

FIBABANKA ANNUAL REPORT 2023



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Contact and Branches

WE ARE TAKING STRONG STEPS INTO THE FUTURE

With our investments in the technologies of the future and our innovation-oriented approach, we design farsighted solutions to our customers' financial needs, offering them a unique experience. We are moving forward with our vision of creating an ecosystem where customers can easily access our banking products and services, anytime and anywhere. By developing innovative products, we position ourselves as a technology company shaping the future of the industry, and we continue to make a difference in the sector.

WE CONTINUE OUR

DIGITALIZATION JOURNEY AT FULL SPEED

In our end-to-end digitalization journey, our top priority is to ensure that customers can fulfill their financial needs quickly and easily via a single platform. In 2023, we focused on providing a smoother experience by enhancing the Fibabanka Mobile and Internet Banking channels, thus increasing the number of our digital customers by 30% year-over-year.

2,2

Million

**Number of Digital
Customers**



WE MAKE A DIFFERENCE IN CUSTOMER EXPERIENCE

With our customer-oriented approach, which is at the heart of all our banking activities, we listen to and instantaneously assess our customers' experiences at every point of contact. We focus on perfecting all processes, channels, products and services by acting on the feedback we receive.

68
NPS
(Net Promoter Score)



WE PIONEER

THE ENTREPRENEURSHIP ECOSYSTEM

We pioneer the entrepreneurship ecosystem, thanks to the strong bond and synergy we have established with Finberg, Türkiye's first fintech-focused venture capital. Through this synergy, we closely follow the entrepreneurship ecosystem, discover opportunities, and take more agile steps.

71
USD Million
Finberg
Total Fund Size



WE CONTINUE TO CREATE VALUE IN CONSUMER FINANCING

Through our “Alışgidiş” brand, we are Türkiye’s most widespread and effective implementer of the “Buy Now, Pay Later” financing model, a credit payment system for consumers. In 2023, we introduced customers to more than 12,500 physical and online Alışgidiş points of sale, belonging to more than 55 brands across 15 sectors.

+12,500
Alışgidiş Points

alışgidiş.



FIBABANKA IN FIGURES

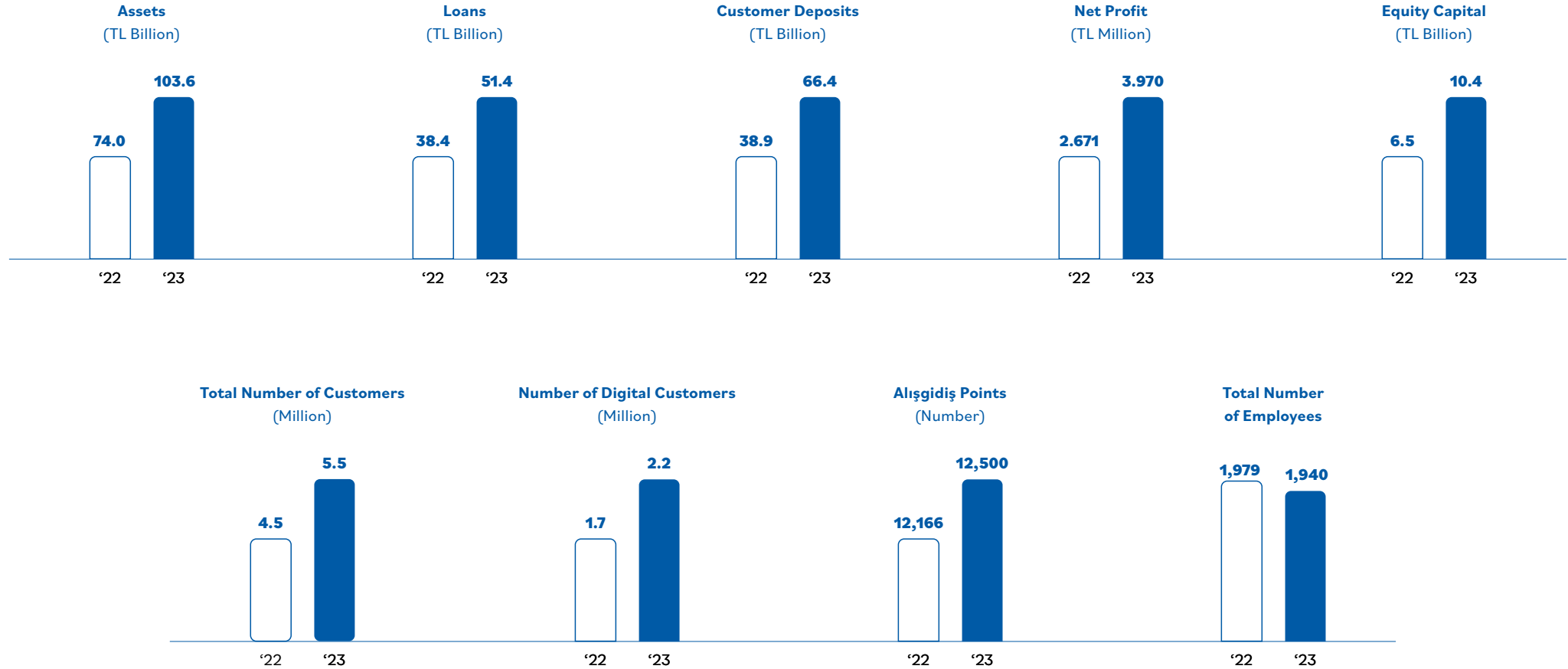
Fibabanka funded its loan portfolio mainly with customer deposits; customer deposits accounted for 64% of total liabilities with TL 66.4 billion in 2023.



TL 51.4 Billion
Loans



TL 103.6 Billion
Assets



SIGNIFICANT DEVELOPMENTS IN 2023

In alignment with its vision of becoming a technology company with a banking license, Fibabanka aims to transform its financial services into an end-to-end digital experience.

In 2023, Fibabanka increased the total number of its digital customers by 30% year-over-year to 2.2 million. This achievement attests to the success of the Bank's strategy of widespread accessibility through the digitalization of its financial products and services. Customers can access services whenever they wish and from wherever they are, and immediately meet their financial needs.

Fibabanka offers customers a unique digital experience via Fibabanka Mobile, pioneering the financial world of the future. Through the Financial Market application in Fibabanka Mobile, the Bank provides customers with rapid access from a single platform to various investment instruments, including the FX Market, Stock Exchange Market, Global Stock Exchange Market, Crypto Market, Fund Market, and Eurobonds. Additionally, In 2023, Fibabanka expanded its product and service diversity in the Mobile Banking channel with the addition of the Mobile Phone, Motor Own Damage Insurance, TCIP, and Home Insurance products to the application. Fibabanka continues to fully meet all the financial needs of its customers.

Fibabanka offers customers a comprehensive financial experience through the Open Banking application. Thanks to Fibabanka's Open Banking Platform, customers can use digital channels to access not only their Fibabanka accounts, but also their accounts with other banks; thus the platform provides customers with the means to manage their financial portfolios effectively, while also enabling them to perform financial transactions through their accounts at different banks. Through this innovative approach, which allows customers to make more informed financial decisions and manage all their banking transactions on a single platform, Fibabanka offers its customers unlimited financial freedom and provides a banking experience compatible with the digitizing world.

With Alışgıdiş, its new generation shopping loan, Fibabanka reached consumers at more than 12,500 shopping points in 2023, disbursing 800,000 instant loans totaling TL 11.6 billion. Standing by customers in their shopping journeys from the moment they need financing, Fibabanka is the most widespread and effective implementer of the "Buy Now, Pay Later (BNPL)" application.

In December 2022, Fibabanka acquired Fiba Emeklilik ve Hayat A.Ş., a subsidiary of the Fiba Group, in partnership with HDI Sigorta, with 40% of the shares held by the Bank. With the contribution of its subsidiary company, which was renewed under the name HDI Fiba Emeklilik ve Hayat A.Ş., Fibabanka achieved a total premium production of TL 2.3 billion in private pension, an increase of 102% year-over-year.

Fibabanka's innovative products offered in the elementary branch through Fiba Sigorta A.Ş., the digital insurance company established as a 50-50% partnership with HDI Sigorta, reached a premium of TL 637 million within its first six months of operation.

By prioritizing customer satisfaction and ease of access, Fibabanka claims an important position in terms of customer acquisition in a digitizing world. Offering easy access to its customers anytime and from anywhere, Fibabanka continues to grow through the Video Banking channel. Demonstrating the value of the comprehensive and pioneering services Fibabanka offers to its customers, a total of 179,000 new customers, including individuals and real persons within the scope

of commercial enterprises, were acquired through the Video Banking channel in 2023; the total number of customers acquired through this channel rose to 368,000. The Bank continues to offer its customers a unique digital experience by setting the banking standards of the future.

Fibabanka ranked second among the banks that provide the most APIs in Türkiye, with 400 services offered on the Service Banking API portal website www.servisbankaciligi.com. The website was launched to enable entrepreneurs and financial institutions, as well as developers with an intention to offer financial services, to design innovative products.

In 2023, Fibabanka continued to closely monitor the startup ecosystem, to explore opportunities and to take more agile steps, while redefining banking services by deploying its strong capabilities in the digital world. Representing Fibabanka's strongest bond with the startup ecosystem, Finberg manages over USD 71 million of assets with 39 active startups and 10 venture capital funds in its investment portfolio as of year-end 2023.

ANNUAL REPORT COMPLIANCE OPINION

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

To the Shareholders of Fibabanka Anonim Şirketi

Qualified Opinion

We have audited the annual report of Fibabanka Anonim Şirketi (the "Bank") for the period between 1 January 2023 and 31 December 2023, since we have audited the complete set consolidated and unconsolidated financial statements for this period.

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

Basis for Qualified Opinion

As described in the Basis For Qualified Opinion section of Independent Auditor's Report on the complete set of audited consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2023 and 31 December 2023 dated 29 February 2024;

The accompanying consolidated and unconsolidated financial statements as at 31 December 2023 include a general provision of total of TRY 1,586,000 thousands, of which TRY 266,000 thousands was recognized as expense in the current period and TRY 1,320,000 thousands had been recognized as expense in prior periods; with a deferred tax asset on this general provision amounting to TRY 475,800 thousands of which TRY 145,800 thousands was recognized in the current period and TRY 330,000 thousands had been recognized in prior periods which does not meet the requirements of BRSA Accounting and Reporting Legislation. This general provision is provided by the Group management for the possible effects of the negative circumstances which may arise in economy or market conditions.

The purpose and scope of the "General Communiqué of Tax Procedure Law No. 555" of Republic of Türkiye Ministry of Treasury and Finance published in the Official Gazette dated 30 December 2023 and numbered 32414 is to determine the principles and procedures regarding to inflation adjustments to be recognised in accordance with Article 298 of Law No. 213 and provisional Article 33 in 2023 and following accounting periods based on the fulfilment of the conditions for adjustments. Within the framework of this regulation, the Group has adjusted its tax-based financial statements as of 31 December 2023, for inflation.

However, the Group has not recognised for deferred tax assets by calculating the temporary differences arising from inflation accounting between the financial statements prepared in accordance with the Banking Regulation and Supervision Agency (BRSA) Accounting and Financial Reporting Regulations and the tax-based financial statements adjusted for inflation. This situation is not in compliance with the BRSA Accounting and Financial Reporting Regulations. If the Group had calculated deferred tax assets based on temporary differences arising from the revaluation effect in accordance with TAS 12 "Income Taxes," deferred tax assets, deferred tax income, and period net income would have needed to increase by a total of TL 758.500 thousand in the accompanying consolidated and unconsolidated financial statements.

We conducted our audit in accordance with "Regulation on Independent Audit of the Banks" published in the Official Gazette No.29314 dated 2 April 2015 by Banking Regulation and Supervision Agency ("BRSA Auditing Regulation") and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Annual Report section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) (POA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

We have expressed an qualified opinion on the complete set of consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2023 and 31 December 2023 on 29 February 2024.

Board of Directors' Responsibility for the Annual Report

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

- The Bank's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.
- The Bank's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated and unconsolidated financial position of the Bank accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Bank's consolidated and unconsolidated financial statements. The annual report shall also clearly indicates the details about the Bank's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the report.
- The annual report also includes the matters below:
 - Significant events occurred in the Company after the reporting period,
 - The Bank's research and development activities.
 - Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar guarantees.


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

Auditor's Responsibility for the Audit of the Annual Report

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

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi



Alper Güvenç, SMMM
Partner

29 February 2023
İstanbul, Türkiye

AGENDA OF ORDINARY GENERAL ASSEMBLY

1. Opening and formation of the Meeting Council,
2. Reading and negotiation of the 2023 Annual Report prepared by the Board of Directors,
3. Reading and negotiation of the Independent Auditor's reports,
4. Reading, negotiation and approval of the Balance Sheet and Income Statements,
5. Release of Board Members and Independent Auditor,
6. Determination of the method of utilization of the profit accrued according to the balance sheet of 2023, the ratios of profit and dividends to be distributed,
7. Determination of Board Member rights such as remuneration, attendance fee, premium and bonus,
8. Election of the Independent Auditor,
9. Reading and negotiating the 2023 Affiliation Report,
10. Granting permission to Board Members, pursuant to Articles 395 and 396 of TCC,
11. Wishes and closing remarks.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No amendments were made to the Bank's Articles of Association in 2023.

ABOUT FIBA GROUP

With its entrepreneurial spirit and strong capital structure, Fiba Group successfully continues its activities that add value to the world and society by making innovative and rational investments.



The foundations of Fiba Group, which has the vision of producing more value for the world, society, and human beings, were laid in 1987 by business person Hüsnü Özyeğin with his first investment in banking. The Group continues to grow by establishing partnerships with strong international companies and brands for its investments and continues to create value with its diversified investment portfolio in the finance, retail, energy, real estate, and tourism sectors and approximately 13,000 employees in 11 countries. Adopting social benefit as its primary value, the Group supports education and social development projects of the Hüsnü M. Özyeğin Foundation, the Mother and Child Education Foundation, and other non-governmental organizations, and contributes to the training of business people and scientists who will shape the future through Özyeğin University, one of the best universities in Türkiye.

VALUES OF FIBA GROUP

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

Leadership and Authorization

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

Responsibility

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



11

Number of Countries of Operation



13 Thousand

Number of Employees

Efficiency and Dynamism

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

Respect and Teamwork

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

Superior Service Quality

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

Transparency

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

DIFFERENTIATING BUSINESS AREAS

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

ABOUT FIBA GROUP

Fiba Group continues to create value with its diversified investment portfolio in finance, retail, energy, real estate, and tourism sectors.

MAJOR INVESTMENTS OF FIBA GROUP IN THE FINANCIAL SERVICES SECTOR

Banking

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

Portfolio Management

Fiba Portföy Yönetimi A.Ş.

Leasing

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

Factoring

Fiba Faktoring A.Ş.

Pension and Insurance

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

Corporate Venture Capital

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.

Asset Management

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

Other

Ofishane

MAJOR INVESTMENTS OF FIBA HOLDING IN NON-FINANCIAL SERVICES

Retail

Marks & Spencer (Türkiye), GAP (Türkiye)

Real Estate Investments

Shopping Malls in Türkiye, Romania, Moldova and China

Renewable Energy

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

Mining

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

Hotel Investment

Swissotel the Bosphorus, Istanbul

Transportation

Fiba Air Türkiye

FIBA GROUP 2023 INVESTMENTS

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

With an installed capacity of 590 MW, Fiba Renewable Energy is one of Türkiye's leading companies in wind and solar energy, and aims to become a regional leader in this field with an installed capacity of 1,250 MW. Operating in the retail clothing sector in Türkiye with over 80 stores in 8 different cities, Fiba Retail continues to grow through new partnerships with high brand value.

As the largest Turkish real estate investor in China, Romania, and Moldova, Fiba Commercial Real Estate is exploring new investment opportunities globally, with a particular focus on emerging markets.

In the coming period, Fiba Group aims to expand its digitalization- and ecosystem-oriented business approach in finance to its other ventures in other countries and sectors in which it operates. The Group plans to continue to focus on start-up investments and strategic business partnerships, where it can create a growth and leverage effect in all sectors in which it operates and support the entrepreneurial ecosystem at a global level.

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

ABOUT FIBA GROUP

Fiba Group aims to expand its digitalization- and ecosystem-oriented business approach in finance to its other ventures in other countries and sectors in which it operates.

The Permanent Value Created for Türkiye

Fiba Group remains the biggest supporter of the educational and social development projects of the Hüsnü M. Özyeğin Foundation and the Mother and Child Education Foundation following the sayings of its Founder and Honorary President Hüsnü Özyeğin that “The most important investment is the investment in people.” Özyeğin University, the greatest social investment of the Group, is among the best universities in Türkiye. The social investments made by the Özyeğin Family through the Hüsnü Özyeğin Foundation, AÇEV, and Özyeğin University and the model they created for their sustainability were published as a case study in Harvard Business School in 2023 under the title “Özyeğin Social Investments: Creating a moral heritage in philanthropy.”

Hüsnü M. Özyeğin Foundation (HMÖV)

Established in 1990, Hüsnü M. Özyeğin Foundation operates with the goal of social and economic development. The Foundation carries out activities in the fields of education, empowerment of young girls, rural development, health, and culture. As a strategic priority, the Foundation gives support to institutions that will provide the infrastructure needed for social transformation.

Since its foundation, HMÖV has built schools and dormitories for girls in disadvantaged areas in addition to rehabilitation centers, while also carrying out restoration works to protect Türkiye’s cultural heritage. To date, the Foundation has helped establish or develop 64 institutions across the country. This contributes to the access to education of more than 24,000 students every year. It has also supported the education of over 3,000 university students by providing approximately 13,000 scholarships to date. The academic, social, and personal development of girls is supported via mentoring, digital literacy, academic support, and scholarship programs provided in secondary school girls’ dormitories. With the Rural Development Program, which reached a total of 4,000 people in 14 villages of Bitlis and Kilis, the Foundation also contributed to social and economic development in rural areas.

Mother and Child Education Foundation (AÇEV)

Since its foundation in 1993, the Mother and Child Education Foundation has striven to ensure that every child in Türkiye is safe, healthy, happy, and learning. AÇEV develops and implements science-based educational programs for children, parents, and young women in need across Türkiye. Reaching more than 1 million people with the support of nearly 15,000 volunteer educators, AÇEV aims

to provide equal opportunities through early childhood interventions and protective activities with research. In addition to educational programs and fieldwork, AÇEV conducts social awareness campaigns and engages in protective activities.

AÇEV places particular emphasis on quality education in early childhood, the role of families in raising future generations, gender equality, and lifelong learning – all of which are highlighted in the United Nations Global Development Goals. Parents are informed on the importance of the immediate environment in children’s development to create a better environment that will contribute to the well-being of the country’s youth. As one of the founders of the global Early Childhood Peace Consortium (ECPC), AÇEV continues to contribute to the development of policies and practices in this area by collaborating with global networks including stakeholders such as the World Forum Alliance, UNESCO, ECOSOC, The Consultative Group on Early Childhood Care and Development, Yale University Child Study Center and Harvard University Center on the Developing Child.

Özyeğin University (OzU)

Özyeğin University was founded in 2007 by Hüsnü M. Özyeğin to provide world-class higher education opportunities. OzU aims to produce, develop, and disseminate knowledge while creating innovations to benefit humanity and society. The University serves as a model institution for Türkiye and the region with its innovative structure, industry-oriented educational approach, original course programs, and academic research activities. Boasting the first LEED Gold Certified buildings in Türkiye, OzU Istanbul Çekmeköy Campus was built on an area spanning 221,220 square meters. OzU has been operating with more than 7,500 students; 23 undergraduate, 36 graduate, 10 doctorate, and 23 sub-branch programs under 7 faculties; 1 academy; and 3 institutes.

In line with its mission to be accessible to talented and successful young people, the scholarship rate of undergraduate students enrolled at Özyeğin University in the 2023-2024 academic year is approximately 90%. Özyeğin University’s Equal Opportunity in Education Scholarship Program, which was launched in 2015 to ensure equal opportunities in education and make education at international standards accessible to every young person, continues.

ABOUT FIBABANKA

Fibabanka keeps growing in a customer-oriented manner with the vision of “Being Türkiye’s most beloved bank.”



40

Number of Branches



1,940

Number of Employees



Fibabanka’s journey of success started on December 27, 2010, within the Fiba Group. Specialized in Corporate, Commercial, Supply Chain, Ecosystem and Platform Banking, Deposit Investment Products, and Private Banking business lines, Fibabanka makes a difference against its competitors with its competent and dynamic human resources comprised by a total of 1,940 employees, and 40 branches at the end of 2023.

STRATEGY

Fibabanka, which has the vision of “Being Türkiye’s most beloved bank,” provides services with the approach of “rapid understanding and resolution” and the understanding of bringing the Bank to the customers’ doorstep. As part of its strategy to become a digital bank with more than

10 million customers in 3 years, Fibabanka focuses on designing the financial solutions that customers will need today with its advanced technology investments and offering a flawless banking experience by digitizing all its banking services.

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

ABOUT FIBABANKA



Our Vision

Be the most beloved bank in Türkiye.



Our Mission

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

Respectful;

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

Our Values

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

Genuine;

Open and straightforward
Sincere
Friendly

Result-oriented;

We are aware of our targets, we know the value of time, and we take action.

A SHORT HISTORY OF THE BANK

The Bank's history dates back to Sitebank A.Ş. Sitebank A.Ş., the shares of which were fully registered in the name of the Savings Deposit Insurance Fund, was transferred to Nova Bank S.A. in 2002 with the permission of the Banking Regulation and Supervision Agency, and the Bank's name was changed to BankEuropa Bankası A.Ş. in 2003. In 2006, shares owned by Novabank S.A. were transferred to Millennium BCP Participações SGPS; the Bank's name was changed to Millennium Bank A.Ş.

SHAREHOLDING STRUCTURE

Thanks to strong partnerships, the Bank's capital reached TL 1,357,722,553.25.

After necessary permissions were obtained upon Fiba Group's application to the Banking Regulation and Supervision Agency, Millennium Bank A.Ş. received the name of Fibabanka A.Ş. following the Extraordinary General Assembly held on April 25, 2011. Fibabanka first entered the banking sector with the transfer of shares from Millennium Bank A.Ş. to Credit Europe Bank NV, one of Fiba Group's major financial investments in the Netherlands, and then took steps to strengthen its shareholding structure in order to reinforce the growth momentum it had achieved with Fiba Holding A.Ş., Fiba Faktoring Hizmetleri A.Ş., Girişim Varlık Yönetimi A.Ş., Fiba Kapital Holding A.Ş. ve Fiba Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş., within Fiba Group. In 2015, the International Finance Corporation and European Bank for Reconstruction and Development, two leading international

finance institutions, invested in the Bank. In 2016, TurkFinance B.V. also invested in and became a shareholder of Fibabanka. Following these investments, the Bank's capital reached TL 1,357,722,553,25. Fiba Group continues to retain the majority stake in Fibabanka, with 69.23% of the Bank's share capital as of year-end 2023. The share ratio of the International Finance Corporation is 6.21%, the share ratio of the European Bank for Reconstruction and Development is 8.96%, and the share ratio of TurkFinance B.V. (Franklin Templeton) is 9.95%.

Shareholders	Amount of Capital (TL)	Number of Shares	Share Ratio (%)
Fiba Holding A.Ş.	940,000,796.20	94,000,079,620	69.23
TurkFinance B.V.	135,093,394.05	13,509,339,405	9.95
European Bank for Reconstruction and Development	121,651,601.34	12,165,160,134	8.96
International Finance Corporation	84,327,750.28	8,432,775,028	6.21
Other	76,649,011.38	7,664,901,138	5.65
Total	1,357,722,553.25	135,772,255,325	100.00

The Chairman and Members of the Board of Directors, General Manager, Assistant General Managers, and other executives currently hold 7,664,901,138 equity shares in the Bank, amounting to TL 76,649,011.38 as of the end of 2023.

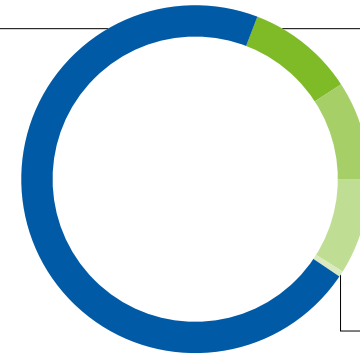
Fiba Holding A.Ş.
69.23%

TurkFinance B.V.
9.95%

European Bank for Reconstruction and Development
8.96%

International Finance Corporation
6.21%

Other
5.65%



SUBSIDIARIES AND AFFILIATES

Fibabanka is expanding its ecosystem and service area day after day by increasing its investments through its affiliates and subsidiaries.

Through its subsidiaries and affiliate investments, namely Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., Fiba Portföy Yönetimi A.Ş., HDI Fiba Emeklilik ve Hayat A.Ş., and Fiba Sigorta A.Ş., Fibabanka provides end-to-end services to its customers in their entire financial journey.

FINBERG ARAŞTIRMA GELİŞTİRME DANIŞMANLIK YATIRIM HİZMETLERİ A.Ş.

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. (Finberg), a corporate venture capital company established in 2018 as a wholly-owned subsidiary of Fibabanka, has invested approximately USD 67 million since its establishment. As of year-end 2023, Finberg has reached a total of USD 110 million with 55



USD 71 Million
Finberg Asset Management

investments, including exited ventures, and currently manages over USD 71 million in assets. Having successfully made a breakthrough with a total of 6 venture investments, Finberg's portfolio includes 39 active ventures and 10 venture capital fund investments.

Finberg was established to closely monitor and contribute to the Turkish startup ecosystem and support the Bank's activities in Ecosystem Banking. Finberg renewed its strategy in line with the needs and positioned itself as a venture capital management company. Fed by the synergy of the Fiba Group and strengthened with the support of group companies, Finberg represents the strongest connection Fibabanka has established with the entrepreneurial ecosystem.

Finberg, in line with the strategic priorities of the venture capital investment funds it manages and accordingly differentiated investment theses, focuses on startups with innovative business models and experienced management teams operating in areas where the Turkish startup ecosystem is strong, including financial technology (fintech), retail technologies, cybersecurity, and artificial intelligence-based business models. Through its venture capital fund investments and collaborations established abroad, Finberg increases its interaction with international investor networks.



39
Number of Active Ventures

It plays a role both in meeting the resource needs of Turkish entrepreneurs at advanced investment stages through foreign funds and in providing knowledge transfer from the investment and venture ecosystem abroad to local entrepreneurs.

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

FİBA PORTFÖY YÖNETİMİ A.Ş.

While Fiba Portföy Yönetimi A.Ş. (Fiba Portföy), established in 2013 to manage the mutual funds offered by Fibabanka to its customers, was managing only 4 mutual funds during its establishment, it has diversified its product range over time, and transformed into multi-asset company structure managing 30 mutual funds, 13 pension funds, and 37 individual portfolios ranging from stocks to foreign securities, Eurobonds to blockchain, sold based on foreign currency and TL.



SUBSIDIARIES AND AFFILIATES

The size of the funds managed by Fiba Portföy Yönetimi A.Ş. corresponded to TL 50 billion. Besides, its total assets and net profit amounted to TL 165 million and TL 80 million, respectively.

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

As of December 31, 2023, the size of the funds managed by Fiba Portföy Yönetimi A.Ş. was TL 50 billion, its total assets were TL 165 million, and its net profit was TL 80 million. By the end of 2023, the Company ranks 15th in the sector with a 1.6% share of the total portfolio size it manages, according to the CMB data.

HDI FIBA EMEKLİLİK VE HAYAT A.Ş.

The company, which started its operations under the umbrella of Fiba Group in 2012 as Fiba Emeklilik ve Hayat A.Ş., has been one of the most dynamic players in the sector of private pension, life, and health insurance for 10 years. In 2022, Fibabanka, Türkiye's leading bank in the field of financial technologies, and HDI Sigorta, the Turkish representative of German insurance giant Talanx, signed a strong partnership and acquired the company's shares. Since December 2022, the Company has been operating under the name HDI Fiba Emeklilik ve Hayat A.Ş., with 60% shares held by HDI Sigorta and 40% by Fibabanka. In 2023, the Company's pretax profit reached TL 365.2 million,

while increasing its asset size by 87% to TL 15.7 billion, private pension fund size by 81% to TL 13.4 billion, and premium production by 102% to TL 2.3 billion. Considering the sectoral statistics at the end of 2023, the Company ranked 9th in premium production and 10th in private pension fund size.

FIBA SİGORTA A.Ş.

Founded at the end of 2022 with a 50%-50% partnership between Fibabanka and HDI Sigorta, the digital insurance company Fiba Sigorta operates in the elementary field with a new-generation insurance approach. Fibabanka's Ecosystem Banking concept, digital system infrastructure, and the strong support of its sales teams enabled the Bank to generate TL 637 million in premiums and TL 70 million in pretax profit in the 6 months of operation in 2023.

Reinterpreting and digitizing the traditional insurance approach, it offers understandable, easy, and accessible insurance solutions to individual consumers and businesses with the motto "here is an easy way" in the fields of Motor Own Damage, Personal Accident, TCIP, Housing, Property, and Commercial Insurance in addition to Electronic Device Protection, Mobile Phone Screen Breakage, and Extended Warranty Insurances.

Fiba Sigorta aims to offer its customers an insurance experience that fits their changing lifestyles with its 24/7 accessibility, user-friendly interfaces, and AI-powered chatbot FiGuru.



KEY FINANCIAL AND OPERATIONAL INDICATORS

In 2023, Fibabanka achieved a successful financial and operational performance that supported its steady growth.



UNCONSOLIDATED FINANCIAL RESULTS

(TL million)	31.12.2021	31.12.2022	31.12.2023	Increase
Assets	45,162	74,002	103,558	39.9%
Loans (Net)	22,113	38,429	51,400	33.8%
Customer Deposits	24,614	38,886	66,436	70.8%
Equity Capital	2,346	6,517	10,426	60.0%
Net Profit	410	2,671	3,970	48.6%

CONSOLIDATED FINANCIAL RESULTS

(TL million)	31.12.2021	31.12.2022	31.12.2023	Increase
Assets	45,185	74,082	108,838	40.2%
Loans (Net)	22,113	38,429	51,400	33.8%
Customer Deposits	24,614	38,886	66,436	70.8%
Equity Capital	2,364	6,582	10,691	62.4%
Net Profit	418	2,721	4,193	54.1%

KEY OPERATIONAL INDICATORS

	31.12.2021	31.12.2022	31.12.2023	Increase
Number of Employees	1,766	1,979	1,940	-2.0%
Number of Branches	47	44	40	-9.1%
Number of ATMs	56	47	42	-10.6%
Total Number of Customers (Thousand)	3,495	4,450	5,485	23.3%

SUSTAINABILITY APPROACH

Fibabanka continues its efforts to monitor its Corporate Carbon Footprint and reduce the emissions caused by its operations within the framework of its sustainability approach.

Seeing sustainability as a key part of adding value to society, Fibabanka monitors and manages relevant risks and opportunities in significant environmental, social, ethical, and economic fields that may arise in its products, services, and operations.

The Bank conducts its sustainability activities in accordance with the Corporate, Social, and Environmental Responsibility Policy published in 2012 and organizes its business processes within the framework of this policy. The Social and Environmental Risk Management Unit was established in 2022 to coordinate sustainability efforts across the Bank.

Environmental, Social, and Governance (ESG) System and Management of Climate-related Risks

In the context of financing sustainability, the Bank incorporates environmental, social, and governance criteria into all loan evaluation processes, irrespective of the loan amount, except for personal loans. ESG assessments are made for legal entity customers in credit allocation with question sets based on IFC (International Finance Cooperation) Performance Standards and EBRD (European Bank for Reconstruction and Development) Performance Standards.

The Bank aims to determine its Corporate Carbon Footprint by regularly calculating the carbon emissions arising from its operations and financial activities and to create action plans to reduce total emissions. In this regard, studies for the measurement of Scope 1, 2, and 3 greenhouse gas emissions started in 2023. It is expected that the activities for establishing data pools and determining emission factors, which form the basis for the management of scope emissions, will be completed in the first quarter of 2024.

At the same time, in addition to monitoring environmental, social, and governance risks, significant steps were taken to assess and manage the potential impact of climate risks on loans, and the Climate Risk Management Project was launched. In this respect, it is aimed to identify sectoral transition risks arising from the Bank's financing activities and integrate them into credit allocation processes.

Responsible and Transparent Management

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

Management of Environmental Impacts

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

Fibabanka actively participates in the working groups focusing on environment-climate awareness, emission management, waste-water management, and biodiversity, which were established in 2023 for group companies under the coordination of Fiba Holding.



SUSTAINABILITY APPROACH

Fibabanka became a member of BCSD Türkiye, the regional network and business partner of the World Business Council for Sustainable Development in Türkiye, in December 2023.

The Bank also became a member of BCSD Türkiye, the regional network and business partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye, in December 2023 in order to closely follow developments in the field of sustainability and access best practices.

The Bank, which successfully passed the audit of the Ministry of Environment and Urbanization of the Republic of Türkiye and was entitled to receive the "Zero Waste Certificate" in 2022, contributes to recycling by giving recyclable paper, plastic, metal, and glass waste to the municipality to which the service points are affiliated or to licensed companies through its waste management efforts. The Bank meets 96% of its total electricity demand from renewable energy sources.

Social Investments

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

Fibabanka Women's Working Group (SheBa)

SheBa, established by Fibabanka to emphasize gender equality, is a volunteer women's working group that aims to create environments where Fibabanka employees can work safely and with pleasure. This innovative effort sets an example for other institutions with exceptional career and development programs and favorable fringe benefits. SheBa aims to provide a business environment where the place of women and men in social and business life is more balanced and equitable.

"İşimiz Eşitlik" Ambassadors

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



OUR AWARDS

Fibabanka's innovative practices that create value for its customers, entrepreneurial ecosystem, and employees were recognized with prestigious awards.

Award from Happy Place to Work to Fibabanka

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

Fibabanka Receives the Best Employer of Türkiye Award

Fibabanka received the "Best Employer of Türkiye" award in the survey conducted by "2023 Kincentric Best Employers," a certification program that measures the world's prominent leading institutions.

Award to Fibabanka from IDC Türkiye CIO Summit

At IDC Türkiye CIO Summit 2023, Mr. Serdar Yılmaz, Deputy General Manager of Information Technologies and Banking Operations at Fibabanka, received an award in the "CIO's of the Year" category.

Award to Alışgidiş from IDC DX Summit

At the IDC DX Summit 2023 organized by IDC Türkiye, Fibabanka was awarded the 3rd prize in the "Special Award for Digital Innovation" category with its Alışgidiş service.

The Most Collaborative Bank Award by KPMG & FINTR Goes to Fibabanka

Fibabanka received the "Most Collaborative Bank" award at the "KPMG & FINTR - Pioneers of Digital Finance" awards held for the first time at the Fintech Week organized by the Financial Innovation and Technology Association (FINTR) and KPMG Türkiye in Istanbul.

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

At the Brandon Hall Group Excellence Awards, one of the most prestigious global awards in the field of human capital management, Fibabanka received the gold award in the "Best Employee Value Proposition" category for its work on excellent employee experience, and the silver award in the "Best Advance in Interviewing Strategy" category for the Fintern Future Talent Program in 2023.

Two Awards for Fibabanka Human Resources Practices at Stevie Awards 2023

Fibabanka received a silver award in the "Recruiting or Talent Acquisition Team of the Year" category for its success in excellent candidate experience. The Company received the silver award in the "Diversity and Inclusion" category for its activities on equality and inclusion that improve employee happiness and well-being.



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

As our country was recovering from the impact of the earthquake, Fibabanka continued to contribute to the economy, resolutely supporting the Turkish real sector during a challenging period marked by persistent uncertainties in global markets and high geopolitical risks.



TL 66.4 Billion
Deposit Volume



TL 10.4 Billion
Equity Capital



Dear Stakeholders,

We started 2023 in a state of profound sadness due to the earthquakes centered in Kahramanmaraş. Severely impacting 11 provinces – and our entire country – we experienced the enormity and pain of this disaster, which caused the loss of many of our citizens as well as great destruction across a wide area. We sincerely hope that such an event will never happen again.

We are now undergoing a period in which regional segregation and inequalities have deepened, due to the cost-of-living crisis around the world, and numerous unpredictable developments occurring both in the financial markets and the geopolitical arena. The ongoing war between Ukraine and Russia not only perpetuated geopolitical risks throughout the year, but also led to continued uncertainty regarding food and energy prices. The conflict between Israel and Palestine, which erupted in early October, has claimed thousands of lives, while escalating tensions in the Red Sea have caused an increase in transportation costs and raised new concerns regarding the supply chain. The likelihood of rising tensions in the Middle East is among the greatest risks in the coming period.

Economic activity, however, displayed a much more resilient outlook than expected in 2023, a year that began with recession concerns driven by rising interest rates and global geopolitical developments. While its strong performance differentiated the US economy from the economies in other developed countries, the slowdown in Europe was more limited than expected. The weak outlook of the Chinese economy is projected to last longer than anticipated, due to problems in the real estate sector, along with declining export demand and weak domestic demand. In 2024, global economic growth is predicted to remain below potential levels as the slowdown in the US economy becomes more pronounced and downside risks related to the Chinese economy prevail.

Global inflation decelerated due to tight monetary policies, reduced commodity prices, and weakened supply constraints, while core inflation exhibited a more robust outlook. Given the decline in inflation and the uncertainty in the economic outlook, many central banks consider that interest rates are sufficiently restrictive; however, these interest rates are expected to remain at their current high levels for the longer term. At the onset of 2023, there were debates regarding the extent to which interest rates should increase; in 2024, discussions around the maintenance and duration of elevated interest rates are more prominent.

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Powered by the synergy of the Fiba Group and its years of experience in the financial sector, Fibabanka is taking decisive steps toward its vision of “Being Türkiye’s most beloved bank.”

In this respect, central banks, which play an important role in the re-balancing process of the global economy, are likely to be contending with challenges in the coming period.

Türkiye grew by 4.5% in the first three quarters of 2023, with consumption expenditures and investments being the strongest drivers of growth. Net exports, on the other hand, had a negative impact on growth. In addition to consumption-driven growth, the rise in gold and energy imports resulted in a rapid widening of the current account deficit, causing the 12-month cumulative current account deficit to reach USD 45.1 billion by the end of 2023. Excluding gold and energy, the 12-month current account ended up with a surplus of USD 33.2 billion.

Following the general elections in May, Türkiye took steps to return to orthodox economic policies in line with changes in the economic administration. In this context, with interest rate hikes that began in June, the Central Bank of the Republic of Türkiye (CBRT) raised the policy rate from 8.5% to 45%, and supported the monetary tightening process through selective credit and quantitative tightening decisions. Inflation, reaching 64.77% at the end of the year due to a deterioration in pricing behavior

and the effects of rigidity in service prices, is expected to reach its peak in mid-2024 and then start to drop with the contribution of the CBRT’s tight monetary policy and the support of the base effect. In 2023, the budget deficit, which grew rapidly due to earthquake expenditures, amounted to TL 842.5 billion at the end of the year, while its ratio to GDP was 5.4%, below the 6.4% target set in the Medium Term Program. The non-interest deficit corresponded to TL 800.2 billion.

The resolute stance and the steps taken by the new economic administration have been well-received both domestically and internationally. Türkiye’s 5-year risk premium, which rose above 700 during the year, tested below 300 levels, while credit rating agencies announced improvements in the country’s outlook and investment agreements were signed with various countries and organizations.

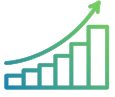
In 2024, it is expected that tight financial conditions will be maintained, steps will be taken towards reducing consumer demand to fight inflation, and limited credit growth will be supported by maintaining selective credits and export supports. Drawing strength from the Fiba Group’s synergy and experience in the finance



TL 103.6 Billion
Assets



TL 3.9 Billion
Net Profit



sector, Fibabanka continued to support the real sector and the Turkish economy in 2023. The Bank concluded a successful year with a focus on asset quality, sustainable profitability, and efficiency. It ended 2023 with a total asset size of TL 104 billion, 40% above the previous year, and a net profit of TL 3.970 million, while the return on equity and capital adequacy ratio stood at 46% and 17.5%, respectively.

We would like to extend our gratitude to our valuable employees and business partners, our esteemed customers, and all our stakeholders who have contributed greatly to the success of our Bank.

Best regards,

HÜSNÜ M. ÖZYEĞİN
Chairman of the
Board of Directors



MESSAGE FROM THE GENERAL MANAGER

We concluded a year in which we continued offering financial services that add value to our customers, business partners and the industry by maintaining our investments in the advanced technologies that will contribute to the Turkish real sector and the Turkish economy.



17.5%
Capital Adequacy Ratio



50%
Share of Loans in Total Assets



Dear Stakeholders,

In 2023, we witnessed many challenges in Türkiye and around the world. We were devastated by the earthquake in February, which affected 11 provinces in our country and claimed thousands of lives. We have concluded a year during which we worked for the rapid reconstruction of the region while striving to heal the social and emotional wounds caused by this disaster.

Globally, the chief agenda items were the geopolitical and security uncertainties caused by the war in Ukraine, the volatility in energy markets, the fight against persistent inflation, and the climate crisis. The tight monetary policies implemented by central banks around the world to manage high inflation were effective in decelerating global economic activity. In Türkiye, the new economic administration implemented a series of decisions to fight inflation within the framework of the Medium-Term Program. In this context, the Central Bank of the Republic of Türkiye (CBRT) has gradually raised monetary policy rates since the second half of the year, while simplifying macro- and micro-prudential policies. During this period, the Turkish banking sector maintained its unwavering support to the economy.

We achieved successful financial and operational results.

The digital revolution, which knows no borders, is having an increasing impact within the banking and finance world, as in all areas. At Fibabanka, we maintained our efforts to provide better service to customers through our digital investments, and to make our business processes more efficient.

In line with our vision of becoming a technology company with a banking license, we kept enriching the financial services that create value for our customers, our business partners and the industry and developing our ecosystem by continuing to invest in the technologies of the future. We also achieved successful operational and financial results in this operating period: As of year-end 2023, our asset size and net profit stood at TL 104 billion and TL 3.970 million, respectively.

The Bank's loan size amounted to TL 51.4 billion and the share of loans in total assets was 50%. The Bank's customer deposits increased by 71% year-over-year to TL 66.4 billion. Thanks to the strength of our main shareholder Fiba Holding's solid capital structure and steady balance sheet structure, Fibabanka reached a return on equity of 46% and a capital adequacy ratio of 17.5% as of year-end 2023.

MESSAGE FROM THE GENERAL MANAGER

Through the Open Banking Platform, we offer customers the opportunity to effectively manage their financial portfolios.



2.2 Million
Number of Fibabanka Mobile Users



46%
Return on Equity



We offer our customers a better experience day by day.

Reinforced by our customer-oriented perspective, we continue to work at full speed to provide a better experience to our customers every day. We offer a unique experience by foreseeing the financial needs of customers and creating an ecosystem where those needs can be easily met by our customers, wherever they are.

Since 2018, we have been regularly improving all our processes, channels, products and services in line with our customers' feedback, measuring customers' experiences at every point of contact through the Voice of the Customer program, which we placed at the heart of our strategies and activities.

As customer expectations constantly escalate with the impact of digital transformation in the banking sector, Fibabanka Mobile, which enables our customers to meet their financial needs quickly, easily, and from anywhere, stands out as a channel capable of seamlessly responding to these expectations. In 2023, Fibabanka Mobile presented an experience that exceeded expectations, with a renewed design and the addition of new products and functions based on feedback received from our customers. Fibabanka Mobile's Net Promoter Score (NPS) thus rose from 65 to 69, while the number of digital users grew by 30% year-over-year.

We moved the digital experience to the next level with Open Banking.

With the Open Banking application, an important step in the banking sector, we upgraded the digital banking experience offered to our customers. By adapting rapidly to this application, which eliminates the borders between banks, we not only enable our customers to access the products and services of different banks via a single platform, but also offer a more comprehensive and customized financial experience to a wider customer base.

Our Service Banking application offers over 400 APIs to entrepreneurs.

We ensure that the entrepreneurs who develop financial technology can also benefit from our substantial investments, which are targeted towards having the best digital infrastructure in the banking sector. With the API portal website, developed within the scope of our Service Banking service model, the Bank creates opportunities to design innovative products for startups and financial institutions seeking to offer financial services to their customers. In 2023, Fibabanka ranked second among the banks providing the most APIs, with 400 services.

We are the bank that executes the “Buy Now, Pay Later” consumer financing method most widely and effectively in Türkiye.

With Ecosystem and Platform Banking, the focal point in our growth strategy, we offer customers the opportunity to access the financing they need, quickly, easily and reliably at all points where they come into contact with our Bank; and we offer major retail brands a new payment alternative other than credit cards in their online and offline stores. In 2023, we expanded our ecosystem to more than 12,500 physical and online stores of over 55 brands across 15 sectors, and we continued to offer consumers an alternative to credit cards through our Alışgidiş shopping loan format. By expanding the ecosystem in which our customers can meet their financial needs in online and physical stores, we raised the total number of customers we acquired via shopping loans to 2.5 million, and became the bank that, via the Alışgidiş brand, implements the “Buy Now, Pay Later” application most widely and effectively across the sector in Türkiye.

We introduced numerous innovative practices within our Corporate and Commercial Banking activities.

As part of BuTic Banking and Chain Banking, we developed customer-oriented solutions and value propositions based on data analyses, thereby increasing the number of our customers. We boosted the share of Corporate Banking non-interest income in the total Corporate Banking profit of the Bank to 85% as of year-end by taking part in all the cash cycles of our customers, especially Treasury transactions.

In 2023, we supported more small businesses by taking important steps to enable SMEs to meet their financial needs through digital channels within the scope of Commercial Banking. In 2023, the Bank's commercial loans went up 44% year-over-year to TL 22 billion, while the number of digital commercial customers reached 68% of the Commercial Loan customer portfolio.

MESSAGE FROM THE GENERAL MANAGER

In 2023, the Bank ranked second among API-providing banks, offering 400 services.

Our bond with the entrepreneurship ecosystem becomes stronger every day.

Under the leadership of Finberg, established in 2018 with our Bank's capital to create value for the entrepreneurship ecosystem, we continue delivering innovative products and services by investing in future technologies today. Finberg, representing the strongest connection we established with the venture ecosystem, reached an asset size of more than USD 71 million, featuring 39 active startups and 10 venture capital fund investments in its portfolio by year-end 2023. In addition, Finberg, which successfully completed all the startups in which it invested during 2018 and 2019, has left behind an important milestone in its journey of transformation.

Two new insurance subsidiaries started to operate.

Within the scope of reinsurance services, Fibabanka established a strong business partnership with HDI Sigorta, the Turkish subsidiary of Talanx, a German company with a venerable history and global experience in the insurance field. In December 2022, our Bank and HDI acquired 40% and 60%, respectively, of Fiba Emeklilik ve Hayat A.Ş., which has operated successfully in the private pension, life insurance and health insurance fields for more than a decade under the Fiba Group. Renamed as HDI Fiba Emeklilik ve Hayat A.Ş., our subsidiary quickly achieved significant success by growing its private pension fund size by 81% to TL 13.4 billion, and its premium production by 102% to TL 2.3 billion in 2023, thanks to the positive impact of the synergy created with our Bank.

Another joint venture combining the Bank's hi-tech digital infrastructure and HDI Sigorta's sectoral experience is Fiba Sigorta A.Ş., founded by the two companies with equal shareholding to provide digital services in the elementary field. Swiftly completing Fiba Sigorta's technology infrastructure and integration with our Bank, we started offering traditional insurance products, such as Device Protection, Extended Warranty, Mobile Phone Insurance, etc. via our digital sales channels alongside our existing banking products. With the insurance solutions we offer to individual and corporate customers, in 2023, we generated premium production of approximately TL 637 million in the elementary branch within just six months. While offering our customers an end-to-end digital experience in their financial journey, including insurance, we also expanded our cross-selling activity field through Fiba Sigorta.

Fibabanka confidently moves towards its goals with a strong shareholder structure, agile information technologies and data analysis organization, and digitized products and services, along with a leading position in Ecosystem and Platform Banking, and competent human resources.

As we leave behind a successful year, I would like to extend my deepest gratitude to all my colleagues who have carried our Bank into the future, to our shareholders who have always supported us, and to our valued customers and business partners, who place their trust in our products and services.

Best regards,



Ömer Mert
General Manager and Board Member

CORPORATE BANKING

Fibabanka Corporate Banking offers its customers company-specific solutions and value propositions focusing on customer behaviors, within the scope of BuTic Banking approach and Chain Banking services.

Fibabanka offers its Corporate Banking customers cash and non-cash loans, financial consulting on investment financing, mergers & acquisitions, and project finance loans. In addition to deposit, fund, and cash management services, Corporate Banking also provides solutions for foreign trade financing and treasury and derivative products to mitigate interest and exchange rate exposure.

Always Standing by the Real Sector with its Financing Resources

Fibabanka continued to stand by the Turkish real sector with its financing resources to meet investment, export, and production needs during the rapidly changing conjuncture and legal regulations introduced in 2023. In 2023, the Bank extended cash loan of TL 22.7 billion, EUR 316 million, and USD 150.5 million totaling TL 37.37 billion in Corporate Banking. The Bank's total non-cash loans provided as letters of guarantee, letters of credit, external guarantees, acceptance credits, and check credits amounted to TL 937.9 million. As of year-end 2023, total cash and non-cash loans increased by 18.12% year-over-year to TL 17.5 billion.

Within the scope of "BuTic Banking" services, it renders services with its experienced expert staff in all cash cycles of customers, including collections and payments, especially treasury transactions. Thanks to advantages such as diversity in the products offered to customers and special pricing, the number of active customers and the profitability of treasury transactions increased in 2023.

Serving 1,569 active customers as of year-end 2023, Corporate Banking reached TL 3.2 billion in deposits, TL 236 billion in treasury operations volume, and TL 631 million in commission income, with non-interest income accounting for 29% of total profit. In 2023, treasury operations profitability exhibited a record increase of 205%.

Within the scope of "Chain Banking" services, Fibabanka conducts studies based on technology and data warehouse analysis to maximize customer satisfaction and loyalty with solutions and value proposals focusing on money transfers and customer behavior.



TL 19.4 Billion
Loan Size



1,569
Number of Corporate Banking
Customers

Areas of particular focus include deepening the Bank's existing customer base, improving the volume of TL demand deposits, returning cash savings that left the Bank, to the Bank, and acquiring new customers. In this context, by year-end 2023, we mediated intra-bank transfers of TL 42.4 billion and reached an annual demand deposit volume of TL 185 million.

Fibabanka enabled its Corporate Banking customers to maintain their profitability at an optimum level through derivative transactions carried out to protect them against all possible fluctuations in interest rates, exchange rates, and commodity prices.

By embracing digitalization and new technologies, Fibabanka is getting ahead with determination to deliver faster, more effective, and more secure services to its customers. The Bank develops the integration of technologies such as mobile applications, online platforms, and artificial intelligence by analyzing data obtained from customer behaviors in order to improve the customer experience and customers' financial decision-making processes. In this context, publicly available data of publicly traded companies published on PDP are incorporated into robotic processes to provide value propositions to customers.



CORPORATE BANKING

Fibabanka Supplier Financing System supports businesses to manage their cash flows effectively.



CASH MANAGEMENT AND FOREIGN TRADE

Fibabanka supports its customers to manage their financial operations more comfortably and securely with its wide service network in cash management and foreign trade. In 2023, the Bank kept focusing on innovation and technology to make life easier for its customers.

Fibabanka Supplier Financing System supports businesses to manage their cash flows effectively. The Bank offers its supplier customers the opportunity to optimize their payments, avoid operational burdens and organize their procurement processes more effectively. In 2023, funds of TL 250 million were provided for invoice payments through the supplier financing system and TL 1.9 billion through the e-invoice financing product.

Paying attention to taking part in the cash flow cycle of its customers, Fibabanka boosted its check-book volume by 23% in 2023 compared to the previous year. Invoice and corporate payment volume rose by 150% year-over-year to TL 1.7 billion.

Alternative Solutions in International Money Transfers

Thanks to its collaborations with Wise and Mastercard, the global brands of payment technologies, Fibabanka offers fast, easy, and cost-effective solutions for international money transfers via its digital channels, facilitating the lives of its customers. The number of international money transfers mediated by the Bank, which keeps working on payment methods that will be an alternative to traditional international money transfer methods, increased by 134% year-over-year in 2023.

Effective Contribution to Foreign Trade

Fibabanka continues to offer solutions to companies in foreign trade financing through its expert staff, contributing to the development of exports. It offers a diversified range of products tailored to the needs of its exporter and manufacturer customers, ranging from Eximbank loans to export factoring transactions that provide solutions to urgent cash flow in short term. In 2023, the Bank intermediated USD 1.5 billion-worth of foreign trade transactions.

COMMERCIAL BANKING

12,551 customers, excluding agricultural customers, were provided with financing support and the number of customers utilizing loans increased by 35%. Loans extended in Commercial Banking rose by 44% to TL 22 billion.

Fibabanka aims to enhance customer satisfaction in Commercial Banking with the products it offers in line with its widespread customer-oriented growth strategy. The Bank takes important steps to meet the financial needs of commercial customers with innovative solutions developed in line with the rapidly changing conditions.

Standing by SMEs

Fibabanka is the closest bank to its customers with its credit funding, cash and non-cash loans, treasury transactions, deposit and investment products developed for small-scale companies within the scope of Commercial Banking activities, as well as digital solutions that facilitate the daily operations of companies.

In this context, Fibabanka develops resources to support SMEs, allowing them to grow sustainably by combining data, technology, and human resources. By year-end 2023, Fibabanka provided financing support to 12,551 customers, excluding agricultural customers, raising the number of customers using loans by 35% year-over-year. By the end of 2023, the loans provided in the area of Commercial Banking reached TL 22 billion, with a year-over-year rise of 44%.

Preferred Address in Credit Funding

Fibabanka is among the first banks preferred by SMEs in need of financing with the loan against check products it offers. Besides, it has been continuously increasing its market share in credit funding against checks for the last three years. In 2023, Fibabanka facilitated SMEs' access to financing by adding e-invoice financing to its credit funding product family. Fibabanka aims to expand its product range, reach more SMEs, and raise its market share with its technology investments.

Self-Service

In addition to the loan products made available for customers to receive self-service, Fibabanka enabled customers to access collateral creation, evaluation, modification, increase, decrease, etc. transactions through digital channels in 2023.

In 2023, the number of digital commercial customers using credit products via digital channels reached 68% of the total Commercial Banking customer portfolio.



TL 22 Billion
Extended Loans



12,551
Number of Commercial Customers
(Excluding Agriculture)



SUPPLY CHAIN BANKING

Fibabanka develops various loan products and business partnerships to expand its commercial and agricultural customer base and increase customer acquisition through non-branch channels, while strengthening further its digital experience day by day.



In 2023, Fibabanka undertook many activities to improve its commercial customer portfolio focused on small businesses and agricultural activities, to raise the acquisition of corporate customers through non-branch channels, and to expand the use of the Corporate Mobile Banking channel. The Bank develops loan products and strategic business partnerships to meet the financing needs of small businesses and farmers and consolidates its digital experience on the platforms that diversifies further day by day.

In 2023, Fibabanka launched the Agriculture and Commercial Store Loan and online loan platform products for businesses and farmers who are not currently bank customers in Türkiye. Several activities were carried out to disseminate the Fibabanka Instant Store Agricultural Loan product, offered to farmers in agricultural store chains that sell on credit and in the stores of organizations that supply agricultural inputs. Fibabanka backs up Turkish farmers by cooperating with the companies that provide inputs for agricultural production to finance fuel, fertilizer, pesticides, and technological products.

In 2023, the Bank completed the tests of the Instant Legal Entity Store Loan product developed for the financing needs of small businesses, and launched the product. Within the framework of agreements

with the companies providing electronic money and payment services to SMEs, Fibabanka Instant Legal Entity Store Loan product was offered to businesses and farmers through B2B platforms, such as Paynet, Netahsilat, Teknosa, Farmazon, and Ozan.

In 2023, the Bank raised its customer acquisition and loan disbursement rates via the applications made through platforms such as Trendyol, e-logo, etc. and achieved 80% of its small business and farmer customer acquisitions through non-branch channels. In 2023, the Bank acquired 10,000 new customers and disbursed loans of TL 800 million through the store and Video Banking channel.

With the launch of the Legal Entity e-Customer Acquisition Project, Fibabanka plans to offer all loan, deposit, insurance, and investment products via the Corporate Mobile Banking channel together with the functions tailored to customers' needs, thus enriching the customer experience.

Small businesses and farmers can easily become Bank customers through the Video Banking channel and use Agricultural and Commercial Credit and Legal Entity Kiraz Account products by means of Fibabanka Corporate Mobile and Internet Banking.

ECOSYSTEM AND PLATFORM BANKING

Thanks to Alışgidiş, Fibabanka boosts the payment and purchasing power of its customers when shopping in online and physical stores while providing additional sales opportunities for businesses as a reliable and long-term solution partner.



800 Thousand
Shopping Loan



+12,500
Alışgidiş Points



ag

Fibabanka, which has rapidly moved its business models to digital with its investments in information technology infrastructure, offers innovative solutions that will make life easier for its customers by taking the Bank to the customer's doorstep.

Under the Ecosystem and Platform Banking structure, the Bank offers a platform where consumers can access the financial solutions they need during their shopping in the wide ecosystem created through the agreements it concluded with well-known brands of Türkiye. The Bank develops new-generation payment opportunities by establishing an ecosystem where customers can meet their financial needs in online and physical stores of major retail brands. Meeting the expectations and needs of business partners and consumers through the same platform, Fibabanka expands its consumer financing network while boosting the number and satisfaction of its customers day by day.

Alternative Consumer Finance Solutions in an Expanding Ecosystem

As part of its Ecosystem and Platform Banking strategy, Fibabanka advances its ecosystem in cooperation with e-commerce platforms and store

platforms, as well as electronic money and payment systems. In the sector, it has a pioneering position in the shopping and general purpose loans it makes available through the new-generation payment channels such as Paycell, Belbim, Money pay, Tosla, Iyzico, etc. offered by the companies with which the Bank established partnerships.

Fibabanka continues to expand its consumer finance network by integrating into the e-commerce platforms established utilizing infrastructure of the companies, such as Akinon, T-soft, and IdeaSoft which provide ready-made e-commerce infrastructures for the businesses that want to move their activities into an online platform as part of the cooperations it made with these companies.

Smart Way of Shopping at 12,500+ Alışgidiş Points

Fibabanka, which has the largest consumer loan sales network in Türkiye, aims to stand behind its customers in their shopping journeys from the moment they need financing.

In 2022, the Bank unified all of its shopping loan products under the "Alışgidiş" brand and introduced them to consumers and its business partners with the slogan "Smart Way of Shopping." Alışgidiş offers consumers the loan opportunity with multi-installments without going to bank branches, needing a credit card and being subject to card limits. It also offers companies with Alışgidiş points easy access to new customers and a tool to increase their sales. Fibabanka is the most widespread and effective implementer of the so-called "Buy Now, Pay Later (BNPL)" practice in Türkiye.

Thanks to collaborations with Türkiye's leading brands, Fibabanka continues to improve its shopping loan services offered to its customers. In this context, Fibabanka has gathered services such as shopping with a loan from its contracted business partner store, purchasing Compulsory Traffic Insurance, and purchasing second-hand products with loans based on customer scores, which it offers through the Digital Market on Mobile and Internet Banking channels, under the umbrella of Alışgidiş.

Fibabanka brings its customers together with the most extensive loan sales network in Türkiye with more than 12,500 physical and online Alışgidiş points belonging to over 55 brands from 15 sectors as of the end of 2023. Adding more than 500 new Alışgidiş points to this network every month, the Bank aims to reach over 10 million consumers at 25 thousand Alışgidiş points in a 3-year period.

By the year-end 2023, the Bank reached approximately 800,000 shopping loans and disbursed loans of TL 11.6 billion.

Loans for All Needs is at Fibabanka!

Fibabanka offers innovative products and services to meet all needs of its individual customers in two groups: Instant General Purpose Loans and Shopping Loans. General purpose loans are disbursed through Fibabanka Mobile, Internet Banking, and Telephone Banking channels, as well as the branches. Customers can easily access shopping loans at the time of payment from the online sites and stores of contracted brands in Fibabanka's extensive ecosystem.

ECOSYSTEM AND PLATFORM BANKING

Fibabanka offers innovative products and services to meet all needs of individual customers in two groups: Instant General Purpose Loans and Shopping Loans.



In 2023, Fibabanka kept offering its privileged services to individual customers with the innovative practices it developed. With the Roof Limit Application, the Bank enabled individual customers to use their credit limits in a fragmented manner by combining their credit limits under the roof limits. Again in 2023, it completed its infrastructure works to enable customers to use their roof limits as overdraft accounts (OA) paid in installments as well as general purpose loans. The Bank went on offering advantageous interest rates in case of both general purpose and shopping loans to customers who meet monthly targets set by the “Ekstra Kazan (Win Extra)” application.

In 2023, Fibabanka’s daily general purpose and shopping loan disbursements reached 6,800 loans and TL 128 million, while the monthly total rose to 117 thousand loans and TL 2.7 billion. General purpose loans extended through bank channels (Fibabanka Mobile and Internet Banking, Telephone Banking, and branches) totaled 1,800 loans and TL 86 million on a daily basis, and 42 thousand loans and TL 1.54 billion on a monthly basis. 90% of the general purpose loans extended through bank channels were disbursed via Fibabanka Mobile.

