTURE.

Against the current economic background as summarised above, the banking system has succeeded in keeping its risk level at an acceptable level and its profitability strong.

According to the year-end figures published by the BRSA, the asset size of the banking sector stood at TL 14.3 trillion, with loans of TL 7.5 trillion and a deposit volume of TL 8.9 trillion. The sector recorded asset growth of more than 55%, writing a total net profit of TL 434 billion. The NPL ratio for loans in this period stood at 2.10%.

A PERFORMANCE WHICH SUPPORTS OUR MEDIUM AND LONG-TERM STRATEGIES.

In its 7th year in the Turkish market, ICBC Turkey recorded a strong financial and operational performance which exceeded its annual targets and contributed substantially to shareholder, investor and stakeholder value.

Maintaining our solid balance sheet and strong capital structure throughout 2022, we have astutely assessed the risks posed by the geopolitical events in our nearby region and the global financial volatility, taken the necessary precautions and achieved sustainable growth. Our steady growth in corporate and investment banking and our breakthroughs in retail banking continued unabated during the year. In addition to our diversified and well-structured range of banking products and services, the synergy we have created with the ICBC Head Office and the other companies within the ICBC family have not only contributed to our business volumes and revenues, but also enabled us to reach new horizons on the axis of customer satisfaction.

As we undertake our projects in the field of digital transformation, which is a priority area for us, in accordance with the 2021-2023 Digital Banking Strategic Development Plan, we have taken long strides towards our goal of providing our individual and corporate customers with an easily accessible and easy-to-use banking experience which is independent of time and place.

Important and decisive steps have been taken to bring the Green Finance Committee, which was set up in 2020 by the ICBC Head Office to support the efforts to tackle the climate crisis, into its Türkiye operation. During the last two years, we have worked intensively with the aim of adopting sustainability on an end-to-end basis and gathering the vast array of competencies that we have built in this field under a synergetic structure.

I am delighted to note that we will soon be creating added value and increase our contribution to the globally accepted Sustainable Development Goals with the sustainable financing instruments which we will introduce in the coming periods.

DEPUTY GENERAL MANAGER'S MESSAGE

In 2022, ICBC Turkey's asset size increased by 55.2%, rising from TL 39.1 billion to TL 60.7 billion. The healthy growth in our loans continued. Our total cash loan volume, which increased by 58.0% compared to the previous year, increased from TL 21.7 billion to TL 34.2 billion.

SOUND PROGRESS IN OUR KEY PERFORMANCE INDICATORS

The results we recorded in 2022 in terms of assets, loan volume, deposit base, profit and equity are in line with our Bank's medium- and long-term growth plan in Türkiye and its hinterland.

In 2022, ICBC Turkey's asset size increased by 55.2%, rising from TL 39.1 billion to TL 60.7 billion. The healthy growth in our loans continued. Our total cash loan volume, which increased by 58.0% compared to the previous year, increased from TL 21.7 billion to TL 34.2 billion. The share of our total cash loans in our Bank's balance sheet was 56.4%. Our NPL ratio, on the other hand, remained the sector's best result by far and was balanced at 0.12%.

The total deposits entrusted to us by our customers increased by 44.1% compared to the previous year and reached TL 24.3 billion. The share of our deposits calculated according to this amount in total liabilities is 40.0%.

ICBC Turkey's operating income in 2022 was TL 2.8 billion and net profit was TL 1.3 billion. While 2022 year-end interest income increased by 159.9% compared to the previous year, the growth in net fee and commission income was 44.3%. Our return on equity was 45.8% and our return on assets was 2.17%.

Our Bank's total equity rose by 98.8% compared to the previous year and reached TL 2.9 billion, and our capital adequacy ratio, which was 26.86% in the previous year, reached 30.02%.

WORKING TO OUR MAIN MISSION OF CONTRIBUTING TO ECONOMIC AND COMMERCIAL RELATIONS BETWEEN TÜRKİYE AND CHINA

While we round off the second year of our 2021-2023 strategic plan with significant gains, ICBC Turkey has stepped up its significant support for the economy, while enhancing its contribution to development, employment, production, investments and exports.

I would like to point out that we continue to strengthen our contribution economic relations between Türkiye and China and bring relations to new horizons in line with the fundamentals of our primary mission. The achievements we have built by firmly adhering to the core principles and strategies of the ICBC Group also contribute to our identity as the focal bank of the Middle Corridor initiative and the Belt and Road Initiative, as well as our regional leadership role.

When we consider the projects we finance, the city hospitals which have become a pillar of the Turkish health system, the bridges which strengthen intercontinental connections, railway lines, tunnels and renewable energy projects all come to mind first. In addition, we believe that we have strengthened our efforts and contribution by systematically participating in the large syndication and loan efforts undertaken by the Turkish business world and financial institutions.

Another issue that I would like to draw attention to under this title is our work in the field of RMB and its importance. Our accelerated performance in this area after the RMB was accepted as a payment instrument in international bilateral trade between the two countries has played a key role in our Bank's RMB services and wide product range. Today, we are the clear leader of money transfer and commercial payments intermediation services in Türkiye in RMB terms. We will continue to develop our RMB services and support Türkiye-China trade relations with innovative solutions.

On behalf of myself and our team, I would like to offer my heartfelt condolences to the relatives of the people who lost their lives in the tragic earthquakes which struck the Kahramanmaraş on February 6, just as we were preparing our report for publication.

The ICBC Business Matchmaking Platform, which includes more than 20,000 companies from more than 40 countries has also brought a new impetus to business relations between the two countries. This platform, which was made available to private sector participants in Türkiye through ICBC Turkey, offers an innovative business model in the field of financial services development as well as providing local and foreign businesses with the opportunity to benefit from global business opportunities and trade without language barriers.

As the first Chinese bank in Türkiye, ICBC Turkey will continue to deploy its strong potential in cooperation and provide high-quality financial services, maintaining its focus on "acting locally, opening up to neighbouring regions and connecting Europe and Asia".

Dear stakeholders,

Before concluding my message, on behalf of myself and our team, I would like to offer my heartfelt condolences to the relatives of the people who lost their lives in the tragic earthquakes which struck the Kahramanmaraş on February 6, just as we were preparing our report for publication. Under the leadership of the ICBC Group, we stand devoted and determined to support Türkiye and its citizens in this difficult process, and to contribute to the long process of healing the wounds of the people in the region with all our strength.

WE ARE DETERMINED AND STRONG

We will continue to work together around ICBC Turkey's long-term and high-quality development based on a solid foundation, focusing on key tasks, constantly improving the efficiency of human resources management by eliminating deficiencies, advancing business reform and development capability, and going to greater lengths to achieve further development.

We have more than enough capital, energy, resilience, and shareholder to achieve this. We believe the forthcoming period will produce opportunities as well as challenges. We will continue to seize these opportunities and create, and share added value.

I would like to thank all of our stakeholders who have extended their support and placed their trust in us and offer my sincere respects.

Chunyi Zheng
Board Member, Deputy General Manager

EMPLOYEE HEALTH AT ICBC TURKEY

ICBC Turkey's most valuable asset is its employees. It is the employees who make ICBC Turkey what it is and generate its performance. With this in mind, the Bank attaches tremendous importance to the health of its employees and sets out and implements the necessary measures at every juncture.

The most current and concrete example of this has been the pandemic strategy which was rolled out comprehensively in 2020-2021. Although the pandemic has been largely brought under control on a global scale, delayed waves of the pandemic continued to be seen in 2022.

A pandemic prevention and control process was established with the principle of "early diagnosis, early intervention" under the leadership of the ICBC Turkey Pandemic Prevention Leader Team. As a member of the Pandemic Prevention Leader Team, the Human Resources Department provided full support throughout the process as an operator under the team's leadership.

In this context, the pandemic prevention and control process has yielded outstanding results.

The combination of strict precautions and control ensured the health and safety of employees as well as the smooth running of the entire bank to the greatest possible extent.

Detailed rules and guidelines regarding the steps to be taken in response to the pandemic were published by the Human Resources department and the pandemic process was brought under tight control from the very beginning, with periodic reminders made.

MEASURES AND SUPPORT

The Bank provided its employees with assistance to protect them from material or psychological harm during the pandemic. This support sought to prevent any health threat and ensure that employees did not experience any financial difficulties.

Measures taken as part of this approach;

- The "minimization plan", which was implemented throughout 2022, ensured that only a minimum of employees would be in any one place at the same time.
- A contactless food distribution and social distance policy was maintained.
- All floors were inspected by Bank nurses during working hours. Those found to be not following the necessary precautions and not complying with the rules received written warnings.

- No more than one person was allowed to enter elevators at any one time.
- Personnel busses and private vehicle services were provided to the Bank's employees to prevent use of public transportation and potential risk of infection.
- Masks, sanitizer and protective equipment were provided to all employees regularly from the beginning of the pandemic.
- Test kits were distributed to employees so immediate action could be taken in case of any infection.
- A "Mask, Epidemic and Vaccination Allowance" was provided to all employees.
- The workplace doctor and the occupational health services team prepared risk assessment reports on the pandemic, with any cases or potential cases which were cause for suspicion being reported. Employees seen as potentially carrying the virus or who had been contact with infected persons were given tests and recommendations to see a doctor, with the results actively followed up by the Human Resources Department.
- The PCR and Antibody testing expenses of employees caught in the pandemic as a result of transmission were covered by the Bank.
- Masks and hygiene products were distributed regularly in the Bank's Departments and Branches under the coordination of the Administrative Affairs Center, and with employees' compliance with the rules being checked via e-mails and through the managers.

THE "MINIMIZATION PLAN", WHICH WAS IMPLEMENTED THROUGHOUT 2022, ENSURED THAT ONLY A MINIMUM OF EMPLOYEES WOULD BE IN ANY ONE PLACE AT THE SAME TIME.

ICBC TURKEY 2022 SHARE (ICBCT) PERFORMANCE

ICBC Turkey's market capitalization stood at TL 9,907 million (USD 530 million) on 31 December 2022 (2021: TL 4,541 million (USD 341 million)). In other words, its market value rose by 118% in TL terms and by 56% in USD terms.

The ICBCT share price rose by 74% in the final quarter of 2022 after a strong performance in the third quarter of the year, taking the increase in the share price to 118% for the full year. The XBANK 2022 Banking index, meanwhile, increased by 53% in the final quarter of the year and by 215% for the full year, while the BIST100 gained 32% in the final quarter of the year and 197% for the 2022 full year.

ICBC Turkey's market capitalization stood at TL 9,907 million (USD 530 million) on 31 December 2022 (2021: TL 4,541 million (USD 341 million)). In other words, its market value rose by 118% in TL terms and by 56% in USD terms.

Bank	Price/Earnings (P/E) Ratio	Price to Book (P/B) Ratio	Market Capitalization (million TL)	Market Capitalization (USD million)	Total Assets (TL million)
ICBC Turkey	7.53	3.44	9,907	530	60,712

P/E and P/B ratios are calculated based on net income and book value as of December 31, 2022 and share prices as of December 31, 2022.

ICBCT shares performed relatively strongly in the 4th quarter of 2022 when compared to the rest of the year. The fourth quarter and annual performances of ICBC Turkey's share price when compared to the BIST100 and Banking indices are presented below.

Bank	30 September-31 December Performance	2022 Performance
BIST 100	73%	197%
XBANK (Banking)	70%	215%
ICBC Turkey	74%	118%

Since the acquisition of ICBC in May 2015, ICBCT's share price has increased by 736%, outperforming both XBANK (231% increase) and the BIST100 (536% increase). The performance recorded since the announcement of the acquisition of the bank by ICBC Bank and the completion of the acquisition is presented in the table. The stock substantially outperformed both the BIST100 and the banking index, XBANK, during the same period.

ICBCT	TL Basis	USD Basis	Relative to BIST 100	Relative to XBANK
since April 2014	1,106%	372%	58%	215%
since May 2015	736%	15%	31%	153%

In summary, when ICBC acquired ICBC Turkey in May 2015, the Bank's market value stood at USD 347 million. In April 2017, the parent company increased the capital of ICBC Turkey by TL 440 million (USD 122 million), taking its total investment to USD 469 million.

By 31 December 2022, the Bank's market value had increased by 13% in foreign currency terms to reach USD 530 million. This improvement in the market value was a result of ICBC Turkey's strong operational and financial performance and its increased profitability over the years, testament to the positive perception of the recorded performance among investors.

2022 ECONOMIC OUTLOOK AND 2023 PROJECTIONS

A YEAR UNDER THE SHADOW OF HIGH INFLATION AND A TIGHT MONETARY POLICY

The economic agenda in 2022 was dominated by rising global inflation and a tightening in monetary policy implemented by central banks of developed countries as they sought to bring inflation under control.

The rise in inflation around the world was driven by monetary expansion on a global scale during the pandemic, supply-side bottlenecks in certain sectors and the rise in energy and other commodity prices due to the conflict between Russia and Ukraine.

The Federal Reserve Bank in the USA took a more aggressive stance against the rise in inflation, precipitating a sharp rise in the value of US dollar against other currencies in global markets. Rising borrowing costs and the unease over energy supply in the Eurozone set the stage for a sharp slowdown in global economic activity, especially in the second half of the year.

Due to the rise in government bond yields in this period, global stock markets also came under serious pressure, leading to significant falls in the markets of developed countries from the beginning of the year.

CURRENT STANCE EXPECTED TO CONTINUE INTO FIRST HALF OF 2023.

In view of the inertia seen in inflation dynamics, central banks in developed countries are expected to maintain their tight monetary policy stance throughout the first half of 2023 at least. This stance could keep global economic activity under pressure throughout the first half of the year.

In addition, leading indicators would suggest that cost-side price pressures have started to ease of late while demand-side inflation has lost momentum due to high interest rates. Therefore, both monetary and cost policies are expected to support economic activity in the second half of 2023, with global economic activity expected to follow a relatively positive course in the second half of the year.

REPERCUSSIONS OF THE RISE IN ENERGY AND COMMODITY PRICES

The most important consequence of the conflict between Russia and Ukraine has been the energy crisis which has hit Europe, leading to fuel shortages, job closures and an economic slowdown. While the affected EU countries have moved to rapidly regulate their energy policies and seek alternatives, the rise in energy prices soon reverberated around the whole world. In view of the ongoing geopolitical environment, global warming and exchange rate volatility, the energy markets are expected to remain beset by uncertainties in 2023.

This situation may go beyond being a mere source of uncertainty and could even trigger a radical reshaping of the international energy outlook. The rise in energy and other commodity prices in 2022 also had a significant impact on the macroeconomic outlook in Türkiye. The rate of annual inflation exceeded 80% with the current account deficit widening to a 4-year high as energy imports increased.

POSITIONED FOR STRONG ECONOMIC GROWTH.

Despite mounting concerns of a global recession, economic growth has proven robust with total GDP growing by 6.2% in the first three quarters of the year compared to the same period of the previous year. The macroprudential measures implemented by the CBRT and the BRSA led to a decline in market interest rates, particularly Treasury bond yields, and the real interest rate of the Turkish lira fell to historic lows.

An expansionary monetary policy significantly supported the profitability of the banking sector in 2022 with a five-fold increase in the sector's profit in the first month of the year compared to the same period of the previous year.

FORECASTING 5% GROWTH FOR 2023

The annual rate of inflation is expected to decline significantly in the first half of 2023 thanks to a combination of the base effect and easing cost-driven price pressures. Economic growth is expected to lose momentum, especially in the first half of the year, and projected to round off 2023 at around 5%.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS

In 2022, the asset size of our Bank increased by 55.2% from TL 39.1 billion to TL 60.7 billion. Loans, on the other hand, increased from TL 21.7 billion to TL 34.2 billion in 2022, an increase of 58.0% compared to the end of 2021. The Bank's securities increased by 36.6% in 2022 compared to the end of 2021.

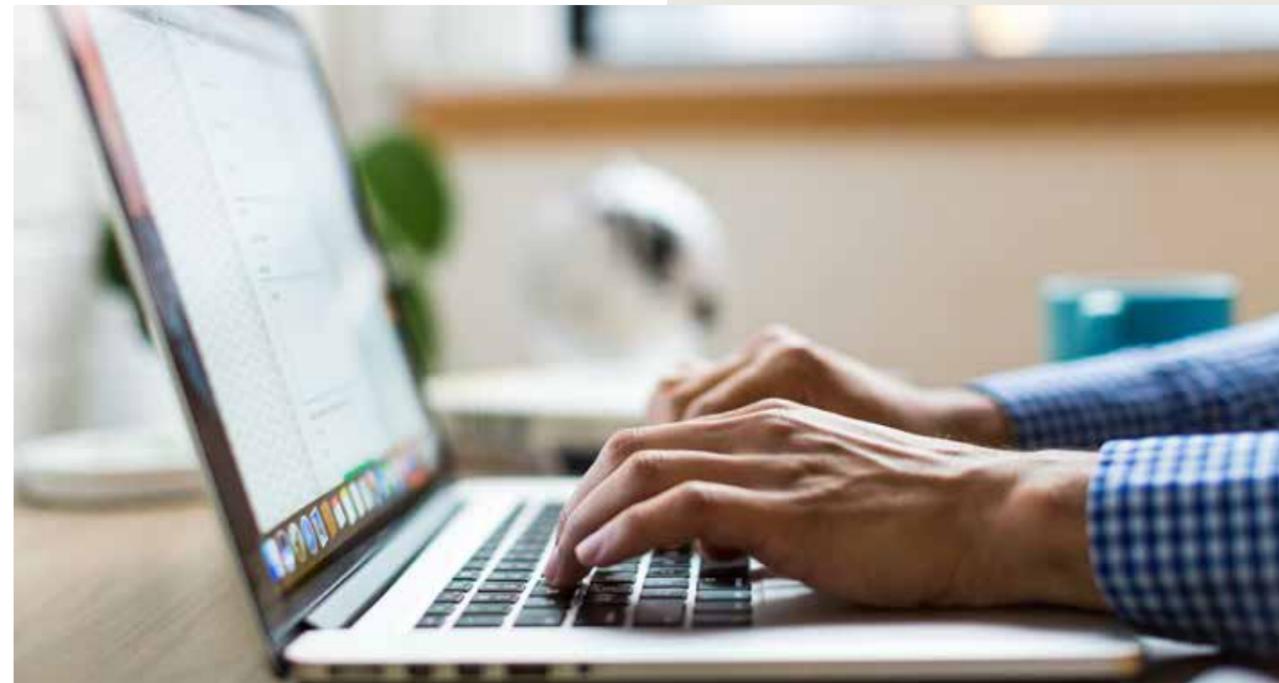
ICBC Turkey's operating income in 2022 was 2.8 billion TL and its net profit was 1.3 billion TL. 2022 year-end interest incomes increased by 159.9% compared to 2021 year-end, while net fee and commission incomes increased by 44.3%.

As of 2022 year end, based on unconsolidated financial statements of ICBC Turkey prepared in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation" which includes the "Regulation on the Procedures and Principles for Accounting, Practises and Retention of Documents by Banks" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of "Turkish Financial Reporting Standards" ("TFRS") put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") for those matters not regulated by the aforementioned legislations:

- Its asset size increased to 60.7 billion TL.
- Total cash loans (including loans classified as Financial Assets at Fair Value Through Other Comprehensive Income) amounted to TL 34.2 billion, an increase of 58% compared to 31 December 2021. The share of total cash loans in the balance sheet is 56.4%.
- Total customer deposits amounted to TL 24.3 billion with an increase of 44.1% compared to 31 December 2021, and its share in total liabilities is 40.0%.

Equities increased by 98.8% compared to the end of the previous year.

Net profit for the year 2022 was 1.3 billion TL. The capital adequacy ratio is 30.02% (31 December 2021: 26.86%).



39 BRANCHES

The number of stores on 31 December 2022 is 39.

756 EMPLOYEES

As of 31 December 2022, the number of personnel is 756.

EXPLANATIONS REGARDING THE BANK'S NUMBER OF PERSONNEL AND BRANCHES, SERVICE TYPES PROVIDED BY THE BANK AND ITS AREA OF ACTIVITY AND THE ASSESSMENT OF ITS POSITION IN THE SECTOR BASED ON THESE CRITERIA

The operations of the Bank consist of corporate banking services, commercial banking services, SME, fund management transactions (foreign currency, money market and securities trading), international banking services, retail banking services and credit card business. The Bank also operates, through its branches, as insurance agent of Sampo Sigorta A.Ş., Türkiye Hayat ve Emeklilik A.Ş., HDI Sigorta A.Ş., Axa Sigorta A.Ş. and Fiba Emeklilik and Hayat A.Ş.

As of 31 December 2022, the Bank had 39 branches located in proximity to Türkiye's industrial zones. As of the same date, the number of employees working at the Bank was 756 (as of 31 December 2021, there were 39 branches and a total of 731 employees).

OUR BANK'S POSITION IN THE SECTOR AS OF YEAR-END 2022:

- Our Bank's total assets grew by 55.15%, while total assets in the sector increased by 55.69%.
- The total loan volume of our Bank increased by 58,03%, while the total loans of the sector increased by 54,78%.
- The total deposits held by our Bank (including banks' deposits) increased by 44,07%, while total deposits in the sector increased by 67,10%.
- Our Bank's total securities portfolio expanded by 36,6% while the total securities portfolio of the sector decreased by 8.45%.
- Our Bank's non-cash loans increased by 30.71% while the total non-cash loans in the sector increased by 50.77%.
- Our Bank's ROE increased by 45,8% whereas the total return on equity in the sector increased by 30,81%.
- Our Bank's net-profit for the year increased by 1.037,7% whereas the total net profit/loss in the sector increased by 366,33%.

The Bank's budget is approved by the Board of Directors. The realization of the budget is regularly scrutinized based on the performance criteria.

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

Despite the inflationary environment, ICBC Turkey continued to support work on transportation, medical facilities, energy and other infrastructure activity in Türkiye in 2022 in a bid to support economic growth and meet the daily needs of its customers.

CORPORATE BANKING

A FOCUS ON IMPROVING QUALITY AND EFFICIENCY

The Corporate Banking Department meticulously implements the "48 Character Approach" undertaken by the ICBC Group.

An international vision was adopted in line with the Bank's "focus on local development, expansion into neighboring regions and connecting Europe with Asia". Constantly monitoring global operations, the work to develop governance capacities and increase quality and efficiency continued.

Despite the inflationary environment, ICBC Turkey continued to support work on transportation, medical facilities, energy and other infrastructure activity in Türkiye in 2022 in a bid to support economic growth and meet the daily needs of its customers.

The Corporate Banking has created value for its stakeholders by following major infrastructure projects, projects requiring large resource utilization, high-value projects supported by the Turkish Government, green financing projects and comprehensive financial services within the scope of the Belt and Road Initiative.

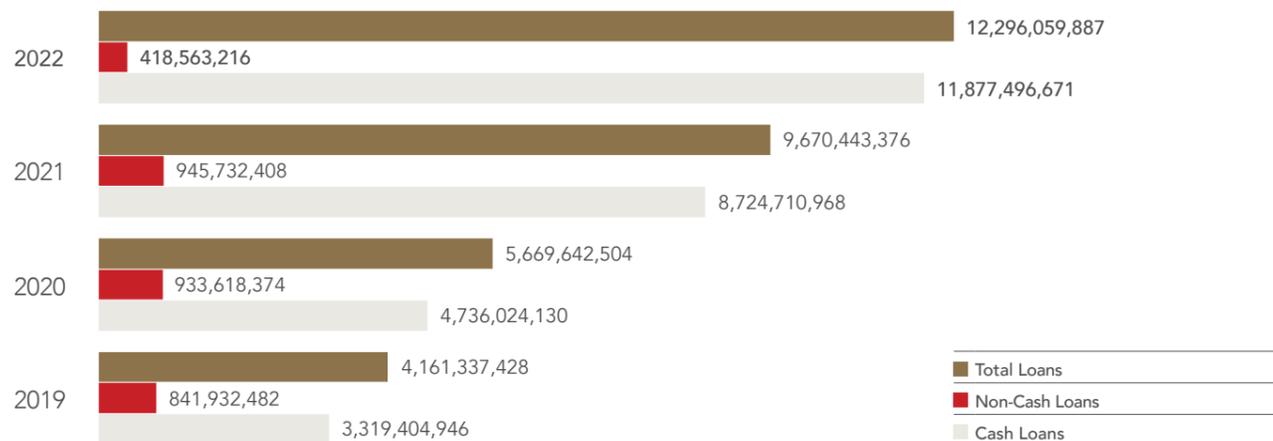
The Corporate Banking Department has actively diversified its operations to gradually transform its operations from a local focus to one which is regional and, subsequently, international, and has used its opportunities for the coordinated development of asset volume, quality and efficiency.

COMPARED TO THE END OF 2021

The total asset size of branches in the segments managed by the Corporate Banking Department increased by 151% from TL 4.7 billion to TL 11.8 billion.

- 79% increase in SSI and invoice payments
- 52% increase in bulk EFT and remittance transaction volumes
- 78% increase in the number of customers using FTP, Swift and Web Services
- 143% increase in net interest income
- 35% increase Net Fees and Commissions
- 64% increase Net Profit for the Period

CREDIT DEVELOPMENT



ICBC Turkey has supported a wide variety of sectors from retail, financial services and manufacturing to large holding structures, participating in syndication and investment loans as well as meeting the short-term financing needs of companies.

ADDED VALUE GENERATED BY COORDINATED EFFORTS

The Corporate Banking leads the Regional Development Committee to better understand the credit region covered by ICBC Turkey. In the same context, the company performs studies in coordination with all departments, ensuring customer gains.

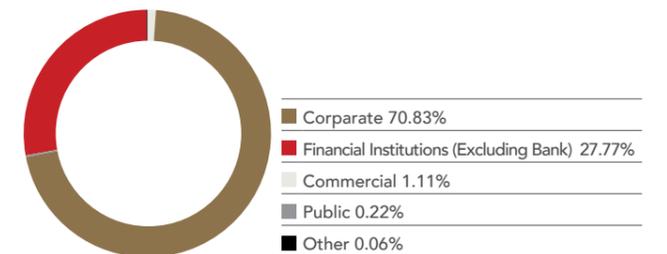
The Corporate Banking maintained its position by adapting to the changes in the market in 2022, and has strengthened its competitiveness in the market by increasing its support for the financing demands of key sectors and key customers.

ICBC Turkey has supported a wide variety of sectors from retail, financial services and manufacturing to large holding structures, participating in syndication and investment loans as well as meeting the short-term financing needs of companies.

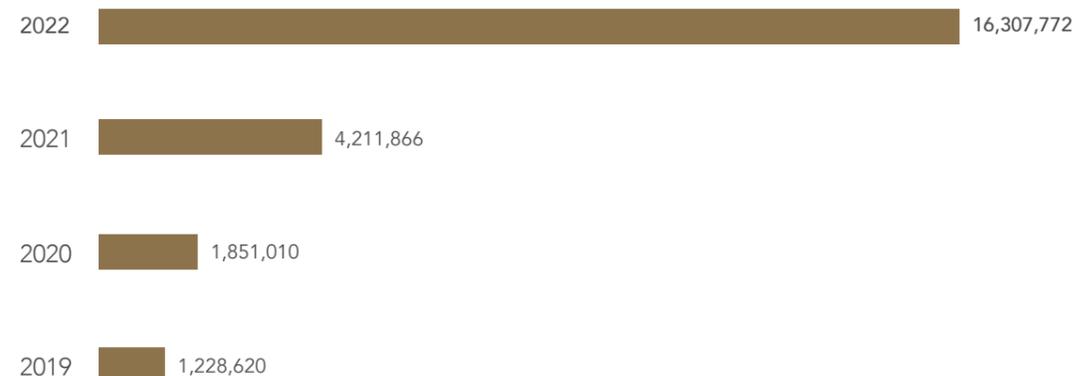
ICBC Turkey's first green financing was Ford Otosan's participation in the syndication, led by the EBRD, for electric/hybrid vehicle production. A credit line of EUR 60 million was utilized in this participation through ICBC Dubai in 2021. The third tranche of EUR 18.5 million of the loan committed in accordance with this syndication was made available in January 2022.

In the last quarter of 2022, ICBC Turkey ranked second in terms of funding among nine banks participating in the EUR 240 million syndication transaction of Şişecam Group, one of Türkiye's key industrial players. The Bank also mediated in ICBC Leasing's Pegasus aircraft financing transactions. In addition to these transactions, efforts were made to comply with the limits of the ICBC Group for multinational companies, with the Bank working closely with ICBC Amsterdam, ICBC Thailand, ICBC Frankfurt and ICBC Zurich, as well as the Beijing and Guangzhou branches affiliated to the ICBC Head Office.

SEGMENT DISTRIBUTION BY TOTAL RISK (%)



CREDIT PER CUSTOMER



ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

ICBC Turkey has carefully and closely followed the implementation of the liraization strategy and the effects of related policies on inflation, and has duly fulfilled its obligations in this respect.

LOAN VOLUME REACHES TO TL 15 BILLION

By the end of 2022, the total cash loan volume of ICBC Turkey's Corporate Banking Department, including Booking Center transactions, had increased by 31% when compared to 2021 reach to TL 15 billion, while non-cash loans had reached TL 418.5 million. Cash loan balance, excluding bookkeeping business, was TL 12.5 billion. The total loan volume chalked up a 25% increase. As far as deposits are concerned, the total of TL and FX demand deposits, which had stood at TL 364 million at the end of 2021, rose to TL 749.4 million by the end of 2022, with the total of time and demand deposits climbing to TL 5.3 billion.

The department's NPL ratio was well below the sector's level, at 0.11%. (2020: 0.25%, 2021: 0.18%)

WORKING TOWARDS THE LIRAIZATION STRATEGY

The strategy of Liraization implemented in Türkiye in 2022 aims to ensure that TL-denominated assets are the main store of value in the financial system, to increase the share of Turkish lira in balance sheets, to predominantly use TL-denominated assets as collateral in CBRT funding and to place the Turkish lira as the only medium of exchange in domestic commercial transactions. ICBC Turkey has carefully and closely followed the implementation of the liraization strategy and the effects of related policies on inflation, and has duly fulfilled its obligations in this respect.

In order to maintain the effectiveness of monetary policy in our country and to reach the targets set out in policy decisions, the macro-prudential steps for determining the interest rates in commercial loans, which contribute to the efforts to increase production capacity and ensure a sustainable current account balance in a manner which will support companies' access to finance were also closely followed and implemented by the Corporate Banking Department.

In this process, the Corporate Banking acted selectively in areas such as investment and exports. In addition, by observing the financing of production, employment and investment in line with the BRSA decisions, it was actively involved in projects which fit its purpose and contributed to the financing. Against a backdrop of recovery in 2022, ICBC Turkey increased its performance in key areas and managed to maintain its profitability, despite the recent volatility.

THE IMPORTANCE OF GREEN FINANCE

Based on the importance of green finance, all sectors and investments which will contribute to the green transformation are on ICBC Turkey's radar. Corporate Banking equates Türkiye's sustainable development and the Bank's economic growth with the future of the world; it also supports the construction of clean transportation, green energy and other infrastructure projects. In addition, the Bank places priority on standing by and supporting sectors affected by the pandemic, such as aviation and tourism and continues to support the cooperation it has established in this context.



One of ICBC Turkey's priorities is to be a connecting point in the process of developing trade between Türkiye and China. Thus, the Bank continues to cooperate with other ICBC institutions in addition to international financial institutions.

DEVELOPING TRADE BETWEEN TÜRKİYE AND CHINA

One of ICBC Turkey's priorities is to be a connecting point in the process of developing trade between Türkiye and China. Thus, the Bank continues to cooperate with other ICBC institutions in addition to international financial institutions.

Working in line with Türkiye's goal of becoming a regional transportation and energy hub compatible with the Belt and Road Project, the Bank successfully takes part in structured finance transactions, including syndication loans, in order to deepen economic and commercial relations between Türkiye and China and to create new opportunities for cooperation. Thus, companies which carry out international commercial transactions with China are also a priority target group of ICBC Turkey.

"THE LAST LEG OF THE JOURNEY MARKS THE HALF-WAY POINT."

According to a Chinese proverb, "The last leg of the journey marks the half-way point." In other words, it indicates that wherever we are in the process, we should maintain our efforts at the same level as when we started.

ICBC Turkey has brought a breath of fresh air to the market since 2015 and has evolved into an alternative channel, especially when it comes to Türkiye's access to foreign financial resources. The Bank has become a model of financial cooperation between China and Türkiye; in addition to the new Chinese businesses and capital flows entering Türkiye in the past 7 years, existing Chinese companies such as Huawei have also expanded their footprints in Türkiye.

The Bank will continue to strengthen its presence in the Mediterranean region, including in Israel, Greece, Macedonia, Azerbaijan, Georgia and other emerging markets, and create business opportunities and streamline business processes in the country of its core operation, Türkiye, especially for businesses within the scope of Regional Integrated Development. In this context, in addition to the financial support, the Bank also offers legal consultancy and information sharing regarding the country's investment environment to investors coming to Türkiye from the above countries.

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

THE IMPORTANCE OF LOCAL DEVELOPMENT

The importance of local values and actors in the globalizing world provides a significant contribution to local development. A successful local development process is a participatory and inclusive process where the public and private sectors, non-governmental organizations and all other stakeholders work together and find solutions.

The Corporate Banking proudly takes part in all kinds of infrastructure and superstructure project funding processes that will provide both the financing opportunities that contribute to the activity cycles of local governments and the further development of local services in order to stimulate the local economy and ensure the efficient use of resources.

Within this framework, requests from different municipalities were followed closely in 2022 with a range of loan packages made available to municipalities and their subsidiaries.

ICBC BUSINESS MATCHMAKING PLATFORM

ICBC Turkey's new digital cross-border cooperation network, the ICBC Business Matchmaking Platform, continues to bring ease to the lives of domestic and foreign customers from all sectors and scales and to offer added value.

The platform serves new development models and contributes to the construction of an "open world economy" by taking the concepts of "financial and commercial openness and economic growth", "cooperation" and "financial inclusion" as its reference.

ICBC Turkey's customers may benefit from multi-dimensional functions such as Marketplace and Events etc. on the platform, which they access with their own user codes and passwords without any installation cost, and which allows them to evaluate the opportunities of the Chinese market, and may easily communicate with recipients in wide geographical areas in multiple time zones from a "single point" for cross-border trade.

CASH MANAGEMENT TRANSACTIONS WITH AN EXTENSIVE PRODUCT RANGE

ICBC Turkey's cash management operations consist of collection and payment systems which enable the Bank's corporate and commercial customers to manage their cash flows through both electronic and classical methods.

These systems, which allow customers to perform their banking transactions smoothly and securely, include the Direct Debit System, Electronic Letter of Guarantee, Order Acceptance with Electronic Signature, Bulk EFT/Money Transfer from branches and internet channels, Continuous Check Printing System, Swift Statement, FTP and Web Service, Electronic Reconciliation Accounting Integration and Corporate Internet Banking.

The 2022 witnessed a rising tendency to use cash management and electronic banking products. The number of customers using Swift, FTP and Web Services increased by 78%, with a volume of TL 344 million in the institutions' legal and regular payments.

HIGHLIGHTS OF INNOVATION PROJECTS

The Corporate Banking carries out product innovation projects in line with the goal of continuous improvement of the services and products offered. Highlights from the two projects which reached maturity in 2022 are provided below:

Supplier Financing System Project

Supplier Financing is a financial tool that enables the supplier providing goods or services to the buyer company to convert the receivables arising from the sale into cash when needed.

While offering the supplier an array of advantages such as improvement in maturity and liquidity, regular cash flow, financing opportunities based on the power of the buyer, ease of transaction, competitive advantage in cash purchases with early collection, strong and long-term relationships with the buyer and creating working capital without the need for additional limits, the product also provides liquidity improvement, financial empowerment of its suppliers, stronger negotiation opportunities in terms of payment terms and pricing, strong and long-term relationships with suppliers, and an uninterrupted payment process with strategic suppliers. This product, which is in use in the ICBC Head Office, will also be brought into practice in Türkiye in 2023.

Tax Payments Project:

A protocol was signed between ICBC Turkey and the Revenue Administration for the collection of tax payments by credit card. Following the completion of the project, ICBC Turkey credit cards will start to act as an intermediary medium for tax payments.

Looking ahead...

In 2023, the Corporate Banking Department will deepen its presence in the loan market, fully utilize its market potential, increase its comprehensive customer contributions and implement a new development model to serve and promote the vitality of high-quality development.

While ICBC Turkey continues to support the construction of transportation infrastructure, medical facilities, green finance and other infrastructure projects in Türkiye to ensure local economic growth, it will also closely monitor the "Belt and Road" construction projects and offer its support with its range of products and services.

THE ICBC BUSINESS MATCHMAKING PLATFORM SERVES NEW DEVELOPMENT MODELS AND CONTRIBUTES TO THE CONSTRUCTION OF AN "OPEN WORLD ECONOMY" BY TAKING THE CONCEPTS OF "FINANCIAL AND COMMERCIAL OPENNESS AND ECONOMIC GROWTH", "COOPERATION" AND "FINANCIAL INCLUSION" AS ITS REFERENCE.

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

PROJECT AND CROSS BORDER FINANCE

CONTRIBUTING TO TÜRKİYE'S SUSTAINABLE DEVELOPMENT

ICBC Turkey contributes to the sustainable development of the Turkish economy with innovative financing models for long-term, high value-added, employment-creating projects. ICBC Turkey offers the unique financing models practiced by the ICBC Head Office to the public and private sector customers in formats which meet the requirements of the Turkish markets.

In the complex and ever-changing economic environment of 2022, the operations of Cross Border segment customers were successfully managed under the strong leadership of the Board of Directors, the contribution of other departments of the Bank and the joint efforts of the employees.

CONNECTING ASIA AND EUROPE

ICBC Turkey continuously directs its operations with its innovative working methods. The Project and Cross Border Finance Department has continued to play an important role in connecting Europe with Asia in terms of financial working methods, while successfully meeting local economic activities and needs.

We acted with the vision of the success of the "Belt and Road" initiative, and major breakthroughs were achieved in many projects in 2022.

Highlights of the transactions in 2022:

- In the first half of the year, a cash-backed loan of USD 50 million was disbursed to the public company, BOTAŞ. In this transaction, a TL cash blockage at a rate of 20% of the principal amount was taken, resulting in the flow of more than TL 1 billion in deposits to the Bank.
- Esentepe's EUR 70 million loan was refinanced with a successful operation. A restructuring fee of EUR 350,000 was also collected in line of the transaction.
- The Kurtköy Gayrimenkul-Optimum Ankara Project loan of EUR 75.4 million, which was disbursed by ICBC Turkey on 16 December 2021, was transferred to ICBC Dubai on 25 August 2022. When the loan was transferred to Dubai, the risk stood at around EUR 74.3 million and an Early Payment Fee of EUR 694,250 collected from the transaction.
- Participation in a US\$ 35 million syndicated loan of Shanghai Electric Power EMBA, the largest investment project in Türkiye by a Chinese-owned enterprise.

The Department provides support to the Chinese Embassy with respect to its financial transactions and needs when necessary.



THE PHILOSOPHY OF "ONE ICBC, ONE FAMILY"

In addition to the current transactions we carry out under the umbrella of ICBC Turkey, the Project and Cross Border Finance Department works in close communication and cooperation with other ICBC institutions, acting with the philosophy of "One ICBC, One Family".

Another important step taken in this context was the execution of a number of transactions through the ICBC Dubai Booking Center. This has yielded more beneficial results were obtained for both parties. At the same time, studies were carried out in the area of financing opportunities with subsidiaries such as ICBC Tokyo and ICBC Milano.

Approximately 38% of the Project and Cross Border Finance Department's total cash loan volume consists of Booking Center transactions. The further development of relations with the Booking Center will play a key role in raising the department's credit level and revenues.

Competitive low-cost resources provided by ICBC Dubai and other booking centers will also support the increasing number of Chinese companies coming together with Turkish investors, creating opportunities to enter into large-scale credit relations with Türkiye's reputable companies.

Starting from the establishment of the Project and Cross Border Finance Department in 2015 until the end of 2022, the Department completed the financial closing of 17 projects with a total limit of USD 1.28 billion.

FINANCIAL CLOSURE OF 17 PROJECTS SUCCESSFULLY COMPLETED

Starting from the establishment of the Project and Cross Border Finance Department in 2015 until the end of 2022, ICBC Turkey completed the financial closing of 17 projects with a total limit of USD 1.28 billion.

Client Distribution	%
Turkish	39
Chinese	61

While the regulation fees constitute the most important share of the net fee income at the financial closing of the project finance transactions, the income is also supported by the commitment commissions collected in each interest period during the validity of the project limits. In addition, the letter of guarantee commissions received in brokerage transactions in foreign loan disbursements also represent an important income item.

SUSTAINABLE BANKING

Projects evaluated by ICBC Turkey within the scope of sustainable banking mainly envisage the construction of renewable energy power plants.

As of the end of 2022, 7 of the 17 projects financed by the Department consisted of renewable energy projects, representing 41% of the total portfolio on a unit basis.

Investors operating within the scope of sustainable finance have recently requested green financing for assets such as battery-battery investment facilities connected to the production of electric vehicles and to benefit from renewable energy sources.

Companies select green financing for their projects aimed at developing green industries, reducing environmental and social risks and strengthening control as well as increasing economic, social and ecological benefits.

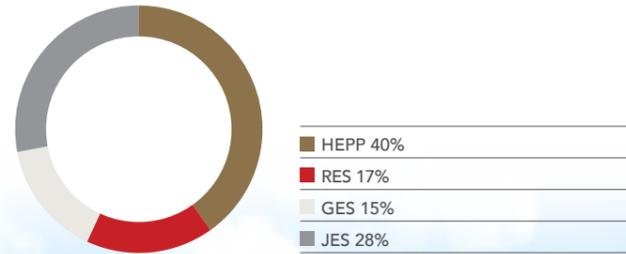
The Project and Cross Border Finance Department has brought Turkish investors and Chinese suppliers together in the supply of renewable energy equipment such as solar panels and wind turbines in the energy sector, contributing to the growth of foreign trade volume, which has reached approximately US\$ 45 billion, and the deepening and development of economic relations, which predominantly consist of imports.



ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

As of the end of 2022, the Project and Cross Border Financing Department had extended a loan of USD 197 million within the scope of renewable energy resources, and approximately 40% of this amount was directed to finance hydroelectric power plants.

DISTRIBUTION OF LOANS ALLOCATED TO RENEWABLE ENERGY PROJECTS (%)



WORKING TO MINIMIZE THE DEVASTATING EFFECTS OF DROUGHT

In February 2022, the Project and Cross Border Finance Department restructured the USD 40 million loan provided to the 78 MW Karacaören I&II Hydroelectric Power Plants Project, which is in its portfolio, together with the other lenders, the IFC and the EBRD. By supporting renewable energy resources, the financing is of strategic importance in terms of minimizing the devastating effects of the drought experienced throughout Türkiye, especially in the project region, resulting from the lower than expected rainfall associated with climate change in the last 2 years.

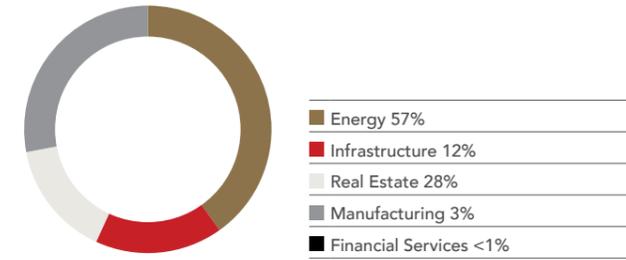
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PLAYING AN ACTIVE ROLE IN RELATIONS BETWEEN TÜRKİYE AND CHINA

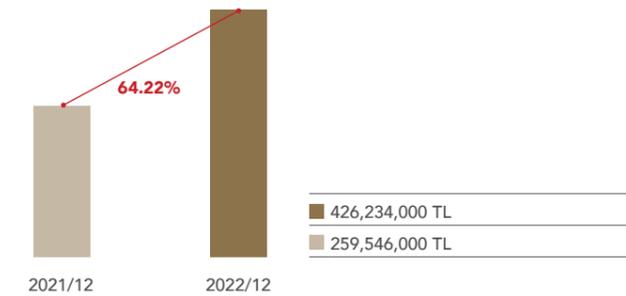
In order to ensure that Türkiye's economic relations with China are sustainable and balanced, the Project and Cross Border Finance Department aims to capture a share of trade and investment with China, which has become the pioneer of the globalization process. In this context, care is taken to include the investors based in China, EPC (Engineering Procurement and Construction) or machinery-equipment procurement elements in potential projects with the support of the Senior Management of ICBC Turkey and the ICBC Head Office.

Within the scope of the Belt and Road Initiative, which was announced in 2013 and aims to revive the historical Silk Road, the economic and commercial growth between the two countries has stabilized and an important step has been taken in the development of cultural relations. Marking the intersection of the historical Silk Road, Türkiye is also a natural partner for China's Belt and Road initiative.

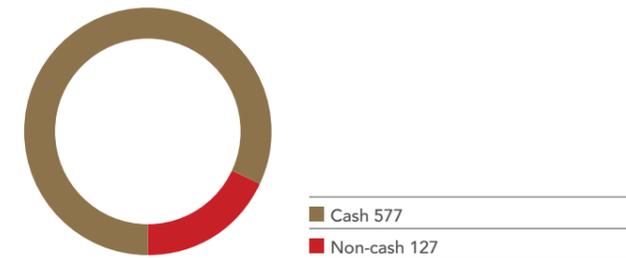
THE SEGMENT DISTRIBUTION OF PROJECT AND CROSS BORDER FINANCE PORTFOLIO (%)



NET PROFIT FOR THE PERIOD (TL)



CREDITS, PROJECT AND CROSS BORDER FINANCE (USD MILLION)



MIDDLE CORRIDOR PROJECT DEVELOPED BY TÜRKİYE IN LINE WITH THE BELT AND ROAD INITIATIVE.

The Ankara-Niğde Highway Project is a part of the ICBC Turkey Project and Cross Border Finance Department's portfolio. The Department contributed to the benefit and importance of this corridor by capturing a share of EUR 68.8 million from the EUR 1.1 billion syndication in which prestigious creditors took part. The Middle Corridor contributes to the development of social and cultural interaction as well as the commercial relationship between Türkiye and China.

PERFORMANCE INDICATORS SERVE AS TESTAMENT TO SUCCESS

The Project and Cross Border Finance Department successfully met its 2022 targets for loans, deposits and profit. Financing transactions required by the real sector and public institutions were among the transactions contributing to the increase in loans and profit, with the extending of loans which the Bank had signed and committed in the previous period also playing a part in this performance.

The department disbursed a total of USD 704 million in loans in 2022, of which USD 577 million consisted of cash and USD 127 million being non-cash. The Department's cash loans accounted for 82% of their total loan volume, with non-cash loans comprising 18%.

A USD 357 million cash loan was included in ICBC Turkey's balance sheet and US\$ 220 million was disbursed through the booking centre.

The bulk of the portfolio in the Project and Cross Border Finance segment consisted of the energy sector (57%) and the real estate sector (28%).

Total time deposits of the Project and Cross Border Finance Department reached TL 4.6 billion by the end of 2022, an increase of 173% compared to the end of 2021. Demand deposit volume, on the other hand, stood at around TL 1.5 billion.

The Project and Cross Border Finance Department recorded a net profit of TL 426 million in 2022, an increase of 64% compared to 2021. Net interest income accounted for 52% of the profit in the segment, with net fees and commissions comprising 15% and Head Office premiums and ICBC Dubai revenues accounting for the remaining 33%.

Looking Ahead...

ICBC Turkey supports Türkiye's development model. Acting with the "Belt and Road" approach, the primary objective in the project finance business line is defined as building a permanent bridge between the peoples of Türkiye and China and strengthening economic relations.

As Türkiye's window to the ICBC Head Office, the Project and Cross Border Finance Department will continue to work resolutely in 2023 to help ICBC Turkey achieve its profitability targets and to contribute to sustainable finance projects.

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022



FINANCIAL INSTITUTIONS BUSINESS

As a reflection of its trust in the Turkish banking sector, the Financial Institutions Business Department continued to support ICBC Turkey's customers unwaveringly in 2022.

FINANCIAL TRANSACTION OF THE YEAR IN EUROPE IN 2022

The Denizbank RMB Syndication, coordinated by the Financial Institutions Business Department in June 2021, won the recognition of The Banker magazine with an award in the category of "Financial Transaction of the Year in Europe" in 2022. The transaction in question was the first Turkish bank syndication to include a tranche in RMB, China's official currency, which is one of the top five global payment currencies.

In June 2022, under the coordination of ICBC Turkey, the amount utilized was increased and the Denizbank RMB syndication transaction was successfully renewed.

ICBC Turkey took part in Türk Eximbank's first sustainability-related RMB tranche syndication loan dated November 2022 with an amount of RMB 350 million, where the Bank was appointed as the RMB tranche coordinator. In addition, the Bank participated with the amount of USD 10 million in the syndication loan of Türkiye İş Bankası in November 2022.

As in previous years, ICBC Turkey continued to invest in the assets and loans of distinguished Turkish financial institutions, the total volume of these investments exceeding US\$ 2 billion (including booking transactions).

BRINGING THE RMB PRODUCT RANGE TO WIDER AUDIENCES

Taking full advantage of the unique advantages of the ICBC Group's wide range of RMB products, efforts to increase the promotion and awareness of the RMB products and services offered by ICBC Turkey in the Turkish market continued unabated in 2022.

ICBC Turkey provides CNY account services to banks operating in Türkiye backed by its extensive service network and experience in the clearing field of the ICBC Head Office. By the end of 2022, ICBC Turkey had further strengthened its position as the most preferred RMB bank in Türkiye, significantly increasing its RMB loan volume and RMB international settlements business volume.

In order to encourage, use and build upon the cross-border RMB cooperation, negotiations are continuing with financial institutions regarding the transactions to be carried out within the framework of the Currency Swap Agreement between the CBRT and the People's Bank of China, in addition to our Bank's already existing intermediary position in such business activities.

As of the end of 2022, the total volume of bilateral and syndicated loans extended to the state banks and private banks had exceeded USD 1 billion.

USD 1 BILLION IN TRANSACTION VOLUME

Booking transactions comprise the bulk of the Financial Institutions Business Department's loan portfolio.

As of the end of 2022, the total volume of bilateral and syndicated loans extended to the state banks and private banks had exceeded USD 1 billion.

ICBC Turkey is focused on expanding its cooperation with distinguished correspondent banks in a wide range of areas such as global-scale financing opportunities, trade finance, RMB transactions, cross-selling and marketing by taking advantage of the ICBC Group's synergy, experience and extensive global service network.

Looking Ahead...

The Financial Institutions Business Department provided a significant contribution to the Bank's profit in 2022, successfully achieving its goals and playing an important role in maintaining the stability of the high quality assets in the Bank.

In 2023 and beyond, the Financial Institutions Business Department will focus on expanding its deeply rooted relationships and establishing new relationships in line with ICBC Turkey's strategic plans. In addition to its cross-selling and marketing efforts, it will maintain its assertive presence in RMB transactions.

While capitalizing on the potential of cooperation with correspondent banks in collaborating with a wide range of products, the focus will be on minimizing risks with the advantage of being a global bank, and on providing tailored solutions to improve customer satisfaction and meet their needs.

In summary, ICBC Turkey will continue to create added value and work with devotion and full determination in line with its deliberate goal of "becoming the bank of banks".

INTERNATIONAL BUSINESS

SUCCESS WITH A DETAILED AND LAYERED BUSINESS MODEL

The International Business Department presses ahead with its development efforts for international settlements and trade finance transactions and financing within the scope of its long-term strategies.

The business model of the International Business Department is based on working with ICBC Group's international branches and group members to continuously evaluate customer-project-market opportunities in order to increase the Bank's market share by providing added value to its customers and offering trade finance products and transactions at the most competitive prices suitable for customers.

Close cooperation with the other organizations in the ICBC Group, which has an extensive service network in 49 countries on six continents, enables the International Business Department to offer its customers the highest standard of international service.

By the end of 2022, ICBC Turkey had significantly increased the volume of import letters of credit transactions made with ICBC overseas branches in line with the needs of its customers.

This cooperation, which also increases the effectiveness of foreign trade finance products enables a win-win outcome in different products with all its professional functions, working together with ICBC London, ICBC Dubai, ICBC Hong Kong, ICBC Singapore, ICBC Tokyo and all overseas ICBC branches.

By the end of 2022, ICBC Turkey had significantly increased the volume of import letters of credit transactions made with ICBC overseas branches in line with the needs of its customers.

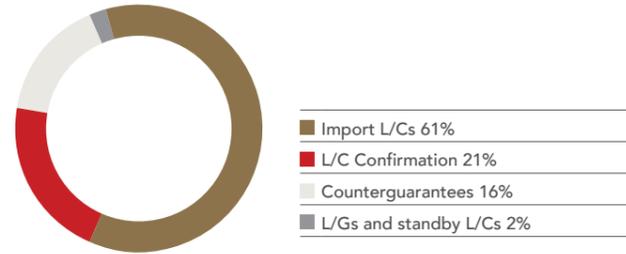
The Bank cooperates with ICBC's branches in China to provide its customers with a better, faster international quality service in RMB transactions.



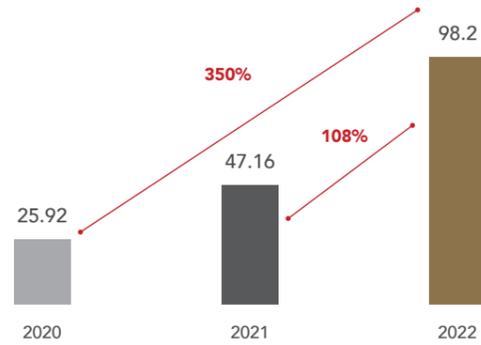
ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

A letter of credit confirmation transaction for the amount of USD 35.3 million was realized in cooperation with ICBC Zurich, which has been the highest amount handled by ICBC Turkey since its establishment.

BREAKDOWN OF BUSINESS VOLUME (%)



NET FEES AND COMMISSIONS (TL MILLION)



HIGHLIGHTS FROM 2022

A letter of credit confirmation transaction for the amount of USD 35.3 million was realized in cooperation with ICBC Zurich, which has been the highest amount handled by ICBC Turkey since its establishment.

The volume of letter of credit transactions mediated by the Bank increased by 92% in 2022 when compared to 2021.

ICBC Turkey mediated in the letters of guarantee for a number of key projects being carried out in Türkiye in 2022 and provided services to its distinguished customers. Total volume of letters of guarantee given to projects in Türkiye reached to USD 73.5 million.

TRADE FINANCE AND INTERNATIONAL SETTLEMENTS REALIZATIONS

True to its strategy of increasing business volume by strengthening international relations and focusing on customer satisfaction, ICBC Turkey increased its trade finance volume to USD 1.2 billion and its international settlements volume to USD 11 billion in 2022. When compared to 2021, the import letter of credit transaction volume increased by 92%, the confirmed letter of credit transaction volume by 61% and financing transaction volume by 36% respectively.

Looking Ahead...

ICBC Turkey's strategy in the field of international business going forward is to add the wide product and service range offered by the ICBC Group while developing new products for the Turkish market. Accordingly, the International Business Department will focus on innovative products such as dual currency letters of credit, import-export payment financing, RMB forfaiting and CBRT RMB Rediscount Financing and derivatives within the scope of the RMB/TRY SWAP Agreement in 2023 and beyond.

Asset and Liability Management Department has made a strong contribution to ICBC Turkey's sustainable growth target, thanks to the most appropriate pricing for market conditions and an effective financial risk management approach.

ASSET AND LIABILITY MANAGEMENT

A YEAR UNDER THE SHADOW OF HIGH INFLATION

For the first time in many years, the world and Türkiye experienced a year of high inflation in 2022.

The steps taken by the Central Bank were closely followed throughout the year, and growth was ensured with the securities directed to required reserves on the asset side, with appropriate funding provided on the liabilities side with the exchange rate protected deposit product. In this process, the attractiveness of CPI-indexed government bonds grew significantly and the timely investments undertaken in these products contributed positively to ICBC Turkey's profitability. On the other hand, existing market instruments and the advantages of ICBC's global network continued to be deployed in order to meet the funding needs of the Bank's customers in a complete and timely manner.

A STRONG CONTRIBUTION TO THE GROWTH TARGET

Asset and Liability Management Department has made a strong contribution to ICBC Turkey's sustainable growth target, thanks to the most appropriate pricing for market conditions and an effective financial risk management approach. The flexibility and balance of the balance sheet was maintained in the ace of various maturity and exchange rate risks, with liquidity effectively managed by using all available instruments on both the Turkish lira and foreign currency side. While these activities were carried out, ICBC Turkey's financial indicators maintained levels in line with the BRSA and CBRT legislation and criteria.

Looking forward...

The current economic conditions and low interest rate policy in Türkiye is expected to remain in place in the first half of 2023 and up until the general election.

ICBC Turkey will continue to create assets by adhering to its prudent and risk-focused policy in 2023, as it did in 2022, and will determine its new successes in this focus.



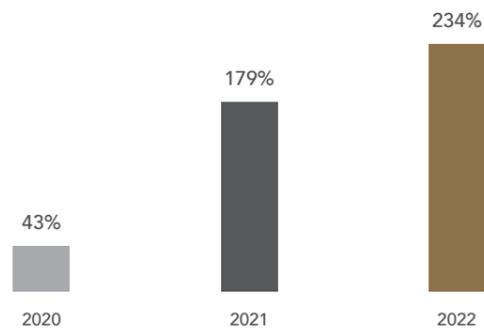
ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

FINANCIAL MARKETS

PERFORMANCE BEYOND TARGETS

2022 has been a year in which financial and political risks were at the forefront. Despite the uncertainties and volatilities in the market, the Financial Markets Department increased its three main areas of activity, Spot FX, Derivative Transactions and Fixed Income Securities all performed well in excess of the target.

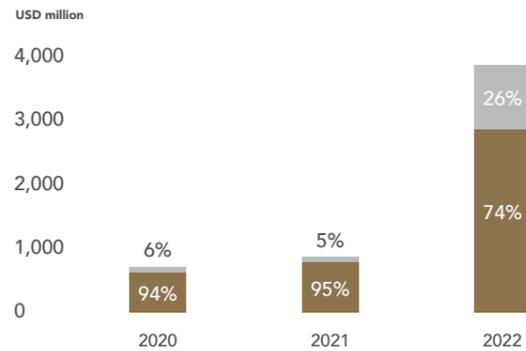
PROFIT INCREASE IN THE FINANCIAL MARKETS PRODUCTS (%)



One of ICBC Turkey's primary goals is to be the first choice and market maker bank in Chinese Yuan (RMB) FX transactions.

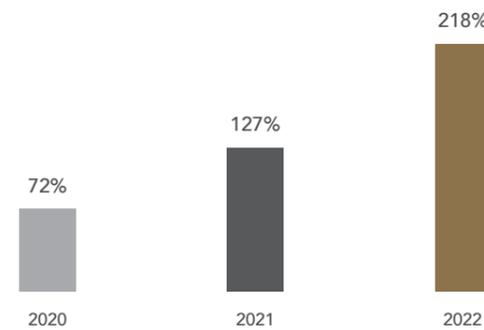
Financial Markets, which is among the segments that are targeted to grow according to ICBC Turkey's 3-year strategic plan, aims to grow in existing products and improve its volume and profit by continuing its active marketing strategy in the upcoming period.

TOTAL FX VOLUME (%)



■ Share of Derivatives in Total F/X Volume
■ Share of Spot Transactions in Total F/X Volume

INCREASE IN VOLUME OF RMB DENOMINATED TRANSACTIONS (%)



TARGETING LEADERSHIP IN CHINESE YUAN TRANSACTIONS

One of ICBC Turkey's primary goals is to be the first choice and market maker bank in Chinese Yuan (RMB) FX transactions. In this context, transactions are regularly carried out with local banks and companies which trade directly with China. As a result of the pricing policy and marketing activities in RMB transactions, there was a significant increase in spot and derivative RMB transactions in 2022 with RMB transaction volume increasing by 218% compared to the previous year.

In order to enhance its presence in Eurobond transactions, which have attracted tremendous interest recently and provide long-term returns to investors, the Bank has entered cooperation with the branches. As a result, the number of transactions increased significantly and the profit from the transactions increased by 112% compared to the previous year. The 317% increase in volumes and new customer acquisitions also supported revenue growth.

As a result of ICBC Turkey's active marketing policy, transactions were initiated with large and reliable companies operating in Türkiye, and the preferred bank identity was developed for companies' foreign exchange transactions and derivative transactions for hedging purposes.

Despite the challenging conditions which developed in the financial markets in 2022, ICBC Turkey has provided high customer satisfaction by maintaining a narrower spread between the buying and selling exchange rates offered to customers in its digital channels when compared to many banks.

In 2022, many large companies seeking hedging transactions in the face of volatility in the financial markets were added to the Financial Markets customer portfolio and derivative transactions of these customers were carried out. With an increase of 1,250% in transaction volumes compared to the previous year, derivative products recorded the fastest increase. The share of derivative transactions in total transaction volumes increased from 5% to 26%.



Looking Ahead...

High inflation will be a key item on the agenda with the elections to be held in Türkiye in 2023. In the environment of uncertainty and risk which may be created by the election, ICBC Turkey's main goal is to manage risks well and to respond to customers' demands correctly within the framework of legislation.

The Financial Markets Department, one of the departments earmarked for growth in ICBC Turkey's 3-year strategic plan, aims to expand in existing products and improve its volume and profit figures by maintaining its active marketing strategy in the upcoming period. In order to provide services in new products, improvements are planned in the existing system. Work will continue to increase the share of Chinese Yuan in trade payments between China and Türkiye will continue.

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

INVESTMENT BANKING AND ICBC TURKEY SECURITIES

MEGA INVESTMENT BANK VISION

The Investment Banking Department at ICBC Turkey continues its activities in line with the vision of being a "Mega Investment Bank". In 2022, the Department carried out activities in line with its vision centered on "Sustainability", and achieved significant gains in the field of innovative products and collaborations involving all stakeholders in accordance with the rapidly changing market demand.

Active in Türkiye and neighboring countries, ICBC Turkey has a business portfolio in the field of investment banking consisting of infrastructure, green energy, investment loans of blue-chip companies and ESG-linked loans.

A LONG-TERM PERSPECTIVE ON PROJECT FINANCE ACTIVITIES

In 2022, ICBC Turkey Securities mediated in long-term project financing transactions, especially investments which will play an important role in Türkiye's sustainable development.

ICBC Turkey Bank participated in the USD 1.2 billion syndication organized for the financing of the 1,000 MW solar power project in Konya Karapınar. The project, which is being undertaken by the Kalyon Group, is one of the largest solar power plants in Türkiye and Europe and one of the few of its kind in the world. The project won the "ECA, DFI, IFI Deal of the Year" award in the Bonds, Loans & Sukuk Türkiye Awards.

ICBC Turkey Securities, which mediates the participation of the ICBC Group in the financing of city hospital projects such as Kütahya, Bursa, and Elazığ, continued to extend support to the development of Türkiye's health infrastructure in the recent period in 2022 within the scope of the Izmir and Kocaeli City Hospitals payment plan revision, which it financed through ICBC Dubai by utilizing ICBC's wide global network.

In 2022, ICBC Turkey Securities mediated in long-term project financing transactions, especially investments which will play an important role in Türkiye's sustainable development.

AN UNWAVERING CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

ICBC Turkey Securities will support sustainable development in Türkiye and neighboring countries by providing long-term financing opportunities for transactions in energy, production, infrastructure, green industry and similar fields in the coming period, and will continue its efforts to raise its customers' awareness of sustainability and to ensure they are able to sustainable financing resources.

ICBC Turkey Securities, which has prioritized China's contribution to major infrastructure and energy projects in Türkiye with the "Belt and Road" initiative and the project financing transactions carried out within the framework of the "Middle Corridor", will continue to enhance its contribution to the commercial relations between the two countries through financing.

EFFORTS TO INCREASE THE NUMBER OF DOMESTIC AND FOREIGN CORPORATE CUSTOMERS

As well as offering brokerage services, ICBC Turkey Securities offers research services to leading local asset management companies including Yapı Kredi, Azimut, AK Portföy and Istanbul Portföy management. In the foreign corporate client channel, it provides brokerage services for the transactions undertaken by Polunin Capital Partners.

ICBC Turkey Securities manages the virtual portfolio of "Blackrock", one of the largest asset management companies in the world, and the virtual portfolio account under its management ended the third quarter of 2022 ranking in fifth place globally among brokerage houses developing countries.

Active in Türkiye and neighboring countries, ICBC Turkey has a business portfolio in the field of investment banking consisting of infrastructure, green energy, investment loans of blue-chip companies and ESG-linked loans.

MOTIVATED BY THE APPRECIATION OF OUR STAKEHOLDERS

ICBC Turkey Securities' projects and activities won a slew of awards at home and abroad in 2022, with appreciation of its stakeholders providing the Bank with motivation.

ICBC Turkey Securities in the international arena in 2022;

- Winner of "The Most Creative Intermediary Institution" within the scope of the "International Finance Awards" held annually by the London-based "International Finance Magazine".
- Winner of the "Best Investment Bank" at the "International Finance Awards" held annually by the London-based "Global Banking and Finance Magazine"
- Achieved the success of winning Türkiye's "Best Corporate Bank and Best Investment Bank" awards in 2022, awarded by the London-based "World Finance" magazine.
- ICBC Turkey Securities was rated with an A grade for investment banking among foreign subsidiaries by the ICBC Head Office in 2022.

INVESTMENT BANKING AND ICBC TURKEY'S INVESTMENT SCORE CARD IN 2022¹

- Consolidated net profit of TL 381.4 million (up 87%)
- Equity trading volume of TL 146.5 billion (up 123%),
- Futures volume of TL 41.8 billion (up 45%)
- Share commission income of TL 47.2 million (up 113%)
- Futures commission income of TL 6.5 million (up 62%)
- Over-the-counter transaction commission income of TL 3.9 million
- Income from fund management fees of TL 7.9 million (up 86%)
- USD 5.1 billion in financing mediated in for disbursement (2021: USD 3.8 billion)
- Capital market brokerage income of TL 175 million (164% increase)
- Commission income from VIOP brokerage activities TL 6.5 million (62% increase)
- 45% increase in VIOP trading volume
- TL 106.7 million in loan income from brokerage activities (up 235%)
- Average loan amount of TL 407.8 million (up 238%)
- Volume of the 10 mutual funds and one pension fund of ICBC Turkey Asset Management; TL 894.5 million

Based on the results for the first six months of 2022 announced by the Association of Intermediary Institutions, ICBC Turkey Securities achieved the following rankings among the 63 investment companies operating in Türkiye;

6th
in Investment Banking revenues.

19th
in equity ranking.

23rd
in net profit ranking.

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

Looking Ahead...