Fibabanka Mobile and Internet Banking general purpose loan application and disbursement processes were subjected to end-to-end renewal in 2023 to provide faster and easier loan disbursement with the aim of achieving excellent customer experience.

Comfortable and Fast Solution to Urgent Cash Needs: Overdraft Account

Continuing its operations with the mission of providing the fastest banking service that will make customers’ lives easier, Fibabanka diversifies the loan products offered through its digital channels. Fibabanka gives the option to apply for the Overdraft Account (OA) product, which it offers for customers’ urgent cash needs, through Mobile and Internet Banking channels and Telephone Banking in addition to its branches. As of year-end 2023, the number of the Bank’s defined Overdraft Accounts increased by 10% year-over-year to more than 1 million, while the Overdraft Accounts risk balance went up by 93% year-over-year to TL 701 million. The balance of the Installment Overdraft Account product, which the Bank launched in 2021, reached 4% of the total Overdraft Accounts risk balance as of year-end 2023 and continued to grow.

ECOSYSTEM AND PLATFORM BANKING

Fibabanka provides its customers with speed and comfort in their banking and shopping transactions with its Hızlı Kart product, which can be used both physically and digitally.

New Generation Payment Facility: Fibabanka Digital Hızlı Kart (Fast Card)

Developing solutions that add value to the sector with its strong technological infrastructure, Fibabanka provides its customers the speed and comfort in banking and shopping transactions with its Hızlı Kart (Fast Card) product that can be used physically and digitally.

In addition to its customers' cash needs and banking transactions, Fibabanka enables them to make their payments quickly and easily for shopping in stores with the Hızlı Kart contactless feature and to finalize their online shopping safely with the 3D secure function. Hızlı Kart without borders provides the convenience of withdrawing cash from all ATMs with Maestro emblems even abroad. This allows customers to define their cards to Masterpass and shop at Masterpass-registered e-commerce merchants without entering their card details, benefit from monthly campaigns, and easily spend the rewards they win from the campaigns at any time. Customers can make internet, phone/mail order purchases with the Digital Hızlı Kart, which can be downloaded from Fibabanka Mobile and Internet Banking channels, without waiting for the delivery of physical Hızlı Kart.

With the contribution of active marketing efforts and campaigns, Fibabanka Hızlı Kart continues to grow in number and volume. As of year-end 2023, digital Hızlı Kart holders climbed by 56% year-over-year to 1 million 670 thousand, while physical Hızlı Kart holders increased by 51% to 229 thousand. In 2023, Hızlı Kart holders made shopping of TL 1.44 billion with a 94% rise year-over-year. As of the end of 2023, the internet turnover size of Fibabanka Hızlı Kart exceeded TL 279 million, and the share of its internet purchases in total spending was 20.3%, outperforming the sector average of 18.3%.

Convenience for Consumers via Merchant Agreements

Fibabanka takes care to establish lasting relationships with its merchants and offers convenience to both consumers and businesses with the innovative services it develops.

By year-end 2023, Fibabanka POS turnover increased by 24% year-over-year, reaching TL 632 million. Fibabanka raised the number of virtual POS member merchants to 66, enabling businesses to make sales on the internet and securely collect the sales price from their credit cards. Virtual POS turnover, on the other hand, escalated by 116% in 2023 year-over-year to TL 510 million. Fibabanka's virtual POS transactions account for 81% of the Bank's total POS turnover.



Fibabanka virtual POS merchants allow Masterpass customers to make transactions with their cards registered in the Masterpass infrastructure. In addition, Fibabanka's virtual POS product infrastructure has proven its effectiveness in new customer acquisition processes. In 2023, an annual average of 18% of customer acquisitions were achieved through virtual POS.

For Next Generation Financial Experiences www.servisbankaciligi.com

Fibabanka has adapted to the transformation of traditional banking without wasting time with the regulations made for Digital Banking and Service Banking in Türkiye.

Fibabanka offers a platform for developers and entrepreneurs to design next-generation experiences with the API (Application Programming Interface) Portal site www.servisbankaciligi.com, which was launched in 2022 within the scope of Open Banking and Service Banking, one of the important elements of Fibabanka's innovation and entrepreneurship strategy. Entrepreneurs have the opportunity to offer the Bank's financial services to their customers by completing their integration with the APIs on www.servisbankaciligi.com in a very fast, easy, and secure way. There are 400 APIs on the Fibabanka API Portal, including digital onboarding, login operations, account movements, card information, credit grants, invoice payments, money transfers, and investment transactions (foreign exchange and precious metals trading).

DEPOSIT AND INVESTMENT PRODUCTS

Fibabanka enriched the customer experience by launching the e-Deposit Account in 2023 as part of its deposit-oriented growth strategy.

Fibabanka provides a wide range of products and channels through which customers can deposit their Turkish Lira and foreign currency savings with instruments that meet their investment expectations, aiming to improve service quality with its experienced staff. Customers have 24/7 access to all the Bank's investment instruments, including deposit products, brokerage services for trading in mutual funds, domestic/foreign stock transactions, foreign exchange and precious metals trading, Eurobond transactions, and derivative products, through digital channels in addition to the Bank's branches and Call Center.

Earning Extra with Kiraz Account

The Kiraz Account, the most preferred deposit product by Fibabanka customers, offers the opportunity to perform all banking transactions and earn overnight returns by taking the liquidity advantage of a demand deposit account.

Customers can open a Kiraz Account through Fibabanka Mobile and Internet Banking, Video Banking, Call Center, and Fibabanka branches. Customers acquired through the store channel can open a Kiraz Account via the Bank's Mobile Banking application during their shopping transactions.

In order to strengthen customer loyalty and improve the customer experience, the Bank started to offer additional interest advantages to its Kiraz Account customers in return for different financial transactions within the scope of the Win Extra program in 2023. The Win Extra package includes FX Market, Borsa Market, Yatırım Fonu, and Global Borsa, as well as different payment products. Fibabanka customers can monitor their monthly performance from their Mobile Banking accounts and follow up incomplete transactions to benefit from up to additional interest of 5%.

As of year-end 2023, the number of Kiraz Account customers increased by 42% year-over-year to more than 1.2 million, and the total balance of Kiraz Accounts exceeded TL 23 billion.

Deposit Products Adding Value to Customer Savings

As a close follower of developments in financial markets and legal regulations, Fibabanka offers its customers deposit products that enable them to keep their savings most efficiently within the scope of its deposit-oriented growth strategy. In addition to its Foreign Currency Protected TL Deposit and Yuvam TL Term Deposit products, the Bank enriched the customer experience by launching the e-Deposit Account in 2023. The e-Deposit Account, offered through Fibabanka Mobile and Internet Banking channels, is an alternative for customers who want to invest their savings as deposits with the interest rates that vary according to the investment amount.



+1.2 Million
Number of Kiraz
Account Customers



TL 23 Billion
Kiraz Account Balances

DEPOSIT AND INVESTMENT PRODUCTS

Fibabanka offers a wide range of products and channels through which customers can invest their savings in instruments that meet their investment expectations.

In the first half of 2023, the Foreign Exchange Protected TL Deposit Account for domestic customers with individual and corporate savings was effective in increasing the Bank's deposit volume and extending the maturity of deposits. Although there was a loss of momentum in the second half of the year, in accordance with the strategy of transition to TL-denominated deposits, the total amount stood at TL 13.1 billion, representing a 20% share of the Bank's total deposits.

Easy and Fast Access to All Investment Products with the Financial Market

Fibabanka customers can access all the different investment products through which they can invest their savings based on their risk and return expectations from the Financial Market on Fibabanka Mobile. The Bank improved customer experience by providing all of its services such as Fon Market, FX Market, Eurobond, Kripto Market, Borsa Market and Global Borsa Market from a single point of access. The increasing investor interest in the investment instruments in the Financial Market contributes to the rising transaction volumes mediated by the Bank and is effective on growth of its non-interest income.

Fibabanka carries out mutual fund transactions and performance information on Fibabanka Mobile through the Fund Market. In 2023, the Bank added the "Get Recommendation" function to the Fund Market and started offering customers the fund package recommendations tailored to their risk profiles.

In 2023, the number of the Bank's customers carrying fund balances rose by 49% year-over-year to, exceeding 25,000. The total fund size of Fiba Asset Management funds in the Bank's client portfolio increased by 96% to TL 21.4 billion.

In 2023, the number of users of the Fibabanka FX Market, where foreign exchange transactions, as well as precious metals trading in gold, silver, and platinum, are performed in a fast, easy, and secure manner, exceeded 132,000.

At Fibabanka Borsa Market, customers can open investment accounts online, send money to their investment accounts 24/7, buy and sell stocks on Borsa Istanbul, and participate in IPOs. Fibabanka Investment Account holders are also able to monitor stock market news and Borsa Istanbul data live free of charge via Borsa Market. As of the year-end 2023, the number of investors in Borsa Market, which was 24.5 thousand at the end of 2022, rose to over 83 thousand. The Bank's share in the equities market is 0.32%.

Thanks to its cooperation with Midas Menkul Değerler A.Ş., Fibabanka offers its customers the opportunity to open an account on Fibabanka Mobile and invest in US stock markets through the Global Borsa Market.



83 Thousand+
Number of Borsa Market
Investors



TL 21.4 Billion
Fiba Portfolio Fund Size

In Fibabanka Kripto Market, Fibabanka customers can make money transfers in TL directly to 15 contracted cryptocurrency platforms 24/7.



Fibabanka

444 88 88

Borsa Market, FX Market, Global Borsa Market and Kripto Market are accessible via Fibabanka Mobile from a single point.

PRIVATE & PRESTIGE BANKING

Private & Prestige Banking concluded 2023 successfully by increasing the number of active customers to 45 thousand and the size of managed assets by 74% to TL 83 billion.

As of year-end 2023, the Fibabanka serves its customers through 139 Private & Prestige Banking Portfolio Managers in 33 branches, 15 of which are in Istanbul.

Beyond the traditional banking approach, Fibabanka provides reliable, fast, and privileged banking services in branches with its expert portfolio managers and facilitates the lives of its customers with products and services offered through both branches and digital channels in line with their financial expectations and risk profile.

As of year-end 2023, the Bank serves its customers through 139 Private & Prestige Banking Portfolio Managers in 33 branches, 15 of which are in Istanbul. In addition to the services provided by specialized and experienced portfolio managers at the branches, the Bank offers its customers the opportunity to trade in investment products such as FX Market, Kripto Market, Borsa Market, Global Borsa Market, Fon Market, and Eurobond Market at real-time prices through digital channels, and ensures easy access to insurance products through the BES/Sigorta Market.

Thanks to its collaborations with Fiba Portföy, HDI Fiba Emeklilik, Fiba Emeklilik, Midas, Oyak Yatırım, and Fiba Sigorta, Fibabanka continues its operations by offering a wide range of products to its Private & Prestige Banking customers. Customers are able to invest in products such as time deposits, treasury bills, government bonds, private sector bonds/ returns, mutual funds, foreign exchange protected deposits, pension funds, stock trading on domestic/ foreign exchanges, and crypto transactions while

carrying out their foreign exchange and precious metal transactions quickly and easily and trading derivative products on over-the-counter markets.

In 2023, Fibabanka raised the number of Private & Prestige Banking active customers by 12% year-over-year, from 40,322 to 45,014 customers, and increased the size of its managed assets in this area by 74% year-over-year to TL 83 billion.



DIGITAL INSURANCE

With two new partnerships combining Fibabanka's advanced digital technological infrastructure and HDI Sigorta's global experience, Fibabanka began to offer its customers a unique insurance experience.

Within the scope of bancassurance services, Fibabanka strengthened its strategic cooperation with internationally experienced HDI Sigorta in 2023 in order to meet the needs of its customers in private pension, life, health, and elementary insurance branches with the most comprehensive, affordable products and to design the most accurate customer experience.

Fibabanka entered into a strong business partnership with HDI Sigorta by acquiring the shares of Fiba Emeklilik ve Hayat A.Ş., which is under the umbrella of Fiba Holding. In this context, Fiba Emeklilik ve Hayat A.Ş., which has been operating within the Fiba Group for 10 years, maintains its activities as "HDI Fiba Emeklilik ve Hayat" under the partnership roof of Fibabanka and HDI Sigorta.

Another successful joint venture that blends Fibabanka's advanced digital technological infrastructure with HDI Sigorta's global experience is Fiba Sigorta A.Ş., which was established jointly by two companies, each holding a 50% stake, to offer digital services within the non-life insurance (elementary) sector. Offering a dynamic banking experience to its customers with its investments in advanced financial technologies and digital banking infrastructure, Fibabanka quickly integrated this know-how into Fiba Sigorta A.Ş., which was

established on December 30, 2022, and received the approval from the Insurance and Private Pension Regulation and Supervision Authority (SEDDK) on April 26, and issued its first policy on June 7, 2023.

As an agency, Fibabanka offers its retail customers Motor Own Damage, Device Protection, Mobile Phone, Extended Warranty, TCIP, and Home Insurance products whose coverage is provided by Fiba Sigorta A.Ş., and Life, Personal Accident, and Health Insurance products as well as BES products in cooperation with HDI Fiba Emeklilik ve Hayat A.Ş.

The Bank offers Full Protection Insurance in cooperation with HDI Fiba Emeklilik ve Hayat A.Ş. for its commercial and corporate customers; comprehensive Life Insurance for commercial customers including earthquake coverage for company partners; Fibabanka Personal Accident Insurance with Earthquake Coverage; and Motor Own Damage, Commercial Liability and SME First Fire Insurance products in cooperation with Fiba Sigorta A.Ş.



TL 1.4 Billion
Fund Size



TL 2.3 Billion
Life Insurance Premium
Production

Fibabanka transformed its traditional insurance approach with an eye to the behavioral patterns of the era. In addition to traditional insurance products, it expanded its cross-selling activities by integrating Device Protection, Extended Warranty, and Mobile Phone Insurance products into its existing banking products through digital sales channels. With the insurance solutions provided to individual and corporate clients, a premium production of approximately TL 637 million was achieved in the elementary branch within a brief span of 6 months in 2023.

Thanks to the positive impact of technological improvements as well as customer campaigns organized in cooperation with HDI Fiba Emeklilik ve Hayat, Fibabanka achieved a premium production of approximately TL 1.6 billion in the life insurance branch as of the end of 2023, up 135% year-over-year. In 2023, 89% of private pension contracts were concluded through digital channels. In 2023, total fund size increased by 109% year-over-year reaching TL 1.4 billion.

In line with Fibabanka's fast and easy banking approach, the products within the scope of Bancassurance services are improved by taking Fibabanka Mobile's sales/after-sales functions/

processes, user experiences, and technological trends as reference and diversified in accordance with customer needs. In pursuit of the Bank's goal of taking customer experience in digital channels to the next level, the Bank is working to meet all insurance needs of its customers.



CUSTOMER EXPERIENCE MANAGEMENT

Putting its customer-oriented perspective at the heart of its activities, Fibabanka pursued the goal of perfecting the customer experience in 2023 by listening to the experiences of its customers instantly and taking swift action.

Fibabanka places customer satisfaction at the focal point of all processes and activities in its journey to become a digital bank. In 2023, as in previous years, the Bank further strengthened its commitment to customer orientation by implementing many new initiatives with this approach.

While customer orientation has played a major role in the success of the Bank's digitalization journey, it has become a culture embraced by all employees, especially the Bank's senior management, in which the customer is prioritized in every step taken. This vision has permeated all aspects of operations, influencing decision-making, strategic planning, and resource management to ensure that customer needs are met with precision.

The Bank continues to listen to the voice of its customers by using different customized methodologies to understand their changing needs and design tailored experiences for various customer segments with different needs. The insights obtained provided answers to the question "What do our customers need?" while at the same time guiding processes and ensuring alignment with customer demands and expectations.

The Voice of the Customer program, implemented at every touch point of the financial journeys, provides a continuous cycle of customer feedback. Within the scope of this program, the Net Promoter Score (NPS), measured in detail for customer touch points and lifecycles, confirms the customer-oriented approach and highlights the Bank's ability to meet customer expectations.

Customer-oriented approaches were applied in all new products and processes offered to customers in 2023 as well. Each process is developed with a clear understanding of customers' needs. Regular improvements were made based on feedback from the NPS to adapt to changing customer needs. In addition to new products and processes, existing customer journeys were actively monitored and improved. The processes that have been active for a long time are comprehensively revealed through customer journey mapping studies. To find out the pain points throughout the journeys, different personas that also experience the processes were identified and customer research, regular customer feedback, and data analysis were used. Actions to resolve pain points are gradually implemented and customers are kept informed so that they know their voices are heard.

As a result of all efforts focused on customer satisfaction, NPS increased significantly from 41 in 2019 to 68 at the end of 2023. The Bank resolutely advances towards its goal of perfecting the customer experience by increasing this score day by day.

VIDEO BANKING

In line with the Bank's digitalization strategy, a new department called Customer Process Management was established in 2023. Under this department, activities were carried out to create digital identity and alternative authentication by using advanced technologies in addition to remote customer acquisition for individual and legal entity customers, to design the processes for customers in provinces with no branches, and to continuously review and improve all these items.

As of year-end 2023, the number of customers Fibabanka acquired through the Video Banking channel totaled 179 thousand, including 175 thousand individual customers and 4 thousand natural persons within the scope of commercial enterprises. The total number of customers acquired to date reached 368,000. According to the monthly statistics of the Association of Banks of Türkiye on customer acquisition via Video Banking channel, the rate of transfer to this channel of Fibabanka customers was 2.5% higher than the industry average and its market share reached 3% in 2023.



CUSTOMER EXPERIENCE MANAGEMENT

Fibabanka aims to respond to all of its customers' financial needs with Fibabanka Mobile, which is shaped by users' feedbacks and constantly evolves.

In 2023, the Bank reached 1 million transactions by establishing new processes with Video Banking technology and enabling its customers to determine FibaAnahtar, to update their phone number and password, and to unblock SIM cards on Fibabanka Mobile self-service or via Video Banking customer representative. For legal entity customers, the flow for setting the Mobile Banking password with their new ID cards has been launched.

The Video Banking channel has started infrastructure and process activities to increase its coverage in the coming period and to support products and transactions tailored to customer needs.

MOBILE BANKING

Rapidly adapting to the changing expectations and habits of its customers, Fibabanka constantly improves its channels based on the opinions of Fibabanka Mobile and Internet Banking users, whom it consults regularly. Aiming to offer a unique experience by responding to all financial needs of its customers through its digital channels, the Bank focused on digital channel performance and experience improvements in 2023 and introduced many new digital products and services.

As of year-end 2023, the number of Fibabanka Mobile users increased by 31% year-over-year to 2.2 million, while the number of transactions went up by 38% to 26 million.

Closely following the latest trends of digital universe and regularly listening to its customers, Fibabanka renewed the home page interface of its mobile application in 2023 for faster, easier, and more enjoyable use.

On Fibabanka Mobile, the Open Banking application where customers can view all their interbank accounts and transfer money, the Extra Win loyalty program that provides advantages in products, and the QR code cash withdrawal application were launched and Mobile Phone, Motor Own Damage, TCIP, and Home Insurance products were made available to customers. The "Get Recommendation" function, which offers the most appropriate fund allocation based on customers' investment and risk profiles was added to the Fund Market product. Furthermore, the function of editing slip settings was included in the Credit Card product, and all processes requiring physical documents were digitalized.

In 2023, Fibabanka digitalized the document management system beyond basic banking activities with Fibabanka Corporate Mobile, enabling businesses and sole proprietorships to become Fibabanka customers without visiting the branch through Video Banking, and those who are Bank customers to easily have their digital banking passwords.

Fibabanka enabled legal entities to easily renew passwords and unblock and remember usernames with the new chip ID card, and succeeded in creating digital solutions to frequent operational problems of corporate companies. For sole proprietorships, in addition to these functions, the new Corporate Internet Branch customer acquisition function was launched.

Moving the loan utilization of businesses and farmers to the digital environment in 2022, Fibabanka digitalized the loan process end-to-end by introducing the instant loan limit application function with Corporate Mobile in 2023. Thanks to the new collaborations established, the Bank launched campaigns for e-commerce, cash management, and operation management services that customers need in their commercial activities.



CUSTOMER EXPERIENCE MANAGEMENT

Fibabanka increased the digital activation rate of its commercial customers to 75% by adding new functions beyond basic banking needs through Corporate Mobile.



In 2023, Fibabanka increased the digital activation rate of its commercial customers to 75% by adding new functions beyond basic banking needs through Corporate Mobile. 74% of digitalized customers make at least one financial transaction per month. At least 56% of transactions carried out by businesses and agricultural customers are conducted through digital channels.

Moving forward resolutely in line with the goal of becoming a digital bank, Fibabanka plans to complete the process for the acquisition of legal entities as customers with Video Banking through Corporate Mobile in 2024.

OPEN BANKING

In parallel with the legal regulations on Open Banking, Fibabanka took its place in the Open Banking system in 2023 by allowing other banks to show the deposit accounts of Fibabanka customers and make money transfers. In 2023, Fibabanka started to offer more comprehensive and customized financial solutions to its customers through its Open Banking efforts. Fibabanka customers can access their accounts at different banks through the Bank's digital channels to view their account information and make money transfer. The Bank provides its customers with the freedom to access all their financial information through its digital channels and make transactions from a single point.

Fibabanka continues its efforts to develop products and services within the scope of Open Banking practices that enrich customer experience, increase customer satisfaction, and broaden financial access.

CUSTOMER ANALYTICS AND CAMPAIGN MANAGEMENT

In 2023, Fibabanka focused on promptly providing tailored offers to meet customer needs. To this end, the bank adopted a data-centric approach in Campaign Management and maintained its efforts by leveraging its multi-channel infrastructure. Continuing its infrastructure investments, Fibabanka analyzed mobile utilization data by instantly monitoring customer transactions and thus strengthened its infrastructure to respond to customer needs promptly. In 2023, Fibabanka began to offer real-time campaigns with the most suitable offers to its customers.

Fibabanka continuously strives to identify and make available the right products and offers in line with customer needs through new analytical models by applying the data-driven decision-making strategy in Campaign Management. In addition, advanced central integration work was carried out for campaign communications sent to customers through various channels. This integration aims to provide fast solutions to changing customer needs that will increase customer/channel activity, cross-selling, and satisfaction levels.

CALL CENTER

Fibabanka Call Center provides 24/7 service via the following contact numbers: 444 88 88 and 222 77 77. In 2023, Fibabanka received an average of 156 thousand calls per month through this channel, with a call response rate of 98%. The Bank's Call Center Customer Demand Management concludes customer requests and complaints within an average of 1 day.

In order to increase the effectiveness of the Telephone Banking channel and the variety of services offered through this channel, Fibabanka regularly updates its Call Center organization to adapt to the changing habits of its customers.

The Call Center played an active role in new customer acquisition, contributing to the expansion of the Bank's customer base with over 860 thousand video calls made between 2021 and 2023. In 2023, in addition to customer acquisition activities, the Call Center started to provide services for password and information update operations, and 230 thousand calls were responded to in this context.

In order to finalize customer requests during the call, the Bank renewed the Call Center's user screen and voice response system, making it more functional and facilitating the customer and employee experience.

Having 161 employees as of year-end 2023, the Call Center diversified its service locations as part of the earthquake measures. In 2024, the Company plans to move its Call Center to Antalya.

CUSTOMER EXPERIENCE MANAGEMENT

Fi'bot, Fibabanka's virtual chat assistant, keeps improving and learning with the superior artificial intelligence technology.

BRAIN BOX CHAT ASSISTANT: Fi'bot

Fi'bot, Fibabanka's virtual chat assistant, keeps improving and learning with the superior artificial intelligence technology. Fibabanka customers can access Fi'bot from www.fibabanka.com.tr and Fibabanka Mobile. Fi'bot provides information about banking products, the Bank's branches, and ATMs, as well as support for credit card applications and money transfers. Over one million conversations were held in 2023 with AI-based Fi'bot, which is also accessible via Fibabanka Mobile. Fibabanka customers can find answers to the questions they ask and access the menus they want to make transactions with shortcut referrals. With Live Assistant Support, users who wish to connect to a customer representative on weekdays between 09.00 and 17.00, their questions about FibaAnahtar setting, SIM card blocking, Kiraz Account, and other deposit products are answered directly by the representatives.

WIDE ATM NETWORK

As of 2023 year-end, Fibabanka has a total of 42 ATMs, including 5 outside the branch and 37 inside the branch. In line with its goal of being accessible from anywhere for its customers, Fibabanka provides its customers with the opportunity to perform their banking transactions quickly and easily at approximately 9 thousand ATMs thanks to its collaborations with other institutions regarding the joint ATM agreement. Fibabanka customers can use approximately 17% of the total ATMs in Türkiye free of charge.



COMMUNICATION ACTIVITIES

Standing by its customers whenever and wherever they need it, Fibabanka places digitalization at the heart of its entire communication strategy.

Fibabanka's podcast channel "Alışılmışın Dışında (Out of the Box)" launched in 2023, ranked first in the finance category.

In its communication in 2023, the Bank focused on technology, entrepreneurship, Service Banking, Open Banking, and the Fibabanka Mobile application, as well as its Deposit and Investment products.

The Bank emphasized in its communications, which frequently take place in digital, TV, radio, and outdoor media, that its customers can easily carry out all their financial transactions from a single platform, from anywhere at any time, without having to navigate between applications.

In addition to its Facebook, Twitter, Instagram, LinkedIn, and YouTube accounts, Fibabanka opened a TikTok account in 2023. Fibabanka heightens the number of its followers and traffic day by day and strengthens its social interaction by producing special content in line with the dynamics of the medium.

Fibabanka facilitated the access of its website visitors to up-to-date data on the markets with the Daily Eco Bulletin, Riskometre, Mutual Fund Bulletins, and Domestic Stock Market Bulletins that it started to publish on its corporate website in 2023.

In order to contribute to the Turkish startup ecosystem and reinforce the strong bond with entrepreneurs, Fibabanka acted as the Main Sponsor of the Corporate Venture Capital Conference and hosted the meeting event (Get Together) with entrepreneurs in the ecosystem of Finberg, Türkiye's first fintech-focused corporate venture capital. The Bank was also the Main Sponsor of the Digitalization in Finance and Technology Summit, which convened leading players in the field of digital technologies.

Fibabanka's podcast channel "Alışılmışın Dışında (Out of the Box)" launched in 2023, ranked first in the finance category. Fibabanka created a dynamic and innovative communication channel that goes beyond the usual banking patterns by hosting experts in the fields of financial technologies, corporate culture, innovation, and entrepreneurship on the podcast channel "Out of the Box." The channel reached over 20,000 listeners in such a short period of 10 months and ranked first in the career and entrepreneurship category.

Görüntülü Bankacılık ile Kiraz Hesap'ta kazanma sırası sizde!

Fibabanka Mobil'i indirin, anında Kiraz Hesaplı olun.

Avantajlı Hoş Geldin Faizi

Fibabanka

Destekli bilgi için QR kodu cep telefonunuzdan okutabilirsiniz.

Hoş geldin faizi oranı biriktirilen, Fibabanka Mobil ve İnternet Bankacılığı hesaplarının 2.000.000 TL'ye kadar 30 defa açılan yeni TL Kiraz Hesapları için 45 gün boyunca geçerlidir. Faiz oranları Fibabanka.com.tr adresinde belirtilen tutar aralıklarına göre değişen oranlarda belirlenmektedir. Lütfen kullanım koşullarını inceleyiniz. Fibabanka A.Ş. ile in işbirliğinde faiz oranını belirlediği zaman kurulum ve kayıt işlemlerini gerçekleştirilebilir.

DIGITAL TRANSFORMATION

In 2023, Fibabanka R&D Center continued to create value with its strong staff, which reached 525 people, and its innovative works leading digital transformation.



17
Agile Teams



525
Number of R&D Center
Employees



Fibabanka, one of the leading banks in the field of digital transformation in Turkish banking sector, kept introducing its customized niche products and services to its customers through technology and data investments in 2023.

Robust Operations with Operational Excellence

In order to provide uninterrupted service to its customers and immediately be aware of any problem in the system, Fibabanka established integrated monitoring and warning platforms. Renewing all information technologies processes with the best practices that are globally accepted, Fibabanka operates these processes effectively with new tools and operational models. Realizing a technological and cultural transformation in Information Technologies, Fibabanka continues to handle system outages, change management processes, and root cause analysis while providing permanent solutions in line with the best practices. In 2023, monitoring infrastructures were implemented for new products and platforms that were added to the Bank's service portfolio.

Transparency and Traceability

Fibabanka adopts a transparent management approach by setting service undertakings for customer-oriented and strategically important applications of Information Technologies and monitoring compliance with such undertakings within the organization.

Agile Transformation Program

In order to improve its ability to adapt to new conditions, Fibabanka resolutely continued its corporate agile transformation program, which started in 2022, in line with agile principles and practices in 2023. The number of agile teams was increased to 17 by adding new ones, maturation studies were carried out for existing agile teams, and new in-house agile coaches were trained. At the beginning and at end of the year, "agile" maturity was measured and progress was evaluated.

DevOps Product Integrations

Fibabanka aims to bring the expectations of customers to live environment in the fastest and highest quality way by establishing DevOps infrastructure. Within the scope of the automation, the Bank maintains its product and service development activities along with technology platforms, test automation, performance tests, and agile delivery process. In addition, new product integrations were carried out with DevSecOps in 2023.

R&D Activities

Fibabanka R&D Center, approved by the Ministry of Industry and Trade, has been playing a central role in digital transformation with its investments in advanced technology and innovative works since 2018. As of year-end 2023, the R&D Center, which has a high-quality staff of 525 people, develops its research capabilities within the framework of university-industry collaborations and undertakes joint projects with leading organizations in their fields.

DIGITAL TRANSFORMATION

In 2023, Fibabanka applied for four new patents, including one European patent, contributed to three books and prepared five academic publications.

In 2023, the R&D Center carried out successful projects in the fields of behavior prediction, credit scoring, text analytics, Internet of Things, big data, artificial intelligence, microservice architecture, customer experience, payment systems, Open Banking, and gamification under the consultancy of academics from Özyeğin University, Boğaziçi University, Sabancı University, Istanbul Technical University, Gebze Technical University, and Yıldız Technical University. As of year-end 2023, Fibabanka's total R&D expenditure reached TL 71.2 million.

In 2023, Fibabanka R&D applied for four new patents, including one European patent, contributed to three books and prepared five academic publications.

The R&D Center closely follows the project funding sources and participates in different consortia in order to provide easy and fast access to new technologies, develop research capabilities on a national and international scale, work with partners having leading positions in their field, and get into new markets.

In addition to the project approved under TÜBİTAK 2244 Industry PhD Program, Fibabanka applied for three international project funding programs under CELTIC and HORIZON EUROPE programs in 2023.

R&D Center employees enlighten students at Boğaziçi University, Özyeğin University, and Yıldız Technical University in lectures and seminars.

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

Innovation Studies

Fibabanka maintained its Focus In-House Entrepreneurship Program also in 2023 to ensure that the innovation culture, which is a complementary element of the R&D process, is embraced throughout the Bank. Within the scope of the Focus Program, the Bank supported 45 internal entrepreneurs to receive lean enterprise methodology training and benefit from the experiences of 21 internal mentors. There are 5 active initiatives in the validation phase.



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

In 2023, Fibabanka organized an Innovation Strategy Workshop, identified innovation focal areas in line with its strategic goals, and prepared a roadmap to guide its innovation efforts.

CRM and Quality Management Studies

Fibabanka stands out in the sector with its applications and infrastructure compatible with new technologies as well as enhancing customer satisfaction with the products and services it offers with its fast and efficient processes. The Bank improves its efficiency and accelerates its responsiveness by collecting complaints and suggestions submitted by customers and digital users through different channels on a single platform.

Fibabanka brought infrastructure works to completion in order to ensure that customers receive customized offers and that all transactions/communications performed by the customer in a single session starting from the contact with the bank are tracked with a single key using the "County" analytical

DIGITAL TRANSFORMATION

Fibabanka stands out in the sector with its applications and infrastructure compatible with new technologies as well as enhancing customer satisfaction with the products and services it offers with its fast and efficient processes.

data that keeps the customer's footprints on digital platforms under the Transaction Data Center Project. Fibabanka is now able to better identify the customer's needs by following the customer's footprints on digital platforms and offer them real-time and more accurate product recommendations.

Modernization of the Big Data System and Data Virtualization

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

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

Generalization of Data Literacy

Fibabanka organizes in-class training courses as part of the "Data Analyst" training organized in cooperation with Özyeğin University Finance Center and provides

academic support for its employees to develop projects using real Fibabanka data and environments. The Project carried out under the supervision of university lecturers targets that the employees participating in the project work and training understand the life cycle of real analytical problems, get to know the data and banking processes closely and contribute to the solution of the problems by implementing the theoretical knowledge they have acquired.

Automation of Machine Learning Models (MLOps)

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

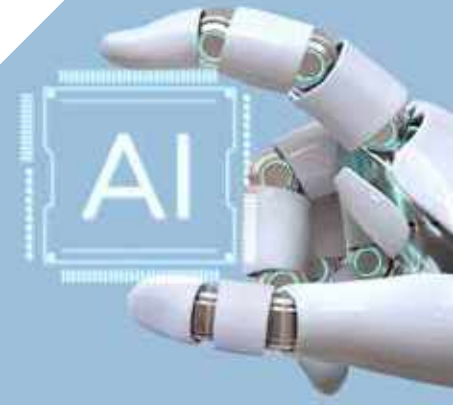
Other Digitalization Efforts

Fibabanka continued its 'Phoenix' technological transformation program, which was launched in 2020, in 2023 and undertook the following activities.

- Investments in IT infrastructure and human resources continued without interruption, and the proportion of employees in IT teams to total employees reached 26%.
- To ensure business continuity, a new disaster recovery center was commissioned in Ankara.
- The Bank's internal document management system was upgraded to a more competent and stable infrastructure.
- The shipment infrastructure was made more traceable with a radical change.
- Efforts to make the IT architecture scalable and cloud-ready were continued, and selected applications were rewritten in microservice architecture.
- With a proactive risk management approach, the fraud infrastructure was renewed against fraud and forgery and transaction security was increased.

Generative Artificial Intelligence (genAI) Activities

Fibabanka started the first in-house tests of genAI, which enables computer programs to produce original content using learning algorithms, and implemented pilot applications primarily for the needs in the IT department.



TREASURY

Fibabanka carries out treasury activities in different areas including ALM, Trading, Treasury Marketing, and Strategy

Fibabanka prepares periodic bulletins and reports on macroeconomic indicators and meets with internal and external customers at various events.

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

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

Within the scope of the Treasury Marketing and Strategy Department's activities, Fibabanka understands the risks and needs of Corporate, Commercial, Private Banking, and High Income Segment customers and offers products for risk protection and yield enhancement. Additionally, the Department closely monitors developments in the global investment world and capital markets and shares scenarios regarding customers' financial

positions. The Department also provides customers with various services ranging from short-term cash flow management products to long-term risk management products. These services are also supported by visits made in accordance with the requests of customers.

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



FINANCIAL INSTITUTIONS

Thanks to its long-term relationships with international financial institutions, Fibabanka raises the diversity of funds from abroad and strengthens its correspondent bank network.

In line with its core strategies regarding Financial Institutions, Fibabanka operates in the relationship-oriented correspondent banking and foreign funding areas. Developing long-term relationships with international banks and financial institutions, Fibabanka has a correspondent bank network that has been continuously growing and strengthening since its establishment. With its effective and extensive correspondent network, the Bank offers fast and competitive solutions to its customers' demands and needs in the field of foreign trade.

Medium and Long Term Loans/Securities from Abroad

Fibabanka prioritized maintaining and expanding its cooperation with international financial institutions. Funds obtained from these institutions helped expand the Bank's access to long-term loans and to diversify its funding sources. As of the end of 2023, Fibabanka's Tier 2 bond amounted to USD 237.7 million, and the total foreign trade funding it has provided from international financial institutions amounted to USD 78 million.

The Only Turkish Bank to Participate in EaSI Program

Signing a loan guarantee agreement with the European Investment Fund (EIF) under the European Union Employment and Social Innovation Program (EaSI) in 2018, Fibabanka is the first and only bank to implement the EaSI Program in Türkiye. New lending under the program ended on September 27, 2022. Up to this date, more than 5,000 microenterprises had received loans under this guarantee scheme.

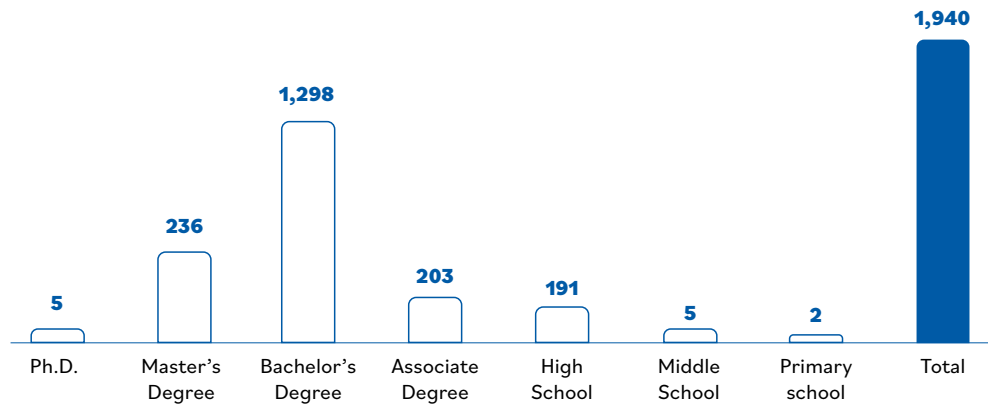


HUMAN RESOURCES

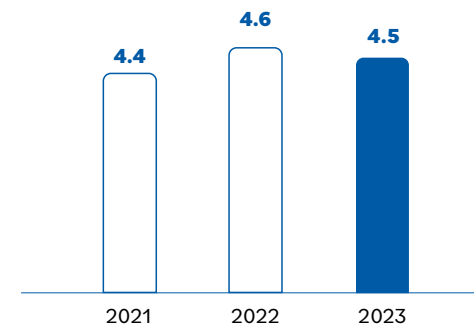
Organizational transformation of Fibabanka goes on with the practices that improve the digital competence, data literacy, and technological familiarity of its employees.

HUMAN RESOURCES PROFILE

Educational Background

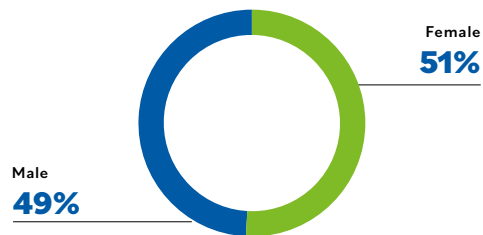


Average Seniority (Years)

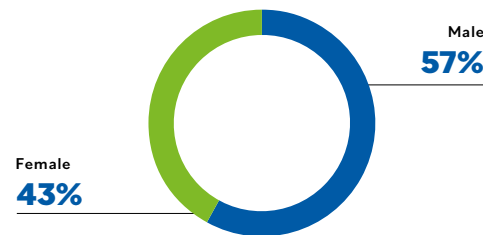


Female-Male Employment Breakdown (%)

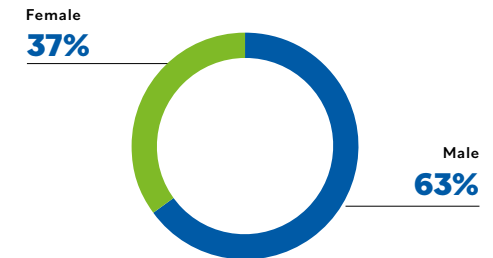
Total of Bank Employees



Managing Staff



Technology Teams

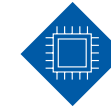


HUMAN RESOURCES

Fibabanka aims to be among the “Best Employers” by enhancing employee loyalty and satisfaction.



75%
Employee Engagement



471
Number of Technology Teams
Employees



Fibabanka aims to be among the “Best Employers” by enhancing employee loyalty and satisfaction. Fibabanka Human Resources Policy was set on the basis of the following principles in order to achieve this aim.

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

In line with its vision of becoming a technology company with a banking license, Fibabanka aims to ensure a smooth organizational transformation, one of the key components of the digitalization process. The digitalization, which continues rapidly in all banking processes of Fibabanka, is supported by human resources practices and talent optimization program.

74% of Fibabanka’s highly competent 1,940 employees work at the Head Office departments, with the remaining 26% working at the branches. In the last five years, the Bank increased the share of Information Technology (IT) employees and data specialists among the Bank’s total employees from 17% to 24%. As of the end of 2023, the number of employees working in the Bank’s technology teams has increased to 471 people.

Fibabanka considers employee loyalty as an indispensable element of a perfect customer experience and closely monitors employee loyalty level with surveys carried out annually. According to the results of the 2023 employee loyalty surveys, the employee loyalty score of Fibabanka was 75%, exceeding the sector average of 62%.

In 2023, Fibabanka successfully implemented recruitment and internship programs that support HR policies and strategies, increased the leadership skills and technological competencies of employees through training programs, and contributed to the increase of internal synergy through communication efforts. Activities aimed at internalizing the agile transformation throughout the Bank and ensuring that employees become a part of the transformation continued throughout the year.

HUMAN RESOURCES

Fibabanka offers summer internship opportunities to university students through the new Fiba Way Young Talent Program designed in cooperation with Fiba Group.

Fintern Future Talent Program

grade students studying at the engineering faculties of universities. The program, which enables young talents to gain experience in digital banking and finance technologies and to build a career in artificial intelligence, big data, analytics, and software, supports the Bank's sustainable recruitment strategy and enables the Bank to recruit young technology talents with the motto "Let's Code Your Career Together!" The innovative Fintern Future Talent Program, which aligns the interview strategy with Fibabanka's mission, vision, core values, and business and talent strategy with an experience-oriented, analytical, and measurable approach, received the silver award in the "Best Advance in Interviewing Strategy" category at the Brandon Hall Group Excellence Awards in 2023. In the same year, 29 of the 79 Finterns who continued the program started to work full-time in Fibabanka IT teams.

Excellence Orientation Program

Fibabanka applies a new generation onboarding program to render the adaptation process of new employees efficient and shorten their orientation period.

Flexible Benefits

The "Flexible Benefits" project implemented with the cooperation between Fibabanka and the Fiba Group was first implemented at

Fibabanka among the companies of the Fiba Group in 2022 and has become a pioneering and innovative step for employee satisfaction in the banking sector. Bank employees are offered some advantages that can be flexed in accordance with their preferences, in addition to their basic benefits; and operational conveniences are provided in the ordering, procurement, and use processes of the products and services they have purchased. The practice, in which 96% of the Bank's employees participated in 2022 and 97% in 2023, is planned to continue in 2024 and subsequent years.

Silicon Valley Activities

In 2023, Fibabanka partnered with a US-based use case platform that brings corporate companies together with startups in the fields of innovation solutions and investment. The platform offers the employees in the Bank's technology teams the opportunity to conduct research on trending technology themes of their choice.

Data Science Education Program

In order to promote a data-based decision-making culture and improve data literacy within the scope of the Data Transformation Program, Fibabanka carries out the "Data Analyst" training program together with Özyeğin University Financial Engineering Center. Fibabanka launched the "Data



Literacy Compensation" practice in 2023 by conducting comprehensive training programs to support employees' competencies in using data more effectively. Bank employees who successfully pass the Data Compensation exam may be eligible for this benefit.

Quick Campus

Fibabanka created a digital training campus called "Quick Campus" through the Digital Academy Platform in order to improve the professional and personal competencies of its employees and to provide a permanent source of information. Quick Campus is a digital development library offering content under five different topics, incorporating social and gamified elements along with training modules.

Women in Leadership Training Program

Pursuant to the recommendations of the Women's Working Group SHEBA, Fibabanka has organized the "Women in Leadership" training program for women employees who have reached a certain level in their career at the Bank.

Master's Degree Program

Fibabanka encourages the Bank employees who meet certain criteria to participate in master's degree programs to be paid by the Bank within the framework of the cooperation it has established with Özyeğin University. Since the launch of the program in 2011, 56 employees have been admitted to master's programs.

HUMAN RESOURCES

Fibabanka created a digital training campus called “Hızlı Kampüs” through the Digital Academy Platform.

Essence of Transformation in Banking Certificate Program

Fibabanka organizes certificate programs in cooperation with Özyeğin University in order to improve the competence and qualification of its human resources. The content of the Essence of Transformation in Banking Certificate Program, which allows employees to combine academic knowledge with their work experience, is updated every year in line with the Bank’s strategies. In 2023, 30 employees participated in the program and were entitled to receive a certificate.

Assessment Center Applications

The programs of the Fibabanka promotion and leadership development center are determined by the Assessment Center application. The Bank organizes competency development programs for employees for whom a development plan is recommended as a result of Assessment Center practices.

Strong Internal Communication Supporting a Happy Working Environment

Fibabanka considers its employees to be its most valuable asset in pursuing its vision and goals. The main function of the Bank’s internal communication activities is to ensure that employees are informed about Fibabanka’s goals, future vision, and current developments in the fastest and most accurate manner and to strengthen the communication environment among employees. The Bank also aims to increase employee satisfaction and loyalty through employee-focused activities.

Fibabanka continued to generalize the “You Set the Rules” discourse, its value statement for its employees, throughout all processes in 2023. With the effective use of internal communication channels, an inclusive understanding was supported on the axis of “people,” “culture” and “leadership.” In addition to the Internal Communication Committee consisting of Fibabanka employees, programs, practices, and activities were implemented in line with

employee needs and expectations identified through evaluation surveys. In addition to various competitions and practices with award concepts for employees, many events aimed at socializing were organized in 2023.

With the conviction that social recovery can be achieved through the spirit of solidarity, Fibabanka started to work with all its might to heal the wounds in the earthquake region immediately after the earthquake disaster struck in February 2023. The aid started to be provided from the day when the earthquake struck was continued on March 8, International Women’s Day, with the provision of support kits to female earthquake victims residing in the AFAD Aid Tents at Masal Park in Şehitkamil, Gaziantep. All relief activities for earthquake victims were carried out through visits paid by the Bank’s employees to the earthquake regions. Given the understanding that children constitute one of the most affected groups in the aftermath of the earthquake disaster, employees sent toys and stationery products on March 20, World Happiness Day, to the children impacted by the quake and residing at the Mersin Girls’ Dormitory affiliated with the Credit and Dormitories Institution (KYK).

“YOU SET THE RULE” MANIFESTO

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

SUMMARY OF THE BOARD OF DIRECTORS' REPORT

The Bank recorded total assets of TL 104 billion as of December 31, 2023, on consolidated and solo bases. For the same period, total solo shareholders' equity was TL 10.4 billion, while total consolidated shareholders' equity was TL 10.7 billion, paid-in capital was TL 1,358 million, and current year net profit was TL 4,193 million according to consolidated financial statements and TL 3,970 million according to solo financial statements. The Bank's total loans amounted to TL 51.4 billion in 2023, according to consolidated and unconsolidated financial statements, while the share of loans in total assets was 50%. The Bank's non-performing loans ratio was 1.4%. As of December 31, 2023, the Bank's solo capital adequacy ratio corresponded to 17.5% and the consolidated capital adequacy ratio was 18.0%.

BOARD OF DIRECTORS

HÜSNÜ M. ÖZYEĞİN

Chairman of the Board of Directors

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

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

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

FEVZİ BOZER

Vice Chairman of the Board of Directors, Chair of the Corporate Governance Committee and the Credit Committee and the Remuneration Committee

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

İSMET KAYA ERDEM

Member of the Board of Directors, Committee and Substitute Member of the Credit Committee

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

MEHMET GÜLEŞÇİ

Member of the Board of Directors and the Remuneration Committee and the Information Security Committee

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

BOARD OF DIRECTORS

FAİK ONUR UMUT

Member of the Board of Directors, Member of the Audit Committee and Credit Committee

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

ALİ FUAT ERBİL

Board Member

Born in 1968, Ali Fuat Erbil graduated from Middle East Technical University, Department of Computer Engineering. He completed his master's degree studies at Bilkent University and his doctoral studies at Istanbul Technical University, Faculty of Business Administration. He started his professional career at Interbank between 1992 and 1997. Working for Garanti Bank between 1997 and 2019, Mr. Erbil served as General Manager and Board Member following his managerial positions in different departments. He served as Chairman of the Board of Directors at Garanti Bank International (Netherlands), Garanti Bank Romania, Garanti Leasing A.Ş., Garanti Emeklilik A.Ş., Garanti Faktoring A.Ş., Garanti Yatırım A.Ş., Garanti Ödeme Sistemleri A.Ş., and Garanti Teknoloji A.Ş. After leaving his duties at Garanti Bank, Mr. Erbil continued to work as a Board Member at Credit Europe Bank Netherlands and Ukraine, Doğan Holding A.Ş., Kanal D Romania, TAM Finans Faktoring A.Ş. He has also been a member of the Global Advisory Board of the US-based C2FO. Erbil has been a Member of the Board of Directors at Fibabanka A.Ş. since June 2023.

BETÜL EBRU EDİN

Board Member

Betül Ebru Edin graduated from Boğaziçi University, Department of Civil Engineering and received her master's degree from Işık University. Starting his banking career in 1993, Ms. Edin continued his professional career at Garanti Bank in 1997 in the Corporate Banking Department. Between 2009 and 2022, Ms. Edin served as Executive Vice President in charge of Project and Procurement Finance and Executive Vice President in charge of Corporate, Investment Banking, and Sustainability at Garanti Bank A.Ş. Betül Ebru Edin is currently the Chairperson of the Board of Directors of the Sustainable Development Association, a Board Member of the Istanbul Foundation for Culture and Arts (İKSV) and a Board Member of the 30% Club. Edin has been a Member of the Board of Directors at Fibabanka A.Ş. since September 2023.

SEYFETTİN ATA KÖSEOĞLU

Board Member

Seyfettin Ata Köseoğlu was born in 1960 and graduated from Boğaziçi University, Mechanical Engineering Department. He went on to receive a master's degree in Electrical Engineering from Lehigh University, and an MBA from Boston University. Mr. Köseoğlu started his banking career in 1986 at İktisat Bank and later worked at Finansbank. He served as Managing Director responsible for the Middle East at Bear Stearns New York and Soci t  G n rale Paris between 1994 and 1999. Seyfettin Ata K seo lu served as CEO at Credit Suisse First Boston (T rkiye) between 2000 and 2005; Chairman of the Board and CEO at TEB Yatırım from 2006 to 2011; and Head of Strategy and Business Development at Sabancı Holding A.Ş., Chairman of the Board of Directors and Head of the Retail Group at  imsa and Ak ansa, and Chairman of the Board at Carrefoursa and Teknosa in the period 2011 to 2019. He currently holds office as Senior Advisor at Simon Kucher Partners and as board consultant at various companies.

BOARD OF DIRECTORS

ERMAN KALKANDELEN

Board Member

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

ÖMER MERT

General Manager and Board Member

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

CHAIRMAN AND MEMBERS OF THE BOARD

Name Surname	Position	Assignment Date	Educational Background	Professional Experience in Banking and Business Administration
HÜSNÜ M. ÖZYEĞİN	Chairman of the Board of Directors	27.12.2010	Master's Degree	49
Fevzi BOZER	Vice Chairman	27.12.2010	Master's Degree	41
İsmet Kaya ERDEM	Board Member	11.02.2013	Bachelor's Degree	73
Mehmet GÜLEŞÇİ	Board Member	27.12.2010	Master's Degree	39
Faik Onur UMUT	Board Member	23.01.2019	Bachelor's Degree	38
Ali Fuat ERBİL	Board Member	19.06.2023	Ph.D.	31
Betül EBRU EDİN	Board Member	25.09.2023	Master's Degree	30
Seyfettin Ata KÖSEOĞLU	Board Member	23.01.2020	Master's Degree	34
Erman KALKANDELEN	Board Member	02.07.2021	Master's Degree	17
Ömer MERT	General Manager and Board Member	19.01.2017	Master's Degree	28

SENIOR MANAGEMENT



ÖMER MERT

General Manager and Board Member

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



ELİF ALSEV UTKU ÖZBEY

Executive Vice President and Deputy General Manager

Born in 1971, Elif Alsev Utku Özbey graduated from Boğaziçi University Business Administration and obtained a master's degree at Rotterdam School of Management, Erasmus University. She worked at PwC in 1994-1995, and then at Finansbank A.Ş., assuming various roles in the Financial Control and Reporting departments between 1995 and 2009. Later, she served as Assistant General Manager in charge of Financial Reporting and Planning. Utku Özbey was appointed as Financial Affairs Director at Fiba Holding in 2009 and then as Assistant General Manager in charge of Financial Control and Financial Reporting at Fibabanka in January 2011. Since January 2017, she has served as a Deputy General Manager at Fibabanka A.Ş. In addition to her above-mentioned responsibilities, she also serves as a Board Member of Fiba Portföy Yönetimi A.Ş., Board Member of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., Board Member of HDI Fiba Emeklilik ve Hayat A.Ş., Board Member of Fiba Sigorta A.Ş., and Deputy Chairwoman of the Board of Directors of Alış Gidiş Elektronik Ticaret A.Ş.



AHU DOLU

Assistant General Manager

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



GÖKHAN ERTÜRK

Assistant General Manager

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



TURGAY HASDİKER

Assistant General Manager

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

SENIOR MANAGEMENT



KERİM L. KURİŞ

Assistant General Manager

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



GERÇEK ÖNAL

Assistant General Manager

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



İBRAHİM TOPRAK

Assistant General Manager

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



SERDAR YILMAZ

Assistant General Manager

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

SENIOR MANAGEMENT

GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS

Name Surname	Position	Assignment Date	Educational Background	Professional Experience in Banking and Business Administration
Ömer MERT	General Manager and Board Member	19.01.2017	Master's Degree	28
Elif Alsev UTKU ÖZBEY	Deputy General Manager - Financial Control and Financial Reporting	07.01.2011	Master's Degree	29
Ahu DOLU	Assistant General Manager - Financial Institutions, Project Finance, and Investor Relations	01.12.2015	Bachelor's Degree	26
Gökhan ERTÜRK	Assistant General Manager - Ecosystem and Platform Banking	11.05.2021	Bachelor's Degree	27
Turgay HASDİKER	Assistant General Manager - Credits	01.12.2015	Bachelor's Degree	32
Kerim L. KURİŞ	Assistant General Manager - Corporate and Commercial Banking	01.12.2015	Bachelor's Degree	25
Gerçek ÖNAL	Assistant General Manager - Chief Legal Counsel	01.02.2016	Master's Degree	23
İbrahim TOPRAK	Assistant General Manager - Treasury	01.04.2020	Master's Degree	22
Serdar YILMAZ	Assistant General Manager - Information Technologies and Banking Operations	01.09.2020	Master's Degree	28

MANAGERS WITHIN INTERNAL SYSTEMS

AHMET CEMİL BORUCU

Head of the Inspection Board

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

BİROL ÖZEN

Head of the Internal Control Department

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

AYŞE TULGAR AYÇA

Head of Risk Management Department

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

SERDAL YILDIRIM

Head of the Legislation and Compliance Department

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

MANAGERS IN INTERNAL SYSTEMS

Name Surname	Position	Assignment Date	Educational Background	Professional Experience in Banking and Business Administration
Ahmet Cemil BORUCU	Department Director - Inspection Board	07.02.2011	Ph.D.	26
Birol ÖZEN	Department Director - Internal Control	14.03.2022	Bachelor's Degree	19
Ayşe TULGAR AYÇA	Head of Department - Risk Management	15.03.2011	Master's Degree	25
Serdal YILDIRIM	Department Director - Legislation and Compliance	06.04.2011	Master's Degree	28

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

Board of Directors

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

Committees

The committees operating in 2023 and their duties are as follows:

1-Audit Committee

Members of the Audit Committee:

1. İsmet Kaya Erdem (Board Member)
2. Faik Onur Umut (Board Member)
3. Betül Ebru Edin (Board Member)

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

The Audit Committee meetings were held on January 18, February 16, May 12, August 14, and November 10 in the applicable fiscal period.

2-Corporate Governance Committee

Chairman of the Corporate Governance Committee:

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

Members:

2. Ömer Mert (General Manager and Board Member)
3. Elif Alsev Utku Özbey (Deputy General Manager)
4. Serdal Yıldırım (Director)
5. Betül Ebru Edin (Board Member)

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

3-Credit Committee

Credit Committee Chairman:

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

Permanent Members:

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

Substitute Members:

4. İsmet Kaya Erdem (Board Member)

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

4-Remuneration Committee

Remuneration Committee Members:

1. Mehmet Güleşçi (Board Member)
2. Fevzi Bozer (Vice Chairman of the Board of Directors)

The Committee convenes at regular intervals a year.

5-Information Technologies Strategy and Steering Committee

Information Technologies Strategy and Steering Committee Chairman:

1. Assistant General Manager in charge of Information Technologies and Banking Operations

Members:

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

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

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

6-Information Security Committee

Information Security Committee Chairman:

1. Mehmet Güleşçi (Board Member)

Members:

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

12. Head of Risk Management
13. Information Security, Governance and Compliance Director

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

7-Information Systems Sustainability Committee

Information Systems Sustainability Committee Chairman:

1. Branch and Head Office Operations Director

Members:

2. Assistant General Manager and Chief Legal Officer
3. Assistant General Manager in charge of Information Technologies and Banking Operations
4. Executive Advisor to General Manager (CDO)
5. Assistant General Manager in charge of Treasury
6. Assistant General Manager in charge of Ecosystem & Platform Banking

7. Head of Legislation and Compliance
8. Human Resources Director
9. Information Security, Governance and Compliance Director
10. Financial Control and Financial Reporting Director
11. Customer Analytics, Campaign Management and Call Center Director
12. Corporate Loans Director
13. Director
14. System Infrastructure Management Director
15. Head of Risk Management
16. Marketing Communications & Customer Experience and Digital Banking Director
17. Real Estate Procurement and Construction Director
18. Business Continuity and Support Services Unit Manager

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

8- Information Sharing Committee

Committee Chairman:

1. Assistant General Manager and Chief Legal Officer

Members:

2. Deputy General Manager
3. Senior manager of the business line from which information is requested
4. Head of Legislation and Compliance
5. Branch and Head Office Operations Director
6. Information Security, Governance and Compliance Director

The Information Sharing Committee, established in accordance with the Regulation on the Sharing of Confidential Information, authorized by the Board of Directors and convening at least twice a year, carries out the following activities under the chairmanship of the Chief Legal Officer:

- To coordinate the sharing of bank and customer confidential information within and outside the Bank, taking into account the principle of proportionality regarding the sharing and transfer of bank and customer confidential information.
- To evaluate the appropriateness of information sharing requests from Bank employees and record these evaluations.

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

Other Committees

1-Risk Management Committee

Chairman of the Risk Management Committee:

1. Ömer Mert (General Manager and Board Member)

Members:

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

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

2- Assets and Liabilities Committee

Head of Assets and Liabilities Committee:

1. General Manager

Members:

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

Authorized by the Board of Directors and convening regularly once a week and chaired by the General Manager, the Assets and Liabilities Committee performs the following activities:

- Carrying out the administrative activities regarding the assets and liabilities of the Company and defining policies for all fund transactions of the Bank,
- Taking decisions to be implemented for managing the Bank's balance sheet and profitability,
- Monitoring the practices undertaken as per the resolutions of executive units and the outcomes thereof regarding the balance sheet and profitability of the Bank,
- Managing and implementing risk strategies, including operational risk, in line with the Bank's risk appetite,
- Deciding to start and stop the Bank's hedge accounting, and reporting to the Board of Directors regularly on these decisions and outcomes.

3-Human Resources Committee

Committee Chairman:

1. General Manager

Members:

2. Members of the Executive Board
3. Human Resources Director

4-Disciplinary Committee

Committee Chairman:

1. General Manager

Members:

2. Assistant General Manager and Chief Legal Officer
3. Head of the Inspection Board
4. Human Resources Director
5. Deputy General Manager related to the subject to be discussed

AUDITOR

Title:	KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
Duty:	Auditor
Elected General Assembly:	31.03.2023
Term of Office:	1 year
Tax ID No:	5890269940

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

1- Risk Management Department

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

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

a. Market Risk Unit: The aim is to manage the possible losses to which the Bank may be exposed due to general market risk, currency risk, specific risk, commodity

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

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

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

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

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

2-Internal Control Department

The Internal Control Department, which operates under the supervision of the Audit Committee, consists of 2 units: the Banking Processes Internal Control Unit and the Information Systems Internal Control Unit. In the Internal Control Department, where 14 staff members are working, the organization has been planned to carry out monitoring, inspection and control activities covering all activities in the Head Office and branches. The personnel of Internal Control has the necessary professional experience and the necessary professional certificates, including the "CIA-Certified Internal Auditor," "CISA-Certified Information Systems Auditor," "CFE-Certified Fraud Examiner," "SMMM-Certified Accountant and Financial Advisor," "CMB-Capital Markets Board Advanced and Derivative Instruments License" and "ISO27001-Information Security" certificates.