The key targets for ICBC Turkey Securities in 2023

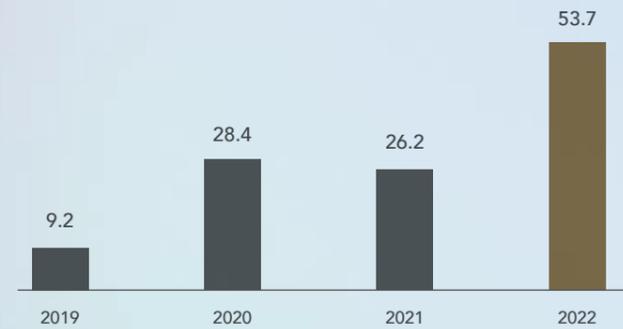
to continue to support the financing of major renewable energy and infrastructure projects,

to contribute to the manufacturing sector in Türkiye,

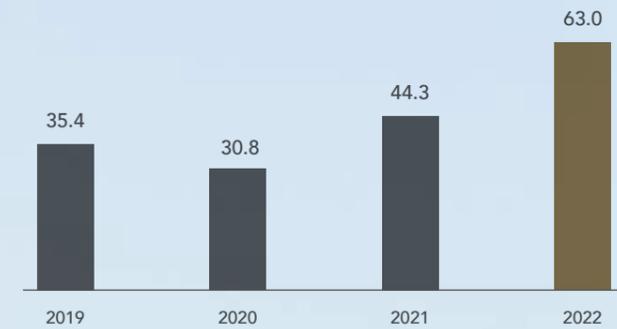
to develop the business relationship between China and Türkiye and to provide financing primarily in CNY terms,

to create financing opportunities for projects in Türkiye's neighboring region in cooperation with the Head Office.

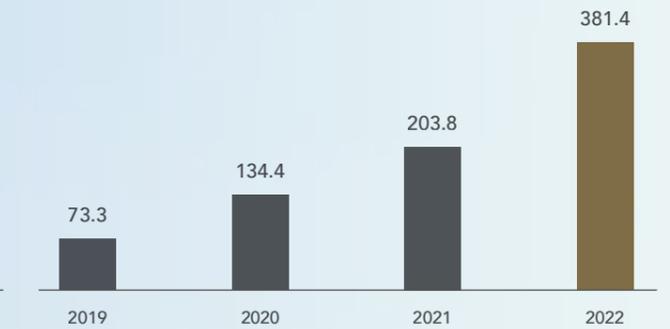
COMMISSION REVENUE (TL MILLION)



INVESTMENT BANKING REVENUES (MILLION TL)

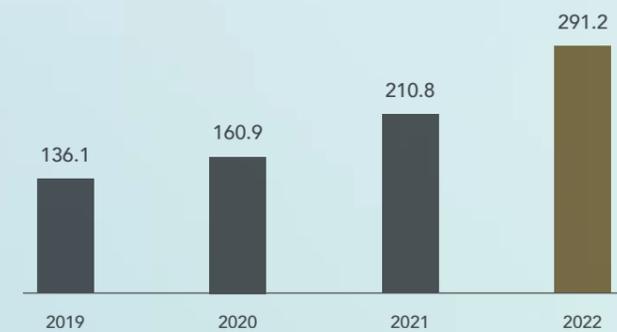


NET PROFIT (TL MILLION)

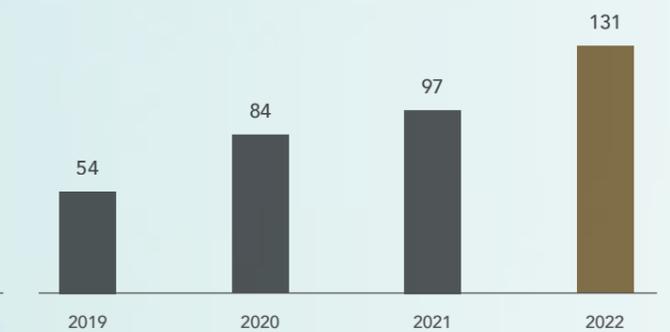


IT IS ICBC TURKEY AND ICBC TURKEY SECURITIES' REAL GOAL TO CONTINUE INVESTMENT BANKING SERVICES ON A REGIONAL RANGE BY ACTING AS A BRIDGE BETWEEN EUROPE AND ASIA.

SHERHOLDERS EQUITY (TL MILLION)



ROE (%)



ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

ICBC Turkey's priority is to create a business model that meets the needs of consumers in the best way, working together with financial service providers, within the framework of regulations.

RETAIL BANKING

TO BE THE FIRST CHOICE FOR INDIVIDUAL CUSTOMERS

ICBC's international strength, innovative approach and expertise in financial technologies allows it to access different markets and customer segments. ICBC Turkey's priority is to create a business model that meets the needs of consumers in the best way, working together with financial service providers, within the framework of regulations.

Under the guidance of the ICBC Group's strategy of No.1 Personal Finance Bank, ICBC Turkey has set its main objectives as strengthening its customer base, increasing its deposit size and profitability and offering innovative technological financial products to the Turkish market.

A CHALLENGING TIME FOR CONSUMERS

In a period where consumers have faced various difficulties, customers have demonstrated more interest in loan products as they seek close their cash flow deficits in an inflationary environment.

ICBC Turkey aims to stand by its customers at every juncture, backed by its strong balance sheet structure, and to continue its support its customers with its wide product-service portfolio. With this approach, the Bank also aims to develop long-term customer loyalty.

In the unique and difficult conditions of 2022, ICBC Turkey's Retail Banking arm performed successfully. ICBC Turkey Retail Banking, which is among the top three companies in the ICBC Group, has achieved significant progress, especially in terms of the growth in the number of customers, progress in deposit volume and profitability.

GAINS ACHIEVED IN 2022

Despite the relative difficulty of maintaining development and progress in Retail Banking in 2022, a wide array of products have been launched, supported by implementation of new projects, with Retail Banking achieving a successful performance.

The following steps were taken in 2022 for Retail Banking;

- Integration of the currency protected deposit product into the ICBC Turkey system,
- Second phase studies of the domestic QR Code,

- MasterPass Integration Project,
- Digital Transformation Project preparation stages,
- Risk management and reporting studies,
- Marketing activities aimed at Chinese customers,
- Revision of the citizenship application process and attracting customers to the bank,
- Increasing the number of customers by assigning segments on the basis of turnover and number of employees in each company,
- Revision of product and service fees that can be received from Commercial Customers,
- Various marketing activities including numerous campaigns, reports and cross-selling activities to help the branches achieve their goals,

Close monitoring of the marketing efforts of the entire branch team and risk management activities including training.

ICBC TURKEY'S 2022 SCORECARD²

Growth of

- 26% in total retail deposit volume,
- 84% in demand TL deposit volume,
- 22% in TL time deposit volume,
- 47% in the number of Retail Customers,
- 77% in the number of SME customers (as a result of segmentation activities),
- 26% in the number of Chinese customers,
- 3% in POS including WeChat Pay
- 5% in the total number of debit and credit cards,
- 64% in total card volume.

In 2022, all branches involved in the mechanism closed the year in profit with the work conducted by the branch assistance mechanism. The Retail Banking NPL ratio decreased by 32% from 1.5% to 1%; the volume of non-performing loans, meanwhile, decreased by 47% from TL 6 million to TL 3.2 million.



NEW PRODUCTS AND SERVICES OFFERED TO CUSTOMERS

DragonPass Service

ICBC Turkey celebrated its 7th anniversary by publishing a bulletin for DragonPass Platinum cardholders. DragonPass offers its users access to more than 1,300 lounges at more than 700 airports in more than 140 countries, including Istanbul, Sabiha Gökçen and Esenboğa airports.

QR Code Project

Domestic QR Code payment methodology, which has benefited from the Bank's extensive knowledge and experience in QR code payment technology, turned into a concentrated digital payments development project in 2022 with its second phase studies. With ICBC Turkey's QR code system, customers may withdraw/deposit money from the ATMs of both ICBC Turkey and other banks.

Contactless Card Project

The project has been designed to meet the day-to-day needs of customers and has responded to the demand for credit cards with the contactless payment function.

Improvements to Company Salary Payment Processes

Revisions were made in the salary payment methods of company employees who received their salaries through ICBC Turkey. It has been made possible for companies to receive salary payment orders directly, without the intermediary of branches and head office.

Foreign Currency Protected TRY Deposit Account

Work was carried out throughout 2022 to develop the product, which was implemented with the Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts, published on 21 December 2021, and was offered to customers. This product, which was offered to customers in parallel with the sector, both enhanced customer satisfaction among existing customers and supported customer acquisition.

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

WORK TO PROMOTE CUSTOMER SATISFACTION AND REDUCE RISK

ICBC Turkey believes that understanding the customer is key to ensuring that the customer experience is sustainable while providing a good service experience on an end-to-end basis. The Bank's primary focus is to evaluate customers on the axis of different product groups and to identify the points that will be needed in after-sales service, together with their solutions. To this end, feedback and suggestions from the ICBC Turkey branches are handled under a careful approach and necessary improvements are carried out.

By taking proactive steps, ICBC Turkey draws on its global network, and innovative products which may be new to the domestic market but which offer proven reliability and functionality are offered to customers.

DEVELOPMENTS IN WECHAT PAY AND CHINEX

WECHAT PAY PROJECT

WeChat Pay, one of the world's largest payment platforms, is a global ICBC product distinguished by its customers' ability to shop as if they were in their own country. The WeChat Pay project has introduced foreign users to payment methods which had not been available in Türkiye, helping Chinese tourists carry out more transactions in Türkiye. Pioneering the next generation of payment systems, this product is a sign that the transition to a cashless society is just around the corner. Continuing to demonstrate a successful performance, WeChat Pay reached a volume of TL 10.8 million with 4,551 transactions carried out by the end of 2022. The number of WeChat Pay POS machines increased to 188 in the same period.

CHINEX

This is an alternative system able to provide fast, easy and economical service independent of other infrastructures for money transfer transactions to China. Since CHINEX is a special service for ICBC Turkey, there is no correspondent banking fee or any other fee payable for the transactions carried out. Offering all students studying in China and Chinese students studying in Türkiye a 50% discount on money transfers, CHINEX may be accessed through the branches, ICBC Turkey Internet Banking and the Mobile Branch. A total transfer volume of US\$ 17.9 million had been recorded through the 2,608 transactions performed via CHINEX.

CONTINUOUS IMPROVEMENT OF PRODUCTS AND SERVICES

ICBC Turkey's goal is to accelerate change. The Bank is focused on increasing operational efficiency by leveraging innovation and responding to changing market dynamics. In order to respond to shifting customer demographics which require digital experience, the Bank aims to switch from traditional banking to digital banking. In this vein, the Bank will add competitive and innovative products to its portfolio as well as adding new functions to its existing products.

ICBC Turkey aims to add products such as Union Pay, Yuvam account creation, the Digital card, Contactless debit card and remote customer acquisition to its portfolio, which it predicts will contribute to its sales power.

MORE THAN 2,500 CHINESE CUSTOMERS

By the end of 2022, ICBC Turkey was serving more than 2,500 Chinese customers. In addition to the business model determined for product sales at ICBC Turkey branches, the special opportunities such as cheaper, easier and faster monetary transactions and the impact of salary payment methodology in line with the working methods of Chinese companies played a role in the acquisition of Chinese customers.



In order to respond to shifting customer demographics which require digital experience, the Bank aims to switch from traditional banking to digital banking.

CAREFUL MANAGEMENT OF OVERDUE RECEIVABLES

Credit demands of customers are evaluated in line with ICBC Turkey credit risk management procedures. In 2022, the risk balance was kept under careful control with reminding and informing activities carried out under the coordination of branches for overdue loans, thereby reducing the NPL ratio.

Compared to the end of 2021, the retail banking NPL ratio decreased by 32% from 1.5% to 1%, with NPL volumes decreasing by 47% from 6 million TL to 3.2 million TL.

UPDATES IN INDIVIDUAL CUSTOMER EFT/TRANSFER AND SAFE-DEPOSIT BOX FEE AND EXPENSES IN 2022

Within the scope of the Regulation Amending the Regulation on the Procedures and Principles Regarding the Fees to be Collected from Financial Consumers, fee rises can be implemented in line with the rise in the annual consumer price index increase announced by the Turkish Statistical Institute at the end of the previous year. EFT/Money Transfer and Safe-Deposit Box fees were updated in 2022 with an increase rate of 36.08%, in line with the consumer price index at the end of 2021. With this update, the Bank aimed to increase individual customer revenues.

REVISIONS TO CITIZENSHIP APPLICATION PROCESS

Leading the market in the management process of citizenship applications, the Bank received applications from many foreign customers, especially Chinese customers. At the same time, within the scope of the Regulation on the Implementation of the Turkish Citizenship Law, published on 21 January 2022, the CBRT brought the obligation to convert any foreign currency deposited in the Bank for the citizenship application into TL as part of the requirement for Foreign Exchange Sales to be carried out.

In addition, a new structure has been created in accordance with the circular regarding the fulfillment of the payment obligations of the real estate purchased in Türkiye by individuals who do not have citizenship ties with the Republic of Türkiye and has been forwarded to the branches.

SPECIAL CAMPAIGNS AND MARKETING ACTIVITIES

ICBC Turkey aims to implement projects which support customer loyalty with innovative sales and service models. In the coming period, the Bank will implement new projects such as the MasterPass contactless debit card, which will bring ease to the lives of customers and increase the sales power of the Bank.

The ICBC Group celebrated their Retail Customer Representative Day for the 4th time in Türkiye on 20 May 2022. Promotion work for customers who are pensioners was updated. Promotional materials were distributed to the branches in order to increase customer satisfaction and accelerate marketing activities throughout the year. The Bank carried out the money box campaign to new customers under the age of 18 when they open an account, International Women's Day campaign, 14 March Medicine Day Campaign and Company Salary Customer Acquisition Campaign..

Looking Ahead

ICBC Bank aims to be a strong and effective player in the retail banking segment.

Retail Banking will continue to be one of the ICBC Turkey's key segments with its value-added services, stability, low-cost deposits and broad customer base, aimed at long-term relationships.

The main objectives of the department are;

- To increase the total number of retail banking customers, 30% of whom are digital banking customers,
- To expand the Bank's total assets and increase the share of deposits and credit volume within the bank to 30%,
- To increase Banking income and increase its share in the Bank's income to 10%

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

As a result of the efforts and developments in digital channels, the proportion of financial transactions carried out through digital channels and the number of active mobile users at ICBC Turkey has reached an all-time high.

DIGITAL BANKING

REACHING AN ALL-TIME HIGH

As a result of the works carried out and developments achieved in digital channels, the ratio of financial transactions performed via digital channels and the number of active mobile customers has reached a peak.

There was a 12% increase in the number of active mobile banking customers compared to the previous year, with a 12% increase in the number of transactions carried out through the Internet and Mobile Branch and over ATMs for the same period.

Compared to 2021, the number of active mobile customer number and the transactions carried out through the Internet, Mobile Branch and over ATMs increased by 12%. While the number of transactions performed through the Mobile Branch increased by 17%.

Based on comparable transactions, the ratio of financial transactions carried out through digital channels reached 84% in 2022 (counting all financial transactions carried out through ATMs, the Branches, the Mobile Branch, the Internet Branch).

There was a 58% increase in the volume of financial transactions performed over the Internet and Mobile Branch compared to the previous year.



SUCCESS ACHIEVED WITH A CUSTOMER-ORIENTED PERSPECTIVE

ICBC Turkey considers and answers all messages from its customers meticulously within the framework of its customer-oriented perspective. The Customer Interaction Management Unit, which views each customer message as an opportunity for improvement, identifies the issues which negatively affect the customer experience, identifies the root cause so the situation does not recur, offers solutions and follows every step until a permanent solution is provided. In the event of unexpected disruptions where it is not possible to offer a solution within a short period of time, affected customers are informed without a delay. In 2022, the resolution period for customer complaints on a quarterly basis was 2 days.

There was a 6% decrease in the number of complaints received by the Customer Interaction Management Unit in 2022 when compared to 2021. Improvements and breakthroughs achieved in non-physical channels played a significant role in this decrease.

The activities to encourage the use of digital channels included free EFT and ATM cash withdrawal/deposit campaigns, which continued for customers using the Mobile Branch. Customers using the ICBC Turkey Mobile Branch do not pay any fees for withdrawals or deposits of TL 200 or more from their deposit accounts from the ATMs of all banks. The number of financial transactions carried out through ATMs in 2022 accounted for 14% of all financial transactions carried out through the digital channels.

As of 2022 year-end, ICBC Turkey serves its customer with 39 branches and 43 ATMs. Information regarding the ICBC branches and its ATMs network can be found on the following link.

<https://www.icbc.com.tr/en/contact-us/Branch-ATMs/Branch-ATMs/306/831/0>

Looking Ahead...

In 2022, in line with ICBC Turkey's 3-year strategic plan, digital transformation works have been carried out in full-speed. ICBC Turkey's future goal is to further develop its online financial services capabilities and continue giving seamless experience to valuable customers.

Financial Technology, contributes to the teams working in the sub-headings of Financial Technology, project management, demand management and IT risk governance, in order to advance the goals and objectives of IT strategies and daily operations in line with ICBC Turkey's strategic priorities.

FINANCIAL TECHNOLOGY

INTERNATIONAL STANDARDS IN PROJECT PROPOSAL AND MANAGEMENT PROCESSES

Work continues on the projects undertaken by the Financial Technology Department within the scope of the 2021-2023 IT Strategy Plan.

The department contributes to the teams working in the sub-headings of project management, demand management and IT risk governance, in order to advance the goals and objectives of IT strategies and daily operations in line with ICBC Turkey's strategic priorities.

PROJECT MANAGEMENT UNIT ESTABLISHED WITHIN THE BODY OF FINANCIAL TECHNOLOGY IN THE LAST QUARTER OF 2021.

The 2022 IT Project Portfolio was created and designed by the unit, which implemented the process that allows the stakeholders of the Bank to create project proposals through the application, and the project management process to be carried out in a way that constantly measures key performance indicators through this application. With the project proposal and management process implemented to international standards, all internal and external audit findings related to the project management process were successfully resolved in a short space of time.

The Project Proposal and Project Management Process User Guide was published in May and the necessary training was offered to the business units in the same month.

The department aims to provide a new impetus to both ICBC Turkey's product and service portfolio and future project breakthroughs by managing the projects in the portfolio with the active participation of stakeholders throughout the year and completing five projects within the year.

A number of significant projects such as remote customer acquisition, strengthening the call center infrastructure, establishing collaborations for new customer acquisition, and readying the infrastructure for new breakthroughs were carried out in 2022. In order to guide all these studies, the necessary IT investments and relevant budget approval processes were reviewed with the contributions of the Financial Technology Department.

IMPORTANT GAINS IN DEMAND MANAGEMENT PROCESS

Process development points were studied in order to increase the efficiency of the demand management process, to raise the effectiveness of the resource management and to plan activities which would most benefit the bank.

In 2023, the follow-up of requests from business units will be carried out on a quarterly basis. At this point, portfolio priorities will be collected in every quarter and plans will be drafted by prioritizing certain areas within the framework of certain methodologies.

More than 175 requests, 600 instant reports and parameter updates were completed in 2022.

The Financial Technology Department offered comprehensive support to all IT audit processes within ICBC Turkey on the axis of IT Risk Management. The ongoing audits carried out during the year ensured coordination with the relevant stakeholders, with evidence presented for the reported findings with the reports subsequently prepared.

Within the scope of independent external audits such as Deloitte and KPMG and other internal and external audits, audits and findings on the IT side were followed closely. A total of 37 audit findings were resolved by the Financial Technology and Technology Center in 2022, of which 17 of them were found in internal audits, 19 in external audits and one being a finding from the BRSA audit.



ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

FEATURED PROJECTS

ICBC Turkey attaches tremendous importance on acting and taking steps in parallel with the digital transformation taking place in the Head Office.

In line with its short- and long- term IT strategy, ICBC Turkey aims to realize its digital transformation by rapidly changing and transforming, and focusing on the financial ecosystems which will be well integrated throughout the industry. In order to ensure the digital transformation is implemented comprehensively, the Financial Technology Department aims to prepare technological platforms which will facilitate this transformation.

The Financial Technology Department had 16 projects in its portfolio in 2022. Five of these projects were subsequently completed successfully and put into practice. Ten of the projects are in the execution phase while one of the projects is suspended pending resource assignment. The completed projects include QR Code Payment Screens Project, which aims to improve the service level and customer satisfaction in the field of payment systems, Legal Reporting Project, which aims to increase efficiency by automatically generating periodic reports, Currency Protected Time Deposit Account Project, which contributes to offering a new product to customers, and PCI-DSS Project, which aims to achieve card security international standards, Project to Increase the Number of Contracted Institutions, which will contribute to increasing the number of services offered to customers through partnerships established in the collection methods.

The first steps of Remote Customer Acquisition Project and Call Center Infrastructure Transformation Project were taken in the last quarter of 2022, and these projects continue as the first active and pioneer projects of the digital transformation process.

The Remote Customer Acquisition Project will pave the way for customers to become customers through the mobile branch within minutes, without having to physically go to the branches. In addition to infrastructure development, the Call Center Infrastructure Strengthening Project, which focuses on compliance with legal regulations, envisages the replacement of the infrastructure of the ICBC Turkey Call Center, which will be out of service until 2024, with a new infrastructure.

The video call feature, which is obligatory within the scope of the customer acquisition project, is planned to be completed within this infrastructure.

Virtual Desktop Infrastructure Project - providing value to employees.

Successful steps were taken in developing the Virtual Desktop Infrastructure in 2022. This project, which is nearing completion, aims to offer employees the chance to work at the maximum level of security, regardless of their location and environment once it is implemented rolled out throughout the Bank.

Currency Protected Time Deposit Account Project

The implementation of the Currency Protected Time Deposit Account Project marks the completion of another successful step within the framework of legal compliance.

ICBC Turkey customers may open an Currency Protected Time Deposit Account Project account both through the branches and the internet branch. In addition, the project paved the way for the acquisition of new customers.

Container Application Delivery Platform Project

Another project handled within the scope of the corporate integration target, one of the IT Strategic targets, is the Container Application Delivery Platform Project. With the project, software development cycles will be improved; developers will be able to develop and test code without the assistance of system administrators in an environment similar to the production environment. Safe software development cycles will be implemented by integrating code control and security tools into the infrastructure. Software distribution steps will be automated and code distribution will be provided without individual intervention as requested by the BRSA and the Head Office.

The importance of information security

In all implemented projects and audit processes, security risks and vulnerabilities are measured and monitored together in periodic examinations. The Bank ensures coordination with Information Risk and Security Office to ensure there are no security gaps in the management of projects and processes implemented with third party organizations.

Virtual Desktop Infrastructure Project and Container Application Delivery Platform Project, which were advanced in 2022, are expected to bring significant contributions to the field of cyber security. In addition, with the creation of the Secure Internet Access environment in this project, the internet access of the environment where the basic banking applications are located will be isolated and employees in the newly planned DMZ (Demilitarized Zone) environment will be able to connect to the internet in a freer and more secure manner. The Containerization Project, which will smooth over the steps between code development, testing and moving to a live environment, will also contribute to the safer progress and monitoring of processes.

Collaboration with the Head Office

The ETRAN file transfer technology conversion process was prepared in line with the requirements of the ICBC Head Office. The technical establishment of the global market risk management system transfer file of the Head Office has been completed, while work on docking the Local Domino mail system to the central core mail system is now largely complete, with breakthroughs being achieved towards the use of RPA technology.

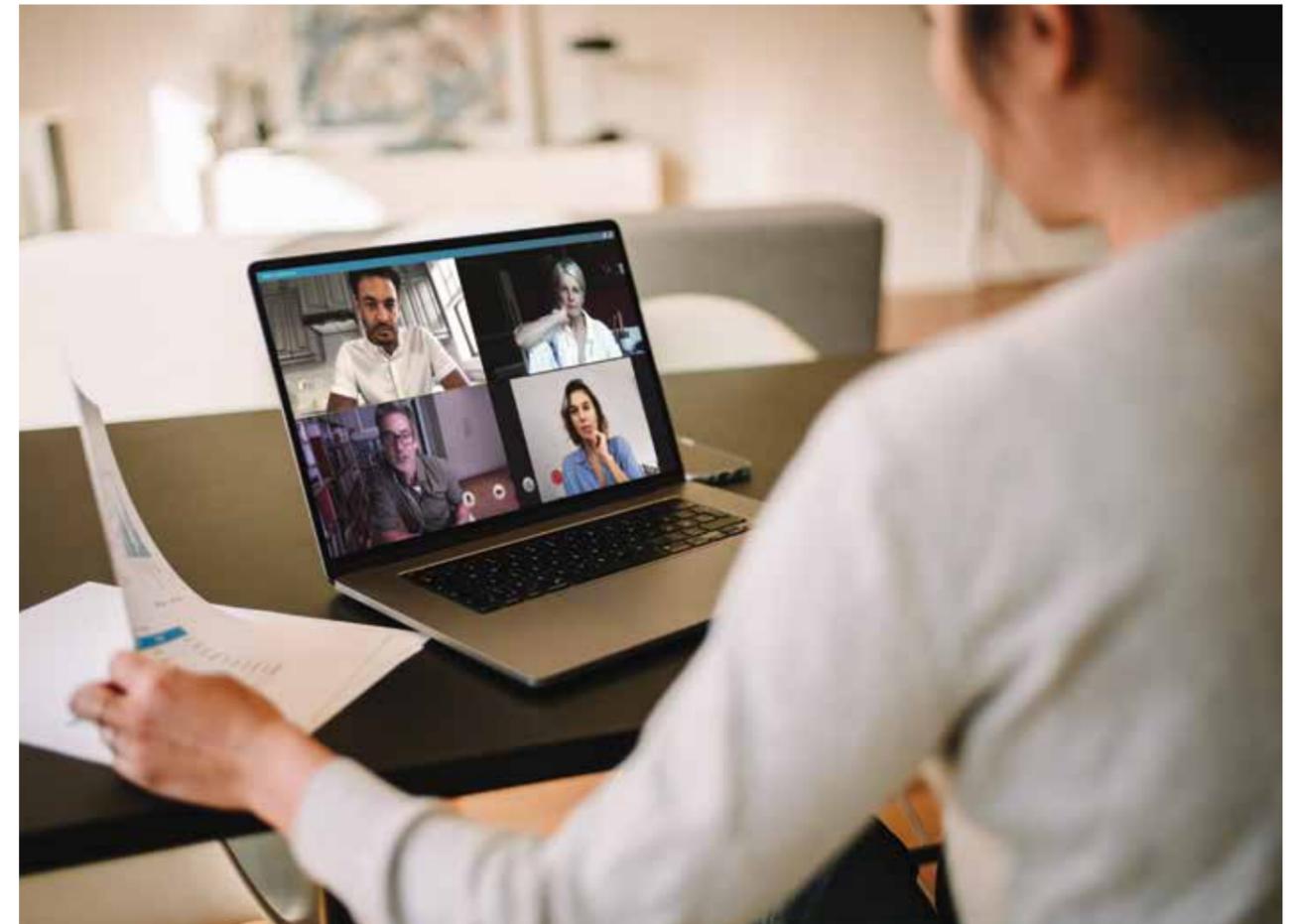
Mutual communication of inquiries from business units within the scope of integration with the ICBC Group's core banking system, FOVA, and information requests regarding processes continued.

In addition, there were a number of activities aimed at actively communicating the Head Office technology audit studies and to resolve any findings.

In line with its short- and long- term IT strategy, ICBC Turkey aims to realize its digital transformation by rapidly changing and transforming, and focusing on the financial ecosystems which will be well integrated throughout the industry.

Looking ahead...

The Financial Technology Department will continue to work on a wide range of projects which create value for its internal and external stakeholders, such as digitalization to cyber security.



ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

CREDIT AND INVESTMENT MANAGEMENT

AN NPL RATIO WELL BELOW SECTOR LEVELS

Despite the negative developments in the global and local markets, the Bank achieved maximum collections from potential risk customers as well as non-performing loans, and the Bank achieved its targets for 2022.

The Bank's NPL ratio, which stood at 0.21% at the beginning of 2022, was reduced through the use of the most appropriate liquidation methods, decreasing to 0.12% by the end of 2022. In the banking sector as a whole, the NPL ratio, which stood at 3.16% at the beginning of 2022, declined to 2.11% by the end of December.

This comparison indicates that ICBC Turkey's NPL ratio is well below the sector level.

In 2022, a total of TL 9,701,797 was collected from loans followed in Non-Collectable Loans accounts. The total amount of collections from customer accounts written off in previous years stood at TL 3,659,293.

The close monitoring and the credit policies followed by ICBC Turkey ensured that there was no large transfer to non-performing loans in 2022.

Individual and credit card customers under follow-up were also closely monitored. A total of TL 2,395,000 was collected from one single customer with the highest personal balance. The liquidation of the customer is planned to take place by the end of 2023.

The ratio of loans under potential risk customers, which was 3.42% at the beginning of 2022, had decreased to 3.04% by the end of 2022 thanks to the efforts to prevent new potential risk formation and the reduction of existing risks by closely monitoring these risks over the years.

The potential risk customers balance, which was US\$ 80.7 million at the beginning of 2022, decreased to US\$ 76.06 million at the end of 2022. In 2022, a total of TL 93,993,642 was collected from potential risk customers. The highest collection was realized with a collection of TL 42,471,598 from a legal person within the 2nd group of customers.

"DATA GOVERNANCE" PROJECT

ICBC Turkey initiated the Data Governance study in order to improve data quality. Related work has been carried out to promote further development and improvement of Credit Data Reporting Management. The Data Management study aims to further strengthen the monitoring and control of risk associated with corporate customers in the Bank's portfolio.

The effective development of data governance work relies on compliance with standards, the comprehensive introduction of the five-level classification and seven-color pool, and the data quality improvement of other reports. The relevant study is prepared on a monthly basis with updates carried out where necessary.

THE GREEN FINANCE COMMITTEE AT ICBC TURKEY

At the request of the ICBC Head Office, ICBC Turkey Green Finance Committee was established on 24 June 2022 to establish and develop the green finance organizational structure.

TO BE ONE OF THE LEADING GREEN CREDIT BANKS IN TÜRKİYE

ICBC Turkey aims to become one of Türkiye's leading green credit banks. The Green Finance Committee internalizes green finance as the basic principle and conscious action of the Bank's operation and development, aiming to maintain its competitive leadership position in terms of the quality of green loans as well as the scale of green loans.

The Credit and Investment Management Department will play a key role in setting the standards regarding green finance and will enhance the Bank's contribution to green finance efforts.

The Green Finance Committee is the body which assists the Bank's management in reaching decisions that will enable the coordinated development of green finance.

The committee is responsible for the following;

- Determining ICBC Turkey's strategic plans and medium and long-term or annual targets for the development of green finance,
- Reviewing key policies, operations, procedures and work plans within the scope of green finance strategies,
- Coordinating the development of green finance in all branches and business lines at ICBC Turkey with the Bank's reports on progress in green finance,
- Overseeing the implementation of green finance,
- Ensuring the implementation of green financing strategies and objectives.

GREEN CLASSIFICATION STUDY

On and off balance sheet investment and financing transactions at ICBC Turkey are subject to green classification management.

All branches are expected to apply green classification management to all kinds of investment and financing transactions.

The Green Classification study is aimed at the following;

- Strengthening the green financing structure,
- Improving the green classification management of investment and financing businesses,
- Strengthening the investment and financing environment and the identification and prevention of social risks.

Depending on the green credentials of their investment and financing businesses, corporate customers in the bank's portfolio are classified into four categories as follows;

- Environmentally Friendly Category
- Environmentally Qualified Category
- Observation Category
- Remediation Category

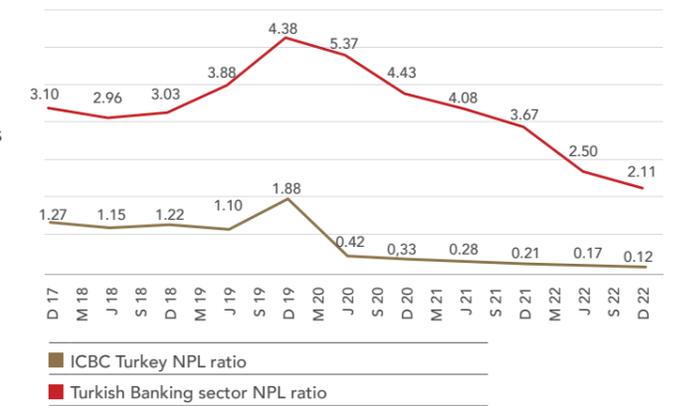
The study, which has been prepared with the support of the relevant branches and departments and is updated every month, aims to determine and increase the share of the environmentally friendly category in the entire portfolio.

At ICBC Turkey, the green classification will be subject to dynamic management process which will ensure the authenticity and accuracy of the classification results.



RATIO OF NON-PERFORMING LOANS TO TOTAL LOANS (%)

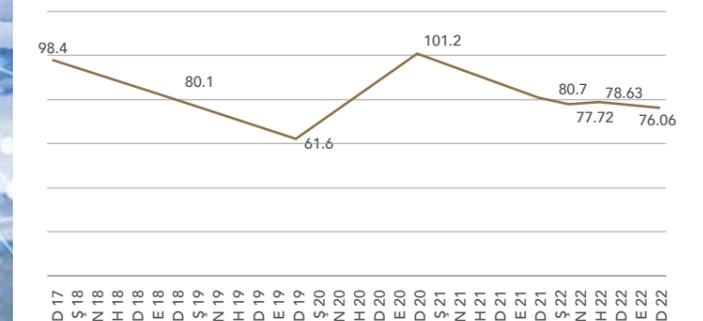
The Bank's NPL ratio, which stood at 1.27% at the beginning of 2019, has been brought down over the years by using the most appropriate liquidation methods, and had decreased to 0.12% by the end of 2022. The NPL ratio in the Turkish Banking sector as a whole decreased from 3.88% at the beginning of 2019 to 2.11% at the end of November 2022. ICBC Turkey has kept loans under close follow-up, largely preventing the formation of new NPLs, and its NPL volume has been maintained at the lowest level.



END OF DECEMBER POTENTIAL RISK CUSTOMERS AMOUNT (USD MILLION)

By preventing the formation of new potential risk and closely monitoring of existing risks, the Bank's ratio of loans with potential risk, which stood at 4.58% at the beginning of 2019, decreased to 3.04% by the end of 2022.

Potential Risk Customers balance, which stood at USD 80.1 million at the beginning of 2019, decreased to USD 76.06 million by the end of 2022. A total of TL 200 million was liquidated from potentially risky loans in the last 4 years.



ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

HUMAN RESOURCES

CORPORATE CULTURE OF ICBC TURKEY

Human Resources Department at ICBC Turkey is an active, critical, and strategic department that has the following qualities:

- Producing projects for employee loyalty and happiness,
- Tries to gain and retain the most appropriate people at the organization who will contribute to company values and goals,
- Works with a fair performance evaluation and remuneration system,
- Works on right structuring for Organizational Efficiency,
- Shows effort to develop employee development and increase motivation,
- Works on strengthening the employer brand,
- Structures all these processes by taking into consideration the employees' expectations, psychology and behavior,
- Supports all managers for leadership and communications management,
- Empowers each employee to understand and adopt ICBC Turkey's general goals.

Ratio of female manager and above to total executives	51%
Ratio of women in profit center departments to all employees	19%
Increase rate of female employees in 2022	3.7%
Ratio of female employees who promoted	34.8%
Number of suggestions of employees	241
Ratio of employees working for 10 years or more to total employees	39%
Ratio of filling higher level positions with employees inside the Bank with promotion	100%
Total hours of OHS trainings	4
Employee turnover	8.4%
Average training hours per employee	17 hours
Ratio of digital trainings to total trainings	90%



ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

With the effective and people-focused human resources applications in accordance with the personnel management policy, ICBC Turkey adopts as policy to continue a human resource consisting of highly motivated and loyal employees and to request everyone to be the "Leader of his/her Job"



ICBC TURKEY HUMAN RESOURCES POLICY AND STRATEGY

Human Resources works in harmony with departments, centers and branches monitoring business goals and strategies of the Bank. Accordingly, it focuses on reforms and improvements in organizational structure, employee development, salary levels, performance premium, career development and trainings. The main strategy of Human Resources is forming a happy, highly motivated and trained labor force which adopts ICBC Turkey's principles and goals, has team spirit and cares about development.

Focusing on basic competencies of employees, fairness principle is observed in all human resources process without discrimination. Evaluations are performed by taking into consideration employees' potentials and performances. Providing a working environment that encourages continuous development, the Bank also contributes to growth of ICBC Turkey by the resulting efficiency and prestige. With the effective and people-focused human resources applications in accordance with the personnel management policy, ICBC Turkey adopts as policy to continue a human resource consisting of highly motivated and loyal employees and to request everyone to be the "Leader of his/her Job".

Human Resources management is in compliance with all employment, health, security and other related regulations in all areas the organization has operations in. In accordance with this approach, various human resources regulations and policies are being continuously optimized to make them more reasonable, transparent and systematic.

Human Resources is responsible for providing security, wellbeing and satisfaction of the Bank's executive management and all labor force. In addition to this responsibility, the department complies with all labor and employment laws consistent with best practices. Majority of Human Resources roles are based on sustaining strong business principles and regulations.

The Bank aims to be an employer that leaves a positive mark on employees' perceptions. In this context, in addition to activities to retain high performance employees at the Bank for long periods, the Bank also works on increasing their efficiency and motivation. On the other hand, The Bank reviews its processes to be an employer preferred by young talents and aims to build perception through active communication to be a company candidates always want to work at.

With the ICBC Turkey Human Resources Employee Value Proposition (EVP) policy, the goal is to improve remuneration management of departments, centers, and branches, to increase return provided by human capital, to correlate general salary level with performance.

In accordance with the importance given to young and dynamic staff, the Bank also focuses on increasing training and development activities offered to these employees, developing of hiring perspective and providing them with not only horizontal career areas but also with vertical career opportunities.

ICBC Turkey, fills open positions from within the Bank, when possible, otherwise from outside. Job applications prioritize expansion of Human Resources Management's vision of employee selection and employment, speeding up training and development processes of young staff, bringing competent, responsible and energetic staff to management of the Bank's departments, centers and branches and creating more space for them, in addition to providing them career transfer opportunities.

In 2022, ICBC Turkey ranked 4th in the performance evaluation of ICBC Head Office in the field of human resources.

THE HUMANIST-HUMAN RESOURCES APPLICATION

In 2022, the Human Resources Department continued its activities and projects within the scope of the goal of creating a workplace where technology can be more closely adapted to business processes, with reduced workloads where all personnel can work together in greater harmony, where the Bank will expand.

The Integration processes for Humanist, the new human resources application system, which has been under development for some time, have been completed. The application system aims to facilitate human resources processes, to render the management process more transparent and to allow departments, centers and branches to work more closely and effectively. Standard modules were made available to employees in September 2022.

Before the system was put into use, self-service screens and a user manual were created, and online training was provided for employees throughout the entire Bank. Performance results will be evaluated in 2023 and salary adjustments, promotions, bonuses and position changes will be implemented under a simple approach depending on the achievement of targets.

IT REFORM AND DEVELOPMENT PROJECT

In a high-tech IT-driven market, setting out a strong Human Resources strategy is vital.

With the digitalization of the sector, the IT sector has started to become more competitive, raising the need to offer ideal solutions in the organizational structure of ICBC Turkey and to develop suitable alternatives.

Internalizing innovation and technology in the processes is vital to ensure a sound transition and transformation. In the field of IT, concentrated information security and strengthened financial technology have gained importance worldwide. Transforming human resources practices in the first instance is vital to achieve these goals and to set out with a solid foundation.

More than ever before, IT reform and development must have a consistent and defined approach, supporting employee growth in a rapidly changing market.

Based on these premises, the Human Resources Department collaborated with a global consultancy firm (WTW) in 2022 and begun work on a project focusing on Human Resources functions. Work has got underway on issues such as performance management, pay management and the organizational efficiency of IT-centric departments.

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

While ICBC Turkey uses the most effective methods in recruitment practices, a recruitment approach is applied which will create an environment where the competencies of each candidate are at the forefront of the process and which reveal the values they have adopted.

NINE ACTIONS HAVE BEEN CONDUCTED WITHIN THE SCOPE OF OCCUPATIONAL HEALTH AND SAFETY AT ICBC TURKEY

- Risk Assessment Report,
- Emergency Action Plan,
- Occupational Health and Safety Training for Employees,
- Periodic Inspection Report of Recruitment,
- Measurements of Workplace Environment,
- Periodic Controls of Work Equipment,
- Emergency Drills,
- First Aid Certified Personnel,
- Selection and Training of Emergency Teams

RECRUITMENT, CAREER MANAGEMENT AND EDUCATION

While ICBC Turkey uses the most effective methods in recruitment practices, a recruitment approach is applied which will create an environment where the competencies of each candidate are at the forefront of the process and which reveal the values they have adopted.

Employee management is a process which helps employees perform at the highest level and achieve the bank's goals and objectives. It handles almost every aspect of human resources, including headcount management, recruiting and training. This process has promoted the continued development of a Human Resources department focused on the strength and commitment of employees at the Head Office.

With a total of 756 employees, ICBC Turkey has reached its target for the number of staff working in the Head Office according to the 3-year plan. A total of 101 new employees were employed in line with the needs of the business in 2022. A total of 389 online interviews were conducted for all open positions in 2022.

New Recruitment System

In 2022, ICBC Turkey collaborated with a professional consultancy firm in the field of new recruitment tools to integrate digitalization into the recruitment process and to develop an interesting, personalized and carefully crafted onboarding process. Recruitment tools bring time control and efficiency to the recruitment process with improvements such as "service strategy", "increasing efficiency", "developing talent" and "optimizing". Our new recruitment system offers

a wide array of assessment tools under one roof including Personality Inventory, Video Interview, Aptitude Tests, Language Tests, Technical Exams, Gamification, Surveys, Online Role Playing, Online Case Study, Online Presentation and the Online Project.

MANAGEMENT TRAINEES (MT)

ICBC increases employee engagement with talent-driven development which will strengthen the building of the corporate culture. In this context, management trainee (MT) acquisition is one of the cornerstones in the effective use of the Bank's capabilities.

Based on the importance of raising young talent in the ICBC culture, a total of 139 management trainees have been recruited over the last 6 years. In 2022, the recruitment process for the MT-27 group, which is focused on banking and information processing, was completed. The MT-27 class was opened with 16 new graduates.

On the first day, the Human Resources Department provided all newly graduated management trainee groups with presentations on orientation and the Company culture.

New graduates received technical training tailored to their duties as well as personal development training during the one-month training period.

CAREER DEVELOPMENT

Everyone working with devotion under the umbrella of ICBC in line with the ICBC vision and mission is highly valuable. As a result, career path practices are given importance in order to increase motivation and corporate loyalty among employees and to support their development. In this vein, internal department changes and a performance-oriented promotion system have been implemented with the purpose of providing employees with different career opportunities.

PROMOTIONS

ICBC Turkey believes that every employee has the potential to be promoted and encourages their promotion.

In this process, all employees are approached with a fair and transparent system and career goals are presented. Employees found suitable as a result of the evaluations carried out in line with the determined promotion criteria are offered promotion.



In 2022, a total of 136 ICBC Turkey employees were promoted. Promotions were carried out in line with the necessary criteria and with the consultation of the Managing Directors.

OPEN COMPETITION

Due to the importance of the title of director at the management level, the Open Competition is implemented to provide equal opportunities for all those who meet the requirements of the title.

TRANSFERS

ICBC Turkey believes in the importance of promoting professional and inter-regional transfers and supports the development of "single expertise, multiple talent" individuals. In this context, 57 transfers (rotations) were carried out in 2022.

EDUCATION

Based on the understanding that Human Resources, career and education management is the key point of continuous development, continuous training programs are organized at ICBC Turkey. The activities to be carried out must be planned and effective in order to ensure the employee gains awareness of corporate loyalty and the corporate culture.

As with all human resources practices, training and development activities are associated with the Bank's strategic goals and priorities. Current and future organizational and individual needs are taken into account, with the managerial and professional development needs of the employees being instrumental in this process.

Renewal and development are indispensable elements of modern banking. ICBC Turkey builds on these elements and develops them with an organizational approach which learns from these processes. ICBC Turkey attaches tremendous importance to talent training in strengthening business development and employee growth. In this vein, various training areas were organized and carried out in 2022.

In 2022, ICBC Turkey offered training programs to its employees with internal trainers, vocational training companies and conferences and seminars organized by the TBB.

A total of 103 training courses were provided during the year, including internal, external and online programs, with 13,562 employees attending. In this context, online training programs were provided in 16 different areas on 87 different subjects with the support of internal and external trainers.

ICBC ACADEMY

The ICBC Academy was established in 2022 to provide training which would increase employee motivation and loyalty, strengthen internal communication, support personal development and productivity, improve management skills and increase professional and technical development. At the same time, various projects, in particular educational projects, are planned to be implemented through this channel.

In this vein, the Human Resources Department implemented its first project and contributed to the education of children by purchasing TEGV education support certificates on behalf of each of its employees to mark April 23 National Sovereignty and Children's Day.

The Human Resources Department organized seminars within the scope of the Personal Development and Productivity Improvement Project and invited professionals working in the field to attend the training sessions, in a bid to support employees in their personal development.

ICBC Turkey believes that employees will achieve their goals in a working environment where they can demonstrate their energy, creativity and competencies. In addition to technical training for Management Trainee groups focused on banking and informatics, the "Young Talent Development Training Program" was launched with effective and people-oriented practices. In this context, the following training programs were completed in 2022;

1. Success in Business - Boğaziçi University
2. Negotiation 101 - Academy Club
3. The Three Fractal Stages Original Creation Methodology Conference - Akademi Club
4. Strategic Thinking, Strategy Development and Implementation - Koç University

Thus, Management Trainees received encouragement and were motivated. While the Management Trainees receiving the training are successful in business life, they are supported by the experience they have gained in the rotation journey, expand their perspectives with professional and personal development training and become qualified employees compatible with the culture at ICBC Turkey.

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

COMPENSATION MANAGEMENT

Salaries at ICBC Turkey are decided in accordance with market and economic conditions.

The substance of the pay schedules for employees is monitored by the Management Committee and the Human Resources team under the control of the ICBC Head Office.

After the performance management module is opened in the Humanist Human Resources system, key performance indicators (KPIs) will be adopted, while the task of adhering to task-orientation in performance and optimizing an established, more targeted performance bonus system will be pursued under a detailed plan.

Under the leadership of the Head Office and Management Committee, efforts were made to continuously improve and advance Human Resources strategies in accordance with the three-year plan. In this aspect, target-oriented remuneration studies will be carried out with the aim of motivating employees.

In 2022, the Human Resources Department once again gained the understanding and support of the Head Office in line with the repeated communications and statements, and received an additional salary budget. The bank's total pay budget maintained its fair growth in 2022.

SALARY POLICY

Due to the high levels of inflation, there was an increase in average market salaries in the banking sector in January and July, and the salary matrix was adjusted twice to take account of market criteria and internal balances. There were 140 promotions during the period, with according to adjustments to salaries.

In 2022, the total pay rate increased by 69.1%, the base salary rate increased by 83.4%, and the flexible salary rate increased by 55.6%.

PERFORMANCE BONUS PROCESS

ICBC Turkey has adopted Comprehensive (360) performance management in order to conduct fairer evaluations.

The Human Resources Department continued to operate with the "total cash" practice by following the "work more and earn more" approach.

Working with consideration of the benefit of the employee, prepayments were completed in 2022 despite the pandemic, and the overall budget was increased.

INCENTIVE BONUS

Steps have been taken to ensure coordination with the relevant units in order to simplify and effectively implement the incentive system. In order to maintain a high level of motivation among high-potential employees, incentive bonuses continued to be offered with individual and corporate customer campaigns being rolled out.

Compared to 2021, there was a 74% increase in the total amount of incentive premiums.

The following campaigns were rolled out;

- The Retail Banking Department measures the retail sales success of retail branches within the scope of active customer campaigns and rewards them.
- The Corporate Banking Department rewards the branches to encourage their success.
- In 2022, the Financial Markets Department Campaign was rolled out in order to improve communication with the branches and enhance the use of financial market products.

SOCIAL RIGHTS AND BENEFITS

The Human Resources Department consistently continues to provide social rights and rewards efforts to ensure employee loyalty and sustainability. Great care is taken to ensure the budget set aside for fringe benefits is used efficiently, by ensuring the needs of employees are given the highest importance.

Implementations which continued in 2022;

- Private health insurance and life insurance are offered to all employees. The amount determined by the Bank's senior management to support the private health insurance of family members has been paid to employees as an additional payment since 2017.
- Contactless meals were distributed to employees in the Head Office in order to prevent the spread of Covid-19.
- Transportation costs are paid to all employees.
- Clothing assistance is provided to security personnel.
- All employees are offered a birthday gift card.
- All internal trainers are paid a training hour allowance.
- Employees working in the Internal Audit and Compliance Department and the Board of Inspectors receive daily allowances.
- Cashier compensation is paid to the employees working on counters who issue receipts at the branches.
- Marketing oriented departments, centers and branches benefit from incentive premiums if the bank and business line meet the targets for the relevant quarter.
- Gifts are provided on special days (Teachers' day, women's day, etc.) to motivate employees.
- A "Welcome Box" is offered to employees who have just joined the Bank.
- In order to support and contribute to the education life of the employees, support is provided to employees who are studying for a Master's degree or Doctorate.



AWARDS

ICBC Turkey Human Resources believes that rewarding success is as important as building it.

The most valuable asset of the Bank is its employees. Appreciating and rewarding employees for their performance is crucial in ensuring the continuity of high performance and serving ICBC Turkey's goals.

Employees are rewarded after having completed 5, 10, 15, 20, 25 and 30 years, in proportion to their seniority.

The CEO Bonus Payment is offered to employees under Managing Director positions. In 2022, plaques and net cash awards were presented to individual and corporate employees recording an A/B performance.

The progress achieved by the ideas of young employees trained in the ICBC culture is valuable. Since 2019, employees have been recognized with the "Extraordinary Young Employee of ICBC Turkey" award.

To mark its 30th anniversary of being an international bank, ICBC Bank rewarded its employees with the ICBC Turkey Star award.

In 2022, 241 suggestions were submitted to the Suggestion System in order to increase employee motivation and satisfaction, which is a key priority for the bank, and to improve service quality. Suggestions deemed worthy and appropriate were taken into consideration.

In a bid to encourage the Suggestion System, the first 5 suggestions found suitable for development and implementation were rewarded with cash prizes.

ICBC Turkey won the "Best Advance in Benefits Strategy and Administration" and "Best Advance in Talent Mobility" awards in the Human Resources Category in the 2022 Brandon Hall Excellence Awards.

Looking Ahead...

The Human Resources department will continue to work in harmony with the Bank's departments and branches in 2023 within the scope of policies that are compatible with ICBC Turkey's business goals and strategies, and will continue to respond to the need for human resources with a proactive approach. In this context, it will continue to effect improvements to the organizational structure, employee development, salary rating, performance bonuses, career development and training.

In summary, the Human Resources department will strive for the sustainability of a happy, highly motivated, agile and educated workforce which has adopted the principles and goals of ICBC Turkey, works to a team spirit and attaches importance to development.

ICBC Turkey	
Total number of employees	756
	Branch employees 356
	Headquarters employees 400
Female employees	391 (51.7%)
Male employees	365 (48.3%)
Average employee age	38.9 years
Average seniority	9.36 years
	Branch average seniority 10.43 years
Level of Education	%
High school	8.7
Associate degree	6.6
Undergraduate	69.8
Graduate	13.9
Doctorate	0.4
Other	0.5

ICBC Turkey and ICBC Turkey Securities	
Total number of employees	852
	Branch employees 394
	Headquarters employees 458
Female employees	433 (51%)
Male employees	419 (49%)
Average employee age	39.26 years
Average seniority	8.98 years
	Branch average seniority 10 years
Level of Education	%
High school	8.09
Associate degree	6.1
Undergraduate	71.5
Graduate	13.03
Doctorate	0.59
Other	0.7

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

In the 2021-2022 period, ICBC Turkey examined its business lines, infrastructure and processes with a perspective focused on sustainability and environmental, social, governance (ESG), and carried out studies to identify areas of development in the light of competition practices and international ESG frameworks.



SUSTAINABILITY AT ICBC TURKEY



ICBC Turkey took important steps in the process of internalizing the concepts of sustainability and ESG in 2021-2022.

In the 2021-2022 period, ICBC Turkey examined its business lines, infrastructure and processes with a perspective focused on sustainability and environmental, social, governance (ESG), and carried out studies to identify areas of development in the light of competition practices and international ESG frameworks.

In a bid to tackle global warming, a transition period is in place during which countries have the opportunity to start acting in line with their net zero emission targets and strategies. This priority has been adopted by the private sector and the relevant measures have been tightened.

ICBC Turkey has entered the process of managing this critical transition period within the scope of the climate crisis, by following the effective Enterprise Risk Management approach set out by the ICBC Group, carrying out its green finance and responsible banking approach, taking global and local developments into account, and pre-empting risks before they arise with preventive and improving actions.

SUSTAINABILITY COMMITTEE

ICBC Turkey has established a Sustainability Committee under the leadership of the senior management to discuss and implement the decisions to be taken within the scope of the effective management of environmental, social and economic sustainability and the Bank's sustainability strategy. The Sustainability Committee carries out all ESG-focused activities in accordance with the current governance structure.

THE SUSTAINABILITY POLICY AT ICBC TURKEY

In the transition period, the Bank is implementing the Sustainability Management System, an important sustainability project, and summarized its mission, which was formed by adopting the principles of environmental protection, human rights and social welfare, as well as good governance, under the umbrella of the "Sustainability Policy".

ICBC Turkey considers its responsibilities within the framework of its strategic objectives and monitors the risks and opportunities related to the climate. In line with the Bank's sustainability approach, the interests of all stakeholders are taken into account, with the Bank seeking to be a part of the solution in the fight against environmental problems, while aiming to ensure integration with local society and to increase welfare.

In its Sustainability Policy, the Bank has pledged to maintain its sustainability activities without interruption, thus contributing to a livable future.

SUSTAINABILITY PRIORITIES AT ICBC TURKEY

The focal points of ICBC Turkey's sustainability strategy are shaped in line with the expectations of its stakeholders, as well as the economic, social and environmental impacts that arise as a result of its operations and along the value chain.

ICBC Turkey takes into account their vision and mission, values, policies, strategy and objectives while ICBC Turkey determines its material issues, which it has created by bringing together the opinions of the stakeholders it interacts with and (ESG) focus. ICBC Turkey has determined the following priorities for the reporting period;

- Employee Satisfaction and Employee/Human Rights
- Diversity, Equal Opportunity and eliminating Discrimination
- Digital Transformation and Digital Banking Applications
- Customer Satisfaction
- Training, Talent Management and Capacity Building
- Ethics, Compliance and Anti-Corruption

ASSESSMENT OF THE BANK'S ACTIVITIES IN THE YEAR 2022

GUIDED BY THE ICBC GROUP'S GREEN FINANCE STRATEGIES

ICBC Turkey aims to provide high quality green financial services to meet its customers' needs for green financial instruments and investments by implementing the ICBC Group's green financing strategies. The Bank is steadfastly committed to serving the common interests of its stakeholders in economic and social development, promoting sustainable economic development and social progress, developing core values such as "Integrity, Humanity, Prudence, Innovation and Excellence", and maximizing comprehensive value for the economy, the environment and society.

ICBC Turkey adopts a responsible lending approach which provides financing for projects in line with these principles, by observing the principles of sustainability in its lending processes.

In this vein, the Bank maintains its efforts to systematically adapt its investment and financing structure to sustainability, to actively support the development of green financing in key areas, to follow innovations in green investment and financing products and to strengthen environmental and social risk management in finance. ICBC Turkey analyzes the environmental and social impacts of its activities with its Environmental and Social Impact Analysis Report during the project evaluation processes, and works with international financial institutions in fund transactions which emphasize green finance.

GREEN CLASSIFICATION

In the investment and financing transactions of corporate customers, the "Green Classification" study was initiated at the end of November 2021 in line with the instruction of the ICBC Head Office. Four classifications were set out to measure the sustainability risk status of corporate customers, investment and financing transactions; the "Environmentally Friendly" category, the "Environmentally Limited" category, the "Observation" category and Improvement Category". This classification approach aims to strengthen the green financing structure, while identifying and preventing environmental and social risks which may be encountered in investment and financing transactions.

MAKING SUSTAINABILITY A PART OF THE CORPORATE CULTURE

ICBC Turkey has defined training on "Individual Awareness for a Sustainable World" as mandatory for all employees in order to integrate sustainability into all business processes and to make sustainability a part of the corporate culture through the ICBC Turkey Academy, which the Bank established to provide the training courses it provides to increase the competence of the human resources that will carry the Bank to the future. The platform is also concerned with sustainability, providing distance learning under the titles of "Introduction to Sustainability", "Fundamentals of Sustainable Development", "Sustainable Development Goals", "The History of Sustainability: Millennium Development Goals", "The Characteristics of a Sustainable Institution", "Preparing for 2030", "The Energy Transformation" and "Corporate Enterprise and Development".

In order to rollout the responsible lending approach to the business processes, in the training session provided by the Credit and Investment Management Department in cooperation with Escarus (TSKB Sustainability Consultancy Inc.) on October 22, 2022 with the participation of all Branches, marketing teams and personnel of the relevant departments from the Head Office discussed "Introduction to Sustainability", "Corporate Sustainability", "Driving Forces of Sustainability for Institutions", "Agenda of Sustainability in the World and in Türkiye", "Sustainability in the Finance Sector", "Sustainable Finance Products" and "Sustainability at ICBC". In addition, an internal training program was organized for Branch employees in order to provide more detailed information on the "Green Classification" for corporate and commercial loans on 10 November 2022 and to answer questions from the Branches.

Chinex: In order to support education, all students studying in China and Chinese students studying in Türkiye continued to benefit from the 50% discount on money transfers in 2022.

Donation Accounts: In 2022, the Hope Foundation for Children with Cancer (KAÇUV), the Autism Foundation and Education Volunteers Foundation of Turkey (TEGV) were included within the scope of donation transactions for which the Bank provides fast, secure and easy brokerage services to its customers. The service offers customers the opportunity to carry out donations from their account or credit card to any amount of their choosing, without paying any expenses and/or commission.

*ICBC Turkey contributes to the
SDGs by producing added value
and its activities.*



ICBC Business Matchmaking Platform: The "ICBC Business Matchmaking Platform" provides a new digital cross-border collaboration network which contributes to the establishment and development of "Partnerships for Purposes" by taking the concepts of "economic growth", "cooperation" and "financial inclusion" as a reference. The service is provided to all sectors and serves all domestic and foreign customers of all sizes.

WeChat Pay Project: This pioneering product, which contributes to the next generation payment systems, signals that the transition to a cashless society is just around the corner. The bank aims to maintain its innovative product approach, which it initiated with WeChat Pay, with new investments.

EFFORTS TO COMBAT CLIMATE CHANGE

Within the scope of the efforts to tackle climate change, the Bank studies ways to take concrete steps and reduce its emissions from operational processes.

In 2022, the Bank's efforts in the area of waste management included bringing hazardous wastes under control by placing waste batteries, waste plastic and medical waste recycling boxes on all floors in the Head Office building, and a contract was signed with a contractor for the recycling of waste paper. In line with the responsible procurement approach, the

Bank examines the criteria and standards of the suppliers it procures services from based on their environmental and social risk, applying the status of these rules through questionnaires and documents, and considers these issues as a criterion in supplier selection.

The priority which the Bank has placed on the use of systems such as E-Letter of Guarantee, E-YKS (Electronic Board of Directors System), E-GKS (Electronic General Assembly System) has helped curb carbon emissions caused by factors such as transportation and accommodation.

In order to reduce its transportation-related emissions, the Bank carried out improvement activities at the end of 2022. These studies are expected to yield average fuel savings of 51,000 liters per year.

ICBC Turkey works to support the sector in the transition to a low carbon economy by providing the medium and long term financing required by the concepts of green production, a circular economy and renewable energy. ICBC Turkey's sustainability and ESG performance is set out in the 2021 Sustainability Report.

ICBC TURKEY HEADQUARTERS ENVIRONMENTAL PERFORMANCE INDICATORS

		2020	2021	2022
Energy Consumption	Unit	Value	Value	Value
Naturalgas	m ³	117,767.48	223,581.90	237,496.34
Diesel - Company Vehicles	lt	66,884.72	137,167.71	283,158.12
Diesel - Generator and Backup Power Units	lt	3,500	4,200	5,300
Electric	kWh	44,233,461.15	47,505,266.18	51,248,734.93
Water Consumption	Unit	Value	Value	Value
Total Water Consumption	m ³ /year	7,024.25	7,857.25	8,643.65

SHARE CAPITAL AND SHAREHOLDING STRUCTURE

Shareholding structure of our Bank as of the dates between December 31st 2021 and December 31st 2022, are specified below.

Trade Name of the Shareholder - 2021	Shareholding Amount (in full TL)	Share (%)
Industrial and Commercial Bank of China Limited* (ICBC)	798,428,227	92.84
Publicly held	61,571,773	7.16
Grand Total	860,000,000	100.00

Trade Name of the Shareholder - 2022	Shareholding Amount (in full TL)	Share (%)
Industrial and Commercial Bank of China Limited* (ICBC)	798,428,227	92.84
Publicly held	61,571,773	7.16
Grand Total	860,000,000	100.00

*The company named Industrial and Commercial Bank of China Limited, is the legal entity shareholder of the Bank holding qualified shares

There is no share of our Bank which has been acquired by it within the scope of article 379 of the Turkish Commercial Code no.6102.

SHARES HELD BY THE MANAGERS

According to the share book records regarding the shareholding structure of the Bank, there is no share held by the Board Members, General Manager, Deputy and Assistant General Managers.

The share capital of the Bank amounts to 860,000,000- Turkish Liras. This share capital is divided into 8,600,000,000 shares, each with a nominal value of 10 (ten) Kuruş. Shares of the Bank are traded at Borsa İstanbul A.Ş. (Stock Exchange) and are listed on the Stock Exchange, since the date of May 23rd 1990.

THE SUBSIDIARIES AND THE ASSOCIATES

Company Sector	Affiliates	Field of Activities	Share (%)
Finance Sector	ICBC Turkey Securities	Investment Banking	99.998

ICBC Turkey Securities was incorporated in 1996 in İstanbul. Its paid-in capital is TL 76.000.000. ICBC Turkey Securities provides a regional platform for wide range of investment banking services including M&A advisory, debt capital markets, equity capital markets, project finance and syndicated loans as well as securities brokerage, over the counter financial products and cross currency and interest rate hedging solutions to sovereign institutions, corporate and retail customers.

ICBC Turkey Securities represents the ICBC Group that has built a unique global network with its 421 institutions in 49 countries under its "Mega Investment Bank" vision and aims to become a leading regional investment banking hub to act as a bridge between Asia and Europe. ICBC Turkey Securities provides a wide range of Investment Banking services on local and international platforms while expanding its operation on M&A's, local-international eurobond issuances, IPO's, project finance transactions and coordination and lead arrangements on syndicated loans.

ICBC Turkey Securities offers full range of brokerage services through 20 Branches across Türkiye with 26 years of expertise to local clients as well as international institutional clients through strategic alliances with ICBC Group investment banks based in London and Hong Kong.

ICBC Turkey Securities plays an important role in financing and refinancing of large infrastructure, energy investments as well as M&A advisory and financing in Türkiye and its region. The Company is active in coordination and book-running of syndications and bond issuances for sovereign, financial and corporate institutions.

ICBC Turkey Securities provides research and sales reports for international clients along with corporate road shows for public companies. ICBC Turkey Securities is appointed as market maker for Yuan / TL future contracts in Borsa İstanbul.

ICBC Turkey Securities is ideally placed as a regional investment banking management platform to serve sovereign, financial institution, and corporate clients with unparalleled financing power and ability to create innovative structures using ICBC's global capabilities, strong overseas network composed of various ICBC investment banks and commercial banking centers.

Through its subsidiary ICBC Turkey Asset Management Company, alternative investment instruments and funds are provided with different risk and return categories and discretionary portfolio management services to corporate and retail clients besides pension funds.

ICBC Turkey Securities is licensed as a Broadly Authorized Securities company by Capital Markets Board on January 1st 2016 together with enlarging its scope of activities into investment banking.

ICBC Turkey Yatırım Menkul Değerler A.Ş. (ICBC Turkey Securities), carries out cross operations with its subsidiary, ICBC Turkey Portföy Yönetimi A.Ş. (ICBC Turkey Asset Management Company), in which it holds a 100% stake. Among these activities, it offers mutual funds in different risk/reward categories to individual and corporate customers, portfolio management alternatives and corporate portfolio management services to pension companies.

THE SUBSIDIARIES AND THE ASSOCIATES

ICBC Turkey Securities carried out the necessary studies for 3 separate M&A transactions, within the framework of consultancy activities; mediated the long-term financing of Vestel Group, which is one of Türkiye's leading technology companies and focuses on sustainability in its business model.

IN M&A TRANSACTIONS

In the same period, ICBC Turkey Securities carried out the necessary studies for 3 separate M&A transactions, within the framework of consultancy activities; mediated the long-term financing of Vestel Group, which is one of Türkiye's leading technology companies and focuses on sustainability in its business model. In addition, in the first half and last quarter of 2022, ICBC Turkey Securities, in cooperation with ICBC Standard Plc, participated in pricing and investor preliminary contacts activities within the framework of the "Co-Leading Demand Collector" role undertaken by ICBC in the Eurobond issuance that a leading local bank plans to realize in foreign markets in the first half of the year.

SUPPORTING THE ECONOMY THROUGH IPO ACTIVITIES

Despite the fact that the number of public offerings realized through book building in the Turkish capital markets in 2022 decreased from 31 to 23 compared to the previous year, ICBC Turkey Securities acted as a bookkeeper and consortium member in the public offerings of 19 companies.

ICBC Turkey Securities contributed to the Turkish economy and capital markets with a total of TL 12.5 billion in resources through Borsa Istanbul within the scope of the public offering transactions, in which it assumed the role of "Demand Collector and Consortium Member". With this resource, these companies operating in sectors such as machinery manufacturing, textile, iron and steel, food, real estate development, textile, technology and energy realized the planned investments and strengthened their financial structures.

ICBC TURKEY SECURITIES COMPLETED THE YEAR 2022 WITH A SUCCESSFUL PERFORMANCE IN ALL BUSINESS LINES

Within the scope of ICBC Turkey-ICBC Turkey Securities, Capital Market Products Marketing Cooperation Protocol, the revenues shared with the Bank increased by 153% in 2022 to the level of 7.2 million TL.

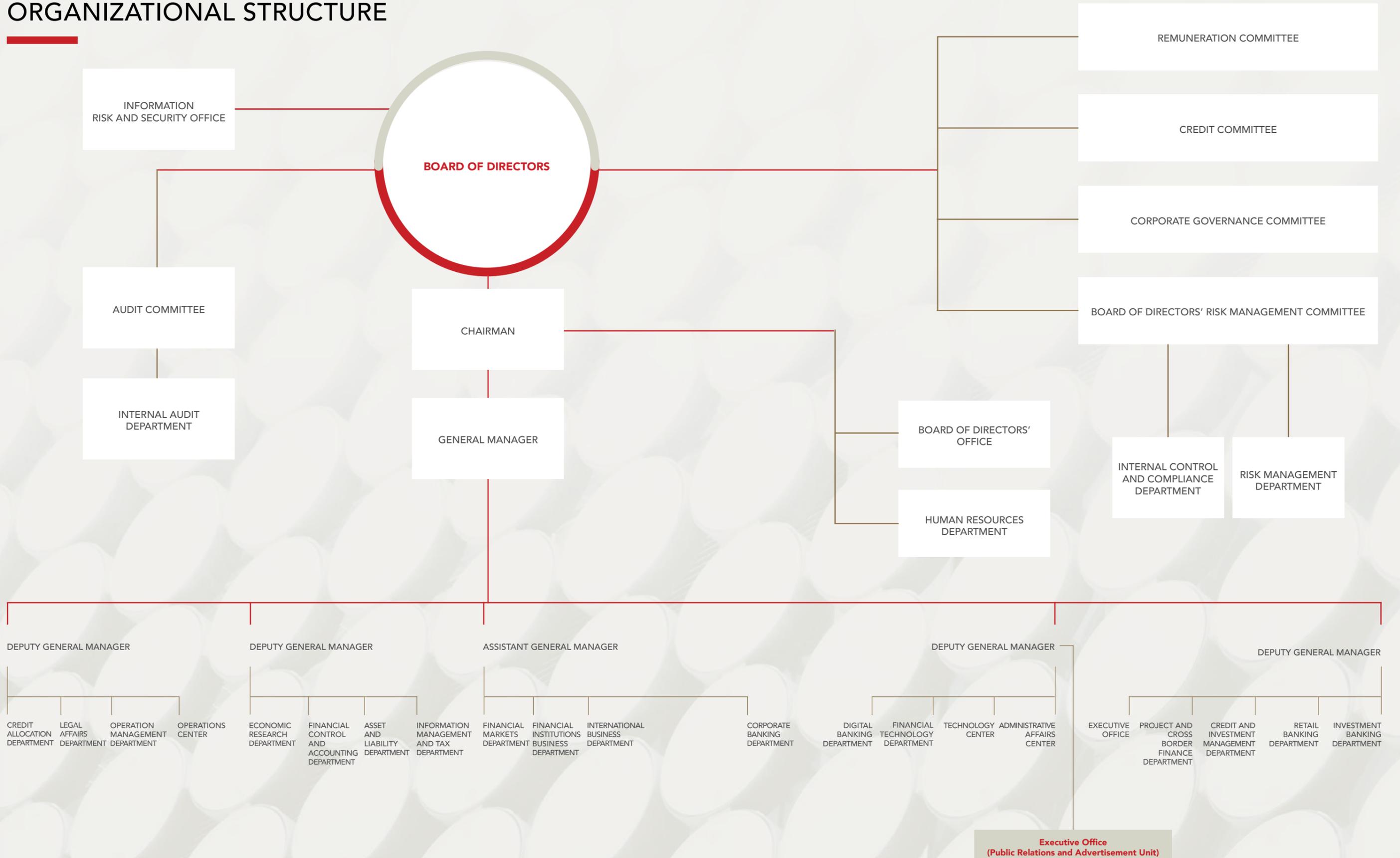
The 2022 performance, presented under the main headings on the scorecard, has been achieved as a result of accurate monitoring of market risk, offering the right pricing to customers at the right time, and effective use of investment advisory experience in volatile market conditions.



BASED ON OBJECTIVE EVALUATIONS VALUE-ADDED WORKS



ORGANIZATIONAL STRUCTURE



INFORMATION ON THE PRIVILEGED SHARES AND THE VOTING RIGHTS

The Bank shall be administered, represented and bound by a board of directors consisting of six persons, one being the General Manager or his Deputy acting for him and the other five being the members elected by the General Assembly pursuant to relevant provisions of the Turkish Commercial Code and meeting the requirements and qualifications stipulated in the banking legislation.

According to article 35 of the Articles of Association of our Bank, of the 5 members of the Board of Directors (excluding the General Manager); 3 members shall be elected by the General Assembly among the candidates to be nominated by Group (A) shareholders, provided that 1 of them holds the independent member qualifications specified in the Corporate Governance principles of the Capital Markets Board and 2 members shall be elected by the General Assembly among the candidates to be nominated by Group (B) shareholders, provided that 1 of them holds the independent member qualifications specified in the Corporate Governance principles of the Capital Markets Board.

THE TABLE WHICH SHOWS GROUP (A) AND (B) SHARES WITHIN THE SCOPE OF THE SHAREHOLDING STRUCTURE OF OUR BANK, IS GIVEN BELOW.

According to article 19 of the Articles of Association of our Bank upon written demand of the shareholders holding at least one twentieth of the Bank's share capital, indicating the obligatory reasons and the agenda; the Board of Directors shall be obliged to invite the General Assembly for a meeting, or if a General Assembly meeting is already scheduled, to include the articles, they demand to be discussed, in the agenda. The shareholders may, via notary public, request an item to the agenda of the General Assembly Meeting be added. The request for an additional agenda item should be submitted to the Board of Directors prior to depositing the registration fee of the Turkish Trade Registry Gazette with respect to convening a General Assembly. If the request of these shareholders pertaining to the convention of a General Assembly Meeting or the addition of an item to the agenda is rejected by the Board of Directors, or if an affirmative reply is not given within seven work days, the commercial court of first instance that has jurisdiction over the address of the headquarters of the Bank may resolve upon the convention of a General Assembly meeting upon an application by the same shareholders.

At the Ordinary and Extraordinary General Assembly meetings of our Bank, shareholders or their proxies shall each have one voting right and there shall not be any privilege with regards to votes.

Name/Trade Name of the Shareholder	Nominal Shareholding Group A (TL)	Nominal Shareholding Group B (TL)	Total Nominal Share Capital (TL)	% Total Share Rate	% Group A Shares	% Group B Shares
Industrial and Commercial Bank of China Limited (ICBC)*	540,428,227	258,000,000	798,428,227	92.84	89.77	100.00
Other (publicly held)	61,571,773	None	61,571,773	7.16	10.23	None
TOTAL	602,000,000	258,000,000	860,000,000	100.00	100.00	100.00

*The company named Industrial and Commercial Bank of China Limited is the legal entity shareholder of the Bank's qualified shares.

OTHER GENERAL INFORMATION

INFORMATION ABOUT AMENDMENTS IN THE ARTICLES OF ASSOCIATION, THE SPECIAL AUDIT AND THE PUBLIC AUDITS AND MATERIAL LAWSUITS BROUGHT AGAINST THE BANK

CHANGES IN THE ARTICLES OF ASSOCIATION

No changes were made in Bank's Articles of Association in 2022.

INFORMATION RELATED TO THE MATERIAL LAWSUITS BROUGHT AGAINST THE BANK DURING THE YEAR 2022 AND THEIR POTENTIAL OUTCOMES

There is no significant lawsuit file, commenced against our Bank during the year 2022.

THE SPECIAL AUDIT AND THE PUBLIC AUDITS

INFORMATION RELATED TO THE SPECIAL AUDIT AND THE PUBLIC AUDIT CONDUCTED IN THE YEAR 2022

Saving Deposit Insurance Fund (SDIF) premium and Financial Structure Audit studies have been conducted by Banking Regulation and Supervision Agency (BRSA).

Bank Information Systems and Banking Processes Audit, Audit for the Financial Statements and Supply Chain Assurance Audit have been conducted by the independent audit firm, Deloitte.

RESEARCH AND DEVELOPMENT PRACTICES

ICBC Turkey does not have any subsidiary or affiliate company related to R&D or technology center. ICBC Turkey evaluates its qualified products that will improve basic infrastructure, operations, services and internet financing from the point of view of ICBC Center by taking into account specific conditions and peculiar to market. With the help of the Central Office's technology platforms, the integration of regional network resources has been accelerated with an innovative approach.

ICBC Turkey has formed its fundamental needs of integration lagged behind 7 years. It has determined its innovation strategies and new trends offered by FinTech in order to increase the efficiency of its activities and the quality of service. ICBC Turkey offers its products to its customers in a wide range with innovative approaches in order to diversify the product range in banking activities. Based on the innovation and development provided by Fintech, ICBC Turkey will step up new expansions in marketing operations. With the contributions of the innovation unit, which is positioned in 2022 depend on Financial Technology Department, all projects/products in the portfolio or to be added to the portfolio and all departments of our bank will be supported by providing guidance with an innovative R&D perspective.

As the bank continues to optimize the functions of its online banking and ATM network, it will focus on mobile applications and create new areas where it can be stronger in competition. With the awareness that optimization of access channels will increase the Bank's sufficiency to create value, it will focus on the adaptation of digital platforms by prioritizing customer needs. Providing financing solutions and ensuring customer satisfaction are among the top priorities of the Bank. While the Bank continues to develop contactless features, facilitating and fast mobile banking functions and QR code applications in the era of rapid digital transformation, the Bank continues to develop WeChat Pay, one of the global payment systems, Chinex, which provides fast fund transfer to China. It has implemented and integrated projects that are expected to increase the business volume in Türkiye, such as the ICBC Business Matchmaking Platform, which is the meeting point of companies located in Türkiye.

Thanks to our prudent approach to "Risk Prevention and Control" and "the Steady Management" of our operations, Bank will continue to efficiently carry out its operations, digital transformation and its management with sustainable practices by optimizing its IT-led processes and systems.

BOARD OF DIRECTORS AND TOP MANAGEMENT

NAMES AND SURNAMES, TERMS OF OFFICE, RESPONSIBILITY AREAS, EDUCATIONAL BACKGROUND AND PROFESSIONAL EXPERIENCE OF THE CHAIRMAN AND BOARD MEMBERS, GENERAL MANAGER, DEPUTY/ ASSISTANT GENERAL MANAGERS, AUDIT COMMITTEE MEMBERS AND DEPARTMENT OFFICERS WITHIN THE SCOPE OF THE INTERNAL SYSTEMS

CHAIRMAN AND BOARD MEMBERS

Name-Surname	Position	Date of Commencement to Work	Educational Status	Banking or Management Experience	Areas of Responsibility	Whether He/She is an Independent Member of the BOD
Xiangyang Gao	Chairman	22.05.2015	Doctorate in Abroad	25	Executive Board Member, Chairman of the Credit Committee, Chairman of Risk Management Committee of BoD, Chairman of the Sustainability Committee, Chairman of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş.	Not an Independent Member
Chunyi Zheng	Deputy General Manager/ Board Member	09.05.2022	Undergraduate Degree Abroad, Graduate Degree Abroad	23	Executive Board Member, Vice Chairman of the Credit Committee (Deputization), Member of Risk Management Committee of BoD (Deputization), Deputy Chairman of the Sustainability Committee	Not an Independent Member
Peiguo Liu	Board Member	02.01.2017	Undergraduate Degree Abroad, Graduate Degree Abroad	26	Chairman of the Audit Committee, Member of the Credit Committee, Member of Risk Management Committee of BoD, Member of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş.	Independent Member
Jianfeng Zheng	Board Member	22.05.2015	Undergraduate Degree Abroad, Graduate Degree Abroad	25	Member of the Corporate Governance Committee, Member of the Remuneration Committee, Alternate Member of the Credit Committee, Member of Risk Management Committee of BoD	Not an Independent Member
Ying Wang	Independent Member	22.05.2015	Undergraduate Degree Abroad, Graduate Degree Abroad	30	Member of the Audit Committee, Chairman of the Remuneration Committee, Alternate Member of the Credit Committee, Member of Risk Management Committee of BoD	Independent Member
Serhat Yanik	Independent Member	24.02.2020	Professor	32	Chairman of the Corporate Governance Committee, Sustainability Committee Member	Independent Member

¹ After previous General Manager Mr. Shaoxiong Xie left our Bank as of January of 10th, 2022, Ms. Jinhong Li, as Deputy General Manager, pursuant to Article 23rd of the Banking Law, between January of 10th 2022 and May of 9th 2022, she had been acting as General Manager and natural Board member, Vice Chairman of the Credit Committee and member of the Risk Management Committee of the Board of Directors in the absence of General Manager.

² With the resolution of our Bank's Board of Directors dated May of 09th 2022; It has been decided that Mr. Chunyi ZHENG will deputize as the General Manager's duties to replace Ms. Jinhong Li, who was fulfilling the duties from January of 10th 2022 to May of 9th 2022, until the new General Manager of the bank is appointed. Pursuant to the Banking Law numbered 5411 and Article 23, Mr. Chunyi ZHENG has been deputized to fulfill the duties of General Manager and Natural Board Member as of May 9th 2022 as well as the fulfilling the duties as Vice Chairman of Credit Committee and Member of Risk Management Committee of BoD in the absence of General Manager.

GENERAL MANAGER AND DEPUTY/ASSISTANT GENERAL MANAGERS

Name-Surname	Position	Date of Commencement to Work	Educational Status	Banking or Management Experience	Areas of Responsibility
Chunyi Zheng	Deputy General Manager	01.04.2022	Doctorate Degree Abroad	23	Project and Cross Border Finance Department, Retail Banking Department, Executive Office General Secretariat Unit, Credit and Investment Management Department, Investment Banking Department, (Vice Chairman of the Credit Committee and BoD of the Risk Management Committee Member)
Jinhong Li	Deputy General Manager	25.07.2018	Undergraduate Degree Abroad, Graduate Degree Abroad	24	Credit Allocation Department, Legal Department, Operations Management and Operation Center Departments
Hüseyin H. İmece	Deputy General Manager	02.11.2007	Domestic Undergraduate Degree - Boğaziçi University, Department of Economics	32	Asset and Liability Department, Economic Research Department, Financial Control and Accounting Department
Kadir Karakurum	Deputy General Manager	09.01.2017	Domestic Undergraduate Degree - METU - Faculty of Architecture Domestic Graduate Degree - METU - Social Sciences Institute Department	21	Digital Banking Department, Financial Technology Department and Technology Center, Administrative Affairs Center, Executive Office Public Relations and Advertisement Unit
D. Halit Döver	Assistant General Manager	04.01.2005	Domestic Undergraduate Degree - İstanbul Technical University Mining Engineering Domestic Graduate Degree - İstanbul Technical University	29	International Business Department, Financial Institutions Business Department, Financial Market Department, Corporate Banking Department

MANAGING DIRECTORS OF THE UNITS WITHIN THE SCOPE OF INTERNAL SYSTEMS

Name-Surname	Position	Date of Commencement to Work	Educational Status	Banking or Management Experience	Areas of Responsibility
Selçuk İçten	Managing Director of the Internal Audit	06.04.2020	Domestic Undergraduate Degree	26	Internal Audit
Füruzan Evrim Çebi	Managing Director of the Internal Control and Compliance Department	11.01.2022	Domestic Undergraduate Degree	23	Internal Control and Compliance
Berrin Gencal	Managing Director of the Risk Management Department	01.02.2009	Domestic Graduate Degree	29	Risk Management

BOARD OF DIRECTORS

PROFILES

Profiles of the Chairman and Board Members, General Manager, Deputy/Assistant General Managers, Audit Committee Members and the Managing Directors of the Units within the Scope of the Internal Systems



Xiangyang Gao Chairman

Mr. Xiangyang Gao graduated from Beijing University with a bachelor's Degree in International Finance in 1997. Afterwards Mr. Gao has received MBA in Beijing University in 2004 and a doctorate degree in Management from Hong Kong University in 2021. Mr. Xiangyang Gao has started to work at Industrial and Commercial Bank of China Limited (ICBC) in 1997 and Mr. Gao has worked at Human Resources Department, International Business Department in ICBC Group Headquarter respectively. He became the Ningde City Branch Managing Director of ICBC Turkey until July 24th 2018. On the date of May 22nd 2015, Mr. Gao has been appointed as the General Manager of ICBC Turkey until July 24th 2018. Currently, he is the Chairman of the BoD, Credit Committee, Risk Management Committee of BoD and Sustainability Committee as well as he is responsible for executing his duties in BoD Office and Human Resources Department. Furthermore, he has been appointed as a Member of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş., a subsidiary of ICBC Turkey, started on May 22nd 2015 and he served until March of 2020 as the Chairman of the Board of Directors of ICBC Yatırım. Mr. Xiangyang Gao has been fulfilling his duties as the Board Chairman at ICBC Turkey Yatırım Menkul Değerler A.Ş., as of 10.01.2022.



Chunyi ZHENG Board Member/Deputy General Manager

Mr. Chunyi Zheng graduated from Chongqing University with a bachelor's degree in engineering in 1995. Afterwards, he received his master and doctoral degrees in economics from University of International Business and Economics in 1999 and 2005 in succession. Mr. Zheng has started to work at Credit Management Department of Industrial and Commercial Bank of China Limited (ICBC) Headquarter in 1999, then promoted to Deputy Director in 2004. He was served as the Mayor Assistant of Zigong City, Sichuan Province from 2005 to 2009, while he was the Deputy Director of regional business analysis office of Credit Management Department of ICBC Headquarter. He began his overseas career in 2012, and worked, respectively as the Deputy General Manager of ICBC Middle East and he was concurrently appointed as the General Manager of ICBC Doha Branch; in 2014 he was appointed to ICBC Dubai as the Deputy General Manager and kept his title as the General Manager of ICBC Doha Branch. Currently, in 2022, he was appointed to ICBC Turkey and he has been fulfilling his duties as Deputy General Manager in charge of Project and Cross Border Finance, Retail Banking, Executive Office General Secretariat, Credit and Investment Management Investment Banking Departments. Besides, Mr. Zheng has been decided to deputize General Manager's duties in case of the absence of the General Manager by the Board Resolution as of April 1, 2022. As Deputy General Manager, he has been deputized the duties of General Manager and natural Board Member as of May 9th 2022. Besides, he has been fulfilling his duties as Vice Chairman of Credit Committee, Sustainability Committee and Member of Risk Management Committee of BoD.



Peiguo Liu Board Member

Mr. Peiguo Liu graduated from Shandong University of Finance and Economics-Investment Economics Management Program in 1996 and received a master's degree from Beijing University of Technology- MBA Program in 2005. He joined ICBC in 1998. Mr. Liu served in several positions including Asset Management Department, Asset Risk Management-Monitoring and Inspection Department, Risk Reporting Department, Operational Risk Measurement Management Department. Then, he came to Türkiye as the member of the Tekstil Bankası Project Team, then he appointed as the Coordinator of General Secretariat in ICBC Turkey. He has served as a Member of the Board of Directors since January 2nd 2017, presently he also serves as a Member of the Credit Committee and Member of Risk Management Committee of BoD. Mr. Liu has been appointed as President of the Audit Committee on July 24th 2018. Currently, Mr. Liu is also sustaining his duty as Board Member in ICBC Yatırım Menkul Değerler A.Ş.



Jianfeng Zheng Board Member

Mr. Jianfeng Zheng graduated from Tianjin University Industrial Business Administration Undergraduate Program in 1988, from Tianjin University Industrial Business Administration Graduate Program in 1991 and from England York University Finance Graduate Program in 2006 with post graduate degrees. He worked, respectively, as the Vice Chairman of the Operations Evaluation and Market and Industry Analysis Department Unit at the State Development Bank Headquarters between 1998-2000, as the Vice Chairman of the Bank of China Agricultural Department Audit Board Unit at the Basic State Council State Financial Institutions Audit Boards (Under the Central Financial Business Committee) between 2000-2002. Mr. Zheng has started to work as Industrial and Commercial Bank of China Limited (ICBC) in 2002 and he worked, respectively, as Unit Chief at the Office of Board of Supervisor, Audit Board Surveillance Commissar, Deputy General Manager of the Office of Board of Supervisor. Since 2014, he works as a Senior Expert at the Strategic Management and Investor Relations Department at ICBC Headquarters and he continues to serve as non-executive member of the Board of Directors and non-executive supervisor at some ICBC Group companies. Mr. Zheng has been elected as Board Member on the date of May 22nd 2015 and at the same time, he has been serving as BoD Risk Management Committee Member, Corporate Governance Committee and Remuneration Member and Credit Committee Alternate Member.



Ying Wang Independent Board Member

Ms. Wang graduated from Liaoning University in 1986 in the area of International Finance Programme and she has graduated from Shaanxi Finance Institute in 1989 and received a Master's degree in Economics. Ms. Wang joined ICBC in 1989. She served in several positions including Deputy Chief of division of International Business Department, Chief of division of Audit and Supervision Bureau, Internal Audit Bureau, Manager of Audit Department of ICBC Sydney Branch. She was appointed as Senior Expert of the Strategic Management and Investor Relations Department ICBC Head Quarters. Ms. Wang has served as an Independent Member of the Board of Directors of ICBC Turkey on May 22nd 2015, presently she has also been serving as an Audit Committee Member, BoD Risk Management Committee Member, the Chairman of the Remuneration Committee and Credit Committee Alternate Member.



Serhat Yanik Independent Board Member

Mr. Serhat Yanik, who graduated from the Public Administration Department of the Faculty of Political Sciences of Istanbul University in 1991, completed his master's degree at the Business Administration Department of the same university in 1994 and the doctorate program at the Business Administration Department in 2000. Mr. Serhat Yanik, started his career at the Ministry of Finance in 1991, then served as Research Assistant in 1992 and as Assistant Professor in 2001 at Istanbul University respectively. Mr. Serhat Yanik, also served as Associate Professor between 2007 and 2016 and he has been now carrying out his duties as Professor at Istanbul University since 2016. Mr. Serhat Yanik, who currently active role in carrying out his duties as the Board Member at the Head of Crowdfunding Center, as the Board Member in the Head of the Department of Accounting and Finance of Business Administration at the Faculty of Political Science of Istanbul University, as the Board member at Expert Accountants' Association of Türkiye and as the member at the Institute of Internal Auditing respectively in Türkiye as well as he has also been giving lectures and trainings such as Accounting, Finance, Auditing, Insurance and Banking areas in various universities and institutions. Having published various national and international publications and articles, Mr. Serhat Yanik involved in many scientific research projects and activities around the world. Mr. Serhat Yanik served as an Independent Board Member at Garanti Factoring A.Ş. between 2012 and 2019 years as well as he served as an Independent Board Member at Güneş Sigorta A.Ş. between 2019 and 2020 respectively. Mr. Serhat Yanik has been as an Independent Board member for a while at Türkiye Sigorta Anonim Şirketi as of February 2nd 2021. Mr. Serhat Yanik has started to serve as Independent Board Member in ICBC Turkey Bank A.Ş. as of February 24 2020. He also serve as the Chairman of the Corporate Governance Committee and a member of the Sustainability Committee. He also has Certified Public Accountant and Independent Auditor's Certificate issued by the Public Oversight and Accounting and Auditing Standards Authority.

TOP MANAGEMENT



From left to right
Kadir Karakurum, Hüseyin H. İmece, Jinhong LI, Xiangyang Gao, Chunyi Zheng, Peiguo Liu, D. Halit Döver, Oraj Özel

Chunyi ZHENG
Board Member/Deputy General Manager
Project and Cross Border Finance Department, Retail Banking Department, Executive Office General Secretariat Unit, Credit and Investment Management Department, Investment Banking Department

Mr. Chunyi Zheng graduated from Chongqing University with a bachelor's degree in engineering in 1995. Afterwards, he received his master and doctoral degrees in economics from University of International Business and Economics in 1999 and 2005 in succession. Mr. Zheng has started to work at Credit Management Department of Industrial and Commercial Bank of China Limited (ICBC) Headquarter in 1999, then promoted to Deputy Director in 2004. He was served as the Mayor Assistant of Zigong City, Sichuan Province from 2005 to 2009, while he was the Deputy Director of regional business analysis office of Credit Management Department of ICBC Headquarter. He began his overseas career in 2012, and worked, respectively as the Deputy General Manager of ICBC Middle East and he was concurrently appointed as the General Manager of ICBC Doha Branch; in 2014 he was appointed to ICBC Dubai as the Deputy General Manager and kept his title as the General Manager of ICBC Doha Branch. Currently, in 2022, he was appointed to ICBC Turkey and he has been fulfilling his duties as Deputy General Manager in charge of Project and Cross Border Finance, Retail Banking, Executive Office General Secretariat, Credit and Investment Management Investment Banking Departments. Besides, Mr. Zheng has been decided to deputize General Manager's duties in case of the absence of the General Manager by the Board Resolution as of April 1, 2022. As Deputy General Manager, he has been deputized the duties of General Manager and natural Board Member as of May 9th 2022. Besides, he has been fulfilling his duties as Vice Chairman of Credit Committee, Sustainability Committee and Member of Risk Management Committee of BoD.

Jinhong LI
Deputy General Manager
Credit Allocation Department / Legal Department/ Operation Management and Operation Center

Ms. Jinhong Li graduated from Guangxi Normal University with a bachelor's degree in Law in 1995 and got her Philosophy master degree at the same university in 1998. Ms. Li started to work at Industrial and Commercial Bank of China Limited (ICBC) Nanning City Branch in 1998. Ms. Li has worked at Nanning City Branch and Guangxi Province Branch Law Department respectively. Since 2015 to April 2018, Ms. Li had been appointed as Deputy General Manager of Nanning City Branch. First, in Türkiye, Ms. Li was appointed as Deputy/ Assistant General Manager (in charge of Operations and Legal Departments) since on July 25th 2018. Apart from the departments she has been fulfilling her duties, between December 2018 and April 2020, she served as Deputy General Manager in charge of Financial Control and Accounting Department. From now on, Ms. Li has been in charge of Credit Allocation Department, Legal Department, Operational Management Department and Operation Center with the resolution dated April 16th 2020. As a Deputy General Manager, she has been deputized the duties of General Manager and natural Board Member as of January 10th 2022 to May 9th 2022. In the time she had been deputized the duties of General Manager and natural Board Member she also had been fulfilled her duties as the Vice Chairman of Credit Committee and Member of Risk Management Committee of BoD.

Hüseyin H. İmece
Deputy General Manager
Asset and Liability Department/ Economic Research Department/ Financial Control and Accounting Department

Mr. Hüseyin İmece graduated from Boğaziçi University in 1990 and started his professional career the same year at Yapı ve Kredi Bankası, where he was promoted to Assistant General Manager in charge of Treasury in 1999. He also undertook the management of the bank's Financial Institutions and Investor Relations department. In the same period, Mr. İmece acted as an Executive Board Member in the same bank's local Portfolio Management, Leasing, Factoring and Real Estate Investment Trust subsidiaries, as well as foreign subsidiaries in Germany, Netherlands, Russia and Ireland. He served as member at the bank's Asset-Liability Committee, as well as Technology, HR and Commercial Committees. He joined Tekstilbank in 2007 as AGM in charge of Treasury, where he oversaw physical, functional and procedural changes in the department, as well as establishment of Investor Relations department. In 2014, he played an active leading role in the bank's sale to ICBC, one of world's most prominent banks and the takeover has been successfully completed in 2015. Continuing at the same capacity after ICBC's takeover, he contributed significantly to the orientation and integration process and worked on issues such as asset quality, profitability, risk and capital management. Asset and Liability Department, Economic Research Department and Financial Control and Accounting Department have been directly centralized to Mr. Hüseyin in line with the Board resolution taken as of April 16th 2020. Mr. Hüseyin İmece has been decided to be assigned as Deputy Manager in order to deputize General Manager duties in case of the absence of the General Manager by the Board resolution as of July 3rd 2020.

TOP MANAGEMENT

Kadir Karakurum
Deputy General Manager
Digital Banking Department/Financial Technology Department and Technology Center/Administrative Affairs Center/ Executive Office Public Relations and Advertisement Unit

Mr. Kadir Karakurum graduated from Middle East Technical University Faculty of Architecture, CRP Department and earned his Master's degree from Faculty of Economics, Business Administration Department. Holding various positions in private sector companies and banks; between 1992-2013, he has managed departments including Retail Banking, Digital Banking and CRM as Managing Director and Executive Vice President/Assistant General Manager. He joined ICBC Turkey in 2014. He currently serves as a Deputy General Manager in ICBC Turkey, deputizing General Manager duties in case of the absence of the General Manager. He is also an Executive Committee Member with direct authority of the Digital Banking Department, Financial Technology Department, Technology Center, Administrative Affairs Center and Executive Office Public Relations and Advertisement Unit.

D. Halit Döver
Assistant General Manager
International Business Department/ Financial Institutions Business Department/Financial Market Department/Corporate Banking Department

Mr. Halit Döver, graduated from Istanbul Technical University at Mining Engineering Department in 1988 and obtained his post-graduate degree from the same university. Between 1990 and 1993, he worked as a certified engineer at Gold Fields in South Africa, and started his banking career in the Correspondent Relations and International Marketing Department at Pamukbank in 1993 and served as Director. Mr. Halit Döver started working at ICBC Turkey as Head of International Relations Department in 2000, and was appointed as Assistant General Manager responsible for the International Business Group in January, 2005. He also served as Customer Relations Coordination Officer from 2015 to 2017. In addition to his current responsibilities, being International Business Department and Financial Institutions Business Department, the new responsibilities, being Financial Markets Department and Corporate Banking Department have been directly centralized to Mr. Halit Döver in line with the Board Resolution dated 16 April, 2020. In addition, Project and Cross Border Finance Department had also been centralized directly at Mr. Halit Döver from 15 December, 2020 to 1 April, 2022.

Oraj Özel
Board Member/General Manager
ICBC Turkey Securities (ICBC Turkey Yatırım Menkul Değerler A.Ş.)

Mr. Oraj Özel is presently CEO and Board member of ICBC Turkey Securities and Chairman of ICBC Turkey Asset Management Company. Mr. Özel was one of the first floor Brokers at the Istanbul Stock Exchange founded in 1987. Mr. Özel worked in Senior Management of major Turkish Banks and Securities companies until he joined ICBC Turkey (then Tekstilbank) group in April 2007 as Board Member and General Manager of ICBC Turkey Securities. During his career, Mr. Özel introduced several new products to Turkish Capital Markets such as first equity research, first mutual fund, first bond issue by a state-owned enterprise, first asset backed security issue. Mr. Özel is awarded a level 3 licenses from Capital Markets Board of Türkiye and holds a BS Degree in Economics from Middle East Technical University at Ankara.

MANAGING DIRECTORS OF THE DEPARTMENTS WITHIN THE SCOPE OF INTERNAL SYSTEMS

Selçuk İçten
Managing Director of the Internal Audit Department

Mr. Selçuk İçten graduated from Marmara University Department of Public Administration in 1994 and started his Banking career as an Assistant Auditor in 1997 and he has started to work at ICBC Turkey Bank A.Ş. as Auditor in 2000 and since March 2000, he continues to serve as Auditor, Main Branch Operation Manager, Operation Department Manager, Central Operations Foreign Trade Department Manager, Central Operations Foreign Trade and Credit Department Manager, Internal Audit Department Manager, Operations Group Coordinator, Operation Management Department Managing Director and again presently Mr. Selçuk İçten has been fulfilling his duty as Managing Director of Internal Audit Department since April 2020. Mr. Selçuk İçten has an experience of approximately 26 years in the fields of Internal Audit and Operations Management.

Fürüzan Evrim Çebi
Internal Control and Compliance Department - Managing Director

Mrs. Fürüzan Evrim Çebi graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Political Science and Public Administration in 1999. In her Banking career, which started for more than 22 years, she worked in different positions beginning with "Bank and Group Company's Auditing", "Credit Evaluation", "Project Management" and "Payment Systems" then in almost every field of "Retail Banking transactions" including P&L, budgeting of the business line and retail banking branches' sales and performance management. Mrs. Çebi took part in the M&A process of 2 Banks and led the project management of more than 10 different type of innovative technology friendly retail banking / payment systems products, including CHINEX and WeChat Pay, which were newly transferred from ICBC Head Office to the Turkish market. Mrs. Çebi has been working as the Managing Director of ICBC Turkey Internal Control and Compliance Department as of January 2022.

Berrin Gencal
Managing Director of the Risk Management Department

Berrin Gencal graduated from ITU Faculty of Business Administration, Department of Management Engineering in 1990. After graduating from Bosphorus University, Department of Economics in 1993, she began her career in the Treasury Department of ICBC Turkey Bank A.Ş. since February 2009, she has been in charge of the Managing Director of Risk Management Department.

THE STRUCTURE, FORMATION AND ACTIVITY PRINCIPLES OF THE BOARD

THE STRUCTURE AND FORMATION OF THE BOARD

The Bank is managed and represented by the Board of Directors. The Members of the Board of Directors and their number are determined at the General Meeting. According to the Articles of Association of the Bank, the Board of Directors is consisted of 6 members including the General Manager. Term of office of the members elected for the Board of Directors is maximum three years, except for the General Manager.

According to the 23rd article of the Banking Law; excluding Mr. Chunyi Zheng, the Deputy General Manager, who is the natural member of the Board of Directors in the absence of General Manager and Mr. Xiangyang Gao, Executive Board member, the board members are not involved in the administrative structure, do not take part in the daily business flow or the ordinary activities of the bank and do not have operational duties.

Ms. Ying Wang was elected as Independent Board member for three years at the March 30th 2018 dated Ordinary General Assembly Meeting. At the Ordinary General Assembly meeting on March 25th 2021, Mr. Ying Wang was re-elected as an Independent Board Member to fulfill her duties for a term of 3 years. Mr. Mehmet Hilmi Güler, who he was Independent Board Member and Chairman of Corporate Governance Committee, resigned from his duties on 25.10.2019. With the decision of our Bank's Board of Directors dated 24.02.2020, Mr. Serhat YANIK has been appointed as an Independent Board Member and Chairman of the Corporate Governance Committee at our Bank and this decision submitted to the approval of those present at the first Ordinary General Assembly meeting held in 2020 in accordance with Article 363 of the Turkish Commercial Code in order to fulfill his duties until the end of his predecessor's term of office. To serve among the members nominated by Group A and B shareholders, among the members nominated by Group A shareholders until March 25th 2024; Mr. Xiangyang GAO and Mr. Peiguo LIU was elected and appointed as Board members, as well as Mr. Serhat YANIK was elected as Independent Board member, among the members nominated by the B Group shareholders until March 25th 2024; Mr. Jianfeng Zheng was elected and appointed as a Board member, and Ms. Ying Wang, was elected as Independent Board member.

According to the Capital Markets Board's Corporate Governance Principles, the number of Independent Board members for Banks has been determined to be at least three. As the members of the board of directors appointed for the audit committee membership are deemed as Independent

Board members within the scope of these principles, Mr. Peiguo Liu is currently an Independent Board Member of the Bank, who elected as the Chairman of the Audit Committee. As Mr. Peiguo Liu assigned for the Audit Committee Membership within the structuring of the Board of Directors of the Bank is considered directly the Independent Member of the Board of Directors according to the 3rd item of the 6th Article of the Corporate Governance Communiqué number II-17.1.

ACTIVITY PRINCIPLES OF THE BOARD

The Board of Directors meet any time the Bank business requires. The Board of Directors is invited to the meeting by the Chairman or the Deputy Chairman if he is absent. Each of the members has the right to request invitation of the Board of Directors and include to the agenda the matters they wish to discuss. The meetings are held within the framework of the agenda distributed to the members by the Chairman beforehand.

For the delegation of management; the Board of Directors of the Bank is authorized to delegate the management authority completely or partially to one or more Members of the Board of Directors or to third parties by an internal directive which shall be prepared according to the 367th article of the Turkish Commercial Code. Within this scope, an Internal Directive has been put into force by the Board of Directors with the resolution dated January 16th 2017 according to Article 367 and 371 of the TCC and Article 44 of the Articles of Association. The Internal Directive was registered on March 8th 2017 and announced in the Trade Registry Gazette on March 13th 2017. Internal Directive was revised by 31.05.2019 dated and 1580/03 numbered Board Resolution and was registered on 31.07.2019 and announced in 9884 numbered and dated 06.09.2019 Trade Registry Gazette.

The Board of Directors may meet with the majority of the full number of the members. Decisions of the Board of Directors may be taken as a result of the physically attended meeting with the majority of the members present at the meeting as well as by the written approval of the other members upon written proposal of one of the members according to the 4th sub-clause of the 390th article of the Turkish Commercial Code numbered 6102. Physical resolutions and circular method resolutions were taken by the Board of Directors with the unanimously by all members who attended the meeting in 2022. Number of meetings of the Members of the Board of Directors, their attendance status to the meetings are included in the "Management and Corporate Governance Practices" section of the annual report..

FINANCIAL RIGHTS

According to the 48th article of the Articles of Association of the Bank, salaries to be paid to the members of the Board of Directors are determined and set by the general meeting. Salaries of the members of the Board of Directors are announced to the public through the general meeting minutes published at KAP and internet site of the Bank.

The Bank's current Remuneration Policy is submitted for the shareholders' information with a separate agenda item at the ordinary general meeting held on March 31st 2022 and published on KAP and the website of the Bank.

According to the principle number 4.6.5 of the "Corporate Governance Principles" set forth in the Corporate Governance Communiqué annex number II-17.1 published in the Official Gazette dated January 3rd 2014 with number 28871 and put into effect by CMB, salaries given and fringe benefits provided for the Board members and the Top Management should be announced to the public through the Annual Report. However, the declaration shall be made as the total of the financial rights provided for the Board members, General Manager and Deputy/ Assistant Managers not on person basis. Allowances paid to the Board members, General Manager and Deputy/ Assistant General Managers, health/ life insurance expenses, travel, accommodations and representing expenses and other various expenses are summarized below.

TL Thousand	31.12.2021	31.12.2022
Allowances and Insurances	26,162	51,487
Other Expenses	935	1,835
Total Expenses	27,097	53,322

CONSOLIDATED (ICBC TURKEY AND ITS SUBSADIARIES)

TL Thousand	31.12.2022
Allowances and Insurances	60,878
Other Expenses	6,471
Total Expenses	67,348

INDEPENDENCY DECLARATIONS

INDEPENDENT BOARD MEMBER'S INDEPENDENCY DECLARATION

The declarations of independence of the Independent Board members Mrs. Ying Wang and Mr. Serhat Yanik are given below.

Within the scope of the articles of association of ICBC Turkey Bank A.Ş. and the Corporate Governance Principles set out in the Communiqué of Corporate Governance (Serial No.II-17.1) issued by the Capital Markets Board, I hereby declare that I am a candidate to be an "independent member" of the Boards of Directors of ICBC Turkey Bank A.Ş. and within this context, I further declare that;

- Within the last five years, there have been no employment relationship requiring to assume material duties and responsibilities in the capacity of a manager between myself, my spouse and my next of kin and relatives by blood and marriage up to second degree and the Company, partnerships and the shareholders holding the control of or possessing substantial impact on the Company and the legal persons who are substantially controlled by such shareholders, I do not hold, alone or jointly, more than 5% of the share capital or voting rights or privileged shares of the Company nor do I have any material commercial relationship with the Company,
- Within the last five years, I have not been a shareholder (more than 5%), an employee or a member of the board of director requiring to assume material duties and responsibilities in the capacity of a manager of any company from or to whom the Company purchases or sells services or products in substantial amounts within the framework of the agreements entered into, primarily auditing (including tax audit, legal audit, internal audit), rating of and providing consultancy to the Company during the period in which such services and products were being purchased or sold,
- I possess the vocational education, knowledge and experience necessary to perform the duties I would be assuming as an independent member of the Board of Directors,
- I provided that it is applicable to the legislation I am bound with, I have not and, upon my appointment as an independent member of the Board of Directors, shall not work for any state institutions and organizations as full time employee, except for being a faculty member,
- I possess strong ethical standards, occupational reputation and experience in order to positively contribute to the activities of the Company, be neutral to any conflicts of interests among the Company and its shareholders and freely decide by considering the rights of the beneficiaries,
- I shall devote enough time to follow the operational activities of the Company and completely fulfill the responsibilities I would be assuming,
- I have not been an independent member of the Board of Directors of the Company or no more than three of the companies that are controlled by the controlling shareholders of the Company and that of no more than total of five publicly trading companies,
- I have not been registered for and on behalf of any legal person who has been appointed as a member of the board of directors.

Ying Wang

INDEPENDENCY DECLARATIONS

INDEPENDENT BOARD MEMBER'S INDEPENDENCY DECLARATION

Within the scope of the articles of association of ICBC Turkey Bank A.Ş. and the Corporate Governance Principles set out in the Communiqué of Corporate Governance (Serial No.II-17.1) issued by the Capital Markets Board, I hereby declare that I am a candidate to be an "independent member" of the Boards of Directors of ICBC Turkey Bank A.Ş. and within this context, I further declare that;

- Within the last five years, there have been no employment relationship requiring to assume material duties and responsibilities in the capacity of a manager between myself, my spouse and my next of kin and relatives by blood and marriage up to second degree and the Company, partnerships and the shareholders holding the control of or possessing substantial impact on the Company and the legal persons who are substantially controlled by such shareholders, I do not hold, alone or jointly, more than 5% of the share capital or voting rights or privileged shares of the Company nor do I have any material commercial relationship with the Company,
- Within the last five years, I have not been a shareholder (more than 5%), an employee or a member of the board of director requiring to assume material duties and responsibilities in the capacity of a manager of any company from or to whom the Company purchases or sells services or products in substantial amounts within the framework of the agreements entered into, primarily auditing (including tax audit, legal audit, internal audit), rating of and providing consultancy to the Company during the period in which such services and products were being purchased or sold,
- I possess the vocational education, knowledge and experience necessary to perform the duties I would be assuming as an independent member of the Board of Directors,
- provided that it is applicable to the legislation I am bound with, I have not and, upon my appointment as an independent member of the Board of Directors, shall not work for any state institutions and organizations as full time employee, except for being a faculty member,
- Pursuant to the Income Tax Law (ITL) dated December 31st 1960 and numbered 193, I am deemed to a resident in Türkiye,
- I possess strong ethical standards, occupational reputation and experience in order to positively contribute to the activities of the Company, be neutral to any conflicts of interests among the Company and its shareholders and freely decide by considering the rights of the beneficiaries,
- I shall devote enough time to follow the operational activities of the Company and completely fulfill the responsibilities I would be assuming,
- I haven't been a member of the board of directors of the Company for more than six years within the last ten years,
- I have not been an independent member of the board of directors of the Company or no more than three of the companies that are controlled by the controlling shareholders of the Company and that of no more than total of five publicly trading companies,
- I have not been registered for and on behalf of any legal person who has been appointed as a member of the board of directors.

Serhat Yanik

COMMITTEES

INFORMATION REGARDING THE COMMITTEES ESTABLISHED WITHIN THE BODY OF THE BOARD OF DIRECTORS

Several committees have been formed in order to help the Board of Director in performing their duties under their responsibility more efficiently and these committees are given special responsibilities in certain areas. Information regarding the committees operating under the Board of Directors is provided below:

AUDIT COMMITTEE

Member	Duty at the Committee	Definition of the Member
Peiguo Liu	Chairman	Independent Board Member*
Ying Wang	Member	Independent Board Member

*Members of the audit committee of banks are considered as independent members within the scope of "Corporate Governance Communiqué" no. II-17.1, issued by the Capital Markets Board.

Within the framework of article 24 of the Banking Law numbered 5411 that requires formation of an audit committee, the Board of the Directors of the Bank appointed two non-executive members of the board, who possessed the conditions stated in the prevailing legislation, in order to perform the auditing and monitoring activities, as the members of the "Bank's Audit Committee", on October 30th 2006. The Bank's Audit Department operates under control of the Audit Committee. Audit Committee meets four times a year with the units operating under its supervision, by participation of other related departments at the Head Office. Audit Committee informs the Board of Directors regularly in every three months, regarding its activities.

Following are the main activities of the Audit Committee and the principles of authorities and responsibilities thereof, all of which are published under the title "Committees" in the section named "Investor Relations" on our website.

AUDIT COMMITTEE

Monitors the efficiency and sufficiency of the Bank's internal systems, whether these systems and the accounting and reporting systems operate within the framework of the related legislation and the policies of the Bank and the integrity of the information produced,

Performs the necessary preliminary evaluations regarding election of the independent audit firms, rating companies and the institutions providing appraisal and support services and regularly monitors the activities of these institutions that are assigned by the Board of Directors,

Ensures that the internal audit functions of the partnerships that are included in the consolidation conducted coordinately within the scope of the related legislation,

Submits reports and provides opinions and proposals to the Board of Directors regarding the internal systems and the operations, activities of the departments and the related policies and regulations falling under the scope of these systems,

Evaluates the information and the reports regarding the activities provided by the departments falling under the scope of these systems and the independent audit firms,

Prepares the financial reports of the Bank in compliance with the related legislations, regulations and the standards,

Requests information, documents or reports from all of the departments of the Bank, contracted institutions providing support services and independent audit firms, if necessary and receives consultancy services from persons, who are specialized in their fields of activity, provided that this is subject to the approval of the Board of Directors,

Fulfills their responsibilities given by the prevailing legislations and the duties assigned to them by the Board of Directors within this framework,

Notifies or reports the results of its activities and the measures need to be taken in order for the Bank's activities to be conducted sustainably and safely within the framework of the related legislation and the policies of the Bank and its findings, opinions and proposals related to the other issues which it deems material.

Declarations stating the qualifications of the Members of the Audit Committee of the Bank within the scope of the Article 24 of the Banking Law no.5411 and the Regulation on Internal Systems, issued by the Banking Regulation and Supervision Agency, are as follows:

TO THE BANKING REGULATION AND SUPERVISION AGENCY

1. Within the last two years prior to my being appointed as the member of the audit committee, I declare that neither myself nor my spouse or my children;

a) have been a shareholder or employee of any institution providing independent audit, rating, appraisal or support services to ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation, have participated in the independent audit, rating or appraisal processes of the bank or any of its partnerships included in the consolidation,

b) have been a shareholder or employee of any institutions providing consultancy and support services to ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation nor have provided such services thereto,

c) hold any qualified shares of ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation,

2. is the spouse or next of kin and relative by blood and marriage up to second degree (including this degree) of the majority shareholder or the General Manager of ICBC Turkey Bank Anonim Şirketi have served in any of the banks' audit committee for more than nine years regularly or in intervals, have received any income, whether as fee or anything similar under any name whatsoever, from ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation based on their profitability, except for the payments made all of the employees in accordance with provisions of their articles of association or general assembly resolutions,

3. neither my spouse nor my children has been General Manager, Assistant General Manager or in an equivalent position of ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation,

4. have directly managed any the executive units of ICBC Turkey Bank Anonim Şirketi within the last two years,

5. have worked in any units of ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation, except for the internal audit, internal control, risk management, financial control and accounting units.

6. Not having duty in another commercial institution other than the below-mentioned ones;

a) Partnerships subject to ICBC Turkey Bank A.Ş.'s consolidated audit on condition to be limited with the duty of board membership

b) Domestic or abroad legal entity partnerships having direct or indirect shares in ICBC Turkey Bank A.Ş.

c) Domestic or abroad credit institutions and financial institutions which are directly or indirectly jointly or alone controlled by natural person partners of ICBC Turkey Bank A.Ş. stated in sub-paragraph (b) or in which they are participating with unlimited responsibility.

Peiguo Liu
Chairman of Audit Committee

COMMITTEES

TO THE BANKING REGULATION AND SUPERVISION AGENCY

1. Within the last two years prior to my being appointed as the member of the audit committee, I declare that neither myself nor my spouse or my children;

a) have been a shareholder or employee of any institution providing independent audit, rating, appraisal or support services to ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation, have participated in the independent audit, rating or appraisal processes of the bank or any of its partnerships included in the consolidation,

b) have been a shareholder or employee of any institutions providing consultancy and support services to ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation nor have provided such services thereto,

c) hold any qualified shares of ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation,

2. is the spouse or next of kin and relative by blood and marriage up to second degree (including this degree) of the majority shareholder or the General Manager of ICBC Turkey Bank Anonim Şirketi have served in any of the banks' audit committee for more than nine years regularly or in intervals, have received any income, whether as fee or anything similar under any name whatsoever, from ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation based on their profitability, except for the payments made all of the employees in accordance with provisions of their articles of association or general assembly resolutions,

3. neither my spouse nor my children has been General Manager, Assistant General Manager or in an equivalent position of ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation,

4. have directly managed any the executive units of ICBC Turkey Bank Anonim Şirketi within the last two years,

5. have worked in any units of ICBC Turkey Bank Anonim Şirketi or any of its partnerships that are included in the consolidation, except for the internal audit, internal control, risk management, financial control and accounting units.

6. Not having duty in another commercial institution other than the below-mentioned ones;

a) Partnerships subject to ICBC Turkey Bank A.Ş.'s consolidated audit on condition to be limited with the duty of board membership

b) Domestic or abroad legal entity partnerships having direct or indirect shares in ICBC Turkey Bank A.Ş.

c) Domestic or abroad credit institutions and financial institutions which are directly or indirectly jointly or alone controlled by natural person partners of ICBC Turkey Bank A.Ş. stated in sub-paragraph (b) or in which they are participating with unlimited responsibility.

Ying Wang
Audit Committee Member

CREDIT COMMITTEE

Features of the members of the Credit Committee, are shown in the following table.

Member	Duty at the Committee	Duty at the Bank
Xiangyang Gao	Chairman	Chairman of the Board of Directors
Chunyi Zheng	Vice Chairman	Board Member - General Manager
Peiguo Liu	Member	Board Member
Jianfeng Zheng	Alternate Member	Board Member
Ying Wang	Alternate Member	Independent Board Member

By the resolution of the Bank's Board of Directors dated May 22nd 2015 and with number 1324/01, it has been resolved to form a Credit Committee consisting of three persons, namely two members of the Board of Directors and the General Manager of our Bank, in order to perform the duties relating to credits to be assigned by the Board of Directors, within the scope of the Banking Law no.5411 and the Regulation on Banks Credit Transactions which has been published in the Official Gazette dated November 1st 2006 and issue no.26333 and has come to effect accordingly. Duties of the Credit Committee are; to take credit decision within the scope of its powers and to take the decisions relating to other works designated by the Board of Directors. Credit Committee conducts its activities within the framework of the Credit Committee Regulation, which has been adopted by the Board of Directors resolution dated August 23rd 2017 and numbered 1451/02.

CORPORATE GOVERNANCE COMMITTEE

Features of the members of the Corporate Governance Committee, are shown in the following table.

Member	Duty at the Committee	Duty at the Bank
Serhat Yanik	Chairman	Independent Board Member
Jianfeng Zheng	Member	Board Member
Levent İşcan	Member	BoD Office Technical Advisor (CMB Level 3 License and Corporate Governance Rating License)

By the resolution of the Bank's Board of Directors dated February 4th 2005 and number 758/1, the "Corporate Governance Committee" has been formed in order to monitor the compliance with the corporate governance principles, to conduct improvement activities in this regard and to submit proposals to the Board of Directors, to coordinate activities of the Shareholder Relationships and the Secretariat of the Board of Directors. Within the scope of the Article 4.5.1 of the "Communiqué on the Determination and Application of the Corporate Governance Principles" Serial: IV No: 56 issued by the Capital Markets Board, entered into force and effect at a later time; the Corporate Governance Committee has been additionally authorized by the Bank's Board of Directors' resolution dated March 20th 2012 and number 1165/01, to perform functions as a "Nomination Committee" as well. Main duties and powers of the Corporate Governance Committee are; to monitoring whether the Bank complies with the corporate governance principles, to conduct improvement activities in this regard and to present proposals to the Board of Directors; if the corporate governance principles are not implemented, shall determine the reason thereof and the conflicts of interest that occur due to failure to implement them and to ensure formation of necessary policies for this purpose. It shall evaluate the proposals for Independent membership of the Board of Directors, including also the management and shareholders, taking into consideration whether a candidate bears independency criteria and shall explain its evaluation in this regard in a report and shall present it for approval of the Board of Directors. In order to comply with article 11 of the Corporate Governance Communiqué no.II-17.1, published in the Official Gazette dated January 3rd 2014 and has come into effect accordingly, by the resolution of the Board of Directors of the Bank dated June 30th 2014 and no.1276/01, Manager of the Shareholder Relations and the Board of Directors Secretariat Unit has been appointed as a member of the Corporate Governance Committee. As of May 14th 2018, Mr. Levent İşcan has been appointed as the Director of the Shareholder Relations and Board Secretariat Unit and as a member of the Corporate Governance Committee. The committee convenes whenever required by the business of the Bank, not be less than once a year.

COMMITTEES

REMUNERATION COMMITTEE

Features of the members of the Remuneration Committee, are shown in the following table.

Member	Duty at the Committee	Duty at the Bank
Ying Wang	Chairman	Independent Board Member
Jianfeng Zheng	Member	Board Member

Pursuant to the "Regulation on Corporate Governance Principles of Banks" of the Banking Regulation and Supervision Agency and by the resolution of the Bank's Board of Directors dated July 11th 2011, a "Remuneration Committee" has been formed in order to monitor and supervise the remuneration practices on behalf of the Board of Directors. The Committee shall evaluate the remuneration policy and implementations thereof within the framework of the risk management and prepare and submit a report regarding its recommendations in relation thereto, to the Board of Directors, on an annual basis.

BOARD OF DIRECTORS RISK MANAGEMENT COMMITTEE

The qualifications of the members of the Board of Directors Risk Management Committee are shown in the table below.

Member	Duty at the Committee	Duty at the Bank
Xiangyang Gao	Chairman	Chairman
Chunyi Zheng	Member	Board Member - Deputy General Manager
Peiguo Liu	Member	Board Member
Jianfeng Zheng	Member	Board Member
Ying Wang	Member	Independent Board Member

With the resolution of the Board of Director dated January 30th 2019; A Board of Directors Risk Management Committee has been established so as to assist the Board of Directors in reviewing and determining the Bank's risk strategy, risk appetite, risk management policy, risk management procedures and internal control process and assisting the Board of Directors in supervising and evaluating the risk management activities of the related senior managers and risk management departments.

The Committee carries out its activities within the framework of the Board of Directors Risk Management The Bank's Internal Control and Compliance Department and Risk Management Department operate under control of the Board of Directors Risk Management Committee.

Committee Regulation, which was put into action by the Board of Directors' resolution dated October 23rd 2019 and numbered 1605/01.

OTHER COMMITTEES

MANAGEMENT COMMITTEE

With the resolution of the Board of Director dated January 30th 2019; A Management Committee has been established to help improving the Bank's management structure, management standards and effectiveness, and to take decisions on important issues, to regulate operating rules and operating procedures for the regulation of important projects and the use of large amounts of funds. Management Committee consists of Chairman, General Manager and other senior management executives.

The Chairman of the Committee duty is fulfilled by Mr. Xiangyang GAO, who is Chairman of the Board of Directors. The Chairman's Assistant of the Committee duty is fulfilled by Mr. Chunyi Zheng, who has been now natural Board Member and deputizing General Manager functions. The Committee carries out its activities within the framework of the working rules by the Board of Directors resolution dated January 30th 2019.

ASSETS AND LIABILITIES COMMITTEE (ALCO)

Assets and Liabilities Committee is the committee where the volume and cost/ return of the balance sheet items of the Bank, economic developments affecting these items are evaluated; strategies regarding the management of the balance sheet are determined and the topics related to the ways to increase the Bank's performance are discussed. This Committee run once every two weeks under the chairmanship of the General Manager. Deputy/Assistant Managers and the Heads of all Departments in charge of banking transactions shall participate in the meeting.

RISK MANAGEMENT COMMITTEE

As an element of corporate governance, Risk Management Committee ensures the bank to achieve effective risk management, according to Bank's risk strategy and policies. Risk Management Committee shall act as a decision-making organization as well as control and monitoring mechanism on all significant matters related to enterprise risk management. Committee is presided by the General Manager.

INFORMATION REGARDING THE ATTENDANCE BY THE BOARD OF DIRECTORS AND THE COMMITTEE MEMBERS TO THE RELATED MEETINGS DURING THE ACCOUNTING PERIOD

Timing, place and method of the Board of Directors Meeting shall be subject to the provisions of the Turkish Commercial Code and the Bank's Articles of Association. Board of Directors shall convene as frequently as the businesses of the Bank necessitates. Participating in the meetings in person or through electronic environment is possible. Board of Directors is called for meeting by Chairman and in his/her absence by the Vice Chairman of the Board of Directors. Each Board member may request in writing from the Chairman of the Board that the Board of Directors be convened. Board of Directors consists of 6 members, including the General Manager. Calling procedure of the Board of Directors meeting is subject to provisions of the Turkish Commercial Code and the Bank's Article of Associations. The quorum for the Board of Directors meeting is the presence of majority of the members. Resolutions of the Board of Directors may be passed by the votes of the majority of the members present in person at the meeting as well as, pursuant to article 40 of the Articles of Association of our Bank and paragraph 4 of article 390 of the Turkish Commercial Code with number 6102, with the method by which a written proposal of one of the members is approved in writing by the other members.

The Board of Directors convened with all of the members being present in person, 4 times and passed 34 resolutions in 2022. Pursuant to article 40 of the Articles of Association of our Bank and the paragraph 4 of article 390 of the Turkish Commercial Code, by circular Board of Directors has taken 359 resolutions.

In 2022, the Audit Committee convened with the members being present in person, 4 times and passed 29 resolutions; passed 12 resolutions by circulation. In 2022, the Credit Committee convened to examine the credit files within the scope of its powers and passed 114 resolutions.

In 2022, the Corporate Governance Committee passed 2 resolutions; and the Remuneration Committee passed 2 resolutions.

In 2022, the Board of Directors Risk Management Committee held its meeting 4 times and has been taken 4 resolution in the Committee meeting. In addition, 3 resolution has been taken by circular.

ORDINARY GENERAL ASSEMBLY HELD IN 2022

General Assembly Meetings are held within the framework of the Banking Law, the Turkish Commercial Code and the Capital Markets Law.

In 2022, including ordinary electronic General Meeting, to which physical or electronic attendance is possible, was held. The ordinary general meeting was held on March 31st 2022 with the quorum of 92.84%. The Ordinary General Assembly meeting held in 2022 was successfully completed within its period.

Regulations on General Meetings of shareholders set forth in "The Articles of Association of ICBC Turkey Bank A.Ş." which take place in the Bank's internet site open to public and in the "Internal Regulations on the Working Principles and Procedures of the General Meeting".

The Bank makes the invitation to the General Assembly meeting at least three weeks before the meeting, excluding the announcement and meeting dates. Calls/ invitations and announcements for the General Meeting is published in the Turkish Trade Registry Gazette, a newspaper published in Istanbul where the registered address of the Bank is, at Merkezi Kayıt Kuruluşu A.Ş. (MKK) (Central Securities Depository Institution), at Electronic General Meeting System (E-GEM), on e-YÖNET- Corporate Governance and Investor Relations Portal, on Public Disclosure Platform (KAP) and on the Bank's corporate internet site. Besides, as from the date of announcement, agenda, a sample of power of attorney, Annual Report, the Articles of Association of the Bank, financial tables and footnotes, Independent Audit Reports, the old and new versions of the amendments along with the related resolution of the Board of Directors in case there is an amendment in the Articles of Association, in case there is dismissal, change or election of the Members of the Board of Directors among the items of the agenda, reasons for dismissal and change, information on the member and Independent member nominees specified in the Corporate Governance Principles, and other documents related to the agenda are available at the General Management of the Bank and on our corporate internet site for the review of the shareholders. Documents related to the agenda items are published in E-GEM separately.

According to the provisions of the Articles of Association of the Bank, it is possible to vote by proxy. According to the 28th article of our Articles of Association, the shareholders may personally attend the General Meetings as well as being presented at these meetings by a proxy they choose among the shareholders or from outside. Provisions of the 29th article of the Capital Markets Law are applied in the invitation of the shareholders. General Meeting minutes are always available for the shareholders on our Bank's official internet site and at E-Company information portal which is accessible also from our Bank's internet site with the Electronic General Meeting System, within the scope of the related provisions of the Turkish Commercial Code, and which is specialized for Information public services and the infrastructure of it is provided by the Central Securities Depository.

All shareholders have the right to declare opinions on the subjects related to the agenda and ask questions at the General Meetings. Suggestions given in relation with the agenda are resulted by voting in compliance with the legal procedure.

In 2022, there weren't any operation which majority "Yes" votes of the Independent members of the Board of Directors are required for deciding at the Board of Directors or its decision is left to the General Meeting for "No" votes given.

In line with the Bank's Donation and Aid Policy approved in the Ordinary General Meeting of our Bank held on March 31st 2014, information on that there weren't any change in the policy and donations and aids made in 2022 are given to the shareholders at the Ordinary General Meeting held on March 31st 2022, with a separate agenda item.

At the 2021 Ordinary General Meeting held on March 31st 2022, the shareholders are informed about that there was no significant transaction which may cause an interest conflict between the shareholders holding the management control, the members of the board of directors, managers having administrative responsibility and their spouses and blood relatives and relatives by marriage up to second degree and the Bank or the subsidiaries.

ABOUT DIVIDEND RIGHT

Implementations are fulfilled in the light of investment and financial needs within the framework of the Banking Law, the Turkish Commercial Code, the Capital Markets Law, the relevant legislation and Article 61 of our Bank's Articles of Association.

In light of the investment and financing needs within the framework of the Banking Law, the Turkish Commercial Code, the Capital Markets Law, related legal legislation and Article 61th of our Bank's Articles of Association. Each shareholder has the right to get profit share over the distributed profit share in his share rate.

Suggestion of the Board of Directors of our Bank on Dividend Distribution is proposed to the General Assembly Meeting and to the information of the shareholders by the Annual Report before the General Assembly meeting every year and decided by discussing at the General Meeting. At the 2021 Ordinary General Meeting of the Bank dated March 31th 2022, it is decided "2021 annual net profit in the amount of 115,893,604.68.-TL which constitutes the after tax balance sheet profit of ICBC Turkey Bank A.Ş. for the year 2021, legal reserves in the amount of 5,794,680.23.-TL at the rate of 5% be set aside according to the article 519/1 of the Turkish Commercial Code, and then that all of the remaining profit amount of 110,098,924.45.-TL be transferred to the extraordinary legal reserves and the Board of Directors be authorized regarding the utilization of the legal reserves.

The Dividend Distribution Policy of the Bank is approved at the 2021 Ordinary General Meeting held on March 31st 2022. This policy is published on the Bank's official website and Annual Report as "Regarding our Bank's target-directed growth in the sector and under the light of investment and financial needs, within the framework of the Banking Law, the Turkish Commercial Code, the Capital Markets Law, related legal legislation and Article 61st of our Bank's Articles of Association, a basic dividend distribution policy based on saving profits in the extraordinary reserves for the finance of growth by holding profits in the body is adopted."

ICBC TURKEY 2022 ORDINARY GENERAL ASSEMBLY MEETING AGENDA

ICBC TURKEY BANK A.Ş. 2022 ORDINARY GENERAL ASSEMBLY MEETING DATED MARCH 30TH 2023 AGENDA

1. Opening and Formation of the Meeting Presidency,
2. Authorization of the Meeting Presidency to Sign the Minutes of the Ordinary General Meeting of Shareholders,
3. Reading and Discussion of the Board of Directors' 2022 Annual Report and Independent Audit Report Summary,
4. Reading, Discussion and Approval of the 2022 Financial Statements,
5. Release of the Board Members,
6. Discussion on Dividend Distribution for the Year 2022 According to the Board of Director's Proposal,
7. Determination of the Remuneration of the Board Members,
8. Election of the Independent Auditor in Accordance with the Article 399 of Turkish Code of Commerce,
9. Informing the Shareholders About the Donations Made in 2022,
10. Determination of An Upper Limit of the Donations to be Made in 2023 In Accordance with Banking Legislation and Capital Markets Board's Regulations,
11. Informing the Shareholders About the Remuneration Policy,
12. Informing the Shareholders Regarding Capital Markets Board's Corporate Governance Principles, Clause 1.3.6,
13. Reserving Provisions of the Banking Law, Allowing the Members of the Board of Directors to Perform the Transactions Written in Articles 395 and 396 of the Turkish Code of Commerce.

SUMMARY BOARD OF DIRECTORS ANNUAL REPORT

Asset size of our Bank increased by 55,2% in 2022, from TL 39,1 billion to TL 60,7 billion. Credits increased by 58,0% and reached TL 34,2 billion compared with 2021 year-end. The Bank's securities increased by 36,6% compared to the end of 2021.

Operating income of ICBC Turkey has reached to TL 2,8 billion. Our Bank achieved a net profit level of TL 1,3 billion at year-end 2022. Interest income increased by 159,9% and net fees and commission income increased by 44,3% compared to the end of 2021.

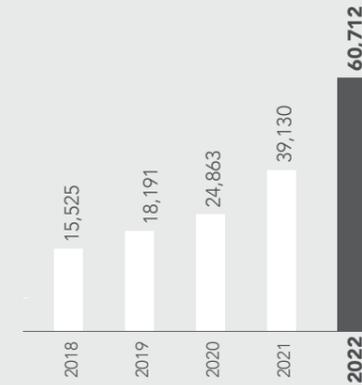
As of 2022 year end, based on unconsolidated financial statements of ICBC Turkey prepared in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation" which includes the "Regulation on the Procedures and Principles for Accounting, Practises and Retention of Documents by Banks" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of "Turkish Financial Reporting Standards" ("TFRS") put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") for those matters not regulated by the aforementioned legislations.

- Asset size reached TL 60,7 billion,
- Total cash loans were TL 34,2 billion (Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income) and constituted 56,4% of the Bank's balance sheet,
- Total customer deposits were TL 24,3 billion and increased by 44,1% compared to that of 2021 and constituted 40% of the Bank's total liabilities,
- Shareholders' equity increased by 98,8% compared to that of the previous year-end,
- Net profit for 2022 was TL 1,3 billion,
- Return on assets is 2,17% and return on equity is 45,8%, respectively,
- Capital adequacy ratio has been 30,02% (31 December 2021: 26,86%).

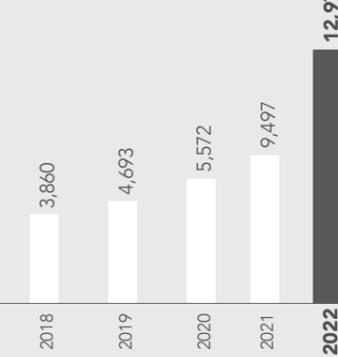
We have closely monitored the activities of the Audit Committee, Corporate Governance Committee and Remuneration Committee during the year and observed that the committees have worked effectively.

Your Sincerely,
Board of Directors

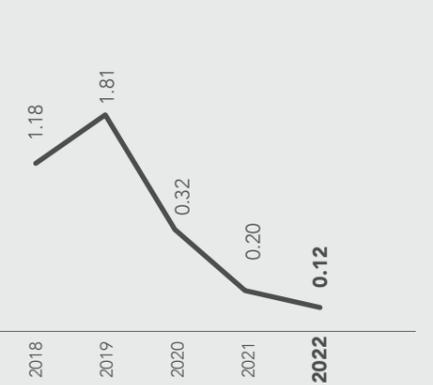
TOTAL ASSETS (TL million)



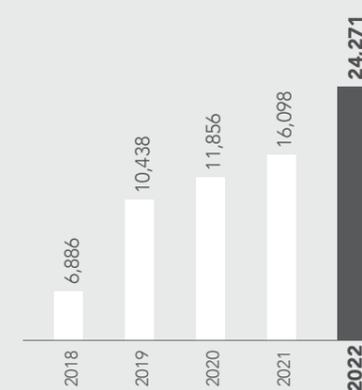
MARKETABLE SECURITIES (TL million)



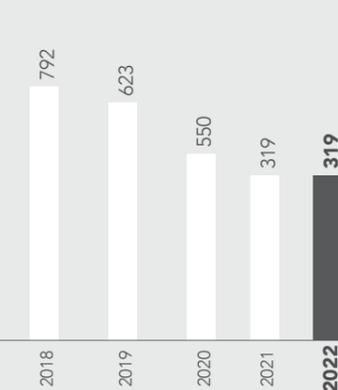
NPL RATIO (%)



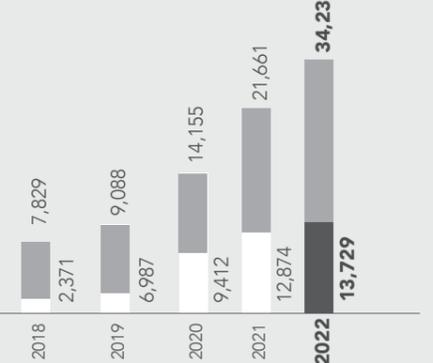
CUSTOMER DEPOSITS (TL million)



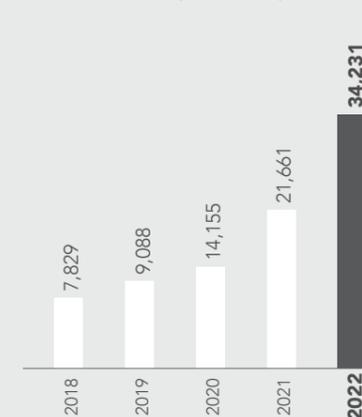
RETAIL LOANS (TL million)



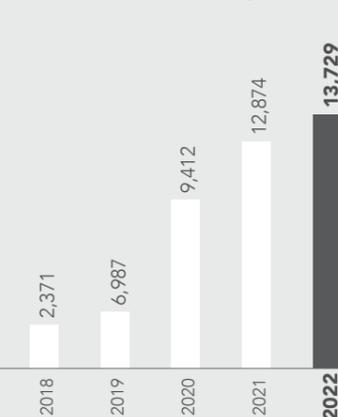
CASH AND NON-CASH LOANS DISTRIBUTION (TL million)



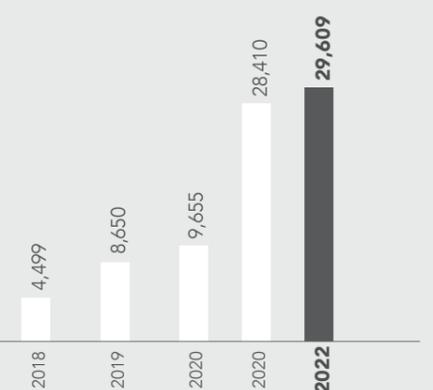
CASH LOANS (TL million)



NON CASH LOANS (TL million)



BORROWINGS FROM FOREIGN BANKS (TL million)



ICBC TURKEY BANK A.Ş. DIVIDEND DISTRIBUTION POLICY AND PROPOSAL FOR DIVIDEND DISTRIBUTION FOR THE YEAR OF 2022

ICBC TURKEY BANK A.Ş. DIVIDEND DISTRIBUTION POLICY

Regarding our Bank's target-directed growth in the sector and under the light of investment and financial needs, within the framework of the Banking Law, the Turkish Commercial Code, the Capital Markets Law, related legal legislation and Article 61th of our Bank's Articles of Association, a basic dividend distribution policy based on saving dividend in the extraordinary reserves for the finance of growth by holding profits in the body is adopted.