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

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

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

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

3-Inspection Board

Internal auditors on the Fibabanka Inspection Board hold the "Certified Internal Auditor," "Certified Information Systems Auditor," "Certified Fraud Examiner," "Certified Financial Services Auditor," "Independent Accountant and Financial Advisor" and ISO/IEC 27001 Chief Auditor certificates, and inspectors receive continuous training in order to have professional certifications in audit subjects. The organizational layout of the Internal Audit Department is designed to address the Banking Processes and Information Technologies processes separately.

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

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

4. Legislation and Compliance Department

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

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

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

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

INFORMATION REGARDING THE RISK POLICIES IMPLEMENTED BY RISK TYPES

Market Risk Arising from Trading Portfolio

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

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

Interest Risk From Banking Accounts

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

Liquidity and Funding Risk

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

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

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

Credit Risk

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

INFORMATION REGARDING THE RISK POLICIES IMPLEMENTED BY RISK TYPES

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

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

Operational Risk

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

Information Systems Risk

Based on the principles defined by domestic legislation and international good practices related to the subject, periodic identification and recording of risks arising from information systems and monitoring of developments through the risk log are carried out. The works carried out within the framework of the definitions contained in the IT Risk Management Procedure based on

assets and information systems risk analysis are carried out in respect of each asset and asset group. The works starting at the stage of classification of information assets are carried out through classification and risk assessments of asset owners, and information systems risk analysis is carried out with an approach prioritizing assets with high asset value and risky assets.

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

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

Business Continuity Risk

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

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

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

Risk Group in which the Bank Is Involved (*)	Subsidiaries, Affiliates and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables (**)						
Opening Balance	267,036	483	--	--	627,604	76,715
Closing Balance	179,981	683	--	450	1,145,486	60,151
Interest and Commission Income Received	8,109	2	407	--	183,935	178

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

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

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

Risk Group in which the Bank Is Involved (*)	Subsidiaries, Affiliates and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Current Term	Previous Term	Current Term	Previous Term	Current Term	Previous Term
Deposits						
Opening Balance	250,214	224,366	1,249,692	2,204	1,150,446	399,459
Closing Balance	609,425	250,214	50,080	1,249,692	1,325,911	1,150,446
Deposit Interest Expense	104,938	8,712	97,102	13,920	257,036	41,535

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

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

There is a TL 4,425,465 fund borrowed by the Bank from the real and legal persons included in its risk group as of December 31, 2023.

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

Risk Group in which the Bank is Involved (*)	Subsidiaries, Affiliates and Jointly Controlled Subsidiaries		Bank's Direct and Indirect Shareholders		Other Real and Legal Persons in the Risk Group	
	Current Term	Previous Term	Current Term	Previous Term	Current Term	Previous Term
Financial Assets at Fair Value Through Profit or Loss						
Opening Balance	--	--	75,012	--	1,502,471	404,723
Closing Balance	--	--	--	75,012	129,289	1,502,471
Total Profit / Loss	--	--	--	--	(3,482)	32,588
Transactions for Hedging Purposes						
Opening Balance	--	--	--	--	--	--
Closing Balance	--	--	--	--	--	--
Total Profit / Loss	--	--	--	--	--	--

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

FINANCIAL STATUS, PROFITABILITY, AND SOLVENCY ASSESSMENT

Fibabanka's asset size increased by 40% to TL 104 billion as of end-2023 on solo and consolidated bases. According to consolidated and unconsolidated financial statements, the volume of loans amounted to TL 51.4 billion as of year-end 2023, up from TL 38,4 billion in 2022. The share of loans in total assets was 50%. The creditworthiness of loans and other receivables is monitored at certain intervals, under applicable legislation. For new loans, the Bank complies with the limits determined under the Banking Laws and Regulations. Collateral is taken for loans disbursed to reduce risk. According to consolidated and unconsolidated financial statements, non-performing loans as of

year-end 2023 amounted to TL 748 million, for which a provision of TL 540 million was set aside. According to consolidated and unconsolidated financial statements, the securities portfolio was TL 21.8 billion at 2023 year-end, while the ratio of securities to total assets was 21%. The customer deposit volume is TL 66.4 billion both on solo and consolidated basis as of the end of 2023. As per the consolidated financial statements, there was a pre-tax profit of TL 5,648 million in 2023. Following a tax provision of TL 1,455 million, net profit increased by 54% year-over-year, climbing to TL 4,193 million. The Bank's net interest income for 2023 was TL 259 million, while operating gross

profit increased by 56% to TL 11,047 million on a solo basis and to TL 11,187 million on a consolidated basis. Operating expenses for 2023, including personnel expenses, were TL 4,339 million on a solo basis, and TL 4,378 million on a consolidated basis. In 2023, a total provision expense of TL 1,304 million was written off on a solo and consolidated basis. As of December 31, 2023, the Bank's solo capital adequacy standard ratio was 17.5% and the consolidated capital adequacy ratio was 18.0%. The Bank's share capital is not unpaid and it suffers no insolvency. There are no measures required to be taken to improve the financial structure of the Bank. The Bank continues to grow profitably according to

its targets. The bank's profit distribution statement for 2023 is included in the independent audit reports. The decision on dividend distribution for 2023 will be taken at the first Ordinary General Assembly meeting to be held.

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

Five-Year Summary Unconsolidated Financial Figures (TL Thousand)	2019	2020	2021	2022	2023
Total Assets	21,885,760	27,224,995	45,162,259	74,002,490	103,558,419
Loans	15,624,411	18,796,219	22,112,555	38,428,958	51,399,656
Deposits	13,566,698	17,667,425	31,000,392	46,858,835	68,444,646
Funds Borrowed	859,381	1,155,142	523,577	3,179,212	2,325,261
Securities Issued	1,718,332	1,480,900	2,646,236	4,810,878	0
Subordinated Loans and Borrowing Instruments	1,789,018	2,127,599	3,790,148	4,543,945	7,180,853
Equity Capital	1,655,804	1,873,904	2,345,613	6,516,738	10,425,923
Profit Before Tax	250,130	316,169	471,514	3,401,628	5,404,260
Net Profit	212,044	229,835	409,967	2,671,354	3,969,754
Five-Year Summary Consolidated Financial Figures (TL Thousand)	2019	2020	2021	2022	2023
Total Assets	21,889,207	27,237,631	45,184,808	74,081,626	103,838,465
Loans	15,624,411	18,796,219	22,112,555	38,428,958	51,399,656
Deposits	13,565,688	17,667,408	31,000,365	46,858,826	68,444,606
Funds Borrowed	859,381	1,155,142	523,577	3,179,212	2,325,261
Securities Issued	1,718,332	1,480,900	2,646,236	4,810,878	0
Subordinated Loans and Borrowing Instruments	1,789,018	2,127,599	3,790,148	4,543,945	7,180,853
Equity Capital	1,659,093	1,884,412	2,364,475	6,581,672	10,690,679
Profit Before Tax	253,866	325,455	482,600	3,462,221	5,648,414
Net Profit	214,956	237,055	418,346	2,720,589	4,192,769

CREDIT RATINGS

Fitch Ratings

Long-Term Foreign Currency and Local Currency Rating	B-
Short-Term Foreign Currency and Local Currency Rating	B
Financial Capacity Rating	b-
Support Rating	Unrated
Long-Term National Rating	A-(tur) / Stable Outlook
Subordinated Debt Rating	CCC
Outlook	Stable

OTHER IMPORTANT DEVELOPMENTS REGARDING 2023 ACTIVITIES

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

Trade Name of the Company

Fibabanka Anonim Şirketi

Trade Registry No.

272902

Privileged Shares

The Bank has no privileged shares.

Relations with the Controlling Company, Its Affiliated Companies, and Controlling Shareholder

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

prices, prevailing at the time when the related transaction is conducted, as if they were concluded with third persons.

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

Financial Benefits Provided to the Members of the Management Body and Top Management

Financial benefits provided to the Board of Directors and senior executives in 2023;

- The total amount of financial benefits such as attendance fee, premium, bonus, profit share, etc. is TL 111,565,521 on a solo basis and TL 115,812,280 on a consolidated basis.
- The total amount of allowances, travel, accommodation, and representation costs as well as benefits in rem and cash, insurance, and similar warranties is TL 6,131,372.

Investments in the Accounting Period

The Bank's transactions related to investments in 2023 are on Articles 7 and 8 and Articles 12 and 13 of the Independent Auditor's Report-Section 5/1. Explanations and Disclosures Related to the Assets.

Associates and Their Share Ratios

As of December 31, 2023, the Bank has 2 subsidiaries amounting to TL 856,588 thousand in total.

OTHER IMPORTANT DEVELOPMENTS REGARDING 2023 ACTIVITIES

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

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

2. A company named Fiba Sigorta A.Ş. has been established to operate in elementary branches with a 50-50% partnership share between Fibabanka and HDI Sigorta A.Ş. The subsidiary amount of the Bank is TL 110,000.

Subsidiaries and Their Share Ratios

By December 31, 2023, the Bank has 2 associates.

1. Its subsidiary named Fiba Portföy Yönetimi A.Ş. has a share capital of TL 29,700,000, 99% of which is held by Fibabanka A.Ş. and 1% by Fiba Holding A.Ş. The company was incorporated to form and manage investment funds in accordance with the provisions

of the applicable legislation. Its main field of activity also includes management of investment trusts, the private pension funds under the Law on Personal Pension Savings and Investment System no. 4632 dated 28 March 2001 and the equivalent foreign organizations' portfolios of mutual funds.

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

Information on the Bank's Shares Acquired by the Bank itself

The Bank does not have its own shares acquired.

Information on Public and Special Audit Facilities

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

Information on Lawsuits Filed Against the Bank and Possible Consequences

There are no lawsuits filed against the Bank which could affect its financial position and activities.

Administrative and Judicial Sanctions

The amount of penalties paid by the Bank in 2023 due to practices in breach of related laws and regulations is TL 52,576,393.

Objectives Set in the Past Period, Implementation of General Assembly Decisions

The Bank reached its targets and executed General Assembly resolutions in 2023.

Extraordinary General Meetings during the Year

In 2023, two Extraordinary General Assembly Meetings were convened, one in January and the other in October. During these meetings, the General Assembly approved the appointments of Ali Fuat Erbil to the Board of Directors, filling the vacancy left by the resignation of Memduh Aslan Akçay, and Betül Ebru Edin to the Board of Directors, filling the vacancy left by the resignation of Hülya Kefeli.

Aid and Donations

The total amount of donations and aid made by the Bank in 2023 and the expenses incurred under social responsibility projects are TL 103,274,145.

SUPPORT SERVICES PROVIDERS

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

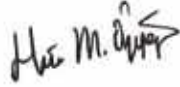
SUPPORT SERVICES PROVIDERS

Evam Yazılım Danışmanlık A.Ş.	Software service
İmperitek Bilişim Yönetimi Dan. Müh. Eğt. San. ve Tic. A.Ş.	Software service
Bloxima Bilgi Teknolojileri Yazılım San. ve Tic. A.Ş.	Software service
Innovera Bilişim Teknolojileri A.Ş.	Software service
Dateam Bilgi Teknolojileri A.Ş.	Software service
Ernst Young Kurumsal Finansman Danışmanlık A.Ş.	Testing service
2) Telephone Banking	
Trade Name of the Company	Services Procured/Field of Activity
UCS Bilişim Sistemleri Ltd. Şti.	Replacing infrastructure of the Call Center
3) Internet Banking	
Trade Name of the Company	Services Procured/Field of Activity
V.R.P Veri Raporlama Programlama Bilişim Yazılım ve Danışmanlık Hizm. Tic. A.Ş.	Mobile and Internet Banking software and operating systems services
Ka Dijital İnternet Pazarlama Reklamcılık Danışmanlık ve Bilişim Tic. Ltd. Şti.	Corporate website maintenance, repair, and update
4) Services Other Than Information Technologies	
Trade Name of the Company	Services Procured/Field of Activity
Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş.	Intermediary services for "Transfer on Duty" services
Brinks Güvenlik Hizmetleri A.Ş.	Precious goods transportation services
Desmer Güvenlik Hizmetleri Tic. A.Ş.	Money transportation services
Figo Ticari Bilgi ve Uygulama Patformu A.Ş.	Software and document service
FU Gayrimenkul Yatırım Danışmanlık A.Ş.	Execution of legal transactions by proxy
Key Yazılım Çözümleri A.Ş.	Appraisal software services
Kurye Net Motorlu Kuryecilik ve Dağ. Hiz. A.Ş.	Debit/credit card distribution service
MTM Holografi Güvenlikli Basım ve Bilişim Teknolojileri San. ve Tic. A.Ş.	Check book printing services

NCR Bilişim Sistemleri Ltd. Şti.	ATM money depositing NCR banknote recognition template services
Reisswolf Doküman Yönetim Hizmetler A.Ş.	Secure document destruction and archiving service
Webhelp Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.	Call center staff support
Yaz Bilgi Sistemleri A.Ş.	Application service
Halicioğlu Yazılım Danışmanlık ve Tic. Ltd. Şti.	Application service
Atlastek Güvenlik Teknolojileri San. Tic. Ltd. Şti.	Alarm control center support
Ainos Bilgi Teknolojileri ve Danışmanlık Anonim Şirketi	Software service
Bilin Yazılım ve Bilişim Danışmanlığı A.Ş.	Software service
Thinx Bilişim Yazılım ve Danışmanlık Hizmetleri Ticaret Ltd. Şti.	Outsourced labor supply
Turkgen Yazılım San. ve Tic. A.Ş.	Outsourced labor supply
Tein Yazılım Hizmetleri Ticaret A.Ş.	Outsourced labor supply
Antrek Labs Yazılım Sanayi ve Ticaret Ltd. Şti.	Outsourced labor supply
Maro Uluslararası Bilgi Teknolojileri Danışmanlık, Geliştirme, Destek Hizmetleri San. Tic. A.Ş.	Outsourced labor supply
Elsify Yazılım ve Bilgi Teknolojileri Limited Şirketi	Outsourced labor supply
Omreon Bilişim Teknolojileri San. ve Tic. Ltd. Şti.	Outsourced labor supply
Elite Consulting Bilişim ve Danışmanlık Hizmetleri Ltd. Şti.	Outsourced labor supply
Venhancer Bilişim ve Danışmanlık A.Ş.	Outsourced labor supply and software service
Alış Gidiş Elektronik Ticaret A.Ş.	Shopping loan mediation service
Bilnet Matbaacılık ve Yayıncılık A.Ş.	Card packaging service
E-Kart Elektronik Kart Sistemleri San. ve Tic. A.Ş.	Card services
Kolaysoft Teknoloji A.Ş.	Software service
Tein Teknoloji Eğitim Danışmanlık Medya A.Ş.	Outsourced labor supply
Metis Bilgisayar Sistemleri San. ve Tic. A.Ş.	Call center staff support
Agt Hızlı Kurye Hizmetleri A.Ş.	Courier Services
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri A.Ş.	Card services
Svn Teknoloji Bilişim ve Yazılım Hizmetleri Limited Şirketi	Outsourced labor supply
Agra Fintech Yazılım Çözümleri A.Ş.	Software service
1.133 contracted firms	Services procured for marketing activities

STATEMENT ON ANNUAL REPORT 2023

Fibabanka A.Ş. 2023 Annual Report was prepared and submitted in accordance with the principles and procedures stipulated in the "Regulation on Principles and Procedures Concerning the Preparation and Publication of Annual Reports by Banks" promulgated in the Official Gazette no. 26333 on November 1, 2006 and Customs and Trade Ministry's "Regulation on Determination of Minimum Content of Annual Report of Companies," promulgated in the Official Gazette on August 28, 2012 with no. 28395.



Hüsnü Mustafa ÖZYEĞİN

Chairman of the Board of Directors



Faik Onur UMUT

Board Member, Member of the Audit Committee and Credit Committee



Betül Ebru EDİN

Board Member, Member of the Audit Committee and Corporate Management Committee



Ömer MERT

General Manager and Board Member



Elif Aisev UTKU ÖZBEY

Executive Vice President and Deputy General Manager



Ayşe AKDAŞ

Director of the Financial Control and Financial Reporting Department

FİBANKA ANONİM ŞİRKETİ

Unconsolidated Financial Statements
as of and for the Year Ended
31 December 2023
With Independent Auditors'
Report Thereon

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



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Convenience Translation of the Independent Auditors' Report Originally Prepared and Issued in Turkish to English

To the Shareholders of Fibabanka Anonim Şirketi

A) Audit of the Unconsolidated Financial Statements

Qualified Opinion

We have audited the unconsolidated financial statements of Fibabanka Anonim Şirketi ("the Bank") which comprise the unconsolidated balance sheet as at 31 December 2023 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matters described in the Basis For Qualified Opinion section of our report, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of Fibabanka Anonim Şirketi as at 31 December 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by BRSA and circulars and interpretations published by BRSA and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

Basis for Qualified Opinion

As stated in Note II 8.3.1 of Section Five, the accompanying unconsolidated financial statements as at 31 December 2023 include a general provision of total of TL 1.586.000 thousand, of which TL 266.000 thousand was recognized as expense within the current period and TL 1.320.000 thousand had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 475.800 thousand of which TL 145.800 thousands was recognized within the current period and TL 330.000 thousand had been recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation.



The purpose and scope of the "General Communiqué of Tax Procedure Law No. 555" of Republic of Türkiye Ministry of Treasury and Finance published in the Official Gazette dated 30 December 2023 and numbered 32414 is to determine the principles and procedures regarding to inflation adjustments to be recognised in accordance with Article 298 of Law No. 213 and provisional Article 33 in 2023 and following accounting periods based on the fulfillment of the conditions for adjustments. Within the scope of this regulation, the Bank has adjusted its tax-based financial statements as of 31 December 2023, in accordance with inflation.

However, the Bank has not recognised for deferred tax assets by calculating the temporary differences arising from inflation accounting between the financial statements prepared in accordance with the Banking Regulation and Supervision Agency (BRSA) Accounting and Financial Reporting Regulations and the tax-based financial statements adjusted for inflation. This situation is not in compliance with the BRSA Accounting and Financial Reporting Regulations. If the Group had calculated deferred tax assets based on temporary differences arising from the revaluation effect in accordance with TAS 12 "Income Taxes," deferred tax assets, deferred tax income, and period net income would have needed to increase by a total of TL 758,500 thousand in the accompanying unconsolidated financial statements.

We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRSA Auditing Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (including independence standards) ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented in Section II, Pt: VIII of the unconsolidated financial statements.

Key audit matter

As of 31 December 2023, loans measured at amortised cost comprise 50% of the Bank's total assets.

The Bank recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 19750

How the matter is addressed in our audit

Our audit procedures for testing in this field included below:

- We tested the design, application and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.



dated 22 June 2016 and TFRS 9 Financial Instruments standard ("Standard").

The Bank applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank management annually.

The significant assumptions and estimates of the Bank's management are as follows:

- significant increase in credit risk,
- incorporating the forward looking macroeconomic information in calculation of credit risk; and
- design and implementation of expected credit loss model

The determination of the impairment of loans measured at amortised cost depends on the (i) credit default status, (ii) the model based on the change in the credit risk at the first recognition date and (iii) the classification of the loans measured at amortised cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.

The Bank calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the fair value of the collateral provided for credit transactions.

The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward looking expectations are reflected by macroeconomic models.

Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, the level of judgements and its complex structure as explained above.

- We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank's impairment accounting policy compared with the Regulation and Standard.

- We evaluated the Bank's business model and methodology and the evaluation of the calculations were carried out with the control testing and detailed analysis by the involvement of specialist.

- We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and testing their classification. In this context, the current status of the loan customer has been evaluated on prospective information and macroeconomic variables.

- We evaluated the arithmetical accuracy of the expected credit loss calculations by selecting sample and recalculating for the loans which are assessed on individual basis and discussed the assumptions and estimates with the Bank management.

- We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The arithmetical accuracy for provision of the expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated.

- We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method.

- We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk.

- We also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.



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

Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with the BRSAs Accounting and Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by PDA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with BRSAs Auditing Regulation and Standards on Auditing issued by PDA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

8) Report on Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2023 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.

2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi


Alper Güvenç, SMMM
Partner

29 February 2024
İstanbul, Türkiye

**THE UNCONSOLIDATED FINANCIAL REPORT OF
FİBABANKA A.Ş.
FOR THE YEAR ENDED 31 DECEMBER 2023**

Address : Esentepe Mah. Büyükdere Caddesi No:
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Telephone : (212) 381 82 82
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Contact E-Mail : deniz.turunc@fibabanka.com.tr

The unconsolidated year-end financial report prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in **thousands of Turkish Lira**, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been audited and presented as attached.

Hüsnü Mustafa Özyeğin	Faik Onur Umut	Betül Ebru Edin	Ömer Mert	Elif Alsev Utku Özbey	Ayşe Akdaş
Chairman of the Board of Directors	Member of the Audit Committee	Member of the Audit Committee	General Manager and Member of the Board of Directors	Deputy General Manager Financial Control and Reporting	Director Financial Control and Reporting

Information related to personnel to whom questions related to this financial report may be directed:
Name-Surname/Title : **Ayşe Akdaş** / Financial Control and Reporting Director
Telephone Number : (212) 381 84 88
Fax Number : (212) 258 37 78

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FİBABANKA A.Ş.

Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 – 31 December 2023

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

SECTION ONE

GENERAL INFORMATION

I. History of the Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of Banking Regulation and Supervision Agency (“BRSA”) No: 596 on 16 January 2002.

In the General Assembly held on 4 March 2003, the name of Sitebank A.Ş. was amended as BankEuropa Bankası A.Ş.

In the extraordinary General Assembly held on 28 November 2006, the name of BankEuropa Bankası A.Ş. was amended as Millennium Bank A.Ş.

On 27 December 2010, acquisition of the Bank by Credit Europe Bank N.V., which is an affiliate of Fiba Holding A.Ş., was realized.

In the extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. was amended as Fibabanka A.Ş. (“the Bank”).

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

On 10 February 2010, Banco Comercial Portugues S.A. and Credit Europe Bank N.V., which is an affiliate of Fiba Group, signed a share purchase agreement to transfer 95% of the Bank’s shares to Credit Europe Bank N.V. and the legal approval process was completed as of 27 December 2010.

Credit Europe Bank N.V.’s share of capital increased from 95% to 97,6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97,6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2,4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. In 2013, there was the first sale of equity shares to the management of the Bank, and there has been changes over time. As of 31 December 2023 the total shares held by the Bank’s Management represent 5,65% of the Bank’s Capital.

The Bank applied to the BRSA on 14 January 2015 for permission of the subordinated loan provided from Fiba Holding A.Ş. in the amount of USD 50 million to be converted to share capital. Following the authorization of the BRSA on 4 March 2015, the Board of Directors decision was taken on 5 March 2015 regarding share capital increase from TL 550.000 to TL 678.860. TL 127.045 of the increase was provided by the subordinated loan granted by Fiba Holding A.Ş. which had been approved to be converted to capital and TL 1.815 of total capital was paid in cash by the other shareholders, capital increase was recognised in financial statements following the completion of the legal procedures on 7 May 2015.

The Bank’s paid-in capital amounting to TL 678.860 was increased to TL 847.515 on 23 December 2015 with equal contributions from International Finance Corporation (“IFC”) and European Bank for Reconstruction and Development (“EBRD”) amounting TL 168.655 in total. In addition, share issuance premium of TL 73.379 was recognised in the shareholders’ equity.

II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank’s Risk Group (continued)

The paid-in capital of the Bank amounting to TL 847.515 was increased by TL 93.646 to TL 941.161 on 7 September 2016, fully funded by TurkFinance B.V. In addition, TL 55.299 was recorded in equity as the share issue premium amount.

With the decision taken at the Extraordinary General Assembly dated 14 April 2022, the paid-in capital of the Bank was increased by TL 416.562 to TL 1.357.723 by making a cash capital increase.

As of 31 December 2023, paid-in capital of the Bank is TL 1.357.723 and all paid in.

III. Explanations Regarding the Shares of the Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents

Name Surname(*)	Title	Assignment Date
Board of Directors		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
İsmet Kaya Erdem (**)	Member	11-Feb-13
Mehmet Güleşçi	Member	27-Dec-10
Faik Onur Umut	Member	23-Jan-19
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Erman Kalkandelen	Member	02-Jul-21
Ali Fuat Erbil	Member	19-Jun-23
Betül Ebru Edin	Member	25-Sep-23
Ömer Mert	General Manager - Member	19-Jan-17
(*) Hülya Kefeli and Memduh Aslan Akçay have left their duties as of 31 March 2023 and 30 April 2023, respectively. (**) İsmet Kaya Erdem has left his duty as of 1 January 2024.		
Audit Committee		
Faik Onur Umut	Member	14-Jan-20
Betül Ebru Edin	Member	29-Dec-23
Assistant General Managers		
Elif Alsev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdiker	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions, Project Finance and Investor Relations	01-Dec-15
Gerçek Önal	AGM - Chief Legal Officer	01-Feb-16
İbrahim Toprak	AGM - Treasury	01-Apr-20
Serdar Yılmaz	AGM - Information Technologies and Banking Operations	01-Sep-20
Gökhan Ertürk	AGM - Ecosystem & Platform Banking	11-May-21

As of 31 December 2023, the total shares held by the Bank’s Management represent 5,65% of the Bank’s Capital.

FİBABANKA A.Ş.**Notes to the Unconsolidated Financial Statements
for the Period Between 1 January 2023 – 31 December 2023**

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

IV. Individuals and Institutions That Have Qualified Shares in the Bank

Name Surname/ Commercial Title	Share Amount (Nominal)	Share Ratios	Paid in Capital (Nominal)	Unpaid Shares
Fiba Holding A.Ş.	940.001	69,23%	940.001	--
Hüsnü Mustafa Özyeğin (*)	785.956	57,89%	785.956	--

(*) States indirect share of Mr. Hüsnü Mustafa Özyeğin in the Bank due to his direct share in Fiba Holding A.Ş.

V. Summary Information on the Bank's Services and Activity Areas

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2023, the Bank serves with 40 domestic branches and 1.940 employees.

VI. Other Information

The Bank's Commercial Title	: Fibabanka Anonim Şirketi
The Bank's General Directorate Address	: Esentepe Mah. Büyükdere Caddesi No:129 Şişli 34394 İstanbul
The Bank's Phone and Fax Numbers	: Telephone : (0212) 381 82 82 Fax : (0212) 258 37 78
The Bank's Web Site Address	: www.fibabanka.com.tr
The Bank's E-Mail Address	: malikontrol@fibabanka.com.tr
Reporting Period	: 1 January 2023 - 31 December 2023

The financial statements, related disclosures and notes in this report are presented, unless otherwise indicated, in thousands of Turkish Lira (TL).

VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between The Bank and Its Subsidiaries

None.

SECTION TWO**UNCONSOLIDATED FINANCIAL STATEMENTS**

FİBABANKA A.Ş.**Unconsolidated Balance Sheet (Statement of Financial Position)
as of 31 December 2023**

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

ASSETS	Footnotes	CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
		I. FINANCIAL ASSETS (Net)		18.531.314	19.293.020	37.824.334	6.042.514
1.1 Cash and Cash Equivalents	(5.1.1)	7.638.465	16.806.496	24.444.961	1.352.461	17.779.545	19.132.006
1.1.1 Cash and Balances at Central Bank		6.708.027	11.859.555	18.567.582	1.096.323	13.921.204	15.017.527
1.1.2 Banks	(5.1.3)	344.425	2.739.945	3.084.370	259.321	2.221.790	2.481.111
1.1.3 Money Market Placements		591.490	2.206.996	2.798.486	-	1.636.551	1.636.551
1.1.4 Expected Credit Loss (-)		5.477	-	5.477	3.183	-	3.183
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	3.178.300	136.353	3.314.653	201.357	128.133	329.490
1.2.1 Government Debt Securities		15	35	50	162	3.261	3.423
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		3.178.285	136.318	3.314.603	201.195	124.872	326.067
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	6.877.369	2.280.353	9.157.722	3.403.367	1.737.543	5.140.910
1.3.1 Government Debt Securities		5.430.428	2.204.393	7.634.821	2.533.328	1.396.638	3.929.966
1.3.2 Equity Securities		4.897	-	4.897	4.897	-	4.897
1.3.3 Other Financial Assets		1.442.044	75.960	1.518.004	865.142	340.905	1.206.047
1.4 Derivative Financial Assets	(5.1.2)	837.180	69.818	906.998	1.085.329	24.338	1.109.667
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		837.180	69.818	906.998	1.085.329	24.338	1.109.667
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.1.6)	44.299.675	16.407.422	60.707.097	34.656.254	10.838.678	45.494.932
2.1 Loans	(5.1.5)	42.471.793	9.761.225	52.233.018	32.382.033	6.150.406	38.532.439
2.2 Lease Receivables	(5.1.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.1.5)	318.004	3.293	321.297	186.000	790	186.790
2.4 Financial Assets Measured at Amortised Cost	(5.1.6)	2.666.362	6.642.904	9.309.266	2.379.860	4.687.482	7.067.342
2.4.1 Government Debt Securities		2.198.192	6.584.906	8.783.098	2.140.658	4.651.692	6.792.350
2.4.2 Other Financial Assets		468.170	57.998	526.168	239.202	35.790	274.992
2.5 Expected Credit Losses (-)		1.156.484	-	1.156.484	1.291.639	-	1.291.639
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	10.380	-	10.380	24.609	-	24.609
3.1 Assets Held for Sale		10.380	-	10.380	24.609	-	24.609
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		1.003.788	-	1.003.788	967.008	-	967.008
4.1 Investments in Associates (Net)	(5.1.7)	856.588	-	856.588	841.588	-	841.588
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		856.588	-	856.588	841.588	-	841.588
4.2 Investments in Subsidiaries (Net)	(5.1.8)	147.200	-	147.200	125.420	-	125.420
4.2.1 Unconsolidated Financial Subsidiaries		29.700	-	29.700	7.920	-	7.920
4.2.2 Unconsolidated Non-financial Subsidiaries		117.500	-	117.500	117.500	-	117.500
4.3 Joint Ventures (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.1.12)	863.932	-	863.932	692.330	-	692.330
VI. INTANGIBLE ASSETS (Net)	(5.1.13)	787.722	-	787.722	243.640	-	243.640
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		787.722	-	787.722	243.640	-	243.640
VII. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	500	-	500
IX. DEFERRED TAX ASSET	(5.1.15)	993.138	-	993.138	383.860	-	383.860
X. OTHER ASSETS	(5.1.17)	1.350.356	17.672	1.368.028	450.872	32.666	483.538
TOTAL ASSETS		67.840.305	35.718.114	103.558.419	43.461.587	30.540.903	74.002.490

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

LIABILITIES	Footnotes	CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
		I. DEPOSITS	(5.11.1)	49.983.782	18.460.864	68.444.646	32.068.702	14.790.133	46.858.835
II. FUNDS BORROWED	(5.11.3)	-	2.325.261	2.325.261	-	3.179.212	3.179.212
III. MONEY MARKET FUNDS		-	7.610.322	7.610.322	613.698	2.856.167	3.469.865
IV. SECURITIES ISSUED (Net)	(5.11.4)	-	-	-	1.108.379	3.702.499	4.810.878
4.1 Bills		-	-	-	1.108.379	-	1.108.379
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	3.702.499	3.702.499
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.11.2)	817.844	69.007	886.851	538.129	23.811	561.940
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		817.844	69.007	886.851	538.129	23.811	561.940
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5.11.6)	372.952	-	372.952	141.487	40	141.527
X. PROVISIONS	(5.11.8)	1.976.015	-	1.976.015	1.621.365	-	1.621.365
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		305.840	-	305.840	231.197	-	231.197
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.670.175	-	1.670.175	1.390.168	-	1.390.168
XI. CURRENT TAX LIABILITIES	(5.11.9)	912.203	-	912.203	394.337	-	394.337
XII. DEFERRED TAX LIABILITIES	(5.11.9)	-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.11.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	(5.11.11)	-	7.180.853	7.180.853	-	4.543.945	4.543.945
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	7.180.853	7.180.853	-	4.543.945	4.543.945
XV. OTHER LIABILITIES	(5.11.5)	3.025.171	398.222	3.423.393	1.366.159	537.689	1.903.848
XVI. SHAREHOLDERS' EQUITY	(5.11.12)	10.384.491	41.432	10.425.923	6.523.456	(6.718)	6.516.738
16.1 Paid-in Capital		1.357.723	-	1.357.723	-	-	1.357.723
16.2 Capital Reserves		228.678	-	228.678	228.678	-	228.678
16.2.1 Equity Share Premium		128.678	-	128.678	128.678	-	128.678
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.3 Other Capital Reserves		100.000	-	100.000	100.000	-	100.000
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		381.948	-	381.948	412.402	-	412.402
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		722.426	41.432	768.858	788.898	(6.718)	782.180
16.5 Profit Reserves		3.735.755	-	3.735.755	1.081.776	-	1.081.776
16.5.1 Legal Reserves		204.289	-	204.289	71.590	-	71.590
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		3.022.580	-	3.022.580	926.300	-	926.300
16.5.4 Other Profit Reserves		508.886	-	508.886	83.886	-	83.886
16.6 Profit or Loss		3.952.961	-	3.952.961	2.653.979	-	2.653.979
16.6.1 Prior Periods' Profit or Loss		(16.793)	-	(16.793)	(17.375)	-	(17.375)
16.6.2 Current Period Net Profit or Loss		3.969.754	-	3.969.754	2.671.354	-	2.671.354
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		67.472.458	36.085.961	103.558.419	44.375.712	29.626.778	74.002.490

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

FİBABANKA A.Ş.**Unconsolidated Statement of Off-Balance Sheet Items
as of 31 December 2023**

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

	Footnotes	CURRENT PERIOD (31/12/2023)		PRIOR PERIOD (31/12/2022)			
		TL	FC	TL	FC		
A. OFF-BALANCE SHEET COMMITMENTS (I-III)		73,345,185	132,550,965	205,896,150	43,021,459	89,295,956	132,317,415
I. GUARANTIES AND WARRANTIES	(5.III.1)	499,650	564,314	1,063,964	486,870	259,091	745,961
1.1. Letters of guarantee		499,650	564,314	1,063,964	486,870	259,091	745,961
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		499,650	564,314	1,063,964	486,870	259,091	745,961
1.2. Bank Acceptances		-	-	-	-	-	-
1.2.1. Import Letter of Acceptances		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	-	-	-	-	-
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Profnancing 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		-	-	-	-	-	-
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(5.III.1)	9,128,147	9,017,737	18,145,904	4,420,924	5,243,627	9,664,551
2.1. Irrevocable Commitments		9,128,147	9,017,737	18,145,904	4,420,924	5,243,627	9,664,551
2.1.1. Asset Purchase Commitments		3,029,917	9,017,737	12,067,694	425,964	5,243,627	5,669,961
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		5,329,780	-	5,329,780	3,644,791	-	-
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		329,964	-	329,964	276,368	-	276,368
2.1.8. Tax and Fund Liabilities from Export Commitments		66,495	-	66,495	31,761	-	31,761
2.1.9. Commitments for Credit Card Limits		397,396	-	397,396	76,319	-	76,319
2.1.10. Commitments for Credit Cards and Banking Services Promotions		6	-	6	-	-	-
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		14,650	-	14,650	5,719	-	5,719
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.5)	63,717,368	122,968,914	186,686,282	38,113,665	83,793,238	121,906,903
3.1. Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1. Fair Value Hedges		-	-	-	-	-	-
3.1.2. Cash Flow Hedges		-	-	-	-	-	-
3.1.3. Foreign Net Investment Hedges		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		63,717,368	122,968,914	186,686,282	38,113,665	83,793,238	121,906,903
3.2.1. Forward Foreign Currency Buy/Sell Transactions		28,734,489	42,366,020	71,101,109	14,005,362	20,918,466	34,703,840
3.2.1.1. Forward Foreign Currency Transactions - Buy		27,816,111	8,412,207	36,228,320	13,955,119	3,850,166	17,805,285
3.2.1.2. Forward Foreign Currency Transactions - Sell		918,376	33,954,413	34,872,789	130,243	16,748,320	16,898,563
3.2.2. Swap Transactions Related to Foreign Currency and Interest		33,982,888	50,038,467	89,204,305	20,000,816	51,006,099	71,910,775
3.2.2.1. Foreign Currency Swap- Buy		3,536,875	40,729,121	44,265,996	1,858,418	33,251,246	35,109,664
3.2.2.2. Foreign Currency Swap- Sell		29,632,713	10,309,346	44,933,099	16,667,370	18,386,999	35,053,960
3.2.2.3. Interest Rate Swap- Buy		2,625	-	2,625	740,014	133,599	873,573
3.2.2.4. Interest Rate Swap- Sell		2,625	-	2,625	740,014	133,599	873,573
3.2.3. Foreign Currency, Interest Rate and Securities Options		1,416,489	13,863,800	17,280,289	3,969,034	8,827,960	12,770,960
3.2.3.1. Foreign Currency Options- Buy		1,272,926	7,369,837	6,642,763	3,836,207	2,385,768	6,221,973
3.2.3.2. Foreign Currency Options- Sell		143,523	8,493,963	8,637,486	113,393	6,441,722	6,555,115
3.2.3.3. Interest Rate Options- Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options- Sell		-	-	-	-	-	-
3.2.3.5. Securities Options- Buy		-	-	-	-	-	-
3.2.3.6. Securities Options- Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		400,591	372,452	773,044	72,887	69,501	142,388
3.2.4.1. Foreign Currency Futures- Buy		208,574	175,452	384,026	68,526	3,945	72,471
3.2.4.2. Foreign Currency Futures- Sell		192,018	197,000	389,018	4,361	65,556	69,917
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures- Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures- Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV-V-VI)		525,313,530	278,875,697	804,189,287	327,646,280	198,570,338	526,217,118
IV. ITEMS HELD IN CUSTODY		12,519,628	80,018,454	92,538,082	2,854,467	31,505,672	34,346,139
4.1. Customer Fund and Portfolio Balances		4,513,472	9,041,400	13,554,872	1,329,704	5,960,002	7,289,706
4.2. Investments/Securities Held in Custody		2,115,264	9,096,921	11,214,185	5,845,703	5,779,706	9,279,706
4.3. Cheques Received for Collection		3,602,489	233,449	3,835,934	1,196,024	499,240	1,682,260
4.4. Commercial Notes Received for Collection		180,903	80,650	241,553	87,236	50,981	138,217
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		107,500	61,544,038	61,651,538	107,500	19,352,741	19,460,241
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		512,793,962	198,857,243	711,651,185	324,791,813	187,065,146	491,856,979
5.1. Marketable Securities		971,007	679,847	1,250,854	512,236	225,528	737,464
5.2. Guarantee Notes		116,127	136,163	252,290	69,344	80,869	150,213
5.3. Commodity		-	551,838	551,838	-	233,036	233,036
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		4,548,581	20,846,466	25,395,047	5,371,054	21,322,652	26,493,706
5.6. Other Pledged Items		507,558,227	176,642,929	684,201,156	318,839,179	145,203,251	464,042,530
5.7. Pledged Items - Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A-B)		598,658,755	411,426,662	1,010,085,417	370,667,739	287,866,794	658,534,533

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

FİBABANKA A.Ş.**Unconsolidated Statement of Profit or Loss for the Period Between
1 January 2023 - 31 December 2023**

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

	Footnotes	CURRENT PERIOD (01/01/2023 - 31/12/2023)		PRIOR PERIOD (01/01/2022 - 31/12/2022)	
		TL	FC	TL	FC
INCOME AND EXPENSE ITEMS					
I. INTEREST INCOME		12,043,061	6,522,214	9,545,369	5,637,584
1.1. Interest on Loans	(5.IV.1)	-	-	-	-
1.2. Interest on Reserve Requirements		-	-	3,021	19,716
1.3. Interest on Banks	(5.IV.1)	95,916	-	24,176	-
1.4. Interest on Money Market Placements		695,975	-	80,777	-
1.5. Interest on Marketable Securities Portfolio	(5.IV.1)	1,697,797	-	752,175	-
1.5.1. Financial Assets Measured at Fair Value Through Profit or Loss		207	-	174	-
1.5.2. Financial Assets Measured at Fair Value Through Other Comprehensive Income		780,020	-	296,947	-
1.5.3. Financial Assets Measured at Amortized Cost		917,570	-	455,054	-
1.6. Financial Lease Income		-	-	-	-
1.7. Other Interest Income		4,983	-	7,786	-
II. INTEREST EXPENSE (-)		11,783,838	4,292,682	4,292,682	4,292,682
2.1. Interest on Deposits	(5.IV.2)	10,055,404	-	3,592,318	-
2.2. Interest on Funds Borrowed	(5.IV.2)	1,000,135	-	372,036	-
2.3. Interest on Money Market Borrowings		505,289	-	51,635	-
2.4. Interest on Securities Issued	(5.IV.2)	177,990	-	234,871	-
2.5. Lease Interest Expenses		-	-	38,924	-
2.6. Other Interest Expenses		-	-	6,094	-
III. NET INTEREST INCOME (I - II)		259,223	2,229,532	2,252,687	1,344,902
IV. NET FEES AND COMMISSIONS INCOME		3,352,512	588,925	588,925	588,925
4.1. Fees and Commissions Received		3,640,097	-	748,794	-
4.1.1. Non-cash Loans		14,561	-	17,199	-
4.1.2. Other	(5.IV.12)	3,625,536	-	731,595	-
4.2. Fees and Commissions Paid (-)		287,385	-	159,869	-
4.2.1. Non-cash Loans		100	-	92	-
4.2.2. Other	(5.IV.12)	287,485	-	159,777	-
V. DIVIDEND INCOME	(5.IV.3)	130,001	200,000	200,000	200,000
VI. TRADING INCOME / LOSS (Net)	(5.IV.4)	4,675,018	2,944,967	4,675,018	2,944,967
6.1. Trading Gain / Loss on Securities		147,756	-	54,786	-
6.2. Gain / Loss on Derivative Financial Transactions		(4,249,868)	-	(1,053,003)	-
6.3. Foreign Exchange Gain / Loss	(5.IV.5)	8,777,130	-	3,943,184	-
VII. OTHER OPERATING INCOME		2,430,674	1,113,080	2,430,674	1,113,080
VIII. TOTAL OPERATING INCOME (III-IV-V+VI-VII)		11,047,428	7,076,504	11,047,428	7,076,504
IX. EXPECTED CREDIT LOSS (-)	(5.IV.6)	1,035,599	626,607	1,035,599	626,607
X. OTHER PROVISION EXPENSES (-)	(5.IV.6)	268,812	1,026,806	268,812	1,026,806
XI. PERSONNEL EXPENSES (-)		2,016,574	978,826	2,016,574	978,826
XII. OTHER OPERATING EXPENSES (-)	(5.IV.7)	2,322,183	1,042,637	2,322,183	1,042,637
XIII. NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)		5,404,260	3,401,628	5,404,260	3,401,628
XIV. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-	-	-
NET INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XV. GAIN / LOSS ON NET MONETARY POSITION		-	-	-	-
XVII. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	(5.IV.8)	5,404,260	3,401,628	5,404,260	3,401,628
XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (+)	(5.IV.9)	(1,434,506)	(730,274)	(1,434,506)	(730,274)
18.1. Current Tax Provision		(2,093			

FİBANKA A.Ş.**Unconsolidated Statement of Profit or Loss and Other Comprehensive Income for the Period Between 1 January 2023 – 31 December 2023**

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

	CURRENT PERIOD (01/01/2023 - 31/12/2023)	PRIOR PERIOD (01/01/2022 - 31/12/2022)
I. CURRENT PERIOD PROFIT / LOSS	3.969.754	2.671.354
II. OTHER COMPREHENSIVE INCOME	(43.776)	1.100.584
2.1 Not Reclassified Through Profit or Loss	(30.454)	299.028
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurements Gain/Loss	(50.333)	(45.344)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	1.687	333.036
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	18.192	11.336
2.2 Reclassified Through Profit or Loss	(13.322)	801.556
2.2.1 Foreign Currency Conversion Differences	-	-
2.2.2 Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other Comprehensive Income	54.865	1.031.238
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(68.187)	(229.682)
III. TOTAL COMPREHENSIVE INCOME (I+II)	3.925.978	3.771.938

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

FİBANKA A.Ş.**Unconsolidated Statement of Changes in Shareholders Equity
for the Period Between 1 January 2023 - 31 December 2023**

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss			Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity
	Paid-in Capital	Share Premium	Share Certificate	Other Capital Yedekleri	1	2	3	4	5	6				
PRIOR PERIOD (31/12/2022)														
I. Balances at beginning of the period	941.161	128.678	-	100.000	-	(12.366)	125.740	-	(19.376)	-	707.492	(35.683)	409.967	2.345.613
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	941.161	128.678	-	100.000	-	(12.366)	125.740	-	(19.376)	-	707.492	(35.683)	409.967	2.345.613
IV. Total Comprehensive Income	-	-	-	-	-	(31.533)	330.561	-	801.556	-	-	-	2.671.354	3.771.938
V. Capital increase in Cash	416.562	-	-	-	-	-	-	-	-	-	-	-	-	416.562
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	(17.375)	-	-	-	-	-	-	-	-	-	(17.375)
X. Increase/Decrease by Other Changes	-	-	-	17.375	-	-	-	-	-	-	-	(17.375)	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	374.284	35.683	(409.967)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	374.284	35.683	(409.967)	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	1.357.723	128.678	-	100.000	-	(43.899)	456.301	-	782.180	-	1.081.776	(17.375)	2.671.354	6.516.738
CURRENT PERIOD (31/12/2023)														
I. Prior period ending balance	1.357.723	128.678	-	100.000	-	(43.899)	456.301	-	782.180	-	1.081.776	(17.375)	2.671.354	6.516.738
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balance (I+II)	1.357.723	128.678	-	100.000	-	(43.899)	456.301	-	782.180	-	1.081.776	(17.375)	2.671.354	6.516.738
IV. Total Comprehensive Income	-	-	-	-	-	(10.361)	(20.093)	-	(13.322)	-	-	-	3.969.754	3.925.978
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / decrease due to other changes	-	-	-	-	-	-	-	-	-	-	-	(16.793)	-	(16.793)
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	2.653.979	17.375	(2.671.354)	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	2.653.979	17.375	(2.671.354)	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	1.357.723	128.678	-	100.000	-	(54.260)	436.208	-	768.858	-	3.735.755	(16.793)	3.969.754	10.425.923

1. Tangible and intangible asset revaluation reserve

2. Accumulated gains/losses on remeasurement of defined benefit plans

3. Other (other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss and other comprehensive income that will not be reclassified to profit or loss.

4. Exchange differences on transition,

5. Accumulated gains (losses) due to revolution and/ or reclassification of financial assets measured at fair value through other comprehensive income,

6. Other (accumulated gains or losses on cash flow hedge, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will be reclassified to profit or loss)

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

FİBABANKA A.Ş.**Unconsolidated Statement of Cash Flows
for the Period Between 1 January 2023 - 31 December 2023**

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

	Footnotes	CURRENT PERIOD (01/01/2023 - 31/12/2023)	PRIOR PERIOD (01/01/2022 - 31/12/2022)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2.616.337	3.456.423
1.1.1 Interest received (+)		10.275.848	6.137.499
1.1.2 Interest paid (-)		(10.326.169)	(4.002.616)
1.1.3 Dividend received (+)		130.001	200.000
1.1.4 Fees and commission received (+)		3.665.578	726.730
1.1.5 Other income (+)		10.372.209	3.720.665
1.1.6 Collections from previously written off loans and other receivables (+)		490.971	573.708
1.1.7 Cash payments to personnel and service suppliers (-)		(4.383.525)	(2.064.812)
1.1.8 Taxes paid (-)		(1.612.869)	(981.192)
1.1.9 Other (+/-)	(5.VI.3)	(5.995.707)	(853.359)
1.2 Changes in Operating Assets and Liabilities		1.347.138	1.452.429
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		(2.782.509)	23.569
1.2.2 Net (increase) / decrease in due from banks (+/-)		(2.660.188)	(1.277.963)
1.2.3 Net (increase) / decrease in loans (+/-)		(8.258.878)	(14.428.952)
1.2.4 Net (increase) / decrease in other assets (+/-)	(5.VI.3)	(897.448)	141.912
1.2.5 Net (increase) / decrease in bank deposits (+/-)		(6.178.017)	1.585.733
1.2.6 Net (increase) / decrease in other deposits (+/-)		17.265.846	8.786.484
1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8 Net (increase) / decrease in funds borrowed (+/-)		(2.734.723)	2.622.152
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)	(5.VI.3)	7.593.025	4.199.494
I. Net Cash Provided from Banking Operations (+/-)		3.963.475	5.108.852
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Flow Provided from Investment Activities (+/-)		(3.347.283)	(6.069.529)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(15.000)	(849.063)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible assets (-)		(1.079.853)	(306.837)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		150.387	3.788
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(3.016.604)	(2.599.967)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		-	-
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		(33.971)	(2.500.943)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)	(5.VI.3)	647.758	183.493
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities (+/-)		(4.842.607)	1.100.028
3.1 Cash obtained from funds borrowed and securities issued (+)		-	1.108.379
3.2 Cash outflow from funds borrowed and securities issued (-)		(4.810.878)	-
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for financial leases liabilities (-)		(38.926)	(14.143)
3.6 Other (+/-)		7.197	5.792
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		8.270.338	3.553.222
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		4.043.923	3.692.573
VI. Cash and Cash Equivalents at the Beginning of the Period (+)	(5.VI.1)	15.333.648	11.641.075
VII. Cash and Cash Equivalents at the End of the Period (V+VI)	(5.VI.1)	19.377.571	15.333.648

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

FİBABANKA A.Ş.**Unconsolidated Profit Distribution Table
for the Periods Ended 31 December 2023 And 2022**

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

	CURRENT PERIOD (*) (01/01/2023-31/12/2023)	PRIOR PERIOD (01/01/2022-31/12/2022)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	5.404.240	3.401.628
1.2 TAXES AND DUTIES PAYABLE (+)	1.434.506	730.274
1.2.1 Corporate Tax (Income Tax)	2.093.779	1.129.911
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(659.273)	(399.637)
A. NET INCOME FOR THE YEAR (1.1-1.2)	3.969.754	2.671.354
1.3 PRIOR YEARS LOSSES (+)	-	17.375
1.4 FIRST LEGAL RESERVES (-)	-	132.699
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	3.969.754	2.521.280
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of privileged shares	-	-
1.6.3 To owners of preferred shares	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (+)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of privileged shares	-	-
1.9.3 To owners of preferred shares	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 STATUTORY RESERVES (-)	-	-
1.11 EXTRAORDINARY RESERVES	-	2.096.280
1.12 OTHER RESERVES	-	-
1.13 SPECIAL FUNDS	-	425.000
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1 To owners of ordinary shares	-	-
2.2.2 To owners of privileged shares	-	-
2.2.3 To owners of preferred shares	-	-
2.2.4 To profit sharing bonds	-	-
2.2.5 To holders of profit and loss sharing certificates	-	-
2.3 DIVIDENDS TO PERSONNEL (-)	-	-
2.4 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	0,02924	0,02156
3.2 TO OWNERS OF ORDINARY SHARES (€)	2,928	2,168
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (€)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (€)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (€)	-	-

(*) The decision on profit distribution of 2023 will be given at the General Assembly.

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

FİBABANKA A.Ş.

Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

SECTION THREE

ACCOUNTING PRINCIPLES

- I. Explanations on the basis of presentation
1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and the Communiqué on Principles and Procedures on the Accounting Practice and Documentation of Banks
- The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation which includes the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Agency ("BRSA") and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") for the matters not regulated by the aforementioned legislations.
- The financial statements are prepared in thousands of TL based on the historical cost, except for the financial assets and liabilities carried at fair value.
- Additional paragraph for convenience translation to English**
- The effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and the International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.
2. Accounting policies and valuation principles applied in preparation of financial statements
- The accounting policies and valuation principles applied in the preparation of the accompanying financial statements are explained in Notes II and XIX below.
3. Other
- With its announcement dated 23 November 2023, the Public Oversight, Accounting, and Auditing Standards Authority (KGK) stated that the financial statements of entities applying the Turkish Financial Reporting Standards, for annual reporting periods ending on or after 31 December 2023, should be prepared in accordance with the Financial Reporting Standard for High Inflationary Economies ("TAS 29"). However, it was also mentioned that institutions authorized to regulate and supervise in their respective fields may determine different transition dates for the application of TAS 29 provisions. In response to KGK's announcement, the Banking Regulation and Supervision Agency (BRSA) decided through its decision numbered 10744 dated 12 December 2023, that banks, financial leasing, factoring, financing, savings finance, and asset management companies would not be subject to inflation adjustment for their financial statements ending on December 31, 2023, under TAS 29. Consequently, the Bank did not apply the inflation accounting required under TAS 29 in its financial statements for the year ending 31 December 2023.
- In addition to providing financial and in-kind assistance to the region due to the earthquake disaster that occurred on 6 February 2023 in Kahramanmaraş, which caused severe damage in the surrounding provinces, especially Kahramanmaraş, Adyaman, Hatay, Malatya, Osmaniye and Gaziantep, applications such as postponement of loan debts and interest cancellation for loan customers with credit affected by the earthquake have been made.
- In addition, loans in the earthquake zone loans have been reviewed, and nothing that will significantly affect the Bank's financial statements has been observed.
- II. Explanations on the usage strategy of financial instruments and on foreign currency transactions
1. Usage strategy of the financial instruments
- The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of asset and liability side.
- Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Value at risk models are used for this purpose.
- Purchase-sale transactions of short and long-term financial instruments are realized within predetermined risk limits that are allowed for the purpose of increasing risk-free return on capital.
- The net general position of foreign currency is monitored within legal limits.

II. Explanations on the usage strategy of financial instruments and on foreign currency transactions (continued)

2. Foreign currency transactions

2.1 Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements

The Bank recognizes the foreign currency transactions in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from the foreign currency transactions are converted into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the foreign currency exchange rates of the Bank and the related currency conversion differences are recognized as foreign exchange gains and losses.

As at the end of the related periods, the Bank's foreign currency exchange rates are as follows in full TL:

	31 December 2023	31 December 2022
US Dollar	29,4382	18,6983
Euro	32,5739	19,9349

III. Explanations on Equity Investments

Subsidiaries are accounted for at cost value in accordance with the "Turkish Accounting Standard" for Individual Financial Statements "TAS 27" and are reflected in the unconsolidated financial statements after deducting the provision for loss of value, if any.

IV. Explanations on forward transactions, options and derivative instruments

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

The Bank's derivative instruments held for trading are classified as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with "TFRS 9". In choosing accounting policy, TFRS 9 gives the option to postpone the acceptance of TFRS 9 financial hedging accounting and continue using TAS 39 financial hedging accounting. In accordance with this, the Bank is continuing to use TAS 39 for financial hedging accounts.

The liabilities and receivables arising from the derivative transactions are recorded in balance sheet items at their contractual values.

Derivative transactions are measured at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Assets at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the statement of profit or loss under trading profit/loss line as profit/loss from derivative financial transactions.

Explanations on derivative financial instruments held for hedging

The Bank conducts cross currency interest rate swap transactions in order to hedge the change in fair values of fixed-rate financial instruments. While applying fair value hedge accounting, the changes in fair values of hedging instrument and hedged item are recognised in statement of profit or loss.

If the hedging is effective, the changes in fair value of the hedged item, which is fixed rate TL denominated loans, are presented in statement of financial position together with the hedged item. Subsequently, derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Profit or Loss", respectively depending on the fair values being positive or negative. Fair value changes are recorded under statement of profit or loss.

The Bank performs effectiveness tests at the beginning of the hedge accounting period and at each reporting period.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized to statement of profit or loss over the life of the hedged item from that date of the hedge accounting is discontinued.

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Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

V. Explanations on interest income and expenses

Interest income and expenses are recognized on accrual basis by using internal rate of return for financial assets and liabilities with given future cash payments and collections.

VI. Explanations on fee and commission income and expenses

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with "TFRS 15 Revenue from Contracts with Customers". Except for certain fees related 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 on accrual basis throughout the service period.

VII. Explanations on financial assets

Financial assets include cash on hand, contractual rights to receive cash or another financial asset from the counterparty or the right to exchange of financial instruments or equity instrument transactions of the counterparty. Financial assets are classified into three groups as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets measured at amortized cost.

1. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the statement of profit or loss.

Loans measured at fair value through profit or loss are subject to valuation in accordance with fair value principles and profit or losses, emerging as a result of valuation, are recognized under profit/loss accounts.

2. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial assets at fair value through other comprehensive income are recognized by adding transaction costs to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss.

"Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the statement of profit or loss of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are recognized in the statement of profit or loss.

Equity securities, which are classified as financial assets at fair value through other comprehensive income are measured at fair value. However, in some exceptional cases, cost may be an appropriate estimation method for determining fair value. The cost is estimated to be the case fair value is reflected in the best way possible.

VII. Explanations on financial assets (continued)

3. Financial assets measured at amortized cost

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

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

The Bank also owns consumer price indexed government bonds ("CPI") in its securities portfolio, reclassified as financial assets measured at amortized cost. CPI's are valued and accounted for according to the effective interest rate method which is calculated based on the real coupon rate and the reference inflation index on the issue date.

4. Loans

Loans are financial assets generated by providing cash, commodity or service to the borrower. These loans and receivables are recorded by acquisition cost reflecting fair value and afterwards measured at amortized cost by using effective interest rate (internal rate of return) method. Fees and other costs paid for the assets taken as collateral for those loans are not recognized as cost of operation and accounted in expense accounts. Bank's loans are presented in "Financial Assets Measured at Amortized Cost" and "Financial Assets at Fair Value Through Profit or Loss" accounts.

VIII. Explanations on expected credit loss

The Bank recognizes expected credit loss allowance for financial assets measured at amortized cost and measured at fair value through other comprehensive income.

As of 1 January 2018, the Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750.

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Calculation of expected credit loss

Expected credit loss is calculated by using following components: "Exposure at Default", "Probability of Default" and "Loss Given Default".

Financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk will be recorded in the amount of 12-month expected credit losses.

Stage 2

In the event of a significant increase in credit risk since initial recognition, the financial asset will be transferred to Stage 2. Impairment for credit risk will be determined on the basis of the instrument's lifetime expected credit losses.

Stage 3

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

As part of TFRS 9, expected credit loss models are improved in process of exposure at default, probability of default and loss given default. These models are formed by taking into consideration internal ratings systems, past data and prospective expectations and considering below factors;

- Customer type (retail, non-retail)
- Product type
- Ratings used as part of internal ratings systems (for corporate segment)
- Collaterals
- Collection period
- Exposure at default
- Time passed since loan disbursement
- Time to maturity

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Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

VIII. Explanations on expected credit loss (continued)

If the existing provision model is not able to reflect the situation, individual assessment is possible by using the cash flows expectations of Credits Monitoring and Collection Department.

Exposure at Default: Expresses the exposure amount when debtor defaults. It accounts along with the maturity of the borrower. The amount of additional risk that may occur in case of default is added to the amount of risk and included in the calculations by using the credit conversion rates (CCR) for irrevocable commitments.

Probability of Default: Refers to the probability of default due to the inability of the debtor to fulfill its obligations. 12-month or lifetime estimation is performed according to whether there is an increase in credit risk or not.

Loss Given Default: In the default of the borrower, it is calculated as the expected credit loss to exposure at default. Loss given default models include inputs such as product type, customer segment, collateral structure, customer payment performance.

Macroeconomics Factors: Macroeconomics indicators are taken into account in determining the probability of default component in the expected credit loss calculation. Future macroeconomics forecasts are reflected in the expected credit loss calculations using more than one scenario.

While macroeconomics information is included in calculations, models and model estimations reflecting the relationships between model risk parameters and macroeconomics variables are taken into consideration. The main macroeconomics indicators that make up these estimation models are the Gross Domestic Product (GDP) growth rate, and the unemployment rate. According to segmentation based on turnover, the unemployment rate is used in models including segments with a turnover of TL 20 million and below, while the Gross Domestic Product (GDP) growth rate is used in models including segments with a turnover of over TL 20 million. Macroeconomics estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

Future expectations are determined based on 2 scenarios, base and negative. Each scenario has predetermined weights, and the final provisions are calculated by weighting on these probabilities.

The Bank calculates expected credit losses for macroeconomic estimation with a forward looking perspective with two scenarios, base and negative, according to current economic conditions, Medium Term Program (MTP) and expert opinions. The macroeconomic value estimates taken into account are presented below;

	Base Scenario		Negative Scenario	
	Growth	Unemployment	Growth	Unemployment
1st year	4,00%	10,30%	2,60%	11,10%
2nd year	4,50%	9,90%	3,70%	11,10%
3rd year	5,00%	9,30%	3,70%	11,10%

Calculation of Expected Loss Period: In determining the lifetime expected credit loss, the period in which the Bank will be exposed to credit risk is taken into consideration. Behavioural maturity analysis was performed on credit cards and overdraft accounts. The maximum period for which credit losses are to be recognized, except for credit cards and other revolving loans, is the contractual life of the financial instrument unless a legal right is required to recall the loan.

Significant Increase in Credit Risk: Due to the significant increase in credit risk, the Bank performs quantitative and qualitative assessments to determine the financial assets to be classified as Stage 2 (Significant Increase in Credit Risk).

Within the scope of the quantitative assessments made for the corporate segment, the Bank compares the change between the starting date and the date of the report by taking into account the time passed since the opening date. In order to make this comparison, the Bank specifies threshold values to determine which changes are accepted as significant change. The decision to classify financial assets with a significant increase in credit risk by exceeding these threshold values as Stage 2 is taken by the opinion of the Credits Department.

Within the scope of qualitative evaluations, financial assets under close monitoring as of the reporting date are classified as Stage 2.

IX. Explanations on offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

Securities subject to repo (repurchase agreements) are classified as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" or "Financial assets measured at amortized cost" according to their purposes to be held in the Bank's portfolio and evaluated within the principles of the relevant portfolio. Funds obtained from repurchase agreements are followed under the "Funds from repo transactions" account in liabilities, and interest expense accruals are calculated using the effective interest rate (internal rate of return) method on the difference between the sales and repurchase prices corresponding to the period designated by a repurchase agreement.

Securities purchased under agreements to resell ("Reverse repo") transactions are accounted under the "Money market placements" in the balance sheet.

XI. Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities

A tangible asset (or a disposal group) classified as "asset held for sale" is measured at the lower of the carrying value or fair value less costs to sell. Assets held for sale are not depreciated and presented in the financial statements separately. An asset (or a disposal group) is regarded as "asset held for sale" only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as other assets if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is part of the Bank's business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the statement of profit or loss.

The Bank does not have any discontinued operations.

XII. Explanations on goodwill and other intangible assets

As at the balance sheet date, there is no goodwill in the accompanying financial statements. The intangible assets of the Bank consist of software, intangible rights and other intangible assets.

The costs of the intangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and intangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated amortization and impairment, if any.

Estimated useful lives of the intangible assets are 3 to 10 years, and amortization rates are 10% to 33,3%.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 ("TAS 36") "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

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Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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XIII. Explanations on tangible assets

Tangible assets are measured at cost in accordance with the Turkish Accounting Standard 16 ("TAS 16") "Tangible Assets".

The costs of the tangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and tangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated depreciation and impairment, if any.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 ("TAS 36") "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

Gains/losses from the sale of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives used for the tangible assets are as follows:

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

Explanations about Leases Standard TFRS 16

The Bank has started to implement TFRS 16 Leases, which was published in the Official Gazette dated 16 April 2018 and numbered 29826 in its unconsolidated financial statements and became effective as of 1 January 2019.

TFRS 16 "Lease" Standard

The Bank as a lessee according to "Lease" Standard:

The Bank assesses whether the contract has the characteristic of a lease or whether the Contract includes a lease transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Bank reflects a right of use and a lease liability to the financial statements at the effective date of the lease.

Right to use asset:

The right to use asset is first recognized by cost method and includes:

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

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

- Deducts accumulated depreciation and accumulated impairment losses and
- Measures the restatement of the lease obligation at the restated cost.

The Bank applies depreciation clauses of TAS 16 Tangible Assets standard when measuring the depreciation of the right to use.

XIII. Explanations on tangible assets (continued)

Explanations about Leases Standard TFRS 16 (continued)

Lease liabilities:

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the implied leasing transaction rate, if easily identified. Otherwise Bank's incremental borrowing interest rates are used.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Bank measures the leasing liability as follows:

- Increases the book value to reflect the interest on the lease obligation
- Reduces the book value to reflect the lease payments made and
- The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

XIV. Explanations on leasing transactions

With TFRS 16 "Leases" standard, valid since 1 January 2019, difference between operational lease and financial lease disappeared so that leasing transactions are recognized under "Tangible Assets" as right-of-use and under "Lease Liabilities" in the balance sheet.

XV. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities are accounted in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". In the financial statements, a provision is made if there is a present obligation that arises from past events as of the balance sheet date, if it is probable that an outflows of resources embodying economic benefits will be required to settle the obligation and if a reliable estimate can be made of the amount of the obligation. If the amount is not reliably estimated and there is no probability of cash outflows from the Bank to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

Provisions recognized during the period are recognized within "other operating expenses"; reversals of provisions recognized in the prior periods are recognized within "other operating income".

XVI. Explanations on contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

XVII. Explanations on liabilities for employee benefits

As per the existing labour laws and agreements in Turkey, entities are required to pay severance for the employees retired or fired. These payments are qualified as recognized retirement benefit plan according to revised TAS 19 Employee Benefits. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in represented in financial statements. All actuarial losses and gains are accounted for as other comprehensive income.

The major assumptions used in the actuarial calculation are as follows:

- Calculation is based on discount rate of 30,50% (31 December 2022: 12,00%), inflation rate of 27,00% (31 December 2022: 10,50%).

- 1 January 2024, valid as of TL 35.058,58 (full TL) (31 December 2022: TL 15.371,40) based on the ceiling salary amount.

- Individuals' earliest retirement age is considered as retirement age.

- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There are no employee foundation fund or similar institutions.

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XVIII. Explanations on taxation

1. Current Tax

As of 31 December 2023, the corporate income tax rate applied in the financial statements is 30%. Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with " Law on the Amendment of Additional Motor Vehicle Tax and Amendments to Certain Laws and Decree Law No. 375 for Compensation of Economic Losses Caused by Earthquakes on 6 February 2023", which includes the regulation on increase in corporate tax rate from 20% to 25% for the institutions other than banks and financial institutions and from 25% to 30% for banks and financial institutions, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249.

This amendment will be effective for the earnings of the corporations in 2023 and for the following tax periods, starting from the declarations that must be submitted after 1 October 2023.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. While dividends paid to individuals and corporations were subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from prior periods.

According to 75% of the capital earning derived from the sale of equity investments and a 50% of the capital earning derived from the sale of immovable properties held for at least two years are tax exempt, if such earning are added to paid-in capital or held in a special fund account under liability for five years. According to Law No. 7456 published in 15 July 2023, this exception has been abolished for real estates to be acquired after the publication date of the decision; If real estate acquired before this date is sold after the effective date of the decision, 25% of the real estate sales earning will be exempt from corporate tax.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Current tax, related to items recognized directly in equity is also credited or charged directly to equity.

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law (TPL). However, with the regulation made with the Law No. 7352 dated 20 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this; TPL financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment. As for the 2023 accounting period; during provisional tax periods inflation adjustment will not be applied but the TPL financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in TPL financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign Exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The President of the Republic is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including the temporary tax periods.

XVIII. Explanations on taxation (continued)

2. Deferred Tax

The Bank calculates and recognizes deferred tax for taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base according to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes".

Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with " Law on the Amendment of Additional Motor Vehicle Tax and Amendments to Certain Laws and Decree Law No. 375 for Compensation of Economic Losses Caused by Earthquakes on 6 February 2023", which includes the regulation on increase in corporate tax rate from 20% to 25% for the institutions other than banks and financial institutions and from 25% to 30% for banks and financial institutions, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249.

This amendment will be effective for the earnings of the corporations in 2023 and for the following tax periods, starting from the declarations that must be submitted after 1 October 2023.

Deferred tax liability is calculated for all taxable temporary differences, while deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly likely to benefit from these differences by making taxable profits in the future.

Deferred tax rate calculation has started to be applied over temporary expected credit losses as per TFRS 9 articles from 1 January 2018. The Bank calculates deferred tax also for provisions for possible losses.

As of 31 December 2023, the deferred tax asset is TL 993.138 (31 December 2022: TL 383.860 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within "Deferred Tax Income Effect" and "Deferred Tax Expense Effect" in the statement of profit or loss; net income is TL 659.273 for the current period (1 January - 31 December: TL 399.637 net income). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 49.995 of expense (1 January - 31 December 2022: TL 218.346 expense).

3. Transfer Pricing

The article 13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices. Related forms are submitted to tax offices on time.

XIX. Additional explanations on borrowings

The Bank provides resources from domestic and foreign individuals and institutions both by borrowing funds and issuing bills and bonds.

Borrowing instruments are initially measured at acquisition cost and subsequently measured at amortized cost with the effective interest method. In the accompanying financial statements, foreign currency denominated borrowing funds are converted to Turkish Lira with the Bank's spot foreign exchange buy rates and interest expenses incurred during the period relating to the borrowing funds are recognized in statement of profit or loss.

Additional Tier I Capital

The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expenses under "equity" in the balance sheet.

The additional Tier 1 capital with a nominal amount of USD 30 million was early redeemed on 1 March 2022 with the approval of the BRSA, and the redemption amount was used in the cash capital increase realized in April 2022.

Information on debt instruments to be included in the equity calculation is explained under the explanations on equity items in the fourth section, Information on Financial Structure and Risk Management.

XX. Explanations on share certificates issued

None.

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XXI. Explanations on bank acceptances and bills of guarantee

Bank acceptances and bills of guarantee are presented within off-balance sheet liabilities as being possible liabilities and commitments. Cash transactions relating to bank acceptances and bills of guarantee are realized concurrently with the customer payments.

As of the balance sheet date, there are no bank acceptances and bills of guarantee recognized as liability against an asset.

XXII. Explanation on government incentives

As of the balance sheet date, the Bank does not have any government incentives.

XXIII. Explanations on segment reporting

The Bank operates in corporate, commercial and retail banking. In this context, time and demand deposits, kiraz account, repos, TL and FC indexed cash and non cash loans, solutions for financing foreign trade, treasury and derivative products to reduce customers' interest and exchange rate risks, credit and debit cards, insurance, checks, safe deposit box, tax collection, bill payments, payment orders and similar services and products are available.

The bank also put emphasis on the development of non-branch channels in order to meet the different financial needs of its customers. Under its Ecosystem and Platform Banking structure, it offers a platform where consumers can access the financial solutions they need during their shopping experiences in the wide ecosystem it has created thanks to the agreements it has made with well-known brands in Turkey.

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period -1 January - 31 December 2023				
Net Interest Income	170.683	1.516.803	(1.428.263)	259.223
Net Fees and Commission Income	1.044.394	2.278.186	29.932	3.352.512
Dividend Income	--	--	130.001	130.001
Trading Income / Loss (Net)	751.225	1.519.801	2.403.992	4.675.018
Other Operating Income	720.832	1.945.016	(35.174)	2.630.674
Expected Credit Loss (-)	(559.070)	(563.350)	86.821	(1.035.599)
Other Provision Expenses	--	(40.000)	(228.812)	(268.812)
Personnel and Other Operating Expense	(1.948.582)	(1.900.952)	(489.223)	(4.338.757)
Income/Loss From Investments Under Equity Accounting	--	--	--	--
Net Profit/(Loss) for the Period	179.482	4.755.504	469.274	5.404.260
Tax Provision	--	--	(1.434.506)	(1.434.506)
After Tax Profit/Loss	179.482	4.755.504	(965.232)	3.969.754
Current Period -31 December 2023				
Segment Assets	13.207.159	38.599.419	50.748.053	102.554.631
Associates and Subsidiaries	--	--	1.003.788	1.003.788
Total Assets	13.207.159	38.599.419	51.751.841	103.558.419
Segment Liabilities	55.216.319	11.219.571	26.896.806	93.132.496
Shareholders' Equity	--	--	10.425.923	10.425.923
Total Liabilities	55.216.319	11.219.571	37.122.529	103.558.419

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period -1 January - 31 December 2022				
Net Interest Income	791.548	2.051.621	(613.637)	2.229.532
Net Fees and Commission Income	362.334	211.280	15.311	588.925
Dividend Income	--	--	200.000	200.000
Trading Income / Loss (Net)	261.826	519.072	2.164.069	2.944.967
Other Operating Income	519.905	608.311	(15.136)	1.113.080
Expected Credit Loss (-)	(188.718)	(134.258)	(303.631)	(626.607)
Other Provision Expenses	--	(331.117)	(695.689)	(1.026.806)
Personnel and Other Operating Expense	(1.184.642)	(710.388)	(126.433)	(2.021.463)
Income/Loss From Investments Under Equity Accounting	--	--	--	--
Net Profit/(Loss) for the Period	562.253	2.214.521	624.854	3.401.628
Tax Provision	--	--	(730.274)	(730.274)
After Tax Profit/Loss	562.253	2.214.521	(105.420)	2.671.354

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period -31 December 2022				
Segment Assets	9.596.200	29.457.603	33.981.679	73.035.482
Associates and Subsidiaries	--	--	967.008	967.008
Total Assets	9.596.200	29.457.603	34.948.687	74.002.490
Segment Liabilities	29.479.504	9.406.657	28.599.591	67.485.752
Shareholders' Equity	--	--	6.516.738	6.516.738
Total Liabilities	29.479.504	9.406.657	35.116.329	74.002.490

XXIV. Profit reserves and distribution of the profit

In financial statements, except legal reserves, retained earnings can be distributed on condition that it has legal reserve requirement explained below.

Legal reserves are consisted of first and second reserves as determined in Turkish Commercial Code (TCC). First legal reserve is appropriated by TCC at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of 10% of distributions in excess of 5% of issued and fully paid-in share capital, but holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

In the Ordinary General Assembly Meeting of the Bank held on 31 March 2023, it has been decided to allocate TL 132.699 as legal reserves, TL 425.000 for special funds and TL 2.096.280 as extraordinary reserves from the remaining TL 2.653.979 after deducting previous year losses (interest expense of the issued Tier1 security with the amount of TL 100.000 nominal followed under shareholders' equity) of TL 17.375 from TL 2.671.354 net profit after tax for 2022.

XXV. Earnings Per Share

Earnings per share disclosed in the statement of profit or loss are calculated by dividing net profit for the year by the weighted average number of shares outstanding during the related period concerned.

	31 December 2023	31 December 2022
Net Profit / (Loss) distributable to Common Shares	3.969.754	2.671.354
Average Number of Issued Common Shares (Thousand)	135.772.255	123.903.091
Earnings Per Share (Amounts presented as full TL)	0,02924	0,02156

In Turkey, companies can increase their share capital by distributing "bonus shares" to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

There are no bonus share issuance by the Bank in 2023 (31 December 2022: None).

XXVI. Related Parties

For the purpose of these financial statements, shareholders with qualified shares, senior managers and management together with the members of the board of directors, their families and companies controlled by or affiliated with them, subsidiaries and partnerships subject to joint management are covered by the "Related Party Disclosures Standard" ("TAS 24") they are accepted as related parties. Transactions with related parties "Explanations and disclosures on the risk group of the Bank" are shown in the note.

XXVII. Cash and Cash Equivalent Assets

Cash, cash in transit, purchased bank cheques and demand deposits including balance with Central Bank are considered as "Cash"; interbank money market placements time deposits at banks with original maturity periods of less than three months and receivables from reverse repo are considered as "Cash Equivalents". Required reserves kept in Central Bank under blocked account are not "Cash Equivalents" in the statement of cash flows.

XXVIII. Classifications

As of 31 December 2022, the amount of TL 106.250 shown in the "Current Tax Liabilities" has been netted from the "Deferred Tax Asset" account. Additionally, the personnel bonus provision amounting to 146.238 TL, shown in "Other Operating Expenses", has been reclassified under "Personnel Expenses".

XXIX. Other Disclosures

None.

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SECTION FOUR**INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT**

Total capital and capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”.

As of 31 December 2023, the Bank’s total capital has been calculated as TL 13.189.491 and the capital adequacy ratio is 17,45% (As of 31 December 2022, the Bank’s total capital amounted to TL 9.136.541 and the capital adequacy ratio was 19,41%).

I. Information related to the components of shareholders’ equity:

	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	1.357.723	1.357.723
Share Premium	128.678	128.678
Reserves	3.734.094	1.081.776
Other comprehensive income according to TAS	1.206.727	1.245.199
Profit	3.969.754	2.671.354
Current period profit	3.969.754	2.671.354
Prior period profit	--	--
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	24.255	2.475
Tier I Capital Before Deductions	10.421.231	6.487.205
Deductions From Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (*)	95.309	70.468
Improvement costs for operational leasing	48.209	17.570
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.533.681	1.130.922
Excess amount arising from deferred tax assets from temporary differences	475.800	330.000
Differences arise when assets and liabilities not held at fair value, are subjected to cash flows hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	--
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
Total Deductions From Common Equity Tier I Capital	2.152.999	1.548.960
Total Common Equity Tier I Capital	8.268.232	4.938.245
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in Tier I capital and the related share premiums	--	--
Debt instruments and the related issuance premiums defined by the BRSA	100.000	100.000
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	100.000	100.000
Deductions from Additional Core Capital	--	--
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--

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	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	--
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	--
Total Deductions from Additional Tier I Capital	--	--
Total Additional Tier I Capital	100.000	100.000
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	8.368.232	5.038.245
TIER II CAPITAL	--	--
Debt instruments and share issue premiums deemed suitable by the BRSA (*) (**)	4.198.193	3.555.430
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	626.029	542.866
Tier II Capital before Deductions	4.824.222	4.098.296
Deductions from Tier II Capital	--	--
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	2.963	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	--	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)	--	--
Other items to be defined by the BRSA (-)	--	--
Total Deductions from Tier II Capital	2.963	--
Total Tier II Capital	4.821.259	4.098.296
Total Equity (Total Tier I and Tier II Capital)	13.189.491	9.136.541

(*) Tier-II bond, the remaining maturity of which is below 4 years, is taken into consideration after 40% of amortization in Tier II capital calculations in accordance with "Regulation on Equities of Banks".

(**) Tier-II bond, the remaining maturity of which is below 5 years, is taken into consideration after 20% of amortization in Tier II capital calculations in accordance with "Regulation on Equities of Banks".

	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
Total Tier I Capital and Tier II Capital (Total Equity)	13.189.491	9.136.541
Loans granted against the Articles 50 and 51 of the Banking Law	--	--
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years	--	--
Other items to be defined by the BRSA	--	--
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	--	--
EQUITY	13.189.491	9.136.541
Total Capital (Total of Tier I Capital and Tier II Capital)	13.189.491	9.136.541
Total Risk Weighted Assets (****)	75.603.027	47.072.963
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	10,94	10,49
Tier I Capital Adequacy Ratio (%)	11,07	10,70
Capital Adequacy Ratio (%)	17,45	19,41
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,51	2,51
a)Capital Conservation Buffer Requirement (%)	2,50	2,50
b)Bank-specific Counter-Cyclical Buffer Requirement(%)	0,01	0,01
c)Systemically Important Banks Buffer Requirement Ratio (%)	--	--

(****) Current period, as of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used, prior period as of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets (%)	5,07	4,70
Amounts lower than Excesses as per Deduction Rules	--	--
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
Limits for Provisions Used in Tier II Capital Calculation	--	--
General provisions for standard based receivables (before one hundred and twenty five per ten thousand limitation)	632.317	807.653
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	626.029	652.055
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets	--	--
Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)	--	--
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	--	--
Upper limit for Additional Tier II Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	--	--

(*) The amounts to be considered under the transitional provisions

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

The difference between "Equity" in equity table and "Shareholder's Equity" in the unconsolidated balance sheet mainly arises from the subordinated bonds and general provisions effect. In the calculation of Total Capital, general reserve up to 1,25% of credit risk is taken into consideration as Tier II Capital.

On the other hand, in the calculation of the "Equity", improvement costs for operational leases presented under tangible assets in the balance sheet, together with related deferred tax liabilities and deferred tax assets calculated for provision for possible losses and other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

In addition, in accordance with the BRSA's Decision dated 16 April 2020 and numbered 8999, 0% risk weight can be applied to the receivables of banks from the Central Government of the Republic of Turkey and issued in foreign currency, in accordance with the Standard Approach, within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, In case that the net valuation differences of the securities in the securities portfolio whose value difference is reflected to other comprehensive income are negative, these differences are not taken into account in the equity amount to be used for the capital adequacy ratio. There are no securities in The Bank within this scope.

Debt instruments included in shareholder's equity calculation(*):

Issuer	Fibabanka A.Ş.	Fibabanka A.Ş.
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	TRSFIBA10016
Regulation of debt instrument	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law	BRSA's "Regulation on Equities of Banks" dated 1 November 2006"
Consideration Status in Shareholders' Equity Calculation		
Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No
Eligible at unconsolidated / consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Security	Subordinated Security
Recognized amount in shareholders' equity calculation (As of the most recent reporting date - Thousand TL)(**)	4.198.193	100.000
Nominal value of debt instrument (Thousand TL)	8.831.460	100.000
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand
Initial term of debt instrument	11 years	--
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million
Subsequent call date, if any	None	At the end of every 5th year following

(*)The additional Tier 1 capital with a nominal amount of USD 30 million was early redeemed on 1 March 2022 with the approval of the BRSA, and the redemption amount was used in the cash capital increase realized in April 2022.

(**) Tier-II bond, the remaining maturity of which is below 4 years, is taken into consideration after 40% of amortization in Tier II capital calculations in accordance with "Regulation on Equities of Banks".

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Interest/Dividend Payments		
Fixed or floating interest/dividend payments	Floating interest	Floating interest
	Up to pay back option date 7,75% (5 years mid-swap rate+5,758%); afterwards current 5 years mid-swap rate+5,758%	
Interest rate or index value of interest rate		8% additional return on TRLibor
Whether there is any restriction to stop dividend payments or not	None	None
Feature of being fully optional, partially optional or obligatory	Obligatory	Optional
Whether there is any stimulant to repayment like interest rate hike or not	None	None
Feature of being cumulative or noncumulative	--	--
Feature of being convertible bonds		
If there are convertible bonds, trigger incidents cause this conversion	--	--
If there are convertible bonds, feature of full or partially conversion	--	--
If there are convertible bonds, rate of conversion	--	--
If there are convertible bonds, feature of conversion - obligatory or optional-	--	--
If there are convertible bonds, types of convertible instruments	--	--
If there are convertible bonds, exporter of convertible debt instruments	--	--
Feature of value reduction		
If there are a feature of value reduction, trigger incidents cause this reduction	--	Under the condition that unconsolidated and/or consolidated Tier I capital adequacy ratio drop below BRSAs ratio
If there are a feature of value reduction, feature of full or partially reduction of value	--	Partially and totally
If there are a feature of value reduction, feature of being constant of temporary	--	--
If there are a feature of value reduction, mechanism of value incrementation	--	--
Claiming rank in case of winding up (Instrument that is just above debt instrument)	After the other borrowers except depositors	After depositors, other borrowers and Tier II capital
Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation	Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article.	Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.
The conditions not met which were defined by 7th or 8th of the 7th or 8th articles of Shareholders' Equity of Banks Regulation	--	Cannot be converted to stock.

II. Explanations on Credit Risk

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set.

The debtors or group of debtors are subject to credit risk limits. The debtors' or group of debtors' and industrial risk limitations are monitored weekly. Industry concentration is followed monthly.

Credit risk limits and breakdowns for daily transactions are followed daily. Risk concentrations of off-balance sheet risks are followed by remote and on-site control activities.

Credit worthiness of both commercial loans' and all other debtors are being regularly monitored in accordance with the regulations. By utilizing risk rating models which were developed for these purposes, in case the debtors' risk level increases, credit lines are readjusted and additional collaterals are received if needed. The necessary documentation for utilized loans is taken in compliance with the related legislation.

In accordance with the Bank's lending policies, the debtor's creditworthiness is analysed and the adequate collateral is obtained based on the financial position of the company and the type of loan; such as cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

There are control limits based on VaR over the positions of the Bank which are held as futures, option contracts and other similar contracts. The credit risks carried for such instruments are managed together with the risks arising from market fluctuations.

Indemnified non-cash loans are subject to the same risk weight with overdue loans.

The Bank performs foreign trade finance and other interbank credit transactions through correspondent network. Accordingly, the Bank assigns limits periodically to domestic banks, foreign banks and other financial institutions based on review of their credit worthiness.

Within the Bank's risk appetite policy, the following concentrations are measured. They are presented to the Asset and Liability Committee weekly and to the Risk Committee monthly.

As per Customer Group Concentration, Top 20 corporate debtor's / risk group's credit risk sum shall not exceed 25% of the Bank's total credit risk.

Within the industry concentration, the Bank has set its risk appetite as "reasonable", not to exceed 10% of total loans per sector except the industries listed below.

Industry	Proportional Limit
Construction	15%
Tourism	15%
Wholesale and Retail Business	25%

Within the framework of risk appetite policy, the sum of long-term loans which have a maturity more than 1 year, shall not exceed 45% of the bank's total loans. This ratio is monitored on a weekly basis at the Asset and Liability Committee and on a monthly basis at the Risk Committee.

The Bank's largest 100 and 200 cash loan customers compose 29% and 34% of the total cash loan portfolio, respectively (31 December 2022: 29% and 35%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 95% and 99% of the total non-cash loan portfolio, respectively (31 December 2022: 92% and 98%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 29% and 34% of the total "on and off balance sheet" assets, respectively (31 December 2021: 29% and 35%, respectively).

Expected credit loss for total credit risk (Stage 1 and Stage 2) amounts to TL 625.423 (31 December 2022: TL 796.474).

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II. Explanations on Credit Risk (continued)

Exposure Categories	Current Period Risk Amount (*)	Average Risk Amount (**)
Conditional and Unconditional Exposures to Central Governments or Central Banks	28.740.607	27.655.625
Contingent and non-contingent receivables from Regional or Local Governments	14.461	19.288
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	4.596.839	5.863.352
Conditional and Unconditional Exposures to Banks and Brokerage Houses	30.169.271	37.283.237
Conditional and Unconditional Exposures to Corporates	25.366.561	26.836.363
Conditional and Unconditional Retail Exposures	405.537	607.735
Real Estate Receivables	112.339	59.144
Receivables Defined in High-Risk Category by BSA	11.937.723	6.374.482
Securitization positions	841.368	309.499
Exposures in the form of Collective Investment Undertakings	4.582.342	2.214.578
Equity share investments	48.320	(7.512)
Other Receivables	4.763.802	4.266.358
Total	104.081.660	81.921.813

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit provisions.

(**) Represents the arithmetical average of quarterly reports.

(***) Exchange rates at 31 December 2022 were used in the reporting at 31 December 2023.

Exposure Categories	Prior Period Risk Amount (*)	Average Risk Amount (**)
Conditional and Unconditional Exposures to Central Governments or Central Banks	19.579.514	17.522.185
Contingent and non-contingent receivables from Regional or Local Governments	73.361	500.423
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	5.812.447	4.415.107
Conditional and Unconditional Exposures to Banks and Brokerage Houses	15.238.284	15.238.795
Conditional and Unconditional Retail Exposures	70.705.746	73.462.841
Conditional and Unconditional Exposures Secured by Real Estate Property	1.158.948	1.371.835
Real Estate Receivables	152.127	251.303
Receivables Defined in High-Risk Category by BSA	4.325.137	3.817.207
Securitization positions	171.714	144.834
Exposures in the form of Collective Investment Undertakings	1.099.799	994.057
Equity share investments	14.496	13.837
Other Receivables	2.900.625	2.972.949
Total	30.908.841	34.354.138

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit provisions.

(**) Represents the arithmetical average of quarterly reports.

(***) Exchange rates at 31 December 2022 were used in the reporting at 31 December 2023.

II. Explanations on Credit Risk (continued)

2. Risk profile by sectors or counterparties

Current Period	1	2	3	4	5	6	7	8	9	10	11	12	TP	YP	Toplam
Agriculture	339	-	-	185.208	791.145	-	883	87.215	-	-	-	-	1.030.518	34.272	1.064.790
Farming and Stockbreeding	339	-	-	185.188	722.315	-	825	87.211	-	-	-	-	966.601	34.272	1.000.873
Forestry	-	-	-	20	42.915	-	58	4	-	-	-	-	-	-	42.995
Fishing	-	-	-	-	20.920	-	-	-	-	-	-	-	-	-	20.922
Manufacturing	1.368	-	-	5.065.322	6.004.785	113.070	12.682	1.099.745	-	-	-	-	9.647.401	2.649.771	12.297.172
Mining and Quarrying	-	-	-	520.598	148.192	-	1.803	150.203	-	-	-	-	345.197	475.599	820.796
Production	1.368	-	-	4.254.024	5.824.788	113.070	10.867	949.542	-	-	-	-	9.168.099	1.985.560	11.153.659
Electricity, Gas and Water	-	-	-	290.900	31.820	-	12	-	-	-	-	-	134.105	188.612	322.717
Construction	830	-	-	798.532	5.998.972	33.206	9.728	9.402.420	-	-	-	-	16.130.698	112.900	16.243.688
Services	28.740.834	-	4.596.425	12.661.548	9.118.828	130.939	18.191	1.133.253	4.897	4.555.002	641.364	-	36.574.660	25.026.821	61.601.481
Wholesale and Retail Trade	-	-	-	1.989.217	2.340.531	22.803	14.740	747.192	-	-	-	-	9.813.284	304.199	10.117.483
Accommodation and Dining	-	-	-	1.846.103	199.081	108.136	208	88.148	-	-	-	-	328.739	1.912.937	2.241.676
Transportation and Telecom.	-	-	-	731.888	1.114.465	-	190	42.787	-	-	-	-	1.427.149	462.181	1.889.330
Financial Institutions	28.740.607	-	4.596.425	2.766.255	61.022	-	732	112.744	4.807	4.555.002	641.364	-	34.408.892	22.609.836	46.478.728
Real Estate and Rental Services	-	-	-	74.573	124.181	-	408	10	-	-	-	-	127.439	71.735	199.174
Self-Employment Services	-	-	-	-	37.300	-	87	-	-	-	-	-	37.387	-	37.387
Educational Services	-	-	-	4.683	49.841	-	25	50.079	-	-	-	-	104.628	-	104.628
Health and Social Services	167	-	-	248.229	189.425	-	1.781	92.873	-	-	-	-	327.142	205.933	533.075
Other*	723	14.483	4	1.397.092	3.453.773	148.312	70.555	205.092	4.542.842	11.663	-	-	9.389.644	45.485	9.844.529
Total	28.744.094	14.483	4	4.996.629	20.107.900	25.367.500	425.527	112.039	11.927.725	4.542.842	16.900	4.555.002	641.364	72.772.921	28.278.739

(*) Includes risk amounts before the effect of credit risk mitigation but after credit provisions.

(**) As of 31 December 2023, the Central Bank foreign exchange buying rate for 31 December 2022 was used.

(***) Contingent and non-contingent receivables from central administrations or central banks.

(****) Contingent and non-contingent receivables from regional or local governments.

(*****) Contingent and non-contingent receivables from banks and brokerage institutions.

(*****) Contingent and non-contingent corporate receivables.

(*****) Contingent and non-contingent retail receivables.

(*****) Receivables secured by real estate mortgage with and without discounts.

(*****) Receivables secured for collectibles.

(*****) Receivables determined by the Board as having a high risk.

(*****) Investments in the Nature of a Collective Investment Organization.

(*****) Equity Investments.

(*****) Other receivables.

(*****) Securitization Positions.

Prior Period	1	2	3	4	5	6	7	8	9	10	11	12	TL	FC	Total
Agriculture	813	-	-	280.509	786.234	13.829	2.702	48.266	-	-	-	-	-	-	1.132.353
Farming and Stockbreeding	750	-	-	280.489	749.432	13.822	2.535	48.263	-	-	-	-	-	-	1.095.211
Forestry	63	-	-	20	20.205	7	9	3	-	-	-	-	-	-	30.207
Fishing	-	-	-	-	6.577	-	-	-	-	-	-	-	-	-	6.575
Manufacturing	1.636	-	-	5.985.054	4.366.240	56.996	15.652	204.237	-	-	-	-	10.329.815	10.329.815	
Mining and Quarrying	-	-	-	476.873	100.423	-	16	119	-	-	-	-	577.433	577.433	
Production	1.636	-	-	4.997.385	4.239.969	45.914	15.526	204.118	-	-	-	-	9.104.551	9.104.551	
Electricity, Gas and Water	-	-	-	510.793	25.846	11.082	110	-	-	-	-	-	547.831	547.831	
Construction	1.534	-	-	670.063	7,670,601	23,797	41,100	2,445,696	-	-	-	-	11,874,791	11,874,791	
Services	19,980,948	-	5,012,425	7,548,191	5,966,226	899,480	21,872	345,715	4,897	2,900,005	171,714	-	1,257,403	41,184,070	
Wholesale and Retail Trade	66	-	-	1,677,721	4,904,745	14,187	13,360	110,413	-	-	-	-	6,780,492	6,780,492	
Accommodation and Dining	1,087	-	-	1,096,808	102,864	874,383	658	31,411	-	-	-	-	2,102,211	2,102,211	
Transportation and Telecom.	-	-	-	900,879	689,211	2	4,548	9,945	-	-	-	-	1,604,595	1,604,595	
Financial Institutions	19,979,534	-	5,012,425	3,591,640	27,501	-	-	38,517	4,897	2,900,005	171,714	-	1,257,403	30,028,630	
Real Estate and Rental Services	-	-	-	77,721	43,449	1,108	133	-	-	-	-	-	142,411	142,411	
Self-Employment Services	-	-	-	13,332	34,425	-	73	243	-	-	-	-	48,073	48,073	
Educational Services	-	-	-	42,381	26,427	-	737	40,279	-	-	-	-	109,824	109,824	
Health and Social Services	281	-	-	189,709	114,594	-	2,363	52,387	-	-	-	-	399,834	399,834	
Other*	939	73,361	22	1,190,889	1,992,233	174,167	50,801	279,213	1,095,795	9,999	-	-	1,095,792	3,731,227	
Total	19,985,870	73,361	22	15,234,706	20,781,534	1,158,469	152,127	4,325,127	1,095,795	14,496	2,900,005	171,714	2,353,392	48,152,256	

(*) Includes risk amounts before the effect of credit risk mitigation but after credit provisions.

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

(***) Contingent and non-contingent receivables from central administrations or central banks.

(****) Contingent and non-contingent receivables from regional or local governments.

(*****) Contingent and non-contingent corporate receivables.

(*****) Contingent and non-contingent retail receivables.

(*****) Receivables secured by real estate mortgage with and without discounts.

(*****) Receivables secured for collectibles.

(*****) Receivables determined by the Board as having a high risk.

(*****) Investments in the Nature of a Collective Investment Organization.

(*****) Equity Investments.

(*****) Other receivables.

(*****) Securitization Positions.

1. Profile of significant exposures in major regions:

Geographical Area	Current Period Risk Amount (*)	Average Risk Amount (**)	Current Period Risk Amount (*)	Average Risk Amount (**)	Current Period Risk Amount (*)	Average Risk Amount (**)	Current Period Risk Amount (*)	Average Risk Amount (**)	Current Period Risk Amount (*)	Average Risk Amount (**)	Current Period Risk Amount (*)	Average Risk Amount (**)	Current Period Risk Amount (*)	Average Risk Amount (**)	Current Period Risk Amount (*)	Average Risk Amount (**)
Major Regions																
Adana	10,141,819	7,340	1,889,880	19,039,280	22,145,110	1,709,849	152,167	4,294,810	110,718	1,048,740	4,000	-	1,989,833	10,141,819	10,141,819	
Antalya	10,141,819	7,340	1,889,880	19,039,280	22,145,110	1,709,849	152,167	4,294,810	110,718	1,048,740	4,000	-	1,989,833	10,141,819	10,141,819	
...	
Total	19,985,870	73,361	22	15,234,706	20,781,534	1,158,469	152,127	4,325,127	1,095,795	14,496	2,900,005	171,714	2,353,392	48,152,256	70,209,201	

(*) Includes risk amounts before the effect of credit risk mitigation but after credit provisions.

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

(***) Contingent and non-contingent receivables from central administrations or central banks.

(****) Contingent and non-contingent receivables from regional or local governments.

(*****) Contingent and non-contingent corporate receivables.

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Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

II. Explanations on Credit Risk (continued)

6. Information by major sectors and type of counterparties

Current Period	Loans		Provisions Expected Credit Losses (TFRS19)
	Impaired		
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	
Major Sector / Counterparties			
Agriculture	33.035	14.426	12.995
Farming and Stockbreeding	30.419	9.885	9.406
Forestry	2.616	4.541	3.589
Fishery	--	--	--
Manufacturing	321.802	66.752	89.666
Mining and Quarrying	35.354	16.916	14.381
Production	142.822	44.686	38.959
Electricity, Gas and Water	143.626	5.150	36.326
Construction	174.258	44.407	40.382
Services	2.922.503	420.241	545.584
Wholesale and Retail Trade	205.815	115.627	82.880
Accommodation and Dining	2.472.620	219.479	251.413
Transportation and Telecommunication	26.582	56.573	61.361
Financial Institutions	--	2.024	1.382
Real Estate and Rental Services	118.054	4.205	13.137
Self-Employment Services	18.671	7.250	5.291
Educational Services	40	1.604	1.581
Health and Social Services	311	11.469	8.799
Other	846.822	201.911	255.644
Total	4.298.417	747.737	944.261
Prior Period	Loans	Provisions	
	Impaired	Expected	
	Significant	Credit	
	Increase in Credit	Losses	
	Risk (Stage 2)	(TFRS19)	
Major Sector / Counterparties			
Agriculture	11.725	26.467	20.917
Farming and Stockbreeding	8.951	19.614	14.896
Forestry	4.772	6.853	5.461
Fishery	--	--	--
Manufacturing	140.246	81.812	109.140
Mining and Quarrying	95.799	48.127	63.886
Production	40.114	46.141	36.928
Electricity, Gas and Water	104.258	3.497	9.218
Construction	150.517	161.496	118.006
Services	2.177.442	205.357	431.893
Wholesale and Retail Trade	79.441	95.367	78.956
Accommodation and Dining	1.917.786	4.429	232.565
Transportation and Telecommunication	17.167	35.054	80.788
Financial Institutions	--	12	12
Real Estate and Rental Services	91.888	6.141	14.822
Self-Employment Services	173.805	2.921	17.369
Educational Services	5	2.358	1.484
Health and Social Services	468	9.171	6.713
Other	588.515	180.296	272.854
Total	3.248.458	665.426	949.169

II. Explanations on Credit Risk (continued)

7. Information on movements in value adjustments and provisions

Current Period	Opening Balance	Provision For Period	Provision Reversals	Other Adjustment (*)	Closing Balance
Specific Provisions (Stage 3)	498.895	895.136	(364.592)	(489.549)	539.890
General Provisions (Stage 1 and 2)	791.376	--	(170.448)	(6.160)	614.768

(*) Represents write-offs for specific provisions and sales from non-performing loans portfolio are shown here. General provisions include the provision amounts allocated for overdraft and credit card limits.

Prior Period	Opening Balance	Provision For Period	Provision Reversals	Other Adjustment (*)	Closing Balance
Specific Provisions (Stage 3)	382.736	328.398	(108.111)	(104.128)	498.895
General Provisions (Stage 1 and 2)	508.143	283.233	--	--	791.376

(*)Write-off items and the sales from the NPL portfolio are disclosed here.

8. Exposures subject to countercyclical capital buffer

Current Period	RWAs of Banking Book for Private Sector		RWAs of Trading Book		Total
Country	Private Sector	Credit	Trading Book		
Turkey	59.230.638		4.160.969		63.391.607
Russia	165.781		--		165.781
Malta	229.402		--		229.402
Marshall Islands	50.405		--		50.405
Avusturya	16.217		--		16.217
England	34.721		81.221		115.942
Germany	5.212		855		6.067
France	3.634		23.363		28.997
Others	15.160		3.103		18.263
Total	69.753.220		4.269.511		74.022.731

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

Prior Period	RWAs of Banking Book for Private Sector		RWAs of Trading Book		Total
Country	Private Sector	Credit	Trading Book		
Turkey	39.565.818		2.404.823		41.970.641
Russia	25.922		12.054		38.016
Malta	209.240		--		209.240
Marshall Islands	--		--		--
Avusturya	3.042		--		3.042
England	52.231		273.917		326.148
Germany	33.651		8.562		42.213
France	--		240		240
Others	67.080		13.331		80.411
Total	39.956.990		2.732.969		42.689.959

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

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for the Period Between 1 January 2023 - 31 December 2023**

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

II. Explanations on Credit Risk (continued)**9. Information on collaterals, impairment, rating and maturity related to loans granted to individuals and corporates**

Details of collaterals of standard and close monitoring loans granted to individuals and corporates are as follows:

Cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	29,113,026	22,192,803	3,730,807	2,929,961
Secured by Cash Collateral:	590,164	509,798	---	---
Secured by Mortgages:	1,943,979	1,719,109	2,576,264	1,973,194
Secured by Treasury Guarantees or Securities Issued by Public Sector Guarantees Issued by Financial Institutions:	---	---	4,441	---
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes):	26,618,887	19,873,900	1,150,102	956,767
Non-Secured Loans	18,395,135	13,792,532	567,610	318,507
Total	47,508,161	35,885,335	4,298,417	3,248,468

The details of the cash loans with the nature of dull receivables extended to individuals and organizations according to the type of collateral received are as follows:

Cash loans granted to individuals and corporates	Non-Performing Loans	
	Current Period	Prior Period
Secured Loans:	312,885	213,961
Secured by Cash Collateral:	---	---
Secured by Mortgages:	242,330	200,783
Secured by Treasury Guarantees or Securities Issued by Public Sector Guarantees Issued by Financial Institutions:	---	---
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes):	70,555	13,178
Non-Secured Loans	434,852	451,465
Total	747,737	665,426

The details of the non-cash loans extended to individuals and organizations according to the type of collateral received are as follows:

Non-cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	828,929	594,554	64,318	54,647
Secured by Cash Collateral:	127,675	100,993	14,496	---
Secured by Mortgages:	29,696	36,414	547	---
Secured by Treasury Guarantees or Securities Issued by Public Sector Guarantees Issued by Financial Institutions:	---	---	---	---
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes):	671,558	457,147	51,275	54,647
Non-Secured Loans	145,181	96,760	380	---
Total	974,110	691,314	64,678	54,647

III. Explanations on Currency Risk

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. The Bank does not take material foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 31 December 2023, the Bank's net short position is TL 91.923 (31 December 2022: TL 1.060.156 net short position) resulting from short position on the balance sheet amounting to TL 291.372 (31 December 2022: TL 914.106 long position) and long position on the off-balance amounting to TL 199.449 (31 December 2022: TL 1.974.262 short position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

US Dollar purchase rate as at the balance sheet date

TL 29,4382

Euro purchase rate as at the balance sheet date

TL 32,5739

Date**USD****EURO**

26 December 2023

29,2108

32,1766

27 December 2023

29,2647

32,2421

28 December 2023

29,3374

32,4186

29 December 2023

29,4382

32,5739

31 December 2023

29,4382

32,5739

The US Dollar and EUR buying rates are TL 29,0433 and TL 31,6940 (in full TL amounts) respectively, according to simple arithmetic average on December 2023.

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

III. Explanations on currency risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	1,632,437	8,585,804	1,641,314	11,859,555
Due From Banks	988,216	990,549	761,180	2,739,945
Financial Assets at Fair Value through Profit/Loss (*)	19,042	117,311	--	136,353
Money Market Placements	439,894	1,767,102	--	2,206,996
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	113,922	2,148,385	18,046	2,280,353
Loans and Receivables(**)	7,209,462	2,593,106	--	9,802,568
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	--	--	--	--
Financial Assets Measured at Amortized Cost	2,159,972	4,482,932	--	6,642,904
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	5,557	9,845	74	15,476
Total Assets	12,568,502	20,695,034	2,420,614	35,684,150
Liabilities				
Bank Deposits	4,367	8,634	164,749	177,750
Foreign Currency Deposits	3,538,026	8,386,050	6,359,038	18,283,114
Money Market Borrowings	--	7,610,322	--	7,610,322
Funds Provided from Other Financial Institutions	944,620	1,380,641	--	2,325,261
Securities Issued(****)	--	7,180,853	--	7,180,853
Sundry Creditors	30,435	297,120	1,978	329,533
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	29,044	23,087	16,558	68,689
Total Liabilities	4,546,492	24,886,707	6,542,323	35,975,522
Net Balance Sheet Position	8,022,010	(4,191,673)	(4,121,709)	(291,372)
Net Off-Balance Sheet Position	(8,440,135)	4,530,272	4,109,307	199,449
Financial Derivative Assets (*****)	10,404,673	46,477,910	9,197,953	66,080,536
Financial Derivative Liabilities (*****)	18,844,808	41,947,633	5,088,646	65,881,087
Non-Cash Loans (*****)	299,085	265,229	--	564,314
Prior Period				
Total Assets	11,779,044	18,158,963	585,784	30,523,791
Total Liabilities	2,849,478	22,405,647	4,154,500	29,609,685
Net Balance Sheet Position	8,929,566	(4,446,684)	(3,568,716)	914,106
Net Off-Balance Sheet Position	(9,262,236)	3,979,519	3,308,455	(1,974,262)
Financial Derivative Assets (*****)	5,088,269	30,949,049	7,485,425	43,522,743
Financial Derivative Liabilities (*****)	14,350,505	26,969,530	4,176,970	45,497,005
Non-Cash Loans (*****)	71,445	187,646	--	259,091

(*) Accruals of trading derivative financial assets amounting to TL 69.818 are not included.

(**) Includes foreign currency indexed loans and accruals amounting to TL 38.050.

(***) TL 2,196 of prepaid expenses are not included.

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

(*****) TL 69.007 of accruals of derivative financial liabilities are not included.

(***** In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 5,294,270 (31 December 2022: TL 2,729,192 foreign currency purchase commitment), foreign currency sale commitments within the derivative financial liabilities amounted to TL 3,723,467 (31 December 2022: TL 2,514,435 foreign currency sale commitment).

(***** There is no effect on the net off-balance sheet position.

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2023 and 2022 (excluding tax effect) in case of a 10% decrease of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, are constant.

	Current Period		Prior Period	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	33,860	37,761	(46,717)	(47,597)
Euro	(41,813)	(41,626)	(33,287)	(33,111)
Other FC	(1,240)	(1,185)	(26,032)	(25,980)
Total (Net)	(9,193)	(5,050)	(106,016)	(106,688)

IV. Explanations on interest rate risk

Interest sensitivity of assets, liabilities and off-balance sheet items are evaluated weekly by considering market developments in the Asset-Liability Committee.

Standard method and Asset-Liability risk measurement methods are used to measure the Bank's interest rate risk.

Measurements by the standard method are carried out monthly by using maturity ladder. The Bank applies interest rate shock analysis to interest rate sensitive assets and liabilities considering historic economic crisis. Change in the net present value of the net assets of the Bank are monitored within the limits set by the Board of Directors.

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Current Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	14,477,587	--	--	--	--	4,089,995	18,567,582
Banks	1,831,257	--	--	--	--	1,253,113	3,084,370
Financial Assets at Fair Value Through Profit or Loss(*)	3,635,457	366,168	189,986	10,998	--	19,042	4,221,651
Interbank Money Market Placements	2,796,486	--	--	--	--	--	2,796,486
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,988,823	1,105,231	1,770,962	1,507,992	779,817	4,897	9,157,722
Loans(**)	11,266,959	11,533,990	21,243,691	5,068,140	2,693,797	(406,921)	51,399,656
Financial Assets Measured at Amortized Cost	413,097	594,571	2,725,019	5,432,939	141,815	--	9,307,441
Other Assets(***)	--	--	--	--	--	5,021,511	5,021,511
Total Assets	38,411,666	13,599,960	25,929,658	12,020,069	3,615,429	9,981,637	103,558,419
Liabilities							
Bank Deposits	645,218	1,185,430	--	--	--	178,108	2,008,756
Other Deposits	42,570,513	10,960,141	357,123	325,897	--	12,222,216	66,435,890
Interbank Money Market Received	2,606,685	5,003,637	--	--	--	--	7,610,322
Sundry Creditors(****)	--	--	--	--	--	2,002,040	2,002,040
Marketable Securities Issued(****)	--	--	--	7,180,853	--	--	7,180,853
Funds Borrowed From Other Institutions	42,194	333,219	1,949,848	--	--	--	2,325,261
Other Liabilities(*****)	478,678	290,498	246,138	210,154	34,335	14,735,494	15,995,297
Total Liabilities	46,343,288	17,772,925	2,553,109	7,716,904	34,335	29,137,858	103,558,419
Balance Sheet Long Position	--	--	23,376,549	4,303,165	3,581,094	--	31,260,808
Balance Sheet Short Position	(7,931,622)	(4,172,965)	--	--	--	(19,156,221)	(31,260,808)
Off-Balance Sheet Long Position	236	2,389	--	--	--	99,637,761	99,640,386
Off-Balance Sheet Short Position	(146,053)	(105,192)	(140,397)	--	--	(98,707,908)	(99,093,550)
Total Position	(8,077,439)	(4,275,768)	23,236,152	4,303,165	3,581,094	(18,220,368)	546,836

(*) Includes derivative financial assets.

(**) Non-performing loans of TL 747.737 and related expected credit losses of TL 539.890, expected credit losses for stage 1 of TL 210.409 and for stage 2 of TL 404.359 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 321.297).

(***) Non-interest bearing column includes TL 1,003,788 investments in subsidiaries, TL 863,932 tangible assets, TL 787,722 intangible assets, TL 993,138 current and deferred tax asset, TL 10,380 assets held for sale, TL 1,368,028 other assets and TL 5,447 of expected credit losses on financial assets.

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

(*****) Non-interest bearing column includes TL 10,425,923 shareholders' equity, TL 3,423,393 other liabilities, TL 1,976,015 provisions and TL 912,203 tax liabilities.

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IV. Explanations on interest rate risk (continued)

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	11.821.749	--	--	--	--	3.195.778	15.017.527
Banks	1.550.498	--	--	--	--	930.613	2.481.111
Financial Assets at Fair Value Through Profit or Loss(*)	822.123	290.107	308.457	5.786	--	12.684	1.439.157
Interbank Money Market Placements	1.636.551	--	--	--	--	--	1.636.551
Financial Assets Measured at Fair Value through Other Comprehensive Income Loans(**)	841.879	1.347.279	964.171	1.855.611	127.073	4.897	5.140.910
Financial Assets Measured at Amortized Cost	36.238.099	1.749.353	1.052.590	13.761	--	(624.845)	38.428.958
Other Assets(***)	48.530	935.170	764.309	5.257.392	60.573	--	7.065.974
Total Assets	52.959.429	4.321.909	3.089.527	7.132.550	187.646	6.311.429	74.002.490
Liabilities							
Bank Deposits	1.238.850	6.073.119	--	--	--	660.705	7.972.674
Other Deposits	22.616.282	7.894.866	172.805	201.596	--	8.000.612	38.886.161
Interbank Money Market Received	1.349.852	2.120.013	--	--	--	--	3.469.865
Sundry Creditors(****)	--	--	--	--	--	1.415.160	1.415.160
Marketable Securities Issued(****)	8.146.786	1.208.037	--	--	--	--	9.354.823
Funds Borrowed From Other Institutions	--	--	2.703.669	475.543	--	--	3.179.212
Other Liabilities(****)	259.668	117.447	240.762	84.583	1.007	9.021.128	9.724.595
Total Liabilities	33.611.438	17.413.482	3.117.236	761.722	1.007	19.097.605	74.002.490
Balance Sheet Long Position	19.347.991	--	--	6.370.828	186.639	--	25.905.458
Balance Sheet Short Position	--	(13.091.573)	(27.709)	--	--	(12.786.176)	(25.905.458)
Off-Balance Sheet Long Position	60.001	300.001	492.356	21.215	--	63.202.787	64.076.360
Off-Balance Sheet Short Position	(60.000)	(300.000)	(492.357)	(21.215)	--	(62.626.564)	(63.500.136)
Total Position	19.347.992	(13.091.572)	(27.710)	6.370.828	186.639	(12.209.953)	576.224

(*) Includes derivative financial assets.

(**) Non-performing loans of TL 665.426 and related expected credit losses of TL 498.895, expected credit losses for stage 1 of TL 340.842 and for stage 2 of TL 450.534 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 186.790).

(***) Non-interest bearing column includes TL 967.008 investments in subsidiaries, TL 692.330 tangible assets, TL 243.640 intangible assets, TL 384.360 current and deferred tax assets, TL 24.609 assets held for sale, TL 483.538 other assets and TL 3.183 of expected credit losses on financial assets.

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

(*****) Non-interest bearing column includes TL 6.516.738 shareholders' equity, TL 1.903.848 other liabilities, TL 1.621.365 provisions and TL 394.337 tax liabilities.

IV. Explanations on interest rate risk (continued)

Average interest rates applied to financial instruments

Current Period	EUR %	USD %	TL %
Assets			
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--
Banks	4,00	5,62	42,50
Financial Assets at Fair Value Through Profit/ Loss	--	3,36	10,80
Interbank Money Market Placements	4,00	5,50	43,05
Financial Assets Measured at Fair Value through Other Comprehensive Income	5,72	7,90	34,25
Loans	7,88	8,91	42,77
Financial Assets Measured at Amortized Cost	4,91	5,50	22,10
Liabilities			
Bank Deposits	--	--	27,49
Other Deposits	1,38	1,10	41,04
Interbank Money Market Received	--	5,62	--
Sundry Creditors	--	--	--
Marketable Securities Issued(*)	--	9,80	--
Funds Borrowed from Other Financial Institutions	7,28	6,07	--

(*) Includes subordinated debts, which are classified under "Subordinated Debts Other Debt Instruments" in Balance Sheet, as well.

Prior Period	EUR %	USD %	TL %
Assets			
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--
Banks	2,06	4,45	10,25
Financial Assets at Fair Value Through Profit/ Loss	--	4,40	16,31
Interbank Money Market Placements	1,95	4,55	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	7,10	7,16	17,95
Loans	6,64	8,30	19,25
Financial Assets Measured at Amortized Cost	4,89	5,74	17,84
Liabilities			
Bank Deposits	--	4,40	5,77
Other Deposits	0,67	1,23	18,28
Interbank Money Market Received	--	4,90	11,28
Sundry Creditors	--	--	--
Marketable Securities Issued(*)	--	8,10	23,15
Funds Borrowed from Other Financial Institutions	4,14	5,84	--

(*) Includes subordinated debts, which are classified under "Subordinated Debts - Other Debt Instruments" in Balance Sheet, as well.

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IV. Explanations on interest rate risk (continued)

Interest rate on banking book

As per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published by the BRSA on 23 August 2011, the Bank analyses and reports to the Bank's senior management the interest rate sensitivity of equity on a monthly basis by applying positive and negative shocks to the interest sensitive on balance sheet and off-balance sheet positions which are distributed into groups based on their cash flows.

Interest rate sensitivity of equity as of 31 December 2023:

Current Period	Shocked Applied (+/- in TL)	Gain/ Losses	Gain/ Losses to Equity
TRY	500	(493.001)	-1.74%
TRY	-400	427.740	-1.54%
USD Dollar	200	167.149	3.71%
USD Dollar	-200	(166.721)	-3.93%
Euro	200	409.509	9.19%
Euro	-200	(411.509)	-10.79%
Total (for Positive Shocks)		449.627	3.41%
Total (for Negative Shocks)		(449.627)	(3.41%)

(*) As of 31 December 2023, the current bank foreign exchange trading rate for 31 December 2023 was used.

Prior Period	Shocked Applied (+/- in TL)	Gain/ Losses	Gain/ Losses to Equity
TRY	500	(400.100)	-4.38%
TRY	-400	347.111	-3.89%
USD Dollar	200	244.824	2.86%
USD Dollar	-200	(275.438)	-3.07%
Euro	200	(211.176)	-2.91%
Euro	-200	237.949	2.49%
Total (for Positive Shocks)		(268.834)	(4.01%)
Total (for Negative Shocks)		209.184	2.18%

(*) As of 31 December 2022, the current bank foreign exchange trading rate for 31 December 2022 was used.

V. Explanations on position risk of equity securities resulted from banking book

Equity Investments	Category		
	Balance Sheet Value	Fair Value	Market Value
1. Equity Investment Group A	-	-	-
Listed on the stock exchange	-	-	-
1. Equity Investment Group B	-	-	-
Listed on the stock exchange	-	-	-
1. Equity Investment Group C	-	-	-
Listed on the stock exchange	-	-	-
1. Equity Investment Group (Other*)	15,510	-	-

(*) As of 31 December 2023, the current bank foreign exchange trading rate for 31 December 2023 was used.

VI. Explanations on liquidity risk and liquidity coverage ratio

The Board of Directors reviews the liquidity and funding risk management policy weekly or in case of necessity. Liquidity risk is managed by Asset and Liability Committee (ALCO) in line with risk management policy as short and long term liquidity risk.

Liquidity Risk is managed by ALCO in order to take the necessary actions in a timely and correct manner against possible liquidity shortages. Treasury department manages cash inflows and outflows in line with strategies determined by ALCO. As deemed necessary by the ALCO members, liquidity meetings are performed for the purposes of close monitoring. Treasury department manages short term liquidity by adhering to the ALCO strategy and ensuring compliance with legal liquidity limits and stress testing.

In the context of TL and foreign currencies liquidity management, the Bank monitors the cash flows weekly and action plan is made based on ALCO decisions. The funding balance is directly monitored and compensated by making the risk-return-cost evaluation.

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

For long-term liquidity "Maturity Mismatch Report" is prepared and presented to ALCO on a weekly basis. The Bank, resulting from the general structure of Turkish banking sector, has a liquidity gap at the 10 Months maturity period. The Bank intends to eliminate liquidity mismatch shifting focus to long-term funding alternatives. Such decisions of the risk of incompatibility are taken by ALCO. The Bank diversifies its funding sources among customer deposits, domestic and foreign borrowings, bills and bonds issued, taking into consideration the maturity match between its assets and liabilities and keeps liquid assets in order to fully meet the liquidity requirements that may emerge in case of market volatility.

Information on the use of stress testing:

Department of Risk Management implements stress testing according to Liquidity and Funding Risk Policy approved by the Board of Directors on a weekly basis. These stress tests are based on the scenarios of the deposit outflows, funds obtained from bonds issued will outflows and banks limits will not be used during a 14-day period, the results are included in the presentation of ALCO on a weekly basis and in the Presentation of Risk Committee on a monthly basis. In this way, the Bank's funding structure is closely monitored and actions are taken on behalf of existing risk management.

Alternative funding sources are identified in case of need. ALCO members are responsible for taking actions against short-term liquidity shocks. In the case of a crisis or if deemed necessary, ALCO summon a meeting and take necessary actions immediately. These action plans are approved by the Board of Directors under the ICAAP. The Bank reviews resources that are available in any emergency situation constantly and takes into consideration the results of the above-mentioned stress testing and scenario analysis by the early warning system.

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 28948, dated 21 March 2014; liquidity ratio is required to be 80% for foreign currency assets/liabilities and 100% for total assets/liabilities in the calculation of The Banks' weekly and monthly reporting effective from 1 January 2019.

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

Current Period	Total Unweighted Value (*)		Total Weighted Value (*)	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)			21,472,790	14,920,643
CASH OUTFLOWS				
2 Deposits from natural persons and retail deposits	51,868,666	16,131,276	4,708,032	1,597,344
3 Stable deposits	8,671,679	..	429,381	..
4 Less stable deposits	43,196,987	16,131,276	4,278,651	1,597,344
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	16,381,446	6,218,678	11,797,913	4,652,087
6 Operational deposits	..	..	..	..
7 Non-Operational deposits	7,457,760	2,530,431	2,952,199	1,004,116
8 Other unsecured funding	8,923,686	3,688,247	8,845,714	3,647,971
9 Secured funding	..	..	115,714	..
10 Other cash outflows	7,465,610	1,148,676	1,311,233	836,769
11 Outflows related to derivative exposures and other collateral requirements	838,826	807,267	831,431	799,926
12 Outflows related to restructured financial instruments	..	..	..	..
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	6,626,784	341,409	479,802	36,843
14 Other revocable off-balance sheet commitments and other contractual obligations	..	..	..	..
15 Other irrevocable or conditionally revocable off-balance sheet obligations	57,890	8	57,384	8
16 TOTAL CASH OUTFLOWS			17,990,275	7,201,922
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	11,451,510	3,546,359	8,364,691	3,032,247
19 Other cash inflows	729,847	458,346	729,847	458,346
20 TOTAL CASH INFLOWS	12,013,751	3,891,813	9,094,538	3,490,593
21 TOTAL HQLA			21,472,790	14,920,643
22 TOTAL NET CASH OUTFLOWS			8,895,737	3,711,329
23 LIQUIDITY COVERAGE RATIO (%)			241,38	402,03

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

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

Prior Period	Total Unweighted Value (*)		Total Weighted Value (*)	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)			11,799,883	8,797,945
CASH OUTFLOWS				
2 Deposits from natural persons and retail deposits	30,682,995	13,187,102	2,850,120	1,318,710
3 Stable deposits	4,363,585	-	218,179	-
4 Less stable deposits	26,319,410	13,187,102	2,631,941	1,318,710
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	10,607,742	4,966,791	7,369,509	3,382,245
6 Operational deposits	..	..	..	..
7 Non-Operational deposits	5,396,773	2,554,019	2,158,709	1,021,608
8 Other unsecured funding	5,210,969	2,412,772	5,210,800	2,360,637
9 Secured funding	..	..	186,027	186,027
10 Other cash outflows	5,042,588	781,044	832,231	552,035
11 Outflows related to derivative exposures and other collateral requirements	529,252	503,987	529,252	503,987
12 Outflows related to restructured financial instruments	..	..	..	..
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	4,513,336	277,057	302,979	48,048
14 Other revocable off-balance sheet commitments and other contractual obligations	..	..	..	..
15 Other irrevocable or conditionally revocable off-balance sheet obligations	32,110	22	32,110	22
16 TOTAL CASH OUTFLOWS			11,269,997	5,439,038
CASH INFLOWS				
17 Secured receivables	12,113	12,113	11,181	11,181
18 Unsecured receivables	7,356,385	3,705,063	5,512,341	3,528,164
19 Other cash inflows	451,469	314,129	440,640	301,324
20 TOTAL CASH INFLOWS	7,819,967	4,031,304	5,964,162	3,840,670
21 TOTAL HQLA			11,799,883	8,797,945
22 TOTAL NET CASH OUTFLOWS			5,083,587	1,935,691
23 LIQUIDITY COVERAGE RATIO (%)			232,12	454,51

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

The table below shows the lowest, highest and average Liquidity Coverage Ratio for 12 months of 1 January- 31 December 2023 period.