PROPOSAL FOR DIVIDEND DISTRIBUTION FOR THE YEAR OF 2022

In the meeting of the Board of Directors of our Bank held on the date of February 24th 2023 it has been resolved to propose to the General Assembly that, 2022 annual net profit in the amount of 65,923,639.80.-TL (after tax) and restricting legal reserves in the amount of 1,318,472,796.16.-TL at the rate of 5% be set aside according to article 519/1 of the Turkish Commercial Code and that all of the remaining profit amount of 1,252,549,156.36.-TL be transferred to extraordinary legal reserves and authorization of the Board of Directors regarding for the use of the legal reserves.

RISK GROUPS, SUPPORT SERVICES AND INFORMATION ABOUT NON-COMPETITION ACTIVITIES

INFORMATION REGARDING THE TRANSACTIONS MADE BY THE BOARD MEMBERS WITH THE BANK FOR THEMSELVES OR ON BEHALF OF ANOTHER PERSON WITHIN THE FRAMEWORK OF THE PERMISSIONS GIVEN BY THE BOARD OF DIRECTORS OF THE BANK AND THE ACTIVITIES WITHIN THE SCOPE OF NON-COMPETITION

Permissions specified in articles 395 and 396 of the Turkish Commercial Code regarding prohibition of making transaction with the company and non-competition, have been given by the General Assembly to the members of our Board of Directors, provided that the transactions conducted in this context should be out of the scope of those prohibited by the Banking Law no.5411. No any situation out of the framework set by related rules and regulations, has been encountered.

INFORMATION REGARDING THE TRANSACTIONS CONDUCTED BY THE BANK WITH THE RISK GROUP THAT THE BANK IS INVOLVED IN

The relationship between the Bank and the risk group to which it belongs includes all types of Banking transactions conducted in compliance with the Banking Law and within the framework of the normal bank-customer relationships and based on the market conditions. Explanations regarding such transactions are stated in the footnote VII. of the Section 5 of the Independent Audit Report, Unconsolidated and Consolidated Financial Statements as of December 31st 2022 and the Related Explanations and Footnotes Prepared to be Disclosed to the Public.

INFORMATION REGARDING THE INSTITUTIONS FROM WHICH THE BANK RECEIVES SUPPORT SERVICES

Information regarding the institutions from which the Bank obtains support services and their authorizations and services received are specified below.

1. Cheque printing and coding services that are provided as a part of the our ongoing collaboration with **"Güzel Sanatlar Çek Basım Limited Şirketi"**,
2. Services of procuration of operations of establishing a lien on behalf of the bank that are provided as a part of our ongoing collaboration with **"FU Gayrimenkul Yatırım Danışmanlık A.Ş."**,
3. Services of procuration of operations of establishing a lien on behalf of the bank that are provided as a part of our ongoing collaboration with **"İpoteka Gayrimenkul Yatırım Danışmanlık A.Ş."**,
4. Services that concern the Swift Alliance maintenance contract and Emergency Center service office services; Swift service office main connection contract; sales and service contract for Paygate products, which are provided as a part of our ongoing collaboration with **"Fineksus Bilişim Çözümleri Ticaret A.Ş."**,
5. Services of technical maintenance and licensing of Call Center System that are provided as a part of ongoing collaboration with **"Asseco See Teknoloji A.Ş."**,
6. Card printing (customization) services that are provided as a part of the our ongoing collaboration with **"E-Kart Elektronik Kart Sistemleri Sanayi ve Ticaret A.Ş."**,
7. Services of folding and enveloping printed credit card bank statements of our bank customers, which are provided as a part of the our ongoing collaboration with **"Printkom Doküman Baskı ve Bilgi İşlem Hizmetleri Limited Şirketi"**,
8. Cash carrying services that are provided as a part of the our ongoing collaboration with **"Loomis Güvenlik Hizmetleri A.Ş."**,
9. Services of card payment systems, software renting and resource allocation software development that are provided as a part of the our ongoing collaboration with **"Banksoft Bilişim Bilgisayar Hizmetleri Limited Şirketi"**,
10. Data Center Server Hosting service provided within the scope of the ongoing cooperation with **"Türk Telekomünikasyon A.Ş."**,
11. Security Services that are provided as a part of collaboration with **"G4S Güvenlik Hizmetleri A.Ş."**,
12. User Technology support services provided by **"Treo Bilgi Teknolojileri Limited Şirketi"**,
13. Mobile Banking Software Services that are provided as a part of our ongoing collaboration with **"Magis Teknoloji A.Ş."**,
14. Web Page design services that are provided as a part of our ongoing collaboration with **"Luckyeye Bilgisayar Tanıtım Hizmetleri Yayıncılık ve Tic. A.Ş."**,
15. Archive services that are provided as a part of our ongoing collaboration with **"Iron Mountain Arşivleme Hizmetleri A.Ş."**,
16. Credit service provided within the scope of the ongoing cooperation between **"BHL Turkey Teknoloji AŞ"**,
17. Bank is a support service that introduces retail loan products to customers and directs customer requests to Bank within the scope of support services **"Hangisi İnternet ve Bilgi Teknolojileri A.Ş."**,
18. Service related to data penetration tests **"BGA Bilgi Güvenliği A.Ş."**.

HUMAN RESOURCES IMPLEMENTATIONS

ICBC TURKEY CAREER MANAGEMENT AND RECRUITMENT PROCESSES

Young talents are one of the most important values in ICBC Turkey's working principles. ICBC Turkey sees the value of young employees and their innovative ideas in moving the Bank forward and aspires to provide a working environment in which not only young employees, but all employees who do their jobs well and value continuous learning and development, can demonstrate their talents and dynamism and easily plan their future careers. Based on this, ICBC Turkey understood that the trainings to be provided, as well as the promotion criteria applicable to everyone working at ICBC Turkey, should be consistent with this thought. All necessary infrastructures for retaining talent are developed in tandem with talent acquisition.

The Bank implements a standard salary rating system that will increase and encourage employee productivity within the scope of the HR project, which is meticulously developed and followed by Human Resources. Furthermore, ICBC Turkey has adopted the principle of working with effective and employee-oriented human resource practices, which contends that everyone should be the "Leader of Own Business" with high loyalty and strong motivation.

JOB APPLICATION AND RECRUITMENT APPLICATIONS

JOB APPLICATION

Human Resources prioritizes expanding the vision of selecting and recruiting employees, accelerating the training and training process of young employees, creating more space for competent, responsible and energetic employees in the management of the Bank's Departments, Centers and Branches, and offers horizontal career opportunities.

Job applications to ICBC Turkey are made via different and well-known career portals such as LinkedIn and Kariyer. Incoming applications are evaluated according to the suitability for open positions.

RECRUITMENT IMPLEMENTATIONS

While the most effective methods are used in recruitment practices, a recruitment approach is applied that will create the ground where the competencies of the candidate will be at the forefront. While trying to test the quantitative and qualitative characteristics of the candidate, it is considered that each candidate is very valuable individually.

Human Resources uses various concepts such as organizational chart, changes in employee structure, norm staff situation, and current business volume when evaluating and creating open position criteria. Future-oriented plans are developed in accordance with these concepts.

When it comes to filling vacant positions, internal talents from the current employees are prioritized. If it cannot be obtained from within the bank, an offer is made to the relevant candidate following the interview and reference meetings with the Recruitment and Talent Management Unit, as well as the Managing Director of the department to be recruited. Candidates are expected to prepare all necessary documents to start to work after accepting the offer.

To determine the need, ICBC Human Resources estimates the appropriate employee in the first stage of the recruitment process, taking into account the organization's annual budget as well as both short-term and long-term plans. Internal factors such as budget constraints, growth, and external factors such as technological developments, legal changes, and competition are all considered when estimating. Following this detailed analysis, HR clearly determines the needs and attempts to contact candidates who have the skills that match the needs and have received the necessary training. First and foremost, Human Resources team correctly performs the job analysis.

Before the process begins, the opportunities offered by the position to be recruited are clearly determined from the very beginning. The expectations from the candidate, the opportunities to be offered to the candidate and the job description are defined in a way that does not contradict each other, and the interview process begins by our personnel specialized in recruitment. Position applications are made through the relevant career websites. Candidates whose applications are examined are subjected to examination and interview. The offer process begins for the candidates who successfully pass the exam and interviews.

Interviews with candidates are also conducted in English, with the participation of relevant managing directors and the Human Resources Department.

English, general ability, memory and personality inventory tests are applied depending on the interview process and the criteria of the relevant position in the recruitment of inexperienced employees.

ICBC Turkey also prefers recruitment programs to recruit inexperienced young talents.

RECRUITMENT PROGRAMS

MANAGEMENT TRAINEE PROGRAM

The Management Trainee program, which provides the opportunity to work for inexperienced young talents who have recently graduated from university or who have recently begun their business life, is based on raising future management talents in accordance with the culture of ICBC Turkey. Management Trainee program includes two separate groups, the first one is Banking-oriented and the other one is information technology oriented.

Positions to be evaluated are chosen based on the Bank's strategies and needs. Before starting directly to work at Departments, Centers, Branches, Management Trainees must complete a one-month banking training course as well as technical training. Following the training, a detailed rotation plan including Department and Branch experience is prepared for the Banking group, with the goal of providing them with enlightening and efficient Banking experience. Technical trainings and rotation in information technology Departments are planned information technology oriented group.

Basis criteria for Management Trainee Programs:

- At least Bachelor Degree from relevant majors,
- Fluent in English,

Candidates who are successful in the exams, have strong self-expression and communication skills in the group and individual interview stages, and have analytical thinking skills are employed in the relevant units of the Bank, which are required to recruit new employees.

Under the pandemic conditions of 2022, 16 MTs recruited to ICBC Turkey, completed their exams and trainings on the online platform.

CORE BANKING GROUP (TELLER RECRUITMENT)

It is the recruitment made in line with the employee needs to support the processes in the operation units of ICBC Turkey branches. Candidates take the exam according to the requirements of the position. Candidates who are successful in the exam continue with the interview process. Candidates who successfully pass the interview stage receive an offer. Before starting the job, Basic Banking Training program is compulsory to attend. After the training, Tellers start working in the relevant positions of the Branches.

PROMOTION IMPLEMENTATIONS

ICBC Turkey considers that every employee has the potential to be promoted and encourages them to be promoted. In this process, it approaches all its employees with a fair and transparent system and presents career goals. In line with the determined promotion criteria, employees who are found suitable as a result of the evaluations are entitled to be promoted.

Two different methods are followed in this process. The first method is the Open Competition. The Open Competition system has great advantages for the development of the bank. Announcement brings competition; competition often multiplies quality, performance and productivity. Open Competition participation rules are determined and published. Employees who meet the criteria make their applications. Nominations are selected by the Management Committee. ICBC Turkey has been realizing director position appointment with Open Competition.

Another method is the process that continues according to the conditions existing in the Instruction Manuals. In promotions to the Senior Technical Expert title level and below, the promotion is realized after the approval of the Top Management and announced to the employees.

ICBC TURKEY HUMAN RESOURCES PROFILE

The total number of employees at ICBC Turkey as of December 31, 2022 is 756. During the same time period, the bank had 356 employees in its 39 branches and 400 employees in its head office. In 2022, the average of seniority is 8.03 years, and the average age of the bank employee is 39.63.

69.9 % of Bank employees hold a bachelor's degree, 13.9 % hold a master's degree, and 0.4 % hold a doctorate degree.

HUMAN RESOURCES IMPLEMENTATIONS

EDUCATIONAL ORGANIZATIONS

Educational activities are organized with the understanding that career and education management is the key point to continuous development. It is ensured that the activities to be selected are carried out in a planned and effective manner in order to bring the employee a sense of corporate commitment and corporate culture.

As with all Human Resources practices, training and development activities are associated with the company's strategic goals and priorities. Current and future organizational and individual needs are taken into account, and the managerial and professional development needs of the employees are determined accordingly.

Renovation and development are indispensable elements of modern banking. ICBC Turkey builds on these elements and reinforces them with a learning organization approach.

Training is among the top priorities at the Bank, which aims to develop its employees and the entire environment within the scope of the ever-evolving system. For young employees participating in the ICBC Turkey organization; On-the-job, orientation and long-term development trainings are provided. Other employees who continue to work in their field of specialization and work at the Bank complete their management and specialization programs according to the determined career planning.

Training programs are differentiated in terms of content, scope and presentation methods, taking into account institutional goals and priorities and personal needs, and are presented in line with the needs. ICBC Turkey's training programs; It includes Career Education Programs, Personal Development Training Programs, Executive Development Training Programs, MT and Core Banking Training programs. Further training courses are offered by trainers from leading private training companies and the Bank's internal trainers.

Human Resources continued its training activities without slowing down under the pandemic conditions. In this process, cooperation with online training companies was strengthened, online training plans were created and suitable conditions for online training were provided for each line of business. In order to minimize the negative psychological effects of the pandemic, the bank supported its employees and provided motivation, awareness and remote working trainings.

EDUCATIONAL AND DEVELOPMENT ACTIVITIES

In 2022, ICBC Turkey provided training programs to its employees through internal trainers, outsource training companies, and seminars and conferences organized by The Banks Association of Turkey.

During the year, 103 trainings were held, including internal, external, and online training programs, and 13.562 people attended. In this context, online training programs on 16 different subject as well as internal and external training on 87 different subjects.

REMUNERATION COMMITTEE AND REMUNERATION ACTIVITIES IN 2022

By the decision of the Board of Directors of ICBC Turkey on 11 July 2011, a "Remuneration Committee" has been established for monitoring and auditing of remuneration practices on behalf of the Board of Directors. Mr. Jianfeng Zheng and Mrs. Ying Wang, who do not have executive duties in the Bank, were appointed as members of the "Remuneration Committee" with the Board of Directors decision dated May 22, 2015. Mrs. Ying Wang was elected chairman of the committee and continues to serve.

The Remuneration Committee carried out its activities between 01.01.2022 - 31.12.2022 in accordance with the Bank's corporate governance principles.

Distribution methods have become more diverse and independent, and the sense of earning of employees who contribute more in this direction has been greatly improved. In line with the wage policy that was last updated ; In 2022, the total income rate increased by 69.1%, the Base Salary rate increased by 83.4%, and the Flexible Salary rate increased by 55.6%.

ICBC TURKEY HUMAN RESOURCES POLICY

The Bank's Human Resources Policy is published on our website under the title of "Policies". This policy has come into effect with the decision of the Board of Directors.

Within the framework of these published policies, Human Resources carries out the "Most Talented Bank" strategy in order to make ICBC a global, leading Bank with the best profitability and to build a good workplace for all personnel to work with performance and prestige and grow the Bank.

Humans need to focus on corporate philosophy, under the leadership of Türkiye's current situation and the main shareholder of the HR department, "Reform and Improvement of" the scope and efficiency of justice is the main objective to support the workers in the foreground holding.

The Human Resources policy increases the productivity and happiness of the employees by using compensation, performance evaluation, career planning, training and similar Human Resources tools in line with the Bank's goals and strategies. With this understanding, it is aimed to create an appropriate workplace environment that will enable employees to reveal their energy and creativity and to discover their talents.

ICBC Turkey Human Resources works in coordination with Departments, Centers and Branches under the leadership of the management committee, mainly by following the business objectives and strategies of the Bank in order to lead a comprehensive improvement in HR management.

The focus is on reforms and improvements in the organizational structure, employee development, salary rating, performance bonus, career path and training programs support employees.

The Bank has a standard salary rating system established with the application of salary payments and the HR project closely followed and developed by the HR team in order to improve per capita productivity and increase management efficiency. In addition, various premium payments are made in parallel with the contributions and success of the employees to the Bank.

ICBC Turkey has adopted the principle of maintaining a human resource consisting of highly motivated and loyal employees with effective and human-oriented Human Resources practices in line with its personnel management policy and that everyone should be the "Leader of their Business".

For operational processes, the job descriptions, authorities and responsibilities of the Bank personnel are determined according to each title and position. General Human Resources policies applied for the Bank's best performance are based on the principles summarized below. These principles are published in the Bank's intranet environment and on its website.

CODE OF ETHICS AND SOCIAL RESPONSIBILITY

Ethical Rules

ICBC Turkey, in our corporate management approach, The Banks Association of Turkey published by the "Code of Ethics" of the already adopted and implemented.

The attitudes and behaviors of employees at all levels and the ethical principles aiming to regulate their relations with individuals and organizations within and outside the Bank are explained under the heading "Our Bank's Ethical Principles" in Article 5 of the Personnel Regulation, which entered into force with the resolution of the Board of ICBC Turkey on December of 09th 2002 and revised again on January of 14th 2021.

These rules have been announced to the public through the website within the framework of the "Information Policy" of the Bank. All employees are informed about ethical principles. All personnel working in our Bank are asked to act in accordance with ethical principles and their signed statements are received in this regard. ICBC Turkey Corporate Governance Committee with the recommendation issued by the Banks Association of Turkey "Code of Ethics" was updated and published on the official website.

DONATIONS AND SOCIAL RESPONSIBILITY PROJECTS

SOCIAL RESPONSIBILITY

In all of its applications and investments, ICBC Turkey pays attention to the corporate image, benefit and profitability as well as social benefit and to support social and cultural activities in the light of the principles of respect for the environment. The issues of developing the banking sector and maintaining the trust in the sector are observed, and contributes to the healthy development of the society by complying with the regulations regarding consumer and public health.

Within the scope of social responsibility; All crimes such as extortion, bribery, all kinds of corruption, money laundering and terrorist financing, and illegal betting and gambling are all struggled.

INFORMATION RELATED TO THE DONATIONS AND THE DISBURSEMENTS MADE WITHIN THE SCOPE OF CORPORATE SOCIAL RESPONSIBILITY PROJECTS IN THE YEAR 2022

List of donation(s) made by the Bank to various institutions as of the date of 31 December 2022, is given below:

Donee Institution (full amount)	Amount (TL)
Türk Eğitim Vakfı	2,000
Türk Eğitim Gönüllüleri Vakfı	175,680
Türk Eğitim Vakfı* (ICBC Turkey Yatırım Menkul Değerler A.Ş.)	1,050
Total	178,730

*Donation made by our subsidiary company.

1. THE BELT AND ROAD FINANCIAL COOPERATION FORUM

The Belt and Road Financial Cooperation Forum was organized on 4th of August at Shangri La Bosphorus by Chinese Embassy in Türkiye with the support of Istanbul Chinese Businessmen and Industrialists Association and ICBC Turkey. The Forum where Turkish Chinese economic relations were discussed with panels focusing on the developments in various fields such as energy, technology, finance and education, hosted leading figures from the relevant sectors.

The event which was realized to evaluate progress on Belt & Road initiative aiming to revitalize the old trade routes between Asia and Europe since 2013, was attended by nearly 150 people consisting of prominent figures from the Turkish industry, commerce, academia, culture as well as representatives of well-known companies from China and Türkiye.

2. "CHINESE INNOVATIVE PRODUCTS AND SERVICES EXHIBITION" OF THE NINTH TÜRKİYE INNOVATION WEEK

9th Türkiye Innovation Week was held by Turkish Exporters Assembly (TIM) at the Halic Congress Center in Istanbul on 12-13 December 2022, and the event has been organized in cooperation with the Ministry of Trade and under the auspices of the President H.E. Mr. Recep Tayyip Erdoğan.

In order to further strengthen the communication between Türkiye and China in terms of innovative products and services, TIM contacted the Chinese General Consulate in Istanbul and invited China to be the theme country of this innovation week. According to the work arrangement of the Chinese General Consulate in Istanbul, at this Türkiye Innovation Week event, an exhibition for Chinese innovative products and services has been set up, specifically organized by ICBC Turkey as the Chairman Institution of Istanbul Chinese Businessmen and Industrialists Association, as well as with the participation of the Chinese-funded enterprises in Istanbul.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

ICBC TURKEY BANK A.Ş. 2022 CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE DECLARATION

ICBC Turkey Bank A.Ş. ("ICBC Turkey" or the "Bank") is subject to provisions relevant to Corporate Governance Principles stipulated for banks in Banking and Capital Market legislation. Within this scope, ICBC Turkey, adopted a management method based on caution, stability and trust.

The Bank is in compliance with compulsory principles among the Corporate Governance Principles taking place in the Corporate Governance Communiqué and Banking Regulation and Supervision Agency ("BRSA") Regulation on Corporate Governance Principles of the Bank.

According to Capital Markets Board's ("CMB") resolution dated 10.01.2019 and numbered 2/49 Corporate Governance Compliance Reporting has been done by Compliance and Corporate Governance Information forms on Public Disclosure Platform ("PDP"). The Bank has disclosed its Compliance Report Format ("CRF") and Corporate Governance Compliance Forms ("CGIFs") within the framework of its compliance principles on the link of www.kap.gov.tr on 23.02.2022 as well as disclosed in the Annual Report.

In accordance with the new Corporate Governance Reporting frame accepted by CMB's dated 10.01.2019 resolution; Corporate Governance Information Form gives information about shareholders, General Assembly, voting rights, minority rights, dividend rights, public disclosure and transparency, stakeholders and Board.

The principles which are not obligatory and only advisory are disclosed by Compliance Form according to apply or explain principle. The principles that are still not complied with has been mentioned below.

There hasn't been any conflict of interest arising from these not applied principles.

- For the principle number 1.5.2., minority rights are not granted to those holding less than one twentieth of the capital with the Articles of Association of the Bank.
- For the principle number 3.1.2., no written indemnity policy is issued for the Bank employees. All applications relevant to the Bank employees are subject to Labor Law and other relevant legislations, and as contradictory provisions are not set forth in in-Bank regulations, a separate indemnity policy is not issued.
- For the principle number 4.2.8., against the damages the Members of the Board of Directors may cause in the Company during their duties, they are not insured with a value exceeding 25% of the company capital. However, there is a Financial Corporations Management Liability Insurance for the members of the board of directors of our Bank with a lower value and the policy period is between 01.09.2022 - 31.08.2023.
- According to the principle number 4.3.9., no target rate or target time is specified for the female member rate in the Board of Directors and there is 1 female member in the Board of Directors in 2022 and 2 female members together with the natural Board member of our Bank between 2022 January 10th and 2022 May 9th. Since 9 May, there is 1 female member in the Board of Directors, since the member of the Natural Board of Directors is a male member.
- According to the principle number 4.4.7., due to the business experiences and sectorial experiences of the Members of the Board of Directors having significant contribution to the Board of Directors, they are not restricted in taking part in duties other than the Bank. While duties of some members continue in in-group companies, some members take office only at our Bank. The members allocate sufficient time for the Bank.
- According to the principle number 4.5.5., as the number of our Members of the Board of Directors is limited, assignment at the committees is carried out by considering knowledge and experiences of the Members of the Board of Directors, in line with the relevant legislation, and one Member of the Board of Directors may be assigned in more than one committee.
- According to the principle number 4.6.5., salaries paid to and fringe benefits provided for the Members of the Board of Directors and the executives are announced to public through the annual activity report. However, the explanation made is in a way to separate the Board of Directors and the executives, not on person basis.

As announced earlier, in line with the announcements of the Board of Directors Borsa İstanbul A.Ş. ("Borsa" or Borsa İstanbul") numbered 17.09.2020 and the resolutions of the CMB dated 14.09.2020, in order to increase the depth of the shares traded in the Stock Market, to increase effective as of 01.10.2020, some changes were made in the Equity Market, in terms of market segment structuring, trading principles in the markets, market-segment change-over/ transition criteria between markets and listing requirements. These changes were declared with the announcement dated 17.09.2020 and numbered 2020/58 and entered into force as of 01.10.2020. In line with the announcements and evaluations of Borsa İstanbul dated 18.12.2020, 11.03.2021, our Bank was traded in the "SUB- MARKET". On the other hand, "About Equity Market Structure Principles" dated 10.09.2021 published by Borsa İstanbul. In line with the announcement, ICBC Turkey is currently traded on the "MAIN MARKET".

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

According to the announcement in CMB Bulletin dated January 13, 2022 and with number 2022/2, in the grouping determined as a result of the evaluation made by CMB, our Bank has taken place in the Second Group companies. Within this scope, exceptions/exemptions in the practice of the Corporate Governance Principles of the companies in the second group is applicable also for our Bank.

Within this scope;

It is stated in the 3rd item of the 6th article of the Communiqué on exceptions independent member of the board of directors for the banks is in discretion of the bank provided that the number of these members should not be less than three and the members of the board of directors assigned for the audit committee membership within the structuring of the Board of Directors of the banks shall be considered as the independent member of the Board of Directors within the framework of this Communiqué. Besides, it is stated that qualifications determined in the Corporate Governance Principle number 4.3.6. shall not be looked for in the audit committee members of the banks and Principles number 4.3.7. and 4.3.8. on selecting these members shall not be applied. Again in the same Communiqué; it is ensured that qualifications determined in the Principle number 4.3.6. shall be looked for any way for the independent members of the board of directors who shall not take place in the audit committee, and shall be looked for only one member in case all of the independent members of the board of directors take place in the audit committee, and Principles number 4.3.7. and 4.3.8. on selecting these independent members shall be applied.

As the Bank is in the second group companies, we are exempted from;

- The Principle number 4.3.7. of Communiqué as "(t)he Board of Directors prepares the nominee list of the independent member within the framework of the report of the nominating committee and sends to the Capital Markets Board at least 60 days before the General Meeting along with the related report of the nominating committee and the decision of the Board of Directors",
- The Principle number 4.3.8. of Communiqué as "(i)n case independent membership is vacant, the Board of Directors send the nominee list determined within the framework of the report of the nominating committee to the Capital Markets Board within 30 days".

As mentioned above, according to the announcement in CMB Bulletin dated January 13, 2022 and with number 2022/2, in the grouping determined as a result of the evaluation made by CMB, our Bank has taken place in the Second Group companies. According to the provision 11th article of the Communiqué, manager of the investor relations department shall have a "Capital Market Activities Level 3 Licence" and "Corporate Governance Rating Licence". The Manager of the Unit of the Shareholder Relations and Board Secretariat performing duty within this scope at our Bank holds Capital Market Activities Level 3 Licence and Corporate Governance Rating Licence.

Within the scope of Banking and Capital Market legislation, the Audit Committee is established on October 30th 2006, the Corporate Governance Committee is established on March 30th 2005, and Remuneration Committee is established on July 11th 2011. Within the year of 2012, considering the structuring of the Board of Directors and duties our independent members have undertaken in the committees they take part, it is decided the "Nominating Committee" not to be constituted separately and duties of this committee to be performed by the Corporate Governance Committee". The activities of the committees are detail explained in "Committees/ Information Regarding the Committees Established Within the Body of the Board of Directors" part.

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	X					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	X					
1.3.7 - Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					X	
1.3.8 - Members of the board of director who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	X					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	X					
1.3.11 - The General Shareholders' Meeting was held open to the public, including stakeholders, without having the right to speak.		X				As specified in the Article of Association, General Assembly Meeting was open to all shareholders. However, it was closed to media and public. The minutes of the General Assembly Meeting has been submitted to all stakeholders via PDP and website by the Bank.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	X					
1.4.2 - The company does not have shares that carry privileged voting rights.	X					
1.4.3 - The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					X	There is no mutual shareholding relationship in the structure of the Bank's capital.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	X					

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			X			Bank adopted its rates strictly which is outlooked for the public-held company in the regulation and minority rights has been determined according to Article 19 of the Bank's Article of Association at a rate of 1/20 at capital.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	X					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	X					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.	X					
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	X					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The company website includes all elements listed in Corporate Governance Principle	X					
2.1.2 - The shareholding structure (names, privileges, number, ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.					X	There is no shareholder who has more than 5% of the paid-in capital.
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	X					Our Bank's website is arranged in English format as well as the majority of Turkish contents are also available in English version.
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	X					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1 - The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	X					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website		X				No specific policy has been generated for stakeholders. Stakeholders' rights are protected within the framework of general regulations, contracts and goodwill rules.
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	X					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/ manuals), regulate the participation of employees in management.		X				Among the employees, mid-level and senior managers participate in decision-making mechanism through Bank Committees. Besides, Events and meetings are organized periodically within the Bank all employees of the Bank might be shared their suggestions to the Top Management.
3.2.2 - Survey/other research techniques, consultation, interviews, observation method etc. Were conducted to obtain opinions from stakeholders on decision that significantly affect them.		X				Employees' opinions and suggestions are also evaluated through surveys in decision processes that have important consequences. Suggestions and complaints are provided through relevant channels such as "Write to Us", Internet Mobile Branch and info@icbc.com.tr in order to assess employees, and stakeholders' requests. Communication channels are kept open for other stakeholders (suppliers, business partners, etc.) and still working on the surveys have been evaluated.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	X					The Bank has an employment policy ensuring equal opportunity, succession plan works have been going on. Succession planning in our Bank has been organized according to the current title structure of our Bank, and each title is a successor to a higher title, as per the Bank's Personnel Regulation.
3.3.2 - Recruitment criteria are documented.	X					
3.3.3 - The company has a policy on human resources development, and organizes trainings for employees.	X					
3.3.4 - Meetings have been organized to inform employees on the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.		X				Employees are notified directly, However, there is no governing body like the union.
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and take into account to determine employee remuneration.	X					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	X					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.		X				Within the scope of ICBC ethical principles, employees might be member of social, cultural, environmental projects and club or associations. The activities of these shouldn't be covering discriminatory, contrary to the religious or public welfare and must in no way to damage Bank's reputation. All of these ethical principles are also published on our official web-site.
3.3.9 - A safe working environment for employees in maintained.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in handling their requests.	X					
3.4.3 - The company complied with the quality standards with respect to its products and services.	X					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	X					Main Page> Investor Relations> Corporate Governance> Ethical Principles
3.5.2 - The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	X					
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	X					
4.1.2-The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	X					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1 - The board of directors documented its meetings and reported its activities to the shareholders.	X					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	X					
4.2.3 - The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	X					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	X					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	X					
4.2.7 - The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	X					

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.		X				The Bank's paid-in capital is 860 million.-TL and due to the defects of the Board Members during their duties, they are insured with a limit of 10 Million USD under the responsibility insurance policy against the risk of loss.
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.			X			There is no policy for the women membership in the Board of Director. There is consisted in 1 woman Board member out of 6 Board Members. Woman members is at a rate of 17%.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	X					
4.4. BOARD MEETING PROCEDURES						
4.4.1 - Each board member attended the majority of the board meeting in person or via an electronic board meeting system.	X					Our Board Members of Chinese nationality who non-resident in Türkiye, could not physically attend the meetings due to the pandemic. All Board Members attended the quarterly meetings through the "Electronic BoD System" produced by MKK A.Ş.
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	X					
4.4.3 - The opinions of the board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					X	There is no written format statement
4.4.4 - Each member of the board has one vote.	X					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	X					
4.4.6 -Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	X					

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.4.7 - There are limits to external commitments of board members. Shareholders are informed of board member's external commitments at the General Shareholders' Meeting.			X			There is no restriction for the Board Members to have duties outside of the Bank. Duties held by the Board members out of the Bank is included in the Annual Report submitted to the General Assembly.
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			X			Due to the limited number of members of the Bank's Board of Director, committees are appointed in accordance with the relevant legislation by taking into consideration the knowledge and experience of the Board Members and one Board Member may serve in more than one Committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	X					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report					X	Committee didn't need to receive external consultancy services until today.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	X					
4.6. FINANCIAL RIGHTS						
4.6.1 - The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.			X			In 2022, no specific study was conducted at the Board level for performance evaluation.
4.6.4 - The company did not extend any loans to its board directors and executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favor of them.	X					The loans to be granted to the members of the Board of Directors and employees are subject to restrictions set forth in Article 50 of the Banking Regulation. No other loans are granted to the Members of the Board of Directors or employees.
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		X				Annual salaries paid to the members of the Board of Directors and Top Management has been disclosed in the Annual Report totally.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholders Rights

The number of investor meetings (conference, seminar/etc.) organized by the company during the year

None

1.2. Right to Obtain and Examine Information

The number of special audit request(s)

None

The number of special audit requests that were accepted at the General Shareholders' Meeting

None

1.3. General Assembly

Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)

<https://www.kap.org.tr/tr/Bildirim/1003851>

The documents related to the General Assembly Meeting are presented on the Bank's website both in Turkish and English.

Related web site Turkish version:

<https://www.icbc.com.tr/tr/yatirimci-iliskileri/akordeon-pdf-liste/Olagan-Genel-Kurul-Toplantilari/149/0/0>,

Related web site English version:

<https://www.icbc.com.tr/en/investor-relations/pdf-list/Ordinary-General-Meetings/329/0/0>

Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time

The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9

None

The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communique on Corporate Governance (II-17.1)

None.

The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communique on Corporate Governance (II-17.1)

None.

The name of the section on the corporate website that demonstrates the donation policy of the company

Related web site Turkish version: https://www.icbc.com.tr/tr/images/pdf/Bagis_ve_Yardim_Politikasi_2017.pdf

Related Web Site in English version:

<https://www.icbc.com.tr/en/images/pdf/Donation-and-Contribution-Policy.pdf>

The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved

<https://www.kap.org.tr/tr/Bildirim/1014579>

The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting

In the Articles of Association 3. Section between Article 18-34

Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Some stakeholders such as Independent Auditor, shareholders and employees attended the General Assembly Meeting within the knowledge of our Bank as observer.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares	There are no voting privileges but there are privileges in the structure of the Board of Director, in the election of the member of Board and in the election of liquidator. 860.000.000.-TL of our total capital, which is 602.000.000.-TL consist of A Group shares and 258.000.000.-TL B Group shares.
The percentage of ownership of the largest shareholder	92,84%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	Minority rights have not been advanced in terms of content and percentage for minority rights, except for the verdict of the Articles of Association, Turkish Commercial Code and other relevant regulations.
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	https://www.icbc.com.tr/tr/images/pdf/kar%20da%C4%9F%C4%B1t%C4%B1m%20politikası%C4%B1.pdf
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Prepared by the Board, the proposal for the distribution of the Banks' Commercial profit for the year 2021 was submitted to the approval of the Ordinary General Assembly for 2021 held on 31.03.2022 and approved by majority vote. The information given to the shareholders regarding the undistributed part of 2021 profit is provided by General Assembly Minutes in article 6 and 7 of the following link. https://www.icbc.com.tr/en/images/pdf/31032022_GENEL%20KURUL%20TOPLANTI%20TUTANAGI_ENG.pdf
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the General Assembly not to distribute dividends	https://www.kap.org.tr/tr/Bildirim/1014579

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations received by insiders by the board of directors	The link to the related PDP general shareholder meeting notification
31.03.2022	0	92,84%	0,00..01%	92,84%	Investor Relations /General Assembly/ Ordinary General Assembly Meeting/ Minute	No Addressed Question	There is no agenda about related parties	242	https://www.kap.org.tr/tr/Bildirim/1014579

2. DISCLOSURES AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1	Turkish Web Site: Home Page > Investor Relations English Web Site: Home Page > Investor Relations
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	Turkish Web Site: https://www.icbc.com.tr/tr/yatirimci-iliskileri/detay/Ortaklik-Yapisi/129/113/0 English Web Site: https://www.icbc.com.tr/en/investor-relations/detail/Shareholding-Structure/317/852/0
List of languages for which the website is available	Turkish and English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.	
a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members.	2022 Annual Report - Section II Management and Corporate Governance Practice> 2022 Corporate Governance Compliance Principles > Duties Held By Board Members out of the Bank 2022 Annual Report - Section II Management and Corporate Governance Practice > Board Members Declaration of Independence.
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure.	2022 Annual Report –Section II Management and Corporate Governance Practice > Committees
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings.	2022 Annual Report - Section II Management and Corporate Governance Practice > Information Regarding The Attendance By The Board of Directors and The Committee Members to The Related Meetings During The Accounting Period

c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation.	2022 Annual Report - Section II Management and Corporate Governance Practice > Significant Legislative Changes Regarding the Banking Sector
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	2022 Annual Report Section I - General Information > Other General Informations > Information Related to the Material Lawsuits Brought Against The Bank During the Year 2022 and Their Potential Outcomes
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	None
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	There is no mutual shareholding relationship in the structure of the Bank's capital.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	2022 Annual Report Section II - Management and Corporate Governance Practice> Human Resources Implementations > ICBC Turkey Career Management and Recruitment Processes> Job Application and Recruitment Applications, Code of Ethics and Social Responsibility

3. STAKEHOLDERS

3.1. Corporation's Policy on Stakeholders

The name of the section on the corporate website that demonstrates the employee remedy or severance policy	There is no severance policy for Bank's employees. All implementations for the Bank's employees depend on labor law legislation and other relevant regulations. As there is no inconsistency in the internal regulations of the Bank, no severance pay policy has been issued.
The number of definitive convictions the company was subject to in relation to breach of employee rights	9
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Head of Internal Audit
The contact detail of the company alert mechanism.	ihbar@icbc.com.tr

3.2. Supporting the Participation of the Stakeholders in the Corporation's Management

Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	There is no written internal regulation. In all projects carried out within the scope of the Bank's strategic priorities, support is received from the employees, and mid and senior managers are encouraged to make evaluation and participate in decision processes through committees.
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CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Corporate bodies where employees are actually represented	Due to the title structure of our Bank, our employees who are at the senior top level participate in the committees, while our employees who are not at the managerial level but have senior titles can participate in the meetings as spectators and listeners. In addition, employees at all levels can convey their suggestions, comments, opinions and ideas through the "Suggestion System" on the Bank's intranet portal in order to ensure that employees take an active role in decision-making mechanisms and benefit from their innovative ideas. Besides, Events are organized periodically within the Bank all employees of the Bank might be shared their suggestions to the Top Management.
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	Succession planning in our Bank has been organized according to the current title structure of our Bank, and each title is a successor to a higher title. Processes are initiated at the beginning of each year. Employees who meet the criteria and complete their seniority are evaluated every quarter. The appointment of the General Manager, Deputy and Assistant General Manager are carried out by the decision of the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	Summary of Human Resources Policy under the Policies in the Investor Relations section of the Bank's corporate website www.icbc.com.tr. The Bank's objective and strategy is to increase employees efficiency and happiness by using salary system, performance evaluation, career planning and developing, training and similar motivational tools and to create a suitable working environment that will reveal the creativity of our employees through these methods. The Human Resources Department carries out its activities in all matters that concern and cover its employees, regardless of race, gender, nationality, age, religion, political opinion, physical disability, and the principle of respecting private life and all citizenship rights, regardless of all privileges. With this understanding, the ultimate goal of the policy is to reveal the energies and creativity of the employees and to create a business environment conducive to displaying their talents. Issues regarding equal opportunities are included in the Personnel Regulations and are not disclosed on the corporate website.
Whether the company provides an employee stock ownership programme	There is no employee stock ownership programme.

The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	Turkish Web Site: Yatırımcı İlişkileri > Kurumsal Yönetim > Politikalar > ICBC Turkey İnsan Kaynakları Politikası English Web Site: Investor Relations > Corporate Governance > Policies > Human Resources Policies Human Resources Policy is published on the Corporate website. In addition, in the Personnel Regulation published within the Bank, equality of opportunity is taken as a basis in recruitment and career planning, and in accordance with our human resources policy, no discrimination is made among our employees for any reason, and all our personnel are treated within the framework of the principle of equal treatment. The criteria for recruitment are determined in writing and these criteria are followed. The Bank takes utmost care to act fairly in all rights provided to employees. Training programs are carried out to increase the knowledge, skills and competencies of the employees, and in this direction, training policies are created according to the needs and objectives. Regular informative meetings are held with employees on matters such as the bank's financial status, wages, career, education and health, and sharing information each other. Job descriptions and distribution of duties and performance and reward criteria are regularly informed to the all employees. Efficiency is taken as a basis in determining the wages and other benefits given to employees in line with the policy. The Bank's Human Resources policy is based on the principle of comprehensive opportunities and principle of equal opportunities in order to enhance occupational safety and personal development of the employee professionally. The Bank takes precautions against racial, religious, and gender discrimination among its employees and against physical, mental and mistreatment in the Bank's internal environment.
The number of definitive convictions the company is subject to in relation to health and safety measures	None

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

3.5. Ethical Rules and Social Responsibility

The name of the section on the corporate website that demonstrates the code of ethics	Home Page > Investor Relations > Banking Ethic Rules
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	Home Page > Investor Relations > Financial Information > 4. Quarter Annual Report
Any measures combating any kind of corruption including embezzlement and bribery	On-site and remote inspection and control activities carried out by Internal Audit and Internal Control and Compliance Department; utmost care is taken in prominent measures taken within the scope of combating all kinds of anti-corruption, including embezzlement and bribery, and necessary mechanisms have been set up to evaluate complaints that may arise in this direction. In addition, personnel are informed about these issues and their awareness is expanded during the trainings aimed at combating Laundering Proceeds of Crime and Financing of Terrorism. It is aimed to guide the personnel by creating bank compliance policy and application instructions, which also includes our bank and financial group companies. In our Bank, scenario-based AML (laundering- money detection) program is used; The warnings generated by the said program are examined and the transactions related to the warning are examined within the scope of monitoring and control activities aimed at preventing money laundering and financing of terrorism. In money transfer and account opening transactions carried out through our bank, global banned persons, companies and institutions are scanned and action is taken when necessary, and reports are made to the relevant authorities. When necessary, the branches or units are contacted to obtain detailed information about the nature of the transactions, the customer's risk profile, and the funding sources on which the transactions are based on. Transactions that cause suspicion that corruption may be related to all kinds of corruption including embezzlement and bribery are reported to MASAK by filling in the Suspicious Transaction Notification Form.

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors	Explanations
Date of the last board evaluation conducted	21.02.2019
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Xiangyang Gao - Chairman, Executive Member (In charge of Human Resources Department, BoD Office) Chunyi Zheng - Natural Board Member, Deputy General Manager (As of 09 May 2022) Jinhong Li, Natural Board Member (10.01.2022 - 09.05.2022), Deputy General Manager

Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	8
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	2022 Annual Report Section III - Assessment of Operation of Internal Control, Internal Audit and Risk Management Systems By The Audit Committee
Name of the Chairman	Xiangyang Gao
Name of the CEO	Chunyi Zheng
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	The chairman and the General Manager are different persons.
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	Damages that may be caused by the members of the board of directors during the discharge of their duties have been insured under the liability insurance policy within the limit of USD 10 million. However, as stated in the Corporate Governance Principles Communiqué, the amount of insurance is not determined in excess of 25% of the Bank's capital and the issue is not disclosed in the PDP.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	There is no policy for the women membership of the Board of Director.
The number and ratio of female directors within the Board of Directors	There is consisted in 1 woman Board member out of 6 Board Members. Woman members is at a rate of 17%. In the absence of the General Manager, Deputy General Manager Ms. Jinhong Li deputized as a Natural Board Member and Deputy General Manager for a while for the General Manager's duties. Thus, our women members has reached 33% in a year. As of 09.05.2022, the rate of female Board Members is 17%, with Mr. Chunyi Zheng has been deputizing as the General Manager.

Composition of Board of Directors

Name, Surname of Board Member	The First Election Date to Board	Whether Executive Director or Not	Whether Independent Director or Not	Link to PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/ He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting and/or Finance or Not
XIANGYANG GAO	22.05.2015	Executive	Not Independent	-	No	No	Yes
JIANFENG ZHENG	22.05.2015	Non-Executive	Not Independent	-	No	No	Yes
YING WANG	22.05.2015	Non-Executive	Independent Member	https://www.kap.org.tr/tr/Bildirim/920494	Yes	No	Yes
PEIGUO LIU	02.01.2017	Non-Executive	Independent Member	-	No	No	Yes
CHUNYI ZHENG	09.05.2022	Executive	Not Independent	-	No	No	Yes
SERHAT YANIK	24.02.2020	Non-Executive	Independent Member	https://www.kap.org.tr/tr/Bildirim/920494	Yes	No	Yes

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical or electronic board meetings in the reporting period (meetings in person)	4
Director average attendance rate at board meetings	Physical 100%, Circular 100%
Whether the board uses an electronic portal to support its work or not	Yes.
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	Within the scope of our Bank's principles, information and related documents are submitted to the members at least 7 working days before the meeting.
The name of the section on the corporate website that demonstrates information about the board charter	Home Page > Investor Relations > Articles of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	There is no restriction for the Board members to have external duties outside the Bank. Duties held outside of the bank by the Board members are included in the Annual Report submitted to the General Assembly. While some members continue their duties in-group companies, some members are only fulfilling their duties for our Bank. The members allocate sufficient time for the Bank.

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented.	2022 Annual Report Section II - Management and Corporate Governance Practice / Committees/ Information Regarding the Committees Established within the Body of the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	<p>https://www.kap.org.tr/tr/Bildirim/1028195 https://www.kap.org.tr/tr/Bildirim/1027856 https://www.kap.org.tr/tr/Bildirim/1010259 https://www.kap.org.tr/tr/Bildirim/992199 https://www.kap.org.tr/tr/Bildirim/921005 https://www.kap.org.tr/tr/Bildirim/852426 https://www.kap.org.tr/tr/Bildirim/821196 https://www.kap.org.tr/tr/Bildirim/795100 https://www.kap.org.tr/tr/Bildirim/697417 https://www.kap.org.tr/tr/Bildirim/672968</p> <p>Committees Working Principles/ Related Turkish Web-Site; https://www.icbc.com.tr/tr/yatirimci-iliskileri/pdf-liste/Komiteler/145/0/0</p> <p>Committees Working Principles/ Related English Web Site; https://www.icbc.com.tr/en/investor-relations/pdf-list/Committees/726/0/0</p> <p>There is no PDP link to have been disclosed to the public relevant to working principles. The responsibilities of the committees are explained in Section II of the Annual Report - Management and Corporate Governance Practices/ Committees/ Information Regarding the Committees Established within the Body of the Board of Directors.</p>

Composition of Board Committees-I^{1,2}

Names of the Board Committees	Name of Committees Defined As "Other" in the First Column	Name-Surname of Committee Members	Whether Committee Chairman or Not	Whether Board Member or Not
Audit Committee		Peiguo LIU	Yes	Board Member
Audit Committee		Ying WANG	No	Board Member
Corporate Governance Committee		Serhat YANIK	Yes	Board Member
Corporate Governance Committee		Jianfeng ZHENG	No	Board Member
Corporate Governance Committee		Levent İŞCAN	No	Not member of the Board
Remuneration Committee		Ying WANG	Yes	Board Member
Remuneration Committee		Jianfeng ZHENG	No	Board Member
Other	Credit Committee	Xiangyang GAO	Yes	Board Member
Other	Credit Committee	Chunyi ZHENG	No	Board Member
Other	Credit Committee	Peiguo LIU	No	Board Member
Other	Board - Risk Management Committee	Xiangyang GAO	Yes	Board Member
Other	Board - Risk Management Committee	Chunyi ZHENG	No	Board Member
Other	Board - Risk Management Committee	Peiguo LIU	No	Board Member
Other	Board - Risk Management Committee	Ying WANG	No	Board Member
Other	Board - Risk Management Committee	Jianfeng ZHENG	No	Board Member
Other	Sustainability Committee	Xiangyang GAO	Yes	Board Member
Other	Sustainability Committee	Serhat YANIK	No	Board Member
Other	Sustainability Committee	Chunyi ZHENG	No	Board Member

¹After previous General Manager Mr. Shaoxiong Xie left our Bank as of January of 10th, 2022, Ms. Jinhong Li, as Deputy General Manager, pursuant to Article 23rd of the Banking Law, between January of 10th 2022 and May of 9th 2022, she had been acting as General Manager and natural Board member, Vice Chairman of the Credit Committee and member of the Risk Management Committee of the Board of Directors in the absence of General Manager.

²With the resolution of our Bank's Board of Directors dated May of 09th 2022; It has been decided that Mr. Chunyi ZHENG will deputize as the General Manager's duties to replace Ms. Jinhong Li, who was fulfilling the duties from January of 10th 2022 to May of 9th 2022, until the new General Manager of the bank is appointed. Pursuant to the Banking Law numbered 5411 and Article 23, Mr. Chunyi ZHENG has been deputized to fulfill the duties of General Manager and Natural Board Member as of May 9th 2022 as well as the fulfilling the duties as Vice Chairman of Credit Committee and Member of Risk Management Committee of BoD in the absence of General Manager.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	2022 Annual Report Section II - Management and Corporate Governance Practices - Committees/ Information Regarding the Committees Established within the Body of the Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	2022 Annual Report Section II - Management and Corporate Governance Practices - Committees - Information Regarding the Committees Established within the Body of the Board of Directors.
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	The functions of the Nomination Committee are performed by the Corporate Governance Committee.
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	Within the scope of banking legislation, Credit and Risk Committees 2022 Annual Report Section II Management and Corporate Governance Practices - Information Regarding the Committees Established within the Body of the Board of Directors.
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	2022 Annual Report Section II - Management and Corporate Governance Practices - Committees -Information on the Committees Established Within the Board of Directors
Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	2022 Annual Report Section II - Management and Corporate Governance Practices - Summary of the Board of Directors Annual Report
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	Investor Relations - Corporate Governance/ Policies
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	2022 Annual Report Section II Management and Corporate Governance Practices/ Financial Rights

Composition of Board Committees-II

Names of the Board Committees	Name of Committees Defined As "Other" In The First Column	The Percentage of Non executive Directors	The Percentage of Independent Directors in the Committee	The Number of Meetings Held in Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee		100%	100%	4	30
Corporate Governance Committee		67%	33%	1	2
Remuneration Committee		100%	50%	1	2
Other	Credit Committee	33%	33%	24	1
Other	Board Risk Management Committee	60%	40%	4	4
Other	Sustainability Committee	33%	33%	-	-

*The Sustainability Committee was established in line with the resolution of the Board of Directors dated 28.12.2022 and will held its first meeting within the 2023 activity year

Duties of the Board of Directors Outside of the Bank

Name / Surname	Positions Assumed at the Bank At the Last 5 Years	Positions Held out of the Bank (Segregated as Within the Group and Out of the Group)
Xiangyang GAO	Chairman of the Board of Directors and Credit Committee (Executive Member), Member of the Board of Directors, General Manager, Chairman of the Risk Management Committee of the Board of Directors, Chairman of the Sustainability Committee	Intra-Group: Chairman of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş., an affiliate of the Bank.
Chunyi ZHENG	Deputy General Manager/ Member of the Board of Directors, Vice Chairman of Credit Committee, Member of the Risk Management Committee of the Board of Directors, Deputy Chairman of the Sustainability Committee	
Peiguo LIU	Board of Directors Member, Chairman of the Audit Committee, Credit Committee Member, Member of the Risk Management Committee of the Board of Directors	Intra-Group: Member of the Board of Directors at ICBC Turkey Yatırım Menkul Değerler A.Ş., an affiliate of the Bank
Jianfeng ZHENG	Member of the Board of Directors, Member of the Corporate Governance Committee, Member of the Remuneration Committee, Member of the Risk Management Committee of the Board of Directors, Alternate Member of the Credit Committee	Intra-Group: ICBC Group Corporate Strategy and Investor Relations Department Senior Expert, Non-Executive Member of the Board of Directors in ICBC Moscow, ICBC Macau, ICBC Mexico, ICBC Canada.
Ying WANG	Independent Member of the Board of Directors, Member of the Audit Committee, Chairman of the Remuneration Committee, Member of the Risk Management Committee of the Board of Directors, Alternate Member of the Credit Committee,	Intra-Group: ICBC Group Corporate Strategy and Investor Relations Department Senior Expert, Non-Executive Member of the Board of Directors in ICBC-AXA Life Assurance Co. Ltd., ICBC Europe S.A, ICBC Argentina S.A., ICBC Brazil S.A.
Serhat YANIK	Independent Board Member Corporate Governance Committee Chairman, Sustainability Committee Member	Istanbul University Academic Member (Professor)

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

In case the status of compliance with the principles is indicated as "Yes" or "Partial", report information regarding information disclosed to public / link should be included.

Explanations regarding the status of compliance with the principle, shall be indicated in the "Remarks" column. In what context the requested information is presented as consolidated or solo, should be indicated in the "Remarks" column.

	COMPLIANCE STATUS				REMARKS	REPORT INFORMATION REGARDING INFORMATION DISCLOSED TO PUBLIC
	YES	NO	PARTIAL	IRRELEVANT		
A. General Principles						
A1. Strategy, Policy and Targets						
		X			Environmental, social and corporate governance (ESG) issues with priority, risks and opportunities in relation thereto, have been determined by the company's board of directors.	2021 Sustainability Report / Page 30 https://www.kap.org.tr/en/Bildirim/1090754
A1.1	ESG policies (for instance; Environmental Policy, Energy Policy, Human Rights and Employee Policy etc.) have been composed by the company's board of directors, and have been announced to the public accordingly.			X	The Bank's "Sustainability Policy" which is a framework on principles regarding protection of the environment, human rights, social welfare and good governance; has been published publicly. In addition to this, the Human Resources Policy, Principles on Banking Ethics, Remuneration Policy, Disclosure Policy and the Donation and Aid Policy are available on the Bank's corporate web site. The Bank's Personnel Regulation is applied Internally, however has not been announced to public.	https://www.icbc.com.tr/en/investor-relations/pdf-list/Policies/315/0/https://www.icbc.com.tr/en/investor-relations/pdf-list/Sustainability-Policy/1824/4833/0
A1.2	Short and long term targets set within the scope of the ESG policies, have been announced to public.		X		Strategies in line with the ESG and the risks and opportunities, have not been set yet; however, they are planned to be set in the Sustainability Committee which we have established. After short, mid and long term ESG targets are completed, it is intended make an announcement to the public.	
A2. Implementation / Tracing						
A2.1	Committees and/or units in charge of conducting the ESG policies and the highest ranking officers in relation to ESG matters at the Company, and their duties, have been set and announced to the public.	X				https://www.icbc.com.tr/en/investor-relations/pdf-list/Committee-Structure/1823/4832/0
	Activities carried out by responsible committee and/or unit, within the scope of the policies, have been reported to the board of directors, at least once a year.			X	The Sustainability Committee has been established on the date of 28.12.2022, and shall start its activities in 2023. According to the Committee's procedure, it shall report to the board of directors, at least once a year.	https://www.kap.org.tr/en/Bildirim/1090745
A2.2	Implementation and action plans have been composed in line with the ESG targets, and they have been announced to the public accordingly.			X	In the Annual Report, strategic development plan for 3 years, has been described. In the 3 years strategic development plans which shall be announced in the future, in parallel with the targets of ICBC Group, it is projected to describe the ESG contents as well. Furthermore, at the Sustainability Committee that has been established, it is planned to conduct the works intended to set the ESG strategies and targets, to compose the action plans.	2022 Annual Report / ICBC Turkey's Strategic Development Plan (2021-2023) https://www.kap.org.tr/en/Bildirim/1090745

	COMPLIANCE STATUS				REMARKS	REPORT INFORMATION REGARDING INFORMATION DISCLOSED TO PUBLIC
	YES	NO	PARTIAL	IRRELEVANT		
A2.3	ESG Key Performance Indicators (KPI) and the level of achieving said indicators on yearly basis; have been announced to public.	X				2021 Sustainability Report / Page 65
A2.4	Activities intended to improve sustainability performance with regards to business processes or products and services, have been disclosed to public.	X				2022 Annual Report / Sustainability
A3. Reporting						
A3.1	In the annual reports, information regarding the company's sustainability performance, targets and actions, has been given comprehensibly, correctly and adequately.			X	In the 3 years strategic development plans which shall be announced in the future in parallel with the targets of ICBC Group, ESG contents are also planned to be described.	2022 Annual Report / Sustainability
A3.2	The company has disclosed to public the information on the goals among the United Nations (UN) 2030 Sustainable Development Goals, that are related to the company's operations.	X				2022 Annual Report / Sustainability 2021 Sustainability Report / Page 34
A3.3	Lawsuits which have been commenced and/or finalised regarding ESG matters, which are of significant nature with regards to ESG policies and/or which shall significantly affect the operations; have been disclosed to the public.	X			There is no lawsuit in the reporting period.	2022 Annual Report / Other General Information 2021 Sustainability Report / Page 69-75
A4. Verification						
A4.1	The company's ESG Key Performance assessments have been verified by independent third party and have been disclosed to public accordingly.		X		For ESG Key Performance assessments, verification service is not received from independent third parties yet.	
B. Environmental Principles						
B1	The company has announced, to public, its policies and practices, action plans in the field of environmental management, its environmental management systems (known by ISO 14001 standard) and programs.			X	Since the system documentation process is continuing, it has not been disclosed to public yet.	
B2	When giving the information relating to environmental management; with regards to the environmental reports prepared, scope of the report, reporting period, reporting date, restrictions regarding reporting conditions, have been disclosed to the public.	X				2021 Sustainability Report / Page 4
B3	Given in A2.1.	X				

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	COMPLIANCE STATUS				REMARKS	REPORT INFORMATION REGARDING INFORMATION DISCLOSED TO PUBLIC
	YES	NO	PARTIAL	IRRELEVANT		
B4		X			There is no criterion that is currently applied or that has been disclosed to the public. At the Sustainability Committee that has been established, it is planned to conduct the works intended to set the ESG strategies and targets, to compose the action plans.	
B5	X				As ICBC Turkey Bank, taking into consideration the customer portfolio and that target potential customer group, particularly after 2015, intermediation has been started to be provided for financing of project credits. Each project is evaluated in details by related Departments and the Credit Committees, taking into consideration whether our Bank is the sole financier or participates in a syndication, and particularly the projects which may cause an adverse environmental effect, and the projects, in the EIE (Environmental Impact Evaluation) reports of which there are incomplete or adverse aspects, are handled with more sensitivity. It is abstained to be a financier, particularly for projects which may have adverse environmental effect. In the projects, which may have adverse environmental effects consequently, articles that require provision of positive EIE reports, are stipulated in the credit agreements, as a precondition before disbursement of the credit. Any deficiency, adversity, cancellation situations which may occur in the EIE Reports subsequently, are followed closely, and when required, actions are taken quickly. There is no written policy regarding evaluation processes, however the "List of Restricted Companies", received from the Internal Control and Compliance Department, limited lists received from the Credit Allocation Department, by which counterparty risks are considered, and industry analyses of the firms which have commercial risk and are categorised so, received from the Credit and Investment Management Department in line with the Policies of ICBC Head Office, are evaluated. We maintain a close business relation, with regards to fund transactions prioritising green finance, with the institutions such as EBRD (European Bank for Reconstruction and Development), IFC (International Finance Corporation).	

	COMPLIANCE STATUS				REMARKS	REPORT INFORMATION REGARDING INFORMATION DISCLOSED TO PUBLIC
	YES	NO	PARTIAL	IRRELEVANT		
B5		X			How the prioritized environmental issues are integrated into business objectives and strategies has been disclosed to the public.	
B6		X			Given in A2.4.	
B7		X			It has been disclosed to the public how environmental issues are managed in a manner covering the suppliers and customers during the company's value chain including the operation process, how they are integrated into the business targets and strategies.	2021 Sustainability Report / Page 38-39 , 42
B8			X		It has been disclosed to the public whether the policy composing processes of related institutions and non-governmental organisations relating to environment, are participated in; and the cooperation processes conducted jointly with such institutions and organisations.	
B9				X	Information environmental impacts in light of the environmental indicators (green gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope 3 (Other indirect), air quality, energy management, water and waste water management, waste management, biodiversity effects); is disclosed to the public periodically, in a comparative manner.	2022 Annual Report / Sustainability 2021 Sustainability Report / Page 65
B10		X			Details on standards, protocols, methodology and basis year, used to collect and calculate the data, have been disclosed to the public.	
						Our efforts for monitoring systems continues, and currently only the consumption data of the Headquarters building is shared.
						Efforts for system installation, are continuing.

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	COMPLIANCE STATUS				REMARKS	REPORT INFORMATION REGARDING INFORMATION DISCLOSED TO PUBLIC
	YES	NO	PARTIAL	IRRELEVANT		
B11			X		Our efforts for monitoring systems continues, and currently only the consumption data of the Headquarters building is shared.	2022 Annual Report / Sustainability 2021 Sustainability Report / Page 65
B12		X			It is planned to set the ESG targets in parallel with the targets of ICBC Group and the decisions to be taken at the Sustainability Committee that has been established.	
B13		X			It is planned to consider also the ESG contents in the 3 years strategic development plans which shall be announced in the future in parallel with the Head Office's targets.	
B14			X		Articles intended to avoid adverse effects are set forth in the Bank's Sustainability Policy, and studies for composing a procedure relating to this matter, are continuing.	https://www.icbc.com.tr/en/investor-relations/pdf-list/Sustainability-Policy/1824/4833/02022 Annual Report / Sustainability
B14		X			In its procurement processes, the Bank takes into account certain criteria such as the ISO standards met by the suppliers, foodstuff codex, environmental management system, environmental consciousness and LEED certificates. And has not taken any action with the intention to reduce third parties' emission quantities yet.	2021 Sustainability Report / Page 42
B15	X				Environmental benefit/ yield and cost savings provided by initiatives and projects intended to mitigate environmental effects, have been disclosed to the public.	2022 Annual Report / Sustainability
B16			X		Our efforts for monitoring systems continues, and currently only the consumption data of the Headquarters building is shared.	2022 Annual Report / Sustainability
B17		X			There is no production made.	
B18		X			Planning phase is pending and currently, purchase of renewable energy is not made.	
B19		X			Planning phase is pending and currently, purchase of renewable energy is not made.	
B20		X			Pending phase is pending and currently there is no ongoing project on energy efficiency.	

	COMPLIANCE STATUS				REMARKS	REPORT INFORMATION REGARDING INFORMATION DISCLOSED TO PUBLIC
	YES	NO	PARTIAL	IRRELEVANT		
B21			X		Our efforts for monitoring systems continues, and currently only the consumption data of the Headquarters building is shared.	2022 Annual Report / Sustainability
B22		X			Our operations and activities are not included in any carbon pricing system.	
B23				X	No carbon credit has been taken in the reporting period.	
B24				X	No carbon credit has been taken in the reporting period. Carbon pricing is not applied.	
B25	X				The Bank discloses its environmental information on the Public Disclosure Platform (PDP) and on the Bank's corporate web site.	https://www.icbc.com.tr/en/investor-relations/pdf-list/Sustainability-Policy/1824/4833/0

C. Social Principles

C1. Human Rights and Employee Rights

C1.1			X		In the Bank's Personnel Regulation, related issues are described, and related document is available internally.	https://www.icbc.com.tr/en/investor-relations/pdf-list/Ethical-Principles/780/3672/0 https://www.icbc.com.tr/en/investor-relations/pdf-list/Policies/315/0/0 2022 Annual Report / Human Resources Practices
C1.2			X		In the Bank's Personnel Regulation, related issues are described, and related document is available internally. In our sustainability policy, disclosed to the public, articles relating to the matter are set forth.	https://www.icbc.com.tr/en/investor-relations/pdf-list/Sustainability-Policy/1824/4833/0

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

	COMPLIANCE STATUS				REMARKS	REPORT INFORMATION REGARDING INFORMATION DISCLOSED TO PUBLIC
	YES	NO	PARTIAL	IRRELEVANT		
C1.3			X		In the Sustainability Policy, related issues are described; however, the measures taken in said matters, are not explained.	https://www.icbc.com.tr/en/investor-relations/pdf-list/Sustainability-Policy/1824/4833/0
C1.4	X				Improvements relating to practices intended to prevent and correct discrimination, inequality, human rights violations, forced labour and child labour; have been disclosed to the public.	2021 Sustainability Report / Page 24-28 , 26-28, 42
	X				Investment made in the employees (training, improvement policies), compensation, provided fringe rights, right of participating in a trade union, work/life balance solutions and talent management issues are explained in the policy relating to the employee rights.	2022 Annual Report / Human Resources Practices
C1.5	X				Mechanisms have been established for resolution of employees' complaints and disputes, and the dispute resolution processes have been defined. Employees report their complaints and disagreements to their directors first, and when it is not possible to inform their directors, the Human Resources Department Recruitment and Talent Management Unit or the Internal Audit Department without delay. The incidents that are the subject of the complaint are investigated in a confidential manner and necessary disciplinary penalties are imposed on those responsible when necessary. Furthermore, there is a hotline where ethical violations and suspicious events detected or witnessed in the Bank regarding ethics and compliance can be directly reported. In this context, people who want to make a notification can send the issue to the address of ihbar@icbc.com.tr by e-mail..	2021 Sustainability Report / Page 26-27
	X				Activities carried out during the reporting period, for ensuring the employees' satisfaction, have been disclosed to the public.	2022 Annual Report / Human Resources Practices
			X		Occupational health and safety policies have been prepared and disclosed to the public.	2022 Annual Report / Occupational Health Practices
C1.6	X				Measures taken for preventing accidents at work and protecting health, and accident statistics, have been disclosed to the public. Within the scope of occupational health and safety, all measures have been taken in accordance with the decisions taken by the Bank's Occupational Health and Safety Committee and also, the Legislation on Occupational Health. These decisions are supported by the Occupational Health and Safety trainings (Natural Disaster, First Aid, Fire, etc.), and the personnel is ensured to be conscious in this matter. No accident has happened at work, in 2022.	2022 Annual Report / Occupational Health Practices

	COMPLIANCE STATUS				REMARKS	REPORT INFORMATION REGARDING INFORMATION DISCLOSED TO PUBLIC
	YES	NO	PARTIAL	IRRELEVANT		
C1.7	X				Protection of personal data and data security policies have been prepared and disclosed to the public.	https://www.icbc.com.tr/en/lppd/detail/LPPD/450/2351/0
C1.8	X				Ethics policy has been prepared and disclosed to the public.	https://www.icbc.com.tr/en/investor-relations/pdf-list/Ethical-Principles/780/3672/0 2021 Sustainability Report / Page 26-28
C1.9						
C1.10	X				Information meetings and training programs regarding ESG policies and practices, have been organised for the employees.	2022 Annual Report / Sustainability 2021 Sustainability Report / Page 56
C2. Stakeholders, International Standards and Initiatives						
C2.1			X		The customer satisfaction policy regarding management and resolution of complaints by customers, has been prepared and disclosed to the public. Although there is no publicly available policy, information on the complaints by customers, has been shared in 2021 Sustainability Report.	2021 Sustainability Report / Page 46
C2.2	X				Information on communication maintained with the stakeholders (which stakeholder, subject and frequency), has been disclosed to the public. The information has been shared in in our 2021 Sustainability Report, and the information regarding the reporting period, shall be shared in the new report to be published.	2021 Sustainability Report / Page 40
C2.3	X				Adopted international reporting standards are explained in the reporting processes.	2021 Sustainability Report / Page 4
C2.4			X		Principles adopted relating to sustainability, international organisations, committees of which the Bank is a signatory or member, and the principles; have been disclosed to public. ICBC Turkey has no membership. The Bank manages environmental and social adverse effects in light of the international sustainability principles and ICBC Green Classification approach, and conducts its reporting processes in compliance with the GRI Standards.	https://www.icbc.com.tr/en/investor-relations/pdf-list/Sustainability-Policy/1824/4833/0
C2.5			X		Developments have been made, studies have been conducted in order to be included in the sustainability indices of Borsa Istanbul and/or international index providers. The Bank has attended the sustainability index training organised by Borsa Istanbul in 2022; it has published its first sustainability report and has exchanged knowledge regarding the index with the firm that provides evaluation services to the index.	
D. Corporate Governance Principles						
D1			X		Opinions of the stakeholders have been taken in order to determine the measures and the strategies in the field of sustainability. Materiality analysis study has been made. In this context, at the first phase, opinions of internal stakeholders have been taken, and it is planned to include also the external stakeholders in the future.	2021 Sustainability Report / Page 30-31
D2	X				Activities have been carried out with the intention to increase awareness regarding the matter of sustainability and significance thereof, by the social responsibility projects, awareness events and trainings. In addition to support provided for various social responsibility projects, the Bank puts efforts to increase awareness by offering its employees many trainings on the matter of sustainability, within the scope of ICBC Academy, which is its training platform.	2022 Annual Report / Donations and Social Responsibility Projects 2022 Annual Report / Sustainability

SIGNIFICANT LEGISLATIVE CHANGES REGARDING THE BANKING SECTOR

1) Communiqué on Deposit and Participation System Accounts for Citizens Residing Abroad

The purpose of this Communiqué is to regulate the procedures and principles regarding the conversion of foreign currency deposit accounts and foreign currency participation funds to be opened in banks in return for the foreign currency amounts transferred from foreign banks by citizens residing abroad, into Turkish Lira Resident Citizens Deposit and Participation System accounts.