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	393,33%	26/10/2023	165,75%	08/11/2023	250,80%
FC	1097,44%	01/10/2023	202,74%	08/12/2023	442,17%
Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	592,62%	19/12/2022	132,83%	01/10/2022	244,51%
FC	1410,89%	20/12/2022	147,72%	03/10/2022	513,92%

The Bank implements the calculation in accordance with the Regulation of Liquidity Coverage Ratio Calculation of Banks dated 21 March 2014 and numbered 28948 published in the Official Gazette. As per the related regulation high quality liquid assets are mainly securities portfolio, cash assets and reserve requirements. The important factors affecting the results of the liquidity coverage ratio are the changes in the remaining maturities of the items and changes in the amounts of deposits and money market transactions, the remaining maturities of which are less than 30 days. Deposits form a significant portion of the Bank's sources of funds, on the other hand bonds issued, money market borrowings, funds provided from abroad are other important sources of funding.

The Bank calculates cash outflows and transactions that are complete collateral arising from derivative transactions, taking into account the 24-month averages in accordance, with The Bank implements with the Regulation of Liquidity Coverage Ratio Calculation of Banks published in the Official Gazette dated 21 March 2014 and numbered 28948.

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

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

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated**	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	11,287,632	7,279,950	--	--	--	--	--	18,567,582
Banks	1,253,113	1,831,257	--	--	--	--	--	3,084,370
Financial Assets at Fair Value Through Profit or Loss(*)	19,042	3,635,444	366,168	189,985	10,998	14	--	4,221,651
Interbank Money Market Placements	--	2,798,486	--	--	--	--	--	2,798,486
Financial Assets Measured at Fair Value Through Other Comprehensive Income	4,897	1,268,847	496,771	725,493	4,702,518	1,959,196	--	9,157,722
Loans (**)	--	12,142,908	16,184,686	17,701,229	4,152,526	1,625,229	(406,922)	51,399,656
Financial Assets Measured at Amortized Cost	--	65,830	477,428	2,725,019	5,780,206	258,958	--	9,307,441
Other Assets(***)	--	--	--	--	--	--	5,021,511	5,021,511
Total Assets	12,564,684	29,022,722	17,525,053	21,341,726	14,646,248	3,843,397	4,614,589	103,558,419
Liabilities								
Bank Deposits	178,108	645,218	1,185,430	--	--	--	--	2,008,756
Other Deposits	12,222,216	42,570,513	10,960,141	357,123	325,897	--	--	66,435,890
Funds Borrowed from Other Financial Institutions	--	42,196	332,884	1,950,181	--	--	--	2,325,261
Interbank Money Market Received	--	2,606,685	5,003,637	--	--	--	--	7,610,322
Marketable Securities Issued****)	--	--	--	--	7,180,853	--	--	7,180,853
Sundry Creditors	--	2,002,040	--	--	--	--	--	2,002,040
Other Liabilities****)	--	1,118,972	905,247	331,696	219,759	34,338	13,385,285	15,995,297
Total Liabilities	12,400,324	48,985,624	18,387,339	2,639,000	7,726,509	34,338	13,385,285	103,558,419
Net Liquidity Surplus / (Gap)	164,360	(19,962,902)	(862,286)	18,702,726	6,919,739	3,809,059	(8,770,696)	--
Net Off-Balance Sheet Position								
Derivative Financial Assets	--	(165,476)	269,688	584,274	268	--	--	688,754
Derivative Financial Liabilities	--	60,951,305	21,025,346	9,848,276	1,862,591	--	--	93,687,518
Non-Cash Loans	--	61,116,781	20,755,658	9,264,002	1,862,323	--	--	92,988,754
Total	--	81,961	107,845	234,760	221,556	417,842	--	1,063,964
Prior Period								
Total Assets	5,759,626	24,224,933	12,575,057	14,544,834	11,242,408	3,488,175	2,167,457	74,002,490
Total Liabilities	8,661,335	30,645,610	17,788,974	3,620,722	4,739,694	1,873	8,544,282	74,002,490
Net Liquidity Gap	(2,901,709)	(6,420,677)	(5,213,917)	10,924,112	6,502,714	3,486,302	(6,376,825)	--
Net Off-Balance Sheet Position								
Derivative Financial Assets	--	706,247	140,225	189,334	2,675	--	--	1,038,481
Derivative Financial Liabilities	--	31,240,402	23,407,184	5,026,055	790,651	--	--	61,472,692
Non-Cash Loans	--	31,536,155	23,266,959	4,835,721	795,376	--	--	60,424,211
Total	--	52,100	89,701	208,585	58,351	337,224	--	745,961

(*) Includes derivatives financial assets.

(**) Non-performing loans net-off related expected credit losses and expected credit losses for stage 1 and stage 2 loans are presented in "unallocated" column.

(***) Certain assets on the balance sheet that are necessary for The Banking operations but not convertible into cash in the short term such as tangible assets, stationary supplies and prepaid expenses are included in this column.

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

*****) Shareholders' equity and provisions are classified in other liabilities in unallocated column.

Contractual maturity analysis of liabilities according to remaining maturities

Current Period	Gross Nominal							
	Carrying Value	Outflows	Demands	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years and Over
Bank Deposits	2,708,756	2,548,373	118,196	847,761	5,217,547	--	--	--
Other Deposits	66,435,890	62,309,133	12,222,216	42,196,141	11,319,223	402,974	402,428	--
Money Market Funds	7,610,322	7,610,322	--	7,610,322	--	--	--	--
Marketable Securities Issued	--	--	--	--	--	--	--	--
Funds Borrowed	2,325,261	2,316,536	--	41,261	348,849	2,316,484	--	--
Subordinated Debt	7,180,853	6,893,319	--	342,741	342,741	342,741	6,107,793	--
Total	85,561,082	81,248,404	12,400,324	48,175,969	18,291,733	2,759,764	9,570,451	--

Prior Period	Gross Nominal							
	Carrying Value	Outflows	Demands	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years and Over
Bank Deposits	2,008,756	2,171,591	666,729	4,339,662	6,113,604	--	--	--
Other Deposits	18,895,181	19,190,037	8,006,412	22,499,133	8,877,297	184,567	228,628	--
Money Market Funds	3,404,865	3,464,311	--	3,750,440	3,157,343	--	--	--
Marketable Securities Issued	4,815,878	4,946,310	--	3,718,290	3,236,209	--	--	--
Funds Borrowed	3,378,312	3,481,908	--	59,514	342,388	3,424,388	--	--
Subordinated Debt	4,743,945	4,421,321	--	445,138	217,703	217,703	6,216,482	--
Total	62,842,738	63,761,490	8,661,335	20,059,548	17,729,842	3,834,348	6,447,310	--

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

The contractual maturity analysis of the Bank's derivative instruments is as follows;

Current Period	Total	Up to 1 Month	Up to 3 Months	3-12 Months	1-5 Year	5 Year and over
Forward Transaction	36,228,320	17,549,587	11,293,711	6,740,139	644,883	--
Swap Transactions	47,290,135	36,341,497	8,276,476	2,596,729	75,433	--
Options	9,171,822	6,913,196	1,353,736	375,830	529,060	--
Futures Transaction	384,026	147,025	101,423	135,578	--	--
Other (**)	613,215	--	--	--	613,215	--
Total	93,687,518	60,951,305	21,025,346	9,848,276	1,862,591	--

(**) The other line includes commodity options and swaps in the amount of TL 613,215.

Prior Period	Total	Up to 1 Month	Up to 3 Months	3-12 Months	1-5 Year	5 Year and over
Forward Transaction	17,805,286	10,285,401	3,926,362	2,815,967	777,556	--
Swap Transactions	36,752,630	19,204,366	15,594,640	1,933,129	20,495	--
Options	6,319,793	2,408,990	3,763,850	146,953	--	--
Futures Transaction	72,471	42,092	23,981	6,398	--	--
Other (**)	522,512	301,553	98,351	122,608	--	--
Total	61,472,692	32,242,402	23,407,184	5,025,055	798,051	--

(**) The other line includes commodity options and swaps in the amount of TL 522,512.

VII. Explanations on Leverage Ratio

The table of leverage level calculated in accordance with the Regulation on Assessment and Calculation of Banks' Leverage Level published in the Official Gazette numbered 28812 and dated 5 November 2013 shown below.

As of 31 December 2023, Bank's unconsolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 7,70%. Minimum leverage ratio has to be 3% according to the regulation.

Balance sheet assets	Current Period(*)	Prior Period(*)
1 Balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	90,634,982	60,785,901
2 (Assets deducted in determining Tier 1 capital)	(2,101,158)	(1,023,336)
3 Total balance sheet risks (sum of lines 1 and 2)	88,533,824	59,762,565
Derivative financial instruments and credit derivatives		
4 Replacement cost associated with all derivative financial instruments and credit derivatives	1,128,218	817,230
5 Potential credit risk associated with all derivative financial instruments and credit derivatives	738,907	494,159
6 Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	1,867,125	1,311,389
Securities or commodity financing transactions (SCFT)		
7 Risks from SCFT assets (except for on-balance sheet)	3,028,080	1,475,280
8 Risks from brokerage activities related exposures	--	--
9 Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	3,028,080	1,475,280
Off-balance sheet transactions		
10 Gross notional amounts of off-balance sheet transactions	15,016,195	9,446,707
11 (Adjustments for conversion to credit equivalent amounts)	--	--
12 Total risks of off-balance sheet items (sum of lines 10 and 11)	15,016,195	9,446,707
Capital and total risks		
13 Tier 1 capital	8,346,484	5,417,474
14 Total risks (sum of lines 3, 6, 9 and 12)	108,445,224	71,995,941
Leverage ratio		
15 Leverage ratio	7,70	7,55

(*) Represents three-month average amounts.

(**) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

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Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

VIII. Explanation on presentation of assets and liabilities at their fair values

Valuation methods of the financial instruments valued with their fair value are shown below.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Current Period				
Financial assets	44,591,778	45,613,963	44,114,805	49,933,259
Money market placements	2,786,496	1,634,591	2,786,484	1,634,591
Due from banks	3,084,379	2,481,911	3,084,379	2,481,911
Financial assets measured at amortized cost	9,309,266	7,067,342	9,077,897	7,288,338
Loans	57,399,656	38,428,958	51,164,052	38,527,201
Financial liabilities	79,952,800	60,808,030	79,952,800	60,808,030
Interbank deposits	2,908,756	2,572,474	2,908,756	2,572,474
Other deposits	66,435,850	38,886,561	66,435,850	38,886,561
Funds provided from other financial institutions	2,325,281	3,179,212	2,325,281	3,179,212
Rehabilitative securities issued (*)	7,180,813	9,254,823	7,180,813	9,254,823
Rehabilitative securities (*)	2,302,549	1,415,160	2,302,549	1,415,160

(*) Securities issued as subordinated debt that classified under "Subordinated debt- Other debt instruments" in the balance sheet are also included. The fair values of Financial Assets Measured at Amortized Cost are determined based on market prices or, in cases where this price cannot be determined, the market prices of similar securities traded in the same qualified markets in terms of interest, maturity and other similar conditions. Fair values of loans are calculated by discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed as approximation for their fair values. Fair values of other financial assets and liabilities represent the total acquisition costs and accrued interest.

	1st Level TL		2nd Level TL		3rd Level TL	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current Period						
Financial Assets						
Financial Assets Measured at Fair Value through Profit and Loss	3,314,602	324,490	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	8,721,314	3,146,930	434,228	--	--	--
Derivative Financial Assets	--	--	104,948	454,301	--	--
Loans Measured at Fair Value through Profit and Loss	--	--	--	207,951	--	--
Total	12,035,916	3,471,420	1,343,276	662,252	--	--
Financial Liabilities						
Derivative Financial Liabilities	--	--	881,800	1,217,460	--	--
Total	--	--	881,800	1,619,712	--	--

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

IX. Explanation on transactions carried out on behalf of customers and fiduciary activities

None.

X. Explanations on risk management objectives and policies

1. Securitization positions in banking accounts

Current Period	Funded by the bank			Secured by the bank			Funded by the bank		
	Commercial	Residential	Total	Commercial	Residential	Total	Commercial	Residential	Total
1 Retail (Retail)	188,271	--	188,271	--	--	--	138,271	--	138,271
2 Residential mortgage	--	--	--	--	--	--	--	--	--
3 Credit card	--	--	--	--	--	--	--	--	--
4 Other retail receivables	188,271	--	188,271	--	--	--	138,271	--	138,271
5 Re-securitization	--	--	--	--	--	--	--	--	--
6 Corporate (Retail)	--	--	--	--	--	--	--	--	--
7 Corporate loans	46,634	--	46,634	--	--	--	23,759	--	23,759
8 Commercial mortgage	46,634	--	46,634	--	--	--	23,759	--	23,759
9 Loans and receivables (other than)	--	--	--	--	--	--	--	--	--
10 Other corporate	--	--	--	--	--	--	--	--	--
11 Re-securitization	--	--	--	--	--	--	--	--	--

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

Prior Period	Funded by the bank			Secured by the bank			Funded by the bank		
	Commercial	Residential	Total	Commercial	Residential	Total	Commercial	Residential	Total
1 Retail (Retail)	--	--	--	--	--	--	171,714	--	171,714
2 Residential mortgage	--	--	--	--	--	--	--	--	--
3 Credit card	--	--	--	--	--	--	--	--	--
4 Other retail receivables	--	--	--	--	--	--	171,714	--	171,714
5 Re-securitization	--	--	--	--	--	--	--	--	--
6 Corporate (Retail)	--	--	--	--	--	--	--	--	--
7 Corporate loans	--	--	--	--	--	--	--	--	--
8 Commercial mortgage	--	--	--	--	--	--	--	--	--
9 Loans and receivables (other than)	--	--	--	--	--	--	--	--	--
10 Other corporate	--	--	--	--	--	--	--	--	--
11 Re-securitization	--	--	--	--	--	--	--	--	--

(*) Exchange rate of 1 December 2023 same used in the reporting as of 31 December 2023.

2. Securitization positions in banking accounts and their associated capital requirements - invested by the bank

Current Period	Position Amounts (based on RW intervals)				
	<=20 RW	>=20 with <=50 RW	>=50 with <=100 RW	>=100 with <=1250 RW	>=1250 RW
1 TOTAL RECEIVABLES	476,297	--	--	--	--
2 Traditional Securitization	476,297	--	--	--	--
3 Securitization	476,297	--	--	--	--
4 Retail	378,271	--	--	--	--
5 Corporate	98,026	--	--	--	--
6 Re-securitization	--	--	--	--	--
7 Senior	--	--	--	--	--
8 Non-senior	--	--	--	--	--
9 Synthetic Securitization	--	--	--	--	--
10 Securitization	--	--	--	--	--
11 Retail	--	--	--	--	--
12 Corporate	--	--	--	--	--
13 Re-securitization	--	--	--	--	--
14 Senior	--	--	--	--	--
15 Non-senior	--	--	--	--	--

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

Prior Period	Position Amounts (based on RW intervals)				
	<=20 RW	>=20 with <=50 RW	>=50 with <=100 RW	>=100 with <=1250 RW	>=1250 RW
1 TOTAL RECEIVABLES	171,714	--	--	--	--
2 Traditional Securitization	171,714	--	--	--	--
3 Securitization	171,714	--	--	--	--
4 Retail	171,714	--	--	--	--
5 Corporate	--	--	--	--	--
6 Re-securitization	--	--	--	--	--
7 Senior	171,714	--	--	--	--
8 Non-senior	--	--	--	--	--
9 Synthetic Securitization	--	--	--	--	--
10 Securitization	--	--	--	--	--
11 Retail	--	--	--	--	--
12 Corporate	--	--	--	--	--
13 Re-securitization	--	--	--	--	--
14 Senior	--	--	--	--	--
15 Non-senior	--	--	--	--	--

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

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Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

The Bank's risk management approach:

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation techniques; but only financial collaterals consisting of cash blockages are used.

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, the Asset-Liability Committee and the Risk Management Department which have been composed in order to manage systemic risks that the Bank is exposed to. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows, the level and the quality of related activities.

As part of the Risk Management System, the Asset and Liability Committee presentation is prepared on a weekly basis and the Risk Committee and the Board of Directors presentations are prepared on a monthly basis. The presentations mainly consist of the Bank's financial statements, profit and loss analysis, credit risk, market risk, liquidity risk, concentration risk, interest rate risk due to banking book, and operational risk as well as the risk that the Bank is currently exposed to or possible risks.

The Board of Directors of the Bank delegated the authorization related to the hedge accounting to the Asset and Liability Committee with the condition of providing regular information. At the same time the Bank has organized credit policies and risk mitigation policies due to credit risk. All processes of the Bank are controlled by the Bank's Internal Control Department's control matrices regularly and are subject to supervision by the Internal Audit Department at the same time.

The Bank uses credit rating models and/or decision trees and rating systems using financial and non-financial data for loan customers as a risk measurement system. Market risk measures are calculated within the scope of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks and using only internal model and market data for intra-bank use. In addition to these, risks are measured and reported with regular stress tests. Three stress tests (base, negative, extremely negative) are performed on a yearly basis, stress tests are performed on a monthly basis for market risk and counter party credit risk, stress tests are performed on a weekly basis for interest rate risk and liquidity risk by Risk Management Department of Bank and then they are shared with senior management in the ALCO and the Risk Committee meetings.

Periodic reports about liquidity risk, interest risk, securities portfolio, credit risk, customer concentration, sectorial concentration, collateral structure and capital adequacy are reported to the Board of Directors and senior management.

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

Notes and explanations in this section have been prepared in accordance with the "Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks" that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. As the Bank uses the standard approach for the calculation of capital adequacy, the following tables those have to be disclosed in accordance with the Communiqué on an annual basis were not presented by the Bank as of 31 December 2023:

- RWA flow statements of credit risk exposures under IRB (Internal Ratings Based)
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an Internal Model Approach (IMA)
- Qualitative disclosures related to IRB models
- IRB - Credit risk exposures by portfolio and PD range
- IRB - Effect on RWA of credit derivatives used as CRM techniques
- IRB - Backtesting of probability of default (PD) per portfolio
- IRB (specialised lending and equities under the simple risk weight method)
- CCR exposures by portfolio and PD scale
- Quantitative disclosures related to IRB models
- Internal model approach for trade account

a. Overview of Risk Weighted Amounts

	Risk Weighted Amounts		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	55.032.106	38.826.851	4.406.568
2 Of which standardised approach (SA)	55.032.106	38.826.851	4.406.568
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	5.979.333	3.470.184	478.347
5 Of which standardised approach for counterparty credit risk (SA-CCR)	5.979.333	3.470.184	478.347
6 Of which internal model method (IMM)	-	-	-
7 Equity position in banking book under basic risk weighting or internal rating-based	-	-	-
8 Equity investments in funds - look-through approach	4.542.842	1.095.794	163.427
9 Equity investments in funds - mandate-based approach	-	-	-
10 Equity investments in funds - 1250% risk weighting approach	-	-	-
11 Settlement risk	-	2.088	-
12 Securitisation exposures in banking book	128.273	34.343	10.262
13 Of which IRB ratings-based approach (IRBA)	-	-	-
14 Of which IRB supervisory formula approach (SFA)	-	-	-
15 Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	3.611.013	918.125	288.881
17 Of which standardised approach (SA)	3.611.013	918.125	288.881
18 Of which internal model approaches (IMM)	-	-	-
19 Operational risk	6.259.460	2.725.578	500.757
20 Of which basic indicator approach	6.259.460	2.725.578	500.757
21 Of which standardised approach	-	-	-
22 Of which advanced measurement approach	-	-	-
23 Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+21+24)	75.603.027	47.072.963	6.048.242

(*) Exchange rates as of 31 December 2023 were used in the reporting of 31 December 2023.

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- X. Explanations on risk management objectives and policies (continued)
- b) Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

	Carrying values of items in accordance with Turkish Accounting Standards				not subject to requirements or subject to deductions from capital
	Carrying values in financial statements prepared as per TMS	Subject to credit risk	Subject to counterparty credit risk ^(*)	Securitization exposures	
Current Period					
Assets					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	18.567.582	18.567.582	---	---	---
Banks	3.084.370	3.084.369	---	---	---
Money Markets Placements ^(*)	2.798.489	2.798.489	---	---	---
Financial Assets Measured at Fair Value Through Profit or Loss	3.214.653	---	---	---	---
Financial Assets Measured at Fair Value Through Other Comprehensive Income	9.157.722	9.157.722	2.236.219	---	---
Financial Assets Measured at Amortized Cost	9.306.266	9.306.266	5.508.005	---	---
Derivative Financial Assets	996.998	---	896.514	---	---
Expected Credit Losses (ECL)	(7.302)	(7.302)	---	---	---
Loans (net)	51.395.656	51.399.656	---	---	---
Assets Held for Sale and Assets of Discontinued Operations ^(**)	10.380	10.380	---	---	---
Investment in Associates (net)	856.588	856.588	---	---	---
Investment in Subsidiaries (net)	147.200	147.200	---	---	---
Joint Ventures (net)	---	---	---	---	---
Tangible Assets (net)	863.932	863.932	---	---	---
Intangible Assets (net)	787.722	---	---	---	787.722
Investment Property (net)	---	---	---	---	---
Tax Asset	993.139	993.139	---	---	---
Other Assets	1.368.029	1.368.029	---	---	---
Total Assets	103.556.419	98.549.044	8.400.758	806.998	787.722
Liabilities					
Deposits	68.444.646	---	---	---	68.444.646
Funds Borrowed	2.325.281	---	---	---	2.325.281
Money Market Funds	7.610.322	---	4.075.014	---	3.535.308
Securities Issued	---	---	---	---	---
Fiads	---	---	---	---	---
Financial Assets at Fair Value Through Profit or Loss	---	---	---	---	---
Derivative Financial Liabilities	886.851	---	---	886.851	886.851
Factoring Payables	---	---	---	---	---
Lease Payables	372.952	---	---	---	372.952
Provisions	1.876.055	---	---	---	---
Tax Liability	912.203	---	---	---	912.203
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	---	---	---	---	---
Subordinated Debts	7.180.853	---	---	---	---
Other Liabilities	3.423.393	---	---	---	3.423.393
Shareholders' Equity	10.425.921	---	---	---	10.425.921
Total Liabilities	103.556.419	---	4.075.014	4.422.159	94.401.549

(*) Unconsolidated Financial Statements of the Bank

(**) Disclosed based on gross amounts of the securities

(***) Disclosed based on gross amounts (subject to general market risk and specific risk)

- X. Explanations on risk management objectives and policies (continued)
- b) Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation (continued)

	Carrying values of items in accordance with Turkish accounting standards					Not subject to requirements or subject to deduction from capital
	Carrying values in financial statements prepared as per TMS	Subject to credit risk	Subject to counterparty credit risk ^(*)	Securitization exposures	Subject to market risk ^(**)	
Prior Period						
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	15.017.527	15.017.527	---	---	---	---
Banks	2.491.711	2.491.711	---	---	---	---
Money Markets Placements ^(*)	1.626.551	1.626.551	---	---	---	---
Financial Assets Measured at Fair Value Through Profit or Loss	325.496	---	---	---	---	---
Financial Assets Measured at Fair Value Through Other Comprehensive Income	5.180.910	5.180.910	1.291.213	---	---	---
Financial Assets Measured at Amortized Cost	2.067.343	2.067.342	1.515.284	---	---	---
Derivative Financial Assets	1.109.607	---	840.288	---	---	---
Expected Credit Losses (ECL)	(6.571)	(6.571)	---	---	---	---
Loans (net)	38.428.398	38.429.206	---	---	---	---
Assets Held for Sale and Assets of Discontinued Operations ^(**)	24.409	24.409	---	---	---	---
Investment in Associates (net)	841.588	841.588	---	---	---	---
Investment in Subsidiaries (net)	125.430	125.430	---	---	---	---
Joint Ventures (net)	---	---	---	---	---	---
Tangible Assets (net)	693.036	692.530	---	---	---	---
Intangible Assets (net)	263.046	---	---	---	---	919.013
Investment Property (net)	---	---	---	---	---	---
Tax Asset	384.360	480.613	---	---	---	---
Other Assets	481.538	270.818	---	---	---	211.913
Total Assets	74.002.490	71.536.659	4.102.385	---	1.189.667	1,130,524
Liabilities						
Deposits	46,038,815	---	---	---	---	46,038,815
Funds Borrowed	3,379,212	---	---	---	---	3,379,212
Money Market Funds	3,464,965	---	1,124,703	---	---	3,464,965
Securities Issued	4,810,638	---	---	---	---	4,810,638
Fiads	---	---	---	---	---	---
Financial Assets at Fair Value Through Profit or Loss	---	---	---	---	---	---
Derivative Financial Liabilities	581,946	---	---	---	581,946	581,946
Factoring Payables	---	---	---	---	---	---
Lease Payables	381,027	---	---	---	---	381,027
Provisions	1,421,005	---	---	---	---	---
Tax Liability	394,337	---	---	---	---	509,802
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	---	---	---	---	---	---
Subordinated Debts	4,541,943	---	---	---	---	---
Other Liabilities	1,001,848	---	---	---	---	1,603,848
Shareholders' Equity	6,316,738	---	---	---	---	6,318,028
Total Liabilities	74,002,490	---	1,124,703	---	2,907,102	67,950,328

(*) Unconsolidated Financial Statements of the Bank

(**) Disclosed based on gross amounts of the securities

(***) Disclosed based on gross amounts (subject to general market risk and specific risk)

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

c) The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

Current Period	Total	Credit risk	Subject to the securitization	Counterparty credit risk	Market risk ^(*)
1. Carrying Value of Assets in Accordance with	803,358,419	98,549,044	---	4,460,708	106,988
2. Carrying value of liabilities that are subjected	---	---	---	4,079,014	4,422,159
3. Total Net Amount	803,358,419	98,549,044	---	4,382,744	(3,515,161)
4. Off-balance sheet amounts ^(**)	16,355,238	15,652,264	---	702,974	702,974
5. Valuation differences	---	---	---	---	---
6. Differences due to different setting rates	---	---	---	---	---
7. Differences due to consideration of provisions	---	---	---	---	9,425,060
8. Differences resulted from the BSA's applications	---	---	---	---	---
9. Differences due to risk mitigation	---	---	---	4,079,014	---
10. Risk Amounts	119,953,654	114,201,328	---	9,461,758	1,612,800

^(*) Risk amounts include financial instruments in trading accounts as per the Regulation on Measurement and Assessment of Capital Adequacy of Banks and market risk due to calculated capital requirement for currency risk.
^(**) Off-balance sheet amounts subject to capital adequacy ratio calculation.
^(***) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 October 2022 was used.

Year Period	Total	Credit risk	Subject to the securitization	Counterparty credit risk	Market risk ^(*)
1. Carrying Value of Assets in Accordance with	14,106,740	71,538,639	---	4,122,295	1,109,647
2. Carrying value of liabilities that are subjected	---	---	---	1,124,703	2,807,102
3. Total Net Amount	14,106,740	71,538,639	---	2,997,492	(1,707,455)
4. Off-balance sheet amounts ^(**)	9,268,837	8,827,488	---	541,349	541,349
5. Valuation differences	---	---	---	---	---
6. Differences due to different setting rates	---	---	---	---	1,174,381
7. Differences due to consideration of provisions	---	---	---	---	---
8. Differences resulted from the BSA's applications	---	---	---	---	---
9. Differences due to risk mitigation	---	---	---	1,124,703	---
10. Risk Amounts	81,477,577	80,366,127	---	4,643,544	918,123

^(*) Risk amounts include financial instruments in trading accounts as per the Regulation on Measurement and Assessment of Capital Adequacy of Banks and market risk due to calculated capital requirement for currency risk.
^(**) Off-balance sheet amounts subject to capital adequacy ratio calculation.
^(***) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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

Explanation on the differences between the risk amounts and the amounts assessed in accordance With TAS in the financial statements:

Disclosures regarding differences between amounts valued according to TAS and risk exposures

The differences between the amounts assessed under TAS and the amounts after risk reduction in transactions subject to counterparty credit risk stem from the addition of potential risk amounts to the renewal costs of derivative transactions subject to the CPR and the volatility adjustments for repo / reverse repo transactions. Funds provided to differences arising from risk reduction are also included by opening separate line for them.

Valuations of securities subject to market risk in accordance with TAS represent the fair value of held for trading financial instruments. On the other hand, the values in the risk amount line represents the amount subject to market risk based on the capital requirements calculated for the losses arising due factors such as interest rate risk of the market risk, equity price risk, currency risk in accordance with the "Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio".

Financial instruments that are accounted for at their fair value are traded in an active market, the valuation is based on that market price. The TL borrowing instruments in the held for trading securities portfolio comprise of government securities. These securities are evaluated at the weighted average trading price in the Istanbul Stock Exchange. For TL securities that are not traded, the market price is calculated based on the CBRT prices. For the FX securities in the same portfolio, the average of purchase and sale quotations in the market are considered as the market price. Derivative financial instruments are evaluated using the discounted cash flow model using market data. Input data used in evaluations using market value and/or valuation methods are periodically checked for validity and independence.

Information on Credit Risk

General Qualitative Information on Credit Risk:

The Bank's credit risk management policies are established in line with the strategy approved by the Board of Directors in accordance with the related regulations and are based on prudence, sustainability and the customers' credit worthiness principles.

The limits are set in accordance with the Risk Policies by the Board of Directors based on the Bank's risk appetite. In accordance with the determined risk limits, the authorizations and sub-authorizations are done by the Credit Policies which is in line with the determined limits. Special attention is given to ensure that the limits are in line with market expectations and the Bank's strategies.

Credit rating models and decision trees are used in the credit underwriting processes in accordance with the risk appetite, credit policies set by the Bank and the targets of the Bank. The grading of all customers except for individual credit customers by the Bank is essential. The individual loan portfolio is managed via an automated decision trees.

Customer selection is carried out in accordance with policies and strategies of the Bank and is based on the ability to pay on time and the cash flows expected to be received from its operations independent from guarantees, sureties and pledged assets. When needed; it is mandatory for the Bank to obtain appropriate collateral in line with the source of the payment for the repayment of the credit from the customers to ensure that their obligations arising from the credit are met on time and in full. The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risks. In this context, a minimum collateral margin is determined by taking into account the collateral quality and the collection expectations given default and it is ensured that the appropriate collateral is obtained based on the credit type. Before a credit relationship is established with a customer, an analysis and intelligence collection are carried out in order to measure the creditworthiness of the customers. Before the credit decisions; the customer is examined and evaluated with an analysis for factors that have affected its past, present and future performances and any other factors (financial and non-financial data) that may affect its past, present and future performances.

Credit risk is encountered when the counterparty is unable to fulfill its obligations defined with the agreement. All credit risk bearing banking products are managed with prudent credit policies and procedures in the Bank. The credit quality of the counterparty is evaluated with an internal rating score in all corporate, commercial and SME credit transactions. In order to monitor the credit risk, internal limits are determined on the basis of sector, maturity, customer and internal rating to avoid the risk of concentration.

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

Information on Credit Risk (continued)

General Qualitative Information on Credit Risk (continued):

Credit risk management is a process in which credit risks are assessed and monitored in a consistent manner, besides all credit portfolios are included on a consolidated basis. Credit risk is managed on the basis of portfolios, risk / return balance and asset quality of the Bank, and the credit risk is governed by the principles contained in the policy documents. In addition, credit-based evaluation, underwriting and follow-up are carried out by the units in the Loans group within the framework of the relevant processes. Loans proposals are evaluated by the credit units of the Headquarters, if necessary, within the framework of the level of authority based on the determined amount and finalized the loan proposal by the Credit Committee and the Board of Directors.

The units carry out their risk management activities in accordance with the risk appetite and capacity of the Bank through the use of risk measurement and management tools within the policies established by the Board of Directors. In this context, the organizational structure for credit risk management and control functions is detailed as follows the units included in the scope of Credit Risk Management are Corporate Loans, Commercial Loans Allocation, Credit Monitoring and Collection Department and Risk Analysis Department. Decisions on credit policies are taken by the Credit Committee.

Allocated credit limits and usages, exceeded limits, assessments of large risks and overdue loans are regularly reported to the senior management.

In the course of credit risk management, the Risk Management Department conducts monitoring and reporting of internal concentration limits. It is ensured that the policies related to the concentration risk management are prepared and processed within the policies of allocation, monitoring, limit monitoring and management. Regular reporting on the cost of the loan and the development of the following loans is made. In addition, stress test and scenario analysis studies related to the loan portfolio are carried out within the scope of ICAAP.

The evaluation of the internal systems established to cover all branches and units and the maintenance of the continuity of functioning, competence and efficiency are among the highest priorities of the Bank's Board of Directors. Within the scope of internal systems, the duties and responsibilities of the Board of Directors, Internal Audit, Internal Control and Operational Risk and Risk Management activities are carried out by the Audit Committee.

Credit Quality of Assets

Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation				
Current Period	Defaulted	Non-defaulted	Allowances/ amortization and impairments	Net value
Loans	747,232	51,804,520	1,154,619	51,796,308
Debt securities	—	21,376,748	5,875	21,379,648
Off balance sheet exposures	22,125	99,105,693	25,173	19,106,693
Total	770,912	92,770,619	1,184,909	92,184,918

Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation				
Prior Period	Defaulted	Non-defaulted	Allowances/ amortization and impairments	Net value
Loans	665,426	39,123,803	1,290,271	38,428,958
Debt securities	—	12,132,648	3,794	12,136,374
Off balance sheet exposures	22,791	38,382,761	59,290	18,361,232
Total	688,177	61,974,409	1,312,327	61,349,338

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

General Qualitative Information on Credit Risk (continued):

Changes in stock of default loans and debt securities

	Current Period	Prior Period
1. Defaulted loans and debt securities at end of the previous reporting period	665,426	890,719
2. Loans and debt securities defaulted since the last reporting period	1,042,811	494,490
3. Receivables back to non-defaulted status	—	—
4. Amounts written off(*)	489,549	104,099
5. Other changes (**)	(490,071)	(571,708)
6. Defaulted loans and debt securities at end of the reporting period (1+2-3+4+5)	747,177	665,426

(*) Sales of non-performing loan portfolios are disclosed.
(**) Other changes include collection during the period.

Breakdown of receivables by geographical area, sectors and outstanding maturity:

Breakdown by geographical area:

Loans and Other Receivables	Current Period	Prior Period
Domestic	51,114,892	38,551,629
European Union (EU) Countries	691,624	502,042
OECD Countries	—	—
Off-Shore Banking Regions	—	—
USA, Canada	18	—
Other Countries	44	132
Total	51,806,578	39,053,803

Sectoral Breakdown:

Loans and Other Receivables	Current Period	Prior Period
Agriculture	1,725,444	1,394,845
Farming and Stockbreeding	911,091	925,960
Forestry	824,353	468,885
Fishery	—	—
Manufacturing	10,305,771	8,740,445
Mining and Quarrying	4,203,373	2,837,187
Production	5,761,419	5,271,172
Electricity, Gas and Water	340,779	611,886
Construction	3,229,809	2,029,716
Services	21,593,047	15,613,289
Wholesale and Retail Trade	12,981,284	8,195,690
Accommodation and Dining	3,355,321	2,715,220
Transportation and Telecommunication	2,812,366	1,522,818
Financial Institutions	516,447	1,326,208
Real Estate and Rental Services	410,562	461,397
Self-Employment Services	1,160,430	826,260
Educational Services	99,758	98,028
Health and Social Services	1,021,079	477,668
Others	14,942,507	11,275,508
Total	51,806,578	39,053,803

Breakdown by outstanding maturity:

Breakdown by outstanding maturity:

	Up to 3 months	1-3 Months	3-12 Months	1-5 Years	5 years and over	Total
Current Period	12,142,906	18,184,686	17,701,224	4,182,528	1,435,224	51,066,578
Prior Period	9,304,336	11,461,171	12,881,981	4,194,502	1,279,813	39,053,803

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

Exposures provisioned against by major regions and sectors and write-offs:

Current Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	747.737	539.890	489.549
European Union (EU) Countries	—	—	—
OECD Countries	—	—	—
OE Non-Banking Regions	—	—	—
USA, Canada	—	—	—
Other Countries	—	—	—
Total	747.737	539.890	489.549

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	865.426	498.895	104.130
European Union (EU) Countries	—	—	—
OECD Countries	—	—	—
OE Non-Banking Regions	—	—	—
USA, Canada	—	—	—
Other Countries	—	—	—
Total	865.426	498.895	104.130

Current Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	14.438	12.634	8.880
Farming and Stockbreeding	8.885	8.882	3.767
Forestry	4.341	3.572	3.093
Fishery	—	—	—
Manufacturing	64.782	55.902	97.952
Weaving and Spinning	39.916	13.394	88.824
Production	44.666	37.221	8.977
Electricity, Gas and Water	5.170	5.287	151
Construction	44.407	35.781	33.909
Services	420.241	301.980	51.710
Wholesale and Retail Trade	136.867	94.522	34.782
Accommodation and Dining	216.479	121.182	632
Transportation and Telecommunications	86.573	84.076	1.882
Financial Institutions	2.054	1.302	—
Real Estate and Rental Services	4.205	3.768	3.450
Self-Employment Services	7.270	5.124	1.192
Educational Services	1.484	1.576	2.112
Health and Social Services	11.489	8.376	3.740
Others	201.916	133.592	297.118
Total	747.737	539.890	489.549

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	26.467	19.897	712
Farming and Stockbreeding	19.614	14.565	303
Forestry	6.853	3.432	8
Fishery	0	0	0
Manufacturing	91.812	76.608	84
Weaving and Spinning	40.132	36.253	19
Production	46.141	35.298	42
Electricity, Gas and Water	5.497	5.149	3
Construction	161.495	98.015	1.048
Services	205.357	173.940	1.858
Wholesale and Retail Trade	95.367	77.614	895
Accommodation and Dining	4.429	3.865	26
Transportation and Telecommunications	85.054	86.305	304
Financial Institutions	12	12	3
Real Estate and Rental Services	6.140	5.996	8
Self-Employment Services	2.933	2.279	8
Educational Services	2.356	1.834	5
Health and Social Services	9.171	6.690	717
Others	180.295	130.313	100.428
Total	865.426	498.895	104.130

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

Aging analysis:

Days past due	Current Period	Prior Period
	Amount	Amount
0-30	51.423.068	38.886.680
31-60	250.804	110.179
61-90	133.514	36.744
90+	747.737	665.426
Total	52.554.315	39.719.329

Breakdown of restructured receivables based on whether or not provisions are allocated:

Current Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	—	—	5.595
Not provisioned (*)	—	3.320.517	—
Total	—	3.320.517	5.595

(*) Provision for the first stage (provision for expected loss for 12 months) for standard natural loans, provision for the second stage (significant increase in credit risk) for clearly restructured loans to be closing.

Prior Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned	—	—	10.298
Not provisioned (*)	—	2.896.777	—
Total	—	2.896.777	10.298

(*) Provision for the first stage (provision for expected loss for 12 months) for standard natural loans, provision for the second stage (significant increase in credit risk) for clearly restructured loans to be closing.

Credit risk mitigation techniques-Overview

Current Period	Exposures measured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral		Collateralized amount of exposures secured by financial guarantees		Collateralized amount of exposures secured by credit derivatives	
			secured by collateral	secured by collateral	secured by financial guarantees	secured by financial guarantees	secured by credit derivatives	secured by credit derivatives
1 Loans	47,333,596	17,811	24,184	1,427	1,427	—	—	
3 Debt Securities	21,271,669	—	—	—	—	—	—	
3 Total	68,605,265	17,811	24,184	3,427	3,427	—	—	
4 OF which defaulted	4,877	202,874	202,874	—	—	—	—	

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

Prior Period	Exposures measured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral		Collateralized amount of exposures secured by financial guarantees		Collateralized amount of exposures secured by credit derivatives	
			secured by collateral	secured by collateral	secured by financial guarantees	secured by financial guarantees	secured by credit derivatives	secured by credit derivatives
1 Loans	36,799,200	1,465,877	1,429,541	6,336	6,336	—	—	
3 Debt Securities	12,529,276	—	—	—	—	—	—	
3 Total	49,328,476	1,465,877	1,429,541	6,336	6,336	—	—	
4 OF which defaulted	146,886	21,545	21,545	—	—	—	—	

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

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

Information on credit risk mitigation techniques

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation technique; only financial collaterals consisting of cash blockages are used.

Appraisals related to the valuation and management of collaterals are defined as follows: Appraisals for the mortgages that are received as collaterals are only performed by the firms that have been approved by the BRSA and licensed by the Capital Markets Board ("CMB"). Appraisal reports for the real estates that are received as collaterals for commercial loans, are renewed each year as long as the risk continues. As a rule, each year a different appraisal firm is preferred. Management of the appraisal process is carried out by the Appraisal & Real Estate Project Finance Unit. Vehicle pledges are followed through their insurance values. Regular investigations are performed for the cheques and bills that are received as collaterals and in case of any negative finding the Bank seeks to replace the collateral.

The Bank's collaterals are mainly composed of cheques, notes, mortgages, guarantees, vehicle pledges and deposit pledges. The Bank's credit risk concentration mainly consists of corporate receivables and are followed by receivables that are collateralized with mortgage, SME and retail receivables, respectively.

Exposure Categories (*)	Amount	Financial Collaterals	Other/Physical Collaterals (**)	Guarantees and Credit Derivatives
Current Period				
Receivables from Central Governments	28.744.894			3.427
Receivables from Local Governments and Regional or Local Governments and CEMs	14.483			
Receivables from Administrative Units and Non-Commercial Enterprises				
Receivables from Multi-lateral Development Banks				
Receivables from International Organizations				
Receivables from Banks and Brokerage Houses	4.996.679	288.268		
Corporate Receivables	25.167.902	4.024.432		
Retail Receivables	25.367.900	11.449		
Receivables that are Collateralized by Residential Property	425.527		401.756	
Post due Receivables	112.239			
Receivables Defined in High Risk Category by BRSA	11.827.723	-9.302	119.361	
Securitization positions				
Securities Collateralized by Mortgages	841.264			
Short-term Receivables from Banks				
Brokerage Houses and Corporates				
Equity Share Investments	4.540.840			
Investments Similar to Collective Investment Funds	36.590			
Other Receivables	4.555.000			
Total	901.025.686	4.383.871	521.817	3.427

(*) Receivables that are collateralized with other credit instruments.

(**) Other Physical Collaterals also those with EM, amount +234 are possible to be used. In line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

(**) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

Exposure Categories (*)	Amount	Financial Collaterals	Other/Physical Collaterals (**)	Guarantees and Credit Derivatives
Prior Period				
Receivables from Central Governments	99.585.870			6.336
Receivables from Local Governments and Regional or Local Governments and CEMs	73.360			
Receivables from Administrative Units and Non-Commercial Enterprises				
Receivables from Multi-lateral Development Banks				
Receivables from International Organizations				
Receivables from Banks and Brokerage Houses	5.812.447	726.402		
Corporate Receivables	19.234.706	661.921		
Retail Receivables	20.781.534	5.418		
Receivables that are Collateralized by Residential Property	1.158.469		1.089.989	
Post due Receivables	102.127		14.342	
Receivables Defined in High Risk Category by BRSA	4.325.127			
Securitization positions				
Securities Collateralized by Mortgages	121.214			
Short-term Receivables from Banks				
Brokerage Houses and Corporates				
Equity Share Investments	1.025.295			
Investments Similar to Collective Investment Funds	14.496			
Other Receivables	2.908.000			
Total	76.505.655	1.425.779	1.824.431	6.336

(*) Receivables that are collateralized with other credit instruments.

(**) Other Physical Collaterals also those with EM, amount +234 are possible to be used. In line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

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

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

Counterparty credit risk (CCR) approach analysis

Current Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1 Standardized Approach - CCR (for derivatives)	468.953	496.271	-	1,4	1.351.314	498.679
2 Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
3 Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	7.744.224	3.570.669
4 Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
5 Value at Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	-	-	-
6 Total	468.953	496.271	-	1,4	9.095.538	4.269.348

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

Prior Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1 Standardized Approach - CCR (for derivatives)	603.856	386.549	-	1,4	1.388.567	954.626
2 Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
3 Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	3.276.997	1.778.344
4 Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
5 Value at Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	-	-	-
6 Total	603.856	386.549	-	1,4	4.665.564	2.732.970

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

Capital requirement for credit valuation adjustment (CVA)

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation	-	-	-	-
1 (i) VaR component (including the 3 multiplier)	-	-	-	-
2 (ii) Intrinsic VaR component (including the 3 multiplier)	-	-	-	-
3 All portfolios subject to the standardized CVA capital obligation	9.095.538	1.709.125	4.654.832	736.891
4 Total subject to the CVA capital obligation	9.095.538	1.709.125	4.654.832	736.891

(*) Exchange rates at 31 December 2022 were used in the reporting as at 31 December 2022.

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

Explanations on market risk (continued)

Stress tests and scenario analysis are applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations; and also risk measurement methods such as cash flow projections and GAP analysis are also applied.

Capital to be kept for general market risk and specific risk are calculated by using a standard method in accordance with "Measurement and Assessment of Bank Capital Adequacy Regulation" and are reported monthly.

Whether the bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk.

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of "the Regulation on Measurement and Assessment of Capital Adequacy of Banks", reduced as per the "Regulation on Credit Risk Mitigation Techniques" following included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank's derivative financial instruments are calculated using the "Fair Value Method".

Market risk under standardized approach

	Current Period RWA	Prior Period RWA
Outright Products		
1 Interest rate risk (general and specific)	803.500	345.438
2 Equity risk (general and specific)	..	1.500
3 Foreign exchange risk	533.350	288.587
4 Commodity risk	2.272.263	234.850
Options		
5 Simplified approach	..	..
6 Delta-plus method	3.738	47.750
7 Scenario approach	..	..
8 Securitisation	..	..
9 Total	3.612.851	918.125

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

1. Quantitative information on counterparty risk

The counterparty risk amount is calculated in accordance with fair value measurement methodology stated in Appendix 2 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The replacement costs of the contracts with positive value are obtained by evaluating the contracts according to their fair value. The potential credit risk amount is calculated by multiplying contract or transaction amounts with certain ratios determined in accordance with days to maturity and contract type. The total of replacement cost and potential credit risk make up counterparty risk amount. Counterparty credit risk mitigation considers only cash collaterals.

Current Period	Risk Weights						Total RWA
	%0	%10	%20	%50	%100	%150	
Interest-Rate Contracts (1)	..	..	..	..	..	..	..
Foreign-Exchange-Rate Contracts (2)	144.171	289.424	8.371	85.113	18.942	214.126	250.827
Commodity Contracts	38.685	..	..	38.686	..	38.684	46.838
Equity Shares Related Contracts	..	..	..	..	..	..	..
Other	..	..	..	..	..	..	..
Gross Positive Fair Values	..	..	..	..	..	..	..
Hedging Benefits	..	..	..	..	..	..	..
Net Current Exposure amount	156.516	242.469	..	22.421	68.316	271.328	367.663
Collaterals Received	..	..	..	..	..	..	..
Net Derivative Position (3)(4)	1.209.465	532.968	8.371	168.410	125.528	525.428	498.827

(1) Swap contracts.
(2) Includes option contracts based on forward contracts.
(3) Details of Foreign-Exchange-Rate and Interest-Rate Contracts and gross values of assets and liabilities are as follows:
(4) As of 31 December 2023, the Bank's Net Derivative Position is as follows (in thousands TL):

Prior Period	Risk Weights						Total RWA
	%0	%10	%20	%50	%100	%150	
Interest-Rate Contracts (1)	..	..	..	..	..	..	..
Foreign-Exchange-Rate Contracts (2)	526.942	120.185	8.722	163.485	23.181	132.975	296.458
Commodity Contracts	4.127	..	..	1.809	..	2.313	3.240
Equity Shares Related Contracts	..	..	..	..	..	..	..
Other	..	..	..	..	..	..	..
Gross Positive Fair Values	..	..	..	..	..	..	..
Hedging Benefits	..	..	..	..	..	..	..
Net Current Exposure amount	581.248	15.483	..	248.414	40.823	485.468	839.110
Collaterals Received	..	..	..	..	..	..	..
Net Derivative Position (3)(4)	1.286.567	199.668	8.722	463.776	65.026	441.347	954.626

(1) Swap contracts.
(2) Includes option contracts based on forward contracts.
(3) Details of Foreign-Exchange-Rate and Interest-Rate Contracts and gross values of assets and liabilities are as follows:
(4) As of 31 December 2023, the Bank's Net Derivative Position is as follows (in thousands TL):

Explanations on operational risk

The value at operational risk is calculated according to the "basic indicator approach". Value at operational risk amount is calculated by using the last 3 years' (2022, 2021, 2020) gross income, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated September 6, 2014 numbered 29111, "Calculation of Operational Risk". 15% of average gross income which is TL 500.757 (31 December 2022: TL 218.046) represents also the minimum capital requirement to recover the risk amount.

Current Period	31/12/20			Total/ No. of Years of Positive Gross Income	Rate (%)	Total
	31/12/21	31/12/22	31/12/23			
Gross Income	1.269.849	1.924.812	5.803.474	3.336.379	15	500.757
Value at Operational Risk (Total*15%)						6.259.460

Prior Period	31/12/20			Total/ No. of Years of Positive Gross Income	Rate (%)	Total
	31/12/19	31/12/20	31/12/21			
Gross Income	1.140.253	1.286.849	1.704.552	1.453.641	15	218.046
Value at Operational Risk (Total*15%)						3.725.578

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Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

SECTION FIVE

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosure related to the assets

1. Information on cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	163.089	2.746.180	170.869	1.850.512
Balances with the Central Bank of Turkey	6.544.938	9.113.375	925.454	12.070.692
Other	--	--	--	--
Total	6.708.027	11.859.555	1.096.323	13.921.204

1.1 Information related to the account of the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	6.104.148	2.274.216	925.454	1.864.462
Unrestricted Time Deposits	440.790	1.766.292	--	6.575.320
Restricted Time Deposits	--	5.072.867	--	3.630.910
Total	6.544.938	9.113.375	925.454	12.070.692

The reserve requirements in TL, FC and gold that maintained in accordance with the "Communiqué Regarding the Reserve Requirements" numbered 2005/1 are included in the table.

According to the Communiqué on Required Reserves published in the Official Gazette dated 31 December 2022 and numbered 32060, the facility for keeping Turkish lira reserve requirements in standard gold and scrap gold has been terminated as of 23 June 2023.

The required reserve rates for TL liabilities vary between 0% and 30% for TL deposits and other liabilities according to their maturities as of 31 December 2023 (31 December 2022: 3% and 8% for all TL liabilities); the reserve rates for foreign currency liabilities vary between 5% and 30% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2023 (31 December 2022: 5% and 26% for all foreign currency liabilities). As of 28 April 2023, the application of adding 5 points to the required reserve ratios determined for foreign currency deposits and precious metal deposit accounts for banks whose share of TL deposits in total deposits calculated for real and legal persons is below 60% has been abolished as of 18 August 2023.

As of 27 October 2023, an additional reserve requirement ratio of 4 percent to be maintained in Turkish lira at all maturities for deposits denominated in foreign currency (foreign bank deposits and precious metal accounts). Additional reserve requirement rates have been excluded from the reserve requirement commission application by the decision of the CBRT.

The commission practice according to the share of Turkish Lira deposits in total deposits which were applied since 23 December 2022, has been changed as of 29 September 2023. An annual commission of 8% in USD will be applied over the required reserve amount placed at CBRT for foreign currency deposit and precious metal deposit accounts, for the banks whose rate of converted and renewed FC Protected TL Deposit Amounts and newly opened Real Person FC Protected TL Deposit Amounts below 100%. Having said that, if a bank achieves the target, but could not convert at least 5% of FC Protected TL Deposit Amounts to Conventional TL Deposit; then a discounted commission rate according to deficient amount would be applied to that bank.

As of 10 November 2023, Reserve requirement commission practice has been changed to be followed in two items, the commission according to the Renewal and transition rate to TL and the commission according to the share of TL deposits. According to the renewal and TL transition rate practice, the commission rate for banks whose conversion rate is below 100% will be applied between 6% and 8% according to current Renewal and TL transition rate, and for banks with a conversion rate of 100% and Türkiye Garanti Bankası AŞ Convenience Translation of Financial Statements Unconsolidated Financial Report as of and Related Disclosures and Footnotes for the Year Ended 31 December 2023 Originally Issued in Turkish (Thousands of Turkish Lira (TL)) 106 above, the commission rate will not be applied when the TL transition rate is 10% and above, the renewal rate is 75% and above, and the commission rate will be calculated as much as the deficient portion for banks that fall below the target at any of these rates. As of 23 December 2023, the renewal rate target has been abolished and TL transition rate has been increased from 10% to 15%. According to the Reserve requirement commission practice based on Turkish Lira Deposit Share, the TL share rate will be calculated separately for the real person and the legal entity. If the difference between the TL share calculation for real persons compared to the calculation period four weeks ago remains below 3.5%, the commission rate will be applied 2%. If the TL share calculated for legal entities remains below the TL share calculated according to the date of 18 August 2023, the commission rate will be applied 1%. The commission amount will be calculated in USD, based on maintained foreign currency reserve requirement.

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

1. Information on cash and balances with the Central Bank of Turkey (continued)

1.1 Information related to the account of the Central Bank of Turkey (continued)

The reserve requirement commission practice according to the share of Turkish Lira deposits in total deposits which were applied since 23 December 2022, has been changed as of 29 September 2023. An annual commission of 8% in USD will be applied over the reserve requirement amount placed at CBRT for foreign currency deposit and precious metal deposit accounts, for the banks whose rate of converted and renewed FC Protected TL Deposit Amounts and newly opened Real Person FC Protected TL Deposit Amounts below 100%. Having said that, if a bank achieves the target, but could not convert at least 5% of FC Protected TL Deposit Amounts to Conventional TL Deposit; then a discounted commission rate according to deficient amount would be applied to that bank.

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

2.1 Information on financial assets at fair value through profit or loss given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	--	--	107	--
Total	--	--	107	--

Trading securities given as collateral represent those collaterals given to the Central Bank of Turkey and Istanbul Clearing and Custody Bank (Takasbank) for interbank money market, foreign exchange market and other transactions, as of balance sheets dates.

As of 31 December 2023, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 3.314.653 (31 December 2022: TL 329.383).

2.2 Loans recognized at fair value through profit or loss

As of 31 December 2023, there are no loans at fair value through profit or loss (31 December 2022: None).

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Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

1. Explanations and disclosure related to the assets (continued)
2. Information on financial assets at fair value through profit or loss (continued)
2.3 Information on financial assets at fair value through profit or loss subject to repurchase agreements
None.
2.4 Positive differences relating to derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	433.679	--	620.810	--
Swap Transactions	395.462	--	373.350	--
Futures Transactions	--	--	--	--
Options	8.039	69.818	91.169	24.338
Other	--	--	--	--
Total	837.180	69.818	1.085.329	24.338

3. Information on Banks

3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	343.762	2.136.470	256.395	1.521.325
Foreign	663	603.475	2.926	700.465
Foreign head-offices and branches	--	--	--	--
Total	344.425	2.739.945	259.321	2.221.790

3.2 Due from foreign banks

	Current Period		Prior Period	
	Unrestricted Balances	Restricted Balances	Unrestricted Balances	Restricted Balances
EU Countries	100.169	44.952	251.827	12.528
USA and Canada	131.706	--	134.160	--
OECD Countries (*)	130.191	50.685	115.976	158.103
Off-Shore Banking Regions	--	--	--	--
Other	146.435	--	30.797	--
Total	508.501	95.637	532.760	170.631

4. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income

4.1 Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	4.995.651	1.720.653	1.474.786	1.391.824
Other	--	--	--	--
Total	4.995.651	1.720.653	1.474.786	1.391.824

As of 31 December 2023, the amount of financial assets at fair value through other comprehensive income not given as collateral or not blocked is TL 2.441.418 (31 December 2022: TL 2.274.300).

1. Explanations and disclosure related to the assets (continued)
4. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income (continued)
4.2 Details of financial assets valued at fair value through other comprehensive income

	Current Period	Prior Period
Debt instruments	9.186.845	5.148.865
Quoted on Stock Exchange	8.354.206	4.763.287
Unquoted on Stock Exchange	832.639	385.578
Share certificates	4.897	4.897
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	4.897	4.897
Impairment provision (-)	34.020	12.852
Total	9.157.722	5.140.910

5. Information on Loans

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Loans to Shareholders	--	450	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	450	--	--
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	13.038	--	11.478	--
Total	13.038	450	11.478	--

5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Non-restructured	Restructured	
			Revised Terms	Contract Refinanced
Loans	47.508.161	977.900	3.320.517	--
Working Capital Loans	6.766.526	31.216	3.005.123	--
Export Loans	5.322.108	11.710	--	--
Import Loans	--	--	--	--
Loans to Financial Sector	536.257	--	--	--
Consumer Loans	12.473.388	363.504	151.499	--
Credit Cards	208.936	10.375	--	--
Others	22.200.946	561.095	163.895	--
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
Total (*)	47.508.161	977.900	3.320.517	--

(*) Factoring receivables amounting to TL 321.297 (31 December 2022: TL 186.790) are included.

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-months Expected Credit Losses	210.409	--	340.842	--
Significant Increase in Credit Risk	--	404.360	--	450.534
Total	210.409	404.360	340.842	450.534

FİBABANKA A.Ş.**Notes to the Unconsolidated Financial Statements
for the Period Between 1 January 2023 - 31 December 2023**

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

I. Explanations and disclosure related to the assets (continued)**5. Information on Loans (continued)****5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured (continued)***The overdue analysis of close monitoring loans*

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	93.349	82.865	176.214
31-60 days	48.697	183.470	232.167
61-90 days	27.761	106.225	133.986
Total	169.807	372.560	542.367

Prior Period	Commercial Loans	Consumer Loans	Total
1-30 days	10.129	49.091	59.220
31-60 days	9.428	92.775	102.203
61-90 days	10.429	46.322	56.751
Total	29.986	188.188	218.174

Maturity analysis of cash loans

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans and Other Receivables	37.758.509	774.997	52.546
Loans	37.758.509	774.997	52.546
Specialized Loans	--	--	--
Other Loans	--	--	--
Medium and Long-term Loans and Other Receivables	9.749.652	202.903	3.267.971
Loans	9.749.652	202.903	3.267.971
Specialized Loans	--	--	--
Other Loans	--	--	--

I. Explanations and disclosure related to the assets (continued)**5. Information on Loans (continued)****5.3 Information on consumer loans, individuals credit cards and credit cards given to personnel**

	Short-Term	Medium or Long Term	Total
Consumer Loans-TL	6.259.807	6.015.694	12.275.501
Mortgage Loans	--	74.414	74.414
Vehicle Loans	--	411	411
General Purpose Loans	6.259.807	5.940.869	12.200.676
Other	--	--	--
Consumer Loans-Indexed to FC	--	322	322
Mortgage Loans	--	322	322
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Consumer Loans-FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	216.119	--	216.119
With Installment	16.549	--	16.549
Without Installment	199.570	--	199.570
Individual Credit Cards-FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
	5.306	6.259	11.565
Loans Given to Employees-TL	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	5.306	6.259	11.565
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Personnel Credit Cards - TL	1.473	--	1.473
With Installment	126	--	126
Without Installment	1.347	--	1.347
Personnel Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Real Persons)	701.003	--	701.003
Overdraft Loans-FC (Real Persons)	--	--	--
Total	7.183.708	6.022.275	13.205.983

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

I. Explanations and disclosure related to the assets (continued)**5. Information on Loans (continued)****5.4 Information on commercial loans with installments and corporate credit cards**

	Short-Term	Medium or Long Term	Total
Installment Commercial Loans - TL	5.553.472	739.380	6.292.852
Real Estate Loans	--	--	--
Vehicle Loans	--	277	277
General Purpose Loans	5.553.472	739.103	6.292.575
Other	--	--	--
Installment Commercial Loans - Indexed to FC	--	37.728	37.728
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	37.728	37.728
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	1.719	--	1.719
With Installment	--	--	--
Without Installment	1.719	--	1.719
Corporate Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Legal Entities)	258.383	--	258.383
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	5.813.574	777.108	6.590.682

5.5 Distribution of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	51.806.578	39.053.803
Total (*)	51.806.578	39.053.803

(*) Factoring receivables amounting to TL 321.297 (31 December 2022: TL 186.790) are included.

5.6 Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	51.114.892	38.575.281
Foreign Loans	691.686	478.522
Total (*)	51.806.578	39.053.803

(*) Factoring receivables amounting to TL 321.297 (31 December 2022: TL 186.790) are included.

I. Explanations and disclosure related to the assets (continued)**5. Information on Loans (continued)****5.7 Loans granted to subsidiaries and associates**

The Bank has loans granted to subsidiaries and associates amounting to TL 99.344 as of 31 December 2023 (31 December 2022: TL 267.036).

5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	241.268	93.007
Loans and Receivables with Doubtful Collectability	83.045	70.418
Uncollectible Loans and Receivables	215.577	335.470
Total	539.890	498.895

5.9 Information on non-performing loans (Net)**5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled**

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period	1.171	289	4.135
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	1.171	289	4.135
Prior Period	2.429	745	7.123
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	2.429	745	7.123

5.9.2 Movement on non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Balances at the End of Prior Period	132.130	98.733	434.573
Additions (+)	1.048.668	7.739	6.424
Transfer from Other Categories of Non-Performing Loans (+)	--	292.344	127.019
Transfers to Other Categories of Non-Performing Loans (-)	392.344	127.019	--
Collections (-)	241.592	59.336	190.043
Write-offs: (-) (*)	33.645	1.558	31.720
Sold (-)(**)	117.689	188.937	316.000
Corporate and Commercial Loans	63.541	26.217	51.757
Retail Loans	52.295	162.591	64.214
Credit Cards	1.853	129	29
Other	--	--	--
Balances at End of the Period	395.518	121.966	230.253
Provisions (-)	241.268	83.045	215.577
Net Balance on Balance Sheet	154.250	38.921	14.676

(*) Limits of loans with 100% provision at the relevant date.

(**) As of 31 December 2023, the loan amounting to TL 407,626 was written off by transferring and selling to asset management companies (31 December 2022: TL 94,388). When the calculation is made considering the loan sold, the Bank's NPL ratio is measured as 1,41% (31 December 2022: 1,81%) instead of 2,21% (31

(***) All of them are due to sales of NPLs.

FİBABANKA A.Ş.**Notes to the Unconsolidated Financial Statements
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. Explanations and disclosure related to the assets (continued)**5. Information on Loans (continued)****5.9 Information on non-performing loans (Net) (continued)****5.9.3 Information on non-performing loans and other receivables in foreign currencies**

	Stage 1	Stage 2	Stage 3
Beginning of period (1 January 2023)	340.842	450.534	416.895
Loans and receivables added during the period	51.838	26.325	195.645
Loans and receivables moved out during the period	(145.641)	(111.297)	(96.042)
Movements of Stage 1 and Stage 2			
Stage 1 Loans in two periods	(64.776)	—	—
Transfers from Stage 1 to Stage 2	(1.327)	1.311	—
Stage 2 Loans in two periods	—	83.111	—
Transfers from Stage 2 to Stage 1	29	(76.477)	—
Movements of Stage 3			
Transfers from Stage 1 to Stage 3 (*)	(106)	—	35.644
Transfers from Stage 2 to Stage 3	—	(402)	11.188
Stage 3 Loans in two periods (without and parameter change)	—	—	(52.663)
Write-offs	—	—	—
Sold	(634)	(36.479)	(146.319)
Period end (31 December 2023)	210.409	402.406	534.840

5.9.4 Information on non-performing loans and other receivables in foreign currencies

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
Balance as of Period End	170.513	—	60.661
Provisions (-)	99.249	—	60.872
Net Balance on Balance Sheet	71.274	—	—
Prior Period			
Balance as of Period End	—	—	124.039
Provisions (-)	—	—	(73.182)
Net Balance on Balance Sheet	—	—	50.857

5.9.5 Information regarding gross and net amounts of non-performing loans with respect to debtor groups

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period (Net)	154.250	38.921	14.676
Loans Granted to Real Persons and Legal Entities (Gross)	395.518	121.966	230.253
Provisions (-)	241.268	83.045	215.577
Loans Granted to Real Persons and Legal Entities (Net)	154.250	38.921	14.676
Banks (Gross)	—	—	—
Provisions (-)	—	—	—
Banks (Net)	—	—	—
Other Loan and Receivables (Gross)	—	—	—
Provisions (-)	—	—	—
Other Loan and Receivables (Net)	—	—	—
Prior Period (Net)	39.113	28.315	99.103
Loans Granted to Real Persons and Legal Entities (Gross)	132.120	98.733	434.573
Provisions (-)	93.007	70.418	335.470
Loans Granted to Real Persons and Legal Entities (Net)	39.113	28.315	99.103
Banks (Gross)	—	—	—
Provisions (-)	—	—	—
Banks (Net)	—	—	—
Other Loan and Receivables (Gross)	—	—	—
Provisions (-)	—	—	—
Other Loan and Receivables (Net)	—	—	—

I. Explanations and disclosure related to the assets (continued)**5. Information on Loans (continued)****5.10 Information on interest accruals, valuation differences and related provisions calculated for non-performing loans by The Banks which reserves provision according to TFRS 9**

The Bank does not calculate interest accruals and rediscount for non-performing loans (31 December 2022: The Bank does not calculate interest accruals and rediscount for non-performing loans).

5.11 Explanations about write-off policy

In the event that the conditions stated in the law related to the unworthiness of the receivable arise, whole provisions are set aside for all of these loans and the loans are written off from the assets by the board decision.

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Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

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

6. Information on financial assets measured at amortized cost

6.1 Information on securities subject to repurchase agreement and given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	2.172.085	6.244.106	1.868.108	4.665.807
Other	--	--	--	--
Total	2.172.085	6.244.106	1.868.108	4.665.807

6.2 Information on government securities in financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2.198.192	6.584.906	2.140.658	4.651.692
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	2.198.192	6.584.906	2.140.658	4.651.692

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
	Debt instruments	9.309.266	7.067.342
Quoted on Stock Exchange	9.309.266	7.067.342
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	9.309.266	7.067.342

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

6. Information on financial assets measured at amortized cost (continued)

6.4 Information on the movement of financial assets measured at amortized cost during the period

	Current Period	Prior Period
Balance at the beginning of period	7.067.342	3.230.721
Foreign Exchange Difference in Monetary Assets	2.135.382	1.269.703
Revaluation adjustments	72.571	65.975
Purchases during the year	110.764	2.500.943
Disposals through Sales and Redemptions	(76.793)	--
Impairment provision (-)	--	--
Total	9.309.266	7.067.342

7. Information on associates

As of 31 December 2023, the Bank has associates amounting to TL 856.588 in total (31 December 2022: TL 841.588).

Company Name	Address (City / Country)	Bank's Share-If different voting rights (%)	Bank's Risk Group Share (%)
Fiba Sigorta A.Ş.	İstanbul	50,0%	50,0%
HDI Fiba Emeklilik ve Hayat A.Ş.	İstanbul	40,0%	40,0%

Fiba Emeklilik ve Hayat A.Ş. started its operations in life insurance and personal accident branches in January 2013, reinsurance operations in July 2013 and pension operations in December 2013. As of 20 December 2022, 8.000.000 shares representing 40% of the share capital of Fiba Emeklilik ve Hayat A.Ş. were transferred to Fibabanka A.Ş. by Fiba Holding A.Ş. for TL 746.588.

A company with the title Fiba Sigorta A.Ş was established by the Bank and HDI Sigorta A.Ş. with a 50% - 50% partnership share to operate in elementary branches. The Bank's participation amount is TL 110.000.

Information regarding the subsidiaries as of 31 December 2023 is presented below:

Company Name	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
Fiba Sigorta A.Ş.	466.783	268.089	1.757	88.280	488	47.987	102	--
HDI Fiba Emeklilik ve Hayat A.Ş.	15.740.646	442.263	69.338	184.007	37.365	260.224	99.706	--

(*) Total fixed assets consist tangible and intangible assets.

(**) It has been prepared on the basis of the 31 December 2023 unconsolidated financial statements, which have not been independently audited.

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I. Explanations and disclosure related to the assets (continued)**7. Information on associates (continued)****Movement of Investments in associates**

	Current Period	Prior Period
Balance at Beginning of Period	841.588	--
Movement during the Period	15.000	841.588
Additions and Capital Increases ^(*) (**)	15.000	841.588
Bonus Shares Received	--	--
Dividends from the Current Year Profit	--	--
Sales/Liquidations	--	--
Reclassification of shares	--	--
Differences Between Market Value and Book Value	--	--
Currency Differences on Foreign Subsidiaries	--	--
Other	--	--
Balance at End of Period	856.588	841.588
Capital Commitments	--	--
Share of Percentage at the end of Period(%)	--	--

(*) As of 20 December 2022, 8.000.000 shares of Fiba Enerji ve Hız A.Ş. representing 40% of its capital share was transferred to Fibabanka A.Ş. for TL 745.588.

(**) In 2022, a company with the title Fiba Sigorta A.Ş. was established by the Bank and HDİ Sigorta A.Ş. with a 50% - 50% partnership share to operate in elementary branches. In 2023, Fiba Sigorta realized a cash capital increase and Fibabanka participated in the capital increase with TL 15.000 in proportion to its share and increased its investment amount to TL 110.000.

Sectoral information on consolidated financial associates and the related carrying

	Current Period	Prior Period
Banks	--	--
Insurance Companies	856.588	841.588
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	--	--

Valuation of investments made in associates within the scope of consolidation

	Current Period	Prior Period
Valued at cost	856.588	841.588
Valued at fair value	--	--

Quoted consolidated investments in associates

None.

I. Explanations and disclosure related to the assets (continued)**8. Information on subsidiaries**

The Bank has TL 147.200 investment in subsidiaries as of 31 December 2023 (31 December 2022: TL 125.420).

Non financial subsidiaries

The Bank has TL 117.500 investment in a non-financial subsidiary as of 31 December 2023 (31 December 2022: TL 117.500).

	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)
Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.	Istanbul	100%	100%

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., was established with the purpose of providing entrepreneurship, creation of new business fields and technologies, investment in financial technology companies, mobile payment, income expenditure follow-up and money transfer consultancy services.

Financial subsidiaries

The Bank has TL 29.700 investment in a financial subsidiary as of 31 December 2023 (31 December 2022: TL 7.920).

In 2023, the process of increasing the paid-in capital of Fiba Portföy Yönetimi A.Ş. from TL 8.000 to TL 30.000 was completed, and the increased TL 22.000 was met from internal resources (extraordinary reserves). It was registered on 2 June 2023 and announced in the Turkish Trade Registry Gazette numbered 10844 on the same date.

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)	Consolidation Type
Fiba Portföy Yönetimi A.Ş.	Istanbul	99,0%	99,0%	Full Consolidation

Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with 99% share of Fibabanka A.Ş.

The financial information about Fiba Portföy Yönetimi A.Ş. as of 31 December 2023 is given below:

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
	164.638	149.309	746	-	--	79.518	45.939	--

(*) Total fixed assets consist tangible and intangible assets.

(**) It has been prepared on the basis of the 31 December 2023 unconsolidated financial statements, which have not been independently audited.

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1. Explanations and disclosure related to the assets (continued)
8. Information on subsidiaries (continued)

Movement table on consolidated financial subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	7.920	5.445
Movements during the Period	--	--
Additions and Capital Increases	21.780	--
Bonus Shares Received	--	2.475
Dividends from the Current Year Profit	--	--
Sales/Liquidations	--	--
Reclassification of shares	--	--
Increase / (Decrease) in Market Values	--	--
Currency Differences on Foreign Subsidiaries	--	--
Reversal of Impairment Losses/ Impairment	--	--
Balance at the End of Period	29.700	7.920
Capital Commitments	29.700	7.920
Share of Percentage at the end of Period (%)	99	99

(*) Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with the participation of Fibabanka A.Ş. by 99%.

Sectoral information on consolidated financial subsidiaries and the related carrying

	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	29.700	7.920

Valuation of investments made in subsidiaries within the scope of consolidation

	Current Period	Prior Period
Valued at cost	29.700	7.920
Valued at fair value	--	--

Quoted consolidated investments in subsidiaries

None.

9. Information on entities under common control

The Bank does not have investments in entities under common control as of 31 December 2023.

10. Information on lease receivables

The Bank does not have lease receivables as of 31 December 2023.

11. Information on derivative financial assets held for hedging purposes

As of 31 December 2023, The Bank has no hedging derivative financial assets (31 December 2022: None).

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

12. Information on tangible assets

Current Period	Land and Building	Vehicles	Property Under Construction(**)	Other Tangible Assets (*)	Total
Cost					
Opening Balance, 1 January 2023	339.245	43.799	211.910	292.793	887.747
Additions	248.925	18.291	--	147.215	414.431
Disposals	--	2.525	141.326	6.535	150.187
Closing Balance, 31 December 2023	588.170	59.564	70.584	433.473	1.151.791
Accumulated Depreciation					
Opening Balance, 1 January 2023	(93.020)	(18.349)	--	(84.048)	(195.417)
Depreciation	(41.817)	(16.940)	--	(74.237)	(132.994)
Disposals	--	548	--	40.004	40.552
Closing Balance, 31 December 2023	(134.837)	(34.741)	--	(118.281)	(287.859)
Net Book Value, 31 December 2023	453.333	24.823	70.584	315.192	863.932

(*) Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

(**) The property under construction that is being made includes the total capitalized project cost following the completion of the projects.

Prior Period	Land and Building	Vehicles	Property Under Construction(**)	Other Tangible Assets (*)	Total
Cost					
Opening Balance, 1 January 2022	296.042	29.930	121.436	137.290	584.698
Additions	43.203	13.869	90.474	159.291	306.837
Disposals	--	--	--	3.788	3.788
Closing Balance, 31 December 2022	339.245	43.799	211.910	292.793	887.747
Accumulated Depreciation					
Opening Balance, 1 January 2022	(67.657)	(7.961)	--	(94.691)	(170.309)
Depreciation	(25.363)	(10.388)	--	(31.470)	(67.221)
Disposals	--	--	--	42.113	42.113
Closing Balance, 31 December 2022	(93.020)	(18.349)	--	(84.048)	(195.417)
Net Book Value, 31 December 2022	246.225	25.450	211.910	208.745	692.330

(*) Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

(**) The property under construction that is being made includes the total capitalized project cost following the completion of the projects.

- 12.1 Disclosure for impairment losses or releases individually material for financial statements

- 12.1.1 Conditions for allocating/releasing any impairment

None.

- 12.1.2 Amount of impairment losses provided or released in financial statements during current period

None.

- 12.2 Other impairment losses provided or released in current period that are immaterial for the financial statements individually

None.

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

I. Explanations and disclosure related to the assets (continued)**13. Information on intangible assets****13.1 Useful lives and depreciation rates**

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Bank's intangible assets consist of software programs and rights, and their useful lives range between 3 to 10 years.

13.2 Depreciation methods

Depreciation for assets which are in balance sheet for less than one year is calculated by the straight line method by proportioning the duration of asset in the balance sheet to the predicted yearly depreciation amount.

13.3 Movements of intangible assets at beginning and end of the current period

	Current Period	Prior Period
Cost		
Beginning Balance, 1 January	429.813	236.894
Additions	665.422	140.921
Disposal	--	--
Ending Balance, 31 December	1.095.237	429.813
Accumulated Depreciation		
Beginning Balance, 1 January	(186.176)	(130.343)
Amortization Expense for Current Period (i)	(121.340)	(88.812)
Disposal	--	--
Ending Balance, 31 December	(307.516)	(186.176)
Net Book Value, 31 December	787.721	243.640

13.4 Details for any individually material intangible assets

None.

13.5 Intangible assets capitalised under government incentives at fair values

None.

13.6 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

13.7 Net book value of intangible asset that are restricted in usage or pledged

None.

13.8 Commitments to acquire intangible assets

None.

13.9 Disclosure on revalued intangible assets

None.

13.10 Research and development costs expensed during current period

None.

13.11 Goodwill

None.

14. Information on investment properties

None.

I. Explanations and disclosure related to the assets (continued)**15. Information on deferred tax asset****15.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits**

As of 31 December 2023, the deferred tax asset amounting to TL 993.138 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2022: TL 383.860 deferred tax asset).

Deferred tax asset consists of deferred tax asset and liability items recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	1.337.698	401.309
Unearned Commission Income/Prepaid Commission Expenses	168.693	50.608
Retirement Pay and Unused Vacation Provision	305.840	91.752
Tangible Assets Base Differences	(180.014)	(54.004)
Provisions	2.227.728	668.318
Other	(550.875)	(164.845)
Deferred Tax Asset/(Liability)	3.309.070	993.138

	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	439.020	109.755
Unearned Commission Income/Prepaid Commission Expenses	113.049	28.262
Retirement Pay and Unused Vacation Provision	231.197	57.799
Tangible Assets Base Differences	(208.358)	(52.089)
Provisions	2.130.050	532.512
Other	(1.169.064)	(292.379)
Deferred Tax Asset/(Liability)	1.535.894	383.860

The movement of the current year and prior year deferred tax assets is shown below:

	1 January-31 December 2023	1 January - 31 December 2022
Deferred Tax Asset, 1 January	383.860	202.569
Deferred Tax Income / (Expense)	659.273	399.637
Deferred Tax Recognized Directly Under Equity	(49.995)	(218.346)
Deferred Tax Asset/(Liability) , Period End Balance	993.138	383.860

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I. Explanations and disclosure related to the assets (continued)**15. Information on deferred tax asset (continued)****15.2 Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet**

None (31 December 2022: None).

15.3 Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes

None.

16. Information on assets held for sale and non-current assets related to discontinued operations

As of 31 December 2023, the Bank has assets held for sale of TL 10.380 (31 December 2022: TL 24.609).

17. Information on other assets

Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

17.1 Information on prepaid expenses, tax and similar items

As of 31 December 2023, total prepaid expenses are TL 141.244 (31 December 2022: TL 94.153).

II. Explanations and disclosures related to liabilities**1. Information on deposits****1.1 Information on maturity structure of deposits**

	Current period (*)								Total
	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	
Saving Deposits	1.253.707	--	10.327.548	26.698.183	1.809.400	62.270	69.566	--	40.220.674
Foreign Currency Deposits	5.092.289	--	5.752.026	906.543	13.693	63.128	440.752	--	12.268.431
Residents in Turkey	4.679.169	--	5.567.083	900.482	13.693	62.910	440.605	--	11.663.942
Residents Abroad	413.120	--	184.943	6.061	--	218	147	--	604.489
Public Sector Deposits	2.259	--	--	53	--	--	--	--	2.312
Commercial Deposits	1.990.016	--	609.731	4.787.815	408.366	202	72.134	--	7.868.264
Other Ins. Deposits	6.317	--	5.132	49.884	193	--	--	--	61.526
Precious Metal Deposits	3.877.628	--	2.130.113	6.942	--	--	--	--	6.014.683
Interbank Deposits	178.108	--	17.404	627.805	1.185.439	--	--	--	2.008.756
Central Bank of Turkey	15.955	--	--	585.199	1.185.439	--	--	--	1.786.593
Domestic Banks	31	--	--	--	--	--	--	--	31
Foreign Banks	162.122	--	17.404	42.606	--	--	--	--	222.132
Special Finan.Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	12.400.324	--	18.841.954	33.077.225	3.417.091	125.600	582.452	--	68.444.646

(*) As of 31 December 2023, the Bank has a total of TL 13.066.878 of currency protected TL time deposits.

	Prior Period (*)								Total
	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative Deposit	
Saving Deposits	829.765	--	5.843.018	11.407.352	178.965	12.680	45.739	--	18.317.519
Foreign Currency Deposits	3.644.610	--	4.778.777	1.302.016	13.376	34.656	281.593	--	10.055.028
Residents in Turkey	3.261.577	--	4.598.962	1.239.943	13.376	34.518	281.503	--	9.429.879
Residents Abroad	383.033	--	179.815	62.073	--	138	90	--	625.149
Public Sector Deposits	734	--	--	--	--	--	--	--	734
Commercial Deposits	1.380.856	--	1.902.199	2.990.905	93.110	34	48.087	--	6.415.191
Other Ins. Deposits	6.389	--	37.254	319.726	201	79	--	--	363.649
Precious Metal Deposits	2.138.258	--	1.595.782	--	--	--	--	--	3.734.040
Interbank Deposits	637.446	--	1.262.110	3.738.825	2.334.293	--	--	--	7.972.674
Central Bank of Turkey	34.005	--	23.260	3.738.825	2.334.293	--	--	--	6.130.383
Domestic Banks	26	--	1.231.968	--	--	--	--	--	1.231.994
Foreign Banks	603.415	--	6.882	--	--	--	--	--	610.297
Special Finan.Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	8.638.058	--	15.419.140	19.758.824	2.619.945	47.449	375.419	--	46.858.835

(*) As of 31 December 2022, the Bank has a total of TL 8.659.756 of currency protected TL time deposits.

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II. Explanations and disclosures related to liabilities (continued)

1. Information on deposits (continued)

1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance

	Under the Guarantee of Deposit		Exceeding	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	11.112.879	5.541.792	28.621.550	12.695.735
Foreign Currency Saving Deposits	5.305.948	3.313.362	9.593.414	8.076.182
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
Total	16.418.827	8.855.154	38.214.964	20.771.917

(*) In the first paragraph of Article 1 of the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 7/11/2006 and numbered 26339, the phrase "savings deposits and belonging to real persons" has been changed to "all deposits excluding those belonging to official institutions, credit institutions and financial institutions."

In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposit and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions, have started to be insured. In this context, commercial deposits covered by the insurance amount to TL 558.038 and related amount is not included in the footnote.

1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.

1.4 Saving deposits that are not under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad	--	--
Deposits of Ultimate Shareholders and Their Close Families	73.604	6.773
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	425.928	95.245
Saving Deposits in Banks Established in Turkey Exclusively for Off Shore Banking Activities	--	--

2. Information on derivative financial liabilities held for trading

2.1 Information on negative differences relating to derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	311.624	--	279.519	--
Swap Transactions	490.607	--	258.528	--
Futures Transactions	--	--	--	--
Options	15.613	69.007	82	23.811
Other	--	--	--	--
Total	817.844	69.007	538.129	23.811

3. Information on banks and other financial institutions

3.1 Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	--	329.664	--	--
From Foreign Banks, Institutions and Funds	--	1.995.597	--	3.179.212
Total	--	2.325.261	--	3.179.212

II. Explanations and disclosures related to liabilities (continued)

3. Information on banks and other financial institutions (continued)

3.2 Maturity analysis of borrowing

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	--	1.920.660	--	469.618
Medium and Long Term	--	404.601	--	2.709.594
Total	--	2.325.261	--	3.179.212

3.3 Additional explanation related to the concentrations of the Bank's major liabilities

In the scope of banking operations, the Bank funds itself through the funds provided in the form of deposits, money market funds, bank borrowings and bond issuance.

4. Information related to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	--
Book Value	--	--	--	--
	Current Period		Prior Period	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	1.150.000	--	--	3.609.912
Book Value	1.108.379	--	--	3.702.499

5. Other Liabilities

Other liabilities of balance sheet do not exceed 10% of the balance sheet total excluding the off-balance sheet items.

6. Obligations under financial lease

With the "IFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	152.597	139.141	65.232	56.583
Between 1-4 Years	282.026	182.704	117.021	81.630
More than 4 Years	191.631	51.107	8.183	3.314
Total	626.254	372.952	190.436	141.527

6.1 Additional explanations related to the changes in agreements and the additional liabilities brought by these changes

None.

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II. Explanations and disclosures related to liabilities (continued)

7. Information on derivative financial liabilities for hedging purposes

As of 31 December 2023, there are no derivative financial liabilities for hedging purposes (31 December 2022: None).

8. Information on provisions

8.1 Foreign exchange losses on the foreign currency indexed loans

The foreign exchange losses on foreign currency indexed loans are netted off from the loans on the balance sheet. As of 31 December 2023, there is no provision of foreign exchange losses on the foreign currency indexed loans (31 December 2022: None).

8.2 The specific provisions provided for unindemnified non cash loan

As of 31 December 2023, the specific provision provided for unindemnified non cash loans is TL 18.886 (31 December 2022: TL 14.192).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	1.586.000	1.320.000

8.3.2 The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total provisions

None.

8.3.3 Explanations on reserves for employee benefits

As of 31 December 2023, reserves for employee benefits amounting to TL 305.840 (31 December 2022: TL 231.197) comprise of TL 96.745 reserve for employee termination benefits (31 December 2022: TL 68.149), TL 21.246 unused vacation pay liability (31 December 2022: TL 13.025) and TL 187.849 personnel bonus accrual (31 December 2022: TL 150.023).

8.3.3.1 Employee Termination Movements

	Period	Prior Period
Balance at the Beginning	68.149	23.977
Change in the period	20.656	7.810
Aktüel Loss/Profit Transferred to Equity	50.333	45.344
Paid in the Period	(42.393)	(8.982)
Balance at the End	96.745	68.149

II. Explanations and disclosures related to liabilities (continued)

9. Explanations on Tax Liability

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 31 December 2023, the Bank's current tax liability is TL 912.203 (31 December 2022: TL 394.337).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	566.400	240.742
Taxation on securities	71.851	20.648
Property tax	1.105	540
Banking and Insurance Transaction Tax (BITT)	128.299	40.065
Taxes on foreign exchange transactions	7.955	6.065
Value added taxes payable	15.659	8.268
Income tax ceased from wages	40.224	22.658
Other	4.412	16.009
Total	835.905	354.995

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	30.906	16.655
Social Security Premiums- Employer	39.555	19.212
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee	1.946	1.159
Unemployment Insurance- Employer	3.891	2.316
Other	--	--
Total	76.298	39.342

9.2 Explanations on deferred tax liabilities

There are no deferred tax liabilities after netting of deferred tax assets (31 December 2022: None).

10. Information on liabilities regarding assets held for sale and discounted operations

None (31 December 2022: None).

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II. Explanations and disclosures related to liabilities (continued)

11. Explanations on subordinated loans

The additional Tier 1 capital with a nominal amount of USD 30 million was early redeemed on 1 March 2022 with the approval of the BRSA, and the redemption amount was used in the cash capital increase realized in April 2022.

	Current Period		Prior Period	
	TP (*)	FC	TP (*)	FC
Debt instruments subject to common equity	100.000	--	100.000	--
Subordinated loans	--	--	--	--
Subordinated debt instruments*	100.000	--	100.000	--
Debt instruments subject to Tier 2 equity	--	7.180.853	--	4.543.945
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	7.180.853	--	4.543.945
Total	100.000	7.180.853	100.000	4.543.945

(*)Related debt instrument is shown under "Other Capital Reserves" account.

12. Information on shareholders' equity

12.1 Paid in capital

	Current Period	Prior Period
Common Stock	1.357.723	1.357.723
Preferred Stock	--	--

12.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied at The Bank; if so the amount of registered share capital ceiling:

Registered share capital system is not applied.

12.3 Information on share capital increases and their sources; other information on increased capital shares in current period

None.

12.4 Information on share capital increases from revaluation funds:

None.

12.5 Information on capital commitments the purpose and the sources until the end of the fiscal year and the subsequent interim period:

The capital is totally paid in and there are no capital commitments.

12.6 Indicators of the Bank's income, profitability and liquidity for the prior periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Bank's equity:

None.

12.7 Information on privileges given to stocks representing the capital

The Bank does not have any preferred shares.

II. Explanations and disclosures related to liabilities (continued)

12. Information on shareholders' equity (continued)

12.8 Common stock issue premiums, shares and equity instruments

Number of shares issued with premiums and the related share premiums are presented below.

	Current Period	Prior Period
Number of Shares (Thousand)	26.230.098	26.230.098
Number of Privileged Shares	--	--
Share Premium	128.678	128.678
Share Cancellation Profits	--	--
Other Equity Instruments	--	--

12.9 Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	727.426	41.432	788.898	(6.718)
Exchange Difference	--	--	--	--
Total	727.426	41.432	788.898	(6.718)

12.10 Information on other capital reserves

The Bank issued a TL denominated debt instrument on 20 March 2019 with nominal amount of TL 100.000 with a floating interest rate, which fulfills the conditions of 7th section-2nd paragraph of BRSA's "Regulation on Equities of Banks", has equity characteristics and will be added to Tier I capital calculations. The principal of debt instrument under "Other Capital Reserves" account and current year interest expense under "Prior Periods Profit or Loss" account.

12.11 Information on revaluation reserve

None.

12.12 Bonus shares of subsidiaries, associates and joint ventures

The Bank's financial subsidiary Fiba Portföy Yönetimi A.Ş., made a capital increase of TL 22.000 from internal sources on 23 May 2023 (31 December 2022: TL 2.500).

12.13 Information on legal reserves

	Current Period	Prior Period
Legal Reserves	204.289	71.590
Special Reserves	--	--

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	3.022.580	926.300
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

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III. Explanations and disclosures related to off-balance sheet contingencies and commitments

1. Information on off balance sheet commitments

1.1 Nature and amount of irrevocable loan commitments

	Current Period	Prior Period
Asset Sale and Purchase Commitments	12.047.654	5.669.593
Credit Card Limit Commitments	357.395	36.319
Credit Card and Bank Trans. Promo. Guarantee	6	--
Commitments for Credit Allocation with the Guarantee of Usage	5.329.780	3.644.791
Export Commitments	66.455	31.761
Commitment for Cheques	329.964	276.368
Other Irrevocable Commitments	14.650	5.719
Total	18.145.904	9.664.551

1.2 Possible losses and commitments related to off balance sheet items, including the ones listed below

1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Letters of Guarantee TL	499.650	486.870
Letters of Guarantee FC	447.689	154.792
Letters of Credit	81.217	86.358
Bills of Exchange and Acceptances	35.408	17.941
Total	1.063.964	745.961

The Bank has set aside TL 21.210 of expected credit loss allowance for non-cash loans (31 December 2022: TL 15.642).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	21.322	15.710
Irrevocable Letters of Guarantee	823.196	545.901
Letters of Guarantee Given in Advance	35.997	10.330
Letters of Guarantee Given to Customs	59.469	55.760
Other Letters of Guarantee	7.355	13.961
Total	947.339	641.662

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	--	3.098
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	--	3.098
Other Non-Cash Loans	1.063.964	742.863
Total	1.063.964	745.961

III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)

3. Information on sectoral risk concentration of non cash loans

	Current Period				Prior Period			
	TP	(%)	YP	(%)	TP	(%)	YP	(%)
Agricultural	2.529	0,51%	7.137	1,26%	3.649	0,85%	--	0,0%
Farming and raising livestock	2.104	0,42%	--	0,00%	3.224	0,66%	--	0,0%
Forestry	425	0,09%	7.137	1,26%	425	0,09%	--	0,0%
Fishing	--	0,00%	--	0,00%	--	0,00%	--	0,0%
Manufacturing	104.875	20,99%	224.065	39,71%	114.853	23,39%	54.423	21,0%
Mining	14.975	3,00%	11.624	2,06%	7.978	1,64%	--	0,0%
Production	89.132	17,84%	212.441	37,65%	104.720	21,51%	54.423	21,0%
Electric, gas and water	768	0,15%	--	0,00%	2.157	0,34%	--	0,0%
Construction	100.857	20,18%	97.243	17,23%	107.153	22,01%	56.955	22,0%
Services	200.960	40,22%	190.413	33,74%	173.648	35,77%	135.229	52,2%
Wholesale and retail trade	96.323	19,26%	91.791	16,27%	112.524	23,11%	80.784	31,3%
Hotel, food and beverage services	7.034	1,41%	8.143	1,44%	3.324	0,68%	4.984	1,9%
Transportation and telecommunication	8.340	1,67%	62.544	11,08%	8.838	1,82%	4.946	1,9%
Financial institutions	76.963	15,40%	4.004	0,71%	35.310	7,25%	20.311	7,8%
Real estate and renting services	5.259	1,05%	--	0,00%	5.242	1,08%	--	0,0%
Self-employment services	3.010	0,60%	401	0,07%	3.850	0,79%	13.761	5,3%
Education services	1.075	0,21%	--	0,00%	1.223	0,25%	--	0,0%
Health and social services	2.956	0,59%	23.528	4,17%	3.327	0,69%	10.443	4,0%
Other	90.429	18,10%	45.458	8,06%	87.567	17,98%	12.484	4,8%
Total	499.650	100,00%	564.314	100,00%	486.870	100,00%	259.091	100,0%

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

Current Period	Stage I		Stage II	
	TL	FC	TL	FC
Letters of Guarantee	406.163	427.305	80.660	10.83%
Bills of Exchange and Bank Acceptances	--	--	--	35,40%
Letters of Credit	--	81.217	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
Non-Cash Loans	406.163	508.522	80.660	45,44%

(*) The expected credit loss amounting to TL 23.176 for non-cash loans which are not indemnified is excluded.

Prior Period	Stage I		Stage II	
	TL	FC	TL	FC
Letters of Guarantee	412.223	154.792	54.547	--
Bills of Exchange and Bank Acceptances	--	17.941	--	--
Letters of Credit	--	86.358	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
Non-Cash Loans	412.223	259.091	54.647	--

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III. Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)

5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	178.353.457	117.786.955
Forward Transactions	71.101.109	34.703.848
Swap Transactions	89.199.055	70.163.629
Futures Transactions	773.044	142.388
Option Transactions	17.280.249	12.777.090
Interest Related Derivative Transactions (II)	5.250	1.747.146
Forward Rate Transactions	--	--
Interest Rate Swap Transactions	5.250	1.747.146
Interest Option Transactions	--	--
Futures Interest Transactions	--	--
Other Trading Derivative Transactions (III)	8.327.575	2.372.802
A. Total Derivative Transactions Held for Trading (I+II+III)	186.686.282	121.906.903
Types of hedging transactions		
Fair Value Hedges	--	--
Cash Flow Hedges	--	--
Net Investment Hedges	--	--
B. Total Derivative Transactions Held for Hedging Purposes	--	--
Total Derivative Transactions (A+B)	186.686.282	121.906.903

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

None.

7. Information related to derivative financial instruments

The Bank recognised a provision of TL 50.722 for the legal cases pending against the Bank where the cash out flows are probable (31 December 2022: TL 50.760).

8. Custodian and Intermediary services

The Bank provides trading and safe keeping services in the name and account of third parties. Such transactions are presented in off-balance statements.

IV. Explanations and disclosures related to the statement of profit or loss

1. Interest income

1.1 Information on interest on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans(*)	8.743.059	729.746	5.207.462	382.979
Short Term Loans	7.045.973	323.378	3.893.724	53.553
Medium and Long Term Loans	1.697.086	406.368	1.313.738	329.426
Interest on Non-Performing Loans	72.564	--	47.143	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total	8.815.623	729.746	5.254.605	382.979

(*) Includes fees and commissions obtained from cash loans as well.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	--	23.232	909	8.139
Domestic Banks	52.428	12.369	9.126	4.542
Foreign Banks	--	7.887	--	1.460
Branches and Head Office Abroad	--	--	--	--
Total	52.428	43.488	10.035	14.141

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	6	201	31	143
Financial Assets at Fair Value Through Other Comprehensive Income	572.247	207.773	170.980	125.967
Financial Assets Measured at Amortized Cost	570.512	347.058	220.018	235.036
Total	1.142.765	555.032	391.029	361.146

1.4 Information on interest income received from associates and subsidiaries

Total interest income received from subsidiaries is TL 8.111 (31 December 2022: TL 13.800).

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IV. Explanations and disclosures related to the statement of profit or loss (continued)

2. Interest expense

2.1 Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	--	385.525	833	21.739
The Central Bank of Turkey	--	--	--	--
Domestic Banks	--	8.532	833	1.534
Foreign Banks	--	376.993	--	20.205
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	614.610	--	349.464
Total	--	1.000.135	833	371.203

(*Includes fees and commission expenses on borrowings, as well.

2.2 Information on interest expenses to associates and subsidiaries

Total interest expense given to associates and subsidiaries is TL 104.938 (31 December 2022: TL 8.719).

2.3 Information on interest expenses to securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	161.844	16.146	21.039	213.832

2.4 Information on maturity structure of interest expenses paid for deposits

Account Description	Demand Deposits	Up to 1 Month	Time Deposits				Cumulative Deposits	Total
			Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	540.816	--	--	--	--	--	540.816
Saving Deposits	--	2.221.509	5.216.103	321.832	33.657	4.547	--	7.797.648
Public Sector Deposits	--	--	7.255	--	--	--	--	7.255
Commercial Deposits	--	339.330	1.067.552	49.593	11.028	34	--	1.467.537
Other	--	4.088	60.664	1.724	--	--	--	66.476
7 Days Notice	--	--	--	--	--	--	--	--
Total	--	3.105.743	6.351.574	373.149	44.685	4.581	--	9.879.732
Foreign Currency								
Foreign Currency Deposits	--	12.356	111.328	3.046	10.081	11.025	--	147.836
Bank Deposits	--	22.089	--	--	--	--	--	22.089
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	5.747	--	--	--	--	--	5.747
Total	--	40.192	111.328	3.046	10.081	11.025	--	175.672
Grand Total	--	3.145.935	6.462.902	376.195	54.766	15.606	--	10.055.404

3. Information on dividend income

In the current period, the Bank has dividend income of TL 130.001 (31 December 2022: TL 200.000).

IV. Explanations and disclosures related to the statement of profit or loss (continued)

4. Information on net trading income / loss

	Current Period	Prior Period
Income	31.108.808	13.694.036
Gains on Capital Market Operations	439.043	95.213
Gains on Derivative Financial Instruments	5.261.687	2.983.347
Foreign Exchange Gains	25.408.078	10.615.476
Loss (-)	26.433.790	10.749.069
Losses on Capital Market Operations	291.287	40.427
Losses on Derivative Financial Instruments	9.511.555	4.036.350
Foreign Exchange Losses	16.630.948	6.672.292
Net Trading Income / (Loss)	4.675.018	2.944.967

5. Information on other operating income

Other operating income mainly consists of provision reversals, profit from sale of assets, commissions on cheques and notes and costs recharged.

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	1.035.599	626.607
12 Months Expected Credit Losses (Stage 1)	13.018	185.888
Significant Increase In Credit Risk (Stage 2)	123.940	103.830
Impaired Credits (Stage 3)	898.641	336.889
Impairment Losses on Marketable Securities	--	--
Financial Assets Valued at Fair Value Through Profit or Loss	--	--
Financial Assets Valued at Fair Value Through Other Comprehensive Income	--	--
Impairment Losses on Associates, Subsidiaries and Joint Ventures	--	--
Associates	--	--
Subsidiaries	--	--
Joint-Ventures	--	--
Other (*)	268.812	1.026.806
Total	1.304.411	1.653.413

(*For the period ended 31 December 2023, there is TL 2.812 of litigation expense and TL 266.000 of provision for possible risks (31 December 2022: TL 983.000 of provision for possible loss and TL of 43.806 litigation expense).

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IV. Explanations and disclosures related to the statement of profit or loss (continued)

7. Information related to other operational expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	6.987	--
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	48.872	27.898
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	121.339	55.812
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	--
Depreciation of Right to Use Assets	84.122	39.323
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	910.362	388.931
Operational leases expenses related with TFRS 16 exceptions (*)	2.426	292
Repair and Maintenance Expenses	8.960	4.704
Advertisement Expenses	152.089	109.315
Other Expenses	746.887	274.620
Losses on Sale of Assets	720.496	290.070
Other (**)	430.005	240.603
Total	2.322.183	1.042.637

(*) Loss on Sale of Assets amounting to TL 716.182 is related to the sale of loans within the scope of VDMK. In 2023, a total of TL 8.403.475 loans were sold for the purpose of issuing VDMK, and the difference of TL 716.182 between the book value and the discounted value of these loans was recognized as loss on sale.

(**) The other line includes SDF expenses in the amount of TL 118.876, contractual power of attorney fee expenses in the amount of TL 64.549, audit and counselling expenses in the amount of TL 71.102.

8. Information on profit/loss before tax from continued and discontinued operations

All pre-tax profit/loss of the Bank is due to continuing operations. The Bank does not have any discontinued operations.

	Current Period	Prior Period
Interest Income	12.043.061	6.322.214
Interest Expenses (-)	11.793.838	4.292.682
Net Fee and Commission Income	3.352.512	568.975
Dividend Income	130.001	300.000
Trading Profit/Loss (Net)	4.875.018	3.344.967
Other Operating Income	2.430.634	1.113.080
Provision for Impairment in Loans and Other Receivables	1.035.599	626.607
Other Provision Expenses (-)	368.812	1.026.806
Personnel Expenses (-)	2.014.574	978.874
Other Operating Expenses (-)	2.322.183	1.042.637
Profit/(Loss) Before Tax	5.404.260	3.401.628

9. Explanations on tax provision for resumed operations and discontinued operations

The Bank's ongoing activities tax reconciliation is as follows:

	Current Period	Prior Period
Net Operating Profit	5.404.260	3.401.628
Corporate Tax Rate	28%	28%
Amount of Tax Before Deductions and Additions	1.513.238	950.457
Deductions	(1.418.234)	(891.109)
Additions	1.351.450	770.926
Calculated Tax	1.446.454	830.274

9.1 Current period taxation income or expense and deferred tax income or expense

For the period ended 31 December 2023, the Bank provided current tax expense of TL 2.093.779 in the statement of profit/loss (31 December 2022: TL 1.129.911 net expense).

For the period ended 31 December 2023, the Bank provided net deferred tax income of TL 659.273 in the statement of profit/loss (31 December 2022: TL 399.637 net deferred tax income).

10. Information on profit/loss from continued and discontinued operations

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	5.404.260	3.401.628
Tax Benefit/(Charge) on Continuing Operations	(1.404.506)	(730.274)
Net Profit/(Loss) from Continuing Operations	3.999.754	2.671.354

IV. Explanations and disclosures related to the statement of profit or loss (continued)

11. Information on net profit/loss for the period

11.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period

In the current and prior periods, the Bank's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expenses on deposits and similar borrowing items which are funding resources of loans and marketable securities.

11.2 Changes in estimations made by the Bank with respect to the financial statements items do not have a material effect on profit/loss

11.3 As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares

12. If "other" lines of the statement of profit or loss exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

In the current period, "other" items recognised in "fees and commissions received" majorly comprised of commissions such as valuation commissions, insurance commissions, contracted merchant commissions, and credit card commissions.

In the current period, "other" items recognised in "fees and commissions paid" majorly comprised of commissions to correspondent banks, credit card commissions and commissions on issuance of securities.

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V. Explanations and disclosures related to statements of changes in consolidated shareholders' equity

1. Information on inflation adjustment difference of shareholders' equity

As per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.

In accordance with the circular, TL 17.416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account. Mentioned inflation adjustment was used in the capital increase from TL 426.650 to TL 550.000 together with TL 9.502 profit from the disposal of real estate and TL 96.432 cash contribution of Fiba Holding A.Ş. in accordance with the Board of Directors decision dated 25 February 2013. Legal procedures were completed on 29 May 2013 and capital increase was accounted for in the financial statements.

2. Information on profit distribution

The decision relating to distribution of 2023 profit will be made at the General Assembly.

At the General Assembly meeting held on 31 March 2023, 2022 profit of the Bank was decided to be distributed as follows:

Profit or Loss	2.671.354
A - Prior Periods Losses	17.375
B- Legal Reserves	132.699
C- Special Funds	425.000
D- Extraordinary Reserves	2.096.280

3. Information on foreign exchange difference

None.

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

Fair Value gains and losses on financial assets measured at fair value through other comprehensive income are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such equity securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" for such equity securities. In case the related assets are Debt securities, they are recognized under in the account "Accumulated Other Comprehensive Income or Loss to be Reclassified Through Profit or Loss" under equity.

VI. Explanations and disclosures related to the consolidated statement of cash flows

1. Information on cash and cash equivalents

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency, money in transfer, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments onmarketable securities are defined as "Cash equivalents".

a) Cash and cash equivalents at the beginning of the period:

	1 January 2023	1 January 2022
Cash	2.021.381	968.288
Banks and Other Financial Institutions	11.675.716	10.544.067
Money Market Placements	1.636.551	128.720
Total Cash and Cash Equivalent Assets	15.333.648	11.641.075

b) Cash and cash equivalents at the end of the period:

	31 December 2023	31 December 2022
Cash	2.909.926	2.021.381
Banks and Other Financial Institutions	13.669.816	11.675.716
Money Market Placements	2.798.486	1.636.551
Total Cash and Cash Equivalents Assets	19.377.571	15.333.648

2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons

In the current period, demand deposits of TL 95.637 which is blocked at foreign banks as the guarantee of derivative transactions and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equivalents (31 December 2022: TL 170.631).

3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents

"The other items" in the amount of TL (5.995.707) included in the "operating profit/(loss) before changes in assets and liabilities" subject of banking activity consists of other operating expenses and realized derivative transaction profit/ (loss) (31 December 2022: TL (853.559)).

"Net increase/decrease in other liabilities" amounting to TL 7.593.055 in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2022: TL 4.199.494).

"Net increase/decrease in other assets" amounting to TL (897.448) (in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2022: TL 141.912).

"Other" amounting to TL 647.758 in "Net cash flows from investment activities" consists of purchases of intangible assets (31 December 2022: TL 183.493).

"The effect of exchange rate changes on cash and cash equivalents" is the amount arising from conversion of the cash and cash equivalents denominated in foreign currencies with the average of the exchange rates effective at the beginning and at the end of the related periods and is TL 8.270.338 for the current period (1 January- 31 December 2022: TL 3.553.222).

FİBABANKA A.Ş.

Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

VII. Explanations and disclosures on the risk group of the Bank

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at Period end and income and expenses in the current period

1.1 Information on the volume of transactions with the Bank's risk group

Current Period

Bank's Risk Group (*) (**)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables	--	--	--	--	--
Balance at the Beginning of the Period	267.036	483	--	--	627.604	76.715
Balance at the End of the Period	179.981	683	--	450	1.145.486	60.151
Interest and Commission Income Received	8.109	2	407	--	183.935	178

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

Prior Period

Bank's Risk Group (*) (**)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables	--	--	--	--	--
Balance at the Beginning of the Period	60.114	--	--	--	465.991	67.861
Balance at the End of the Period	267.036	483	--	--	627.604	76.715
Interest and Commission Income Received	13.797	3	23	--	79.962	299

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

1.2 Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Deposits					
Balance at the Beginning of the Period	250.223	224.393	1.249.692	2.204	1.150.446	399.459
Balance at the End of the Period	609.465	250.223	50.080	1.249.692	1.325.911	1.150.446
Deposit Interest Expense	104.938	8.719	97.102	13.920	257.036	41.535

(*) Described in article 49 of the Banking Act No: 5411.

1.3 Information on funds obtained from the Bank's risk group

As of 31 December 2023, the Bank has non-deposit funds of TL 4.425.465 from real and legal persons included in the Bank's risk group (31 December 2022: TL 2.492.998).

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

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at Period end and income and expenses in the current period (continued)

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
	Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--
Balance at the Beginning of the Period	--	--	75.012	--	1.502.471	404.723
Balance at the End of the Period	--	--	--	75.012	129.289	1.502.471
Total Income/Loss	--	--	--	--	(3.482)	32.588
Transactions for Hedging Purposes:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

(*) As described in the Article 49 of Banking Act no.5411.

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

2.1 Regardless of whether there is a transaction Decoupled between the parties, the bank is included in the risk group and Relations of the Bank with the institutions under its control

The terms of related party transactions are equivalent to those that prevail in arm's length transactions only if such terms can be substantiated regarding the limits exposed by the Banking Act. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.

2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of 31 December 2023, the ratio of the loans and other receivables to the risk group to total loans and receivables is 2,58% (31 December 2022: 2,36%), the ratio of the deposits from the risk group to total deposits is 2,90% (31 December 2022: 5,66%) and the ratio of funds from the risk group to the total borrowings is 43,26% (31 December 2022: 17,05%).

In the current period, benefits such as salaries and bonuses, provided to the key management are TL 111.566 (1 January - 31 December 2022: TL 50.873).

2.3 Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements

None.

2.4 Transactions accounted for under equity method

None.

2.5 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

None.

FİBABANKA A.Ş.**Notes to the Unconsolidated Financial Statements
for the Period Between 1 January 2023 – 31 December 2023**

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

VIII. Explanations on the Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices**1. Information related to the Bank's domestic and foreign branch and representatives**

	Number	Number of Employees			
Domestic Branch	40	1.940			
			Country of Incorporations		
Foreign Reprasantation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Rezon Branches			1-		
			2-		
			3-		

IX. Fees for services received from Independent Auditor / Independent Audit firms

The fee information regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the KGK dated 26 March 2021 is given in the table below.

	Current Period	Prior Period
Independent Audit Fee	6.420	5.437
Tax Consultancy Fee	--	--
Other Assurance Services Fee	--	--
Other Fee For Non-Audit Services	--	--
Total	6.420	5.437

(*) Excluding VAT.

X. Explanations and notes related to subsequent events

None.

SECTION SIX**I. Other disclosures on activities of the Bank****Summary information of Bank's risk ratings by international rating agencies:**

Fitch Ratings	
Long term FC and TL Rating	B-
Short term FC and TL Rating	B
Viability Rating	b-
Support Rating	Unrated
Long term National Scale Rating	A-(tur) Stable
Subordinated Debt Rating	CCC
Outlook	Stable

FİBABANKA A.Ş.

Notes to the Unconsolidated Financial Statements for the Period Between 1 January 2023 - 31 December 2023

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

SECTION SEVEN

DISCLOSURES ON AUDIT REPORT

I. Disclosures on independent auditor's report

The unconsolidated financial statements of the Bank as of 31 December 2023, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (The Turkish member firm of KPMG International Cooperative) and the audit report is presented before the accompanying financial statements.

II. Disclosures and footnotes prepared by independent auditors

None.

FİBANKA

ANONİM ŞİRKETİ

Consolidated Financial Statements
as of and for the Year Ended
31 December 2023
With Independent Auditors'
Report Thereon

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



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**Convenience Translation of the Independent Auditor's Report Originally Prepared and Issued
in Turkish to English**

To the Shareholders of Fibabanka Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Fibabanka Anonim Şirketi ("the Bank") and its subsidiaries (together will be referred as "the Group") which comprise the consolidated balance sheet as at 31 December 2023 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matter described in the Basis For Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Fibabanka Anonim Şirketi and its subsidiaries as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

Basis for Qualified Opinion

As stated in Note II.8.3.1 of Section Five, the accompanying consolidated financial statements as at 31 December 2023 include a general provision of total of TL 1.586.000 thousand, of which TL 266.000 thousand was recognized as expense in the current period and TL 1.320.000 thousand had been recognized as expense in prior periods, with a deferred tax asset amounting to TL 475.800 thousand of which TL 145.800 thousand was recognized within the current period and TL 330.000 thousand had been recognized in prior periods, for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation.



The purpose and scope of the "General Communiqué of Tax Procedure Law No. 555" of Republic of Turkey Ministry of Treasury and Finance published in the Official Gazette dated 30 December 2023 and numbered 32414 is to determine the principles and procedures regarding inflation adjustments to be recognised in accordance with Article 29B of Law No. 219 and provisional Article 33 in 2023 and following accounting periods based on the fulfilment of the conditions for adjustments. Within the framework of this regulation, the Group has adjusted its tax-based financial statements as of 31 December 2023, for inflation.

However, the Group has not recognised for deferred tax assets by calculating the temporary differences arising from inflation accounting between the financial statements prepared in accordance with the Banking Regulation and Supervision Agency (BRSA) Accounting and Financial Reporting Regulations and the tax-based financial statements adjusted for inflation. This situation is not in compliance with the BRSA Accounting and Financial Reporting Regulations. If the Group had calculated deferred tax assets based on temporary differences arising from the revaluation effect in accordance with TAS 12 "Income Taxes," deferred tax assets, deferred tax income, and period net income would have needed to increase by a total of TL 758,500 thousand in the accompanying consolidated financial statements.

We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRSA Auditing Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented in Section III, No VIII to the consolidated financial statements.

Key audit matter	How the matter is addressed in our audit
<p>As of 31 December 2023, loans measured at amortised cost comprise 50% of the Group's total assets.</p> <p>The Group recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 23750 dated 22 June 2016 and IFRS 9 Financial Instruments standard ("Standard").</p>	<p>Our procedures for testing the impairment of loans included below:</p> <ul style="list-style-type: none"> We tested the design, application and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.



The Group applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Group management annually.

The significant assumptions and estimates of the Group's management are as follows:

- significant increase in credit risk,
- incorporating the forward looking macroeconomic information in calculation of credit risk; and
- design and implementation of expected credit loss model.

The determination of the impairment of loans measured at amortised cost depends on the (i) credit default status, (ii) the model based on the change in the credit risk at the first recognition date and (iii) the classification of the loans measured at amortised cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.

The Group calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the fair value of the collateral provided for credit transactions.

The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward looking expectations are reflected by macroeconomic models.

Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, the level of judgements and its complex structure as explained above.

- We evaluated the adequacy of the subjective and objective criteria that is defined in the Group's impairment accounting policy compared with the Regulation and Standard.

- We evaluated the Group's business model and methodology and the evaluation of the calculations were carried out with the control testing and detailed analysis by the involvement of specialist.

- We performed can reviews for selected loan samples which include a detailed examination of loan files and related information and testing the reclassification. In this context, the current status of the loan customer has been evaluated on prospective information and macroeconomic variables.

- We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis and discussed the assumptions and estimates with the Group management.

- We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation, the models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated.

- We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method.

- We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk.

- We also evaluated the adequacy of the consolidated financial statements' disclosure related to impairment provisions.



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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

B) Report on Other Legal and Regulatory Requirements

1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102, no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2023 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.

2) Pursuant to the fourth paragraph of Article 402 of the TCC, the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

M. İsmail Güneş, SMMM
Partner

29 February 2024
İstanbul, Turkey

**THE CONSOLIDATED FINANCIAL REPORT OF
FİBABANKA A.Ş.
FOR THE YEAR ENDED PERIOD ENDED 31 DECEMBER 2023**

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The consolidated financial report for the year ended period prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITORS' REPORT

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

Subsidiary:

- Fiba Portföy Yönetimi A.Ş.

Associates:

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

The consolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in **thousands of Turkish Lira**, and in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently audited and presented as attached.

Hüsni Mustafa Özyeğin Chairman of the Board of Directors	Faik Onur Umur Member of the Audit Committee	Betül Ebru Edin Member of the Audit Committee	Ömer Mert General Manager and Member of the Board of Directors	Elif Alsev Utku Özbey Deputy General Manager Financial Control and Reporting	Ayşe Akdaş Director Financial Control and Reporting
--	--	---	--	--	---

Information related to personnel to whom questions related to this financial report may be directed:
Name-Surname/Title : **Ayşe Akdaş/Financial Control and Reporting Director**
Telephone Number : (212) 381 84 88
Fax Number : (212) 258 37 78

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FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Periods Between 1 January - 31 December 2023

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

SECTION ONE

GENERAL INFORMATION

I. History of the Parent Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of Banking Regulation and Supervision Agency ("BRSA") No: 596 on 16 January 2002.

In the General Assembly held on 4 March 2003, the name of Sitebank A.Ş. was amended as BankEuropa Bankası A.Ş.

In the extraordinary General Assembly held on 28 November 2006, the name of BankEuropa Bankası A.Ş. was amended as Millennium Bank A.Ş.

On 27 December 2010, acquisition of the Bank by Credit Europe Bank N.V., which is an affiliate of Fiba Holding A.Ş., was realized.

In the extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. was amended as Fibabanka A.Ş. ("the Bank" or "the Parent Bank").

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

On 10 February 2010, Banco Comercial Portugues S.A. and Credit Europe Bank N.V., which is an affiliate of Fiba Group, signed a share purchase agreement to transfer 95% of the Bank's shares to Credit Europe Bank N.V. and the legal approval process was completed as of 27 December 2010.

Credit Europe Bank N.V.'s share of capital increased from 95% to 97,6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97,6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2,4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. In 2013, there was the first sale of equity shares to the management of the Bank, and there has been changes over time. As of 31 December 2023 the total shares held by the Bank's Management represent 5,65% of the Bank's Capital.

The Parent Bank applied to the BRSA on 14 January 2015 for permission of the subordinated loan provided from Fiba Holding A.Ş. in the amount of USD 50 million to be converted to share capital. Following the authorization of the BRSA on 4 March 2015, the Board of Directors decision was taken on 5 March 2015 regarding share capital increase from TL 550.000 to TL 678.860. TL 127.045 of the increase was provided by the subordinated loan granted by Fiba Holding A.Ş. which had been approved to be converted to capital and TL 1.815 of total capital was paid in cash by the other shareholders, capital increase was recognised in financial statements following the completion of the legal procedures on 7 May 2015.

The Parent Bank's paid-in capital amounting to TL 678.860 was increased to TL 847.515 on 23 December 2015 with equal contributions from International Finance Corporation ("IFC") and European Bank for Reconstruction and Development ("EBRD") amounting TL 168.655 in total. In addition, share issuance premium of TL 73.379 was recognised in the shareholders' equity.

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

The paid-in capital of the Bank amounting to TL 847.515 was fully transferred to TurkFinance B.V. on 7 September 2016. It has been increased by TL 93.646 to TL 941.161 by means of participation in the capital. In addition, TL 55.299 was recorded in equity as the share issue premium amount.

With the decision taken at the Extraordinary General Assembly dated 14 April 2022, the paid-in capital of the Bank was increased by TL 416.562 to TL 1.357.723 by making a cash capital increase.

As of 31 December 2023, paid-in capital of the Bank is TL 1.357.723 and all paid in.

III. Explanations Regarding the Shares of the Parent Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents

Name Surname(*)	Title	Assignment Date
Board of Directors		
Hüsnu Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
Mehmet Güleşçi	Member	27-Dec-10
Faik Onur Umut	Member	23-Jan-19
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Erman Kalkandelen	Member	02-Jul-21
Ali Fuat Erbil	Member	19-Jun-23
Betül Ebru Edin	Member	25-Sep-23
Ömer Mert	General Manager - Member	19-Jan-17

(*) Hülya Kefeli and Memduh Aslan Akçay have left their duties as of 31 March 2023 and 30 April 2023, respectively.

(**) İsmet Kaya Erdem has left his duty as of 1 January 2024.

Audit Committee		
Faik Onur Umut	Member	14-Jan-20
Betül Ebru Edin	Member	29-Dec-23

Assistant General Managers		
Elif Alsev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdikler	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions, Project Finance and Investor Relations	01-Dec-15
Gerçek Önal	AGM - Chief Legal Officer	01-Feb-16
İbrahim Toprak	AGM - Treasury	01-Apr-20
Serdar Yılmaz	AGM - Information Technologies and Banking Operations	01-Sep-20
Gökhan Ertürk	AGM - Ecosystem & Platform Banking	11-May-21

As of 31 December 2023, the total shares held by the Bank's Management represent 5,65% of the Bank's Capital.

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Periods Between 1 January - 31 December 2023

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

IV. Individuals and Institutions That Have Qualified Shares in the Parent Bank

Name Surname/ Commercial Title	Share Amount (Nominal)	Share Ratios	Paid in Capital (Nominal)	Unpaid Shares
Fiba Holding A.Ş.	940.001	69,23%	940.001	--
Hüsnü Mustafa Özyeğin (*)	785.956	57,89%	785.956	--

(*) States indirect share of Mr. Hüsnü Mustafa Özyeğin in the Bank due to his direct share in Fiba Holding A.Ş.

V. Summary Information on the Parent Bank's Services and Activity Areas

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2023, the Group serves with 40 domestic branches and 1.958 employees.

VI. Other Information

The Bank's Commercial Title	: Fibabanka Anonim Şirketi
The Bank's General Directorate Address	: Esentepe Mah. Büyükdere Caddesi No:129 Şişli 34394 İstanbul
The Bank's Phone and Fax Numbers	: Telephone : (0212) 381 82 82 Fax : (0212) 258 37 78
The Bank's Web Site Address	: www.fibabanka.com.tr
The Bank's E-Mail Address	: malikontrol@fibabanka.com.tr
Reporting Period	: 1 January 2023 - 31 December 2023

The financial statements, related disclosures and notes in this report are presented, unless otherwise indicated, in thousands of Turkish Lira (TL).

VII. Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

As per the Regulation on Preparation of Consolidated Financial Statements of Banks, the investments in financial affiliates are subject to consolidation whereas as per the Turkish Accounting Standards, the investments in both financial and non-financial subsidiaries are subject to consolidation.