It has been published in Official Gazette 02.02.2022.

2) Communiqué on Bringing Gold-Denominated Physical Assets into the Financial System

The purpose of this Communiqué is to regulate the procedures and principles regarding the opportunity to convert the physical gold assets deposited in the gold accounts in banks by the authorized jewelers and refineries, or directly to the bank branches, to be converted into Turkish lira deposit and participation accounts, and to provide support to the account holders. The main financial institution's compliance officer and compliance unit will be appointed as the financial institution compliance officer and compliance unit.

It has been published in Official Gazette 14.03.2022.

3) Amendment of Decision No. 32 On Protecting The Value of Turkish Currency Communiqué

The purpose of the Communiqué is to regulate the payments which are done in foreign currency. After the change if the both sides are in resident in Türkiye they can't pay the product price in foreign currency, it will be paid only in Turkish Lira. The Regulation provides opportunity to the banks about performing remote identification and sign contracts electronically.

It has been published in Official Gazette 19.04.2022.

4) Decision on Determination of Banking and Insurance Transactions Tax Rates in Article 33 of Expense Tax Law No. 6802

With the amendment made in the decision, a 10% applicable clause over the money received in favor of consumer loans has been added to the article on tax rate on banking and insurance transactions. Thus, the tax rate on banking and insurance transactions taken from consumer loans was increased from 5 percent to 10 percent.

It has been published in Official Gazette 11.06.2022.

5) Amendment of The Regulation on Measures Prevention Regarding Laundering Proceeds of Crime and Financing of Terrorism

With the amendment made in the Regulation, Obligated; When the amount of the transaction or the total amount of more than one transaction is 85.000 TL or more, by obtaining the identity information and confirming the accuracy of this information, to determine the identity of its customers and those acting on behalf of or on behalf of the customers, and to take the necessary measures to reveal the real beneficiary of the transaction.

It has been published in Official Gazette 16.06.2022.

6) Istanbul Finance Center Law

The purpose of this Law is; increasing the financial competitiveness of the Republic of Türkiye in the international arena, to contribute to the development and deepening of financial markets and products and services, to strengthen integration with international finance and capital markets, and thus to make Istanbul Financial Center one of the leading global financial centers.

It has been published in Official Gazette 28.06.2022.

7) Board Decision on Changing the General Maturity Limit of Consumer Loans and the Minimum Payment Rate of Credit Cards

With the Board Decision dated 09.06.2022;

it was decided that; For credit cards with a minimum limit of over **25.000 TL**, the debt for the period shall be determined as **40%**, the general maturity limit for consumer loans, which was determined as **24 months** for loans with a loan amount over **50.000 TL**, to be determined as **12 months** for loans with a loan amount over **100.000 TL**.

8) Board Decision on Limitations on the Appropriate Utilization of Cash Commercial Loans in Turkish Lira

With the Board Decision dated 24.06.2022;

In case the foreign currency cash assets (including gold, effective foreign currency and foreign currency deposits in banks) of **companies subject to independent audit**, excluding banks and financial institutions, are above **15.000.000 TL**; In case the foreign currency cash assets of these Companies exceed 10% of their total assets or net sales revenue of the last 1 year according to the most recent financial statements, it has been decided **not to extend a new cash commercial loan** in TL to the said Companies.

9) General Communiqué on Bringing Some Assets to the Economy (Serial No: 1)

- The Communiqué requires real and legal persons to bring money, gold, foreign currency, securities and other capital market instruments abroad to the national economy and to record these assets in the legal books by income and corporate taxpayers,
- Money, gold, foreign currency, securities and other capital market instruments and immovables in the country that are not included in the legal book records of income and corporate taxpayers are declared to the tax office and recorded in the legal book,
- Declaring the assets within the scope of the article in the country by those who do not have income and corporate tax liability, includes disclosures.

The relevant Communiqué was published in the Official Gazette dated 09.08.2022.

10) Regulation on Amending Consumer Loan Agreements and Housing Finance Agreements

With the "Regulation Amending the Regulation on Housing Finance Contracts" and "Regulation on Amending the Regulation on Consumer Loan Contracts" published in the Official Gazette dated 23.9.2022, the contracts regarding Consumer and Housing Loans were amended.

According to the amendments, it will be obligatory to propose consumer loan contracts and housing finance contracts, with and without insurance, with a comparative payment plan. The said regulation will enter into force on 01.01.2023.

In addition, the Consumer Credit Preference Form must be at least fourteen points in size, and the consumer's preference and approval regarding the insurance, together with the pre-contractual information form, in order to present to the consumer a credit contract that includes a credit-linked insurance, provided that a contract that does not include credit-linked insurance is offered to the consumer. Although it is obligatory to be regulated in a way to include the consumer, credit-linked insurance cannot be taken out without an explicit request in writing or with a permanent data storage.

The insurance policy, which is compatible with the loan amount and duration, provided by the insurance company of the consumer's choice, and which is the lender of the deceased, will have to be accepted by the lender without causing any change in the terms of the loan offered to the consumer.

The consumer loan agreement cannot be made conditional on the purchase of ancillary financial products and services, excluding those related to the loan.

Although it is obligatory that the loan-linked insurance be compatible with the loan subject, more than one insurance containing the same guarantee for the loan and insurance exceeding the loan amount cannot be made.

With the said regulation, in case of an increase in the contractual interest rate in indefinite-term loan agreements, it is obligatory to notify the consumer in writing, on paper or through a permanent data store, thirty days before the entry into force of this change, and in this notification, the amount of the payments to be made, if any, after the new interest rate takes effect. Details regarding the change in the number and range of , and the new interest rate will not be applied retrospectively. If the consumer pays the entire debt within sixty days at the latest from the date of notification and ceases to use the loan, he will not be affected by the interest increase. In the event that the contractual interest rate is reduced, this change will take effect as of the last payment date for the period in which the notification is made.

Consumer loan agreements regulation; According to the regulation made in the article on the right to withdraw from the consumer loan agreement within 14 days without giving any reason and without paying any penalty, the provisions of this article will be applied without any notification if the entire loan debt is paid early within the right of withdrawal period.

SIGNIFICANT LEGISLATIVE CHANGES REGARDING THE BANKING SECTOR

11) Tax Procedure Law Circular on Disclosure of Real Beneficiary Definition has been published.

Identification of the Real Beneficiary

As stated in the General Communiqué of the Tax Procedure Law No. 529, the real beneficiary must be a real person. In the determination of the real beneficiary, the determination is made by considering the following elements as a whole. Again, as explained in the same Communiqué, the real beneficiary;

- Real person partners holding more than twenty-five percent of the legal entity,
- If it is suspected that the real person partner holding more than twenty-five percent of the legal entity is not the real beneficiary or there is no real person partner holding such a share, the real person or persons who ultimately control the legal entity,
- In cases where the real beneficiary cannot be determined under (a) and (b), it refers to the real person or persons with the highest executive power.
- Natural persons who own more than twenty-five percent of the legal entity must be notified in any case. However, if the real beneficiary is determined within the scope of subparagraphs (b) and (c) of the aforementioned Communiqué, the names of such person or persons are reported in the real beneficiary notification form. Necessary explanations regarding the real beneficiary are made in the relevant sections of the said form.

Direct and Indirect Control

A natural person may ultimately control, directly or indirectly, an entity that has legal personality or not. Persons who do not have a direct or indirect share of more than twenty-five percent in an undertaking, but have final control through different means, are also considered as the beneficial owner, together with the shareholders of the enterprise exceeding twenty-five percent.

For example; a person who has a significant say in appointing or dismissing a majority of the members of the management or supervisory board, in decisions made on behalf of the company, by various means, such as by contract or by family ties or persons are deemed to have the ultimate control of the entity, whether it is a legal entity or not. Necessary explanations are made in the relevant sections of the Real Beneficiary Notification Form.

Persons with the Highest Level of Executive Power

With the expression "persons with the highest level of executive power", a real person or persons who have the power to take strategic decisions that fundamentally affect the commercial activities of the legal entity, and a senior management such as the chairman of the board of directors, general manager, financial affairs director, who carry out daily or ordinary business. should be understood as the natural person or persons holding executive control through their position.

12) Financial Crimes Research Board General Communiqué (No: 21)

The purpose of this Communiqué is to regulate the procedures and principles regarding the tightened measures to be taken and implemented by the liable parties regarding the people with public influence, for the implementation of the Law on the .Prevention of Laundering Proceeds of Crime No. 5549 and dated 11/10/2006

ASSESSMENT OF OPERATION OF THE INTERNAL CONTROL, INTERNAL AUDIT AND THE RISK MANAGEMENT SYSTEMS BY THE AUDIT COMMITTEE

Developments in recent years showed once again how an important function is risk management in banking. Risk management, which have always been the main function of banking and implemented most effectively at all times, have started to be implemented more differently and delicately in the recent years compared to the previous years due to more technical applications being implemented, risk sensitivity being further considered and the special attention paid to the matter by the local authorities and the support of the legislation.

At our Bank, the framework of the Risk Management has been determined by the Board of Directors and the Risk Management Department and risk committees consisting of the senior executives of the business lines have been assigned to deal with this issue. Together with the parties responsible for the processes, the Risk Management Department is responsible for establishing the risk policies and procedures, computing, analyzing, monitoring and reporting the risks, within the framework of the principles approved by the Board of Directors.

The Internal Audit Department of our Bank conduct its activities within the scope of the Banking Law numbered 5411 and the Regulation on the Internal Systems of the Banks and the Internal Capital Adequacy Assessment Process published in accordance with the Banking Law. The purpose of the department is to provide reasonable assurance to the Senior Management about the efficiency and adequacy of the internal control and risk management systems, that the bank's activities are carried out in line with the law and other relevant legislation and in-house strategies, policies, principles and targets. The department performs its duties independently and objectively directly under supervision of the Board of Directors

At our Bank, an Internal Control and Compliance Department operating under supervision of the Board of Directors, has been formed in order to design the internal control and compliance activities and collaboration. Within the scope of the internal control activities included are the controlling of the operational transactions for the conducting of the activities of our Bank, communication channels, information technologies and financial reporting and the compliance controls. Regulations as to the requisite of obtaining approvals from the Internal Control and Compliance Department for the new products and services and the activities planned to be conducted prior to submitting them to the Board of Directors have been implemented. Within the scope of the legislation on prevention of laundering proceeds of crime and financing of terrorism, a Compliance Program has been initiated in our Bank and the risk management, monitoring and controlling and training activities within the scope of the aforementioned legislation are conducted by the Internal Control and Compliance Department. The Internal Control and Compliance Department exhibits a management and control business process that also includes our group companies ICBC Turkey Yatırım Menkul Değerler A.Ş. and ICBC Turkey Portföy Yönetimi A.Ş. in accordance with financial group management regulations.

Our Bank recognizes the importance of the risk management, internal control and inspection functions that are the subject matter of the internal systems and closely monitors the developments in this matter and benefits from the outputs thereof. In this context, assessments and decisions taken at the quarterly Audit Committee meetings made in quarterly periods with the presence of the department heads of the Internal Systems have been submitted to the Board of Directors for their attention and approval.

In the period ahead, as has been so far, our Bank shall continue its decisiveness with regards to the risk oriented approach and closely monitor the internal systems and the implementation results as well as the proposals by the independent auditors and necessary remediation shall be put in place and addressed at the Audit Committee meetings.

Sincerely yours,

Peiguo Liu,
Chairman of the Audit Committee

Ying Wang,
Member of the Audit Committee

INFORMATION REGARDING THE 2022 ACTIVITIES OF THE INTERNAL CONTROL, INTERNAL AUDIT AND THE RISK MANAGEMENT SYSTEMS

INTERNAL CONTROL AND COMPLIANCE DEPARTMENT

An internal control system has been established, in compliance with the BRSA regulations and covering all the activities of the branches, Head Office departments and the Bank's affiliates included in the consolidation, in order to protect the Bank's assets, conduct the Bank's activities effectively and efficiently in compliance with the Banking Law and other related legislation, the Bank's internal policies and rules and the general practices of the banking sector, ensure that the accounting and financial reporting systems are secured, integrated and the information is obtained on a timely basis.

The Bank has already established and announced to all of its personnel its strategies and policies regarding the control activities and the measures necessary to maintain the internal control systems effectively within the Bank have been taken by the Board of Directors. In order to achieve the foreseen purpose from the internal control systems, functional segregation of duties have been identified, responsibilities have been allocated, accounting and financial reporting systems, information technologies and internal communication channels have been established to work effectively, business sustainability plan has been prepared, internal control activities have been determined and the work flow charts indicating the controls over the work processes and business steps have been prepared. The internal control system and internal control activities and how they will be carried out are designed by the Internal Control and Compliance Department together with the senior managers of the relevant departments, taking into account the characteristics of all activities carried out by the bank.

Within the scope of the internal control activities included are the controlling of the operational transactions for conducting of the activities, communication channels, control of information systems and accounting and financial reporting and the compliance controls. Control of the uninterrupted compliance is conducted by the Internal Control and Compliance Department. Regulations as to the requisite of obtaining the Internal Control and Compliance Department's opinion for the new products and transactions and the activities planned to be conducted prior to submitting them to the Board of Directors have been implemented. Internal control activities have been designed as an integral part of the Bank's daily operations. Written policies and the implementation procedures of the internal controls have been developed and all of the Bank's personnel have been and are being informed regarding the policies and implementation procedures related to internal control activities developed for their lines of activities.

Within the scope of the legislation on the prevention of money laundering and financing of terrorism, the Compliance Program and the Financial Group Compliance program, which also includes its subsidiaries, has been established, and risk management, monitoring and control and training activities within the scope of the specified legislation are carried out by the Internal Control and Compliance Department. It is aimed to carry out more effective monitoring and control activities for the prevention of money laundering and terrorist financing by using scenario-based AML (black money detection) program and scanning the list of prohibited persons / institutions in our bank. In addition, the Precious Metals Transactions Compliance Program has been established in our bank and the necessary policies and reporting business processes have been implemented. The Department also carries out activities such as following the Banking and other relevant legislation, making the necessary announcements and notifications to the relevant departments and branches in case of legislative changes, researching and answering the questions encountered in the implementation of the legislation.

In the Bank, an Internal Control Department operating under the Board of Directors was formed in 2001 in accordance with the regulations issued by the Banking Regulation and Supervision Agency (the BRSA) in order to design the internal control activities and collaboration and on March 10th 2008, with the integration of the compliance function, the name of the department was changed to Internal Control and Compliance Department. Legislation Unit has also been operating under the department since April 1st 2011. The department fulfilled its responsibilities to the Board of Directors through the Audit Committee until 05.11.2019. Within the scope of the Enterprise Risk Management Regulation published on 05.11.2019, the department fulfils its responsibilities to the Board of Directors through the Risk Management Committee of Board of Directors.

As of the end of 2022, there are 18 persons working in the Internal Control and Compliance Department, 1 Managing Director, 1 Director, 1 Senior Technical Expert, 6 Manager, 6 Assistant Manager, 1 Senior Specialist and 2 Specialist. Internal Control and Compliance personnel including information system teams, perform their duties in the branches where the operations are conducted, in the Head Office and the affiliates included in the consolidation. There are two units operating under the Internal Control and Compliance Department: Head Office and Branches Control Unit, Legislation and Compliance Unit. Within the scope of branch control activities, regional structures have been set up, hence the Branches are subject to on-site control activities within the scope of the control planning.

The Internal Control and Compliance Department performs both the Head Office and information systems, branches and compliance control studies as an integral part of its daily activities in the form of periodic, spot and on-site controls and prepares reports based on the content of the works performed. In the reports prepared, great importance is attached to the development of the internal control system and the suggestions to enhance the control and compliance culture in-bank. Preventive control points are created by focusing on areas that may create high risks in activities. During 2022 operating period, each internal control employee in the branches was given the responsibility of 13 branches in average and within this context, 3 internal control personnel were continuously conducting control activities in the branches; all branches were subjected to on-site control studies on average 1.15 times during the year. Apart from these, control responsible have been identified among the personnel performing operational transactions in some departments and units of the Head Office and in branches, these responsible persons carry out control studies within the scope of the control lists prepared by the Internal Control and Compliance Department and on other necessary issues, and report them to the department within specified periods.

INTERNAL AUDIT

The Internal Audit Department of our Bank conduct its activities within the scope of the Banking Law numbered 5411 and the Regulation on the Internal Systems of the Banks and the Internal Capital Adequacy Assessment Process published in accordance with the Banking Law. The purpose of the department is to provide reasonable assurance to the Senior Management about the efficiency and adequacy of the internal control and risk management systems, that the bank's activities are carried out in line with the law and other relevant legislation and in-house strategies, policies, principles and targets. The department performs its duties independently and objectively directly under supervision of the Board of Directors.

As of December 31st 2022, Internal Audit Department consisted of 12 people; 1 Managing Director, 1 Director, 1 Technical Advisor, 7 Auditors, 1 Authorized Assistant Auditor and 1 Expat.

Branches, Head Office Departments and the Bank's subsidiaries and processes and all activities in these areas are included in the audit plan on a periodic and risk-based basis. The Internal Audit Department gives opinions and recommendations to prevent the recurrence of deficiencies and mistakes determined as a result of the audits, to use the Bank's resources effectively and efficiently and to limit risks. As a result of the risk assessments, activities of the Internal Audit Department in 2022 have concentrated on the credit risks and operational risks. Among its other responsibilities, the Internal Audit Department is also responsible for coordination of all external audits.

Information systems are audited by adopting the articles enacted within the scope of the "Regulation on Information Systems and Electronic Banking Services of Banks" published by the BRSA and the "Information and Communication Security Guide" published by the Turkish Presidency Digital Transformation Office. In order to conduct these types of audits, 1 Auditor and 1 Authorized Assistant Auditor have been assigned within the Internal Audit Department.

Internal Audit Department is authorized to investigate and identify whether the personnel working in the Head Office departments, centers, offices, branches and the affiliates of the Bank commit any acts that have been determined as crime and fault in the related legislation. These investigations include determination of the degrees of such crime and recommendation of suitable penalties, identification and elimination remedy works of the losses and deficiencies incurred or threatened to incur. Furthermore, investigations continue to be carried out in case of significant personnel wrongdoings or significant wrong implementations as determined by the "Internal Control and Compliance" Department regarding loans transferred to legal proceedings and / or administrative penalties from regulatory authorities.

Auditors submit their reports containing the findings of their audits to the Senior Management and the Audit Committee through the Board, as practicable as possible.

For the auditors to perform their duties with the professional care and attention, all kinds of measures are taken and attention is paid for their professional training activities and personal development.

INFORMATION REGARDING THE 2022 ACTIVITIES OF THE INTERNAL CONTROL, INTERNAL AUDIT AND THE RISK MANAGEMENT SYSTEMS

RISK MANAGEMENT

INFORMATION RELATED TO THE RISK MANAGEMENT POLICIES IMPLEMENTED BASED ON THE RISK TYPES

Risk management activities are conducted by the Risk Management Committee of Board of Directors that reports directly to the Board of Directors and the Risk Management Department which fulfills its responsibilities against the Board of Directors through said committee and the Risk Management Committee of Senior Management, composed of the senior management and chaired by the General Manager and sub risk management committees chaired by the persons who are responsible for related risks. Risk management sub-committees are; the Market Risk Committee, Credit Risk Committee, Operational Risk Committee. The sub-committees hold meeting to analyze the related risk management works and report to Risk Management Department monthly. The Risk Management Department prepares the enterprise risk management report accordingly.

The division of leading management responsibilities for various risks as follow:

- Risk Management Department is responsible for enterprise risk, market risk and country risk management,
- Credit and Investment Management Department takes the lead in credit risk management,
- Internal Control & Compliance Department takes the lead in operational risk, compliance and AML risk management,
- Asset & Liability Management Department is responsible for liquidity risk, interest rate risk and exchange rate risk management of banking book,
- Executive Office is responsible for reputational risk management,
- Economic Research Department is responsible for strategic risk management,
- Legal Affairs Department is responsible for legal risk management.

Risk management policies are determined in accordance with the Bank's operations size, quality and complexity and are based on the Bank's past experience and performance. Bank's main risk policies including risk appetite and limits for each risk are credit risk, market risk, operational risk, country risk, interest rate risk, liquidity risk, strategic risk, reputational risk policies.

The Bank has set out the ICAAP management implementation principles, covering all risks on consolidated basis, consistent with the risk appetite, based on adequate and convenient quantification- assessment methods and processes and with a forward looking perspective, as a part of the Bank's internal governance processes and decision making culture.

ICAAP (Internal Capital Adequacy Assessment Process) is to be under responsibility of the Risk Management Department and it is planned to be revised in annual periods or more frequently, if needed.

Risk Policies reflecting the risk taking approach of the Bank, set out the standards and principles applicable throughout the Bank.

Credit Risk Policy, formed to ensure efficient risk management considering asset quality and risk/return balance, includes also the limits relating to credit risk determined in accordance with the risk tolerance.

In risk management, different ratings models are used for corporate and commercial banking, enterprise banking and individual banking segments and credit cards.

Credit performances of the customers are followed by a system, containing early warning signals. Thereby, necessary actions may be taken automatically.

At ICBC Turkey, operational risk management activities are conducted in compliance with local and international regulations in line with Basel II. Operational Risk Policies, Operational Risk Monitoring Rules and Operational Risk Mitigation Principles which have been prepared in this direction, are in force and effect.

Business continuity activities are conducted by the Operational Risk Committee, according to the Bank's Business Continuity Strategy.

At ICBC Turkey, market risk management activities include quantification, monitoring and reporting the risks encountered due to price, exchange rate, interest fluctuations that occur at financial markets and effects of such risks on liquidity. Market Risk Policy sets out the market risk management framework.

To manage market risk, the Bank benefits from the results obtained by it by Basel II advanced quantification techniques, for setting the limits intended to limit the risk. In this context, advance quantification models are used and risk quantifications and daily limits controls are made and various scenario analysis and stress tests are applied.

Results of calculations and analysis made by the Risk Management Department, are reported to related business units and to the senior management in daily, weekly and monthly periods.

MARKET RISK MANAGEMENT

Market risk refers to the risk of loss that may be incurred due to fluctuations in the value of positions included in trading accounts of the Bank, in interest rates, equity prices and exchange rates.

At our Bank, for market risk management, quantification methods such as the Value at Risk (VaR), stress test and scenario analysis, duration gap and sensitivity analysis are used.

VaR, as quantification of maximum potential loss that may be sustained in the market value of the trading portfolio in hand, in a certain time period; in calculated on daily basis by Historical Simulation, Variation-Co variation and Monte-Carlo Simulation methods for 99% confidence interval and for one day holding period. VaR calculated by internal models is used for market risk management of trading transactions.

In order to manage the market risk encountered due to the positions carried in trading accounts, efficiently and in consistent with the Bank's risk tolerance; risk limits linked to the ratio of VaR to equity capital, are set out. Compliance with the limits is monitored by the Risk Methodology Model Development and Reporting Unit and the VaR results are reported regularly.

By the risk quantification method used, estimated earnings/losses are compared with realized values and thereby, retrospective test is applied and the reliability of the model is monitored. Durability of the share capital against the risks that may occur at the times when fluctuations are at very high level at the market, is measured by stress tests and scenario analysis.

In accordance with existing legal regulations, legal capital requirement for market risk is calculated by using standard method and is reported to the BRSA.

MANAGING THE INTEREST RATE RISK ARISING FROM THE BANKING ACCOUNTS

Interest Rate Risk Arising from the Banking Accounts refers to the risk incurred by the Bank due to inconsistency in maturity periods in its balance sheet. The risk is managed by the Treasury Department within the framework of the strategies set by the Assets and Liabilities Committee, in accordance with the policy approved by the Board of Directors.

To measure the risk; the duration gap reports prepared according to the current values calculated by using the market interest rates on cash flows, of all interest-sensitive assets and liabilities in and out of the balance sheet, on the basis of each transaction; are used.

Impact of change in interest rates on the net economic value, is measured by scenario analysis. In the scenario analysis, as a shock scenario, for TL assets-liabilities +5%/-4%, for FX assets-liabilities +2%/-2% interest shock is applied in accordance with legal regulations and they are reported to the BRSA.

Impact of changes in Exchange rates and interests, on the net balance sheet value, is followed regularly by various scenarios and the impact of change on equity capital, is followed closely.

LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the risk of inability to fulfil, fully and on time, the obligations due to market conditions and inconsistencies in cash flow which may arise from the Bank's balance sheet structure. Liquidity management is conducted by the Treasury Department within the framework of the strategies set by the Assets and Liabilities Committee, in accordance with the policy approved by the Board of Directors.

The Bank monitors the liquidity risk within the framework of the early warning signals and the actions that may be taken, set out in writing in the Principles on Liquidity Management. Various liquidity ratios are calculated within the framework of the Principles on Liquidity Management and their Management and their development is followed. Scenario analysis is also used within the scope of liquidity management.

INFORMATION REGARDING THE 2022 ACTIVITIES OF THE INTERNAL CONTROL, INTERNAL AUDIT AND THE RISK MANAGEMENT SYSTEMS

CREDIT RISK MANAGEMENT

Credit risk means the probability of losses that may occur as a result of partial or whole non-fulfilment of the responsibilities under the credit agreements by the customers who have utilized credits.

The Bank manages its credit risk on a portfolio basis by considering the balance of risk and return and the asset quality of the Bank. As a result of the legal share capital need to be allocated for the credit risk being very high due to the weight of the loans in the balance sheet, credit risk management policies are established in such a way as to minimize the foreseeable risks related to the loans and target to interfere, control and take action on a timely basis in order to ensure that the credit process works effectively.

The Bank has adopted concentration limits - degree, sector, product, collateral, size of the risk, currency, maturity -, all determined internally and approved by the Board of Directors in order to keep the structure and the quality of the credit portfolio at a determined level.

Monitoring of the credit policy limits and the assessments related to the rating models used are performed by the Risk Management Department. Scenario analyses are also used in managing the credit risk and due precautions are taken without delay, for credit quality in compliance with the risk appetite.

OPERATIONAL RISK MANAGEMENT

Priority of the Bank in terms of the works performed within the scope of the operational risk management, is the compliance with Basel II in every stage. Additionally, importance is attached to the works intended to make the operational risk awareness as part of the corporate culture as well.

Operational risks are classified and monitored in groups as recommended by Basel II. Data regarding losses are collected by the operational risk loss database.

Operational risks are identified through risk control and self-evaluation works which ensure taking actions for material risks.

BUSINESS CONTINUITY MANAGEMENT

With regards to business continuity, the Bank has prepared a Business Continuity and Emergency Plan and Emergency Manual Operations Application Instruction in order to minimize the losses in case the banking activities cannot be conducted during any internal and external emergency situations and in the unexpected circumstances. Emergency tests for critical business processes identified through consolidated business-impact analysis are conducted at the Business Continuity Center. In addition, Emergency Manual Operations Application Instruction, restore, communication network tests, as well as emergency evacuation drills are performed in all branches and headquarters.

COUNTRY RISK MANAGEMENT

Country risks that may be exposed to due to international lending and investment activities are monitored periodically in order to take the necessary measures despite the deterioration in the economic, political and social factors that may arise.

STRATEGIC RISK MANAGEMENT

The Bank closely monitors the risks that may arise as a result of wrong business choices or improper implementation of business choices or the failure to analyze and interpret sectoral changes well, and not to make decisions and to act in accordance with the opportunities and threats that may arise from these changes in the future.

REPUTATIONAL RISK MANAGEMENT

Decreasing trust in the Bank or the potential loss of reputational risk towards the Bank as a result of negative opinions of the parties, such as existing or potential customers, partners, competitors and supervisors, or failure to comply with the current legal regulations, is an important part of all business decisions.

INFORMATION ON THE FINANCIAL POSITION, PROFITABILITY AND SOLVENCY OF THE BANK

FINANCIAL POSITION

As of year-end 2022, the Bank's total asset size reached TL 60.7 billion with an increase of 55.2% year-on-year. Total loans increased by 59.8% and accounted for 54.9% of the total assets. Customer Deposits increased by 44.1% from last year to TL 24.3 billion.

The share of deposits in total liabilities was 40.0%. The Bank's total shareholders' equity was TL 2.9 billion as of year-end 2022. Unconsolidated capital adequacy ratio was 30.02%. (31 December 2021: 26.86%).

(TL million)	31 December 2021	%	31 December 2022	%	Change amount	Change %
Assets	39,130.4	100	60,712.2	100	21,581.84	55.2
Current Assets	7,989.6	20.4	13,268.7	21.9	5,279.14	66.1
Financial Assets at Fair Value Through Profit or Loss ^(*)	216.2	0.6	120.0	0.2	(96.2)	(44.5)
Financial Assets at Fair Value Through Other Comprehensive Income	1,473.7	3.8	441.0	0.7	1,032.7	(70.1)
Financial Assets Measured At Amortized Cost	7,997.4	20.4	12,497.9	20.6	4,500.5	56.3
Loans (Net)	20,872.7	53.3	33,350.9	54.9	12,478.2	59.8
Fixed Assets	207.2	0.5	282.5	0.5	75.33	36.4
Other Assets ^{***}	372.8	1.0	751.1	1.2	378.3	201.5

^{*}Including derivative financial assets

^{**}Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income.

^{***}Deferred tax asset consists of current tax asset and other assets.

INFORMATION ON THE FINANCIAL POSITION, PROFITABILITY AND SOLVENCY OF THE BANK

(TL million)	31 December 2021	%	31 December 2022	%	Change amount	Change %
Liabilities	39,130.4	100	60,712.2	100	21,581.8	55.2
Deposits	16,846.6	43.1	24,271.4	40.0	7,424.7	44.1
Bank Deposits	3,024.5	7.7	732.0	1.2	(2,292.5)	(75.8)
Borrowings	12,964.1	33.1	25,529.6	42.1	12,565.4	96.9
Provisions	417.6	1.1	504.9	0.8	87.3	20.9
Other Liabilities	4,428.4	11.3	6,795.0	11.2	2,366.6	53.4
Shareholders' Equity	1,448.7	3.7	2,879.7	4.7	1,431.0	98.8
Profit/Loss	115.9	0.3	1,318.5	2.2	1,202.6	1,037.69

PROFITABILITY

Net profit of the Bank increased by TL 1.2 billion compared to the previous year and reached TL 1.3 billion. In 2022, the Bank's return on assets was 2.17% (31 December 2021: 0.30%), return on equity was 45.8% (31 December 2021: 8.0%).

ICBC Turkey's operating income in 2022 was TL 2.8 billion and our Bank's net profit as of the end of 2022 was TL 1.3 billion. Interest income increased by 159.9% compared to the end of 2021, and net fee and commission incomes were increased by 44.3%.

Income Statement	31 December 2021	31 December 2022	Change Amount	Change %
Interest Income	1,577.1	4,099.6	2,522.5	159.9
Interest Expense	760.7	1,980.1	1,219.4	160.3
Net Interest Income	816.4	2,119.5	1,303.1	159.6
Net Fees and Commission Income	116.5	168.2	51.7	44.3
Net Trading Profit / Loss	318.7	402.5	83.8	26.3
Other Operating Income	92.8	93.3	0.5	0.5
Total Operating Income	1,344.4	2,783.4	1,439.0	107.0
Other Operating Expenses ⁽¹⁾	685.7	359.5	(326.2)	(47.6)
Provisions for Loans and Other Receivables	510.0	22.8	(487.2)	(95.5)
Profit/Loss Before Tax	148.7	1,715.0	1,566.2	1,053.0
Provision for Taxes	32.9	396.5	363.6	1,107.0
Net Profit/Loss for the Period	115.9	1,318.5	1,202.6	1,037.7

⁽¹⁾Staff costs are included.

BANK'S CREDIT RATING SCORES AND RELATED EXPLANATIONS

As of 18 December 2020, the "Credit Rating" services provided by Fitch Ratings to ICBC Turkey Bank A.Ş. had been mutually decided to be cancelled and the rating process had been terminated.

SUMMARY OF 5-YEARS FINANCIAL INFORMATION INCLUDING THE REPORT PERIOD

TL thousands	2018	2019	2020	2021	2022
Total Assets	15,524,795	18,191,150	24,862,623	39,130,425	60,712,240
Total Deposits*	6,885,541	10,437,573	11,856,143	16,098,262	21,714,965
Total Loans**	7,829,445	9,088,109	14,154,863	21,661,297	34,231,590
Shareholders' Equity	1,127,994	1,259,775	1,315,427	1,448,677	2,879,697
Net Profit	62,069	40,869	58,048	115,894	1,318,473

*Excluding bank deposits.

**Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income.

OTHER ISSUES - EXPLANATIONS REGARDING THE POST BALANCE SHEET EVENTS PERIOD

Detailed explanations on the matters occurred after the balance sheet date, are given in the footnote no. 5. of the Section IX. of the "Unconsolidated and Consolidated Financial Statements to be Disclosed to Public for the Reporting Period ended as of December 31st 2022, the Explanations and Footnotes Related Thereto and the Independent Audit Report".

THE UNCONSOLIDATED YEAR-END FINANCIAL STATEMENTS PREPARED AS OF DECEMBER 31ST 2022.

Turkish version of Unconsolidated Financial Statements of ICBC Turkey for the reporting period ended as of December 31st 2022, Explanations and Footnotes Related Thereto and the Independent Audit Report are available at the Bank's website at the . "address of "http://www.icbc.com.tr" under the heading "Investor Relations"/ "Financial Information

CONSOLIDATED FINANCIAL INFORMATION

SUMMARY OF 5-YEARS CONSOLIDATED FINANCIAL INFORMATION INCLUDING THE REPORT PERIOD

TL Thousands	2018	2019	2020	2021	2022
Total Assets	15,852,490	18,391,481	25,181,183	39,372,886	61,964,520
Total Deposits	6,699,689	9,790,304	11,459,149	16,306,553	24,198,412
Total Loans ^(*)	7,874,592	9,132,429	14,241,068	21,775,246	34,506,642
Shareholders' Equity	1,166,569	1,329,312	1,417,816	1,625,213	3,137,237
Net Profit	83,549	71,510	90,931	187,189	1,400,767

^(*)Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income.

Financial Highlights (Million TL)

	31 December 2021	31 December 2022	%
Total Assets	39,372,886	61,964,520	57
Deposits ^(*)	16,306,553	24,198,412	48
Loans ^(**)	21,775,246	34,506,642	58
Shareholders' Equity	1,625,213	3,137,237	93
Net Profit	187,189	1,400,767	648

^(*)Excluding deposits from banks.

^(**)Including the loans which are classified as Financial Assets at Fair Value Through Other Comprehensive Income.

Financial Ratios (%)

	31 December 2021	31 December 2022	%
Return on Assets	0.58	2.26	290
Return on Equity	12.30	44.6	262
Capital Adequacy Ratio	26.93	29.99	11
Loans/Total Assets	55.30	43.9	(20)
Deposits/Total Assets ^(*)	45.51	39.05	(12)
NPL Ratio	0.20	0.12	(40)

^(*)Excluding deposits from banks.

INFORMATION RELATED TO THE CONSOLIDATED SUBSIDIARIES

Company	Address (City/Country)	Stake (%)	Stake in Bank's Risk Group
ICBC Turkey Yatırım Menkul Değerler A.Ş.	İstanbul/ Türkiye	99.998	100

Summary financials of the above-mentioned subsidiary (31 December 2022):

Total Assets	Shareholders' Equity	Fixed Assets	Interest Income	Income from Securities	Net Income	Prior Period Net Income	Fair Value
1.425.549.102	330.763.033	5.911.051	112.057.912	-	85,648,567	70,020,839	-

THE CONSOLIDATED YEAR-END FINANCIAL STATEMENTS PREPARED AS OF DECEMBER 31ST 2022.

The Consolidated Financial Statements of ICBC Turkey for the reporting period ended as of December 31st 2022, Explanations and Footnotes Related Thereto and the Independent Audit Report are available at the Bank's website at the address of "http://www.icbc.com.tr" under the heading "Investor Relations" / "Financial Information".

ICBC TURKEY BANK ANONİM ŞİRKETİ

**CONSOLIDATED FINANCIAL STATEMENTS AND THE INDEPENDENT
AUDITORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022**

(Convenience translation of consolidated financial statements and related disclosures and footnotes originally issued in Turkish)

**INDEPENDENT AUDITOR'S REPORT
(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S
REPORT ORIGINALLY ISSUED IN TURKISH)****To the General Assembly of ICBC Turkey Bank A.Ş.****A) Report on the Audit of the Financial Statements****1) Opinion**

We have audited the financial statements of ICBC Turkey Bank A.Ş. (the "Bank") and its consolidated subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2022, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended and, notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with "the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Regulations" including the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No.26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by BRSA and provisions of Turkish Financial Reporting Standards (TFRS) for the matters not legislated by the aforementioned regulations.

2) Basis for Opinion

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and Standards on Independent Auditing ("SIA") which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* ("Code of Ethics") published by the POA, together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

3) Key Audit Matters (continued)

Key Audit Matters	How the matter was addressed in the audit
<p>Impairment of loans in accordance with TFRS 9 Financial Instruments Standard ("TFRS 9")</p> <p>Impairment of loans is a key area of judgment for the management. The Group has the total loans and receivables amounting to TL 27,204,871 thousands, which comprise 48% of the Group's total assets in its consolidated financial statements and the total provision for impairment amounting to TL 852,697 as at 31 December 2022.</p> <p>As of 1 January 2018, the Group has started to recognize provisions for impairment in accordance with TFRS 9 and also "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this respect, the method of provisions for impairment as set out in accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies has been applied the expected credit loss model under TFRS 9. The expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p>The Group exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models.</p> <p>Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans and receivables is considered as a key audit matter.</p> <p>Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.5.</p>	<p>As part of our audit work, the following procedures were performed:</p> <p>We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Group with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p>We have assessed and analysed the relevant contract terms to assess management's accounting policy and classification of the instrument for selected samples.</p> <p>We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p>We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p>We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p>We have tested whether the model is applied to appropriate segments of assets which share credit risk characteristics and whether the historical loss rates were incurred under economic conditions representative of those that may exist during the assets' exposure periods.</p> <p>We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p>We assessed expected credit losses determined based on individual assessment per Group's policy by means of supporting data, and evaluated appropriateness via communications with management.</p> <p>Our specialists are involved in all procedures related to models and assumptions.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the consolidated financial statements of the Group with respect to loans and receivables and related impairment provisions.</p>

Information Technologies Audit	
<p>The Group and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Group and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Group means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk-based scoping.</p>	<p>Procedures within the context of our information technology audit work:</p> <ul style="list-style-type: none"> - We identified and tested the Group's controls over information systems as part of our audit procedures. - Information generation comprise all layers of information systems (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas: <ul style="list-style-type: none"> - Security Management - Change Management - Operations Management and Network Operations - We selected high-risk areas as, database logging and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner. - We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation. - Automated controls and integration controls are tested to underly and detect changes and accesses in the process of financial data generation. - We also tested the appropriateness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components. <p>Finally, we understood and tested the controls over database, network, application and operating system layers of applications.</p>

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

Group Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Reporting Regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

5) Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

INDEPENDENT AUDITOR'S REPORT

to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Other Responsibilities Arising From Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 ("TCC"), nothing has come to our attention that may cause us to believe that the Group's set of accounts for the period 1 January - 31 December 2022 does not comply with TCC and the provisions of the Bank's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Müjde Aslan.

Additional paragraph for convenience translation to English

BRSR Accounting and Reporting Regulations explained in detail in Section 3 differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Müjde Aslan
Partner
İstanbul, 24 February 2023

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2022

Address of the Bank's headquarters : Maslak Mah. Dereboyu/2 Caddesi No: 13 34398 Sarıyer - İstanbul
Telephone number : (0212) 335 53 35
Fax number : (0212) 328 13 28
Website of the Bank : www.icbc.com.tr
E-mail : info@icbc.com.tr

The year end consolidated financial report prepared in accordance with the "Communiqué on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof" as required by the Banking Regulation and Supervision Agency is comprised of the following sections.

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON APPLIED ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP AND RISK MANAGEMENT
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDIT REPORT

The financial statements of the subsidiary "ICBC Turkey Yatırım Menkul Değerler A.Ş." is consolidated in this consolidated financial report.

The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in **thousands of Turkish Lira.**

XIANGYANG GAO

Chairman of Board of Directors

PEIGUO LIU

Chairman of Audit Committee and Member of Board of Directors

CHUNYI ZHENG

Deputy General Manager

HÜSEYİN HASAN İMECE

Deputy General Manager Responsible for Financial Control and Accounting, Assets and Liabilities and Economic Research Department

HUI JIN

Managing Director

Contact information for questions on this financial report :

Name-Surname : Hui Jin
Tel No : 0212 335 52 18
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CONTENTS

	Page No:
SECTION ONE	
General Information	
I Parent Bank's date of establishment, beginning statute, its history including changes on its statute	160
II Capital structure, shareholders controlling the management and supervision of the Parent Bank directly or indirectly, and if exists, changes on these issues and the Group that the Parent Bank belongs to and information about the persons and institutions that have qualified shares in the Parent Bank	160
III Information related to president and members of the Board of Directors, audit committee members, general manager and executive vice presidents, and if exists, changes in these positions and Parent Bank's shares they hold	161
IV Explanations regarding the persons and organizations that have shares in the Bank	162
V Type of services provided and the areas of operations of the Parent Bank	162
VI Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institutions subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods	162
VII The existing or potential, actual or legal obstacle on the transfer of shareholders' equity between the Parent Bank and its subsidiaries or the reimbursement of liabilities	162
SECTION TWO	
Consolidated Financial Statements	
I Consolidated Balance Sheet (Statement of financial position)	292
II Consolidated Statement of Off-Balance Sheet Items	294
III Consolidated Statement of Profit or Loss	296
IV Consolidated Statement of Profit or Loss and Other Comprehensive Income	297
V Consolidated Statement of Changes In Shareholders' Equity	298
VI Consolidated Statement of Cash Flows	302
VII Statement of Parent Bank Profit Distribution	302
SECTION THREE	
Accounting Policies	
I Explanations on the Basis of Presentation	176
II Explanations on Usage Strategy of Financial Instruments and Foreign Currency Transactions	177
III Explanations on Consolidated Subsidiaries	177
IV Explanations on Forwards, Options and Derivative Transactions	178
V Explanations on Interest Income and Expense	178
VI Explanations on Fees and Commissions Income and Expense	179
VII Explanations on Financial Assets	179
VIII Explanations on Impairment of Financial Assets	181
IX Explanations on Write-down Policy	183
X Explanations On Offsetting Financial Instruments	183
XI Explanations on Sale and Repurchase Agreements and Transactions Related to the Lending of Securities	184
XII Explanations on Assets Held for Sale and Discontinued Operations and Liabilities Related to These Assets	184
XIII Explanations on Goodwill and Other Intangible Assets	184
XIV Explanations on Tangible Assets	185
XV Explanations on Leasing Activities	185
XVI Explanations on Provisions and Contingent Liabilities	186
XVII Explanations on Contingent Assets	186
XVIII Explanations on Obligations Related to Employee Rights	186
XIX Explanations on Taxation	186

	Page No:
XIX Explanations on Taxation	188
XX Additional Explanations on Borrowings	188
XXI Explanations on Issued Stock	188
XXII Explanations On Bills And Acceptances	188
XXIII Explanations on Government Grants	188
XXIV Profit Reserves and Profit Distribution	188
XXV Related Parties	189
XXVI Cash and Cash Equivalents	189
XXVII Explanations on Segment Reporting	189
XXVIII Earnings/Loss Per Share	189
XXIX Classifications	189
XXX Explanations on Other Matters	189
SECTION FOUR	
Explanations on Consolidated Financial Position and Risk Management	
I Explanations on Consolidated Equity	189
II Explanations on Consolidated Credit Risk	196
III Explanations on Consolidated Operational Risk	212
IV Explanations on Consolidated Foreign Currency Exchange Rate Risk	212
V Explanations on Consolidated Interest Rate Risk	215
VI Explanations on Consolidated Liquidity Management and Liquidity Coverage Ratio	220
VII Explanations on Consolidated Leverage Ratio	224
VIII Consolidated Equity Position Risk Arising from Banking Accounts	225
IX Explanations on Consolidated Risk Management	225
X Explanations on Presentation of Financial Assets and Liabilities at Their Fair Value	240
XI Explanations Related to Segments	243
SECTION FIVE	
Explanations and Notes on Consolidated Financial Statements	
II Explanations and Notes on Consolidated Assets	245
II Explanations and Notes on Consolidated Liabilities	263
III Explanations and Notes on Consolidated Off-Balance Sheet Items	270
IV Explanations and Notes on Consolidated Profit or Loss Statement	272
V Explanations and Notes on Consolidated Statement of Changes in Shareholders' Equity	278
VI Explanations and Notes on Consolidated Cash Flow Statement	278
VII Explanations on the Parent Bank's Risk Group	280
VIII Information on Domestic, Foreign, Offshore Branches and Foreign Representative Offices of Parent Bank	281
VIII Explanation and Notes on Subsequent Events	281
SECTION SIX	
Explanations on the Bank's Activities	
I Other Explanations	282
SECTION SEVEN	
Explanations on the Auditors' Report	
I Explanations on the Auditors' Report	283
II Explanation and Notes Prepared by the Independent Auditors	283

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

SECTION ONE

GENERAL INFORMATION

I. Parent Bank's date of establishment, beginning statute, its history including changes on its statute

"The Parent Bank" was established with trade name as Tekstil Bankası A.Ş. on 29 April 1986, to carry out all types of banking activities according to the Banking Law and later changes in the laws and regulations, with the permission of the Council of Ministers in accordance with the resolution numbered 85/9890 and dated 24 September 1985 and started its operations on 13 October 1986. "Articles of Association" of the Parent Bank was published in Turkish Trade Registry Gazette no.1511, dated 9 May 1986. The statute of the Parent Bank was not changed since its establishment. Trade name of the Parent Bank has been changed and registered as disclosed in Note No. II as ICBC Turkey Bank A.Ş. on 13 November 2015.

II. Capital structure, shareholders controlling the management and supervision of the Parent Bank directly or indirectly, and if exists, changes on these issues and the Group that the Parent Bank belongs to and information about the persons and institutions that have qualified shares in the Parent Bank

The capital of the Parent Bank is TL 860,000 as of 31 December 2022 and is fully paid. The Parent Bank was controlled by GSD Group until 21 May 2015. As at 29 April 2014, GSD Holding A.Ş., the major shareholder of the Parent Bank, has come to conclusion to sell 75.50% shares of the Parent Bank to Industrial and Commercial Bank of China (ICBC) and with respect to the sale transaction, it was declared to be approved by China Banking Regulatory Commission (CBRC) on 20 March 2015, and in Turkey, it was approved by Competition Authority in accordance with decision dated 20 August 2014 and numbered 14-29/593-259 and Banking Regulation and Supervision Agency (BRSA), in accordance with decision dated 2 April 2015 and numbered 6262.

Following the completion of relevant permissions with respect to the sale transaction, the Parent Bank appealed Extraordinary General Assembly on 28 April 2015 for approving the resignation of members of Board of Directors and selecting new members on 22 May 2015 in the Public Disclosure Platform (PDP). Within the context of share purchase agreement, 22 May 2015 date was defined as share transfer date and the share transfer was carried out on this date and processed to the Parent Bank's share ledger.

As a result of acquisition of shares representing 75.50% of Tekstil Bankası A.Ş. which was owned by GSD Holding A.Ş., an obligation occurs to propose take-over bids in order to purchase the shares of other shareholders in accordance with the provision of Article 11 of Take-Over Bids Communiqué numbered Serial II. 26.1 of Capital Markets Board of Turkey related to mandatory bid. In this context, share ownership of ICBC in the Parent Bank has risen to 92.82% from 75.50% as a result of mandatory bid call transactions ending as at 14 August 2015 realized in accordance with the Take-Over Bids Communiqué numbered Serial II. 26.1 by ICBC which is controlling shareholder of the Parent Bank.

In accordance with the decision of the general extraordinary meeting of the Bank dated 9 February 2017, the Bank's capital has decided to increase and the decision was registered by İstanbul Trade Registry Office at 29 June 2017. At this content, the Bank's capital has increased in cash amounting to TL 440,000 from TL 420,000 to TL 860,000 and the whole increase was made in cash. With this increase, ICBC's shareholding ratio at the Bank has increased from 92.82% to 92.84%.

The shares, except for the shares owned by ICBC, are traded at Istanbul Stock Exchange (BIST).

In the context of the decision taken at the Extraordinary General Meeting on 5 November 2015, the Parent Bank's trade title has been changed and registered as ICBC Turkey Bank A.Ş. at the Trade Registry Gazette on 13 November 2015.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

III. Information related to president and members of the Board of Directors, audit committee members, general manager and executive vice presidents, and if exists, changes in these positions and Parent Bank's shares they hold

Title	Name	Job Description	Education
Chairman of the Board of Directors:	Xiangyang Gao	Chairman of the Board of Directors	PhD
Chairman of the Audit Committee:	Peiguo Liu	Member of the Board of Directors and Chairman of the Audit Committee	Graduate
Member of the Audit Committee:	Ying Wang	Independent Member of the Board of Directors and Audit Committee Member	Graduate
Members of the Board of Directors:	Chunyi Zheng ^(*)	Member of the Board of Directors and Deputy General Manager	PhD
	Jianfeng Zheng	Member of the Board of Directors	Graduate
	Serhat Yanik	Independent Member of the Board of Directors	PhD
General Manager:	Chunyi Zheng ^(*)	Member of the Board of Directors and Deputy General Manager	PhD
Assistant General Managers ^(**) :	Chunyi Zheng ^(**)	Project and Cross Border Finance Department, Retail Banking Department, Executive Office General Secretariat Unit, Credit and Investment Management Department, and Investment Banking Department	PhD
	Jinhong Li	Credit Allocation, Legal Affairs, Operations Management and Operation Center	Graduate
	Hüseyin H. İmece	Asset and Liability Department, Economic Research Department, Financial Control and Accounting Department	Undergraduate
	Kadir Karakurum	Digital Banking Department, Financial Technology Department, Technology Center, Administrative Affairs Center, Public Relations and Advertisement Unit of Executive Office	Graduate
Assistant General Manager	D.Halit Döver	International Business Department, Financial Institutions Department, Financial Market Department, Corporate Banking Department	Graduate
Head of the Board of Inspectors:	Selçuk İçten	President of Inspectors' Group	Undergraduate

^(*) Board of directors that held on 9 May 2022, It was decided that Mr. Chunyi ZHENG has been appointed as acting General Manager that was led by Ms. Jinhong LI until the appointment of the General Manager of the bank.

^(**) As of 1 April 2022, Chunyi Zheng has been appointed as the Deputy General Manager responsible for Project and Cross Border, Retail Banking, Executive Office, Credit and Investment Management, Investment Banking departments.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IV. Explanations regarding the persons and organizations that have shares in the Bank

Name Surname/Commercial Title	Share Amounts	Share Percentage	Paid Shares	Unpaid Shares
Industrial and Commercial Bank of China Limited	798,428	92.84%	798,428	-

V. Type of services provided and the areas of operations of the Parent Bank

The operations of the Parent Bank consist of corporate banking services, fund management transactions (foreign currency, money market and securities trading), international banking services, retail banking services and credit card business. The Parent Bank also operates, through its branches, as insurance agent of Sompo Japan Sigorta A.Ş., Vakıf Emeklilik A.Ş., Fiba Emeklilik, Hayat A.Ş., HDI Sigorta A.Ş., and Axa Sigorta A.Ş.

As of 31 December 2022, the Group has 59 branches close to industrial zones of Turkey. The Bank has 866 employees as of 31 December 2022 (As of 31 December 2021, number of branches was 59, number of employees was 826).

The Group and its subsidiary, ICBC Turkey Yatırım Menkul Değerler A.Ş. ("ICBC Yatırım") have been consolidated. As at 31 December 2022, ICBC Portföy Yönetimi A.Ş. has been consolidated in ICBC Yatırım by full consolidation method. "ICBC Yatırım", the consolidated subsidiary of the Parent Bank, represents ICBC Portföy and ICBC Yatırım as a whole. The Parent Bank and its subsidiary are referred to as "the Group" as a whole.

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institutions subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods

There is no difference for the Parent Bank regarding consolidation methods between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards (TAS). Information about consolidated subsidiaries and explanation about consolidation methods are disclosed on Section Three, Note III.

VII. The existing or potential, actual or legal obstacle on the transfer of shareholders' equity between the Parent Bank and its subsidiaries or the reimbursement of liabilities

None.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated balance sheet (statement of financial position)
- II. Consolidated statement of off-balance sheet items
- III. Consolidated statement of profit or loss
- IV. Consolidated statement of profit or loss and other comprehensive income
- V. Consolidated statement of changes in shareholders' equity
- VI. Consolidated statement of cash flows
- VII. Statement of Parent Bank profit distribution

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2022

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

	Notes (Section Five)	THOUSANDS OF TURKISH LIRA					
		Audited CURRENT PERIOD			Audited PRIOR PERIOD		
		31/12/2022	31/12/2022	31/12/2022	31/12/2021	31/12/2021	31/12/2021
ASSETS	TL	FC	Total	TL	FC	Total	
I. FINANCIAL ASSETS (Net)		431,070	20,998,971	21,430,041	738,799	12,118,342	12,857,141
1.1 Cash and Cash Equivalents		346,600	13,204,085	13,550,685	344,676	7,735,190	8,079,866
1.1.1 Cash and Balances at Central Bank	(5.I.1)	333,269	11,539,312	11,872,581	314,003	7,290,755	7,604,758
1.1.2 Banks	(5.I.3)	14,294	1,670,968	1,685,262	12,851	446,330	459,181
1.1.3 Receivables from Money Markets		5,400	-	5,400	20,955	-	20,955
1.1.4 Allowance For Expected Credit Losses (-)		6,363	6,195	12,558	3,133	1,895	5,028
1.2 Financial Assets at Fair Value Through Profit or Loss		16,550	34,160	50,710	41,530	25,694	67,224
1.2.1 Public Debt Securities		-	-	-	-	-	-
1.2.2 Equity Instruments		151	34,160	34,311	69	25,694	25,763
1.2.3 Other Financial Assets		16,399	-	16,399	41,461	-	41,461
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(5.I.4)	39,445	7,703,359	7,742,804	225,646	4,293,975	4,519,621
1.3.1 Public Debt Securities		39,445	345,314	384,759	225,646	1,019,430	1,245,076
1.3.2 Equity Instruments		-	-	-	-	-	-
1.3.3 Other Financial Assets		-	7,358,045	7,358,045	-	3,274,545	3,274,545
1.4 Derivative Financial Assets	(5.I.2)	28,475	57,367	85,842	126,947	63,483	190,430
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		28,475	57,367	85,842	126,947	63,483	190,430
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		9,945,905	28,877,338	38,823,243	7,526,949	18,412,071	25,939,020
2.1 Loans	(5.I.5)	3,218,244	23,986,627	27,204,871	4,553,773	14,175,570	18,729,343
2.2 Receivables from Leasing Transactions	(5.I.10)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets Measured at Amortised Cost	(5.I.6)	6,803,096	5,696,174	12,499,270	3,065,166	4,932,278	7,997,444
2.4.1 Public Debt Securities		6,803,096	4,897,390	11,700,486	3,065,166	4,254,512	7,319,678
2.4.2 Other Financial Assets		-	798,784	798,784	-	677,766	677,766
2.5 Allowance for Expected Credit Losses (-)		75,435	805,463	880,898	91,990	695,777	787,767
III. NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND FROM DISCOUNTED OPERATIONS (Net)	(5.I.16)	-	-	-	-	-	-
3.1 Held for Sale		-	-	-	-	-	-
3.2 Held from Discontinued Operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		-	-	-	-	-	-
4.1 Investments in Associates (Net)	(5.I.7)	-	-	-	-	-	-
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-Consolidated Associates		-	-	-	-	-	-
4.2 Investments in Subsidiaries (Net)	(5.I.8)	-	-	-	-	-	-
4.2.1 Non-Consolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Non-Consolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Controlled Partnership (Joint Ventures) (Net)	(5.I.9)	-	-	-	-	-	-
4.3.1 Jointly Controlled Partnership Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Non-Consolidated Jointly Controlled Partnership		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.I.13)	188,038	-	188,038	123,237	-	123,237
VI. INTANGIBLE ASSETS (Net)	(5.I.14)	24,400	-	24,400	11,437	-	11,437
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		24,400	-	24,400	11,437	-	11,437
VII. INVESTMENT PROPERTIES (Net)	(5.I.12)	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		1,256	-	1,256	504	-	504
IX. DEFERRED TAX ASSETS	(5.I.15)	667,686	-	667,686	300,614	-	300,614
X. OTHER ASSETS (Net)	(5.I.17)	823,473	6,383	829,856	136,512	4,421	140,933
TOTAL ASSETS		12,081,828	49,882,692	61,964,520	8,838,052	30,534,834	39,372,886

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2022

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

	Notes (Section Five)	THOUSANDS OF TURKISH LIRA					
		Audited CURRENT PERIOD			Audited PRIOR PERIOD		
		31/12/2022	31/12/2022	31/12/2022	31/12/2021	31/12/2021	31/12/2021
LIABILITIES	TL	FC	Total	TL	FC	Total	
I. DEPOSIT	(5.II.1)	5,224,487	18,973,925	24,198,412	2,233,408	14,073,145	16,306,553
II. LOANS RECEIVED	(5.II.4)	2,442,937	23,995,166	26,438,103	11,041	12,963,603	12,974,644
III. MONEY MARKET FUNDS	(5.II.2)	731,806	-	731,806	3,024,482	-	3,024,482
IV. MARKETABLE SECURITIES (Net)		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrowers' Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.II.3)	32,599	440,675	473,274	11,820	4,503	16,323
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		32,599	440,675	473,274	11,820	4,503	16,323
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	(5.II.6)	106,829	-	106,829	74,534	-	74,534
X. PROVISIONS	(5.II.8)	406,844	130,982	537,826	337,859	96,948	434,807
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Reserves for Employee Benefits		118,057	-	118,057	43,773	-	43,773
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		288,787	130,982	419,769	294,086	96,948	391,034
XI. CURRENT TAX LIABILITIES	(5.II.9)	435,653	-	435,653	199,192	-	199,192
XII. DEFERRED TAX LIABILITIES		-	-	-	-	-	-
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	(5.II.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	(5.II.11)	-	5,613,721	5,613,721	-	3,999,625	3,999,625
14.1 Loans		-	5,613,721	5,613,721	-	3,999,625	3,999,625
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(5.II.5)	181,515	110,144	291,659	158,956	558,556	717,512
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	3,020,869	116,368	3,137,237	1,623,659	1,555	1,625,214
16.1 Paid-in Capital		860,000	-	860,000	860,000	-	860,000
16.2 Capital Reserves		(587)	-	(587)	(587)	-	(587)
16.2.1 Equity Share Premiums		(587)	-	(587)	(587)	-	(587)
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Other Accumulated Comprehensive Income that will not be Reclassified in Profit or Loss		25,076	-	25,076	26,365	-	26,365
16.4 Other Accumulated Comprehensive Income that will be Reclassified in Profit or Loss		191	116,368	116,559	2,458	1,555	4,013
16.5 Profit Reserves		678,621	-	678,621	491,598	-	491,598
16.5.1 Legal Reserves		37,546	-	37,546	26,983	-	26,983
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		583,012	-	583,012	406,552	-	406,552
16.5.4 Other Profit Reserves		58,063	-	58,063	58,063	-	58,063
16.6 Profit or Loss		1,457,568	-	1,457,568	243,825	-	243,825
16.6.1 Prior Years' Profits or Losses		56,801	-	56,801	56,636	-	56,636
16.6.2 Current Period's net Profit or Loss		1,400,767	-	1,400,767	187,189	-	187,189
16.7 Minority Shares'		-	-	-	-	-	-
TOTAL LIABILITIES		12,583,539	49,380,981	61,964,520	7,674,951	31,697,935	39,372,886

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2022

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

THOUSANDS OF TURKISH LIRA						
Notes (Section Five)	Audited CURRENT PERIOD			Audited PRIOR PERIOD		
	31/12/2022			31/12/2021		
	TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)	4,117,441	40,670,245	44,787,686	2,423,686	21,926,199	24,349,885
I. GUARANTEES AND WARRANTIES	1,374,775	12,353,845	13,728,620	811,755	9,691,300	10,503,055
1.1. Letters of Guarantee	1,374,775	4,143,861	5,518,636	811,755	3,926,614	4,738,369
1.1.1. Guarantees Subject to State Tender Law	-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations	-	-	-	-	-	-
1.1.3. Other Letters of Guarantee	1,374,775	4,143,861	5,518,636	811,755	3,926,614	4,738,369
1.2. Bank Loans	-	-	-	-	-	-
1.2.1. Import Acceptance Loans	-	-	-	-	-	-
1.2.2. Other Bank Acceptances	-	-	-	-	-	-
1.3. Letters of Credit	-	3,893,609	3,893,609	-	1,379,096	1,379,096
1.3.1. Documentary Letters of Credit	-	1,451,935	1,451,935	-	480,184	480,184
1.3.2. Other Letters of Credit	-	2,441,674	2,441,674	-	898,912	898,912
1.4. Prefinancing Given as Guarantee	-	-	-	-	-	-
1.5. Endorsements	-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey	-	-	-	-	-	-
1.5.2. Other Endorsements	-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued	-	-	-	-	-	-
1.7. Factoring Guarantees	-	-	-	-	-	-
1.8. Other Guarantees	-	4,316,375	4,316,375	-	4,385,590	4,385,590
1.9. Other Warrantees	-	-	-	-	-	-
II. COMMITMENTS	135,373	386,288	521,661	324,503	233,544	558,047
2.1. Irrevocable Commitments	135,373	386,288	521,661	324,503	233,544	558,047
2.1.1. Asset Purchase and Sales Commitments	-	386,288	386,288	212,880	233,544	446,424
2.1.2. Deposit Purchase and Sales Commitments	-	-	-	-	-	-
2.1.3. Share Capital Commitment to Associates and Subsidiaries	-	-	-	-	-	-
2.1.4. Loan Granting Commitments	30,597	-	30,597	30,958	-	30,958
2.1.5. Securities Issue Brokerage Commitments	-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements	-	-	-	-	-	-
2.1.7. Commitments for Checks Payments	5,711	-	5,711	6,261	-	6,261
2.1.8. Tax and Fund Liabilities from Export Commitments	3	-	3	3	-	3
2.1.9. Commitments for Credit Card Limits	98,802	-	98,802	74,208	-	74,208
2.1.10. Commitments for Credit Cards and Banking Services Promotions	-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities	-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities	-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments	260	-	260	193	-	193
2.2. Revocable Commitments	-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments	-	-	-	-	-	-
2.2.2. Other Revocable Commitments	-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	2,607,293	27,930,112	30,537,405	1,287,428	12,001,355	13,288,783
3.1. Derivative Financial Instruments Held for Hedging	-	-	-	-	-	-
3.1.1. Fair Value Hedges	-	-	-	-	-	-
3.1.2. Cash Flow Hedges	-	-	-	-	-	-
3.1.3. Hedges for Investments Made in Foreign Countries	-	-	-	-	-	-

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS
AS OF 31 DECEMBER 2022

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

THOUSANDS OF TURKISH LIRA						
Notes (Section Five)	Audited CURRENT PERIOD			Audited PRIOR PERIOD		
	31/12/2022			31/12/2021		
	TL	FC	Total	TL	FC	Total
3.2. Trading Transactions	2,607,293	27,930,112	30,537,405	1,287,428	12,001,355	13,288,783
3.2.1. Forward Foreign Currency Purchase and Sale Transactions	2,387,539	6,975,306	9,362,845	99,729	123,208	222,937
3.2.1.1. Forward Foreign Currency Purchase Transactions	1,283,390	3,423,182	4,706,572	98,206	12,241	110,447
3.2.1.2. Forward Foreign Currency Sale Transactions	1,104,149	3,552,124	4,656,273	1,523	110,967	112,490
3.2.2. Currency and Interest Rate Swaps	219,754	20,954,806	21,174,560	1,187,699	11,878,147	13,065,846
3.2.2.1. Currency Swap Purchase Transactions	-	10,376,062	10,376,062	-	6,619,622	6,619,622
3.2.2.2. Currency Swap Sale Transactions	219,754	10,578,744	10,798,498	1,187,699	5,258,525	6,446,224
3.2.2.3. Interest Rate Swap Purchase Transactions	-	-	-	-	-	-
3.2.2.4. Interest Rate Swap Sale Transactions	-	-	-	-	-	-
3.2.3. Currency, Interest Rate and Securities Options	-	-	-	-	-	-
3.2.3.1. Currency Purchase Options	-	-	-	-	-	-
3.2.3.2. Currency Sale Options	-	-	-	-	-	-
3.2.3.3. Interest Rate Purchase Options	-	-	-	-	-	-
3.2.3.4. Interest Rate Sale Options	-	-	-	-	-	-
3.2.3.5. Securities Purchase Options	-	-	-	-	-	-
3.2.3.6. Securities Sale Options	-	-	-	-	-	-
3.2.4. Currency Futures	-	-	-	-	-	-
3.2.4.1. Currency Purchase Futures	-	-	-	-	-	-
3.2.4.2. Currency Sale Futures	-	-	-	-	-	-
3.2.5. Interest Rate Futures	-	-	-	-	-	-
3.2.5.1. Interest Rate Purchase Futures	-	-	-	-	-	-
3.2.5.2. Interest Rate Sale Futures	-	-	-	-	-	-
3.2.6. Other	-	-	-	-	-	-
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)	20,601,475	246,186,784	266,788,259	18,353,673	178,900,665	197,254,338
IV. ITEMS HELD IN CUSTODY	10,744,640	134,795,343	145,539,983	8,141,876	96,600,634	104,742,510
4.1. Customer Fund and Portfolio Assets	-	-	-	-	-	-
4.2. Securities Held in Custody	1,839,725	286,246	2,125,971	1,602,505	76,749	1,679,254
4.3. Checks Received for Collection	204,848	54,373	259,221	51,374	56,294	107,668
4.4. Commercial Notes Received for Collection	5,948	17,223	23,171	7,382	14,544	21,926
4.5. Other Assets Received for Collection	-	-	-	-	-	-
4.6. Securities Received for Public Offering	-	-	-	-	-	-
4.7. Other Items under Custody	8,690,550	134,437,501	143,128,051	6,477,685	96,453,047	102,930,732
4.8. Custodians	3,569	-	3,569	2,930	-	2,930
V. PLEDGED ITEMS	9,856,835	111,391,441	121,248,276	10,211,797	82,300,031	92,511,828
5.1. Marketable Securities	15,592	-	15,592	18,709	-	18,709
5.2. Guarantee Notes	921	187	1,108	921	133	1,054
5.3. Commodity	28,364	1,144	29,508	33,787	92,741	126,528
5.4. Warrant	-	-	-	-	-	-
5.5. Immovables	1,716,693	72,895,416	74,612,109	2,606,310	54,053,575	56,659,885
5.6. Other Pledged Items	8,095,265	38,494,694	46,589,959	7,552,070	28,153,582	35,705,652
5.7. Depositories Receiving Pledged Items	-	-	-	-	-	-
VI. ACCEPTED BILL OF GUARANTEES AND WARRANTIES	-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)	24,718,916	286,857,029	311,575,945	20,777,359	200,826,864	221,604,223

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Notes (Section Five)	THOUSANDS OF TURKISH LIRA	
		Audited CURRENT PERIOD	Audited PRIOR PERIOD
		(01/01/2022 - 31/12/2022)	(01/01/2021 - 31/12/2021)
I. INTEREST INCOME	(5.IV.1)	4,208,647	1,608,320
1.1 Interest on Loans		2,039,188	893,013
1.2 Interest Received from Reserve Deposits		8,738	25,704
1.3 Interest Received from Banks		34,627	17,121
1.4 Interest Received from Money Market Transactions		44,107	83,027
1.5 Interest Received from Marketable Securities Portfolio		2,039,473	584,044
1.5.1 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.2 Financial Assets at Fair Value Through Other Comprehensive Income		65,514	105,786
1.5.3 Financial Assets Measured at Amortised Cost		1,973,959	478,258
1.6 Finance Lease Income		-	-
1.7 Other Interest Income		42,514	5,411
II. INTEREST EXPENSES (-)	(5.IV.2)	2,027,916	758,761
2.1 Interest on Deposits		1,026,526	504,777
2.2 Interest on Funds Borrowed		709,221	207,658
2.3 Interest on Money Market Transactions		34,151	32,661
2.4 Interest on Securities Issued		-	-
2.5 Interest on Leases		17,334	11,366
2.6 Other Interest Expenses		240,684	2,299
III. NET INTEREST INCOME/EXPENSE (I - II)		2,180,731	849,559
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		268,625	161,874
4.1 Fees and Commissions Received		314,052	184,079
4.1.1 Non-Cash Loans		70,077	42,576
4.1.2 Other		243,975	141,503
4.2 Fees and Commissions Paid (-)		45,427	22,205
4.2.1 Non-Cash Loans		61	97
4.2.2 Other		45,366	22,108
V. DIVIDEND INCOME	(5.IV.3)	2	201
VI. TRADING PROFIT/LOSS (Net)	(5.IV.4)	471,672	382,515
6.1 Profit/Losses from Capital Market Transactions		22,081	29,647
6.2 Profit/Losses from Derivative Financial Transactions		39,182	267,056
6.3 Foreign Exchange Profit/Losses		410,409	85,812
VII. OTHER OPERATING INCOME	(5.IV.5)	96,132	106,010
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)		3,017,162	1,500,159
IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	(5.IV.6)	136,194	497,752
X. OTHER PROVISION EXPENSES (-)	(5.IV.6)	22,783	12,425
XI. PERSONNEL EXPENSES (-)		652,300	364,610
XII. OTHER OPERATING EXPENSES (-)	(5.IV.7)	383,798	384,724
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		1,822,087	240,648
XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XVI. NET MONETARY POSITION GAIN/LOSS		-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	(5.IV.8)	1,822,087	240,648
XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.IV.9)	421,320	53,459
18.1 Current Tax Provision		825,884	239,888
18.2 Expense Effect of Deferred Tax (+)		337,546	27,608
18.3 Income Effect of Deferred Tax (-)		742,110	214,037
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	(5.IV.10)	1,400,767	187,189
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from Assets Held for Sale		-	-
20.2 Profit from Sale of Associates, Subsidiaries and Joint Ventures		-	-
20.3 Other Income from Discontinued Operations		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1 Expenses on Tangible Assets Held for Sale		-	-
21.2 Losses from Sale of Associates, Subsidiaries and Joint Ventures		-	-
21.3 Other Expenses from Discontinued Operations		-	-
XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)	(5.IV.8)	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(5.IV.9)	-	-
23.1 Current Tax Provision		-	-
23.2 Expense Effect of Deferred Tax (+)		-	-
23.3 Income Effect of Deferred Tax (-)		-	-
XXIV. CURRENT PERIOD NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV. CURRENT PERIOD NET PROFIT/LOSS (XIX+XXIV)	(5.IV.11)	1,400,767	187,189
25.1 Group's Profit/Loss		1,400,767	187,189
25.2 Minority Shares Profit/Loss (-)		-	-
Profit/Loss per Share		0,1629	0,0218

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

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

	THOUSANDS OF TURKISH LIRA	
	Audited CURRENT PERIOD	Audited PRIOR PERIOD
	(01/01/2022 - 31/12/2022)	(01/01/2021 - 31/12/2021)
I. CURRENT PERIOD PROFIT/LOSS	1,400,767	187,189
II. OTHER COMPREHENSIVE INCOME	111,257	16,673
2.1 Other Items That Will Not Be Reclassified to Profit or Loss	(1,289)	8,117
2.1.1 Gains/Losses on Revaluation of Tangible Assets	-	12,379
2.1.2 Gains/Losses on Revaluation of Intangible Assets	-	-
2.1.3 Gains/Losses on Remeasurements of Defined Benefit Plans	(1,709)	(4,697)
2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	-	-
2.1.5 Taxes Relating To Components of Other Comprehensive Income That Will Not Be Reclassified To Profit or Loss	420	435
2.2 Other Items That Will Be Reclassified to Profit or Loss	112,546	8,556
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit/Loss from Financial Assets at Fair Value Through Other Comprehensive Income	150,038	11,076
2.2.3 Income/Loss Related to Cash Flow Hedges	-	-
2.2.4 Income/Loss Related to Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Components of Other Comprehensive Income That Will Be Reclassified to Other Profit or Loss	-	-
2.2.6 Taxes Relating To Components of Other Comprehensive Income That Will Be Reclassified To Profit or Loss	(37,492)	(2,520)
III. TOTAL COMPREHENSIVE INCOME (I+II)	1,512,024	203,862

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Paid-in Capital	Share Premiums	Share Certificate Cancellation Profits	Other Capital Reserves	Other Accumulated Comprehensive Income and Expenses That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income and Expenses That Will Be Reclassified in Profit and Loss						Total Equity Attributable to Equity Holders of the Parent	Minority Shares	Total Equity
					1	2	3	4	5	6	Profit Reserves	Prior Period's Profit/ (Loss)	Current Period's Profit/ (Loss)			
Prior Period (31/12/2021)																
I. Balance at the End of Previous Period	860,000	(587)	-	-	17,326	922	-	-	(4,543)	-	402,700	141,998	-	1,417,816	-	1,417,816
II. Adjustment in Accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	860,000	(587)	-	-	17,326	922	-	-	(4,543)	-	402,700	141,998	-	1,417,816	-	1,417,816
IV. Total Comprehensive Income	-	-	-	-	11,760	(3,643)	-	-	8,556	-	-	-	187,189	203,862	-	203,862
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued Capital/Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease through Other Changes	-	-	-	-	-	-	-	-	-	-	-	3,536	-	3,536	-	3,536
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	88,898	(88,898)	-	-	-	-
11.1 Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers Legal Reserves	-	-	-	-	-	-	-	-	-	-	88,898	(88,898)	-	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of Period (III+IV...+X+XI) 31/12/2021	860,000	(587)	-	-	29,086	(2,721)	-	-	4,013	-	491,598	56,636	187,189	1,625,214	-	1,625,214

1. Accumulated revaluation increases/decreases of non-current assets,
2. Accumulated gains/losses on remeasurements of defined benefit plans,
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Exchange differences on translation,
5. Accumulated gains/losses due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Other (Accumulated gains/losses on cash flow hedges, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will be reclassified to profit/loss.)