Parent Partnership A financial institution like subsidiary with a bank;

- Fiba Portföy Yönetimi A.Ş

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

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

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

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

VIII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Consolidated Balance Sheet (Statement of Financial Position)

as at 31 December 2023

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

ASSETS	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2023)			(31/12/2022)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		18.680.265	19.293.020	37.973.285	6.112.438	19.669.559	25.781.997
1.1 Cash and Cash Equivalents	(5.1.1)	7.638.467	16.806.496	24.444.963	1.352.462	17.779.545	19.132.007
1.1.1 Cash and Balances at Central Bank		6.708.027	11.859.555	18.567.582	1.096.323	13.921.204	15.017.527
1.1.2 Banks	(5.1.3)	344.427	2.739.945	3.084.372	259.322	2.221.790	2.481.112
1.1.3 Money Market Placements		591.490	2.206.996	2.798.486	-	1.636.551	1.636.551
1.1.4 Expected Credit Loss (-)		5.477	-	5.477	3.183	-	3.183
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	3.327.249	136.353	3.463.602	271.280	128.133	399.413
1.2.1 Government Debt Securities		15	35	50	162	3.261	3.423
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		3.327.234	136.318	3.463.552	271.118	124.872	395.990
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	6.877.369	2.280.353	9.157.722	3.403.367	1.737.543	5.140.910
1.3.1 Government Debt Securities		5.430.428	2.204.393	7.634.821	2.533.328	1.396.638	3.929.966
1.3.2 Equity Securities		4.897	-	4.897	-	-	4.897
1.3.3 Other Financial Assets		1.442.044	75.960	1.518.004	865.142	340.905	1.206.047
1.4 Derivative Financial Assets	(5.1.2)	837.180	69.818	906.998	1.085.329	24.338	1.109.667
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		837.180	69.818	906.998	1.085.329	24.338	1.109.667
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.1.6)	44.299.675	16.407.422	60.707.097	34.656.254	10.838.678	45.494.932
2.1 Loans	(5.1.5)	42.471.793	9.761.225	52.233.018	33.382.033	6.150.406	39.532.439
2.2 Lease Receivables	(5.1.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.1.5)	318.004	3.293	321.297	186.000	790	186.790
2.4 Financial Assets Measured at Amortised Cost	(5.1.6)	2.666.362	6.642.904	9.309.266	2.379.860	4.687.482	7.067.342
2.4.1 Government Debt Securities		2.198.192	6.584.906	8.783.098	2.140.658	4.651.692	6.792.350
2.4.2 Other Financial Assets		468.170	57.998	526.168	239.202	35.790	274.992
2.5 Expected Credit Losses (-)		1.156.484	-	1.156.484	1.291.639	-	1.291.639
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	10.380	-	10.380	24.609	-	24.609
3.1 Assets Held for Sale		10.380	-	10.380	24.609	-	24.609
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		1.119.236	-	1.119.236	961.996	-	961.996
4.1 Investments in Associates (Net)	(5.1.7)	1.001.736	-	1,001.736	844.496	-	844.496
4.1.1 Associates Accounted by Using Equity Method		1,001.736	-	1,001.736	844.496	-	844.496
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Investments in Subsidiaries (Net)	(5.1.8)	117.500	-	117.500	117.500	-	117.500
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		117.500	-	117.500	117.500	-	117.500
4.3 Joint Ventures (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.1.12)	864.678	-	864.678	692.513	-	692.513
VI. INTANGIBLE ASSETS (Net)	(5.1.13)	787.722	-	787.722	243.652	-	243.652
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		787.722	-	787.722	243.652	-	243.652
VII. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	500	-	500
IX. DEFERRED TAX ASSET	(5.1.15)	994.644	-	994.644	384.664	-	384.664
X. OTHER ASSETS	(5.1.17)	1.363.751	17.672	1.381.423	464.097	32.666	496.763
TOTAL ASSETS		68.120.351	35.718.114	103.838.465	43.540.723	30.540.903	74.081.626

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

LIABILITIES	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2023)			(31/12/2022)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.11.1)	49.983.742	18.460.864	68.444.606	32.068.693	14.790.133	46.858.826
II. FUNDS BORROWED	(5.11.3)	-	2.325.261	2,325.261	-	3.179.212	3,179.212
III. MONEY MARKET FUNDS		-	7.610.322	7,610.322	613.698	2.856.167	3,469.865
IV. SECURITIES ISSUED (Net)	(5.11.4)	-	-	-	1.108.379	3.702.499	4,810.878
4.1 Bills		-	-	-	1,108.379	-	1,108.379
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	3,702.499	3,702.499
V. FUNDS		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(5.11.2)	817.844	69.007	886.851	538.129	23.811	561.940
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		817.844	69.007	886.851	538.129	23.811	561.940
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5.11.6)	372.953	-	372.953	141.567	40	141.607
X. PROVISIONS	(5.11.8)	1.981.078	-	1,981.078	1,624.484	-	1,624.484
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		310.903	-	310.903	234.316	-	234.316
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1,670.175	-	1,670.175	1,390.168	-	1,390.168
XI. CURRENT TAX LIABILITIES	(5.11.9)	920.780	-	920.780	404.817	-	404.817
XII. DEFERRED TAX LIABILITIES	(5.11.9)	-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.11.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	(5.11.11)	7.180.853	7.180.853	14.361.706	4.543.945	4.543.945	
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	7,180.853	7,180.853	-	4,543.945	4,543.945
XV. OTHER LIABILITIES	(5.11.5)	3,026.860	398.222	3,425.082	1,366.691	537.689	1,904.380
XVI. SHAREHOLDERS' EQUITY	(5.11.12)	10,649,247	41,432	10,690,679	6,588,390	(6,718)	6,581,672
16.1 Paid-in Capital		1,357,723	-	1,357,723	1,357,723	-	1,357,723
16.2 Capital Reserves		228,678	-	228,678	228,678	-	228,678
16.2.1 Equity Share Premium		128,678	-	128,678	128,678	-	128,678
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		100,000	-	100,000	100,000	-	100,000
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		357,246	-	357,246	409,217	-	409,217
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		725,747	41,432	767,179	788,895	(6,718)	782,177
16.5 Profit Reserves		3,742,127	-	3,742,127	1,082,910	-	1,082,910
16.5.1 Legal Reserves		204,289	-	204,289	71,590	-	71,590
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		3,022,580	-	3,022,580	926,300	-	926,300
16.5.4 Other Profit Reserves		515,258	-	515,258	85,020	-	85,020
16.6 Profit or Loss		4,236,228	-	4,236,228	2,720,264	-	2,720,264
16.6.1 Prior Periods' Profit or Loss		44,254	-	44,254	134	-	134
16.6.2 Current Period Net Profit or Loss		4,191,974	-	4,191,974	2,720,130	-	2,720,130
16.7 Minority Interest	(5.11.13)	1,498	-	1,498	703	-	703
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		67,752,504	36,085,961	103,838,465	44,544,848	29,626,778	74,081,626

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

FİBABANKA A.Ş. AND ITS SUBSIDIARIES**Consolidated Statement of Off-Balance Sheet Items
as at 31 December 2023**

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

	Footnotes	CURRENT PERIOD (31/12/2023)			PRIOR PERIOD (31/12/2022)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (H-II-III)		73,345,185	132,550,965	205,896,150	43,021,459	89,295,956	132,317,415
I. GUARANTIES AND WARRANTIES (5.III.1)		499,650	564,314	1,063,964	486,870	259,091	745,961
1.1. Letters of Guarantee		499,650	447,889	947,539	486,870	154,792	641,662
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		499,650	447,889	947,539	486,870	154,792	641,662
1.2. Bank Acceptances		-	35,408	35,408	-	17,941	17,941
1.2.1. Import Letter of Acceptances		-	35,408	35,408	-	17,941	17,941
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	81,217	81,217	-	86,358	86,358
1.3.1. Documentary Letters of Credit		-	81,217	81,217	-	86,358	86,358
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	-	-
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS (5.III.1)		9,128,147	9,017,737	18,145,904	4,420,924	5,243,627	9,664,551
2.1. Irrevocable Commitments		9,128,147	9,017,737	18,145,904	4,420,924	5,243,627	9,664,551
2.1.1. Asset Purchase Commitments		3,029,917	9,017,737	12,047,654	425,966	5,243,627	5,669,593
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		5,329,780	-	5,329,780	3,644,791	-	3,644,791
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		329,964	-	329,964	276,348	-	276,348
2.1.8. Tax and Fund Liabilities from Export Commitments		46,455	-	46,455	31,761	-	31,761
2.1.9. Commitments for Credit Card Limits		357,395	-	357,395	36,319	-	36,319
2.1.10. Commitments for Credit Cards and Banking Services Promotions		6	-	6	-	-	-
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		14,650	-	14,650	5,719	-	5,719
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS (5.III.5)		63,717,368	122,968,914	186,686,282	38,113,665	83,793,238	121,906,903
3.1. Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1. Fair Value Hedges		-	-	-	-	-	-
3.1.2. Cash Flow Hedges		-	-	-	-	-	-
3.1.3. Foreign Net Investment Hedges		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		63,717,368	122,968,914	186,686,282	38,113,665	83,793,238	121,906,903
3.2.1. Forward Foreign Currency Buy/Sell Transactions		28,734,489	42,366,620	71,101,109	14,085,360	20,418,486	34,703,888
3.2.1.1. Forward Foreign Currency Transactions - Buy		27,816,113	8,412,207	36,228,320	13,955,119	3,850,166	17,805,283
3.2.1.2. Forward Foreign Currency Transactions - Sell		918,376	33,954,413	34,872,789	130,243	16,768,320	16,898,563
3.2.2. Swap Transactions Related to Foreign Currency and Interest		33,165,838	56,038,467	89,204,305	20,005,816	51,504,959	71,910,779
3.2.2.1. Foreign Currency Swap- Buy		3,536,875	40,729,121	44,265,996	1,858,418	33,251,246	35,109,664
3.2.2.2. Foreign Currency Swap- Sell		29,628,713	15,309,346	44,938,059	16,667,370	18,386,595	35,053,905
3.2.2.3. Interest Rate Swap- Buy		2,625	-	2,625	740,014	133,559	873,573
3.2.2.4. Interest Rate Swap- Sell		-	-	-	-	-	-
3.2.3. Foreign Currency, Interest Rate and Securities Options		1,416,449	19,861,800	17,280,249	3,949,400	8,827,490	12,779,900
3.2.3.1. Foreign Currency Options- Buy		1,227,926	7,369,837	8,597,763	3,836,207	2,385,768	6,221,979
3.2.3.2. Foreign Currency Options- Sell		143,523	8,493,963	8,637,486	113,393	6,441,722	6,555,115
3.2.3.3. Interest Rate Options- Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options- Sell		-	-	-	-	-	-
3.2.3.5. Securities Options- Buy		-	-	-	-	-	-
3.2.3.6. Securities Options- Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		400,592	372,452	773,044	72,887	69,501	142,388
3.2.4.1. Foreign Currency Futures- Buy		208,574	179,452	388,026	68,526	3,945	72,471
3.2.4.2. Foreign Currency Futures- Sell		192,018	193,000	385,018	4,361	65,556	69,917
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures- Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures- Sell		-	-	-	-	-	-
3.2.6. Other		8,327,575	8,327,575	16,655,150	2,372,402	2,372,402	4,744,804
B. CUSTODY AND PLEDGES RECEIVED (IV-V-VI)		525,313,570	278,875,697	804,189,267	327,646,280	198,570,838	526,247,118
IV. ITEMS HELD IN CUSTODY		12,519,628	80,018,454	92,538,082	2,854,467	31,505,672	34,360,139
4.1. Customer Fund and Portfolio Balances		4,513,472	9,041,400	13,554,872	1,229,704	5,940,002	7,289,706
4.2. Investment Securities Held in Custody		2,115,264	6,998,921	9,114,185	134,003	5,645,703	5,779,706
4.3. Cheques Received for Collection		5,602,489	253,445	5,855,934	1,196,024	496,245	1,692,269
4.4. Commercial Notes Received for Collection		180,903	80,650	261,553	87,236	50,981	138,217
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		107,500	61,544,038	61,651,538	107,500	19,352,741	19,460,241
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		512,793,942	198,857,243	711,651,185	324,791,813	167,065,166	491,856,999
5.1. Marketable Securities		571,007	679,847	1,250,854	512,326	225,258	737,494
5.2. Guarantee Notes		116,127	136,163	252,290	69,344	80,869	150,213
5.3. Commodity		-	551,838	551,838	-	233,036	233,036
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		4,548,581	20,846,466	25,395,047	5,371,054	21,322,652	26,693,706
5.6. Other Pledged Items		507,558,227	176,642,929	684,201,156	318,839,179	145,203,251	464,042,530
5.7. Pledged Items - Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		598,658,755	411,426,662	1,010,085,417	370,667,239	287,866,794	658,534,533

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

FİBABANKA A.Ş. AND ITS SUBSIDIARIES**Consolidated Statement of Profit Or Loss for the Period Between
1 January 2023-31 December 2023**

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

INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD	PRIOR PERIOD
		(01/01/2023-31/12/2023)	(01/01/2022-31/12/2022)
I. INTEREST INCOME	(5.IV.1)	12,043,061	6,522,214
1.1. Interest on Loans	(5.IV.1)	9,545,369	5,637,584
1.2. Interest on Reserve Deposits		3,021	19,716
1.3. Interest on Banks	(5.IV.1)	95,916	24,176
1.4. Interest on Money Market Placements		695,975	80,777
1.5. Interest on Marketable Securities Portfolio	(5.IV.1)	1,697,797	752,175
1.5.1. Financial Assets Measured at Fair Value Through Profit or Loss		-	174
1.5.2. Financial Assets Measured at Fair Value Through Other Comprehensive Income		780,020	296,947
1.5.3. Financial Assets Measured at Amortized Cost		917,570	455,054
1.6. Financial Lease Income		-	-
1.7. Other Interest Income		4,983	7,786
II. INTEREST EXPENSE (-)		11,783,850	4,292,618
2.1. Interest on Deposits	(5.IV.2)	10,055,404	3,592,311
2.2. Interest on Funds Borrowed	(5.IV.2)	1,000,135	372,036
2.3. Interest on Money Market Placements		505,289	51,635
2.4. Interest on Securities Issued	(5.IV.2)	177,990	234,871
2.5. Interest on Leasing Expenses		38,938	14,086
2.6. Other Interest Expenses		6,094	27,679
III. NET INTEREST INCOME (I - II)		259,211	2,229,596
IV. NET FEES AND COMMISSIONS INCOME		3,445,710	450,621
4.1. Fees and Commissions Received		3,741,956	812,924
4.1.1. Non-cash Loans		14,561	17,199
4.1.2. Other	(5.IV.12)	3,727,395	795,725
4.2. Fees and Commissions Paid (-)		296,246	162,303
4.2.1. Non-cash Loans		100	92
4.2.2. Other	(5.IV.12)	296,146	162,211
V. DIVIDEND INCOME	(5.IV.3)	130,001	200,000
VI. TRADING INCOME / LOSS (Net)	(5.IV.4)	4,721,327	2,957,062
6.1. Trading Gain / Loss on Securities		194,065	66,881
6.2. Gain / Loss on Derivative Financial Transactions		(4,249,868)	(1,053,000)
6.3. Foreign Exchange Gain / Loss		8,777,130	3,943,184
VII. OTHER OPERATING INCOME	(5.IV.5)	2,630,617	1,113,038
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		11,186,866	7,150,317
IX. EXPECTED CREDIT LOSS (-)	(5.IV.6)	1,035,599	626,607
X. OTHER PROVISION EXPENSES (-)	(5.IV.6)	268,812	1,026,806
XI. PERSONNEL EXPENSES (-)		2,044,008	988,731
XII. OTHER OPERATING EXPENSES (-)	(5.IV.7)	2,333,530	1,049,248
XIII. NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)		5,504,917	3,458,925
XIV. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XV. INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING		143,497	3,296
XVI. GAIN / LOSS ON NET MONETARY POSITION		-	-
XVII. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	(5.IV.8)	5,648,414	3,462,221
XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (x)	(5.IV.9)	(1,455,645)	(741,632)
18.1. Current Tax Provision		(2,115,522)	(1,141,697)
18.2. Deferred Tax Expense Effect (-)		(140,124)	(196,533)
18.3. Deferred Tax Income Effect (+)		800,001	596,598
XIX. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVIII+XIX)	(5.IV.10)	4,192,769	2,720,589
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1. Income From Non-current Assets Held for Sale		-	-
20.2. Profit From Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3. Income From Other Discontinued Operations		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1. Expenses on Non-current Assets Held for Sale		-	-
21.2. Losses from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3. Expenses From Other Discontinued Operations		-	-
XXII. PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX+XXI)		-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (x)		-	-
23.1. Current Tax Provision		-	-
23.2. Deferred Tax Expense Effect (-)		-	-
23.3. Deferred Tax Income Effect (+)		-	-
XXIV. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII+XXIII)		-	-
XXV. NET PROFIT / LOSS (XIX+XXIV)	(5.IV.11)	4,192,769	

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period Between 1 January 2023-31 December 2023

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

	CURRENT PERIOD (01/01/2023- 31/12/2023)	PRIOR PERIOD (01/01/2022- 31/12/2022)
I. CURRENT PERIOD PROFIT / LOSS	4.192.769	2.720.589
II. OTHER COMPREHENSIVE INCOME	(66.969)	1.097.421
2.1 Not Reclassified Through Profit or Loss	(51.971)	295.868
2.1.1 Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2 Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3 Defined Benefit Pension Plan Remeasurements Gain/Loss	(50.167)	(45.745)
2.1.4 Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(20.093)	330.176
2.1.5 Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	18.289	11.437
2.2 Reclassified Through Profit or Loss	(14.998)	801.553
2.2.1 Foreign Currency Conversion Differences	-	-
Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other		
2.2.2 Comprehensive Income	54.865	1.031.238
2.2.3 Cash Flow Hedge Income/Loss	-	-
2.2.4 Foreign Net Investment Hedge Income/Loss	-	-
2.2.5 Other Comprehensive Income Items Reclassified Through Profit or Loss	(1.676)	(3)
2.2.6 Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(68.187)	(229.682)
III. TOTAL COMPREHENSIVE INCOME (I+II)	4.125.800	3.818.010

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

FİBABANKA A.Ş. AND ITS SUBSIDIARIES**Consolidated Statement of Changes in Shareholders' Equity for the Period Between
1 January 2023-31 December 2023**

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income or Expense That Will Be Reclassified in Profit and Loss			Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity Excluding Minority Interests	Minority Interests	Total Equity
	Paid-in Capital	Share Premium	Share Certificate	Other Capital Yedekleri	1	2	3	4	5	6						
PRIOR PERIOD (31/12/2022)																
I. Balances at beginning of the period	941.161	128.678	-	100.000	-	(12.391)	125.740	-	(19.376)	-	707.492	(25.335)	418.262	2.364.231	244	2.364.475
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balances at beginning of the period (I+II)	941.161	128.678	-	100.000	-	(12.391)	125.740	-	(19.376)	-	707.492	(25.335)	418.262	2.364.231	244	2.364.475
IV. Total Comprehensive Income	-	-	-	-	-	(34.308)	330.176	-	801.556	(3)	-	-	2.720.130	3.817.551	459	3.818.010
V. Capital Increase in Cash	416.562	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416.562
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	(17.375)	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	17.375	-	-	-	-	-	-	-	(17.375)	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	375.418	42.844	(418.262)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	375.418	-	(375.418)	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	42.844	-	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	1.357.723	128.678	-	100.000	-	(46.699)	455.916	-	782.180	(3)	1.082.910	134	2.720.130	6.580.969	703	6.581.672
CURRENT PERIOD (31/12/2023)																
I. Prior period ending balance	1.357.723	128.678	-	100.000	-	(46.699)	455.916	-	782.180	(3)	1.082.910	134	2.720.130	6.580.969	703	6.581.672
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted balance (I+II)	1.357.723	128.678	-	100.000	-	(46.699)	455.916	-	782.180	(3)	1.082.910	134	2.720.130	6.580.969	703	6.581.672
IV. Total Comprehensive Income	-	-	-	-	-	(31.878)	(20.093)	-	(13.319)	(1.679)	-	-	4.191.974	4.125.005	795	4.125.800
V. Capital Increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / decrease due to other changes	-	-	-	-	-	-	-	-	-	-	-	(16.793)	-	(16.793)	-	(16.793)
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	2.659.217	60.913	(2.720.130)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	2.659.217	-	(2.659.217)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	60.913	-	(60.913)	-	-
Balances at the end of the period (III+IV+.....+X+XI)	1.357.723	128.678	-	100.000	-	(78.577)	435.823	-	768.861	(1.682)	3.742.127	44.254	4.191.974	10.689.181	1.498	10.690.679

1. Tangible and intangible asset revaluation reserve
2. Accumulated gains/losses on remeasurement of defined benefit plans
3. Other (other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss and other comprehensive income that will not be reclassified to profit or loss.
4. Exchange differences on transition,
5. Accumulated gains (losses) due to revolution and/ or reclassification of financial assets measured at fair value through other comprehensive income,
6. Other (accumulated gains or losses on cash flow hedge, other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will be reclassified to profit or loss)

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

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Consolidated Statement of Cash Flows for the Period Between 1 January 2023- 31 December 2023

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

	Footnotes	CURRENT PERIOD	PRIOR PERIOD
		(01/01/2023 - 31/12/2023)	(01/01/2022 - 31/12/2022)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2.860.541	3.500.268
1.1.1 Interest received (+)		10.275.848	6.137.711
1.1.2 Interest paid (-)		(10.326.168)	(4.002.626)
1.1.3 Dividend received (+)		130.001	200.000
1.1.4 Fees and commission received (+)		3.767.437	790.860
1.1.5 Other income (+)		10.561.958	3.732.718
1.1.6 Collections from previously written off loans and other receivables (+)		490.971	573.708
1.1.7 Cash payments to personnel and service suppliers (-)		(4.422.306)	(2.081.310)
1.1.8 Taxes paid (-)		(1.634.612)	(992.978)
1.1.9 Other (+/-)	(5.VI.3)	(5.982.588)	(857.815)
1.2 Changes in Operating Assets and Liabilities		1.245.121	1.605.160
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		(2.861.535)	(23.819)
1.2.2 Net (increase) / decrease in due from banks (+/-)		(2.660.188)	(1.277.963)
1.2.3 Net (increase) / decrease in loans (+/-)		(8.258.878)	(14.429.164)
1.2.4 Net (increase) / decrease in other assets (+/-)	(5.VI.3)	(897.618)	333.569
1.2.5 Net (increase) / decrease in bank deposits (+/-)		(6.178.071)	1.585.751
1.2.6 Net (increase) / decrease in other deposits (+/-)		17.265.815	8.786.502
1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8 Net (increase) / decrease in funds borrowed (+/-)		(2.734.723)	2.622.152
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)	(5.VI.3)	7.570.265	4.208.132
I. Net Cash Provided from Banking Operations (+/-)		4.105.662	5.105.428
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
Net Cash Flow Provided from Investment Activities (+/-)			
		(3.489.457)	(6.066.170)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(157.240)	(849.496)
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		-	-
2.3 Cash paid for the purchase of tangible and intangible assets (-)		(1.079.799)	(306.850)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		150.387	3.738
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(3.016.604)	(2.999.907)
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)		-	-
2.7 Cash paid for the purchase of financial assets at amortised cost (-)		(33.971)	(2.500.943)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)	(5.VI.3)	647.770	187.298
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash Provided from Financing Activities (+/-)			
		(4.842.620)	1.100.085
3.1 Cash obtained from funds borrowed and securities issued (+)		-	1.108.379
3.2 Cash outflow from funds borrowed and securities issued (-)		(4.810.878)	-
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for financial leases liabilities (-)		(38.938)	(14.086)
3.6 Other (+/-)		7.196	5.792
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		8.270.338	3.553.221
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		4.043.923	3.692.564
VI. Cash and Cash Equivalents at the Beginning of the Period (+)	(5.VI.1)	15.332.648	11.641.085
VII. Cash and Cash Equivalents at the End of the Period (V+VI)	(5.VI.1)	19.377.571	15.333.649

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Consolidated Profit Distribution Table for the Periods Ended 31 December 2023 And 2022

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

	CURRENT PERIOD (*)	PRIOR PERIOD
	(01/01/2023 - 31/12/2023)	(01/01/2022 - 31/12/2022)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
I.1 CURRENT YEAR INCOME	3.404.268	3.401.628
I.2 TAXES AND DUTIES PAYABLE (±)	1.424.506	720.274
I.2.1 Corporate Tax (Income Tax)	2.023.274	1.624.911
I.2.2 Income withholding tax	-	-
I.2.3 Other taxes and duties	(598.778)	(399.617)
A. NET INCOME FOR THE YEAR (I.1-I.2)	3.968.754	3.681.354
I.3 PRIOR YEARS LOSSES (-)	-	67.576
I.4 FIRST LEGAL RESERVES (-)	-	132.499
I.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION (B=(I.1-I.2-I.3-I.4-I.5))	3.968.754	3.621.279
I.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
I.6.1 To owners of ordinary shares	-	-
I.6.2 To owners of privileged shares	-	-
I.6.3 To profit sharing bonds	-	-
I.6.4 To holders of profit and loss sharing certificates	-	-
I.7 DIVIDEND TO PERSONNEL (-)	-	-
I.8 DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
I.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
I.9.1 To owners of ordinary shares	-	-
I.9.2 To owners of privileged shares	-	-
I.9.3 To owners of preferred shares	-	-
I.9.4 To profit sharing bonds	-	-
I.9.5 To holders of profit and loss sharing certificates	-	-
I.10 STATUTORY RESERVES (-)	-	-
I.11 PROVISIONALY RESERVES	-	2.044.288
I.12 OTHER RESERVES	-	-
I.13 SOCIAL TAXES	-	417.888
II. DISTRIBUTION OF RESERVES		
II.1 APPROPRIATED RESERVES	-	-
II.2 DIVIDEND TO SHAREHOLDERS (-)	-	-
II.2.1 To owners of ordinary shares	-	-
II.2.2 To owners of privileged shares	-	-
II.2.3 To owners of preferred shares	-	-
II.2.4 To profit sharing bonds	-	-
II.2.5 To holders of profit and loss sharing certificates	-	-
II.3 DIVIDEND TO PERSONNEL (-)	-	-
II.4 DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
III.1 TO OWNERS OF ORDINARY SHARES	0,02034	0,02776
III.2 TO OWNERS OF PREFERRED SHARES (%)	-	-
III.3 TO OWNERS OF PRIVILEGED SHARES	1,021	2,164
III.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
IV.1 TO OWNERS OF ORDINARY SHARES	-	-
IV.2 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV.3 TO OWNERS OF PRIVILEGED SHARES	-	-
IV.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) As per the Turkish Commercial Code profit distributions are made based on consolidated financial statements.

(**) The decision regarding the 2023 profit distribution will be made at the General assembly meeting.

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SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and the Communiqué on Principles and Procedures on the Accounting Practice and Documentation of Banks

The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation which includes the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Agency ("BRSA") and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") for the matters not regulated by the aforementioned legislations.

The consolidated financial statements are prepared in thousands of TL based on the historical cost, except for the financial assets and liabilities carried at fair value.

Additional paragraph for convenience translation to English

The effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of the Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and the International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

2. Accounting policies and valuation principles applied in preparation of consolidated financial statements

The accounting policies and valuation principles used in the preparation of the financial statements are explained in Notes II and XIX below.

3. Other

With its announcement dated 23 November 2023, the Public Oversight, Accounting, and Auditing Standards Authority (KGK) stated that the financial statements of entities applying the Turkish Financial Reporting Standards, for annual reporting periods ending on or after 31 December 2023, should be prepared in accordance with the Financial Reporting Standard for High Inflationary Economies ("TAS 29"). However, it was also mentioned that institutions authorized to regulate and supervise in their respective fields may determine different transition dates for the application of TAS 29 provisions. In response to KGK's announcement, the Banking Regulation and Supervision Agency (BRSA) decided through its decision numbered 10744 dated 12 December 2023, that banks, financial leasing, factoring, financing, savings finance, and asset management companies would not be subject to inflation adjustment for their financial statements ending on December 31, 2023, under TAS 29. Consequently, the Bank did not apply the inflation accounting required under TAS 29 in its financial statements for the year ending 31 December 2023.

In addition to providing financial and in-kind assistance to the region due to the earthquake disaster that occurred on 6 February 2023 in Kahramanmaraş, which caused severe damage in the surrounding provinces, especially Kahramanmaraş, Adıyaman, Hatay, Malatya, Osmaniye and Gaziantep, applications such as postponement of loan debts and interest cancellation for customers with credit affected by the earthquake have been made. In addition, all earthquake zone loans have been reviewed, and nothing that will significantly affect the Bank's financial statements has been observed.

POA published TFRS 17, a comprehensive new accounting standard covering accounting and measurement, presentation and disclosure for insurance contracts, in February 2019. With the announcement made by POA, the mandatory effective date of the Standard has been postponed for accounting periods starting on or after 1 January 2024. Accordingly, the Group has not applied the relevant standard in its consolidated financial statements for its subsidiaries HDI Fiba Emeklilik ve Hayat A.Ş. and Fiba Sigorta A.Ş.

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

1. Usage strategy of the financial instruments

The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of assets and liabilities. Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Value at risk models are used for this purpose.

Purchase-sale transactions of short and long-term financial instruments are realized within predetermined risk limits that are allowed for the purpose of increasing risk-free return on capital.

The foreign currency position is carried based on a currency basket to minimize the foreign exchange risk.

Foreign currency net position is followed within legal limits.

II. Explanations on the usage strategy of financial instruments and on foreign currency transactions(continued)

2. Foreign currency transactions

2.1 Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements

The Group recognizes the foreign currency transactions in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from the foreign currency transactions are converted into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the foreign currency exchange rates of the Bank and the related currency conversion differences are recognized as foreign exchange gains and losses.

As at the end of the related periods, the Bank's foreign currency exchange rates are as follows in full TL:

	31 December 2023	31 December 2022
US Dollar	29,4382	18,6983
Euro	32,5739	19,9349

III. Explanations on consolidated subsidiaries and associates

1. Subsidiary

Fiba Portföy Yönetimi A.Ş. ("Fiba Portföy"); the subsidiary of the Bank was consolidated by using full consolidation method in the consolidated financial statements dated 31 December 2023.

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

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

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

2. Associates

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

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

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

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

<p>III. Explanations on consolidated subsidiaries and associates (continued)</p> <p>2. Associates (continued)</p> <p>Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.</p> <p>The financial institution subsidiaries of the Bank, Fiba Emeklilik ve Hayat A.Ş. and Fiba Sigorta A.Ş., are accounted for in accordance with the equity method in the consolidated financial statements complying with the the "Communiqué on the Preparation of Consolidated Financial Statements of the Banks".</p> <p>In January 2013, Fiba Sigorta ve Hayat A.Ş. insurance started its activities health and personal accident insurance, in July 2013 reinsurance operations related to these insurances and in December 2013 pension. As of 20 December 2022, 8.000.000 shares representing 40% of Fiba Emeklilik ve Hayat A.Ş.'s capital share have been transferred to Fibabanka A.Ş. by Fiba Holding A.Ş. for TL 746.588.</p> <p>In December 2022, the Bank also cooperated with HDI Sigorta A.Ş. and Fibabanka A.Ş. established Fiba Sigorta A.Ş. to operate in the elements branches with a 50% -50% partnership share. The bank's participation amount is TL 110.000.</p> <p>IV. Explanations on forward transactions, options and derivative instruments</p> <p>The Parent Bank's derivative transactions mainly consist of currency swaps, interest rate swaps, currency options and currency forward purchase/sale contracts. The Parent Bank does not have any embedded derivatives separated from the host contract.</p> <p>The Parent Bank's derivative instruments held for trading are classified as "Derivative Financial Assets Measured Comprehensive Income" in accordance with TFRS 9 and derivative instruments for hedging purpose are classified, measured and accounted in accordance with TAS 39 "Financial Instruments: Recognition and Measurement", respectively.</p> <p>The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values.</p> <p>Derivative transactions are measured at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Assets at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the statement of profit or loss under trading profit/loss line as profit/loss from derivative financial transactions.</p> <p>Explanations on derivative financial instruments held for hedging</p> <p>The Parent Bank enters into cross currency swap transactions in order to hedge the change in fair values of fixed-rate financial instruments. While applying fair value hedge accounting, the changes in fair values of hedging instrument and hedged item are recognised in statement of profit or loss.</p> <p>If the hedging is effective, the changes in fair value of the hedged item, which is fixed rate TL denominated loans, are presented in statement of financial position together with the hedged item. Subsequently, derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Profit or Loss", respectively depending on the fair values being positive or negative. Fair value changes are recorded under statement of profit or loss.</p> <p>The Parent Bank performs effectiveness tests at the beginning of the hedge accounting period and at each reporting period.</p> <p>The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized to statement of profit or loss over the life of the hedged item from that date of the hedge accounting is discontinued.</p>	<p>V. Explanations on interest income and expenses</p> <p>Interest income and expenses are recognized on accrual basis by using internal rate of return for financial assets and liabilities with given future cash payments and collections.</p> <p>VI. Explanations on fee and commission income and expenses</p> <p>Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with "TFRS 15 Revenue from Contracts with Customers". Except for certain fees related 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 on accrual basis throughout the service period.</p> <p>VII. Explanations on financial assets</p> <p>Financial assets include cash on hand, contractual rights to receive cash or another financial asset from the counterparty or the right to exchange of financial instruments or equity instrument transactions of the counterparty. Financial assets are classified into three groups as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets measured at amortized cost.</p> <p>1. Financial assets at fair value through profit or loss</p> <p>Financial assets at fair value through profit or loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the statement of profit or loss.</p> <p>Loans measured at fair value through profit or loss are subject to valuation in accordance with fair value principles and profit or losses, emerging as a result of valuation, are recognized under profit/loss accounts.</p> <p>2. Financial assets measured at fair value through other comprehensive income</p> <p>Financial assets are measured at fair value through other comprehensive income if financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.</p> <p>Financial assets at fair value through other comprehensive income are recognized by adding transaction costs to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the statement of profit or loss of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are recognized in the statement of profit or loss.</p> <p>Equity securities, which are classified as financial assets at fair value through other comprehensive income are measured at fair value. However, in some exceptional cases, cost may be an appropriate estimation method for determining fair value. The cost is estimated to be the case fair value is reflected in the best way possible.</p>
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VII. Explanations on financial assets (continued)

3. Financial assets measured at amortized cost

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

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

The Bank also owns consumer price indexed government bonds ("CPI") in its securities portfolio, reclassified as financial assets measured at amortised cost. CPI's are valued and accounted for according to the effective interest rate method which is calculated based on the real coupon rate and the reference inflation index on the issue date.

4. Loans

Loans are financial assets generated by providing cash, commodity or service to the borrower. These loans and receivables are recorded by acquisition cost reflecting fair value and afterwards measured at amortized cost by using effective interest rate (internal rate of return) method. Fees and other costs paid for the assets taken as collateral for those loans are not recognized as cost of operation and accounted in expense accounts. Bank's loans are presented in "Financial Assets Measured at Amortized Cost" and "Financial Assets at Fair Value Through Profit or Loss" accounts.

VIII. Explanations on expected credit losses

The Parent Bank recognizes expected credit loss allowance for financial assets measured at amortized cost and measured at fair value through other comprehensive income.

As of 1 January 2018, the Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 September 2016 numbered 29750.

VIII. Explanations on expected credit losses (continued)

Calculation of expected credit losses

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions. Expected credit loss is calculated by using following components: "Exposure at Default", "Probability of Default" and "Loss Given Default".

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk will be recorded in the amount of 12-month expected credit losses.

Stage 2

In the event of a significant increase in credit risk since initial recognition, the financial asset will be transferred to Stage 2. Impairment for credit risk will be determined on the basis of the instrument's lifetime expected credit losses.

Stage 3

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

As part of TFRS 9, expected credit loss models are improved in process of exposure at default, probability of default and loss given default. These models are formed by taking into consideration internal ratings systems, past data and prospective expectations and considering below factors;

- Customer type (individual, corporate, commercial and SME)
- Product type
- Ratings used as part of internal ratings systems (for corporate segment)
- Collaterals
- Collection period
- Exposure at default
- Time passed since loan disbursement
- Time to maturity

If the existing provision model is not able to reflect the situation, individual assessment is possible by using the cash flows expectations of Credits Monitoring and Collection Department.

Exposure at Default: Expresses the exposure amount when debtor defaults. It accounts along with the maturity of the borrower. The amount of additional risk that may occur in case of default is added to the amount of risk and included in the calculations by using the credit conversion rates (CCR) for irrevocable commitments.

Probability of Default: Refers to the probability of default due to the inability of the debtor to fulfill its obligations. 12-month or lifetime estimation is performed according to whether there is an increase in credit risk or not.

Loss Given Default: In the default of the borrower, it is calculated as the expected credit loss to exposure at default. Loss given default models include inputs such as product type, customer segment, collateral structure, customer payment performance.

Macroeconomics Factors: Macroeconomics indicators are taken into account in determining the probability of default component in the expected credit loss calculation. Future macroeconomics forecasts are reflected in the expected credit loss calculations using more than one scenario.

While macroeconomics information is included in calculations, models and model estimations reflecting the relationships between model risk parameters and macroeconomics variables are taken into consideration. The main macroeconomics indicators that make up these estimation models are the Gross Domestic Product (GDP) growth rate and the unemployment rate. According to segmentation based on turnover, the unemployment rate is used in models including segments with a turnover of TL 20 million and below, while the Gross Domestic Product (GDP) growth rate is used in models including segments with a turnover of over TL 20 million. Macroeconomics estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

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VIII. Explanations on expected credit losses (continued)

Macroeconomics Factors (continued)

Future expectations are determined based on 2 scenarios, base and negative. Each scenario has predetermined weights, and the final provisions are calculated by weighting on these probabilities.

The Bank calculates expected credit losses for macroeconomic estimation with a forward looking perspective with two scenarios, base and negative, according to current economic conditions, Medium Term Program (MTP) and expert opinions. The macroeconomic value estimates taken into account are presented below;

	Base Scenario		Negative Scenario	
	Growth	Unemployment	Growth	Unemployment
1st year	4,00%	10,30%	2,60%	11,10%
2nd year	4,50%	9,90%	3,70%	11,10%
3rd year	5,00%	9,30%	3,70%	11,10%

Calculation of Expected Loss Period: In determining the lifetime expected credit loss, the period in which the Bank will be exposed to credit risk is taken into consideration. Behavioural maturity analysis was performed on credit cards and overdraft accounts. The maximum period for which credit losses are to be recognized, except for credit cards and other revolving loans, is the contractual life of the financial instrument unless a legal right is required to recall the loan.

Significant Increase in Credit Risk: Due to the significant increase in credit risk, the Bank performs quantitative and qualitative assessments to determine the financial assets to be classified as Stage 2 (Significant Increase in Credit Risk).

Within the scope of the quantitative assessments made for the corporate segment, the Bank compares the change between the starting date and the date of the report by taking into account the time passed since the opening date. In order to make this comparison, the Bank specifies threshold values to determine which changes are accepted as significant change. The decision to classify financial assets with a significant increase in credit risk by exceeding these threshold values as Stage 2 is taken by the opinion of the Credits Department.

Within the scope of qualitative evaluations, financial assets under close monitoring as of the reporting date are classified as Stage 2.

IX. Explanations on offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

Securities subject to repo (repurchase agreements) are classified as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" or "Financial assets measured at amortized cost" according to their purposes to be held in the Bank's portfolio and evaluated within the principles of the relevant portfolio. Funds obtained from repurchase agreements are followed under the "Funds from repo transactions" account in liabilities and interest expense accruals are calculated using the effective interest rate (internal rate of return) method on the difference between the sales and repurchase prices corresponding to the period designated by a repurchase agreement.

Securities purchased under agreements to resell ("Reverse repo") transactions are accounted under the "Money market placements" in the balance sheet.

XI. Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities

A tangible asset (or a disposal group) classified as "asset held for sale" is measured at the lower of the carrying value or fair value less costs to sell. Assets held for sale are not depreciated and presented in the financial statements separately. An asset (or a disposal group) is regarded as "asset held for sale" only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as other assets if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is part of the Bank's business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the statement of profit or loss.

The Group does not have any discontinued operations.

XII. Explanations on goodwill and other intangible assets

As at the balance sheet date, there is no goodwill in the accompanying financial statements. The intangible assets of the Bank consist of software, intangible rights and other intangible assets.

The costs of the intangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and intangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated amortization and impairment, if any.

Estimated useful lives of the intangible assets of the Group are 3 to 10 years, and amortization rates are 10% to 33,3%.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 ("TAS 36") "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

XIII. Explanations on tangible assets

Tangible assets are measured at cost in accordance with the Turkish Accounting Standard 16 ("TAS 16") "Tangible Assets".

The costs of the tangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and tangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated depreciation and impairment, if any.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 ("TAS 36") "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

Gains/losses from the sale of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets are recorded as expense.

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XIII. Explanations on tangible assets (continued)

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives used for the tangible assets are as follows:

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

Explanation on TFRS 16 Leases standard

The Bank has started to implement TFRS 16 Leases, which was published in the Official Gazette dated 16 April 2018 and numbered 29826 in its consolidated financial statements and became effective as of 1 January 2019, for the first time.

TFRS 16 "Lease" Standard

The Bank as a lessee according to "Lease" Standard:

The Bank assesses whether the contract has the characteristic of a lease or whether the Contract includes a lease transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Bank reflects a right of use asset and a lease liability to the financial statements at the effective date of the lease.

Right to use asset:

The right to use asset is first recognized by cost method and includes:

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

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

- Deducts accumulated depreciation and accumulated impairment losses and
- Measures the restatement of the lease obligation at the restated cost.

The Bank applies depreciation clauses of TAS 16 Tangible Assets standard when measuring the depreciation of the right to use.

Lease liabilities:

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank's average borrowing interest rates. Otherwise Bank's incremental borrowing interest rates are used.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Bank measures the leasing liability as follows:

- Increase the book value to reflect the interest on the lease obligation
- Reduces the book value to reflect the lease payments made and
- The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

XIV. Explanations on leasing transactions

With "TFRS 16 Leases" standard, valid since 1 January 2019, difference between operational lease and financial lease disappeared so that leasing transactions are recognized under "Tangible Assets" as right-of-use and under "Lease Liabilities" in the balance sheet.

XV. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities are accounted in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". In the financial statements, a provision is made if there is a present obligation that arises from past events as of the balance sheet date, if it is probable that an outflows of resources embodying economic benefits will be required to settle the obligation and if a reliable estimate can be made of the amount of the obligation. If the amount is not reliably estimated and there is no probability of cash outflows from the Bank to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

Provisions recognized during the period are recognized within "other operating expenses"; reversals of provisions recognized in the prior periods are recognized within "other operating income".

XVI. Explanations on contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

XVII. Explanations on liabilities for employee benefits

As per the existing labour laws and agreements in Turkey, entities are required to pay severance for the employees retired or fired. These payments are qualified as recognized retirement benefit plan according to revised TAS 19 Employee Benefits. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in represented in financial statements. All actuarial losses and gains are accounted for as other comprehensive income.

The major assumptions used in the actuarial calculation are as follows:

- Calculation is based on discount rate of 30,50% (31 December 2022: 12,00%), inflation rate of 27,00% (31 December 2022: 10,50%).
- Effective as of 1 January 2024, ceiling salary amount is considered as TL 35.058,58 (full TL) (31 December 2022: TL 15.371,40).
- Individuals' earliest retirement age is considered as retirement age.
- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There is no employee foundation, fund or similar institutions.

XVIII. Explanations on taxation

1. Current Tax

As of 31 December 2023, the current corporate tax rate is 30%. Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with " Law on the Amendment of Additional Motor Vehicle Tax and Amendments to Certain Laws and Decree Law No. 375 for Compensation of Economic Losses Caused by Earthquakes on 6 February 2023", which includes the regulation on increase in corporate tax rate from 20% to 25% for the institutions other than banks and financial institutions and from 25% to 30% for banks and financial institutions, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249.

This amendment will be effective for the earnings of the corporations in 2023 and for the following tax periods, starting from the declarations that must be submitted after 1 October 2023.

This rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and other deductions on accounting income. Additional tax is not payable unless the profit is distributed.

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<p>XVIII. Explanations on taxation (continued)</p> <p>1. Current Tax (continued)</p> <p>Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. While dividends paid to individuals and corporations were subject to withholding tax at the rate of 15%, this rate has been changed to 10% with the Presidential Decision published in the Official Gazette dated 22 December 2021 and No. 31697. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.</p> <p>The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from prior periods.</p> <p>According to 75% of the capital earning derived from the sale of equity investments and a 50% of the capital earning derived from the sale of immovable properties held for at least two years are tax exempt, if such earning are added to paid-in capital or held in a special fund account under liability for five years. According to Law No. 7456 published in 15 July 2023, this exception has been abolished for real estates to be acquired after the publication date of the decision; if real estate acquired before this date is sold after the effective date of the decision, 25% of the real estate sales earning will be exempt from corporate tax.</p> <p>In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.</p> <p>Current tax, related to items recognized directly in equity is also credited or charged directly to equity.</p> <p>As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law (TPL). However, with the regulation made with the Law No. 7352 dated 20 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this; TPL financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, not subject to inflation adjustment. As for the 2023 accounting period; during provisional tax periods inflation adjustment will not be applied but the TPL financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in TPL financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.</p> <p>According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign Exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The President of the Republic is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including the temporary tax periods.</p>	<p>XVIII. Explanations on taxation (continued)</p> <p>2. Deferred Tax (continued)</p> <p>Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.</p> <p>Deferred tax rate calculation has started to be applied over temporary expected credit losses as per TFRS 9 articles from 1 January 2018. The Bank calculates deferred tax also for provision for possible losses.</p> <p>As of 31 December 2023, the deferred tax asset is TL 994.644 (31 December 2022: TL 384.664 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences. Deferred tax income/(expense) is recognized within "Deferred Tax Income Effect" and "Deferred Tax Expense Effect" in the statement of profit or loss; net deferred tax income is TL 659.877 for the current period (1 January - 31 December 2022: TL 400.065 net income). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 49.897 of expense (1 January - 31 December 2022: TL 218.245 expense).</p> <p>3. Transfer Pricing</p> <p>The article 13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.</p> <p>According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.</p> <p>As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices. Related forms are submitted to tax offices on time.</p> <p>XIX. Additional explanations on borrowings</p> <p>The Parent Bank provides resources from domestic and foreign individuals and institutions both by borrowing funds and issuing bills and bonds.</p> <p>Borrowing instruments are initially measured at acquisition cost and subsequently measured at amortized cost with the effective interest method. In the accompanying financial statements, foreign currency denominated borrowing funds are converted to Turkish Lira with the Group's spot foreign exchange buy rates and interest expenses incurred during the period relating to the borrowing funds are recognized in statement of profit or loss.</p> <p>Additional Tier I Capital</p> <p>The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expenses under "equity" in the balance sheet.</p> <p>The additional Tier 1 capital with a nominal amount of USD 30 million was early redeemed on 1 March 2022 with the approval of the BRSA, and the redemption amount was used in the cash capital increase realized in April 2022.</p> <p>Information on debt instruments to be included in the equity calculation is explained under the on equity items in the fourth section, Information on Financial Structure and Risk Management.</p>
<p>2. Deferred Tax</p> <p>The Group calculates and recognizes deferred tax for taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base according to the Turkish Accounting Standard 12 ("TAS 12") "Income Taxes".</p> <p>Article 32 of the Corporate Tax Law No. 5520, which regulates the corporate tax rate is amended with " Law on the Amendment of Additional Motor Vehicle Tax and Amendments to Certain Laws and Decree Law No. 375 for Compensation of Economic Losses Caused by Earthquakes on 6 February 2023", which includes the regulation on increase in corporate tax rate from 20% to 25% for the institutions other than banks and financial institutions and from 25% to 30% for banks and financial institutions, entered into force after being published in the Official Gazette dated 15 July 2023 and numbered 32249.</p> <p>This amendment will be effective for the earnings of the corporations in 2023 and for the following tax periods, starting from the declarations that must be submitted after 1 October 2023.</p>	<p>XX. Explanations on share certificates issued</p> <p>None.</p> <p>XXI. Explanations on bank acceptances and bills of guarantee</p> <p>Bank acceptances and bills of guarantee are presented within off-balance sheet liabilities as being possible liabilities and commitments. Cash transactions relating to bank acceptances and bills of guarantee are realized concurrently with the customer payments.</p> <p>As of the balance sheet date, there are no bank acceptances and bills of guarantee recognized as liability against an asset.</p> <p>XXII. Explanation on government incentives</p> <p>As of the balance sheet date, the Group does not have any government incentives.</p>

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XXIII. Explanations on segment reporting

The Bank operates in corporate, commercial and retail banking. In this context, time and demand deposits, kiraz account, repos, TL and FC indexed cash and non cash loans, solutions for financing foreign trade, treasury and derivative products to reduce customers' interest and exchange rate risks, credit and debit cards, insurance, checks, safe deposit box, tax collection, bill payments, payment orders and similar services and products are available.

The bank also put emphasis on the development of non-branch channels in order to meet the different financial needs of its customers. Under its Ecosystem and Platform Banking structure, it offers a platform where consumers can access the financial solutions they need during their shopping experiences in the wide ecosystem it has created thanks to the agreements it has made with well-known brands in Turkey.

Fiba Portföy, the consolidated subsidiary of the Bank, operates in the field of portfolio management and activity results and assets and liabilities are reported under the "Treasury and General Directorate Department".

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period -1 January - 31 December 2023				
Net Interest Income	170.683	1.516.803	(1.428.275)	259.211
Net Fees and Commissions Income	1,044.394	2.278.186	123.130	3,445.710
Dividend Income	--	--	130.001	130.001
Trading Income / Loss (Net)	751.225	1,519.801	2,450.301	4,721.327
Other Operating Income	720.832	1,945.016	(35.231)	2,630.617
Expected Credit Loss (-)	(559.070)	(562.350)	80.821	(1,038.599)
Other Provision Expenses (-)	--	(40.000)	(228.812)	(268.812)
Personnel and Other Operating Expenses	(1,948.582)	(1,900.952)	(528.004)	(4,377.538)
Income From Investments Under Equity Accounting	--	--	143.497	143.497
Profit/(loss) Before Tax	179.482	4,755.504	713.428	5,448.414
Tax Provision	--	--	(1,455.645)	(1,455.645)
Profit/(loss) After Tax	179.482	4,755.504	(742.217)	4,192.769
Current Period -31 December 2023				
Segment Assets	13,207.159	38,599.419	50,912.651	102,719.229
Subsidiaries and Associates	--	--	(1,119.238)	(1,119.238)
Total Assets	13,207.159	38,599.419	52,031.887	103,838.465
Segment Liabilities	55,216.319	11,219.571	26,711.896	93,147.786
Shareholders' Equity	--	--	10,690.679	10,690.679
Total Liabilities	55,216.319	11,219.571	37,402.575	103,838.465

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period -1 January - 31 December 2022				
Net Interest Income	791.548	2,051.621	(613.573)	2,229.596
Net Fees and Commissions Income	362.334	211.280	77.007	650.621
Dividend Income	--	--	200.000	200.000
Trading Income / Loss (Net)	261.826	519.072	2,176.164	2,957.062
Other Operating Income	519.905	608.311	(15.178)	1,113.038
Expected Credit Loss (-)	(188.718)	(134.258)	(303.631)	(626.607)
Other Provision Expenses (-)	--	(331.117)	(695.689)	(1,026.806)
Personnel and Other Operating Expenses	(1,184.642)	(710.388)	(142.949)	(2,037.979)
Income From Investments Under Equity Accounting	--	--	3.296	3.296
Profit/(loss) Before Tax	562.253	2,214.521	685.447	3,462.221
Tax Provision	--	--	(741.632)	(741.632)
Profit/(loss) After Tax	562.253	2,214.521	(56.185)	2,720.589
Prior Period -31 December 2022				
Segment Assets	9,596.200	29,457.603	34,065.827	73,119.630
Subsidiaries and Associates	--	--	961.996	961.996
Total Assets	9,596.200	29,457.603	35,027.823	74,081.626
Segment Liabilities	29,479.504	9,406.657	28,613.793	67,499.954
Shareholders' Equity	--	--	6,581.672	6,581.672
Total Liabilities	29,479.504	9,406.657	35,195.465	74,081.626

XXIV. Profit reserves and distribution of the profit

In financial statements, except legal reserves, retained earnings can be distributed on condition that it has legal reserve requirement explained below.

Legal reserves are consisted of first and second reserves as determined in Turkish Commercial Code (TCC). First legal reserve is appropriated by TCC at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of 10% of distributions in excess of 5% of issued and fully paid-in share capital, but holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

In the Ordinary General Assembly Meeting of the Bank held on 31 March 2023, it has been decided to allocate TL 132.699 as legal reserves, TL 425.000 for special funds and TL 2.096.280 as extraordinary reserves from the remaining TL 2.653.978 after deducting previous year losses (interest expense of the issued Tier1 security with the amount of TL 100.000 nominal followed under shareholders' equity) of TL 17.375 from TL 2.671.353 net profit after tax for 2022.

XXV. Earnings Per Share

Earnings per share disclosed in the statement of profit or loss are calculated by dividing net profit for the year by the weighted average number of shares outstanding during the related period concerned.

	31 December 2023	31 December 2022
Net Profit / (Loss) distributable to Common Shares	4.191.974	2.720.130
Average Number of Issued Common Shares (Thousand))	132.772.255	123.903.091
Earnings Per Share (Amounts presented as full TL)	0,03088	0,02196

In Turkey, companies can increase their share capital by distributing "bonus shares" to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

Fiba Portföy Yönetimi A.Ş., the financial subsidiary of the Bank, made a bonus share of TL 22.000 on 23 May 2023 (31 December 2022: 2.500 TL).

XXVI. Related Parties

For the purpose of these financial statements, shareholders with qualified shares, senior managers and management together with the members of the board of directors, their families and companies controlled by or affiliated with them, subsidiaries and partnerships subject to joint management are covered by the "Related Party Disclosures Standard" ("TAS 24") they are accepted as related parties. Transactions with related parties "Explanations and disclosures on the risk group of the Bank" are shown in the note.

XXVII. Cash and Cash Equivalent Assets

Cash, cash in transit, purchased bank cheques and demand deposits including balance with Central Bank are considered as "Cash"; interbank money market placements and time deposits at banks with original maturity periods of less than three months and receivables from reverse repo are considered as "Cash Equivalents". Required reserves kept in Central Bank under blocked account are not "Cash Equivalents" in the statement of cash flows.

XXVIII. Classifications

As of 31 December 2022, the amount of TL 106.250 shown in the "Current Tax Liabilities" has been netted from the "Deferred Tax Asset" account. In addition, TL 146.238 shown in "Other Operating Expenses" the amount of personnel bonus provision in the amount of has been reclassified as "Personnel Expenses".

XXIX. Other Disclosures

None.

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SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT

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

As of 31 December 2023, the Group's total capital has been calculated as TL 13.653.052 and the capital adequacy ratio is 17,98% (As of 31 December 2022, the Group's total capital amounted to TL 9.202.337 and the capital adequacy ratio was 19,51%).

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

	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	1.357.723	1.357.723
Share Premium	128.678	128.678
Reserves	3.777.986	1.100.387
Other comprehensive income according to TAS	1.205.048	1.244.065
Profit	4.194.122	2.720.589
Current period profit	4.192.769	2.720.589
Prior period profit	1.353	--
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	24.255	2.475
Tier I Capital Before Deductions	10.687.812	6.553.917
Deductions From Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	--	--
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (*)	97.434	72.324
Improvement costs for operational leasing	48.215	17.594
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.533.680	1.130.936
Excess amount arising from deferred tax assets from temporary differences	475.800	330.000
Differences arise when assets and liabilities not held at fair value, are subjected to cash flows hedge accounting	--	--
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Securitization gains	--	--
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities	--	--

	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
Net amount of defined benefit plans	--	--
Direct and indirect investments of the Bank on its own Tier I Capital	--	--
Shares obtained against Article 56, Paragraph 4 of the Banking Law	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	--	--
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital	--	--
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital	--	--
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	--	--
Excess amount arising from mortgage servicing rights	--	--
Excess amount arising from deferred tax assets from temporary differences	--	--
Other items to be defined by the BRSA	--	--
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	--	--
Total Deductions From Common Equity Tier I Capital	2.155.129	1.550.854
Total Common Equity Tier I Capital	8.532.683	5.003.063
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in Tier I capital and the related share premiums	--	--
Debt instruments and the related issuance premiums defined by the BRSA	100.000	100.000
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	--	--
Additional Core Capital before Deductions	100.000	100.000
Deductions from Additional Core Capital	--	--
Direct and indirect investments of the Bank on its own Additional Tier I Capital	--	--
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	--	--
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--

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	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	--	--
Other items to be defined by the BRSA	--	--
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	--	--
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	--	--
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	--	--
Total Deductions from Additional Tier I Capital	100.000	100.000
Total Additional Tier I Capital	8.632.683	5.103.063
Total Tier I Capital (Tier I Capital+Common Equity+Additional Tier I Capital)	8.632.683	5.103.063
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA (*) (**)	4.198.193	3.555.430
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	825.139	543.844
Tier II Capital before Deductions	5.023.332	4.099.274
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	--	--
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	--	--
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	2.963	--
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)	--	--
Other items to be defined by the BRSA (-)	--	--
Total Deductions from Tier II Capital	2.963	--
Total Tier II Capital	5.020.369	4.099.274
Total Equity (Total Tier I and Tier II Capital)	13.653.052	9.202.337

(*) Tier-II bond, the remaining maturity of which is below 4 years, is taken into consideration after 40% of amortization in Tier II capital calculations in accordance with "Regulation on Equities of Banks".

(**) Tier-II bond, the remaining maturity of which is below 5 years, is taken into consideration after 20% of amortization in Tier II capital calculations in accordance with "Regulation on Equities of Banks".

	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
Total Tier I Capital and Tier II Capital (Total Equity)	13.653.052	9.202.337
Loans granted against the Articles 50 and 51 of the Banking Law	--	--
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years	--	--
Other items to be defined by the BRSA	--	--
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	--	--
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	--	--
EQUITY	13.653.052	9.202.337
Total Capital (Total of Tier I Capital and Tier II Capital)	13.653.052	9.202.337
Total Risk Weighted Assets (***)	75.950.130	47.178.655
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	11,24	10,61
Tier I Capital Adequacy Ratio (%)	11,37	10,82
Capital Adequacy Ratio (%)	17,98	19,51
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,51	2,51
a) Capital Conservation Buffer Requirement (%)	2,50	2,50
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,01	0,01
c) Systemically Important Banks Buffer Requirement Ratio (%)	--	--

(***) Current period as of 31 December 2023, the Central Bank's foreign exchange buying rate of 31 December 2022 is used, prior period as of 31 December 2022, the Central Bank's foreign exchange buying rate of 31 December 2021 is used.

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	Current Period (31/12/2023) Amount	Prior Period (31/12/2022) Amount
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets (%)	5,37	4,82
Amounts lower than Excesses as per Deduction Rules	--	--
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	--	--
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	--	--
Remaining mortgage servicing rights	--	--
Net deferred tax assets arising from temporary differences	--	--
Limits for Provisions Used in Tier II Capital Calculation	--	--
General provisions for standard based receivables (before one hundred and twenty five per ten thousand limitation)	632.317	807.653
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	825.139	543.844
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	--	--
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets	--	--
Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)	--	--
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	--	--
Upper limit for Additional Tier II Capital items subject to Temporary Article 4	--	--
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	--	--

(*) The amounts to be considered under the transitional provisions.

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

The difference between "Equity" in equity table and "Shareholder's Equity" in the consolidated balance sheet mainly arises from the subordinated bonds and general provisions. In the calculation of Total Capital, general reserve up to 1,25% of credit risk is taken into consideration as Tier II Capital.

On the other hand, in the calculation of the "Equity", improvement costs for operational leases presented under tangible assets in the balance sheet, together with related deferred tax liabilities and deferred tax assets calculated for provision for possible losses and other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

In addition, in accordance with the BRSA's Decision dated 16 April 2020 and numbered 8999, 0% risk weight can be applied to the receivables of banks from the Central Government of the Republic of Turkey and issued in foreign currency, in accordance with the Standard Approach, within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks, In case that the net valuation differences of the securities in the securities portfolio whose value difference is reflected to other comprehensive income are negative, these differences are not taken into account in the equity amount to be used for the capital adequacy ratio. There are no securities in the bank within this scope.

Debt instruments included in shareholder's equity calculation(*):

Issuer	Fibabanka A.Ş.	Fibabanka A.Ş.
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	TRSFIBA10016
Regulation of debt instrument	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law	BRSA's "Regulation on Equities of Banks" dated 1 November 2006
Consideration Status in Shareholders' Equity Calculation		
Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No
Eligible at unconsolidated / consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Security	Subordinated Security
Recognized amount in shareholders' equity calculation (As of the most recent reporting date - Thousand TL)	4.910.190	100.000
Nominal value of debt instrument (Thousand TL)	7.746.930	100.000
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand
Initial term of debt instrument	11 years	--
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million
Subsequent call date, if any	None	At the end of every 5th year following

(*The additional Tier 1 capital with a nominal amount of USD 30 million was early redeemed on 1 March 2022 with the approval of the BRSA, and the redemption amount was used in the cash capital increase realized in April 2022.

(**) Tier-II bond, the remaining maturity of which is below 4 years, is taken into consideration after 40% of amortization in Tier II capital calculations in accordance with "Regulation on Equities of Banks".

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Interest/Dividend Payments

Fixed or floating interest/dividend payments	Floating interest Up to pay back option date 7,75% (5 years mid-swap rate+5,758%); afterwards current 5 years mid-swap rate+5,758%	Floating interest 8% additional return on TRLibor
Interest rate or index value of interest rate		
Whether there are any restriction to stop dividend payments or not	None	None
Feature of being fully optional, partially optional or obligatory	Obligatory	Optional
Whether there are any stimulant to repayment like interest rate hike or not	None	None
Feature of being cumulative or noncumulative	--	--
Feature of being convertible bonds		
If there are convertible bonds, trigger incidents cause this conversion	--	--
If there are convertible bonds, feature of full or partially conversion	--	--
If there are convertible bonds, rate of conversion	--	--
If there are convertible bonds, feature of conversion -obligatory or optional-	--	--
If there are convertible bonds, types of convertible instruments	--	--
If there are convertible bonds, exporter of convertible debt instruments	--	--
Feature of value reduction		
		Under the condition that unconsolidated and/or consolidated Tier I capital adequacy ratio drop below BRSA's ratio
If there are a feature of value reduction, trigger incidents cause this reduction	--	Partially and totally
If there are a feature of value reduction, feature of full or partially reduction of value	--	--
If there are a feature of value reduction, feature of being constant of temporary	--	--
If there are a feature of value reduction, mechanism of value incrementation	--	--
Claiming rank in case of winding up (Instrument that is just above debt instrument)	After the other borrowers except depositors Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article.	After depositors, other borrowers and Tier II capital. Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.
Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation		Cannot be converted to stock.
The conditions not met which were defined by 7th or 8th of the 7th or 8th articles of Shareholders' Equity of Banks Regulation	--	--

II. Explanations on Consolidated Credit Risk

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set.