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN
SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Current Period (31/12/2022)	Paid-in Capital	Share Premiums	Share Certificate Cancellation Profits	Other Capital Reserves	Other Accumulated Comprehensive Income and Expenses That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income and Expenses That Will Be Reclassified in Profit and Loss			Profit Reserves	Prior Period's Profit/ (Loss)	Current Period's Profit/ (Loss)	Total Equity Attributable to Equity Holders of the Parent	Minority Shares	Total Equity
						1	2	3	4	5	6						
I. Balance at the End of Previous Period	860,000	(587)	-	-	29,086	(2,721)	-	-	4,013	-	491,598	243,825	-	1,625,214	-	1,625,214	
II. Adjustment in Accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1 Effect of Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III. New Balance (I+II)	860,000	(587)	-	-	29,086	(2,721)	-	-	4,013	-	491,598	243,825	-	1,625,214	-	1,625,214	
IV. Total Comprehensive Income	-	-	-	-	-	(1,289)	-	-	112,546	-	-	-	1,400,767	1,512,024	-	1,512,024	
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII. Issued Capital/Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX. Subordinated Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X. Increase/Decrease through Other Changes	-	-	-	-	-	-	-	-	-	-	-	(1)	-	(1)	-	(1)	
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	187,023	(187,023)	-	-	-	-	
11.1 Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2 Transfers Legal Reserves	-	-	-	-	-	-	-	-	-	-	187,023	(187,023)	-	-	-	-	
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at the end of Period (III+IV...+X+XI) 31/12/2022	860,000	(587)	-	-	29,086	(4,010)	-	-	116,559	-	678,621	56,801	1,400,767	3,137,237	-	3,137,237	

1. Accumulated revaluation increases/decreases of non-current assets,
2. Accumulated gains/losses on remeasurements of defined benefit plans,
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Exchange differences on translation,
5. Accumulated gains/losses due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Other (Accumulated gains/losses on cash flow hedges, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will be reclassified to profit/loss).

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	Note (Section Five)	THOUSANDS OF TURKISH LIRA	
		Audited CURRENT PERIOD	Audited PRIOR PERIOD
		(01/01/2022 - 31/12/2022)	(01/01/2021 - 31/12/2021)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		2,124,538	747,471
1.1.1 Interest Received		3,355,774	1,167,788
1.1.2 Interest Paid		(1,522,465)	(614,813)
1.1.3 Dividend Received		2	201
1.1.4 Fees And Commissions Received		312,568	138,051
1.1.5 Other Income		11,181	280,679
1.1.6 Collections from Non-Performing Receivables Accounted as Loss		3,755	5,311
1.1.7 Cash Payments to Personnel and Service Suppliers		(584,433)	(352,558)
1.1.8 Taxes Paid		(36,702)	(21,149)
1.1.9 Other	(5.VI.3)	584,858	143,961
1.2 Changes in Operating Assets and Liabilities Subject to Banking Operations		545,677	211,764
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		66,378	(17,246)
1.2.2 Net (Increase) Decrease in due from Banks		(4,276,300)	(1,830,706)
1.2.3 Net (Increase) Decrease in Loans		(11,292,327)	(6,937,264)
1.2.4 Net (Increase) Decrease in Other Assets	(5.VI.3)	(2,387,500)	(2,614,667)
1.2.5 Net Increase (Decrease) in Bank Deposits		1,811,561	564,986
1.2.6 Net Increase (Decrease) in Other Deposits		5,958,623	4,106,093
1.2.7 Net Increase (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8 Net Increase (Decrease) in Funds Borrowed		13,079,683	4,735,635
1.2.9 Net Increase (Decrease) in Matured Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(5.VI.3)	(2,414,441)	2,204,933
I. Net Cash Provided by Banking Operations		2,670,215	959,235
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flows from Investing Activities		(2,127,656)	(1,334,476)
2.1 Cash Paid for Purchase of Associates, Subsidiaries and Joint Ventures		-	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint Ventures		-	-
2.3 Cash Paid For the Purchase of Tangible and Intangible Asset		(78,543)	(18,776)
2.4 Cash Obtained from the Sale of Tangible and Intangible Asset		2,025	-
2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(193,164)	(324,176)
2.6 Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income		-	26,613
2.7 Cash Paid for Purchase of Financial Assets Measured at Amortised Cost		162,471	(2,135,581)
2.8 Cash Obtained from Sale of Financial Asset Measured at Amortised Cost		(4,042,277)	1,114,930
2.9 Other	(5.VI.3)	2,395,249	2,515
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(36,715)	(1,834)
3.1 Cash Obtained from Loans and Securities Issued		-	-
3.2 Cash Outflow Arising From Loans and Securities Issued		-	-
3.3 Equity Investments Issued		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Lease Liabilities		(36,715)	(1,834)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(5.VI.3)	701,072	1,354,684
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		1,206,916	977,609
VI. Cash and Cash Equivalents at the Beginning of Period		4,728,476	3,750,867
VII. Cash and Cash Equivalents at the End of Period (V+VI)	(5.VI.1)	5,935,392	4,728,476

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED 31 DECEMBER 2022

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

	THOUSANDS OF TURKISH LIRA	
	CURRENT PERIOD ⁽¹⁾⁽²⁾	PRIOR PERIOD
	(01/01/2022 - 31/12/2022)	(01/01/2021 - 31/12/2021)
I. DISTRIBUTION OF CURRENT YEAR PROFIT		
1.1 CURRENT YEAR INCOME	1,714,988	148,744
1.2 TAXES AND LEGAL DUTIES PAYABLES (-)	396,515	32,850
1.2.1 Corporate Tax (Income Tax)	796,893	216,160
1.2.2 Income Withholding Tax	-	-
1.2.3 Other Taxes and Duties	(400,468)	(183,310)
A. NET INCOME FOR THE YEAR (1.1-1.2)	1,318,473	115,894
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	5,795
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	1,318,473	110,100
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 To Owners of Redeemed Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 To Joining Usufruct Certificates	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.10 STATUTORY RESERVES (-)	-	-
1.11 EXTRAORDINARY RESERVES	-	110,100
1.12 OTHER RESERVES	-	-
1.13 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3 To Owners of Ordinary Shares	-	-
2.3.1 To Owners of Preferred Shares	-	-
2.3.2 To Joining Usufruct Certificates	-	-
2.3.3 To Profit Sharing Bonds	-	-
2.3.4 To Holders of Profit and Loss Sharing Certificates	-	-
2.3.5 DIVIDENDS TO PERSONNEL (-)	-	-
2.4 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES (full TL)	0.1553	0.0135
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	13.5
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

⁽¹⁾ The authorised body of the Bank for the distribution of the current period's profit is the General Assembly. The Bank's annual ordinary General Assembly meeting had not been held as of the date on which these financial statements were prepared.

⁽²⁾ Statement of profit distribution above belongs to the Parent Bank.

The accompanying notes are an integral part of these financial statements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

SECTION THREE

ACCOUNTING POLICIES

I. Explanations on the Basis of Presentation

Explanations and disclosures in the financial statements of Bank of Turkey Accounting Standards and Accounting Practices and Retention of Documents Procedures and Principles Regarding the preparation in accordance with Regulation:

Consolidated financial statements are prepared in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of "Turkish Financial Reporting Standards" ("TFRS") put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") for those matters not regulated by the aforementioned legislations.

Consolidated financial statements have also been prepared prepared in accordance with the "Communique amending the Communique on the Financial Statements and Related Disclosures and Notes to be Announced to Public by Banks" published in the Official Gazette dated 1 February 2019 with No. 30673.

Consolidated financial statements have been prepared in TL, under the historical cost convention except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and derivative financial assets and liabilities at fair value through profit or loss carried at fair value and revalued buildings.

The preparation of consolidated financial statements in conformity with BRSA Accounting and Financial Reporting Legislation requires the use of certain accounting estimates and assumptions by the Parent Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the statement of profit or loss. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related notes.

Due to COVID-19, the Parent Bank has enabled its individual and legal entity customers postpone their principal, interest and installment payments in case they requested and has applied delays within this scope.

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

The amounts in the consolidated financial statements and the related explanations and notes are expressed in thousands of Turkish Lira unless otherwise stated.

Accounting policies and valuation principles used in the preparation of consolidated financial statements are as follows:

The accounting policies and the valuation principles used in the preparation of the consolidated financial statements have been determined in accordance with the regulations, communiqués, explanations and circulars published by the BRSA on accounting and financial reporting principles, and the principles within the scope of TFRS ("BRSA Accounting and Financial Reporting Legislation" as a whole), which was put into effect by the POA for matters not regulated by these.

POA made an announcement on 20 January 2022 regarding the application of TAS 29 "Financial Reporting in Hyperinflationary Economies" ("TAS 29") for entities adopting Turkish Financial Reporting Standards ("TFRS") for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying financial statements as of 31 December 2022 in accordance with TAS 29.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Usage Strategy of Financial Instruments and Foreign Currency Transactions

Strategy for the use of financial instruments:

The Parent Bank's main area of activities consist corporate, commercial and retail banking, fund management transactions and international banking services. The Parent Bank gives loans mainly to domestic customers by external sources of funds comprised mainly of domestic deposits and foreign borrowings and invests in marketable securities and banks placements to maintain liquidity.

The liability side of the balance sheet is intensively composed of short-term deposits and medium/long term borrowings in line with the general trend in the banking sector. Foreign currency borrowings are predominately floating rate and thus, the Parent Bank aims to minimize the effects of fluctuations in currency and interest rates in the market. Deposits collected are fixed rate and balanced with fixed rate loans and other investments. The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Parent Bank invests some of its resources to domestic government bonds and short-term placements to reduce liquidity risk.

Currency risk, interest risk and liquidity risk are measured and monitored instantly by various risk management systems, and balance sheet management is carried out within the risk limits and legal limits determined in this framework. Asset-Liability management models, value-at-risk calculations, stress tests and scenario analyzes are used for this purpose.

The Parent Bank designates its loan strategy considering international and national economic data and expectations, market conditions, interest, liquidity, currency, credit and other risks. Loan portfolio of the Parent Bank is not concentrated on a specific segment and concentration risk is taken in consideration as much as possible.

Transactions denominated in foreign currencies:

The Bank covers and controls the exchange rate risks it is exposed to due to foreign currency transactions through various derivative instruments that establish the general balance of foreign currency assets and liabilities.

Monetary assets and liabilities denominated in foreign currencies are translated by using currency exchange rates on the balance sheet date. Currency differences arising from the valuation of monetary items are accounted for in the profit or loss statement as "Foreign Exchange Transactions Profit/Loss".

As of 31 December 2022, the USD exchange rate used in the conversion of foreign currency transactions into Turkish currency and their reflection in the financial statements is 18.6983 full TL, Euro exchange rate is 19.9349 full TL, British Pound exchange value is 22.4892 full TL and Japanese Yen exchange rate is 0.1413 full TL.

There is no goodwill amount related to the Parent Bank's foreign subsidiaries.

III. Explanations on Subsidiaries and Associates

As of 31 December 2022 and 31 December 2021, the Parent Bank has no associates.

On 21 April 2015, Tekstil Portföy Yönetimi A.Ş. was established with TL 2,000,000 - full amount - capital from ICBC Yatırım. On 23 November 2015, the trade name of the company has been changed and registered as ICBC Turkey Portföy Yönetimi A.Ş. (ICBC Portföy). ICBC Portföy is a subsidiary of ICBC Yatırım with 100% partnership and an indirect subsidiary of the Parent Bank. As at 30 June 2016, ICBC Portföy has been consolidated in ICBC Yatırım by full consolidation method. "ICBC Yatırım", the consolidated subsidiary of the Parent Bank, represents ICBC Portföy and ICBC Yatırım as a whole.

ICBC Yatırım, which is financial subsidiary of the Parent Bank is consolidated in the accompanying consolidated financial statements by using full consolidation method as at 31 December 2022 and 31 December 2021.

The Parent Bank and its consolidated subsidiary are referred to as "the Group".

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank's returns.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

III. Explanations on Subsidiaries and Associates (continued)

The carrying amount of the Parent Bank's investment in its subsidiary and the Parent Bank's portion of equity of its subsidiary are netted off. All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated.

The financial statements, which have been used in the consolidation, are prepared as at 31 December 2022 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in same circumstances. There is no obstacle on the transfer of shareholders' equity between the Parent Bank and its subsidiary or on the reimbursement of liabilities.

IV. Explanations on Forwards, Options and Derivative Transactions

The derivative transactions of the Group mainly consist of foreign currency swaps, foreign currency options and forward contracts.

Derivative instruments are classified as "Derivative Financial Assets at Fair Value through Profit or Loss", "Derivative Financial Assets at Fair Value through Other Comprehensive Income" in the asset side of balance sheet and "Derivative Financial Liabilities at Fair Value through Profit or Loss", "Derivative Financial Liabilities at Fair Value through Other Comprehensive Income" in the liabilities side of balance sheet in accordance with TFRS 9.

There is no derivative Financial Liabilities at Fair Value through Other Comprehensive Income" as of 31 December 2022.

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

The derivative transactions are initially recognized at fair value and measured at fair value subsequent to initial recognition and are presented in the "Derivative Financial Assets at Fair Value through Profit/Loss" under the "Derivative Financial Assets" or "Derivative Financial Liabilities at Fair Value through Profit/Loss" under the "Derivative Financial Liabilities" items of the balance sheet depending on the resulting positive or negative amounts of the fair value. Gains and losses arising from a change in the fair value of trading purpose derivatives are recognized in the consolidated income and expense statement. Fair values of derivatives are determined using quoted market prices in active markets or using discounted cash flow techniques within current market interest rates.

Fair values of option agreements are calculated using Black - Scholes option pricing models and unrealized profit and loss amounts are presented in the income statement for the current period.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the cash flows of the combined instrument vary in a way similar to stand alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative but a separate financial instrument. The Parent Group has no embedded derivative instruments.

V. Explanations on Interest Income and Expense

Interest income and expenses are accounted for in accordance with the effective interest method in TFRS 9 (the ratio of the future cash flows of the financial asset to the present value of the future cash flows). Interest income and expenses calculated using the internal rate of return method are recognized on an accrual basis. Pursuant to the related legislation, the Parent Bank ceases accrued interest income on non-performing loans and other interest income accruals which are considered as doubtful and does not record the accruals recorded until that date until the collection is made.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VI. Explanations on Fees and Commissions Income and Expense

Fees and commissions except for which are integral part of "the effective interest (Internal Rate of Return) rates" of financial instruments measured at amortized costs, are accounted for in accordance with TFRS 15 "Revenue from Contracts with Customers". Except for certain fees related to certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period. Prepaid fees for loans are discounted with the effective interest rate method and recorded as income in the relevant period in accordance with the periodicity principle.

VII. Explanations on Financial Assets

The Group recognizes its financial assets as "Financial Assets at Fair Value through Profit or Loss", "Financial Assets at Fair Value through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments. The Group recognizes a financial asset or financial liability on its balance sheet only when it is party to the contractual provisions of the financial lease. The Group derecognizes a financial asset only when the contractual rights to cash flows from the financial asset have expired or the financial assets have been transferred and the conditions for derecognition have been met. A financial liability (or part of a financial liability) is only recognized when the liability has expired; in other words, it is removed from the statement of financial position when the obligation specified in the contract is fulfilled, canceled or time out.

Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value through Profit/Loss", transaction costs are added to fair value or deducted from fair value.

During the recognition of the financial assets, based on following matters, the Group reclassified its financial assets as "Financial Assets at Fair Value through Profit/Loss", "Financial Assets at Fair Value through Other Comprehensive Income" or "Measured at Amortized Cost":

- The business model used by the entity for the management of financial assets,
- Characteristics of contractual cash flows of the financial asset.

When the business model determined by the Group management is changed, all financial assets affected by this change are reclassified. Reclassification of financial assets is applied prospectively from the date of reclassification. In such cases, there is no adjustment to earnings, losses (including impairment gain or loss) or interest received previously in the financial statements is made.

a. Financial Assets at Fair Value through Profit/Loss:

Financial assets at fair value through profit or loss consist of financial assets other than the business model that aims to hold contractual cash flows to collect and the business model that aims to collect and sell contractual cash flows. Financial assets valued at fair value through profit or loss are valued at their fair values. Gain/loss arising on those assets is recorded in the statement of profit or loss.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VII. Explanations on Financial Assets (continued)

b. Financial Assets at Fair Value through Other Comprehensive Income:

A financial asset is measured at fair value through other comprehensive income when both of the following conditions are met:

- Financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell,
- Financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates.

Financial assets measured at fair value through other comprehensive income are measured at their fair values subsequently. Unrealized gains or losses arising from changes in the fair value of securities carried at fair value through profit and loss at fair value through profit or loss are expressed in equity as "Other Comprehensive Income That Will Be Reclassified to Profit or Loss". In case of disposal of marketable securities at fair value through other comprehensive income as a result of fair value application, the value in the shareholders' equity accounts is reflected to the statement of profit or loss. However, the Parent Bank may prefer the method of reflecting changes in fair value to other comprehensive income is irrevocable for the first time in the financial statements for certain investments in equity instruments measured at fair value through profit or loss under normal circumstances.

c. Financial Assets Measured at Amortized Cost:

A financial asset is measured at amortized cost when both of the following conditions are met:

- Financial assets within a business model that aims to hold to collect contractual cash flows,
- Financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates.

Subsequent to the initial recognition, financial assets measured at amortized cost are accounted at "amortized cost" calculated by using the "effective interest (internal rate of return) rate method". Interest income on financial assets measured at amortized cost is reflected as interest income in the income and expense.

Loans:

Loans are financial assets created by providing money, goods or services to the debtor. Such loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method". Charges paid for assets acquired as collateral and other similar expenses are not considered as part of the transaction cost and are reflected in the expense. All the loans of the Parent Bank are recorded under the financial asset "Financial Assets Measured at Amortized Cost" and "Financial Assets at Fair Value Through Other Comprehensive Income" account.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VIII. Explanations on Impairment of Financial Assets

Recognition of Expected Credit Losses in Financial Statements:

The Group makes provisions for financial assets measured at fair value through other comprehensive income, assets measured at amortized cost, and expected losses related to non-cash loans and credit commitments. As of 1 January 2018, the Parent Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750.

The Groups measured the expected credit losses for a financial asset based on the probabilities that are weighted and unbiased by probable outcomes, the time value of money and the estimates of past events, current and future economic conditions that are reasonable, in a way that reflects supportable information.

Within the scope of TFRS 9, calculation of expected credit losses consists of three main parameters: Probability of Default (PD), Loss Given Default (LGD), Exposure of Default (EAD). In addition, the PD and LGD parameters used in the expected credit loss calculation are calculated as instant PD (point in time, PIT) including both current and expected cycle changes. For the determination of macroeconomic expectations, "reasonable and supportable information available without undue cost or effort in estimating past events, current conditions and future economic conditions" can be used and accordingly "estimate of expected losses including their expected effects" can be realized. "Regulatory Factor Values", which are calculated using the actual and scenario-based expected NPL rates by the Bank, are used to include in the calculation. The effect of macroeconomic expectations is reflected on the PD values obtained as a result of the calibration studies performed on the internal rating model using historical data. The cumulative PD values adjusted as a result of the transactions are used is being done.

Probability of Default (PD)

The probability of default represents the probability that the debtor will default in a given time period. Two types of PD values are calculated in accordance with TFRS 9 requests:

- **12-month PD:** The probability of default within 12 months refer to the portion of the expected credit loss that could result from the possible default of the loan.
- **Lifetime PD:** Lifetime losses result from all possible default events over the expected life of the financial instrument after the reporting date.

The Group uses the credit ratings, which are the result of the internal rating systems used by the Bank in the loan allocation processes, to calculate the 12-month or lifetime default probabilities of its corporate and commercial customers. The internal rating models used for the Corporate and Commercial portfolio include the customer's financial information as well as answers to qualitative questions.

Using historical default data for individual customers, a transition matrix based on the number of days of delay is generated and 12-month or lifetime default probabilities are estimated.

For receivables from Banks, the default probability is calculated by using rating transition studies published by S&P.

In the final stage, macroeconomic expectations are taken into account and reflected in the probability of default values.

Loss Given Default (LGD)

If a loan default occurs, it refers to the economic loss that might be encountered by taking into consideration the collection period. In LGD calculations, if the loans are not collateralized, the rates in the IRB App-1 Risk Weighted Amount and Expected Loss Amount Calculation are used. Calculations within the scope of BRSA Credit Risk Mitigation Techniques are also applied for secured loans.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VIII. Explanations on Impairment of Financial Assets (continued)

Recognition of Expected Credit Losses in Financial Statements (continued):

Exposure of Default (EAD)

The exposure at default amount is the expected economic receivable at the time of default. For cash loans, it refers to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors.

Definition of Default

Default means, when the borrower's payment obligations which against to the Group, delays more than 90 days from the day of payment in part or in full, or not pay.

The obligor may be considered as Phase 3 in cases where the Group does not find it possible to pay its obligations regardless of the number of days of delay and without resorting to collateral.

This may include;

- Deterioration in the financial position of the counterparty (memzuc records, bounced check recording, application for condordato, bankruptcy/suspension bankruptcy, etc.) and economic conditions
- Default records in other financial institutions
- The obligor is past due 90 days or more on any material credit obligation to the Bank
- The obligor is past due 30 days or more and restructured after transition from Stage 3 to Stage 2

As of the date of initial recognition, there will be no significant changes in portfolios, financial assets at are subject to expected loss provision calculation have been followed in accordance with the following three-stage model below:

Stage 1: From initial recognition of a financial asset to the date on which an asset has not experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from its default occurring over the earlier of the next 12 months.

Stage 2: An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument and measures the provision for impairment on this financial instrument at an amount equal to the lifetime expected credit losses. The purpose of impairment provisions is to recognize the risk of default occurring over the remaining life of the financial instrument that credit risk has increased significantly since initial recognition.

Stage 3: When one or more events that negatively affect future estimated cash flows of a financial asset occur, the related financial asset becomes credit-impaired. For these assets, expected lifetime loss of credit is recorded. Lifetime expected credit losses are recorded for impaired assets. The probability of default is taken into account as 100%.

The Group also makes additional provisions for corporate customers through an individual assessment.

The Group regularly follows the developments regarding macroeconomic expectations, which it uses to calculate expected credit losses within the general approach method, and applies them to its models by updating. the Group evaluated the negative effects of the COVID-19 outbreak in its models by updating the macroeconomic information for the future.

The loan portfolio of the Group mainly consists of a small number of loans with high amounts. Those loans with high amount and risk level are subject to individual assessment. The Bank reflected the possible effects of COVID-19 by taking into account the reasonable and supportable information it has in the estimation of the probability weights and cash flows of the scenarios it uses, in the calculation of the expected credit loss for the loans it is subject to individual assessment.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VIII. Explanations on Impairment of Financial Assets (continued)

Recognition of Expected Credit Losses in Financial Statements (continued):

Review of the Parent Bank's Business Model:

The Parent Bank classifies its financial assets based on the business model used for the management of financial assets. Based on the determined business model, the Bank evaluates whether the financial assets meet the classification requirements set out in TFRS 9. This assessment requires consideration of all evidence available at the time the assessment was made, including, but not limited to, the following:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the key management personnel of the Bank
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed and
- How the additional payments to the Group management are determined. (for example, whether the additional payments are determined by the fair value of the assets that managed or by the contractual cash flows collected).

Assessment on Contractual Cash Flows Whether Include Only Principal and Interest on Principal Payments are Related to Capital:

A financial asset is classified on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. For this purpose, the Parent Bank determines whether contractual cash flows are solely payments of principal and interest. In assessing whether the contractual cash flows are solely payments of principal and interest, the Parent Bank will consider the consistency of loan agreement. In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest. In assessing whether the contractual cash flows are solely payments of principal and interest, the Parent Bank will consider the contractual terms of the instrument. This will include assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Parent Bank considers:

- Contingent events that would change the amount and timing of cash flows
- Leverage features
- Prepayment and extension terms
- Terms that limit the Parent Bank's claim to cash flows from specified assets
- Features that modify consideration for the time value of money.

IX. Explanations on Write-down Policy

The amendment with respect to the regulation on the "Principles and Procedures Regarding the Classification of Loans and Provisions To Be Set Aside" for These Loans entered into force with its publication in the Official Gazette No.30961 on 27 November 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as "Group V Loan" (Loans Classified as Loss) if it cannot reasonably be expected to be recovered. The Bank performs objective and subjective assessments whether there is reasonable expectation.

The write-down of these loans, which are not possible to be collected, is an accounting policy and this policy does not result in waiving the right of receivables.

X. Explanations On Offsetting Financial Instruments

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

Provisions for foreign exchange gain/loss on foreign currency indexed loans are netted with loans on asset side of consolidated balance sheet. Otherwise, the financial assets and liabilities are netted off only when there is a legal right to do so.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

XI. Explanations on Sale and Repurchase Agreements and Transactions Related to the Lending of Securities

Securities sold under repurchase agreements ("Repo") are classified as "Financial Assets at Fair Value Through Profit/Loss", "Financial Assets at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost" based on the Parent Bank management's intention and measured with the same valuation principles of the portfolio above. Funds received through repurchase agreements are booked in liability account under "Money Market Funds" and the related interest expenses are accounted on an accrual basis based on the difference between selling and repurchase prices using effective interest rate (internal rate of return) method. Securities purchased under resale agreements ("Reverse repo") are classified under "Receivables from Money Markets". An income accrual using the effective interest rate method is accounted for the positive difference between the purchase and resale prices earned during the period. The Parent Bank does not have any securities related to the lending.

XII. Explanations on Assets Held for Sale and Discontinued Operations and Liabilities Related to These Assets

Non-current assets held for sale are accounted for in accordance with the provisions of "TFRS 5 Turkish Financial Reporting Standard on Assets Held for Sale and Discontinued Operations" in the financial statements. In accordance with TFRS 5 - "Non-current Assets Held for Resale and Discontinued Operations", an asset (or disposal group) classified as held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

Non-current assets held for sale are assets that are highly marketable, which a plan for the sale of them has been made by the management team and an active program is initiated for the determination of buyers and the completion of the plan. The asset should be actively marketed at a price compatible with its fair value. In addition, the sale should be expected to be accounted for as a completed sale within one year from the date of classification, and the actions required to complete the plan should show that the likelihood of significant changes in the plan or cancellation of the plan is unlikely.

The Group does not have any assets held for sale (31 December 2021: None).

The Group has no discontinued operations (31 December 2021: None).

XIII. Explanations on Goodwill and Other Intangible Assets

There is no goodwill in the accompanying consolidated financial statements as at 31 December 2022 and 31 December 2021.

Intangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Intangibles are reflected in the consolidated balance sheet at cost less amortization and any accumulated impairment losses. Intangible assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Intangible assets are amortized on amortization rates between 6.66% and 33.33%.

Intangible assets are amortized on a straight-line basis based on their estimated useful lives. The useful life of the asset is determined by evaluating the expected life of the asset, technical, technological or other types of obsolescence, and the maintenance costs necessary to obtain the expected economic benefit from the asset.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

XIV. Explanations on Tangible Assets

Tangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Tangible assets, except buildings as stated below, are reflected in the consolidated financial statements at cost less accumulated depreciation and any accumulated impairment.

Tangible assets are depreciated on a straight-line basis based on the in estimated useful lives.

The estimated useful lives are as follows:

Buildings	50 years
Office machinery, furniture and vehicles	3 - 50 years
Leasehold improvements costs	The shorter of the economic life of lease term

As of the balance sheet date, the amount of depreciation calculated by proportioning the amount of depreciation foreseen for a full year with the period of stay of the asset for the assets that are in the asset for less than one accounting period is depreciated.

If the cost value is higher than the "Net realizable value" of the related tangible asset, the value of the said asset is reduced to its "Net realizable value" in accordance with the "Turkish Accounting Standard for Impairment of Assets" ("TAS 36") and the provision for impairment is associated with expense accounts.

Gain and losses sourcing from disposal of tangible assets are determined through deduction of net book value from the sales revenue of the related plant, property and equipment.

The regular maintenance and repair expenditures are accounted as expense. The investment expenditures, made to increase the future benefits of the asset by improving the capacity of the asset, are added to the cost of the asset. Investment expenditures comprised of the costs, which increase the useful life of the asset, improve the capacity of the asset, increase the quality or decrease the cost of production.

The Parent Bank applies a revaluation model within the framework of TAS 16 "Recognition of Tangible Assets" for buildings included in tangible assets. For this purpose, the fair values of the buildings are determined once a year by an independent valuation firm authorized by the BRSA and the Capital Markets Board. The increase in the book value of the buildings as a result of the revaluation is reflected in the Tangible Assets Revaluation Differences account in the equity account group. As a result of the valuation of the buildings, there is no pre-tax value increase (31 December 2021: TL 29,086) in the Tangible Assets item as of 31 December 2022.

XV. Explanations on Leasing Activities

The Group has started to apply TFRS 16 Leases standard starting from 1 January 2019.

The Group undertakes leases in the building, vehicle and software asset groups.

As a lessee, the Group has previously included the right to lease assets and leasing liabilities for most of its leases in accordance with TFRS 16, even though the Group has previously been classified as operating or financial leasing based on the assessment of whether all the risks and rewards of ownership of the asset have been transferred or not. In other words, these leases are presented in the statement of financial position. The Group classifies the right of use assets in classes of tangible assets and intangible assets that are of the same nature as their assets.

After the commencement date of the lease, the lessee increases the carrying amount of the lease liability to reflect the interest on the lease liability and decreases the carrying amount to reflect the lease payments made. It is remeasured in the event of a change in the lease term and in the assessment of the option to purchase the asset, and in the event of a change in the amounts expected to be paid under the residual value commitment, and in the event of a change in these payments as a result of a change in the index or rate.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

XV. Explanations on Leasing Activities (continued)

The Parent Bank records its fixed assets acquired through financial leasing based on their fair value and on the lease payments that are lower than their present value. Fixed assets acquired through financial leasing are classified under tangible assets and these fixed assets are subject to depreciation based on their useful lives. When a decrease in the value of fixed assets acquired through financial leasing is detected, a "provision for impairment" is made. Liabilities arising from financial leasing agreements are shown in the "Financial lease debts" account in the liabilities. Interest and exchange difference expenses related to financial leasing are reflected in the statement of profit or loss. The Bank does not perform financial leasing transactions in the capacity of being the "lessor". Transactions related to operational leases are accounted for on an accrual basis in accordance with the provisions of the relevant contract.

XVI. Explanations on Provisions and Contingent Liabilities

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

Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Parent Bank management. Whenever the amount of such obligations cannot be measured, they are regarded as "Contingent". If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured with sufficient reliability, a provision is recognized. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with "the periodicity principle". If the amount of the obligation cannot be measured with sufficient reliability or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the notes to the consolidated financial statements.

XVII. Explanations on Contingent Assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the business. Since recognizing the contingent assets in the financial statements may result in the accounting of an income, which will never be generated, the related assets are not included in the financial statements. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the consolidated financial statements. Developments related to the contingent assets are constantly evaluated to be reflected rightly in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

XVIII. Explanations on Obligations Related to Employee Rights

Obligations related to employment termination and vacation rights "TAS 19- Employee Benefits" ("TAS 19") are accounted for in accordance with the provisions.

Under the Turkish Labor Law, the Parent Bank and its subsidiaries operating in Turkey are required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labor Law. According to the related regulation, the Parent Bank is obliged to pay termination benefits for employees who retire, quit for their military service obligations, who have been dismissed as defined in the related regulation or who have completed at least one year of service. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Group was recorded under equity according to "TAS 19 - Employee Benefits". The discount rate has been applied as 3.09% as of 31 December 2022 (31 December 2021: 3.09%).

XIX. Explanations on Taxation**a. Current Tax:**

In Turkey, the general corporate tax rate is 20%. However, within the scope of the article 26 of the Law No. 7394 published in the Official Gazette dated 15 April 2022, "The Law on the Evaluation of the Immovable Property of the Treasury and Amending the Value Added Tax Law and Amending Some Laws and Decree-Laws" and the paragraph added to the temporary article 13 of the Corporate Tax Law No. 5520, this rate will be applied at a corporate tax rate of 25% on the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies for the 2022 taxation period. The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as a deduction in accordance with the tax laws to the commercial income of the corporations, deducting the exceptions (such as the participation earnings exception) and discounts (such as the investment discount) in the tax laws. If there is no dividend distribution, no further tax charges are made.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

XIX. Explanations on Taxation (continued)**a. Current Tax: (continued)**

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. Dividend payments made to individuals and institutions other than these are subject to 15% withholding tax. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied. Pursuant to the President's Decision No. 4936 published in the Official Gazette dated 22 December 2021, the dividends distributed by fully-paying corporations are covered by Article 94 of the Income Tax Law and Articles 15 and 30 of the Corporate Tax Law the rate of withholding was reduced from 15% to 10%. The decision entered into force on the date of publication.

In accordance with the tax legislation, corporate taxes are paid in advance based on the tax base calculated on the quarterly earnings of the companies at the current rate. These payments can be deducted from the annual corporate tax calculated for the whole year earnings. Such taxes paid in advance are deducted from the final corporate tax liability.

In accordance with the Turkish tax legislation, the tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Within the framework of the reiterated article 298/A of the Tax Procedure Law, financial statements are subject to inflation if both of the following conditions are met: - The increase in the price index (DPI - PPI - Domestic Producer Price Index) is reduced from 100% in the last three accounting periods, including the current period, and - more than 10% in the current accounting period. The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on 20 January 2022, with the Law No. 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met. Financial statements of TPL as of 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions have been met. Profit/loss difference arising from inflation adjustment in TPL financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

b. Deferred Tax:

In accordance with TAS 12 "Income Taxes", the Group accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. In the calculation of deferred tax, the enacted tax rates valid as of the balance sheet date are used in accordance with the current tax legislation.

For the items subject to deferred tax calculation as of 31 December 2022, enacted tax rates that are valid in accordance with the current tax legislation are used. Within the scope of the law numbered 7316 published in the Official Gazette dated 22 April 2021, this rate will be applied as 25% for the corporate earnings of the institutions for the 2021 taxation period, and as 23% for the corporate earnings of the 2022 taxation period, starting from the declarations that must be submitted as of 1 July 2021. As of 31 December 2020, deferred tax is calculated over 20%.

However, with the publication of the Law No. 7394 in the Official Gazette dated 15 April 2022, corporate tax rate for Groups, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been permanently increased to 25%, and the tax rate to be applied to the cumulative earnings of 2022 are taken into account as 25%. As of 31 December 2022, the deferred tax is calculated over 25%, and as of 31 December 2021, the enacted tax rates valid in accordance with the current tax legislation are used as of the reporting dates, in accordance with their lives, for the items subject to deferred tax calculation.

If transactions and other occurrences are accounted at profit or loss; tax effects which are related to these transactions and other occurrences are also accounted at profit or loss. If transactions and other occurrences are directly accounted at equity balances; tax effects which are related to these transactions and other occurrences are also accounted at equity accounts. Tax provision of items that are directly related to equity is offset with related equity accounts.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

XIX. Explanations on Taxation (continued)

b. Deferred Tax: (continued)

Deferred tax liabilities are recognized for all deductible temporary differences, however deferred tax assets composed of deductible temporary differences and tax losses are accounted with considering that it is probable that taxable profit will be available and such deductible temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities of the Parent Bank have been offset in the Parent Bank's financial statements. Net deferred tax assets or liabilities of the entities in the Group which are calculated individually have not been offset.

The Group has calculated deferred tax based on the principles above and reflected to the consolidated financial statements.

XIX. Explanations on Taxation

c. Transfer Pricing:

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of "disguised profit distribution via transfer pricing". The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Corporate tax-payers required in "section 7.1 Annual Documentation" part of related communiqué, have to fill the "form relating to transfer pricing, controlled foreign companies and thin capitalization" as associated with purchasing and selling goods or services with related parties in an accounting period and send it to the tax office submitted as an appendix to the corporate tax return.

XX. Additional Explanations on Borrowings

Financial liabilities held for trading and negative value of derivative instruments are carried at fair value and all other financial liabilities are carried at amortized cost using "effective interest rate (internal rate of return) method".

XXI. Explanations on Issued Stock

There is no issued stock in the current period. (31 December 2021: None).

XXII. Explanations On Bills And Acceptances

Acceptances are realized simultaneously with the customer payments and recorded in "off-balance sheet accounts", if any.

XXIII. Explanations on Government Grants

As of 31 December 2022 and 31 December 2021, the Group does not have any government grants.

XXIV. Profit Reserves and Profit Distribution

Retained earnings at statutory books are allowed for distribution except for the following clause on legal reserves.

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company's paid-in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company's share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital.

At the Ordinary General Assembly Meeting of the Parent Bank held on 31 March 2022, it has been decided to allocate TL 5,795 legal reserves at the rate of 5% from TL 115,895, which constitutes the net after-tax balance sheet profit of 2021, in accordance with Article 519/1 of the TCC, and the remaining TL 110,100 will be transferred to extraordinary reserves.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

XXV. Related Parties

For the purpose of the consolidated financial statements, shareholders, members of board of directors, related companies managed by their own and families, associates and jointly controlled entities are accepted as related party in accordance with the article 49 of the Banking Law No.5411. Transactions regarding related parties are presented in note VII of Section Five.

XXVI. Cash and Cash Equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash and balances with central banks, deposits with banks and other financial institutions, other money market placements with an original maturity of twelve months or less and receivables from reverse repo. The reserve requirements blocked at the Central Bank of the Republic of Turkey are not recognized as "cash equivalent assets" in the statement of cash flows.

XXVII. Explanations on Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segment reporting is presented in Section Four, Note XI.

XXVIII. Earnings/Loss Per Share

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

	31 December 2022	31 December 2021
Net Profit/(Loss) for the Period	1,400,797	187,189
Number of Shares	8,600,000	8,600,000
Profit/(Loss) Per Share (*)	0.1629	0.0218

(*) Expressed as full TL.

XXIX. Reclassifications

None.

XXX. Explanations on Other Matters

None.

SECTION FOUR

EXPLANATIONS ON CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT

I. Explanations on Consolidated Equity

Information about consolidated equity items:

Equity amount and capital adequacy standard ratio have been calculated within the framework of "Regulation on Measurement and Evaluation of Banks' Capital Adequacy" and "Regulation on Equity of the Banks".

The Group's capital adequacy ratio is 29.99% (31 December 2021: 26.93%).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations on Consolidated Equity (continued)

Information about consolidated total capital (continued):

Current Period	31 December 2022	31 December 2021
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	860,000	860,000
Share issue premiums	(587)	(587)
Reserves	678,621	491,598
Gains recognized in equity as per TAS	173,251	60,389
Profit	1,457,568	243,825
Current period profit	1,400,767	187,189
Prior period profit/loss	56,801	56,636
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	3,168,853	1,655,225
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st clause of Provisional Article 9 of the Regulation of 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	-	-
Improvement costs for operating leasing	12,882	3,920
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	24,400	11,437
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	9,355	4,828
Differences are not recognized 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 securitization transactions	-	-
Unrealized 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 Bank in its own Common Equity	-	-
Shares obtained contrary to the 4 th clause of the 56 th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of core capital of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of core capital of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the core capital	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the core capital	-	-
Amount exceeding 15% of the core capital as per the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued core capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets arising from temporary differences	361,668	-
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	408,305	20,185
Total Common Equity Tier I Capital	2,760,548	1,635,040

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations on Consolidated Equity (continued)

Information about consolidated total capital (continued):

	31 December 2022	31 December 2021
ADDITIONAL TIER 1 CAPITAL		
Preferred stock not included in core capital and the related share premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier 1 Capital before Deductions	-	-
Deductions from Additional Tier 1 Capital		
Direct and indirect investments of the Bank in its own additional Tier 1 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 Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% of more of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill or other intangibles and deferred tax liabilities of which the regulation concerning transitional Article 2 of subsection of core capital not reduced from (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 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)	2,760,548	1,635,040
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	5,609,490	3,998,700
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (1 st clause of Article 8 of the Regulation on the Equity of Banks)	295,803	236,282
Tier II Capital Before Deductions	5,905,293	4,234,982
Deductions From Tier II Capital		

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations on Consolidated Equity (continued)

Information about consolidated total capital (continued):

	31 December 2022	31 December 2021
Direct and indirect investments of the Bank on its own Tier II capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 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 equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
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 Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	5,905,293	4,234,982
Total Capital (The sum of Tier I Capital and Tier II Capital)	8,665,841	5,870,022
Deductions from Total Capital		
Deductions from Capital Loans granted contrary to the 50 th and 51 st Article of the Law	-	-
Net Book Values of Movable and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	141	158
Regulatory Adjustments which will be deducted from Total Capital during the transition period		
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 deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 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 1 capital and Tier 2 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 deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 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 deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations on Consolidated Equity (continued)

Information about consolidated total capital (continued):

	31 December 2022	31 December 2021
TOTAL CAPITAL		
Total capital (The Sum of Tier I Capital and Tier II)	8,665,700	5,869,864
Total Risk Weighted Amounts	29,887,323	21,799,994
CAPITAL ADEQUACY RATIOS ⁽²⁾		
Core Capital Adequacy Ratio (%)	9.26	7.50
Tier 1 Capital Adequacy Ratio (%)	9.26	7.50
Capital Adequacy Ratio (%)	29.99	26.93
BUFFERS		
Bank-specific total core capital ratio	2.54	2.57
Capital conservation buffer ratio (%)	2.50	2.50
Bank specific countercyclical buffer ratio (%)	0.04	0.07
Systemically significant bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 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 (%)	-	-
Amounts below the financial limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
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 tenthousandtwentyfive limitation)	992,455	857,333
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	295,803	236,282
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 Temporary Article 4 (to be implemented between 1 January 2019 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	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

⁽¹⁾ Amounts in this column represent the amounts of items that are subject to transition provisions in accordance with the temporary articles of "Regulation on Equity of Banks" and take into consideration at the end of transition process.

⁽²⁾ As of 31 December 2022, the Parent Bank has taken into consideration subordinated loan amounting TL 5,613,721 (31 December 2021: TL 3,998,700) from its main shareholder, Industrial and Commercial Bank of China Limited Company, for capital adequacy calculation.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations on Consolidated Equity (continued)

Information about consolidated total capital (continued):

As of 31 December 2022, in accordance with BRSA's decision dated 8 December 2020 and numbered 9312, the Bank, effective until 31 December 2022 the amount subject to credit risk in capital adequacy calculations calculated by taking into account the simple arithmetic average of the Central Bank foreign exchange buying rates for the last 252 business days before the calculation date. According to the Institution's decision numbered 9795 as of 16 September 2021, it has been decided to continue to implement this practice until a Board decision to the contrary is taken. In addition, if the net valuation differences of the securities held by the Parent Bank in the portfolio of "Securities at Fair Value Reflected in Other Comprehensive Income" are negative, the regulation regarding these differences to be calculated in accordance with the Regulation on Bank's Equity and not to be taken into account in the amount of equity to be used for the capital adequacy ratio, pursuant to the Board decision numbered 9996 dated 21 December 2021 and therefore, negative differences in the calculations for the December period are also not included in the equity calculation. As of April 2020, 0% risk weight has been applied to FX receivables from the central government.

Information on the agreement of equity items and balance sheet amounts:

The difference between the consolidated "Equity" in the preceding table and "Equity" in the consolidated balance sheet mainly arises from the general provision. In the calculation of Total Capital, general provision is taken into consideration as Tier II Capital. In addition, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, net book value of immovables that are acquired against overdue receivables and retained more than five years, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

Information on borrowing instruments included in equity calculation:

Lender	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
Descriptive elements of debt instrument (CUSIP, ISIN, etc.)	-
Legislation subject to debt instrument	Implementing Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756

Consideration in equity calculation

Subject to 10% deduction as of 1 January 2015	No
Validity status on consolidated or unconsolidated basis or on both consolidated and unconsolidated basis	Consolidated and Unconsolidated Basis
Type of debt instrument	Secondary Subordinated Loan
Amount considered in the calculation of equity (as of the last reporting date)	TL 5,613,721
Nominal value of debt instrument	300 M USD
Accountable account of the debt instrument	347
Date of issuance of debt instrument Maturity structure of debt instrument (Demand/Term)	28.12.2018
Maturity structure of debt instrument (Demand/Term)	Term
Maturity of debt instrument	28.12.2028
Whether the issuer has the right of reimbursement due to BRSA approval	In the case of a regulatory cause after the 5 th anniversary, the BRSA has the right to reimbursement upon approval
Reimbursement option date, contingent repayment options and refund amount	-
Subsequent reimbursement option dates	-

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations on Consolidated Equity (continued)

Information on borrowing instruments included in equity calculation: (continued)

Interest/dividend payments

Fixed or variable interest/dividend payments	Variable interest
Interest rate and interest rate index value	6 M USD LIBOR +1.75%
Whether there are any restrictions that stop the payment of dividends	Payable in accordance with BRSA communiqués and regulations
Fully optional, partially optional or mandatory	Mandatory
Whether there is an element that will encourage repayment, such as interest rate increases	-
Being non-cumulative or cumulative	Non-cumulative

Convertible to stock

Triggering events/events that can cause conversion if they can be converted to a stock	- Elimination of activity permit
	- Possibility of transfer to SDIF
	- In the event of regulatory reason, the decision of BRSA will be converted to share
Full or partial conversion if convertible	Subject to BRSA approval fully or partially
If convertible, conversion rate	Subject to BRSA approval and convertible
If forced to convert to stock, forced or optional conversion feature	Subject to BRSA approval
Convertible vehicle types if converted to stock	Stock
Issuer of a debt instrument to be converted	-

Value reduction feature

Trigger events/events that will cause a reduction if it has a value reduction feature	-
Total or partial value reduction if value reduction is available	-
Continuous or transient feature	-
Value increment mechanism if the value can be temporarily reduced	-
In the case of the right to take in the case of liquidation in the order of the right (the vehicle just above this debt instrument)	Before the borrowing instruments to be included in the calculation of the additional capital of the owner to the owner, after the depositors and all other debts
Whether the banks do not have the requirements of Articles 7 and 8 of the Regulation on Shareholders' Equity	Although it has all the requirements of Article 8, it does not meet the requirements of Article 7
Which of the requirements of the articles 7 and 8 of the Regulation on Equity of Banks are not	Although it has all the requirements of Article 8, it does not meet the requirements of Article 7

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk

1. Credit risk represents the risks and losses that may arise from the failure of the counter party, with whom the Group has a relationship, to partially or completely fulfill its obligations on time by not complying with the contractual requirements of the Group

In the Parent Bank, Credit Allocation Department and Problematic Loans Follow-up Department is responsible for managing the credit risk. The Group determines credit limits to counter parties and does not allocate loans more than these limits so as to subject credit risk to risk limitation. Credit limits are determined individually for each customer, company, company groups and risk groups. The Group assesses several criteria such as financial power of customers, business capacity, industry, geographical segment and equity structure when determining credit limits. The review of financial position of the customers is based on financial statements obtained in accordance with relevant legislation and other information. The geographical distribution of credit customers is appropriate to branch network, country, industry, trade and service activities allocation. The credibility of the debtors is assessed periodically with taking notice of the financial statements of the debtors obtained thoroughly to be audited in accordance with the relevant legislation.

The Group gives importance to credit guarantees. Guarantees are generally in form of real estate and movable mortgages, commercial enterprise pledges, secured investment securities, letters of guarantee of other banks and sureties.

The Bank classified overdue loans in accordance with TFRS 9 and "Regulation on the Procedures and Principles for Determination of Classification of Loans by Banks and Provisions to be set aside" in current period. General loan loss provision is calculated for past due loans and specific provision is calculated for impaired loans in accordance with "Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" in the prior periods.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

Information related to total amount of exposures after offsetting transactions but before applying risk mitigations and the average exposure amounts that are classified in different risk groups and types:

31 December 2022 Risk Classifications	Current Period Risk Amount ⁽¹⁾	Average Risk Amount
Contingent and non-contingent claims on central governments or Central Banks	19,898,833	16,961,165
Contingent and non-contingent claims on regional governments or local authorities	16,291	18,964
Contingent and non-contingent claims on administrative bodies and non-commercial undertakings	2,478,794	891,745
Contingent and non-contingent claims on multilateral development banks	-	-
Contingent and non-contingent claims on international organizations	-	-
Contingent and non-contingent claims on banks and intermediary institutions	13,615,801	11,780,282
Contingent and non-contingent claims on corporate	17,667,171	16,865,823
Contingent and non-contingent claims on retail	70,474	74,300
Contingent and non-contingent claims secured by residential property	2,224,012	2,276,565
Past due loans	4,912	8,364
Higher risk categories decided by the Board	-	-
Secured by mortgages	-	-
Securitization positions	-	-
Short-term claims on banks and intermediary institutions and short-term corporate receivables	-	-
Undertakings for collective investments in mutual funds	-	-
Stock Investments	-	-
Other receivables	1,343,092	896,280

⁽¹⁾ Risk amounts present amounts before credit risk mitigation, after credit conversion rate process.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

31 December 2021 Risk Classifications	Current Period Risk Amount ⁽¹⁾	Average Risk Amount
Contingent and non-contingent claims on central governments or Central Banks	13,268,774	8,777,982
Contingent and non-contingent claims on regional governments or local authorities	21,985	24,292
Contingent and non-contingent claims on administrative bodies and non-commercial undertakings	411,651	49,202
Contingent and non-contingent claims on multilateral development banks	-	-
Contingent and non-contingent claims on international organizations	-	-
Contingent and non-contingent claims on banks and intermediary institutions	7,092,237	9,084,171
Contingent and non-contingent claims on corporate	13,704,948	10,884,418
Contingent and non-contingent claims on retail	82,582	95,849
Contingent and non-contingent claims secured by residential property	1,967,827	2,015,293
Past due loans	6,014	6,736
Higher risk categories decided by the Board	-	-
Secured by mortgages	-	-
Securitization positions	-	-
Short-term claims on banks and intermediary institutions and short-term corporate receivables	-	-
Undertakings for collective investments in mutual funds	-	-
Stock Investments	-	-
Other receivables	441,121	318,344

⁽¹⁾ Risk amounts present amounts before credit risk mitigation, after credit conversion rate process.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

2. The Parent Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with other potential risks resulting from market fluctuations.

3. Regarding forward transactions, if it is required, reverse positions of the current positions are purchased to minimize the risk.

4. Indemnified non-cash loans are treated as non-performing loans. Standard loans restructured and rescheduled loans are followed-up in accordance with the monitoring methods defined by banking regulations.

5. There is a structure for foreign funding transactions, where the countries and their market risks are analyzed. When the international interbank credit transactions of the Group are assessed, the majority of the current international credit risk amounts consist of cash-to-cash transactions.

6. a) As of 31 December 2022, the shares of the top 100 and 200 cash loan customers of the Group constitute 98.3% and 98.3% of the total cash loans portfolio (31 December 2021: 97.2% and 98.1%), respectively.

b) As of 31 December 2022, the shares of the top 100 and 200 non-cash loan customers of the Group constitute 99.95% and 99.99% of the total non-cash loans portfolio (31 December 2021: 99.94% and 99.99%), respectively.

c) As of 31 December 2022, the Group's total cash and non-cash loans from its top 100 and 200 loan customers comprise 10.58% and 10.69% of the aggregate of total assets and off-balance sheet items (31 December 2021: 12.10% and 12.20%), respectively.

7. As of 31 December 2022, the Group's stage 1 and stage 2 expected loan loss provision amounts to TL 815,815 (31 December 2021: TL 732,332).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

8.a) Profile of significant exposures in major regions:

31 December 2022 ⁽⁴⁾	Risk Classifications ⁽¹⁾							Risk Classifications ⁽¹⁾									Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Domestic	19,898,833	16,291	2,478,794	-	-	11,892,320	17,421,712	70,349	2,224,012	4,912	-	-	-	-	-	1,343,092	55,350,315
European Union Countries	-	-	-	-	-	428,660	91,573	1	-	-	-	-	-	-	-	-	520,234
OECD Countries ⁽²⁾	-	-	-	-	-	3,258	-	-	-	-	-	-	-	-	-	-	3,258
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	67,909	-	-	-	-	-	-	-	-	-	-	67,909
Other Countries	-	-	-	-	-	1,223,654	153,886	124	-	-	-	-	-	-	-	-	1,377,664
Investments and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	19,898,833	16,291	2,478,794	-	-	13,615,801	17,667,171	70,474	2,224,012	4,912	-	-	-	-	-	1,343,092	57,319,380

31 December 2021 ⁽⁴⁾	Risk Classifications ⁽¹⁾							Risk Classifications ⁽¹⁾									Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Domestic	13,268,774	21,985	411,651	-	-	5,648,500	13,392,791	82,443	1,967,827	6,014	-	-	-	-	-	441,121	35,241,106
European Union Countries	-	-	-	-	-	119,867	59,310	1	-	-	-	-	-	-	-	-	179,178
OECD Countries ⁽²⁾	-	-	-	-	-	2,810	26,694	-	-	-	-	-	-	-	-	-	29,504
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	18,787	-	1	-	-	-	-	-	-	-	-	18,788
Other Countries	-	-	-	-	-	1,302,273	226,153	137	-	-	-	-	-	-	-	-	1,528,563
Investments and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/Liabilities ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	13,268,774	21,985	411,651	-	-	7,092,237	13,704,948	82,582	1,967,827	6,014	-	-	-	-	-	441,121	36,997,139

⁽¹⁾ Reclassifications in the Regulation on Measurement and Evaluation of Capital Adequacy of Banks have been used.

1	Contingent and non-contingent claims on central governments and Central Banks	9	Contingent and non-contingent claims secured by residential property
2	Contingent and non-contingent claims on regional governments or local authorities	10	Past due loans
3	Contingent and non-contingent claims on administrative bodies and other non-commercial undertakings	11	Higher risk categories decided by the Board
4	Contingent and non-contingent claims on multilateral development banks	12	Secured by mortgages
5	Contingent and non-contingent claims on international organizations	13	Securitization positions
6	Contingent and non-contingent claims on banks and intermediary institutions	14	Short-term claims on banks and intermediary institutions and short-term corporate receivables
7	Contingent and non-contingent claims on corporate	15	Undertakings for collective investments in mutual funds
8	Contingent and non-contingent claims on retail	16	Other receivables

⁽²⁾ Includes OECD countries other than EU countries, USA and Canada

⁽³⁾ Includes asset and liability items that cannot be allocated on a consistent basis

⁽⁴⁾ Risk amounts present amounts before credit risk mitigation, after credit conversion rate process

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

8.b) Risk profile by industries or counterparties:

31 December 2022 ⁽²⁾	Risk Classifications ⁽¹⁾									Risk Classifications ⁽¹⁾							TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Agriculture	-	-	-	-	-	-	580	66	-	-	-	-	-	-	-	-	646	-	646	
Farming and Raising																				
Livestock	-	-	-	-	-	-	41	66	-	-	-	-	-	-	-	-	108	-	107	
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fishery	-	-	-	-	-	-	539	-	-	-	-	-	-	-	-	-	539	-	539	
Manufacturing	-	-	884,129	-	-	-	9,216,964	199	101,587	-	-	-	-	-	-	-	613,214	9,589,665	10,202,879	
Mining and Quarrying	-	-	-	-	-	-	2,073	17	-	-	-	-	-	-	-	-	1,482	608	2,090	
Production	-	-	-	-	-	-	6,446,666	182	101,587	-	-	-	-	-	-	-	410,447	6,137,987	6,548,435	
Electric, Gas and Water	-	-	884,129	-	-	-	2,768,225	-	-	-	-	-	-	-	-	-	201,285	3,451,070	3,652,355	
Construction	-	-	-	-	-	-	1,138,910	466	1,629,967	4,753	-	-	-	-	-	-	26,049	2,748,047	2,774,096	
Services	19,898,833	16,291	1,594,664	-	-	12,930,481	5,846,903	452	275,165	1	-	-	-	-	-	-	11,052,954	29,509,836	40,562,790	
Wholesale and Retail Trade	-	-	1,594,664	-	-	-	1,450,456	237	-	1	-	-	-	-	-	-	486,213	2,559,145	3,045,358	
Hotel, Food and Beverage	-	-	-	-	-	-	110,364	7	275,165	-	-	-	-	-	-	-	4,161	381,375	385,536	
Transportation and Telecommunication	-	-	-	-	-	-	1,675,740	29	-	-	-	-	-	-	-	-	150,591	1,525,178	1,675,769	
Financial Institutions	19,898,833	-	-	-	-	12,930,481	1,442,392	38	-	-	-	-	-	-	-	-	10,331,841	29,933,530	34,271,744	
Real Estate and Rental Services	-	-	-	-	-	-	4,380	84	-	-	-	-	-	-	-	-	4,464	-	4,464	
Self-Employment Services	-	-	-	-	-	-	1,163,062	25	-	-	-	-	-	-	-	-	58,852	1,104,235	1,163,087	
Educational Services	-	-	-	-	-	-	51	32	-	-	-	-	-	-	-	-	83	-	83	
Health and Social Services	-	16,291	-	-	-	-	458	-	-	-	-	-	-	-	-	-	16,749	-	16,749	
Other	-	-	-	-	-	685,320	1,463,815	69,291	217,294	158	-	-	-	-	-	-	1,343,092	1,020,920	2,758,049	3,778,969
Total	19,898,833	16,291	2,478,794	-	-	13,615,801	17,667,171	70,474	2,224,012	4,912	-	-	-	-	-	-	1,343,092	12,713,783	44,605,597	57,319,380

⁽¹⁾ Risk classifications in the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" have been used. Risk classes that do not have a base amount for credit risk are not included in the table.

1	Contingent and non-contingent claims on central governments and Central Banks	9	Contingent and non-contingent claims secured by residential property
2	Contingent and non-contingent claims on regional governments or local authorities	10	Past due loans
3	Contingent and non-contingent claims on administrative bodies and other non-commercial undertakings	11	Higher risk categories decided by the Board
4	Contingent and non-contingent claims on multilateral development banks	12	Secured by mortgages
5	Contingent and non-contingent claims on international organizations	13	Securitization positions
6	Contingent and non-contingent claims on banks and intermediary institutions	14	Short-term claims on banks and intermediary institutions and short-term corporate receivables
7	Contingent and non-contingent claims on corporate	15	Undertakings for collective investments in mutual funds
8	Contingent and non-contingent claims on retail	16	Other receivables

⁽²⁾ Risk amounts present amounts before credit risk mitigation, after credit conversion rate process.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

8.b) Risk profile by industries or counterparties (continued):

31 December 2021 ⁽²⁾	Risk Classifications ⁽¹⁾									Risk Classifications ⁽¹⁾							TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Agriculture	-	-	254,334	-	-	-	101	94	-	-	-	-	-	-	-	-	254,529	-	254,529	
Farming and Raising Livestock	-	-	254,334	-	-	-	92	94	-	-	-	-	-	-	-	-	254,520	-	254,520	
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fishery	-	-	-	-	-	-	9	-	-	-	-	-	-	-	-	-	9	-	9	
Manufacturing	-	-	157,317	-	-	-	4,787,194	299	92,672	1	-	-	-	-	-	-	716,919	4,320,564	5,037,483	
Mining and Quarrying	-	-	-	-	-	-	47,497	46	-	-	-	-	-	-	-	-	2,666	44,877	47,543	
Production	-	-	-	-	-	-	2,602,972	211	92,372	1	-	-	-	-	-	-	698,476	1,997,080	2,695,556	
Electric, Gas and Water	-	-	157,317	-	-	-	2,136,725	42	300	-	-	-	-	-	-	-	15,777	2,278,607	2,294,384	
Construction	-	-	-	-	-	-	1,074,188	151	1,130,966	3,832	-	-	-	-	-	-	398,832	1,810,305	2,209,137	
Services	13,268,774	21,985	-	-	-	6,187,424	6,822,928	759	447,068	2	-	-	-	-	-	-	7,488,391	19,260,549	26,748,940	
Wholesale and Retail Trade	-	-	-	-	-	-	2,619,100	583	3	2	-	-	-	-	-	-	502,387	2,117,301	2,619,688	
Hotel, Food and Beverage	-	-	-	-	-	-	94,957	9	253,557	-	-	-	-	-	-	-	21,249	327,274	348,523	
Transportation and Telecommunication	-	-	-	-	-	-	1,497,298	-	-	-	-	-	-	-	-	-	148,638	1,348,660	1,497,298	
Financial Institutions	13,268,774	-	-	-	-	6,187,424	884,196	38	-	-	-	-	-	-	-	-	6,779,369	13,561,063	20,340,432	
Real Estate and Rental Services	-	-	-	-	-	-	795,021	18	193,508	-	-	-	-	-	-	-	4,210	984,337	988,547	
Self-Employment Services	-	-	-	-	-	-	922,039	25	-	-	-	-	-	-	-	-	150	921,914	922,064	
Educational Services	-	-	-	-	-	-	15	-	-	-	-	-	-	-	-	-	15	-	15	
Health and Social Services	-	21,985	-	-	-	-	10,302	86	-	-	-	-	-	-	-	-	32,373	-	32,373	
Other	-	-	-	-	-	904,813	1,020,537	81,279	297,121	2,179	-	-	-	-	-	-	441,121	1,012,898	1,734,152	2,747,050
Total	13,268,774	21,985	411,651	-	-	7,092,237	13,704,948	82,582	1,967,827	6,014	-	-	-	-	-	-	441,121	9,871,569	27,125,570	36,997,139

⁽¹⁾ Risk classifications in the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" have been used.

1	Contingent and non-contingent claims on central governments and Central Banks	9	Contingent and non-contingent claims secured by residential property
2	Contingent and non-contingent claims on regional governments or local authorities	10	Past due loans
3	Contingent and non-contingent claims on administrative bodies and other non-commercial undertakings	11	Higher risk categories decided by the Board
4	Contingent and non-contingent claims on multilateral development banks	12	Secured by mortgages
5	Contingent and non-contingent claims on international organizations	13	Securitization positions
6	Contingent and non-contingent claims on banks and intermediary institutions	14	Short-term claims on banks and intermediary institutions and short-term corporate receivables
7	Contingent and non-contingent claims on corporate	15	Undertakings for collective investments in mutual funds
8	Contingent and non-contingent claims on retail	16	Other receivables

⁽²⁾ Risk amounts present amounts before credit risk mitigation, after credit conversion rate process.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

8.c) Analysis of maturity-bearing exposures according to remaining maturities:

31 December 2022	Term to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 Year
Risk Classification ⁽¹⁾					
Contingent and non-contingent claims on central governments or Central Banks ⁽³⁾	5,587,722	32,049	247,691	1,164,737	9,191,218
Contingent and non-contingent claims on regional governments or local authorities	-	-	-	-	16,291
Contingent and non-contingent claims on administrative bodies and other non-commercial undertakings	-	-	684,129	200,000	1,594,664
Contingent and non-contingent claims on multilateral development banks	-	-	-	-	-
Contingent and non-contingent claims on international organizations	-	-	-	-	-
Contingent and non-contingent claims on banks and intermediary institutions	3,137,167	303,451	772,856	1,878,854	5,793,075
Contingent and non-contingent claims on corporate	1,835,306	1,720,131	1,422,144	3,776,188	7,626,544
Contingent and non-contingent claims on retail portfolios	20,073	832	1,499	7,843	15,905
Contingent and non-contingent claims secured by residential property	457	350	978	104,895	2,116,544
Past due loans ⁽²⁾	-	-	-	-	-
Higher risk categories decided by the Board	-	-	-	-	-
Secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term claims on banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-
Equity investments	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-
Other receivables	-	-	-	-	-
Total ⁽²⁾	10,580,725	2,056,813	3,129,297	7,132,517	26,356,241

⁽¹⁾ Risk figures present amounts before credit risk mitigation, after credit conversion rate process.

⁽²⁾ Net impaired loans amounting to TL 4,912 are not included.

⁽³⁾ The amount of restricted time deposits kept at Central Bank of the Republic of Turkey is presented under the 1-month column.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

8.c) Analysis of maturity-bearing exposures according to remaining maturities: (continued)

31 December 2021	Term to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	Over 1 Year
Risk Classification ⁽¹⁾					
Contingent and non-contingent claims on central governments or Central Banks ⁽³⁾	4,049,773	641,680	1,952	923,211	4,507,828
Contingent and non-contingent claims on regional governments or local authorities	-	-	-	-	21,985
Contingent and non-contingent claims on administrative bodies and other non-commercial undertakings	-	-	254,334	157,318	-
Contingent and non-contingent claims on multilateral development banks	-	-	-	-	-
Contingent and non-contingent claims on international organizations	-	-	-	-	-
Contingent and non-contingent claims on banks and intermediary institutions	1,713,115	562,575	237,099	2,899,553	1,186,532
Contingent and non-contingent claims on corporate	937,727	990,944	939,587	1,264,349	8,974,676
Contingent and non-contingent claims on retail portfolios	15,929	832	1,463	7,740	36,419
Contingent and non-contingent claims secured by residential property	324	325	1,663	202,815	1,761,823
Past due loans ⁽²⁾	-	-	-	-	-
Higher risk categories decided by the Board	-	-	-	-	-
Secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term claims on banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-
Equity investments	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-
Other receivables	-	-	-	-	21,928
Total ⁽²⁾	6,716,868	2,196,356	1,436,098	5,454,986	16,511,191

⁽¹⁾ Risk figures present amounts before credit risk mitigation, after credit conversion rate process.

⁽²⁾ Net impaired loans amounting to TL 6,014 are not included.

⁽³⁾ The amount of restricted time deposits kept at Central Bank of the Republic of Turkey is presented under the 1-month column.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

9. Information related to Credit Ratings:

While determining the risk classifications explained in the article No. 6 of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", ratings given by authorized rating companies are not used.

Risk amounts according to risk weight:

Risk Weight - 31 December 2022	0%	20%	35%	50%	75%	100%	150%	200%	Deducted From Equity ⁽¹⁾
Exposures Before Credit Risk Mitigation	29,019,658	2,734,948	208,918	5,813,877	61,078	19,102,591	20,518	-	37,282
Exposures After Credit Risk Mitigation	29,428,380	2,786,942	208,368	5,427,706	57,074	19,042,752	10,365	-	37,282

⁽¹⁾ Includes the amounts deducted from core capital.

Risk Weight - 31 December 2021	0%	20%	35%	50%	75%	100%	150%	200%	Deducted From Equity ⁽¹⁾
Exposures Before Credit Risk Mitigation	13,432,595	1,820,787	285,089	5,881,239	74,037	15,483,072	20,320	-	15,515
Exposures After Credit Risk Mitigation	13,478,157	1,869,323	284,504	5,857,938	67,330	15,429,350	10,537	-	15,515

⁽¹⁾ Includes the amounts deducted from core capital.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

10. Information of major industries or type of counterparties:

Impaired and past due loans and value adjustments and methods related to provisions are explained at Section Four, article no. 1 of Note II.

31 December 2022	Loans ⁽¹⁾		Provisions
	Impaired (IFRS 9)		
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	Expected Credit Loss Provisions (IFRS 9)
Major Industries/Counterparties			
Agriculture	-	-	-
Farming and Raising Livestock	-	-	-
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	772,645	2,033	158,120
Mining and Quarrying	-	-	-
Production	-	1,967	1,966
Electricity, Gas and Water	772,645	66	136,151
Construction	-	24,756	20,003
Services	726,737	11,629	433,503
Wholesale and Retail Trade	726,737	11,611	430,397
Accommodation and Dining Services	-	-	-
Transportation and Telecommunication	-	-	-
Financial Institutions	-	18	17
Real Estate and Lending Services	-	-	-
Self-Employment Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	-	-
Other	250,195	3,538	3,251
Total	1,749,577	41,956	591,785

⁽¹⁾ Includes information related to cash loans.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

10. Information of major industries or type of counterparties: (continued)

31 December 2021	Loans ⁽¹⁾		Provisions
	Impaired (IFRS 9)		
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Industries/Counterparties			
Agriculture	-	15	15
Farming and Raising Livestock	-	14	14
Forestry	-	1	1
Fishery	-	-	-
Manufacturing	635,214	1,308	272,399
Mining and Quarrying	-	10	10
Production	66,921	1,289	16,389
Electricity, Gas and Water	568,293	9	256,000
Construction	-	19,151	15,320
Services	418,908	17,129	306,825
Wholesale and Retail Trade	418,908	16,260	305,956
Accommodation and Dining Services	-	1	1
Transportation and Telecommunication	-	351	351
Financial Institutions	-	-	-
Real Estate and Lending Services	-	506	506
Self-Employment Services	-	-	-
Educational Services	-	-	-
Health and Social Services	-	11	11
Other	3,485	6,357	4,271
Total	1,057,607	43,960	598,830

⁽¹⁾ Includes information related to cash loans.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations on Consolidated Credit Risk (continued)

11. Information related to value adjustments and loan loss provisions:

31 December 2022	Opening Balance	Provision within the Period	Provision Reversals	Other Adjustments ⁽¹⁾	Closing Balance
Stage I and II Provisions	732,332	83,483	-	-	815,815

⁽¹⁾ Other adjustments in Stage Three Provisions include amounts for non-performing loans written off and disposed of through sale.

⁽²⁾ Includes information related to cash loan.

31 December 2021	Opening Balance	Provision within the Period	Provision Reversals	Other Adjustments ⁽¹⁾	Closing Balance
Stage I and II Provisions	284,980	503,120	(55,768)	-	732,332

⁽¹⁾ Other adjustments in Stage Three Provisions include amounts for non-performing loans written off and disposed of through sale.

⁽²⁾ Includes information related to cash loan.

12. Risks included in the calculation of circular capital:

31 December 2022	Private sector loans in banking accounts	Risk-weighted amount calculated within the scope of trading accounts	Total	
				Name of the Country
	Turkey	25,741,910	-	25,741,910
	China	2,360,396	-	2,360,396
	North Macedonia	319,582	-	319,582
	Germany	153,886	-	153,886
	Luxembourg	99,451	-	99,451
	Malta	67,555	-	67,555
	United States of America	15,236	-	15,236
	Italy	2,582	-	2,582
	Other	5,470	-	5,470

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

III. Explanations on Consolidated Operational Risk

The Group used the "Basic Indicators Approach" in computation of its operational risk. In accordance with the 3rd section 'Computation of the Operational Risk' of the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks", published in the Official Gazette no. 29111 dated 6 September 2014, operational risk is computed using the gross income of the Group for the years ended 2020, 2019 and 2018. Operational risk used in computation of capital adequacy ratio per article I of this section is 8% of TL 1,035,780 which is TL 82,822. TL 82,822 represents also the minimum capital amount to eliminate the operational risk.

Information related to operational risk that is calculated with basic indicator approach:

	2 PP Amount	1 PP Amount	CP Amount	Total/Number of years of positive gross	Rate (%)	Total
Gross income	552,508	749,624	1,453,037	3	15	137,758
Value at Operational Risk (Total*12.5)						1,721,980
	2 PP Amount	1 PP Amount	CP Amount	Total/Number of years of positive gross	Rate (%)	Total
Gross income	578,072	552,508	749,624	3	15	94,010
Value at Operational Risk (Total*12.5)						1,175,127

IV. Explanations on Consolidated Foreign Currency Exchange Rate Risk

Foreign currency risk indicates the possibilities of the potential losses that banks are subject to due to adverse movements between currencies. The Parent Bank monitors foreign currency exchange rate risk in currency/TL and parity basis and uses different risk methods and tools for each. The Parent Bank hedges parity risks through spot/forward arbitrage transactions.

The Parent Bank's foreign currency exchange rate risk is measured by Standard Method and Value at Risk Method.

The Group considers all foreign currency assets and liabilities and currency forward transactions in measuring capital obligation against consolidated currency risk. Net short and long positions of TL equivalents of all types of currencies are calculated. Position with the higher absolute value, which is the basis for the capital obligation, is used measuring the capital obligation for currency risk.

The Parent Bank's Board of Directors determines the Parent Bank's limits, within regulatory limitations, related to short/long positions at any period. The Treasury Department of the Parent Bank is responsible from the management of price and liquidity risks on Turkish Lira or foreign currency in the domestic and international markets. Risk Management Department exercises continuous control on risks in the money markets and transactions creating these risks and reports to the Asset-Liability Committee of the Parent Bank weekly.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IV. Explanations on Consolidated Foreign Currency Exchange Rate Risk (continued)

The Parent Bank's spot foreign exchange bid rates as at the balance sheet date and for each of the five workdays prior to that date (full TL):

	27.12.2022	28.12.2022	29.12.2022	30.12.2022	31.12.2022
USD	18.6813	18.6964	18.6966	18.6983	18.6983
GBP	22.5142	22.4804	22.4663	22.4892	22.4892
EURO	19.9087	19.8946	19.8816	19.9349	19.9349
JPY	0.1400	0.1392	0.1395	0.1413	0.1413

The basic arithmetical average of the Parent Bank's foreign exchange bid rates for the last thirty days ending 31 December 2022 (TL full):

	Monthly Average FC Exchange Bid Rates
USD	18.6395
GBP	22.6536
EURO	19.7374
JPY	0.1380

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IV. Explanations on Consolidated Foreign Currency Exchange Rate Risk (continued)

Information on consolidated foreign currency exchange rate risk:

31 December 2022	Euro	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with The CBRT ⁽¹⁾	303,098	11,229,187	7,027	11,539,312
Banks	493,454	1,145,904	31,610	1,670,968
Financial Assets at Fair Value Through Profit or Loss	34,160	-	-	34,160
Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	6,152,919	547,964	1,002,476	7,703,359
Loans ⁽²⁾	10,922,238	13,063,691	698	23,986,627
Investment and Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	-	5,696,174	-	5,696,174
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	761	5,494	128	6,383
Total Assets ^{(2) (3) (7)}	17,906,630	31,688,414	1,041,939	50,636,983
Liabilities				
Interbank Deposits	1	420,819	1,133,649	1,554,469
Foreign Currency Deposits	2,325,688	14,268,365	825,403	17,419,456
Fund Provided From Money Market	-	-	-	-
Funds Provided From Other Financial Institutions	8,497,354	20,708,410	403,123	29,608,887
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Derivative Financial Liabilities Held For Hedging	-	-	-	-
Other Liabilities	1,882	26,954	81,308	110,144
Total Liabilities ^{(2) (4) (8)}	10,824,925	35,424,548	2,443,483	48,692,956
Net On Balance Sheet Position	7,081,705	(3,736,134)	(1,401,544)	1,944,027
Net Off Balance Sheet Position	6,743,612	4,998,781	1,413,414	(331,417)
Financial Derivatives Assets ⁽⁵⁾	2,559,643	9,452,478	1,976,631	13,988,752
Financial Derivatives Liabilities ⁽⁵⁾	9,303,255	4,453,697	563,217	14,320,169
Non-Cash Loans ⁽⁴⁾	3,014,748	9,313,304	25,793	12,353,845
31 December 2021				
Total Assets ^{(2) (3) (7)}	12,397,153	17,852,930	861,964	31,112,047
Total Liabilities ^{(2) (4) (8)}	8,159,449	22,806,642	675,280	31,641,371
Net On Balance Sheet Position	4,237,704	(4,953,712)	186,684	(529,324)
Net Off Balance Sheet Position	(4,210,917)	5,724,264	(187,665)	1,325,682
Receivables from Derivative Financial Assets ⁽⁵⁾	100,327	6,293,913	386,051	6,780,291
Payables to Derivative Financial Liabilities ⁽⁵⁾	4,311,244	569,649	573,716	5,454,609
Non-Cash Loans ⁽⁴⁾	3,897,453	5,780,541	13,306	9,691,300

⁽¹⁾ As of 31 December 2022 and 31 December 2021, the Group does not have precious metals in CBRT accounts.

⁽²⁾ As of 31 December 2022, accrual differences of derivative transactions presented in "Derivative Financial Assets at Fair Value Through Profit or Loss" and "Derivative Financial Liabilities at Fair Value Through Profit or Loss" amounting to TL 57,367 and TL 460,675, respectively (31 December 2021: to TL 63,483 and TL 4,503) are not included in the table.

⁽³⁾ As of 31 December 2022, there are no foreign currency indexed loans and rediscount amounts included under the TL column in the "Loans" line in the assets (31 December 2021: None).

⁽⁴⁾ Has no effect on net off-balance sheet position.

⁽⁵⁾ As of 31 December 2022, foreign currency purchase transactions amounting to TL 193,246 and selling transactions with a value date of TL 193,041 are included in the "Forward Assets Purchase/Sale Commitments" item in off-balance sheet accounts (31 December 2021: TL 148,427 and TL 85,117).

⁽⁶⁾ As of 31 December 2022, "Valuation Differences of Securities" amounting to TL 116,368 (31 December 2021: TL 1,555) which are classified under shareholders' equity, are not included.

⁽⁷⁾ As of 31 December 2022, assets amounting to TL 805,072 (31 December 2021: TL 697,672) are not included "Expected Loss Provisions".

⁽⁸⁾ As of 31 December 2022, liabilities amounting to TL 130,981 (31 December 2021: TL 96,948) are not included "Other Provisions".

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

V. Explanations on Consolidated Interest Rate Risk

Consolidated interest rate risk is the probability of loss due to changes in interest rates depending on the Group's position regarding the interest-bearing financial instruments.

Interest rate risk arises as a result of timing differences on the re-pricing of assets and liabilities, changes in correlation of interest rates between different financial instruments and, unexpected changes in the shape and slope of yield curves. Exposure to interest rate movements arises when there is a mismatch between rate sensitive assets and liabilities.

The Parent Bank deals with interest rate risk in the scope of market risk management and asset-liability management.

As part of asset and liability management, duration and sensitivity analysis are used to measure the effects of changes in yield curves on the balance sheet. The Parent Bank's management daily monitors interest rate movements in the market and revises the Parent Bank's interest rates.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

V. Explanations on Consolidated Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽¹⁾	Total
31 December 2022							
Assets							
Cash (Cash in Vault, Effectives, Money in Transit, Cheques Purchased) and Balances with The CBRT	7,827,015	-	-	-	-	4,045,566	11,872,581
Banks	783,140	-	-	-	-	902,122	1,685,262
Financial Assets at Fair Value Through Profit or Loss ⁽²⁾	3,410	75,696	6,771	-	-	50,675	136,552
Money Market Placements	5,400	-	-	-	-	-	5,400
Financial Assets at Fair Value Through Other Comprehensive Income	-	6,115,106	1,256,698	238,716	132,284	-	7,742,804
Loans	4,930,648	6,731,303	12,374,167	1,823,574	1,345,179	-	27,204,871
Financial Assets Measured at Amortized Cost	723,877	76,128	3,249,763	7,318,926	1,130,576	-	12,499,270
Other Assets ⁽¹⁾	128	-	-	-	-	817,652	817,780
Total Assets	14,273,618	12,998,233	16,887,399	9,381,216	2,608,039	5,816,015	61,964,520
Liabilities							
Bank Deposits	1,303,769	-	-	-	-	1,254,329	2,558,098
Other Deposits	11,916,215	4,202,544	1,796,654	548	-	3,724,353	21,640,314
Money Market Borrowings	731,806	-	-	-	-	-	731,806
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin. Inst.	4,344,741	7,776,786	19,930,297	-	-	-	32,051,824
Other Liabilities ⁽¹⁾	358,793	225,653	4,594	-	-	4,393,438	4,982,478
Total Liabilities	18,655,324	12,204,983	21,731,545	548	-	9,372,120	61,964,520
Balance Sheet Long Position	-	793,250	-	9,380,668	2,608,039	-	12,781,957
Balance Sheet Short Position	(4,381,706)	-	(4,844,146)	-	-	(3,556,105)	(12,781,957)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(4,381,706)	793,250	(4,844,146)	9,380,668	2,608,039	(3,556,105)	-

⁽¹⁾ Tangible and intangible assets amounting to TL 212,438, deferred tax assets amounting to TL 667,686, tax assets amounting to TL 1,256, expected loss provisions amounting to TL (893,483) and other assets amounting to TL 140,235, are included in other assets line in the interest-free column; provisions amounting to TL 537,826, tax liability amounting to TL 435,653, lease liabilities amounting to TL 106,829, other liabilities amounting to TL 291,659 and equity amounting to TL 3,137,237 are presented in other liabilities as non-interest bearing.

⁽²⁾ Derivative financials instruments are included.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

V. Explanations on Consolidated Interest Rate Risk (continued)

Interest sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates) (continued)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing ⁽¹⁾	Total
31 December 2021							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the CBRT	4,910,310	-	-	-	-	2,694,448	7,604,758
Banks	291,651	268	-	-	-	167,262	459,181
Financial Assets at Fair Value Through Profit or Loss	164,627	15,190	10,613	-	-	67,224	257,654
Money Market Placements	20,955	-	-	-	-	-	20,955
Financial Assets at Fair Value Through Other Comprehensive Income	214,755	3,789,210	192,673	225,386	97,597	-	4,519,621
Loans	4,787,547	8,418,843	1,681,010	2,816,657	1,025,286	-	18,729,343
Financial Assets Measured at Amortized Cost	935,014	467,870	2,410,375	3,932,655	251,530	-	7,997,444
Other Assets ⁽¹⁾	698	-	-	-	-	(216,768)	(216,070)
Total Assets	11,325,557	12,691,381	4,294,671	6,974,698	1,374,413	2,712,166	39,372,886
Liabilities							
Bank Deposits	600,253	-	-	-	-	148,109	748,362
Other Deposits	9,938,998	2,396,974	518,464	1,071	-	2,702,684	15,558,191
Money Market Borrowings	3,024,482	-	-	-	-	-	3,024,482
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin. Inst.	615,308	2,006,335	14,352,626	-	-	-	16,974,269
Other Liabilities	565,285	4,379	10,491	-	-	2,487,427	3,067,582
Total Liabilities	14,744,326	4,407,688	14,881,581	1,071	-	5,338,220	39,372,886
Balance Sheet Long Position	-	8,283,693	-	6,973,627	1,374,413	-	16,631,733
Balance Sheet Short Position	(3,418,769)	-	(10,586,910)	-	-	(2,626,054)	(16,631,733)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(3,418,769)	8,283,693	(10,586,910)	6,973,627	1,374,413	(2,626,054)	-

⁽¹⁾ Tangible and intangible assets amounting to TL 134,674, deferred tax assets amounting to TL 300,614, current tax assets amounting to TL 504, expected loss provisions amounting to TL (893,456) and other assets amounting to TL 140,235, are included in other assets line in the interest-free column; provisions amounting to TL 434,807, tax liability of TL 199,192, liabilities from lease transactions amounting to TL 74,534, other foreign sources amounting to TL 153,680, and equity amounting to TL 1,625,214 are presented in other liabilities as non-interest bearing.

⁽²⁾ Derivative financials instruments are included.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

V. Explanations on Consolidated Interest Rate Risk (continued)

Interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
31 December 2022 ⁽¹⁾				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the CBRT	2.53	-	-	-
Banks	1.39	4.60	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	10.75
Financial Assets at Fair Value Through Other Comprehensive Income	2.65	5.05	-	22.05
Loans	5.12	7.24	-	43.06
Financial Assets Measured at Amortised Cost	-	5.91	-	9.86
Liabilities				
Bank Deposits	-	4.64	-	10.38
Other Deposits	0.92	1.96	-	15.04
Money Market Borrowings	-	-	-	10.16
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	2.72	4.98	-	13.81

⁽¹⁾ Stated at compound interest rates.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

V. Explanations on Consolidated Interest Rate Risk (continued)

Interest rates applied to monetary financial instruments (continued):

	EURO %	USD %	JPY %	TL %
31 December 2021 ⁽¹⁾				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	8.50
Banks	-	0.10	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	16.86
Financial Assets at Fair Value Through Other Comprehensive Income	2.65	5.05	-	22.05
Loans	3.00	3.67	-	18.17
Financial Assets Measured at Amortised Cost	-	5.91	-	9.86
Liabilities				
Bank Deposits	-	-	-	15.23
Other Deposits	0.47	1.00	-	15.23
Money Market Borrowings	-	-	-	14.02
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	0.05	1.16	-	17.02

⁽¹⁾ Stated at compound interest rates.

The interest rate risk of the banking book items:

The interest rate risk of the banking book items is prepared via the cash flow of interest sensitive balance sheet and off-balance sheet positions for bank accounts, over the maturity for fixed interest rate instruments and over the re-pricing period for variable interest rate instruments.

Present values of the net positions obtained over related cash flows are calculated by yield curves formed by using market interest rates. The proportion of the differences arising from implementation of positive and negative standard shocks to equity is followed.

For products with non-specified maturities, maturity is determined based on interest rate setting frequency and customer behaviors. These results are supported by periodical sensitivity and scenario analysis against prospective fluctuations in the market.

The interest rate risk of the banking book items is measured legally in accordance with the "Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts via Standard Shock Method", published in the Official Gazette no. 28034 dated 23 August 2011, and the legal limit based on this measurement is monitored and reported monthly.

The interest rate risks of financial instruments on trading portfolio are considered within the scope of the market risk.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

V. Explanations on Consolidated Interest Rate Risk (continued)

The interest rate risk of the banking book items: (continued)

The following table presents the economic value differences arising from fluctuations in interest rates in accordance with the Regulation on Measurement and Evaluation of Interest Rate on Banking Accounts by Standard Shock, divided by different currencies as of 31 December 2022. Tax effects are excluded in the study.

Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity-Losses/Equity
TL	500	(271,145)	(3.2%)
	(400)	261,233	3.1%
EUR	200	(191,284)	(2.3%)
	(200)	214,748	2.6%
USD	200	(343,261)	(4.1%)
	(200)	446,637	5.3%
Total (for Negative Shocks)		922,618	11.0%
Total (for Positive Shocks)		(805,690)	(9.6%)

VI. Explanations on Consolidated Liquidity Management and Liquidity Coverage Ratio

Liquidity risk is the risk generated as a result of not having an effect or cash inflow at a level which can meet cash outflow, formed because of an imbalance in cash flow, timely and completely.

Liquidity risk can also be formed as a result of not closing positions with appropriate prices and in required time because of market conditions.

The Parent Bank established Liquidity Management Principles in order to monitor, audit and manage its liquidity position and liquidity requirement. Liquidity risk of the Parent Bank is managed through taking potential funding sources, unexpected situation plans and legal limits into consideration within the framework of limits which are updated at least annually.

It is aimed to carry out activities through ensuring a liquidity level which can provide to make payments at any time to sustain the trustable bank image of the Parent Bank in the sector via taking risk/return balance of the Parent Bank into consideration. Cash inflow and outflows in Turkish Lira and foreign currencies are tried to be kept under control continuously in liquidity risk management approach, long-term cash flow tables are formed and scenario analysis based on expectations and stress tests are performed to determine the resistance against the sudden crisis.

Liquidity risk management is performed by Assets and Liability Committee (ALCO) and Treasury Department under the guidance of Audit Committee. Liquidity risk management under stress conditions is performed in the framework of Emergency Situation Funding Plan. ALCO is responsible to measure, monitor and manage liquidity risk and net funding requirement periodically and follow its implementations and to plan necessary precautions for urgent and unexpected conditions occurring related to liquidity of the Parent Bank. Treasury Department is responsible to plan the access of the Parent Bank to the market for short-, medium- and long-term fund requirements, monitor and evaluate funding requirement under different scenarios and plan necessary precautions for urgent and unexpected conditions occurring related to liquidity of the Parent Bank.

The Parent Bank's Risk Management Department is responsible to define, measure, monitor the liquidity risk periodically and report to senior management. Risk Management Department also provides coordination in the management of liquidity management process. Risk Management Department monitors the liquidity risk via specific ratios and submit it to ALCO weekly.

Liquidity management is not performed centrally. The Parent Bank does not function as a central funding institution in its relation with partners. Funding management of the Parent Bank is operated in the framework of ALCO decisions. The liabilities of the Parent Bank are mainly liabilities provided in TL, USD and EUR currencies. Foreign currency funds are used to generate TL assets via swap transactions for the purpose of liquidity management. Derivative transactions are used in scope of liquidity reduction techniques. Cash flow analysis is made on the basis of TL and FC and estimated liquidity requirement is calculated. The action plans are prepared and the liquidity position is evaluated through warnings applied to assets and liabilities of the Parent Bank to determine stresses which can occur on the liquidity position of the Parent Bank. The Parent Bank makes scenario analysis taking delays and non-payment in credit payments, deposit withdrawn, and non-liquidation of securities into consideration as stress cases. It is detailed in emergency liquidity management process and Liquidity Emergency Funding Plan. This plan determines the gradation of resources which shall be used for responsibilities, communication channels, funding sources and urgent requirements.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

Liquidity coverage ratios are calculated on a weekly and monthly basis as of 1 January 2015 in accordance with the Regulation on Banks' Liquidity Coverage Ratio Calculation published in the Official Gazette No. 28948 dated 21 March 2014 and are subject to legal reporting. Liquidity coverage ratios should be at least 80% in foreign currency assets and liabilities for 2022 and at least 100% in total assets and liabilities. The ratios in the table show the rates for the twelve months including the reporting period.

Month	Min FC (%)	Min Sum (%)	Max FC (%)	Max Sum (%)
31 December 2022	421.26	317.60	589.39	377.69

31 December 2022	Unweighted Amounts ⁽²⁾		Weighted Amounts ⁽²⁾	
	TL+FC	FC	TL+FC	FC

HIGH QUALITY LIQUID ASSETS

High Quality Liquid Assets	26,280,057	17,486,289
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CASH OUTFLOWS

Retail and Small Business Customers Deposits	9,904,400	7,945,271	986,909	824,305
Stable deposits	838,921	2,198	41,391	199
Less Stable Deposits	9,065,479	7,943,073	945,518	824,106
Unsecured Funding other than Retail and Small Business Customer Deposits	18,623,980	14,312,738	10,407,222	2,513,685
Operational Deposits	3,098	1	795	-
Non-Operational Funding	15,908,278	13,594,578	6,633,180	555,419
Other Unsecured Funding	2,712,604	718,159	3,773,247	1,958,266
Secured Funding	-	-	-	-
Other Cash Outflows	3,359,278	2,524,157	3,965,816	2,088,094
Liquidity Needs Related to Derivatives and Market Valuation				
Changes on Derivatives Transactions	3,115,441	2,321,285	3,843,421	2,032,330
Debts Related to The Structured Financial Products	-	-	-	-
Commitments Related to Debts To Financial Markets and Other Off-Balance Sheet Liabilities	243,836	202,872	122,395	55,764
Commitments That Are Unconditionally Revocable at Any Time by The Bank and Other Contractual Commitments	3,536,240	3,536,240	210,910	210,910
Other Irrevocable or Conditionally Revocable Commitments	7,101,471	6,831,194	715,557	684,869
TOTAL CASH OUTFLOWS			16,286,414	6,321,863

CASH INFLOWS

Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	5,260,899	4,636,046	4,605,369	3,912,156
Other Contractual Cash Inflows	2,775,688	2,770,907	3,666,624	3,666,624
TOTAL CASH INFLOWS	8,036,587	7,406,953	8,271,993	7,578,780

	Upper Limit Applied Accounts	
TOTAL HIGH LIQUIDITY ASSETS	26,280,057	17,486,289
TOTAL NET CASH OUTFLOWS	8,014,421	3,743,083
LIQUIDITY COVERAGE RATIO (%)	327.91	467.16

⁽¹⁾ Simple arithmetical average of the monthly consolidated liquidity coverage ratios of the third three months of 2022 was taken.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

31 December 2021	Unweighted Amounts ⁽¹⁾		Weighted Amounts ⁽¹⁾	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
High Quality Liquid Assets			8,080,376	5,901,739
CASH OUTFLOWS				
Retail and Small Business Customers Deposits	7,125,264	5,297,112	664,055	529,463
Stable deposits	969,431	4,966	48,472	248
Less Stable Deposits	6,155,833	5,292,146	615,583	529,215
Unsecured Funding other than Retail and Small Business Customer Deposits	8,984,008	8,094,030	4,329,623	3,821,552
Operational Deposits	2,033	-	323	-
Non-Operational Funding	7,470,586	7,075,842	3,061,448	2,839,502
Other Unsecured Funding	1,511,389	1,018,188	1,267,852	982,050
Secured Funding	-	-	-	-
Other Cash Outflows	2,321,782	2,061,348	2,046,191	1,865,776
Liquidity Needs Related to Derivatives and Market Valuation Changes on Derivatives Transactions	1,862,464	1,735,394	1,862,464	1,735,394
Debts Related to The Structured Financial Products	-	-	-	-
Commitments Related to Debts To Financial Markets and Other Off-Balance Sheet Liabilities	459,318	325,954	183,727	130,382
Commitments That Are Unconditionally Revocable at Any Time by The Bank and Other Contractual Commitments	533,487	533,487	26,674	26,674
Other Irrevocable or Conditionally Revocable Commitments	2,784,681	2,449,814	284,145	249,581
TOTAL CASH OUTFLOWS			7,350,688	6,493,046
CASH INFLOWS				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	3,363,675	3,067,427	2,948,738	2,678,270
Other Contractual Cash Inflows	1,557,930	1,552,284	1,557,930	1,552,284
TOTAL CASH INFLOWS	4,921,605	4,619,711	4,506,668	4,230,554
			Upper Limit Applied	Accounts
TOTAL HIGH LIQUIDITY ASSETS			8,080,376	5,901,739
TOTAL NET CASH OUTFLOWS ⁽¹⁾			2,844,020	2,262,492
LIQUIDITY COVERAGE RATIO (%)			284.12	260.85

⁽¹⁾ Simple arithmetical average of the monthly consolidated liquidity coverage ratios of the fourth three months of 2021 was taken.

There has been a decrease in the liquidity coverage ratio due to the increase in cash outflows due to the increase in the unsecured debts of the Parent Bank excluding real person deposits and retail deposits in the current period. The Parent Bank accepts required reserves, deposit and drawing accounts in Central Bank of Republic of Turkey, cash and borrowing instruments issued by Undersecretariat of Treasury as premium quality as liquid assets. Deposits are the main fund resources while loans provided from abroad, and repo are other resources regarding funding. The opposite parties of repo transactions are the Central Bank of the Republic of Turkey and banks and there is no concentration. A significant part of funds, provided from abroad, is provided by the risk group of the Bank.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

Presentation of assets and liabilities according to their remaining maturities

31 December 2022	Demand	Up to 1 month	1-3 months	3-12 Months	1-5 Years	5 years and over	Undist. ⁽¹⁾	Total
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the CBRT	4,045,566	7,827,015	-	-	-	-	-	11,872,581
Banks	902,121	783,141	-	-	-	-	-	1,685,262
Financial Assets at Fair Value Through Profit or Loss ⁽⁴⁾	50,745	3,340	59,297	6,771	-	-	-	120,153
Interbank Money Market Placements	-	5,400	-	-	-	-	-	5,400
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	13,762	1,217,612	6,379,147	132,283	-	7,742,804
Loans	-	3,996,717	1,855,707	9,255,548	5,691,797	6,405,102	-	27,204,871
Financial Assets Measured at Amortised Cost	-	-	18,014	1,868,900	8,085,707	2,526,649	-	12,499,270
Other Assets	-	800,199	427,779	3,575	1,564	658,331	(1,057,269)	834,179
Total Assets	4,998,432	13,415,812	2,374,559	12,352,406	20,158,215	9,722,365	(1,057,269)	61,964,520
Liabilities								
Bank Deposits	1,254,329	1,303,769	-	-	-	-	-	2,558,098
Other Deposits	3,724,353	11,916,213	4,202,545	1,796,655	548	-	-	21,640,314
Funds Borrowed from Other Financial Institutions	-	3,546,255	6,832,311	15,115,061	944,475	5,613,722	-	32,051,824
Interbank Money Markets	-	731,806	-	-	-	-	-	731,806
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-	-
Other Liabilities	-	310,779	1,050,234	35,900	5,600	37,735	3,542,230	4,982,478
Total Liabilities	4,978,682	17,808,822	12,085,090	16,947,616	950,623	5,651,457	3,542,230	61,964,520
Net Liquidity Gap	19,750	(4,393,010)	(9,710,531)	(4,595,210)	19,207,592	4,070,908	(4,599,499)	-
Net off balance sheet position	-	(236,270)	(138,593)	2,932	-	-	-	(371,931)
Derivative financial assets ⁽³⁾	-	5,332,282	8,616,998	1,322,861	-	-	-	15,272,141
Derivative financial liabilities ⁽³⁾	-	5,568,552	8,755,591	1,319,929	-	-	-	15,644,072
Non-cash loans ⁽²⁾	313,558	3,946,171	946,364	1,255,102	5,722,667	1,544,759	-	13,728,621
31 December 2021								
Total Assets	2,849,639	9,211,136	2,239,385	8,418,909	11,013,173	5,980,602	582,419	39,130,425
Total Liabilities	2,876,995	13,592,199	4,405,848	10,890,158	1,297,758	4,046,783	2,020,684	39,130,425
Net Liquidity Gap	(27,356)	(4,381,063)	(2,166,463)	2,471,249	9,715,415	1,933,819	2,603,103	-
Net off balance sheet position	-	156,378	14,550	341	-	-	-	171,269
Derivative financial assets ⁽³⁾	-	3,958,877	2,814,008	182,253	-	-	-	6,955,238
Derivative financial liabilities ⁽³⁾	-	3,902,599	2,797,458	181,912	-	-	-	6,781,969
Non-cash loans ⁽²⁾	4,918,146	910,930	1,000,516	1,204,685	2,465,449	3,332	-	10,503,057

⁽¹⁾ The balance sheet is composed of TL 212,438 of tangible and intangible assets, TL 5,434 of the stationary supplies, TL 2,025 of assets held for sale, TL 893,483 of expected credit loss provisions, TL 537,826 deferred tax assets and liabilities on the balance sheet which are necessary for the banking operations, provisions amounting to TL 291,659 of other liabilities and equity amounting to TL 3,137,237 are included here.

⁽²⁾ The non-cash loans given indefinitely are shown in the demand column.

⁽³⁾ As of 31 December 2022, the spot purchase transactions amounting to TL 193,247 which are shown under TL Forward Asset Commitment/Sale Commitments account in the off-balance sheet accounts are included in the receivables from derivative financial instruments and valued spot foreign exchange transactions amounting to TL 193,041 are included in liabilities of derivative financial instruments (31 December 2021 : TL 223,169 and TL 223,255).

⁽⁴⁾ Receivables from derivative transactions are included.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VII. Explanations on Consolidated Leverage Ratio

Consolidated leverage ratio of the Parent Bank calculated based on 3 months average amounts is 3.43% as at 31 December 2022 (31 December 2021: 3.91%). This rate is above the minimum rate.

	Curent period 31 December 2022 ⁽¹⁾	Prior period 31 December 2021 ⁽¹⁾
On-Balance Sheet Exposures		
On-Balance sheet assets (Excluding derivative financial instruments and credit derivatives, including collaterals)	60,565,395	31,489,334
(Assets amounts deducted in determining Tier 1 capital)	143	(160)
Total on-Balance sheet exposures	60,565,538	31,489,174
Derivative Financial Instruments and Credit Derivatives		
Replacements cost of derivative financial instruments and credit derivatives	-	-
Potential credit risk of derivative financial instruments and credit derivatives	301,336	125,363
Total risk amount related to derivative financial instruments and credit derivatives	301,336	125,363
Securities or Commodity Collateralized Financing Transactions		
Risk amount of security or commodity secured financing transactions	153,471	192,906
Amount of risk arising from brokered transactions	-	-
Total risk amount related to securities or commodity-backed financing transactions	153,471	192,906
Off-Balance Sheet Items		
Off-balance sheet exposure at gross notional amount	15,114,089	9,920,586
Adjustments for conversions to credit equivalent amounts	-	-
Total risk of off-balance sheet items	15,114,089	9,920,586
Capital and Total Exposure		
Tier 1 capital	2,612,192	1,631,970
Total exposures	76,134,434	41,728,029
Leverage Ratio Average	3.43%	3.91%

⁽¹⁾In current period and prior period table, the arithmetic average of the last 3 months.

Summary comparison table of total asset amount and total risk amount in the consolidated financial statements prepared in accordance with TAS:

	31 December 2022 ⁽¹⁾	31 December 2021 ⁽¹⁾
1 Total amount of assets included in the consolidated financial statements prepared in accordance with TAS	60,565,395	31,489,334
2 The difference between the amount of assets in the consolidated financial statements prepared in accordance with TAS and the amount of assets in the consolidated financial statements prepared within the scope of the Communiqué on Preparation of Consolidated Financial Statements of Banks	-	-
3 The difference between the amounts of derivative financial instruments and credit derivatives in the consolidated financial statements prepared within the scope of the Communiqué on the Preparation of Consolidated Financial Statements of Banks and their risk amounts	301,336	125,363
4 The difference between the amounts in the consolidated financial statements prepared within the scope of the Communiqué on the Preparation of the Consolidated Financial Statements of the "Banks and the risk amounts of the securities or commodity-backed financing transactions	153,471	192,906
5 The difference between the amounts of off-balance sheet transactions in the consolidated financial statements prepared within the scope of the Communiqué on Preparation of Consolidated Financial Statements of Banks and their risk amounts	15,114,089	9,920,586
6 Other differences between the amount in the consolidated financial statements prepared within the scope of the Communiqué on the Preparation of Consolidated Financial Statements of Banks and the risk amount	143	(160)
7 Total risk amount	76,134,434	41,728,029

⁽¹⁾The amounts in the table show the arithmetic averages of the last 3 months of the relevant periods.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VIII. Consolidated Share Position Risk Arising from Banking Accounts

As at 31 December 2022 and 31 December 2021, the Group has no share position risk arising from banking accounts.

IX. Explanations on Consolidated Risk Management

Risk Management contains all processes of identifying, measuring, monitoring, limit determination, identifying the areas of risk concentration and reporting the risks the Bank is or will be exposed to due to its facilities.

Risk Management organization constituted to systematically manage the risks the Bank is or will be exposed to, consists of the Independent Audit Committee connected directly to the Board of Directors, Risk Management Department fulfilling the responsibilities to Board of Directors via this committee and certain individual risk management committees including senior management or relevant processes.

Risk Management Department is divided into two different units as Risk Methodology, Model Development and Reporting Unit and Risk Policy Development and Monitoring Unit. The Risk Policy Development and Monitoring Unit is responsible for monitoring and preparing risk policies and procedures in general and making them compatible with current legislation, while the Risk Methodology, Model Development and Reporting Unit is responsible for measuring and monitoring the risks exposed and preparing internal and legal reports. Business continuity studies are carried out by the Operational Risk Committee within the framework of the Bank's Business Continuity Strategy. Risk management committees are Senior Risk Committee and market risk committee, credit risk committee, operational risk committee.

Necessary manners are identified to update, adjust for changing circumstances, implement and manage the policies determined to identify and manage the risks the Bank is exposed to. These risks are measured and managed with accepted international procedures and procedures complied with international and local regulations, policies and procedures of the Bank.

Risk management policies have been determined in accordance with the Bank's activity volume, nature and complexity, and have been established by taking into account the Bank's past experience and performance. The Bank's main risk policies, including risk appetite and limits for each risk, are credit risk, market risk, operational risk, country risk, interest rate risk, liquidity risk, strategic risk, reputation risk policies.

The Bank has regulated the principles of ICAAP management to be a part of the internal management processes and decision-making culture of the bank, with a future-oriented perspective, based on adequate and appropriate measurement-evaluation methods and processes, in accordance with the risk appetite, covering all its risks on a consolidated and unconsolidated basis. ICAAP is owned by the Risk Management Department and is scheduled to be reviewed annually or more frequently as needed.

The Bank carries out its operational risk management activities in line with Basel II in accordance with local and international regulations. Operational Risk Policies, Operational Risk Monitoring Rules and Operational Risk Reduction Principles prepared in this direction are in effect.

In market risk management, the Bank uses the results obtained with Basel II advanced measurement techniques while determining the limits for risk limitation. In this context, risk measurements using advanced measurement models and daily limit controls are carried out, various scenario analyzes and stress tests are applied. In market risk management, measurements such as Value at Risk (VAR), stress testing and scenario analysis, duration gap and sensitivity analysis are used.

The reliability of the model is monitored by applying backtesting by comparing the estimated gains/losses with the actual values with the risk measurement model used. The measurement of the resilience of the capital against the risks that may occur when the fluctuation in the market is very high is done by stress tests and scenario analysis.

Bank and market data are regularly monitored for the purpose of risk management. Within the scope of limiting risks, in-bank limits are determined as well as legal limits. Possible changes in economic conditions and risks that may arise under difficult conditions are taken into account.

The units responsible for reporting on all risks, the frequency of reporting and the authority to which it will be made are determined separately in the policy documents containing the management process of each risk. In addition, the Risk Management Department regularly reports the analysis of the Bank's risks to which it is exposed, the periodic development of risks and the use of limits, and the risk situation to the Assets and Liabilities Committee and the Risk Management Committee of the Board of Directors.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

1. General Information on Consolidated Risk Management and Risk Weighted Amounts:

a) Overview of RWA

	Risk Weighted Amount		Minimum Capital Requirement
	Current Period 31 December 2022	Prior Period 31 December 2021	Current Period 31 December 2022
1 Credit risk (excluding counterparty credit risk)	23,006,832	18,816,558	1,840,547
2 Standardised approach	23,006,832	18,816,558	1,840,547
3 Internal rating-based approach	-	-	-
4 Counterparty credit risk	161,139	85,984	12,891
5 Standardised approach for counterparty credit risk	161,139	85,984	12,891
6 Internal model method	-	-	-
7 Basic risk weight approach to internal models equity position in the banking account	-	-	-
8 Investments made in collective investment companies - look-through approach	-	-	-
9 Investments made in collective investment companies - mandate-based approach	-	-	-
10 Investments made in collective investment companies - 1250% weighted risk approach	-	-	-
11 Settlement risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach	-	-	-
14 IRB Supervisory Formula Approach	-	-	-
15 SA/simplified supervisory formula approach	-	-	-
16 Market risk	4,997,371	1,722,325	399,790
17 Standardised approach	4,997,371	1,722,325	399,790
18 Internal model approaches	-	-	-
19 Operational risk	1,721,980	1,175,127	137,758
20 Basic Indicator Approach	1,721,980	1,175,127	137,758
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	29,887,322	21,799,994	2,390,987

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

2. Connections between Financial Statements and Risk Amounts:

a) Differences between accounting consolidation and legal consolidation scope and matching

	Amount of Items Valued in accordance with TAS					Not subject to capital requirements or subject to deduction from capital
	Valued amount in accordance with TAS reported in financial statements	Subject to credit risk	Subject to counterparty credit risk	Subject to securitization positions	Subject to market risk	
Current Period 31 December 2022						
Assets						
Cash and Central Bank	13,557,843	15,563,243	-	-	-	-
Financial Assets at Fair Value Through Profit or Loss	50,710	-	-	-	50,711	-
Financial Assets at Fair Value Through Other Comprehensive Income	7,742,804	7,742,804	-	-	-	-
Banks	-	-	-	-	-	-
Receivables from Money Markets	5,400	-	-	-	-	-
Expected Loss Provisions (-)	893,456	36,660	-	-	-	-
Loans and Receivables	27,204,871	27,204,871	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Financial Assets Measured at Amortised Cost	12,499,270	12,499,270	-	-	-	-
Associates	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	-	-	-	-	-	-
Leasing Receivables	-	-	-	-	-	-
Derivative Financial Asset	85,842	-	156,188	-	(387,873)	-
Tangible Assets (Net)	188,038	188,038	-	-	-	-
Intangible Assets (Net)	24,400	24,400	-	-	-	24,400
Tax asset	1,256	1,256	-	-	-	-
Deferred Tax Asset	667,686	667,686	-	-	-	-
Other assets	829,856	829,856	-	-	-	12,882
Total Assets	61,964,520	62,684,703	156,188	-	(337,162)	37,282
Liabilities						
Deposit	24,198,412	-	-	-	-	24,198,412
Funds Borrowed	26,438,103	-	-	-	-	26,438,103
Money Market Funds	731,806	395,318	4,951	-	-	331,538
Marketable Securities Issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Financial Liabilities at Fair Value Through P/L	-	-	-	-	-	-
Derivative Financial Liabilities	473,274	-	-	-	-	473,274
Factoring Liabilities	-	-	-	-	-	-
Lease Liabilities	106,829	-	-	-	-	106,829
Provisions	537,826	-	-	-	-	537,556
Current Tax Liability	435,653	-	-	-	-	435,617
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Property And Equipment Held For Sale And Related To Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	5,613,721	-	-	-	-	5,613,721
Other Liabilities	291,659	-	-	-	-	291,659
Equity	3,137,237	-	-	-	-	3,137,273
Total Liabilities	61,964,520	395,318	4,951	-	-	61,564,251

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

2. Connections between Financial Statements and Risk Amounts (continued):

a) Differences between accounting consolidation and legal consolidation scope and matching (continued)

Prior Period 31 December 2021	Amount of Items Valued in accordance with TAS					Not subject to capital requirements or subject to deduction from capital
	Valued amount in accordance with TAS reported in financial statements	Subject to credit risk	Subject to counterparty credit risk	Subject to securitization positions	Subject to market risk	
Assets						
Cash and Cash Equivalents	8,084,894	8,084,894	-	-	-	-
Financial Assets at Fair Value Through Profit or Loss	67,224	-	-	-	67,224	-
Financial Assets at Fair Value Through Other Comprehensive Income	4,519,621	4,519,621	-	-	-	-
Banks	-	-	-	-	-	-
Receivables from Money Markets	-	-	-	-	-	-
Expected Loss Provision (-)	792,795	37,695	-	-	-	-
Loans and Receivables	18,729,343	18,729,343	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Financial Assets Measured at Amortised Cost	7,997,444	7,997,444	-	-	-	-
Associates	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-
Jointly Controlled Partnerships (Joint Ventures) (Net)	-	-	-	-	-	-
Leasing Receivables	-	-	-	-	-	-
Derivative Financial Asset	190,430	-	85,623	-	174,141	-
Tangible Assets (Net)	123,237	123,237	-	-	-	3,920
Intangible Assets (Net)	11,437	11,437	-	-	-	11,437
Tax asset	504	504	-	-	-	-
Deferred Tax Asset	300,614	300,614	-	-	-	-
Other assets	140,933	140,933	-	-	-	-
Total Assets	39,372,886	39,870,359	85,623	-	241,365	15,357
Liabilities						
Deposit	16,306,553	-	-	-	-	16,306,553
Funds Borrowed	12,974,644	-	-	-	-	12,974,644
Money Market Funds	3,024,482	23,270	361	-	-	-
Marketable Securities Issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Financial Liabilities at Fair Value Through P/L	-	-	-	-	-	-
Derivative Financial Liabilities	16,323	-	-	-	-	16,323
Factoring Liabilities	-	-	-	-	-	-
Lease Liabilities	74,534	-	-	-	-	74,534
Provisions	434,807	-	-	-	-	434,807
Current Tax Liability	199,192	-	-	-	-	199,192
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Property And Equipment Held For Sale And Related To Discontinued Operations (Net)	-	-	-	-	-	-
Subordinated Debt Instruments	3,999,625	-	-	-	-	3,999,625
Other Liabilities	717,512	-	-	-	-	717,512
Equity	1,625,214	-	-	-	-	1,625,214
Total Liabilities	39,372,886	23,270	361	-	-	36,364,753

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

2. Connections between Financial Statements and Risk Amounts (continued)

b) Main Sources of Differences between the Risk Amounts and the Valuation Amounts in the Financial Statements in accordance with TAS:

Current Period 31 December 2022	Total	Subject to credit risk	Securitization positions	Subject to counterparty credit risk	Subject to market risk
2 Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS (as in template B1)	400,269	395,318	-	4,951	-
3 Total net amount under legal consolidation	62,364,788	63,080,021	-	161,139	(337,162)
4 Off-balance Sheet Amounts	44,787,685	7,624,701	-	-	-
5 Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7 Differences due to consideration of provisions	-	-	-	-	-
8 Differences arising from the Institution's practices	-	-	-	-	-
9 Differences due to risk reduction	-	-	-	-	-
10 Risk amounts	107,152,473	70,764,701	-	161,139	(337,162)
Prior Period 31 December 2021					
1 Valued amounts of assets within the scope of legal consolidation in accordance with TAS (as in template B1)	39,372,886	39,870,359	-	85,623	241,365
2 Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS (as in template B1)	23,631	23,270	-	361	-
3 Total net amount under legal consolidation	39,396,517	39,893,629	-	85,984	241,365
4 Off-balance Sheet Amounts	24,349,857	5,512,806	-	-	-
5 Differences in valuations	-	-	-	-	-
6 Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7 Differences due to consideration of provisions	-	-	-	-	-
8 Differences arising from the Institution's practices	-	-	-	-	-
9 Differences due to risk reduction	-	-	-	-	-
10 Risk amounts	63,746,374	45,406,435	-	85,984	241,365

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

3. Explanation of Credit Risk

a) Credit quality of assets

31 December 2022	The gross amount valued in accordance with TAS in the financial statements prepared according to prohibited consolidation		Allowances/ amortization and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	41,956	27,162,915	852,697	26,352,174
2 Debt instruments	-	20,242,074	84,814	20,157,260
3 Off-balance sheet exposures	12,069	13,852,348	135,797	13,728,620
4 Total	54,025	61,257,337	1,073,308	60,238,054

31 December 2021	The gross amount valued in accordance with TAS in the financial statements prepared according to prohibited consolidation		Allowances/ amortization and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	43,960	18,685,383	744,032	17,985,311
2 Debt instruments	-	12,517,065	43,735	12,473,330
3 Off-balance sheet exposures	9,913	11,051,188	104,079	10,957,020
4 Total	53,873	42,253,636	891,846	41,415,661

b) Changes in stock of default loans and debt securities

31 December 2022 31 December 2021

1 Defaulted loans and debt securities at end of the previous reporting period	53,873	52,813
2 Loans and debt securities defaulted since the last reporting period	4,216	6,377
3 Receivables back to non-defaulted status	-	-
4 Amounts written off	236	-
5 Other changes	(3,992)	(5,317)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	54,025	53,873

c) Credit risk mitigation techniques - overview

31 December 2022	Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	25,555,993	754,225	754,225	16,291	16,291	-	-
2 Debt Instruments	20,157,260	-	-	-	-	-	-
3 Total	45,713,253	754,225	754,225	16,291	16,291	-	-
4 Of which defaulted	41,956	-	-	-	-	-	-

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

3. Explanation of Credit Risk (continued)

c) Credit risk mitigation techniques - overview (continued)

31 December 2021	Exposures unsecured of (according to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which secured amount	Exposures secured by financial guarantees	Financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which secured amount
1 Loans	18,581,161	104,222	81,668	21,985	21,985	-	-
2 Debt Instruments	12,473,330	-	-	-	-	-	-
3 Total	31,054,491	104,222	81,668	21,985	21,985	-	-
4 Of which defaulted	43,960	-	-	-	-	-	-

d) Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk:

To determine the risk weights of receivables from central governments or from central banks and risk weights of receivables from banks and intermediary institutions specified in Article 6 of the Regulation on the Measurement and Assessment of Capital Adequacy of Banks, the application of rotation in Japan Credit Rating Agency (JCR) degrees, which has been used as of 31 October 2016. The degrees of the international credit rating agency Islamic International Rating Agency (IIRA) had been used since 30 April 2020. In this context, the note set for Turkey's rating countries of long-term foreign currency, the Republic of Turkey in foreign currency securities issued by the Treasury, all other foreign currency risk associated with the Republic of Turkey and the Central Government and on the opposite side of the incoming international limited is countered by resident banks, which will have risk weights are determined. The matching of "Credit Quality Levels" corresponding to IIRA degrees and Japan Credit Rating Agency (JCR), which was abandoned to use, is shared with the table below.

Islamic International Rating Agency	Credit Quality Level	Japan Credit Rating Agency
AAA and AA-	1	AAA and AA-
A+ and A-	2	A+ and A-
BBB+ and BBB	3	BBB+ and BBB
BB+ and BB-	4	BB+ and BB-
B+ and B-	5	B+ and B-
CCC and below	6	CCC+ and below

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

3. Explanation of Credit Risk (continued)

e) Standard Approach - Exposure to credit risk and credit risk mitigation risks

31 December 2022	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Claims on sovereigns and Central Banks	19,898,833	-	19,898,833	-	-	-
2 Claims on regional governments or local authorities	16,291	-	16,291	-	-	-
3 Claims on administrative bodies and other non-commercial undertakings	884,130	1,594,664	884,130	1,594,664	200,000	1%
4 Claims on multilateral development banks	-	-	-	-	-	-
5 Claims on international organizations	-	-	-	-	-	-
6 Claims on banks and intermediary institutions	11,208,843	3,628,306	11,208,843	2,406,958	3,739,291	16%
7 Claims on corporates	14,068,376	5,358,189	14,068,376	3,598,795	16,485,678	70%
8 Claims included in the regulatory retail portfolios	47,019	115,701	47,019	23,455	55,893	-
9 Claims secured by residential property	208,307	2,469	208,307	611	72,990	-
10 Claims secured by commercial property	2,014,967	367	2,014,967	127	1,472,731	6%
11 Overdue loans	4,912	-	4,912	-	4,917	-
12 Higher risk categories decided by the Board	-	-	-	-	-	-
13 Secured by mortgages	-	-	-	-	-	-
14 Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
15 Undertakings for collective investments in mutual funds	-	-	-	-	-	-
16 Other receivables	1,343,092	-	1,343,092	-	1,249,076	7%
17 Equity share investments	-	-	-	-	-	-
18 Total	49,694,770	10,699,696	49,694,770	7,624,610	23,280,576	100%

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

3. Explanation of Credit Risk (continued)

e) Standard Approach - Exposure to credit risk and credit risk mitigation risks (continued)

31 December 2021	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Risk Classifications	On-balance sheet amount	Off-balance sheet amount
1 Claims on sovereigns and Central Banks	13,183,773	85,002	13,183,773	85,002	-	-
2 Claims on regional governments or local authorities	21,985	-	-	-	-	-
3 Claims on administrative bodies and other non-commercial undertakings	411,651	-	411,651	-	411,651	2%
4 Claims on multilateral development banks	-	-	-	-	-	-
5 Claims on international organizations	-	-	-	-	-	-
6 Claims on banks and intermediary institutions	5,863,692	2,009,003	5,996,912	1,117,322	3,827,911	20%
7 Claims on corporates	9,415,026	5,495,839	9,416,370	4,290,226	13,128,850	70%
8 Claims included in the regulatory retail portfolios	63,143	94,714	61,798	19,124	59,899	0%
9 Claims secured by residential property	284,744	1,725	284,744	345	99,585	1%
10 Claims secured by commercial property	1,682,262	1,058	1,682,262	476	1,085,905	6%
11 Overdue loans	6,013	-	6,013	-	6,865	0%
12 Higher risk categories decided by the Board	-	-	-	-	-	-
13 Secured by mortgages	-	-	-	-	-	-
14 Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
15 Undertakings for collective investments in mutual funds	-	-	-	-	-	-
16 Other receivables	442,364	1,554	440,810	311	277,397	1%
17 Equity share investments	-	-	-	-	-	-
18 Total	31,374,653	7,688,895	31,484,333	5,512,806	18,898,063	100%

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

3. Explanation of Credit Risk (continued)

f) Standard Approach - Receivables by risk classes and risk weights

31 December 2022 Risk Classifications/Risk Weight											Total Risk Amount (After Credit Conversion Rate and Credit Risk Reduction)	
	0%	10%	20%	35%	50% Guaranteed with Real Estate Mortgage	75%	100%	150%	200%	Others		
1 Claims on central governments or central banks	19,898,833	-	-	-	-	-	-	-	-	-	-	19,898,833
2 Claims on regional or local governments	-	-	-	-	16,291	-	-	-	-	-	-	16,291
3 Claims on administrative units and non-commercial undertakings	2,278,794	-	-	-	-	-	200,000	-	-	-	-	2,478,794
4 Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6 Claims on banks and intermediary institutions	5,871,477	-	2,700,203	-	3,320,640	-	1,723,481	-	-	-	-	13,615,801
7 Claims on corporates	804,371	-	34,745	-	1,392,207	-	15,066,318	11,647	357,883	-	-	17,667,171
8 Claims included in the regulatory retail portfolios	-	-	-	-	-	60,988	1,266	8,220	-	-	-	70,474
9 Claims secured by residential property	-	-	-	-	-	-	-	-	-	208,918	-	208,918
10 Claims secured by commercial property	-	-	-	-	1,084,738	-	929,714	642	-	-	-	2,015,094
11 Overdue loans	-	-	-	-	-	-	4,903	9	-	-	-	4,912
12 Higher risk categories decided by the Board	-	-	-	-	-	-	-	-	-	-	-	-
13 Secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
14 Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-	-	-
15 Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
16 Other receivables	166,184	-	-	-	-	-	1,176,908	-	-	-	-	1,343,092
17 Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
18 Total	29,019,659	-	2,734,948	-	5,813,875	60,988	19,102,590	20,518	357,883	208,918	-	57,319,380

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

3. Explanation of Credit Risk (continued)

f) Standard Approach - Receivables by risk classes and risk weights (continued)

31 December 2021 Risk Classifications/Risk Weight											Total Risk Amount (After Credit Conversion Rate and Credit Risk Reduction)	
	0%	10%	20%	35%	50% Guaranteed with Real Estate Mortgage	75%	100%	150%	Others			
Claims on central governments or central banks	13,268,774	-	-	-	-	-	-	-	-	-	-	13,268,774
Claims on regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
Claims on administrative units and non-commercial undertakings	-	-	-	-	-	-	411,651	-	-	-	-	411,651
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	22,648	-	1,465,858	-	4,181,978	-	1,443,750	-	-	-	-	7,114,234
Claims on corporates	18,446	-	399,647	-	482,291	-	12,803,085	3,127	-	-	-	13,706,596
Claims included in the regulatory retail portfolios	4,022	-	3,776	-	-	67,330	89	5,705	-	-	-	80,922
Claims secured by residential property	543	-	42	284,504	-	-	-	-	-	-	-	285,089
Claims secured by commercial property	-	-	-	-	1,193,665	-	489,073	-	-	-	-	1,682,738
Overdue loans	-	-	-	-	2	-	4,307	1,705	-	-	-	6,014
Higher risk categories decided by the Board	-	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	163,724	-	-	-	-	-	277,397	-	-	-	-	441,121
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Total	13,478,157	-	1,869,323	284,504	5,857,936	67,330	15,429,352	10,537	-	-	-	36,997,139

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

4. Explanations on Counterparty Credit Risk ("CCR")

a) Evaluation of counterparty credit risk according to measurement methods

31 December 2022		Replacement cost	Potential credit risk amount	Alpha used to calculate the legal risk amount EEPE	Exposure at Default post-CRM	RWA
1	Standard Approach-CCR (for derivatives)	127,462	123,093	1,4	250,555	156,188
2	Internal Model Method (Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	395,318	4,951
6	Total	127,462	123,093	-	645,873	161,139

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

4. Explanations on Counterparty Credit Risk ("CCR") (continued)

a) Evaluation of counterparty credit risk according to measurement methods (continued)

31 December 2021		Replacement cost	Potential credit risk amount	Alpha used to calculate the legal risk amount EEPE	Exposure at Default post-CRM	RWA
1	Standard Approach-CCR (for derivatives)	191,292	(16,443)	1,4	174,849	85,623
2	Internal Model Method (Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	23,270	361
6	Total	191,292	(16,443)	-	198,119	85,984

b) Credit valuation adjustment ("CVA") capital charge:

31 December 2022		EAD (post-CRM)	RWA
Total portfolios subject to the Advanced CVA capital charge		-	-
1	(i) VaR component (including the 3*multiplier)	-	-
2	(ii) Stressed VaR component (including the 3*multiplier)	-	-
3	All portfolios subject to the Standardized CVA capital charge	250,555	6,841
4	Total subject to the CVA capital charge	250,555	6,841

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

4. Explanations on Counterparty Credit Risk ("CCR")

b) Credit valuation adjustment ("CVA") capital charge (continued):

31 December 2021	EAD (post-CRM)	RWA
Total portfolios subject to the Advanced CVA capital charge	-	-
1 (i) VaR component (including the 3*multiplier)	-	-
2 (ii) Stressed VaR component (including the 3*multiplier)	-	-
3 All portfolios subject to the Standardized CVA capital charge	174,849	3,057
4 Total subject to the CVA capital charge	174,849	3,057

c) Standardized Approach - CCR exposures by regulatory portfolio and risk weights

Risk Weights	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk ⁽¹⁾
Risk Classifications									
Claims from central governments and central banks	-	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	-	-	-	-	-	-	-	-
Claims from administration and non-commercial	-	-	-	-	-	-	-	-	-
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-
Claims from banks and intermediary institutions	-	-	-	54,081	-	134,098	-	-	161,139
Corporates	-	-	-	-	-	-	-	-	-
Retail portfolios	-	-	-	-	-	-	-	-	-
Claims on landed real estate	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-
Other claims	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	54,081	-	134,098	-	-	161,139

⁽¹⁾Total credit risk: The amount related to the capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

d)Collaterals for counterparty credit risk: Since there are no derivative collaterals, the relevant table is not given.

e)Credit derivatives: Since there is no credit derivative, the relevant table is not given

f) Risk to the central counterparty ("CCP"): none.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IX. Explanations on Consolidated Risk Management (continued)

5. Securitization Explanations

None.

6. Calculations Related to Market Risk

The Parent Bank's risk management operations, which are determined by the Board of Directors, are in line with the "Regulation of Internal Bank Systems" and "Regulation of Capital Adequacy Measurement and Evaluation". In order to comply with the Regulations, the Bank's operations regarding the market risk are administrated in line with the "Regulation of Internal Bank Systems" and "Regulation of Capital Adequacy Measurement and Evaluation".

Board of Directors monitors the efficiency of risk administration systems by evaluations of the Audit Committee, Management and Early Detection of Risk Committee as well as upper management's opinions and other miscellaneous reports.

The Bank's risk policies and risk administration policies for the encountered market risk are being approved by the board of directors and reviewed on a regular basis. Market risk is measured and limited in compliance with international standards and capital requirements are calculated accordingly in addition to it is managed by hedging instruments to eliminate the risk.

The market risk of portfolios held for trading is calculated using the standard method and the value at risk ("VaR") methods. Standard method calculations are made on a monthly basis which is used for calculating the capital adequacy generally accepted three methods (variance, covariance, historical simulation, monte carlo). VaR calculations are performed on a daily basis using the historical simulation (EWMA) method. VaR calculations are made using the past 1-year data with 99% assurance and 1 day holding period (10 days for legal capital calculation). All positions in the trading portfolio are set a daily risk limit and nominal position limits and all these limits are monitored and reported to upper management. In addition, trading portfolio, value at risk increase and limit comply situations are reported to Active Passive Committee every two weeks and to upper management and Management and Early Detection of Risk Committee every three months. VaR model is tested on a backward basis to ensure reliability. In order to limit market risk, in addition to VaR and nominal position limits, there are stop loss limits on trading portfolio that are approved by the board of directors.

a) Standard approach:

Risk Weighted Amounts	31 December 2022	31 December 2021
Outright products		
1 Interest rate risk (general and specific)	207,563	141,175
2 Equity risk (general and specific)	149,675	257,963
3 Foreign exchange risk	4,640,133	1,323,187
4 Commodity risk	-	-
Options		
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitization	-	-
9 Total	4,997,371	1,722,325

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

X. Explanations on Presentation of Financial Assets and Liabilities at Their Fair Value

Investment securities in current period includes only marketable interest bearing assets. Market/fair/current value of marketable assets is defined based on quoted market prices for other securities, which are subject to redemption in the same nature with respect to interest, maturity and other conditions, if the market price or this price cannot be defined.

Estimated fair value of demand deposit states the amount which shall be paid on demand. Fair value of adjustable-rate placements and overnight deposit states the book value. Estimated fair value of fixed rate is calculated through determination of cash flow discounted via using money market interest rates which is applicable to similar credit risk and other debts having with a remaining redemption. The fair value of funds obtained from other financial institutions represents the cash flows discounted using market interest rates for fixed interest rates, and the cash flows discounted with market interest rates for variable interest rates according to the interest renewal date. Fair value of credits is calculated through determination of cash flow discounted via using money market interest rates which is applicable to similar credit risk and other debts having with a remaining redemption. Fair value states the book value since the other debts are short-termed.

In the table below; fair values and carrying values of some of the financial assets and liabilities are presented.

	Carrying Value	Fair Value
	31 December 2022	31 December 2022
Financial Assets	49,137,607	41,664,437
Interbank Money Market	5,400	5,400
Banks	1,685,262	1,685,262
Financial Assets at Fair Value Through Other Comprehensive Income	7,742,804	7,742,804
Financial Assets Measured at Amortized Cost	12,499,270	4,996,674
Loans	27,204,871	27,234,297
Financial Liabilities	55,706,288	55,566,843
Bank Deposits	2,558,098	2,558,098
Other Deposits	21,640,314	21,573,812
Funds Borrowed from Other Financial Institutions	32,051,824	31,143,274
Bonds Issued	-	-
Other Debts	291,659	291,659

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

X. Explanations on Presentation of Financial Assets and Liabilities at Their Fair Value (continued)

	Carrying Value	Fair Value
	31 December 2021	31 December 2021
Financial Assets	31,726,544	31,939,865
Interbank Money Market	20,955	20,955
Banks	459,181	459,181
Financial Assets at Fair Value Through Other Comprehensive Income	4,519,621	4,519,621
Financial Assets Measured at Amortized Cost	7,997,444	8,188,100
Loans	18,729,343	18,752,008
Financial Liabilities	33,998,334	33,972,010
Bank Deposits	748,362	748,362
Other Deposits	15,558,191	15,542,908
Funds Borrowed from Other Financial Institutions	16,974,269	16,963,228
Bonds Issued	-	-
Other Debts	717,512	717,512

"IFRS 7: Financial Instruments - Disclosures" describes classifications of valuation techniques based on observability of data used in valuation techniques which are basis for fair value measurements. Classification of fair values is defined as follows.

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities (Exchange value);
- Level 2: Data that are directly (through prices) or indirectly (derived from prices) observable data in terms of assets or liabilities, excluding recorded prices in Level 1 (Valuation techniques can be measured in the market);
- Level 3: Data on assets or liabilities that are not based on observable market data (valuation techniques cannot be measured in the market).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

X. Explanations on Presentation of Financial Assets and Liabilities at Their Fair Value (continued)

The table below presents the classification of fair values of financial instruments carried at fair value:

31 December 2022	Level 1	Level 2	Level 3	Total
Financial Assets	435,470	7,443,887	-	7,879,357
Financial Assets At Fair Value Through Profit/Loss	50,710	-	-	50,710
Equity Instruments	34,311	-	-	34,311
Public Debt Securities	-	-	-	-
Other Financial Assets	16,399	-	-	16,399
Derivative Financial Assets at Fair Value Through Profit/Loss	-	85,842	-	85,842
Financial Assets at Fair Value Through Other Comprehensive Income	384,759	7,358,045	-	7,742,804
Equity Instruments	-	-	-	-
Public Debt Securities	384,759	-	-	384,759
Other Securities	-	4,312,142	-	4,312,142
Other Financial Assets	-	3,045,903	-	3,045,903
Financial Liabilities	-	473,274	-	473,274
Derivative Financial Liabilities	-	473,274	-	473,274
31 December 2021	Level 1	Level 2	Level 3	Total
Financial Assets	1,540,942	3,236,333	-	4,777,275
Financial Assets At Fair Value Through Profit/Loss	67,224	-	-	67,224
Equity Instruments	25,763	-	-	25,763
Public Debt Securities	-	-	-	-
Other Financial Assets	41,461	-	-	41,461
Derivative Financial Assets at Fair Value Through Profit/Loss	-	190,430	-	190,430
Financial Assets at Fair Value Through Other Comprehensive Income	1,473,718	3,045,903	-	4,519,621
Equity Instruments	-	-	-	-
Public Debt Securities	1,245,076	-	-	1,245,076
Other Securities	228,642	-	-	228,642
Other Financial Assets	-	3,045,903	-	3,045,903
Financial Liabilities	-	16,323	-	16,323
Derivative Financial Liabilities	-	16,323	-	16,323

The Parent Bank shows the buildings, included in tangible assets, over their fair values. The aforementioned fair value valuations are classified as level 3. Fair value of buildings is determined by an independent valuation company authorized by BRSA and Capital Markets Board of Turkey.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

XI. Explanations Related to Segment Reporting

The Group performs activities in areas of retail banking, corporate banking and investment banking including treasury transactions.

Corporate banking offers TL and foreign currency loans, corporate deposit operations, cash management, foreign currency purchases and sales, non-cash transactions (letters of credit, letters of guarantee, prefinancing, bills of exchange) and custody services.

Treasury department consists of Balance Sheet Management and Sales Units. The Balance Sheet Management Unit follows up the Parent Bank's cash flows, liquidity management, marketable securities portfolio and transfer pricing activities. Sales unit is responsible for marketing all types of bills and bonds, foreign exchange transactions and derivative products including forwards and options to its customers.

Servicing the middle-upper segment of retail customers who require sophisticated banking and investment services falls within, the scope of retail banking. Credit and Services are also within the activities of retail banking.

Information related to the Group's operating segments:

31 December 2022	Retail Banking	Corporate Banking	Treasury, Investment Banking and Others	Group's Total Operations
Operating Income	196,899	954,024	1,866,239	3,017,162
Net profit of segment	92,660	946,769	782,658	1,822,087
Undistributed Costs	-	-	-	-
Operating Profit/(Loss)	-	-	-	-
Income from subsidiaries	-	-	-	-
Profit/(Loss) before tax	92,660	946,747	782,680	1,822,087
Tax provision (-)	-	-	421,320	421,320
Profit/(Loss) after tax	74,653	928,762	397,352	1,400,767
Net Profit/(Loss)	74,653	928,762	397,352	1,400,767
Segment Assets ⁽¹⁾	323,338	33,717,821	27,923,361	61,964,520
Associate and Subsidiaries	-	-	-	-
Total Assets	323,338	33,717,821	27,923,361	61,964,520
Segment Liabilities ⁽¹⁾	9,893,217	13,039,795	35,894,271	58,827,283
Equity	-	-	3,137,237	3,137,237
Total Liabilities	9,893,217	13,039,795	39,031,508	61,964,520

⁽¹⁾ Segment assets classified in the Other column consist of securities held in the assets of the treasury department, tangible and intangible assets under the head office, fixed assets to be disposed of deferred tax asset and other non-distributed assets. Segment liabilities classified in the Other column consist of loans taken from abroad, which are under the liabilities of the treasury department, general loan provisions in the general directorate, employee rights provision, current tax provision and miscellaneous debts that cannot be distributed.

Based on information that is presented in the table above, segments of the Group are distributed based on their asset sizes as percentages in current period as; 56% for corporate banking, 1% for retail banking, 43% for treasury, investment banking and others segment. Looking at the gross income (operating income) distribution of the Group, corporate banking constitutes 34% of the total gross income, investment banking and other segments 59% and retail banking 7%.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

XI. Explanations Related to Segment Reporting (continued)

31 December 2021	Retail Banking	Corporate Banking	Treasury, Investment Banking and Others	Group's Total Operations
Operating Income	110,222	481,336	908,601	1,500,159
Net profit of segment	44,591	450,436	(254,379)	240,648
Undistributed Costs	-	-	-	-
Operating Profit/(Loss)	-	-	-	-
Income from subsidiaries	-	-	-	-
Profit/(Loss) before tax	44,591	450,436	(254,379)	240,648
Tax provision (-)	-	-	53,459	53,459
Profit/(Loss) after tax	44,591	450,436	(307,838)	187,189
Net Profit/(Loss)	44,591	450,436	(307,838)	187,189
Segment Assets ⁽¹⁾	404,982	21,220,588	17,747,316	39,372,886
Associate and Subsidiaries	-	-	-	-
Total Assets	404,982	21,220,588	17,747,316	39,372,886
Segment Liabilities ⁽¹⁾	8,637	16,167,599	21,571,436	37,747,672
Equity	-	-	1,625,214	1,625,214
Total Liabilities	8,637	16,167,599	23,196,650	39,372,886

⁽¹⁾ Segment assets classified in the Other column consist of securities held in the assets of the treasury department, tangible and intangible assets under the head office, fixed assets to be disposed of deferred tax asset and other non-distributed assets. Segment liabilities classified in the Other column consist of loans taken from abroad, which are under the liabilities of the treasury department, general loan provisions in the general directorate, employee rights provision, current tax provision and miscellaneous debts that cannot be distributed.

Based on information that is presented in the table above, segments of the Group are distributed based on their asset sizes as percentages in current period as; 54% for corporate banking, 1% for retail banking, 45% for treasury, investment banking and others segment. Looking at the gross income (operating income) distribution of the Group, corporate banking constitutes 32% of the total gross income, investment banking and other segments 61% and retail banking 7%.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

SECTION FIVE

EXPLANATIONS AND NOTES ON

CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Notes on Consolidated Assets

1. Information related to cash and balances with the Central Bank of the Republic of Turkey:

a) Cash and balances with the Central Bank of the Republic of Turkey:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Cash	26,533	141,709	18,241	149,199
Central Bank of the Republic of Turkey (CBRT) ⁽¹⁾	306,736	11,397,603	295,762	7,141,556
Others	-	-	-	-
Total	333,269	11,539,312	314,003	7,290,755

⁽¹⁾ As of 31 December 2022, there are no precious metals at the CBRT (31 December 2021: None).

b) Information related to the account of the Central Bank of Turkey:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Unrestricted Demand Deposits ⁽¹⁾	306,736	3,571,323	295,762	2,236,850
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	7,826,280	-	4,904,706
Total	306,736	11,397,603	295,762	7,141,556

⁽¹⁾ As of 31 December 2022, there are no precious metals at the CBRT (31 December 2021: None).

c) Explanation related to reserve deposits:

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2005/1", the Parent Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and/or standard gold. Interest payments are made to required reserves held as TL as at November 2014 and required reserves held as USD as at May 2015, reserve options and free/open accounts.

As of 31 December 2022, the applicable rates for Turkish lira required reserves are between 3% and 8%, depending on the maturity structure, (31 December 2021: between 3% and 8%); The applicable rates for FX required reserves are between 5% and 26%, depending on the maturity structure (31 December 2021: between 5% and 26%).

2. Information on financial assets at fair value through profit or loss (net):

a) Information on trading securities given as collateral/blocked and subject to repo from financial assets at fair value through profit/loss:

As at 31 December 2022 and 31 December 2021, the financial assets at fair value through profit or loss are kept under unrestricted account.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

1. Explanations and Notes on Consolidated Assets (continued)

2. Financial assets at fair value through profit or loss (net) (continued):

b) Table of positive differences related to derivative financial assets held for trading at fair value through profit/loss:

Information on Derivative Financial Assets at Fair Value Through Profit/Loss:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	28,475	56,060	916	-
Swap Transactions	-	1,307	126,031	63,483
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	28,475	57,367	126,947	63,483

3. Information on banks:

a) Information on Banks:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Banks				
Domestic	14,294	1,077,305	12,851	336,417
Foreign	-	593,663	-	109,913
Foreign Offices and Branches	-	-	-	-
Total	14,294	1,670,968	12,851	446,330

b) Information on Foreign Bank Accounts

	Unrestricted Amount		Restricted Amount	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
EU Countries	30,868	18,297	-	-
USA, Canada	41,041	12,620	-	-
OECD Countries ⁽¹⁾	4,556	4,289	-	-
Offshore Banking Regions	-	-	-	-
Other	517,198	74,707	-	-
Total	593,663	109,913	-	-

⁽¹⁾ OECD countries except for the EU countries, the USA and Canada

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

1. Explanations and Notes on Consolidated Assets (continued)

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

a) Investment securities available-for-sale given as collateral or blocked with net values and comparatively:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Given as Collateral or Blocked	31,581	351,689	183,443	250,700
Subject to Repurchase Agreements	-	-	-	-
Total	31,581	351,689	183,443	250,700

As of 31 December 2022, financial assets whose fair value differences are reflected in other comprehensive income have no free accounts, except for collateral and repo transactions (31 December 2021: TL 1,039,575).

Financial Assets at Fair Value Through Other Comprehensive Income includes loans of TL 7,301,771 (31 December 2021: TL 3,045,903).

Related loans are monitored as financial assets whose fair value difference is reflected to other comprehensive income within the scope of TFRS 9. The fair value of this loan was determined by taking into account the discounted cash flows, similar market multipliers, similar transaction multipliers in the same sector and market value average. Related loans are monitored as Level 2 within the scope of TFRS 13 Fair Value Measurement Standard.

b) Information on financial assets at fair value through other comprehensive income:

	31 December 2022	31 December 2021
	Debt Instruments	782,655
Listed	582,018	1,279,675
Unlisted	200,637	229,849
Equity Instruments	-	-
Listed	-	-
Unlisted	-	-
Impairment Provision (-)	47,696	35,806
Total	734,959	1,473,718

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information to loans:

a) Information on all types of loans and advances given to shareholders and employees of the Parent Bank:

	31 December 2022		31 December 2021	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	1,808,581	-	1,001,523
Loans Given to Legal Entity Partners	-	1,808,581	-	1,001,523
Loans Given to Real Person Partners	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	4,038	-	4,473	-
Total	2,100	1,808,581	4,473	1,001,523

b) Information on the standard and under the close monitoring loans with restructured loans under close monitoring:

31 December 2022 Cash Loans	Loans Under Close Monitoring			
	Standard Loans	Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Non-Specialized Loans	25,413,272	362,359	1,385,436	1,782
Enterprise Loans	12,368,740	-	1,385,352	-
Export Loans	1,296,721	114,030	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	11,040,365	-	-	-
Consumer Loans	382,637	3,860	84	1,683
Credit Cards	17,315	-	-	99
Other	307,560	244,469	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	25,413,338	362,359	1,385,436	1,782

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information on loans (continued):

b) Information on the standard and under the close monitoring loans with restructured loans under close monitoring (continued):

31 December 2021 Cash Loans	Loans Under Close Monitoring			
	Standard Loans	Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Non-Specialized Loans	17,627,776	3,336	1,049,972	4,299
Enterprise Loans	11,321,865	-	983,051	4,155
Export Loans	1,296,721	-	66,921	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	3,737,353	-	-	-
Consumer Loans	382,637	3,193	-	144
Credit Cards	16,666	116	-	-
Other	872,534	27	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	17,627,776	3,336	1,049,972	4,299

Allowances for Expected Credit Losses on Stage 1 and 2	31 December 2022		31 December 2021	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Months Expected Loss Provision	260,912	-	171,448	-
Significant Increase in Credit Risk	-	554,903	-	560,884
Total	260,912	554,903	171,448	560,884

c) Distribution of cash loans by maturity:

31 December 2022	Loans Under Close Monitoring		
	Standard Loans	Loans not Subject to Restructuring	Restructured Loans
Short-Term Loans	12,236,613	358,499	-
Medium and Long-Term Loans	13,176,725	3,860	1,387,218
Total	25,413,338	362,359	1,387,218

31 December 2021	Loans Under Close Monitoring		
	Standard Loans	Loans not Subject to Restructuring	Restructured Loans
Short-Term Loans	7,931,046	204	3,374
Medium and Long-Term Loans	9,696,730	3,132	1,050,897
Total	17,627,776	3,336	1,054,271

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information on loans (continued):

d) Information on consumer loans, consumer credit cards, personnel loans and personnel credit cards:

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans - TL	9,176	281,541	290,717
Mortgage Loans	-	230,060	230,060
Automotive Loans	-	2,593	2,593
Consumer Loans	9,176	48,888	58,064
Other	-	-	-
Consumer Loans - Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards - TL	18,860	-	18,860
With Installment	5,147	-	5,147
Without Installment	13,713	-	13,713
Consumer Credit Cards - FC	1,055	-	1,055
With Installment	-	-	-
Without Installment	1,055	-	1,055
Personnel Loans - TL	751	1,187	1,938
Mortgage Loans	-	82	82
Automotive Loans	-	-	-
Consumer Loans	751	1,105	1,856
Other	-	-	-
Personnel Loans - Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans - FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards - TL	2,003	-	2,003
With Installment	640	-	640
Without Installment	1,363	-	1,363
Personnel Credit Cards - FC	97	-	97
With Installment	-	-	-
Without Installment	97	-	97
Credit Deposit Account - TL (Real Person)	4,313	-	4,313
Credit Deposit Account - FC (Real Person)	-	-	-
Total	36,255	282,728	318,983

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information on loans (continued):

d) Information on consumer loans, consumer credit cards, personnel loans and personnel credit cards (continued):

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans - TL	10,085	374,978	385,063
Mortgage Loans	-	291,399	291,399
Automotive Loans	-	4,734	4,734
Consumer Loans	10,085	78,845	88,930
Other	-	-	-
Consumer Loans - Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans - FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Credit Cards - TL	14,201	-	14,201
With Installment	4,042	-	4,042
Without Installment	10,159	-	10,159
Consumer Credit Cards - FC	375	-	375
With Installment	-	-	-
Without Installment	375	-	375
Personnel Loans - TL	805	1,764	2,569
Mortgage Loans	-	137	137
Automotive Loans	-	-	-
Consumer Loans	805	1,627	2,432
Other	-	-	-
Personnel Loans - Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans - FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards - TL	1,835	-	1,835
With Installment	613	-	613
Without Installment	1,222	-	1,222
Personnel Credit Cards - FC	69	-	69
With Installment	-	-	-
Without Installment	69	-	69
Credit Deposit Account - TL (Real Person)	2,720	-	2,720
Credit Deposit Account - FC (Real Person)	-	-	-
Total	30,090	376,742	406,832

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information on loans (continued):

e) Information on installment corporate loans and corporate credit cards:

Current Period	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans - TL	185	108,723	108,908
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	185	108,723	108,908
Other	-	-	-
Commercial Installment Loans - Indexed to FC	-	-	-
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans - FC	467,612	5,102,284	5,569,896
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	467,612	5,102,284	5,569,896
Other	-	-	-
Corporate Credit Cards - TL	759	-	759
With Installment	51	-	51
Without Installment	708	-	708
Corporate Credit Cards - FC	173	-	173
With Installment	-	-	-
Without Installment	173	-	173
Credit Deposit Account - TL (Legal Entity)	86	-	86
Credit Deposit Account - FC (Legal Entity)	-	-	-
Total	468,815	5,211,007	5,679,822

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information on loans (continued):

e) Information on installment corporate loans and corporate credit cards: (continued)

Prior Period	Short-Term	Medium and Long-Term	Total
Commercial Installment Loans - TL	45	214,202	214,247
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	45	206,969	207,014
Other	-	7,233	7,233
Commercial Installment Loans - Indexed to FC	-	-	-
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Installment Loans - FC	-	3,915,321	3,915,321
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	3,915,321	3,915,321
Other	-	-	-
Corporate Credit Cards - TL	530	-	530
With Installment	87	-	87
Without Installment	443	-	443
Corporate Credit Cards - FC	174	-	174
With Installment	-	-	-
Without Installment	174	-	174
Credit Deposit Account - TL (Legal Entity)	41	-	41
Credit Deposit Account - FC (Legal Entity)	-	-	-
Total	790	4,129,523	4,130,313

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information on loans (continued):

f) Loan concentration based on counterparties:

	31 December 2022	31 December 2021
Public	26,971,946	477,759
Private	232,925	18,251,584
Total	27,204,871	18,729,343

g) Domestic and foreign loans:

	31 December 2022	31 December 2021
Domestic Loans	25,680,653	18,274,733
Foreign Loans	1,524,218	454,610
Total	27,204,871	18,729,343

h) There are no loans given to subsidiaries and affiliates. (31 December 2021: None.)

i) Information on loans related reserves for specific provisions or credit impaired (Stage 3):

	31 December 2022	31 December 2021
Loans and Receivables with Limited Collectability	-	16
Loans and Receivables with Doubtful Collectability	10	49
Allocated for Loss Loans	36,872	37,881
Total	36,882	37,946

j) Information on non-performing loans (Net):

j.1) Information on non-performing loans and other receivables those are restructured or rescheduled

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period			
Gross Amounts Before the Specific Reserves	-	-	-
Restructured Loans and Other Receivables	-	-	-

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Prior Period			
Gross Amounts Before the Specific Reserves	-	-	44
Restructured Loans and Other Receivables	-	-	44

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information on loans (continued):

j) Information on non-performing loans (Net) (continued):

j.2) Information on total non-performing loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Prior Period End Balance	172	61	43,727
Additions During the Period (+)	64	5	1,698
Transfers from Other Categories of Non- Performing Loans (+)	-	196	344
Transfers to Other Categories of Non-Performing Loans (-)	196	182	-
Collections During the Period (-)	40	65	3,650
Write-offs (-)	-	-	236
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balances at End of the Period	-	15	41,941
Provision (-)	-	10	36,872
Net Balance on Balance Sheet	-	5	5,069

j.3) Information on non-performing loans in foreign currencies:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period			
Balances at the End of the Period	-	-	168
Provision Amount (-)	-	-	168
Net Balance on Balance Sheet	-	-	-
Prior Period			
Balances at the End of the Period	-	-	162
Provision Amount (-)	-	-	161
Net Balance on Balance Sheet	-	-	1

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information on loans (continued):

j) Information on non-performing loans (Net) (continued):

j.4) Information on net and gross amounts of non-performing loans according to beneficiary group:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	-	5	3,359
Loans Allowed to Real Persons and Corporate Entities (Gross)	-	15	40,231
Provision Amount (-)	-	10	36,872
Loans Allowed to Real Persons and Corporate Entities (Net)	-	5	3,359
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
Prior Period (Net)	-	-	-
Loans Allowed to Real Persons and Corporate Entities (Gross)	-	-	-
Provision Amount (-)	-	-	-
Loans Allowed to Real Persons and Corporate Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

j.5) Information on interest accruals, rediscounts, valuation differences and their provisions calculated for non-performing loans which are expected to be used in accordance with TFRS 9:

	Group III	Group IV	Group V
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	-	-	1,451
Interest Accruals And Rediscounts And Valuation Differences	-	-	12,117
Provision Amount (-)	-	-	10,666
Prior Period (Net)	-	-	1,307
Interest Accruals And Rediscounts And Valuation Differences	-	-	11,722
Provision Amount (-)	-	-	10,415

i) Liquidation policy for counting as loss loans and other receivables:

Uncollectible loans and other receivables are collected through legal follow up and liquidation of collaterals.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

5. Information on loans (continued):

i) Information on write-off from assets policy:

The Parent Bank's general policy for write-off of loans and receivables under follow-up is to write off such loans and receivables that are proven to be uncollectible by obtaining required documentation, also considering Tax Procedural Law's verdicts. As of 31 December 2022, there are no written-off loans (31 December 2021: TL None).

6. Financial assets at amortized cost:

a) Information on subject to repurchase agreement and given as collateral or blocked:

Securities subject to held to maturity are kept under unrestricted account.

b) Information on public sector debt securities at amortized cost:

As of 31 December 2022, the Bank's government debt securities valued at amortized cost is TL 11,700,486 (31 December 2021: TL 7,319,678).

	31 December 2022	31 December 2021
Government Bonds	11,700,486	7,319,678
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	11,700,486	7,319,678

c) Information on financial assets at amortized cost:

	31 December 2022	31 December 2021
Debt Instruments	11,013,950	7,651,959
Listed	-	-
Unlisted	11,013,950	7,651,959
Value Increase/Decrease Provision ⁽¹⁾	1,485,320	345,485
Total	12,499,270	7,997,444

⁽¹⁾ Consists of change in interest accruals.

d) Information on the movement of financial assets at amortized cost during the year:

	31 December 2022	31 December 2021
Beginning Balance	7,997,444	4,391,069
Foreign Currency Differences on Monetary Assets	9,454,032	2,240,239
Purchases During Year	(4,042,277)	2,135,581
Disposals Through Sales and Redemptions	(2,395,249)	(1,114,930)
Value Increase/Impairment Provision ⁽¹⁾	1,485,320	345,485
Total	12,499,270	7,997,444

⁽¹⁾ Consists of change in interest discounts.

7. Information on associates (net):

None (31 December 2021: None).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

8. Information on subsidiaries (net):

As of 31 December 2022, the Parent Bank has subsidiary as ICBC Turkey Yatırım Menkul Değerler A.Ş. The Parent Bank does not have any capital needs due to its subsidiary which is included in the calculation of its consolidated capital adequacy standard ratio. The current equity amount of the subsidiary fulfils the minimum capital requirement entailed in accordance with the Capital Markets Board's regulations.

Information related to subsidiaries:

a) Information on unconsolidated subsidiaries:

None.

b) Information on unconsolidated subsidiaries according to information above:

None.

c) Movement of unconsolidated subsidiaries:

None.

d) Industrial distribution of unconsolidated subsidiaries:

As of 31 December 2022, the Parent Bank has no unconsolidated subsidiary.

e) Information on consolidated subsidiaries:

Title	Address (City/Country)	Parent Bank's share percentage- If different from voting percentage (%)	Banks Risk Group Share Percentage (%)
ICBC Turkey Yatırım Menkul Değerler A.Ş. (ICBC Yatırım)	Istanbul/Turkey	100	100

f) Information on subsidiaries included in the scope of consolidation in the order listed above:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
1,443,912	327,773	5,664	112,585	-	80,046	80,046	-

ICBC Yatırım participated in ICBC Turkey Portföy Yönetimi A.Ş. (ICBC Portföy) with 100% share in April 2015. The financial information above shows amounts occurred as a result of consolidation of ICBC Yatırım and ICBC Portföy.

Solo/stand-alone financial information of ICBC Portföy company, which is consolidated to ICBC Yatırım, is as follows:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/Loss	Fair Value
11,718	9,525	63	1,845	-	596	489	-

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

8. Information on subsidiaries (net) (continued):

g) Movement of consolidated subsidiaries:

	31 December 2022	31 December 2021
Balance at the Beginning of the Period	75,998	75,998
Movements During the Period	-	-
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the End of the Period	75,998	75,998

h) Sector information and related recorded amounts of subsidiaries included in the scope of consolidation:

	31 December 2022	31 December 2021
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	75,998	75,998
Total	75,998	75,998

i) Listed subsidiaries: None (31 December 2021: None).

j) Subsidiaries disposed of during the current period: None. (31 December 2021: None).

k) Subsidiaries purchased in the current period: None. (31 December 2021: None).

9. Information on joint ventures (net):

The Parent Bank does not have any joint ventures. (31 December 2021: None).

10. Information on financial lease receivables (net):

None. (31 December 2021: None).

11. Information on hedging purpose derivatives:

The Group does not have derivative financial instruments for hedging purposes. (31 December 2021: None).

12. Information on investment properties (net):

The Bank has no investment property (31 December 2021: None).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

13. Information on tangible assets (net):

31 December 2022	Buildings	Tangible assets from finance lease	Vehicles	Right-of-Use	Other Tangible Assets	Total
Prior Period End: 31/12/2021						
Cost	38,016	2,269	-	118,183	86,677	245,145
Accumulated Depreciation (-)	4,151	2,269	-	55,008	60,480	121,908
Net Book Value	33,865	-	-	63,175	26,197	123,237
Current Period End: 31/12/2022						
Net Book Value at the Beginning of the Period	33,865	-	-	63,175	26,197	123,237
Additions	241	-	-	64,875	50,791	115,907
Disposals, net (-)	-	-	-	2,025	-	2,025
Value Increase/(Decrease)	12,379	-	-	-	-	12,454
Depreciation (-)	221	-	-	38,632	15,539	54,392
Cost at Period End	38,016	327	-	164,576	129,415	332,333
Accumulated Depreciation at Period End (-)	4,197	327	-	73,261	66,585	144,370
Closing Net Book Value	33,819	-	-	91,315	62,829	188,038

31 December 2021	Buildings	Tangible assets from finance lease	Vehicles	Right-of-Use	Other Tangible Assets	Total
Prior Period End: 31/12/2020						
Cost	25,396	2,269	-	99,055	78,622	205,342
Accumulated Depreciation (-)	3,976	2,269	-	34,628	51,046	91,919
Net Book Value	21,420	-	-	64,427	27,576	113,423
Current Period End: 31/12/2021						
Net Book Value at the Beginning of the Period	21,420	-	-	64,427	27,576	113,423
Additions	241	-	-	19,304	8,055	27,600
Disposals, net (-)	-	-	-	176	-	176
Value Increase/(Decrease)	12,379	-	-	-	-	12,379
Depreciation (-)	175	-	-	20,380	9,434	29,989
Cost at period end	38,016	2,269	-	118,183	86,677	245,145
Accumulated Depreciation at period end (-)	4,151	2,269	-	55,008	60,480	121,908
Closing Net Book Value	33,865	-	-	63,175	26,197	123,237

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

13. Information on tangible assets (net) (continued)

a) The cost and accumulated depreciation of assets disposed is as follows:

31 December 2022	Buildings	Tangible assets from finance lease	Right-of-Use Assets	Other Tangible Assets	Total
Cost	-	1,943	5,947	-	7,890
Accumulated Depreciation (-)	-	1,943	3,922	-	5,865
Net disposal amount	-	-	2,025	-	2,025

31 December 2021	Buildings	Tangible assets from finance lease	Vehicles	Other Tangible Assets	Total
Cost	-	-	452	-	452
Accumulated Depreciation (-)	-	-	276	-	276
Net disposal amount	-	-	176	-	176

14. Intangible assets (net):

a) The gross book value and accumulated amortization amounts at the beginning and at the end of the period:

	31 December 2022	31 December 2021
Gross Book Value	68,994	51,722
Accumulated Amortization (-)	44,594	40,285
Total	24,400	11,437

b) Movement table contains below mentioned information at the beginning and the end of the period:

	31 December 2022	31 December 2021
Beginning of the Period	11,437	7,839
Additions Resulting from Mergers, Acquisitions and Purchases	27,752	10,480
Disposals and Sales (-)	-	-
Accumulated Amortization for the Period (-)	14,789	6,882
Period End	24,400	11,437

15. Information on investment properties:

The Group has no investment property. (31 December 2021: None).

16. Information on deferred tax assets:

a) Amount of deferred tax asset recognized in the balance sheet in respect of each type of deductible temporary differences, unused tax credits:

	(1 January - 31 December 2022)	(1 January - 31 December 2021)
Balance at the beginning of the previous period	300,613	116,269
TFRS 9 effect	-	-
Balance at the beginning of the current period	300,613	116,269
Deferred tax income/(expense) (net)	404,535	186,429
Deferred tax recognized in other comprehensive income	(37,462)	(2,085)
Balance at the end of the period	667,686	300,614

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

I. Explanations and Notes on Consolidated Assets (continued)

17. Information on deferred tax assets (continued):

Net deferred tax asset/(liability) movements in the current and prior periods are as follows.

Timing differences from a basis for deferred tax	Current period		Prior period	
	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/(liability)
Provisions ^(*)	367,862	91,812	322,425	80,104
Financial assets and liabilities valuation differences	855,076	213,769	342,489	85,622
Derivative valuation differences	387,305	96,826	(174,102)	(43,526)
Loan provisions on stage I and II	860,736	247,985	862,145	175,896
Other	37,899	17,294	9,874	2,518
Total net deferred tax asset/(liability)	2,508,877	667,686	1,362,831	300,614

^(*) Consists of employee rights provisions, credit score provisions and other provisions.

As at 31 December 2022, the Group's deferred tax asset arising from the deductible temporary differences except for general loan provisions is amounting to TL 667,686 (31 December 2021: TL 300,613). As at 31 December 2022, there is no deferred tax asset arising from financial losses (31 December 2021: None).

In case of book value and taxable value differences of assets are subject of deferred tax relating to equities accounts, deferred tax asset or liability net off with accounts in this group.

Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in the balance sheet: None.

18. Information on assets held for sale and discontinued operations:

The Group has no asset held for sale and discontinued operation as at 31 December 2022 and 31 December 2021.

19. Information on other assets:

Total other assets of the balance sheet amount to TL 829,856 (31 December 2021: TL 140,933) and does not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations and Notes on Consolidated Liabilities

1. Information on Deposits:

a) Information on maturity profile of deposits:

The Parent Bank does not have any deposits callable in 7 days.

a.1) 31 December 2022:

	Demand	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Acc. Deposits	Total
Saving Deposits	73,985	138,937	662,586	680,982	108,895	7,620	-	1,673,005
Foreign Currency Deposits	3,366,296	1,932,281	11,259,750	271,854	559,420	29,855	-	17,419,456
Residents in Turkey	3,192,835	1,854,379	10,672,983	268,356	61,265	6,572	-	16,056,390
Residents Abroad	173,461	77,902	586,767	3,498	498,155	23,283	-	1,363,066
Public Sector Deposits	6,152	-	-	-	-	-	-	6,152
Commercial Deposits	269,805	242,111	25,550	786,083	1,204,709	-	-	2,528,258
Other Ins. Deposits	8,116	61	5,214	-	52	-	-	13,443
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	1,254,329	1,303,769	-	-	-	-	-	2,558,098
CBRT	-	-	-	-	-	-	-	-
Domestic Banks	1,133,663	1,303,769	-	-	-	-	-	2,437,432
Foreign Banks	120,666	-	-	-	-	-	-	120,666
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	4,978,683	3,617,159	11,953,100	1,738,919	1,873,076	37,475	-	24,198,412

a.2) 31 December 2021:

	Demand	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Acc. Deposits	Total
Saving Deposits	56,463	164,413	1,121,269	43,010	1,017	2,301	-	1,388,473
Foreign Currency Deposits	2,488,602	709,758	10,026,709	126,508	566,055	27,441	-	13,945,073
Residents in Turkey	2,287,561	706,186	9,118,467	123,157	111,324	2,844	-	12,349,539
Residents Abroad	201,041	3,572	908,242	3,351	454,731	24,597	-	1,595,534
Public Sector Deposits	7,524	-	-	-	-	-	-	7,524
Commercial Deposits	146,033	26,255	34,907	73	-	-	-	207,268
Other Ins. Deposits	4,062	738	5,012	-	40	1	-	9,853
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	148,109	600,253	-	-	-	-	-	748,362
CBRT	-	-	-	-	-	-	-	-
Domestic Banks	128,084	600,253	-	-	-	-	-	728,337
Foreign Banks	20,025	-	-	-	-	-	-	20,025
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	2,850,793	1,501,417	11,187,897	169,591	567,112	29,743	-	16,306,553

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations and Notes on Consolidated Liabilities (continued)

1. Information on Deposits (continued):

b) Information on deposit insurance:

b.1) Information on savings deposits insured by saving deposit insurance fund and the total amount of the deposits exceeding the insurance coverage limit:

	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit
	31 December 2022	31 December 2022
Saving Deposits		
Saving Deposits	785,049	888,210
Foreign Currency Savings Deposits	757,126	4,926,525
Other Saving Deposits	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-
Total	1,542,175	5,814,735

	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit
	31 December 2021	31 December 2021
Saving Deposits		
Saving Deposits	694,196	694,277
Foreign Currency Savings Deposits	757,126	4,926,525
Other Saving Deposits	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-
Total	1,451,322	5,620,802

b.2) Savings deposits in Turkey are not covered under insurance in another country since the Headquarter of the Bank is not located abroad: None.

b.3) The Group has saving deposits not covered by deposit insurance amounting to TL 15,067 (31 December 2021: TL 11,389).

Saving deposits of real persons that are not covered under the guarantee of deposit insurance fund:

	31 December 2022	31 December 2021
Deposits and Other Accounts at Foreign Branches	-	-
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Care	-	-
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEOs with Their Parents, Spouse and Children under Their Care	15,067	11,389
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	-	-
Deposits belong to Off-shore Banks which are established to be engaged in offshore banking in Turkey	-	-

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations and Notes on Consolidated Liabilities (continued)

2. Payables to Money Markets:

As of 31 December 2022, the Group has funds from repo transactions amounting to TL 385,417 and funds from interbank markets amounting to TL 731,806 (31 December 2021: TL 3,001,933).

3. Derivative financial liabilities:

Derivative financial liabilities statement:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Forwards Transactions	25,857	18,553	10,568	79
Swaps Transactions	6,742	422,122	1,252	4,424
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	32,599	440,675	11,820	4,503

4. Information on funds borrowed:

a) Information on banks and other financial institutions:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	-	-	-	-
Domestic Banks and Institutions	908,549	-	11,040	-
Foreign Banks, Institutions and Funds	1,534,388	23,995,166	1	12,963,603
Total	2,442,937	23,995,166	11,041	12,963,603

b) Contractual maturities of funds borrowed:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Short-Term	2,442,937	12,752,348	11,041	2,841,570
Medium and Long-Term	-	11,242,818	-	10,122,033
Total	2,442,937	23,995,166	11,041	12,963,603

c) Additional information on concentrations of Parents Bank's liabilities:

The Parent Bank diversifies its funding resources with customer deposits and funds borrowed from foreign banks. The Parent Bank makes concentration analysis for the customers providing funds in branch basis and takes long and short-term actions to generalize the customers in these branches. Funds borrowed consist of funds with different characteristics and maturity-interest structures like export financing, money market, post-finance funding and are provided from different institutions.

5. Information on other liabilities:

Other liabilities amount to TL 291,659 (31 December 2021: TL: 717,512) on the balance sheet and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations and Notes on Consolidated Liabilities (continued)

6. Information on lease payables (net):

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Less than 1 Year	62,929	-	8,222	-
Between 1-4 Years	2,674	-	19,155	-
More Than 4 Years	41,226	-	47,157	-
Total	106,829	-	74,534	-

7. Information on liabilities arising from hedging purpose derivatives (net):

The Group does not have derivative financial instruments for hedging purposes (31 December 2021: None).

8. Information on provisions:

a) Information on reserve for employee rights:

In accordance with existing legislation in Turkey, the Parent Bank and its subsidiary in Turkey have to make certain lump-sum payments to employees who has completed one year of service with the Parent Bank, who has completed 25 working years (20 years for women) and whose employment is terminated due to retirement (retirement age for women and men are 58 and 60, respectively) or reasons other than resignation or misconduct.

The indemnity payable is one month's salary for each year of service and as of 31 December 2022, this amount is restricted with full TL 15,371.40 (31 December 2021: full TL 10,848.59). The liability is not funded since there is no funding requirement.

The Parent Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in accordance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits". The major actuarial assumptions used in the calculation of the total liability are as follows.

The basic assumption is that the severance pay ceiling to be paid for each year of service will increase each year at the rate of inflation or the estimated salary increase. Thus, the discount rate applied will show the expected real rate after adjusting for the expected effects of inflation.

	31 December 2022	31 December 2021
Discount Ratio (%)	3.09	3.09
Expected Salary/ETI Liability Ceiling Increase Rate (%)	21.85	21.85
Rate for the Probability of Retirement (%)	25.61	25.61

Movement of ETI liability is as below:

	31 December 2022	31 December 2021
Balance at Prior Period End	28,799	16,889
Current Year Provisions	47,354	9,299
Paid in Current Year	(1,908)	(2,086)
Actual Loss/(Gain)	7,327	4,697
Balance at the End of the Period	81,572	28,799

As at 31 December 2022, the Group has vacation pay liability amounting TL 36,485 (31 December 2021: TL 14,974).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations and Notes on Consolidated Liabilities (continued)

8. Information on provisions: (continued)

b) Information on provisions related to foreign currency differences of foreign currency indexed loans:

As at 31 December 2022, there is no foreign exchange differences on foreign currency indexed loans (31 December 2021: None) are netted with loans on the asset side.

c) Specific provisions for non-cash loans that are not indemnified and not converted into cash:

As at 31 December 2022, the Group has specific provision amounting to TL 9,913 (31 December 2021: TL 9,913) for non-cash loans that are not indemnified and not converted into cash and irrevocable commitments amounting to TL 4,585 (31 December 2021: TL 4,916).

d) Information on other provisions:

d.1) Information on provision for possible risks:

As of 31 December 2022, the Bank has free provisions amounting to TL 7,015 (31 December 2021: None.)

d.2) Information on provision for promotions related to banking services:

As at 31 December 2022, the Parent Bank has provision for credit card service promotions amounting TL 98 (31 December 2021: TL 69).

d.3) Information on other provisions:

As at 31 December 2022, there is provision for lawsuits filed against the Parent Bank and its subsidiary amounting TL 28,878 (31 December 2021: TL 19,958).

As at 31 December 2022, the Group has provision for personnel bonus amounting TL 242,018 (31 December 2021: TL 257,429).

As at 31 December 2022, the Group has provision for non-cash loans amounting to TL 140,376 (31 December 2021: TL 140,079).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations and Notes on Consolidated Liabilities (continued)

9. Information on tax liabilities:

a) Information on taxes payable:

	31 December 2022	31 December 2021
Corporate Taxes Payable	378,603	162,367
Taxation on Securities	9,461	5,525
Property Tax	448	334
Booking and Insurance Transaction Tax (BITT)	13,076	6,370
Foreign Exchange Tax	-	-
Value Added Tax Payable	1,815	1,531
Other	23,800	15,968
Total	427,203	192,095

b) Information on premiums payable:

	31 December 2022	31 December 2021
Social Security Premiums- Employee	3,635	3,051
Social Security Premiums- Employer	4,038	3,395
Bank Social Aid Pension Fund Premium - Employee	-	-
Bank Social Aid Pension Fund Premium - Employer	-	-
Pension Fund Membership Fees And Provisions - Employee	-	-
Pension Fund Membership Fees And Provisions - Employer	-	-
Unemployment Insurance- Employee	259	217
Unemployment Insurance- Employer	518	434
Other	-	-
Total	8,450	7,097

c) Information on deferred tax liabilities:

Deferred tax assets and liabilities of each consolidated entity calculated individually are netted at each individual financial statement. Net deferred tax assets and liabilities of consolidated entities are not netted off with each other during consolidation process.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations and Notes on Consolidated Liabilities (continued)

10. Information on payables related to assets held for sale and discontinued operations (net):

There are no liabilities for fixed assets held for sale and discontinued operations.

11. Explanations on subordinated loans including quantity, maturity, interest rate, issuing institution, option to be converted into stock certificate:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Debt Instruments to be Included in the Additional Capital Borrowing Instruments	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Tier II Capital Calculation	-	5,613,721	-	3,999,625
Subordinated Loans ⁽¹⁾	-	5,613,721	-	3,999,625
Subordinated Debt Instruments	-	-	-	-
Total	-	5,613,721	-	3,999,625

⁽¹⁾ The main shareholder of the Bank, Industrial and Commercial Bank of China Limited (ICBC), provided a subordinated loan amounting to USD 300 million (USD three hundred million), with a maturity of 10 years and repayment option after 5 years.

12. Information on shareholders' equity:

a) Paid in capital:

	31 December 2022	31 December 2021
Common Stock	860,000	860,000

The paid-in share capital of the Parent Bank is represented by 8,600,000,000 registered shares of one 0.10 Turkish Liras each.

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital: None.

c) Information on share capital increases and their sources; other information on any increase in capital shares during the current period:

There is no capital increase in the current period.

d) Information on share capital increases from revaluation funds:

There is no capital increase in the current period.

e) Capital commitments for current financial year and following period, and the overall purpose of these commitments and the estimated resources required for these commitments: None.

f) Prior period indicators of the Parent Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators: None.

g) Information on the privileges given to stocks representing the capital: The 70% of share capital of the Parent Bank consist of Type A shares and the 30% of the remaining consist of Type B shares. Three out of five members of the Board of Directors are appointed by Type A shareholders and the remaining two are appointed by Type B shareholders. There is no other privilege appointed.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

II. Explanations and Notes on Consolidated Liabilities (continued)

12. Information on shareholders' equity: (continued)

h) Information on marketable securities value increase fund:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
From Investment in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Revaluation Difference	191	116,368	2,458	1,555
Foreign Exchange Difference	-	-	-	-
Total	191	116,368	2,458	1,555

III. Explanations and Notes on Consolidated Off-Balance Sheet Items

1. Explanation on off-balance sheet items:

a) Type and amount of irrevocable commitments:

	31 December 2022	31 December 2021
Forward purchase and sale commitments	386,288	446,424
Commitment for use guaranteed credit allocation	30,597	30,958
Credit cards limit commitments	98,802	74,208
Payment commitments for cheques	5,711	6,261
Credit card commitments given with applications for promotion	-	-
Tax and fund obligations arising from export commitments	3	3
Other irrevocable commitments	260	193
Total	521,661	558,047

b) Type and amount of possible losses and commitments from off-balance sheet items:

There is no possible loss arising from off-balance sheet items. Guarantees from off-balance sheet commitments are shown in "off-balance sheet items" statements.

	31 December 2022	31 December 2021
Letters of guarantee	5,518,636	4,738,369
Bank acceptance loans	-	-
Letters of credit	3,893,609	1,379,096
Other guarantees	4,316,375	4,385,590
Total	13,728,620	10,503,055

c) Total amount of non-cash loans:

	31 December 2022	31 December 2021
Non-Cash Loans Given for Cash Loan Risks	150,772	139,253
With Original Maturity of 1 Year or Less	27,653	25,617
With Original Maturity of More Than 1 Year	123,119	113,636
Other Non-Cash Loans	13,577,848	10,363,802
Total	13,728,620	10,503,055

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

III. Explanations and Notes on Consolidated Off-Balance Sheet Items (continued)

1. Explanation on off-balance sheet items (continued):

d) Information on sectoral risk concentration of non-cash loans

	31 December 2022				31 December 2021			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	141	0.01	-	-	141	0.02	-	-
Farming and Raising Livestock	123	0.01	-	-	123	0.02	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	18	-	-	-	18	-	-	-
Manufacturing	39,173	2.85	3,281,364	26.56	41,772	5.15	1,210,108	12.49
Mining and Quarrying	243	0.02	939	0.01	368	0.05	669	0.01
Production	36,511	2.66	1,168,277	9.46	11,695	1.44	1,202,516	12.41
Electricity, Gas and Water	2,419	0.18	2,112,148	17.10	29,709	3.66	6,923	0.07
Construction	35,446	2.58	890,834	7.21	92,182	11.36	4,361,434	45.00
Services	1,289,271	93.78	7,124,475	57.67	672,740	82.87	3,434,013	35.43
Wholesale and Retail Trade	22,846	1.66	3,048,131	24.67	20,905	2.57	189,465	1.95
Accommodation and Dining Services	1,622	0.12	-	-	1,622	0.20	-	-
Transportation and Telecommunication	40,925	2.98	1,425,196	11.54	650	0.08	1,711,267	17.66
Financial Institutions	1,222,885	88.95	2,224,460	18.01	648,582	79.90	1,255,971	12.96
Real Estate and Lending Services	309	0.02	426,688	3.45	259	0.03	277,310	2.86
Self-Employment Services	-	-	-	-	-	-	-	-
Educational Services	66	-	-	-	1	-	-	-
Health and Social Services	618	0.04	-	-	721	0.09	-	-
Other	10,745	0.78	1,057,172	8.56	4,920	0.60	685,745	7.08
Total	1,374,775	100.00	12,353,845	100.00	811,755	100.00	9,691,300	100.00

e) Non-cash loans classified under Group I and II:

	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	1,374,775	4,143,861	3,153	135,563
Acceptance/Aval Credits	-	-	-	-
Letters of Credit	-	3,893,609	-	-
Securities Issue Purchase Guarantees	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	4,316,375	-	-
Total	1,374,775	12,353,845	3,153	135,563

The Parent Bank has recorded a provision amounting to TL 12,212 (31 December 2021: TL 9,856), for the unearned non-cash loans and irrevocable commitments amounting to TL 6,099 (31 December 2021: TL 4,916).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

III. Explanations and Notes on Consolidated Off-Balance Sheet Items (continued)

2. Explanations on the services rendered on behalf of and account of other persons:

The Group performs purchase-sale transactions on behalf of its customers and provides custody, management and consultancy services.

IV. Explanations and Notes on Consolidated Profit or Loss Statement

1. Information on interest income:

a) Information on interest income received from loans:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Interest Income Received from Loans ⁽¹⁾				
Short-Term Loans	545,296	262,912	162,220	85,934
Medium and Long-Term Loans	286,560	937,259	150,299	486,578
Loans Under Follow-Up	7,161	-	7,982	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	839,017	1,200,171	320,501	572,512

⁽¹⁾ Also includes fees and commissions from cash loans.

b) Information on interest income received from banks:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
From Central Bank of The Republic of Turkey	8,683	55	25,704	-
From Domestic Banks	4,663	10,255	11,281	3,985
From Foreign Banks	-	19,654	-	1,855
From Foreign Offices and Branches	-	-	-	-
Total	13,401	29,964	36,985	5,840

c) Information on interest income received from securities portfolio:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit Or Loss	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	33,808	31,706	86,427	19,359
Financial Assets Measured at Amortized Cost	1,630,307	343,652	262,695	215,563
Total	1,664,115	375,358	349,122	234,922

d) Information on interest income received from associates and subsidiaries: None (31 December 2021: None).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IV. Explanations and Notes on Consolidated Profit or Loss Statement (continued)

2. Information on interest expense:

a) Information on interest expense related to funds borrowed:

	31 December 2022		31 December 2021	
	TL	FC	TL	FC
Banks ⁽¹⁾	275,480	433,741	-	-
Central Bank of The Republic of Turkey	-	-	-	-
Domestic Banks	41,093	10,256	1,102	-
Foreign Banks	234,387	423,485	69,119	137,437
Foreign Branches and Offices Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	275,480	433,741	70,221	137,437

⁽¹⁾ Also includes fees and commission expenses related to loans allowed.

b) Information on interest expense paid to associates and subsidiaries:

None (31 December 2021: None).

c) Information on interest expense paid to securities issued: None.

d) Maturity structure of the interest expense on deposits:

The Parent Bank has no interest expense paid to deposits callable within 7 days.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IV. Explanations and Notes on Consolidated Profit or Loss Statement (continued)

2. Information on interest expense: (continued)

31 December 2022	Time Deposits							Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 year and over	Acc. Deposits	
TL								
Bank Deposits	-	41,441	-	-	-	-	-	41,441
Saving Deposits	-	19,850	139,689	114,194	10,127	984	-	284,844
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	17,275	54,771	49,965	129,478	-	-	251,489
Other Deposits	-	53	1,535	-	6	-	-	1,594
Total	-	78,619	195,995	164,159	139,611	984	-	579,368
Foreign Currency								
Foreign Currency Deposits	-	11,596	410,881	4,032	8,362	743	-	435,614
Bank Deposits	-	12,676	-	-	-	-	-	12,676
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	-	24,272	410,881	4,032	8,362	743	-	448,290
Grand Total	-	102,713	605,922	168,191	147,973	1,727	-	1,026,526

31 December 2021

31 December 2021	Time Deposits							Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 year and over	Acc. Deposits	
TL								
Bank Deposits	-	4,253	-	-	-	-	-	4,253
Saving Deposits	-	25,690	272,965	70	52	11	-	298,788
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	12,425	23,175	10	-	-	-	35,610
Other Deposits	4	135	2,098	-	4	-	-	2,241
Total	4	42,503	298,238	80	56	11	-	340,892
Foreign Currency								
Foreign Currency Deposits	-	2,548	153,621	2,444	4,291	903	-	163,807
Bank Deposits	-	78	-	-	-	-	-	78
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	-	2,626	153,621	2,444	4,291	903	-	163,885
Grand Total	4	45,129	451,859	2,524	4,347	914	-	504,777

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IV. Explanations and Notes on Consolidated Profit or Loss Statement (continued)

3. Explanation on dividend income

	31 December 2022	31 December 2021
Financial Assets at Fair Value Through Profit/Loss	2	201
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Other	-	-
Total	2	201

4. Information on trading profit/loss (net):

	31 December 2022	31 December 2021
Profit	8,876,208	5,074,653
Capital Market Gains	22,222	29,648
Derivative Gains	3,777,018	1,980,128
Foreign Exchange Gains	5,076,968	3,064,877
Loss (-)	8,404,536	4,692,138
Capital Market Losses	141	1
Derivative Losses	3,737,836	1,713,072
Foreign Exchange Losses	4,666,559	2,979,065

5. Information on other operating income:

The "Other operating income" item in the income statement mainly consists of collections from receivables for which provision was made in previous periods, provisions set aside in previous years and reversed in the current year, and income from sales from the follow-up portfolio.

6. Impairment on expected loans and other provisions receivables:

	31 December 2022	31 December 2021
Allowance for Expected Credit Losses	136,194	497,752
12-Month Expected Credit Losses (Stage 1)	132,881	142,094
Significant Increase in Credit Risk (Stage 2)	2,812	359,201
Credit-Impaired (Stage 3)	501	(3,543)
Impairment Provisions for Securities	6,848	6,814
Financial Assets at Fair Value Through Profit or Loss	-	5,410
Financial Assets at Fair Value Through Other Comprehensive Income	6,848	1,404
Impairment Provisions Related to Investments in Associates, Subsidiaries and Joint Ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	15,935	5,611
Total	158,977	510,177

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IV. Explanations and Notes on Consolidated Profit or Loss Statement (continued)

7. Information related to other operating expenses:

	31 December 2022	31 December 2021
Reserve for Employee Termination Benefits	81,982	9,530
Reserve for Bank's Social Aid Fund Deficit	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	42,530	29,989
Impairment Expenses of Intangible Assets	-	-
Impairment Expenses of Goodwill	-	-
Depreciation Expenses on Intangible Assets	8,798	6,881
Impairment Expenses of Investments in Associates by Using Equity Method	-	-
Impairment Expenses of Assets Held for Resale	-	-
Depreciation Expenses of Assets Held for Resale	81	72
Impairment Expenses of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	133,526	79,996
Leasing Expenses related to TFRS 16 Exemptions	3,069	2,916
Repair and Maintenance Expenses	41,883	21,287
Advertisement Expenses	2,817	2,741
Other Expenses	85,757	53,052
Loss on Sale of Assets	34	-
Other ⁽¹⁾	116,847	258,256
Total	383,798	384,724

⁽¹⁾ Other line mainly includes taxes paid other than corporate income tax, customs and duties paid and SDIF premium expense.

8. Profit/loss before taxes from continued and discontinued operations:

Profit before taxes for continued operations is TL 1,822,087 (31 December 2021: TL 240,648 profit before tax). Profit before taxes consists of net interest income amounting to TL 2,180,731 (31 December 2021: TL 849,559), net fees and commission income amounting to TL 268,625 (31 December 2021: TL 161,874), personnel expenses amounting to TL 652,300 (31 December 2021: TL 364,610) and other operating expenses amounting to TL 383,798 (31 December 2021: TL 384,724).

9. Taxes on income from continued and discontinued operations:

For the period ended 31 December 2022, deferred tax income amounting to TL 742,110 (31 December 2021: TL 214,037 deferred tax income) and TL 337,546 deferred tax expense (31 December 2021: TL 27,608 deferred tax expense) arise from temporary differences. For the period ended 31 December 2022, there is no deferred tax income arising from financial losses (31 December 2021: None).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

IV. Explanations and Notes on Consolidated Profit or Loss Statement (continued)

10. Information on continued and discontinued operations net profit/loss:

Net profit from continued operations is TL 1,400,767 (31 December 2021: TL 187,189 net profit).

11. Information on net profit and loss:

a) If it is required that the nature of the income and expense items arising from ordinary banking transactions, size and repetition rate for the understanding of the Parent Bank's performance over the period, the nature and amount of these items: None.

b) The profit/loss effect of a change in the estimate made in relation to the financial statement items, if any, is likely to affect subsequent periods: None.

c) There is no profit/loss of minority interests (31 December 2021: None).

12. In case the other items in the consolidated statement of profit or loss exceeds 10% of the total profit or loss, the sub-accounts constituting at least 20% of these items:

In the consolidated statement of profit or loss; the "Other" captions presented under "Fees and Commissions Received" and "Fees and Commissions Paid" accounts, which are included in "Net Fee and Commission Income", consist mainly of income received and expenses paid to customers and third parties regarding banking activities.

13. Fees for services received from independent auditor/independent audit firm

The fee information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below. These fees include the fees for the services provided to the Bank's subsidiaries.

	31 December 2022 ⁽¹⁾	31 December 2021 ⁽¹⁾⁽²⁾
Independent Audit Fee	940	2,805
Other Assurance Services Fee	1,642	749
Fee for Services Other than Independent Audit	-	-
Total	2,582	3,554

⁽¹⁾ Amounts Excluding VAT.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

V. Explanations and Notes on Consolidated Statement of Changes in Shareholders' Equity

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

There is no tax effect arising from the remeasurement of the fair value of the Bank's financial assets at fair value through other comprehensive income. The decrease in the amount of (31 December 2021: TL 11,076 decrease due to remeasurement of financial assets at fair value through other comprehensive income) is shown as the period movement of the account "Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income" in the statement of changes in equity.

Information on cash flow hedge: None.

2. Differences arising on revaluation of tangible assets:

None. (31 December 2021: TL 12,379)

None.

3. Information on profit shares noticed after balance sheet date but previous to announcement of financial statements:

None.

4. Information on issuance of stocks:

None.

5. Explanations on profit distribution:

At the Ordinary General Assembly Meeting of the Parent Bank held on 31 March 2022, it was decided to allocate 5% of the legal reserves of TL 5,795 from TL 115,894, which constitutes the net after-tax unconsolidated balance sheet profit of 2021, in accordance with Article 519/1 of the TCC and the remaining TL 110,100 was decided to be transferred to extraordinary reserves.

VI. Explanations and Notes on Consolidated Cash Flow Statement

1. The components of cash and cash equivalents and the accounting policies used in the determination of these components:

Cash in vault, foreign currencies, cash in transit, cheques purchased, demand deposits in banks including demand deposit balances with the Central Bank of Turkey are described as "Cash"; interbank money market placements, time deposits in banks which have original maturities shorter than three months and reverse repo receivables are described as "Cash Equivalents". The reserve requirement amounts within the Central Bank are not considered as "cash equivalent assets" in the statement of cash flows.

a) Cash and cash equivalent assets at the beginning of the period:

	31 December 2022	31 December 2021
Cash	2,861,528	1,924,771
Cash in Vault, Foreign Currencies and Other	167,440	84,846
Demand Deposits at Banks	2,694,088	1,839,925
Cash Equivalents	1,866,948	1,826,096
Interbank Money Market	20,955	504,241
Time Deposits at Banks	1,845,993	1,321,855
Total	4,728,476	3,750,867

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VI. Explanations and Notes on Consolidated Cash Flow Statement (continued)

1. The components of cash and cash equivalents and the accounting policies used in the determination of these components: (continued)

b) Cash and cash equivalents at the end of the period:

	31 December 2022	31 December 2021
Cash	4,947,685	2,861,528
Cash in Vault, Foreign Currencies and Other	168,241	167,440
Demand Deposits at Banks	4,779,444	2,694,088
Cash Equivalents	987,707	1,866,948
Interbank Money Market	5,400	20,955
Time Deposits at Banks	982,307	1,845,993
Total	5,935,392	4,728,476

2. Information on cash and cash equivalent assets of the Group that are not available for free use due to legal restrictions or other reasons:

As mentioned in the first item above, the reserve requirement amounts held under blockage within the Central Bank is not considered as cash equivalent assets in the statement of cash flows.

3. Disclosures for "other" items in the statement of cash flows and effect of changes in foreign currency exchange rates on cash and cash equivalents:

As of 31 December 2022, "Other" item amounting to TL 584,858 (31 December 2021: TL 143,961) presented under "Operating Profit Before Changes in Operating Assets and Liabilities" comprises other operating expenses except personnel expenses, other taxes paid, fees and commissions paid.

As of 31 December 2022, "Net increase/decrease in other liabilities" item amounting to TL (2,414,441) (31 December 2021: TL 2,204,933) presented under "Change in assets and liabilities subject to banking activities" is comprised of changes in miscellaneous payables, other external resources and taxes, fees and funds. As of 31 December 2022, "Net increase/decrease in other assets" amounting to TL (2,387,500) (31 December 2021: TL (2,614,667)) is comprised of changes in miscellaneous receivables and other assets.

The cash outflow of TL (25,878) (31 December 2021: TL 2,515) is presented in the "net cash flows from investments" as of 31 December 2022 results from the balance sheet changes in financial assets at fair value through other comprehensive income.

The effect of the change of foreign exchange rates on the cash and cash equivalents is TL 701,073 for the year 2022 (31 December 2021: TL 1,354,684).

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VII. Explanations on the Parent Bank's Risk Group

1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period:

a) 31 December 2022:

Current Period Parent Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	-	-	-	-	-	-
Balance at the Beginning of the Period	1	-	-	1,001,523	25	-
Balance at the End of the Period	21	2	-	1,315,089	28	40
Interest and Commission Income Received	390	-	47	-	-	-

⁽¹⁾ As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

As of 31 December 2022, the Bank has placements amounting to TL 39,352 (31 December 2021: TL 192,015) in banks in the risk group.

Prior Period Parent Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	-	-	-	-	-	-
Balance at the Beginning of the Period	-	-	3,867	997,502	6	-
Balance at the End of the Period	1	-	-	1,001,523	25	-
Interest and Commission Income Received	-	-	48	-	-	-

⁽¹⁾ As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

b) Information on deposits held by the Parent Bank's risk group:

Current Period Parent Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Deposits						
Balance at the beginning of the Period	-	-	122,229	-	3,625	-
Balance at the End of the Period	-	657,327	20,025	-	5,224	-
Interest on Deposits	-	14,807	-	-	-	100

⁽¹⁾ As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

Prior Period Parent Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Deposits						
Balance at the beginning of the Period	-	-	62,865	-	2,621	-
Balance at the End of the Period	-	-	122,229	-	3,625	-
Interest on Deposits	-	-	-	-	-	80

⁽¹⁾ As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

VII. Explanations on the Parent Bank's Risk Group (continued)

1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period: (continued)

The Parent Bank has borrowed loans from the Parent Bank's Risk Group amounting TL 15,443,846 as at 31 December 2022 (31 December 2021: TL 8,359,652).

The Parent Bank has borrowed subordinated loans from the Parent Bank's Risk Group amounting to TL 5,613,721 as at 31 December 2022 (31 December 2021: TL 3,999,625).

c) Information on forward transactions, option contracts and other similar agreements with the risk group of the Parent Bank:

As of 31 December 2022, the Group has no derivative transactions with the risk group it is included in (31 December 2021: None).

2. The Parent Bank's Transactions with the Risk Group:

Besides nature of the relationship, transaction type, amount and its proportion in total transaction amount, amounts of primary transactions and their proportions in total amount, pricing policy and other matters:

In the Group's transactions with its risk group, pricing policy and other matters are determined and applied at market conditions. As of 31 December 2022, proportion of cash loans to risk group in total cash loans is 0.0704% (31 December 2021: 0.002%) and proportion of deposits from its risk group in total deposits is 0.8% (31 December 2021: 4.1%). Proportion of borrowings from its risk group in total funds borrowed is 30.3% (31 December 2021: 64.5%)

As a result of other activities in the risk group of the Bank, other commission income is amounting to TL 1 (31 December 2021: TL 16), other operating income is amounting to TL 6,948 (31 December 2021: TL 3,427) and there is no other operating expenses (31 December 2021: none) and other commission expenses are amounting to TL 0 (31 December 2021: TL 2).

In the current period, benefits provided to the Group's key management amount to TL 53,525 (31 December 2021: TL 32,354).

VIII. Information on Domestic, Foreign, Offshore Branches and Foreign Representative Offices of Parent Bank

	Number	Employees	
Domestic branches	59	866	
			Country
Foreign representative offices	-	-	-
			Total Assets
Foreign branches	-	-	-
Off-Shore branches	-	-	-
			Legal Capital

VIII. Explanation and Notes on Subsequent Events

In the calculation of the amount subject to credit risk, in accordance with the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks, with the Board Decision of the BRSA dated 31 January 2023 and numbered 10496, it was decided to use the Central Bank's foreign exchange buying rates of 30 December 2022 instead of the Central Bank's foreign exchange buying rate of 31 December 2021, and also to update the SME turnover limit and retail credit limits.

The earthquake that occurred in Kahramanmaraş on 6 February 2023 affected 10 provinces. After the disaster, BRSA, CBRT, TBB and Revenue Administration put into effect some relaxing regulations for the residents of the provinces in the disaster area. The Bank's management has taken the necessary measures within the scope of the said decisions, and further studies on the subject continue. As announced in the Official Gazette dated 8 February 2023 and numbered 32098, a State of Emergency was declared for a period of 3 months in Adana, Adiyaman, Diyarbakır, Gaziantep, Hatay, Kahramanmaraş, Kilis, Malatya, Osmaniye and Şanlıurfa.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

SECTION SIX

OTHER EXPLANATIONS ON THE BANK'S ACTIVITIES

I. Other Explanations

None.

ICBC TURKEY BANK ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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

SECTION SEVEN

EXPLANATIONS ON THE AUDITORS' REPORT

I. Explanations on the Auditors' Report

The consolidated financial statements of the Parent Bank and its subsidiaries as at and for the year ended 31 December 2022 have been audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., (Member of Deloitte Touche Tohmatsu Limited) and the Auditors' Report dated 24 February 2023 is presented in the introduction of this report.

II. Explanation and Notes Prepared by the Independent Auditors

None.



ICBC Turkey Bank A.Ş.

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