The debtors or group of debtors are subject to credit risk limits. The debtors' or group of debtors' and industrial risk limitations are monitored weekly. Industry concentration is followed monthly.

Credit risk limits and breakdowns for daily transactions are followed daily. Risk concentrations of off-balance sheet risks are followed by remote and on-site control activities.

Credit worthiness of both commercial loans' and all other debtors are being regularly monitored in accordance with the regulations. By utilizing risk rating models which were developed for these purposes, in case the debtors' risk level increases, credit lines are readjusted and additional collaterals are received if needed. The necessary documentation for utilized loans is taken in compliance with the related legislation.

In accordance with the Bank's lending policies, the debtor's creditworthiness is analysed and the adequate collateral is obtained based on the financial position of the company and the type of loan; such as cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

There are control limits based on VaR over the positions of the Bank which are held as futures, option contracts and other similar contracts. The credit risks carried for such instruments are managed together with the risks arising from market fluctuations.

Indemnified non-cash loans are subject to the same risk weight with overdue loans.

The Bank performs foreign trade finance and other interbank credit transactions through correspondent network. Accordingly, the Bank assigns limits periodically to domestic banks, foreign banks and other financial institutions based on review of their credit worthiness.

Within the Bank's risk appetite policy, the following concentrations are measured. They are presented to the Asset and Liability Committee weekly and to the Risk Committee monthly.

As per Customer Group Concentration, Top 20 corporate debtor's / risk group's credit risk sum shall not exceed 25% of the Bank's total credit risk.

Within the industry concentration, the Bank has set its risk appetite as "reasonable", not to exceed 10% of total loans per sector except the industries listed below.

Industry	Proportional Limit
Construction	15%
Tourism	15%
Wholesale and Retail Business	25%

Within the framework of risk appetite policy, the sum of long-term loans which have a maturity more than 1 year, shall not exceed 45% of the bank's total loans. This ratio is monitored on a weekly basis at the Asset and Liability Committee and on a monthly basis at the Risk Committee.

The Bank's largest 100 and 200 cash loan customers compose 29% and 34% of the total cash loan portfolio, respectively (31 December 2022: 29% and 35%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 95% and 99% of the total non-cash loan portfolio, respectively (31 December 2022: 92% and 98%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 29% and 34% of the total "on and off balance sheet" assets, respectively (31 December 2022: 29% and 35%, respectively).

Expected credit loss for total credit risk (Stage 1 and Stage 2) amounts to TL 625.423 (31 December 2022: TL 796.474).

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II. Explanations on Consolidated Credit Risk (continued)

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

Asset Category / Counter Party	Terms to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Collateralized and non-collateralized receivables from central or central banks	11,411,541	1,227,347	274,838	2,386,689	11,119,113
Collateralized and non-collateralized receivables from banks and central governments	---	4,476	---	---	---
Collateralized and non-collateralized receivables from banks and other institutions	---	---	---	---	---
Collateralized and non-collateralized receivables from other institutions	---	---	---	---	---
Collateralized and non-collateralized receivables from companies	---	---	---	---	---
Collateralized and non-collateralized receivables from individuals	4,246,000	---	---	---	349,939
Collateralized and non-collateralized receivables from individuals	1,952,426	95,774,324	2,279,224	2,246,281	4,674,649
Collateralized and non-collateralized receivables from individuals	4,293,574	9,022,094	9,990,698	4,461,281	586,121
Overdue receivables	2,385	4,476	---	---	361,248
Receivables discounted as high risk for the issuer	---	---	---	---	---
Margin traded and other	1,844,424	1,374,347	4,400,000	6,641,281	1,714,217
Securities held for portfolio	---	---	---	---	---
Short-term receivables from banks and intermediary institutions and short-term receivables as a collective investment institution	48,829	100,000	286,422	428,624	---
Other receivables	---	---	---	---	---
Total	22,491,424	29,086,047	11,474,163	62,248,799	19,217,719

(1) Items with government guarantee are recorded according to existing measures.
 (2) Collateralized receivables in the amount of TL 2,485,000 from bank and other receivables in the amount of TL 1,100,000, and government guarantee in the amount of TL 1,100,000, are recorded in the amount of TL 1,100,000. Collateralized receivables from banks and other institutions in the amount of TL 1,100,000, are recorded in the amount of TL 1,100,000.
 (3) As of 31 December 2023, the latest foreign exchange trading rate for TL (Bloomberg) is 16.48 TL/USD.

Asset Category / Prior Period	Terms to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 year
Collateralized and non-collateralized receivables from central or central banks	5,213,826	1,436,281	116,281	941,281	3,719,124
Collateralized and non-collateralized receivables from banks and central governments	---	4,476	---	---	---
Collateralized and non-collateralized receivables from banks and other institutions	4,485,724	112,149	5,446	471,273	21,784
Collateralized and non-collateralized receivables from other institutions	---	---	---	---	---
Collateralized and non-collateralized receivables from companies	---	---	---	---	---
Collateralized and non-collateralized receivables from individuals	3,241,402	1,603,426	1,141,212	1,291,281	6,175,819
Collateralized and non-collateralized receivables from individuals	2,493,281	76,888,124	1,325,281	886,426	886,426
Overdue receivables	1,142,124	98,426	26,426	37,218	1,800,249
Receivables discounted as high risk for the issuer	---	---	---	---	---
Margin traded and other	1,228,281	388,212	129,274	128,281	1,491,281
Securities held for portfolio	---	---	---	---	---
Short-term receivables from banks and intermediary institutions and short-term receivables as a collective investment institution	---	---	---	---	---
Other receivables	---	---	---	---	---
Total	19,474,249	19,474,249	4,474,212	9,474,212	17,719,426

(1) Items with government guarantee are recorded according to existing measures.
 (2) Collateralized receivables in the amount of TL 1,100,000 from bank and other receivables in the amount of TL 1,100,000, and government guarantee in the amount of TL 1,100,000, are recorded in the amount of TL 1,100,000. Collateralized receivables from banks and other institutions in the amount of TL 1,100,000, are recorded in the amount of TL 1,100,000.
 (3) As of 31 December 2023, the latest foreign exchange trading rate for TL (Bloomberg) is 16.48 TL/USD.

The Parent Bank uses long-term credit ratings announced by an international rating firm, The Islamic International Ratings Agency (IIRA). Such ratings are used in compliance with regulation on “The Licencing and Operations of the Rating Firms”. For the bank’s capital adequacy calculation, only the latest credit ratings are used that are currently accepted as valid by the issuing Credit Rating Agency.

Credit ratings are used for the receivables from banks and brokerage houses. The securities in the trading book have credit ratings. Therefore, no credit ratings is used for issuer or issue.

Based on “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” Appendix 1, The Islamic International Ratings Agency (IIRA)’s credit ratings corresponds to credit grades below:

	BRSA Credit Quality Grades	IIRA Risk Rating
Long Term Credit Quality Grades	1	AAA and AA-
	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

II. Explanations on Consolidated credit risk (continued)

4. Exposures by risk weights

Risk Weight	Risk Weight											
	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	300%	Total
Collateralized	---	---	---	---	---	---	---	---	---	---	---	---
Non-collateralized	---	---	---	---	---	---	---	---	---	---	---	---
Total	---	---	---	---	---	---	---	---	---	---	---	---

Risk Weight	Risk Weight											
	0%	10%	20%	25%	50%	75%	100%	150%	200%	250%	300%	Total
Collateralized	---	---	---	---	---	---	---	---	---	---	---	---
Non-collateralized	---	---	---	---	---	---	---	---	---	---	---	---
Total	---	---	---	---	---	---	---	---	---	---	---	---

5. Information by major sectors and type of counterparties

As per TFRS;
 Significant Increase in Credit Risk (Stage 2); when the loan is not under default yet, but there is a significant increase in the credit risk since origination date, the life time expected credit losses are calculated for these loans.
 Credit Impaired (Stage 3); includes financial assets whose probability of default is considered to be 100%. The life time expected credit losses are recognized for impaired loans.

Current Period	Loans		Provisions Expected Credit Losses (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	
	TL	TL	
Major Sector / Counterparties			
Agriculture	33,235	14,426	12,975
Farming and Stockbreeding	30,416	9,885	1,406
Forestry	2,819	4,541	3,589
Fishery	---	---	---
Manufacturing	321,802	64,272	89,646
Mining and Quarrying	35,194	16,916	14,381
Production	142,822	44,666	38,959
Electricity, Gas and Water	143,826	3,170	36,324
Construction	874,253	44,407	40,332
Services	3,922,503	430,241	545,584
Wholesale and Retail Trade	285,015	116,607	90,003
Accommodation and Dining	2,472,620	210,479	281,433
Transportation and Storage	26,542	56,573	54,361
Financial Institutions	---	2,254	1,325
Real Estate and Rental	118,054	4,205	15,137
Self-Employment Services	18,475	7,250	5,291
Educational Services	442	1,504	1,181
Health and Social Services	311	11,469	8,399
Other	846,822	201,811	235,648
Total	6,248,417	747,727	846,481

Prior Period	Loans		Provisions Expected Credit Losses (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	
	TL	TL	
Major Sector / Counterparties			
Agriculture	11,725	26,467	20,317
Farming and Stockbreeding	4,953	19,814	14,854
Forestry	4,772	6,653	5,461
Fishery	---	---	---
Manufacturing	240,289	91,812	109,149
Mining and Quarrying	95,799	40,172	43,004
Production	40,114	46,743	36,421
Electricity, Gas and Water	104,256	5,467	9,213
Construction	130,517	161,495	115,005
Services	3,277,442	205,357	411,851
Wholesale and Retail Trade	29,443	93,267	78,956
Accommodation and Dining	1,912,286	4,429	212,563
Transportation and Storage	17,107	85,084	80,288
Financial Institutions	---	12	12
Real Estate and Rental	91,888	6,743	14,052
Self-Employment Services	175,805	2,923	17,949
Educational Services	5	2,238	1,494
Health and Social Services	426	9,171	6,713
Other	588,515	180,235	272,854
Total	3,248,468	653,426	849,169

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II. Explanations on Consolidated credit risk (continued)

6. Information on movements in value adjustments and provisions

Current Period	Opening Balance	Provision For Period	Provision Reversals	Other Adjustment (*)	Closing Balance
Specific Provisions (Stage 3)	498.895	895.136	(364.592)	(489.549)	539.890
General Provisions (Stage 1 and 2)	791.376	--	(170.448)	(6.160)	614.769

(*) Represents write-offs for specific provisions and sales from non-performing loans portfolio are shown here. General provisions include the provision amounts allocated for overdraft and credit card limits.

Prior Period	Opening Balance	Provision For Period	Provision Reversals	Other Adjustment (*)	Closing Balance
Specific Provisions (Stage 3)	382.756	328.398	(108.111)	(104.128)	498.895
General Provisions (Stage 1 and 2)	508.143	283.233	--	--	791.376

(*)Write-off items and the sales from the NPL portfolio are disclosed here.

7. Exposures subject to countercyclical capital buffer

Country	RWAs of Banking Book for Private Sector		Trading Book	Total
	Exposures	Credit		
Turkey	59.509.170	4.140.949	63.670.129	
Russia	165.781	--	165.781	
Malta	229.402	--	229.402	
Marshall Islands	50.455	--	50.455	
Australia	16.217	--	16.217	
England	34.721	81.221	115.942	
Germany	5.212	855	6.067	
France	3.824	28.363	28.997	
Others	15.190	3.103	18.293	
Total	60.031.732	4.269.511	64.301.243	

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

Country	RWAs of Banking Book for Private Sector		Trading Book	Total
	Exposures	Credit		
Turkey	39.644.111	2.404.823	42.048.936	
Russia	29.921	32.094	58.016	
Malta	209.246	--	209.246	
Marshall Islands	--	--	--	
Australia	3.042	--	3.042	
England	52.331	273.917	326.248	
Germany	33.651	8.562	42.213	
France	--	240	240	
Others	47.000	13.333	60.333	
Total	40.039.285	2.732.949	42.768.234	

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

II. Explanations on Consolidated credit risk (continued)

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

The type of collateral received for standard qualified and closely monitored cash loans extended to individuals and organizations according to the detail is as follows:

Cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	29.113.026	22.102.803	3.730.807	2.929.961
Secured by Cash Collateral	550.164	509.798	--	--
Secured by Mortgages	1.943.975	1.719.105	2.576.284	1.073.194
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	4.441	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	26.618.887	19.873.900	1.150.102	956.767
Non-Secured Loans	18.395.135	13.702.532	567.610	318.507
Total	47.508.161	35.805.335	4.298.417	3.248.468

Details of cash loans with the nature of dull receivables extended to individuals and organizations according to the type of collateral received it is as follows:

Cash loans granted to individuals and corporates	Non-Performing Loans	
	Current Period	Prior Period
Secured Loans:	312.889	213.941
Secured by Cash Collateral	--	--
Secured by Mortgages	242.310	200.788
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--
Guarantees Issued by Financial Institutions	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	70.579	13.178
Non-Secured Loans	434.852	451.445
Total	747.741	665.386

Details of collaterals for non-cash granted to individuals and corporates are as follows:

Non-cash loans granted to individuals and corporates	Standard Loans		Loans and Other Receivables Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
Secured Loans:	828.929	594.554	66.318	54.647
Secured by Cash Collateral	122.675	100.693	14.416	--
Secured by Mortgages	26.696	36.414	547	--
Secured by Treasury Guarantees or Securities Issued by Public Sector	--	--	--	--
Guarantees Issued by Financial Institutions	--	--	--	--
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	674.558	457.447	51.275	54.647
Non-Secured Loans	149.181	96.760	345	--
Total	978.110	691.314	66.678	54.647

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III. Explanations on Consolidated Currency Risk

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. The Group does not take material foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 31 December 2023, the Group's net long position is TL 91.923 (31 December 2022: TL 1.062.156 net short position) resulting from long position on the balance sheet amounting to TL 291.372 (31 December 2022: TL 914.106 long position) and short position on the off-balance amounting to TL 199.449 (31 December 2022: TL 1.974.262 short position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

The announced foreign exchange buying rates of the Bank at balance sheet date and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 29,4382
Euro purchase rate as at the balance sheet date	TL 32,5739

Date	USD	EURO
26 December 2023	29,2108	32,1766
27 December 2023	29,2647	32,2421
28 December 2023	29,3374	32,4186
29 December 2023	29,4382	32,5739
31 December 2023	29,4382	32,5739

The US Dollar buying rate is TL 29,0433 and EUR buying rate is TL 31,6940 (in full TL amounts) respectively, according to simple arithmetic average on December 2023.

III. Explanations on Consolidated Currency Risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	1.632.437	8.585.804	1.641.314	11.859.555
Due From Banks	988.216	990.549	761.180	2.739.945
Financial Assets at Fair Value through Profit/Loss (*)	19.042	117.311	..	136.353
Money Market Placements	439.894	1.767.102	..	2.206.996
Financial Assets Measured at Fair Value through Other Comprehensive Income (PVOCI)	113.922	2.148.385	18.046	2.280.353
Loans and Receivables(**)	7.209.462	2.593.106	..	9.802.568
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	..	..	..	..
Financial Assets Measured at Amortized Cost	2.159.972	4.482.932	..	6.642.904
Derivative Financial Assets Hedging Purposes	..	..	..	..
Tangible Assets	..	..	..	..
Intangible Assets	..	..	..	..
Other Assets (***)	5.557	9.845	74	15.476
Total Assets	12.568.502	20.695.034	2.420.614	35.684.150
Liabilities				
Bank Deposits	4.367	8.634	164.749	177.750
Foreign Currency Deposits	3.538.026	8.386.050	6.359.038	18.283.114
Money Market Borrowings	..	7.610.322	..	7.610.322
Funds Provided from Other Financial Institutions	944.620	1.380.641	..	2.325.261
Securities Issued(****)	..	7.180.853	..	7.180.853
Sundry Creditors	30.435	297.120	1.978	329.533
Derivative Fin. Liabilities for Hedging Purposes	..	..	..	..
Other Liabilities(*****)	29.044	23.087	16.558	68.689
Total Liabilities	4.546.492	24.886.707	6.543.333	35.975.522
Net Balance Sheet Position	8.022.010	(4.191.673)	(4.121.709)	(291.372)
Net Off-Balance Sheet Position	(8.440.135)	4.530.277	4.109.307	199.449
Financial Derivative Assets (*****)	10.404.673	46.477.910	9.197.953	66.080.536
Financial Derivative Liabilities (*****)	18.844.808	41.947.633	5.088.646	65.881.087
Non-Cash Loans (*****)	299.085	265.229	..	564.314
Prior Period				
Total Assets	11.779.044	18.158.963	585.784	30.523.791
Total Liabilities	2.849.478	22.605.647	4.154.560	29.609.685
Net Balance Sheet Position	8.929.566	(4.446.684)	(3.568.776)	914.106
Net Off-Balance Sheet Position	(9.262.236)	3.979.519	3.308.455	(1.974.262)
Financial Derivative Assets (*****)	5.088.269	30.949.049	7.485.425	43.522.743
Financial Derivative Liabilities (*****)	14.350.505	26.969.530	4.176.970	45.497.005
Non-Cash Loans	71.445	187.646	..	259.091

(*) Accruals of trading derivative financial assets amounting to TL 69.818 are not included.

(**) Includes foreign currency indexed loans and accruals amounting to TL 38.050.

(***) TL 2.196 of prepaid expenses are included.

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

(*****) TL 69.007 of accruals of derivative financial liabilities are not included.

(*****) In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 5.294.270 (31 December 2022: TL 2.729.192), foreign currency sale commitments within the derivative financial liabilities amounted to TL 3.723.467 (31 December 2022: TL 2.514.435).

(*****) There is no effect on the net off-balance sheet position.

For the 12 month period ended 31 December 2023, the Bank calculated a percentage of TL against the following currencies 10 increase in shareholders' equity and profit/loss (excluding tax effect) that may occur in the event of a depreciation, and the decrease is shown in the table below. This analysis shows that all other variables, especially interest rates, are constant it was prepared on the assumption that he stayed.

	Current Period	Prior Period	Current Period	Prior Period
	Profit/Loss	Equity	Profit/Loss	Equity
USD	32.860	29.761	146.717	142.597
EUR	(41.813)	(41.828)	(33.267)	(33.111)
Other FC	(1.345)	(1.185)	(24.032)	(25.088)
Total (Net)	(7.198)	(5.052)	108.418	108.408

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IV. Explanations on Consolidated Interest Rate Risk

Interest sensitivity of assets, liabilities and off-balance sheet items are evaluated weekly by considering market developments in the Asset-Liability Committee.

Standard method and Asset-Liability risk measurement methods are used to measure the Group's interest rate risk.

Measurements by the standard method are carried out monthly by using maturity ladder. The Bank applies interest rate shock analysis to interest rate sensitive assets and liabilities considering historic economic crisis. Change in the net present value of the net assets of the Bank are monitored within the limits set by the Board of Directors.

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Current Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-Interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	14,477,587	--	--	--	--	4,089,995	18,567,582
Banks	1,831,256	--	--	--	--	1,253,116	3,084,372
Financial Assets at Fair Value Through Profit or Loss(*)	3,784,406	366,168	189,986	10,998	--	19,042	4,370,600
Interbank Money Market Placements	2,798,486	--	--	--	--	--	2,798,486
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,988,823	1,105,231	1,770,962	1,507,992	779,817	4,897	9,157,722
Loans(**)	11,266,959	11,533,990	21,243,691	5,868,140	2,493,797	(406,921)	51,399,656
Financial Assets Measured at Amortized Cost	413,097	594,571	2,725,019	5,432,939	141,815	--	9,307,441
Other Assets(***)	--	--	--	--	--	5,152,606	5,152,606
Total Assets	38,560,614	13,599,960	25,929,658	12,020,069	3,615,429	10,112,735	103,838,465
Liabilities							
Bank Deposits	645,218	1,185,430	--	--	--	178,108	2,008,756
Other Deposits	42,570,513	10,960,141	357,123	325,897	--	12,222,176	66,435,850
Interbank Money Market Received	2,606,685	5,003,637	--	--	--	--	7,610,322
Sundry Creditors(****)	--	--	--	--	--	2,003,566	2,003,566
Marketable Securities Issued(****)	--	--	--	7,180,853	--	--	7,180,853
Funds Borrowed From Other Institutions	42,194	333,219	1,949,848	--	--	--	2,325,261
Other Liabilities(****)	478,679	290,498	246,138	210,154	34,335	15,014,053	16,273,857
Total Liabilities	46,343,289	17,772,925	2,553,109	7,716,904	34,335	29,417,903	103,838,465
Balance Sheet Long Position	--	--	23,376,549	4,303,165	3,581,094	--	31,260,808
Balance Sheet Short Position	(7,782,675)	(4,172,965)	--	--	--	(19,305,168)	(31,260,808)
Off-Balance Sheet Long Position	236	2,389	--	--	--	99,637,761	99,640,386
Off-Balance Sheet Short Position	(146,053)	(105,192)	(140,397)	--	--	(98,701,908)	(99,093,550)
Total Position	(7,928,492)	(4,275,768)	23,236,152	4,303,165	3,581,094	(98,369,315)	546,836

(*) Includes derivative financial assets.

(**) Non-performing loans of (TL 747,737) and related expected credit losses of (TL 539,890), expected credit losses for stage 1 of TL 210,409 and for stage 2 of TL 404,359) are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 321,297).

(***) Non-interest bearing column includes TL 1,119,236 investments in subsidiaries, TL 864,678 tangible assets, TL 787,722 intangible assets, TL 994,644 tax asset, TL 10,380 assets held for sale, TL 1,381,423 other assets and TL 5,447 expected credit losses on financial assets.

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

(*****) Non-interest bearing column includes TL 10,690,679 shareholders' equity, TL 3,425,082 other liabilities, TL 1,981,078 provisions and TL 920,780 tax liabilities.

IV. Explanations on Consolidated Interest Rate Risk (continued)

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-Interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	11,821,749	--	--	--	--	3,195,778	15,017,527
Banks	1,550,497	--	--	--	--	930,615	2,481,112
Financial Assets at Fair Value Through Profit or Loss(*)	892,046	290,107	308,457	5,786	--	12,684	1,509,080
Interbank Money Market Placements	1,636,551	--	--	--	--	--	1,636,551
Financial Assets Measured at Fair Value through Other Comprehensive Income	841,879	1,347,279	964,171	1,855,611	127,073	4,897	5,140,910
Loans(**)	36,238,099	1,749,353	1,052,590	13,761	--	(624,845)	38,428,958
Financial Assets Measured at Amortized Cost	48,530	935,170	764,309	5,257,392	60,573	--	7,065,974
Other Assets(***)	--	--	--	--	--	2,801,514	2,801,514
Total Assets	53,029,351	4,321,909	3,089,527	7,132,550	187,646	6,320,643	74,081,626
Liabilities							
Bank Deposits	1,238,850	6,073,119	--	--	--	660,705	7,972,674
Other Deposits	22,616,282	7,894,866	172,805	201,596	--	8,000,603	38,886,152
Interbank Money Market Received	1,349,852	2,120,013	--	--	--	--	3,469,865
Sundry Creditors	--	--	--	--	--	1,415,625	1,415,625
Marketable Securities Issued(****)	8,146,786	1,208,037	--	--	--	--	9,354,823
Funds Borrowed From Other Institutions	--	--	2,703,669	475,543	--	--	3,179,212
Other Liabilities(****)	259,748	117,447	240,762	84,583	1,007	9,099,728	9,801,275
Total Liabilities	33,611,518	17,413,482	3,117,236	761,722	1,007	19,176,661	74,081,626
Balance Sheet Long Position	19,417,834	--	--	6,370,828	186,639	--	25,975,300
Balance Sheet Short Position	--	(13,091,573)	(27,709)	(27,709)	--	(12,856,018)	(25,975,300)
Off-Balance Sheet Long Position	60,001	300,001	492,356	21,215	--	63,200,787	64,076,360
Off-Balance Sheet Short Position	(65,000)	(300,000)	(492,357)	(21,215)	--	(62,626,564)	(63,500,136)
Total Position	19,417,834	(13,091,572)	(27,710)	6,370,828	186,639	(12,279,795)	576,224

(*) Includes derivative financial assets.

(**) Non-performing loans of TL 665,426 and related expected credit losses of TL 498,895, expected credit losses for stage 1 of TL 340,842 and for stage 2 of TL 450,534 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 186,790).

(***) Non-interest bearing column includes TL 961,996 investments in subsidiaries, TL 692,513 tangible assets, TL 243,652 intangible assets, TL 385,164 tax asset, TL 24,609 assets held for sale, TL 496,763 other assets and TL 3,183 expected credit losses on financial assets.

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

(*****) Non-interest bearing column includes TL 6,581,672 shareholders' equity, TL 1,904,380 other liabilities, TL 1,624,484 provisions and TL 404,817 tax liabilities.

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IV. Explanations on Consolidated Interest Rate Risk (continued)

Average interest rates applied to financial instruments

Current Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	4,00	5,62	--	42,50
Financial Assets at Fair Value Through Profit/ Loss	--	3,36	--	10,80
Interbank Money Market Placements	4,00	5,50	--	43,05
Financial Assets Measured at Fair Value through Other Comprehensive Income	5,72	7,90	--	34,25
Loans	7,88	8,91	--	42,77
Financial Assets Measured at Amortized Cost	4,91	5,50	--	22,10
Liabilities				
Bank Deposits	--	--	--	27,49
Other Deposits	1,38	1,10	--	41,04
Interbank Money Market Received	--	5,62	--	--
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	9,80	--	--
Funds Borrowed from Other Financial Institutions	7,28	6,07	--	--

(*) Includes subordinated debts, which are classified under "Subordinated Debts - Other Debt Instruments" in Balance Sheet, as well.

Prior Period	EUR	USD	JPY	TL
	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	--	--	--
Banks	2,06	4,45	--	10,25
Financial Assets at Fair Value Through Profit/ Loss	--	4,40	--	16,31
Interbank Money Market Placements	1,95	4,55	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	7,10	7,16	--	17,95
Loans	6,64	8,30	--	19,25
Financial Assets Measured at Amortized Cost	4,89	5,74	--	17,84
Liabilities				
Bank Deposits	--	4,40	--	5,77
Other Deposits	0,67	1,23	--	18,28
Interbank Money Market Received	--	4,90	--	11,28
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	8,10	--	23,15
Funds Borrowed from Other Financial Institutions	4,14	5,84	--	--

(*) Includes subordinated debts, which are classified under "Subordinated Debts - Other Debt Instruments" in Balance Sheet, as well.

IV. Explanations on Consolidated Interest Rate Risk (continued)

Interest rate risk on banking book

As per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published by the BRSA on 23 August 2011, the Bank analyses and reports to the Bank's senior management the interest rate sensitivity of equity on a monthly basis by applying positive and negative shocks to the interest sensitive on balance sheet and off-balance sheet positions which are distributed into groups based on their cash flows.

Interest rate sensitivity of equity as of 31 December 2023:

Current Period	Shocks Applied (+/- x tpr)	Gains/ Losses		Gains/ Equity - Losses /Equity
TRY	500	(493.897)		-3,74%
TRY	-400	427.740		3,24%
USD Dollar	200	357.149		2,71%
USD Dollar	-200	(386.722)		-2,93%
Euro	200	(362.761)		-2,79%
Euro	-200	458.569		3,10%
Total (For Positive Shocks)		(493.509)		-3,79%
Total (For Negative Shocks)		449.607		3,41%

Prior Period	Shocks Applied (+/- x tpr)	Gains/ Losses		Gains/ Equity - Losses /Equity
TRY	500	(400.179)		-4,38%
TRY	-400	347.153		3,80%
USD Dollar	200	244.624		2,68%
USD Dollar	-200	(275.838)		-2,92%
Euro	200	(211.119)		-2,31%
Euro	-200	237.969		2,60%
Total (For Positive Shocks)		(366.634)		-4,01%
Total (For Negative Shocks)		309.284		3,19%

V. Explanations on Consolidated Position Risk of Equity Securities Resulted from Banking Book

Equity Investments	Comparison		
	Balance Sheet Value	Fair Value	Market Value
1.Equity Investment Group A	--	--	--
Listed on the stock exchange	--	--	--
1.Equity Investment Group B	--	--	--
Listed on the stock exchange	--	--	--
1.Equity Investment Group C	--	--	--
Listed on the stock exchange	--	--	--
1.Equity Investment Group Other(*)	16.550	--	--

(*) Includes subordinated debts, which are classified under "Subordinated Debts - Other Debt Instruments" in Balance Sheet, as well.

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VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio

The Board of Directors reviews the liquidity and funding risk management policy weekly or in case of necessity. Liquidity risk is managed by Asset and Liability Committee (ALCO) in line with risk management policy as short and long term liquidity risk.

Liquidity Risk is managed by ALCO in order to take the necessary actions in a timely and correct manner against possible liquidity shortages. Treasury department manages cash inflows and outflows in line with strategies determined by ALCO. As deemed necessary by the ALCO members, liquidity meetings are performed for the purposes of close monitoring. Treasury department manages short term liquidity by adhering to the ALCO strategy and ensuring compliance with legal liquidity limits and stress testing.

In the context of TL and foreign currencies liquidity management, the Bank monitors the cash flows weekly and action plan is made based on ALCO decisions. The funding balance is directly monitored and compensated by making the risk-return-cost evaluation.

For long-term liquidity "Maturity Mismatch Report" is prepared and presented to ALCO on a weekly basis. The Bank, resulting from the general structure of Turkish banking sector, has a liquidity gap at the year ended maturity period. The Bank intends to eliminate liquidity mismatch shifting focus to long-term funding alternatives. Such decisions of the risk of incompatibility are taken by ALCO. The Bank diversifies its funding sources among customer deposits, domestic and foreign borrowings, bills and bonds issued, taking into consideration the maturity match between its assets and liabilities and keeps liquid assets in order to fully meet the liquidity requirements that may emerge in case of market volatility.

Information on the use of stress testing:

Department of Risk Management implements stress testing according to Liquidity and Funding Risk Policy approved by the Board of Directors on a weekly basis. These stress tests are based on the scenarios of the deposit outflows, funds obtained from bonds issued will outflows and banks limits will not be used during a 14-day period, the results are included in the presentation of ALCO on a weekly basis and in the Presentation of Risk Committee on a monthly basis. In this way, the Bank's funding structure is closely monitored and actions are taken on behalf of existing risk management.

Alternative funding sources are identified in case of need. ALCO members are responsible for taking actions against short-term liquidity shocks. In the case of a crisis or if deemed necessary, ALCO summon a meeting and take necessary actions immediately. These action plans are approved by the Board of Directors under the ICAAP. The Bank reviews resources that are available in any emergency situation constantly and takes into consideration the results of the above-mentioned stress testing and scenario analysis by the early warning system.

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 28948, dated 21 March 2014; liquidity ratio is required to be 80% for foreign currency assets/liabilities and 100% for total assets/liabilities in the calculation of The Banks weekly and monthly reporting effective from 1 January 2019.

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

Current Period	Total Unweighted Value (Y)		Total Weighted Value (Y)	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)			21,472,790	14,920,643
CASH OUTFLOWS				
2 Deposits from natural persons and retail deposits	51,888,666	16,131,276	4,745,503	1,615,493
3 Stable deposits	8,671,679	-	433,423	-
4 Less stable deposits	43,196,987	16,131,276	4,312,080	1,615,493
5 Unsecured funding except for retail deposits and deposits from natural persons, of which:	16,381,446	6,218,678	11,823,036	4,653,046
6 Operational deposits	-	-	-	-
7 Non-Operational deposits	7,457,760	2,530,431	2,977,322	1,005,075
8 Other unsecured funding	8,923,686	3,688,247	8,845,714	3,647,971
9 Secured funding	-	-	118,100	118,100
10 Other cash outflows	7,465,610	1,148,676	1,311,233	836,769
11 Outflows related to derivative exposures and other collateral requirements	838,826	807,267	831,451	799,926
12 Outflows related to restructured financial instruments	-	-	-	-
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	6,626,784	341,409	479,802	36,843
14 Other revocable off-balance sheet commitments and other contractual obligations	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet obligations	57,890	8	57,384	8
16 TOTAL CASH OUTFLOWS			18,845,525	7,388,405
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	11,451,510	3,546,359	8,364,691	3,032,247
19 Other cash inflows	729,847	458,346	729,847	458,346
20 TOTAL CASH INFLOWS	12,013,751	3,894,813	9,094,538	3,490,593
21 TOTAL HQLA			21,472,790	14,920,643
22 TOTAL NET CASH OUTFLOWS			8,960,718	3,732,832
23 LIQUIDITY COVERAGE RATIO (%)			239,63	399,71

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

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

Prior Period	Total Unweighted Value (*)		Total Weighted Value (*)	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1	Total high-quality liquid assets (HQLA)		11,799,883	8,797,945
CASH OUTFLOWS				
2	Deposits from natural persons and retail deposits	30,682,995	13,187,102	2,852,142
3	Stable deposits	4,363,585	-	218,129
4	Less stable deposits	26,319,410	13,187,102	2,634,013
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	10,607,742	5,227,334	7,351,422
6	Operational deposits	-	-	-
7	Non-Operational deposits	5,396,773	2,814,562	2,140,622
8	Other unsecured funding	5,210,969	2,412,772	5,210,800
9	Secured funding	-	-	185,095
10	Other cash outflows	5,042,588	781,044	832,231
11	Outflows related to derivative exposures and other collateral requirements	529,252	503,987	529,252
12	Outflows related to restructured financial instruments	-	-	-
13	Payment commitments granted for debts to financial markets and other off-balance sheet commitments	4,513,336	277,057	302,979
14	Other revocable off-balance sheet commitments and other contractual obligations	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	32,110	22	32,110
16	TOTAL CASH OUTFLOWS		11,252,999	5,438,818
CASH INFLOWS				
17	Secured receivables	12,113	12,113	11,181
18	Unsecured receivables	7,356,385	3,705,063	5,512,341
19	Other cash inflows	451,469	314,129	440,640
20	TOTAL CASH INFLOWS	7,819,967	4,031,304	5,964,162
21	TOTAL HQLA		11,748,890	8,747,862
22	TOTAL NET CASH OUTFLOWS		5,330,672	2,047,436
23	LIQUIDITY COVERAGE RATIO (%)		220,40	427,28

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

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

The lowest, highest and average Liquidity Coverage realized in the last 3 months of the period 1 January - 31 December 2023 Rates are in the table below

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	393,33%	26/10/2023	165,72%	08/11/2023	252,42%
FC	1116,64%	27/12/2023	202,74%	08/12/2023	480,90%
Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	592,62%	19/12/2022	132,81%	01/10/2022	244,48%
FC	1410,89%	20/12/2022	147,72%	03/10/2022	513,92%

The Bank implements the calculation in accordance with the Regulation of Liquidity Coverage Ratio Calculation of Banks dated 21 March 2014 and numbered 28948 published in the Official Gazette. As per the related regulation high quality liquid assets are mainly securities portfolio, cash assets and reserve requirements. The important factors affecting the results of the liquidity coverage ratio are the changes in the remaining maturities of the items and changes in the amounts of deposits and money market transactions, the remaining maturities of which are less than 30 days. Deposits form a significant portion of the Bank's sources of funds, on the other hand bonds issued, money market borrowings, funds provided from abroad are other important sources of funding.

The Bank calculates cash outflows and transactions that are complete collateral arising from derivative transactions, taking into account the 24-month averages in accordance, with The Bank implements with the Regulation of Liquidity Coverage Ratio Calculation of Banks published in the Official Gazette dated 21 March 2014 and numbered 28948.

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

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

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated*	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	11,287,632	7,279,950	-	-	-	-	-	18,567,582
Banks	1,233,115	1,831,357	-	-	-	-	-	3,064,472
Financial Assets at Fair Value Through Profit or Loss**	19,042	3,784,393	366,168	189,985	10,998	14	-	4,370,600
Interbank Money Market Placements	-	2,798,486	-	-	-	-	-	2,798,486
Financial Assets Measured at Fair Value Through Other Comprehensive Income	4,897	1,268,847	496,771	725,493	4,702,518	1,959,196	-	9,157,722
Loans (**)	-	12,142,908	16,184,686	17,701,229	4,152,526	1,625,229	(406,922)	51,399,656
Investment Securities Held-to-Maturity	-	65,830	477,428	2,725,019	5,780,206	258,958	-	9,307,441
Other Assets****)	-	-	-	-	-	-	5,152,606	5,152,606
Total Assets	12,564,686	29,171,671	17,525,053	21,341,726	14,646,248	3,843,397	4,745,684	103,838,465
Liabilities								
Bank Deposits	178,108	645,218	1,185,430	-	-	-	-	2,008,756
Other Deposits	12,222,176	42,570,513	10,960,141	357,123	325,897	-	-	66,435,850
Funds Borrowed from Other Financial Institutions	-	42,196	332,884	1,930,181	-	-	-	2,325,361
Interbank Money Market Received	-	2,606,685	5,003,637	-	-	-	-	7,610,322
Marketable Securities Issued****)	-	-	-	-	7,180,853	-	-	7,180,853
Sundry Creditors	-	2,003,566	-	-	-	-	-	2,003,566
Other Liabilities****)	-	1,118,973	905,247	331,696	219,759	34,338	13,663,844	16,273,857
Total Liabilities	12,400,284	48,987,151	18,387,339	2,639,000	7,726,509	34,338	13,663,844	103,838,465
Net Liquidity Surplus / (Gap)	164,402	(19,815,480)	(862,286)	18,702,726	6,919,739	3,809,059	(8,918,160)	-
Net Off-Balance Sheet Position								
Derivative Financial Assets	-	(165,476)	269,688	584,274	268	-	-	688,754
Derivative Financial Liabilities	-	60,951,305	21,025,346	9,848,276	1,862,591	-	-	93,687,518
Non-Cash Loans	-	61,116,781	20,755,658	9,284,002	1,862,323	-	-	92,998,764
Total	-	60,951,305	21,025,346	9,848,276	1,862,591	-	-	93,687,518
Net Off-Balance Sheet Position	-	60,951,305	21,025,346	9,848,276	1,862,591	-	-	93,687,518
Total Assets	5,759,627	24,294,856	12,575,057	14,544,834	11,242,408	3,488,175	2,176,669	74,081,626
Total Liabilities	8,661,326	30,646,155	17,788,974	3,620,722	4,739,694	1,873	8,622,882	74,081,626
Net Liquidity Gap	(2,901,699)	(6,351,299)	(5,213,917)	10,924,112	6,502,714	3,486,302	(6,446,213)	-
Net Off-Balance Sheet Position								
Derivative Financial Assets	-	706,247	140,225	189,334	2,675	-	-	1,038,481
Derivative Financial Liabilities	-	32,242,402	23,407,184	5,025,055	798,051	-	-	61,472,692
Non-Cash Loans	-	31,536,155	23,266,959	4,835,721	795,376	-	-	60,434,211
Total	-	32,242,402	23,614,469	5,025,055	800,002	-	-	61,967,149

(*) Includes derivatives financial assets.

(**) Non-performing loans net-off related expected credit losses and expected credit losses for stage 1 and stage 2 loans are presented in "unallocated" column.

(***) Certain assets on the balance sheet that are necessary for the Banking operations but not convertible into cash in the short term such as tangible assets, stationary supplies and prepaid expenses are included in this column.

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

(*****) Shareholders' equity and provisions are classified in other liabilities in unallocated column.

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

Contractual maturity analysis of liabilities according to remaining maturities

Current Period	Carrying Values	Gross Residual		Demand	Up to 1 month	1-3 months	3-12 Months	1-5 Years	5 Years and Over
		Deposits	Other						
Bank Deposits	2,308,709	2,308,709	-	278,538	1,021,524	-	-	-	-
Other Deposits	46,435,850	47,505,063	10,222,376	42,966,349	15,315,225	482,574	-	402,928	-
Money Market Funds	7,616,322	7,627,385	-	2,614,675	5,052,410	-	-	-	-
Securities Issued	-	-	-	-	-	-	-	-	-
Funds Borrowed	2,325,291	2,329,556	-	42,384	338,810	2,014,462	-	-	-
Subordinated Debt	7,785,851	8,851,319	-	342,748	542,748	8,165,823	-	-	-
Total	85,541,042	89,294,424	12,400,284	46,275,983	18,397,922	2,514,784	-	9,167,923	-

Prior Period	Carrying Values	Gross Residual		Demand	Up to 1 month	1-3 months	3-12 Months	1-5 Years	5 Years and Over
		Deposits	Other						
Bank Deposits	7,417,674	8,017,541	169,371	1,274,382	6,743,159	-	-	-	-
Other Deposits	38,966,415	39,190,028	8,309,601	33,656,713	8,872,247	184,547	-	128,816	-
Money Market Funds	5,485,848	5,488,352	-	1,805,840	2,137,892	-	-	-	-
Securities Issued	4,910,878	4,914,210	-	3,758,250	1,255,960	-	-	-	-
Funds Borrowed	3,176,210	3,180,909	-	52,811	5,424,098	-	-	-	-
Subordinated Debt	4,761,945	6,621,321	-	140,836	317,703	6,173,782	-	-	-
Total	43,849,726	45,761,391	8,841,308	29,064,843	17,779,549	6,424,348	-	6,487,219	-

The contractual maturity analysis of the Bank's derivative instruments is as follows:

Current Period	Total	Up to 1 Month	Up to 3 Months	3-12 Months	1-5 Year	5 Year and over
Forward Transactions	36,228,320	17,549,587	11,293,711	6,740,139	644,883	-
Swap Transactions	47,290,135	36,341,497	8,276,476	2,596,729	75,433	-
Options	9,171,822	6,913,196	1,353,736	375,830	529,060	-
Futures Transactions	384,026	147,025	101,423	135,578	-	-
Other (*)	613,215	-	-	-	613,215	-
Total	93,687,518	60,951,305	21,025,346	9,848,276	1,862,591	-

(*) The other line includes commodity options and swaps in the amount of TL 613,215.

Prior Period	Total	Up to 1 Month	Up to 3 Months	3-12 Months	1-5 Year	5 Year and over
Forward Transactions	17,805,286	10,285,401	3,926,362	2,815,967	777,556	-
Swap Transactions	36,752,630	19,204,366	15,594,640	1,933,129	20,495	-
Options	6,319,793	2,408,990	3,763,850	146,953	-	-
Futures Transactions	72,471	42,092	23,981	6,398	-	-
Other (*)	522,512	301,553	98,351	122,608	-	-
Total	61,472,692	32,242,402	23,407,184	5,025,055	798,051	-

(*) The other line includes commodity options and swaps in the amount of TL 522,512.

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Periods Between 1 January - 31 December 2023

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

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

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

	Current Period (**)	Prior Period (**)
1 Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*)	197.599.802	125.620.808
2 The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	--	--
3 The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	(88.912.803)	(53.574.940)
4 The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	--	--
5 The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
6 Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	--	--
7 Total risk amount (***)	108.686.999	72.045.868

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

(**) Represents year ended average amounts.

(***) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

VII. Explanations on Consolidated Leverage Ratio

The table of leverage level calculated in accordance with the Regulation on Assessment and Calculation of Banks' Leverage Level published in the Official Gazette numbered 28812 and dated 5 November 2013 shown below.

As of 31 December 2023, bank's consolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 7,90%. Minimum leverage ratio has to be 3% according to the regulation.

	Current Period(*)	Prior Period(*)
Balance sheet assets		
1 Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	90.895.999	60.838.240
2 (Assets deducted in determining Tier 1 capital)	(2.116.633)	(1.024.908)
3 Total balance sheet risks (sum of lines 1 and 2)	88.779.366	59.813.332
Derivative financial instruments and credit derivatives		
4 Replacement cost associated with all derivative financial instruments and credit derivatives	1.128.218	817.230
5 Potential credit risk associated with all derivative financial instruments and credit derivatives	738.907	494.159
6 Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	1.867.125	1.311.389
Securities or commodity financing transactions (SCFT)		
7 Risks from SCFT assets (except for on-balance sheet)	3.028.080	1.475.280
8 Risks from brokerage activities related exposures	--	--
9 Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	3.028.080	1.475.280
Off-balance sheet transactions		
10 Gross notional amounts of off-balance sheet transactions	15.016.195	9.446.707
11 (Adjustments for conversion to credit equivalent amounts)	--	--
12 Total risks of off-balance sheet items (sum of lines 10 and 11)	15.016.195	9.446.707
Capital and total risks		
13 Tier 1 capital	8.591.231	5.461.287
14 Total risks (sum of lines 3, 6, 9 and 12)	108.690.766	72.046.708
Leverage ratio		
15 Leverage ratio	7,90	7,60

(*) Represents three-month average amounts.

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

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Notes to the Consolidated Financial Statements for the Periods Between 1 January - 31 December 2023

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

VIII. Explanations on presentation of financial assets and liabilities at their fair values

Valuation methods of the financial instruments valued with their fair value are shown below.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Current Period				
Financial assets	66.591.780	49.613.963	66.114.807	49.933.202
Money market placements	2.790.406	1.636.551	2.790.406	1.636.551
Due from banks	3.084.372	2.481.112	3.084.372	2.481.112
Loans measured at amortized cost	9.309.266	7.067.342	9.077.897	7.288.238
Loans	51.399.656	38.428.958	51.154.052	38.527.201
Financial liabilities	79.954.286	60.808.486	79.954.286	60.808.486
Interbank deposits	1.008.756	7.972.674	1.008.756	7.972.674
Other deposits	66.435.850	38.886.152	66.435.850	38.886.152
Funds provided from other financial institutions	3.329.261	3.179.212	3.329.261	3.179.212
Marketable securities issued (*)	2.190.823	9.154.823	2.190.823	9.254.823
Miscellaneous payables	2.003.596	1.815.875	2.003.596	1.815.875

(*) Securities issued as subordinated debt that classified under "Subordinated debt- Other debt instruments" in the balance sheet are also included. The fair values of Financial Assets Measured at Amortized Cost are determined based on market prices or, in cases where this price cannot be determined, the market prices of similar securities traded in the same qualified markets in terms of interest, maturity and other similar conditions. Fair values of loans are calculated by discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed as approximation for their fair values. Fair values of other financial assets and liabilities represent the total acquisition costs and accrued interest.

	1st Level TL		2nd Level TL		3rd Level TL	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets						
Financial Assets Measured at Fair Value through Profit and Loss	3.463.802	399.412	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Inc	8.721.514	4.594.609	406.208	406.381	--	--
Derivative Financial Assets	--	--	906.988	1.109.667	--	--
Loans Measured at Fair Value through Profit and Loss	--	--	--	--	--	--
Total	12.185.316	5.094.021	1.343.396	1.565.998	--	--
Financial Liabilities						
Derivative Financial Liabilities	--	--	884.851	361.940	--	--
Total	--	--	884.851	561.940	--	--

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

None.

X. Explanations on consolidated securitisation positions

	Current Period	Issued by the bank			Sponsored by the bank			Issued by the bank		
		Conventional	Synthetic	Total	Conventional	Synthetic	Total	Conventional	Synthetic	Total
1 Retail (securities)		328.271	--	328.271	--	--	--	--	--	328.271
2 Residential mortgage		--	--	--	--	--	--	--	--	--
3 Credit card		--	--	--	--	--	--	--	--	--
4 Other retail securitization		138.271	--	138.271	--	--	--	--	--	138.271
5 Re-securitization		--	--	--	--	--	--	--	--	--
6 Corporate (securities)		88.026	--	88.026	--	--	--	--	--	88.026
7 Corporate loans		18.226	--	18.226	--	--	--	--	--	18.226
8 Commercial mortgage		--	--	--	--	--	--	--	--	--
9 Lease and receivables below cover		--	--	--	--	--	--	--	--	--
10 Other payables		--	--	--	--	--	--	--	--	--
11 Re-securitization		--	--	--	--	--	--	--	--	--

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

	Prior Period	Issued by the bank			Sponsored by the bank			Issued by the bank		
		Conventional	Synthetic	Total	Conventional	Synthetic	Total	Conventional	Synthetic	Total
1 Retail (securities)		--	--	--	--	--	--	171.714	--	171.714
2 Residential mortgage		--	--	--	--	--	--	--	--	--
3 Credit card		--	--	--	--	--	--	--	--	--
4 Other retail securitization		--	--	--	--	--	--	171.714	--	171.714
5 Re-securitization		--	--	--	--	--	--	--	--	--
6 Corporate (securities)		--	--	--	--	--	--	--	--	--
7 Corporate loans		--	--	--	--	--	--	--	--	--
8 Commercial mortgage		--	--	--	--	--	--	--	--	--
9 Lease and receivables below cover		--	--	--	--	--	--	--	--	--
10 Other payables		--	--	--	--	--	--	--	--	--
11 Re-securitization		171.714	--	171.714	--	--	--	--	--	171.714

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

	Current Period	Position Amounts (Based on RW Intervals)				
		<=20 RW	>=20 with <=50 RW	>=50 with <=100 RW	>=100 with <=1250 RW	>1250 RW
1 TOTAL RECEIVABLES		476.297	--	--	--	--
2 Traditional Securitization		476.297	--	--	--	--
3 Securitization		476.297	--	--	--	--
4 Retail		378.271	--	--	--	--
5 Corporate		98.026	--	--	--	--
6 Re-securitization		--	--	--	--	--
7 Senior		--	--	--	--	--
8 Non-senior		--	--	--	--	--
9 Synthetic Securitization		--	--	--	--	--
10 Securitization		--	--	--	--	--
11 Retail		--	--	--	--	--
12 Corporate		--	--	--	--	--
13 Re-securitization		--	--	--	--	--
14 Senior		--	--	--	--	--
15 Non-senior		--	--	--	--	--

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

	Prior Period	Position Amounts (Based on RW Intervals)				
		<=20 RW	>=20 with <=50 RW	>=50 with <=100 RW	>=100 with <=1250 RW	>1250 RW
1 TOTAL RECEIVABLES		171.714	--	--	--	--
2 Traditional Securitization		171.714	--	--	--	--
3 Securitization		171.714	--	--	--	--
4 Retail		--	--	--	--	--
5 Corporate		--	--	--	--	--
6 Re-securitization		171.714	--	--	--	--
7 Senior		--	--	--	--	--
8 Non-senior		171.714	--	--	--	--
9 Synthetic Securitization		--	--	--	--	--
10 Securitization		--	--	--	--	--
11 Retail		--	--	--	--	--
12 Corporate		--	--	--	--	--
13 Re-securitization		--	--	--	--	--
14 Senior		--	--	--	--	--
15 Non-senior		--	--	--	--	--

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

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XI. Explanations on risk management objectives and policies

The Bank's risk management approach:

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation techniques; but only financial collaterals consisting of cash blockages are used.

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, the Asset-Liability Committee and the Risk Management Department which have been composed in order to manage systemic risks that the Bank is exposed to. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows, the level and the quality of related activities.

As part of the Risk Management System, the Asset and Liability Committee presentation is prepared on a weekly basis and the Risk Committee and the Board of Directors presentations are prepared on a monthly basis. The presentations mainly consist of the Bank's financial statements, profit and loss analysis, credit risk, market risk, liquidity risk, concentration risk, interest rate risk due to banking book, and operational risk as well as the risk that the Bank is currently exposed to or possible risks.

The Board of Directors of the Bank delegated the authorization related to the hedge accounting to the Asset and Liability Committee with the condition of providing regular information. At the same time the Bank has organized credit policies and risk mitigation policies due to credit risk. All processes of the Bank are controlled by the Bank's Internal Control Department's control matrices regularly and are subject to supervision by the Internal Audit Department at the same time.

The Bank uses credit rating models and/or decision trees and rating systems using financial and non-financial data for loan customers as a risk measurement system. Market risk measures are calculated within the scope of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks and using only internal model and market data for intra-bank use. In addition to these, risks are measured and reported with regular stress tests. Three stress tests (base, negative, extremely negative) are performed on a yearly basis, stress tests are performed on a monthly basis for market risk and counter party credit risk, stress tests are performed on a weekly basis for interest rate risk and liquidity risk by Risk Management Department of Bank and then they are shared with senior management in the ALCO and the Risk Committee meetings.

Periodic reports about liquidity risk, interest risk, securities portfolio, credit risk, customer concentration, sectorial concentration, collateral structure and capital adequacy are reported to the Board of Directors and senior management.

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

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about RWA flow statements of credit risk exposures under IRB Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables which prepared annually basis have not been presented as of 31 December 2023:

- RWA flow statements of credit risk exposures under IRB (Internal Ratings Based)
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an Internal Model Approach (IMA)
- Qualitative disclosures related to IRB models
- IRB - Credit risk exposures by portfolio and PD range
- IRB - Effect on RWA of credit derivatives used as CRM techniques
- IRB - Backtesting of probability of default (PD) per portfolio
- IRB (specialised lending and equities under the simple risk weight method)
- CCR exposures by portfolio and PD scale
- Quantitative disclosures related to IRB models
- Internal model approach for trade account

a. Overview of Risk Weighted Amounts

	Risk Weighted Amounts		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	55.211.690	38.835.223	4.416.935
2 Of which standardised approach (SA)	55.211.690	38.835.223	4.416.935
3 Of which internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	5.979.333	3.470.184	478.347
5 Of which standardised approach for counterparty credit risk (SA-C)	5.979.333	3.470.184	478.347
6 Of which internal model method (IMM)	--	--	--
7 Equity position in banking book under basic risk weighting or internal rating-based	--	--	--
8 Equity investments in funds - look-through approach	4.691.791	1.165.718	375.343
9 Equity investments in funds - mandate-based approach	--	--	--
10 Equity investments in funds - 1250% risk-weighting approach	--	--	--
11 Settlement risk	--	2.088	--
12 Securitisation exposures in banking book	128.273	34.343	10.282
13 Of which IRB ratings-based approach (RBA)	--	--	--
14 Of which IRB supervisory formula approach (SFA)	--	--	--
15 Of which SA/simplified supervisory formula approach (SSFA)	--	--	--
16 Market risk	3.611.013	918.125	288.881
17 Of which standardised approach (SA)	3.611.013	918.125	288.881
18 Of which internal model approaches (IMM)	--	--	--
19 Operational risk	6.328.030	2.752.974	506.242
20 Of which basic indicator approach	6.328.030	2.752.974	506.242
21 Of which standardised approach	--	--	--
22 Of which advanced measurement approach	--	--	--
23 Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	--	--	--
24 Floor adjustment	--	--	--
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	75.950.130	47.178.655	6.076.010

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

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

b. Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

Carrying values in financial statements prepared as per TMS	Carrying values of items in accordance with Turkish Accounting Standards				Not subject to capital requirements or subject to deduction from
	Subject to credit risk	Subject to counterparty credit risk(*)	Description exposure	Subject to market risk (**)	
Current Period					
Assets					
Cash (Call on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	18,567,582	18,567,582			
Bills	3,684,373	3,384,373			
Money Markets Placements	3,798,458	3,798,458			
Financial Assets Measured at Fair Value Through Profit or Loss	3,883,682				
Financial Assets Measured at Fair Value Through Other Comprehensive Income	8,157,333	8,157,333	2,234,339		
Financial Assets Measured at amortized cost	9,329,266	9,329,266	9,309,000		
Derivative Financial Assets	926,378		424,524	906,998	
Non-performing Financial Assets	(7,302)	(7,302)			
Loans (*)	51,999,656	51,999,656			
Assets Held for Sale and Assets of Discontinued Operations(†)	15,380	15,380			
Investment in Associate (net)	3,000,216	3,000,216			
Investment in Subsidiaries (net)	117,500	117,500			
Joint Ventures (net)					
Tangible Assets (net)	864,678	864,678			
Intangible Assets (net)	787,532			787,532	
Investment Property (net)					
Tax Asset	994,044	994,044			
Other Assets	1,381,420	1,381,420			
Total Assets	103,838,463	98,080,144	8,400,758	906,498	187,719
Liabilities					
Deposits	88,494,636				88,494,636
Public Deposits	3,125,281				3,125,281
Money Market Funds	2,028,323		2,025,618	3,530,099	2,028,323
Securities Issued					
Funds					
Financial Assets at Fair Value Through Profit or Loss					
Derivative Financial Liabilities	884,891			884,891	884,891
Factoring Payables					
Lease Payables	372,750				372,750
Provisions	9,461,038				9,461,038
Tax Liability	900,740				900,740
Liabilities for Assets Held for Sale and Assets of Discontinued					
Operations (net)					
Subordinated Debt	1,180,893				1,180,893
Other Liabilities	1,425,002				1,425,002
Minority Interest	10,490,679				10,490,679
Total Liabilities	113,838,443			4,421,158	94,676,514

(*) Unconsolidated Financial Statements of the Bank
(**) Disclosed based on gross amounts of the securities.
(†) Disclosed based on gross portion amounts subject to general market risk and specific risk.

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

b. Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

Carrying values in financial statements prepared as per TMS	Carrying values of items in accordance with Turkish Accounting Standards				Not subject to capital requirements or subject to deduction from
	Subject to credit risk	Subject to counterparty credit risk(*)	Description exposure	Subject to market risk (**)	
First Period					
Assets					
Cash (Call on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	18,017,527	18,017,527			
Bills	2,481,112	2,481,112			
Money Markets Placements	5,536,351	5,536,351			
Financial Assets Measured at Fair Value Through Profit or Loss	299,413				
Financial Assets Measured at Fair Value Through Other Comprehensive Income	6,140,910	6,140,910	1,787,213		
Financial Assets Measured at amortized cost	7,087,340	7,087,340	7,015,784		
Derivative Financial Assets	1,129,467		846,396	1,029,867	
Non-performing Financial Assets	(4,503)	(4,503)			
Loans (net)	38,428,958	38,428,958			
Assets Held for Sale and Assets of Discontinued Operations(†)	24,609	24,609			
Investment in Associate (net)	844,496	844,496			
Investment in Subsidiaries (net)	117,500	117,500			
Joint Ventures (net)					
Tangible Assets (net)	832,513	832,513			
Intangible Assets (net)	243,632				243,632
Investment Property (net)					
Tax Asset	491,474	491,474			
Other Assets	496,763	254,892			111,913
Total Assets	74,187,876	72,222,213	4,122,393	1,109,667	453,569
Liabilities					
Deposits	46,898,826				46,898,826
Public Deposits	3,179,212				3,179,212
Money Market Funds	3,490,868		3,474,708	3,345,161	3,490,868
Securities Issued	4,800,878				4,800,878
Funds					
Financial Assets at Fair Value Through Profit or Loss					
Derivative Financial Liabilities	381,540			361,940	381,540
Factoring Payables					
Lease Payables	347,480				347,480
Provisions	1,628,484				1,628,484
Tax Liability	511,267				511,267
Liabilities for Assets Held for Sale and Assets of Discontinued					
Operations (net)					
Subordinated Debt	4,343,440				4,343,440
Other Liabilities	1,924,360				1,924,360
Shareholders' Equity	4,581,670				4,581,670
Total Liabilities	74,187,876		1,124,703	2,907,100	68,519,447

(*) Unconsolidated Financial Statements of the Bank
(**) Disclosed based on gross amounts of the securities.
(†) Disclosed based on gross portion amounts subject to general market risk and specific risk.

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

c. The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

Current Period	Total	Credit risk	Subject to the securitization	Counterparty	Market (net)
1. Carrying Value of Assets in accordance with Counterparty's representation of financial carrying value of nations that are subjected to counterparty credit risk as per TAS	103,678,465	18,163,344	---	6,400,758	506,958
2. Total risk amount	103,678,465	18,163,344	---	6,400,758	506,958
3. Off-balance sheet assets ⁽¹⁾	16,185,231	15,452,284	---	751,955	---
4. Valuation differences	---	---	---	---	---
5. Differences due to different rating rules	---	---	---	---	6,400,758
6. Differences due to calculation of provisions	---	---	---	---	---
7. Differences resulted from the IFRS/IAS adjustments	---	---	---	---	---
8. Differences due to the litigation	---	---	---	6,600,000	---
9. Risk Amounts	120,193,706	116,332,438	---	6,500,000	8,911,867

(1) Risk amount based on the Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio (Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio) and the Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio (Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio) as of December 2023, the former before being amended by the Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio (Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio) as of December 2023 and the latter.

Prior Period	Total	Credit risk	Subject to the securitization	Counterparty	Market (net)
1. Carrying Value of Assets in accordance with Counterparty's representation of financial carrying value of nations that are subjected to counterparty credit risk as per TAS	74,187,826	52,223,212	---	4,122,295	1,109,643
2. Total risk amount	74,187,826	52,223,212	---	4,122,295	1,109,643
3. Off-balance sheet assets ⁽¹⁾	5,348,857	5,307,588	---	41,269	---
4. Valuation differences	---	---	---	---	---
5. Differences due to different rating rules	---	---	---	---	4,122,295
6. Differences due to calculation of provisions	---	---	---	---	---
7. Differences resulted from the IFRS/IAS adjustments	---	---	---	---	---
8. Differences due to the litigation	---	---	---	---	---
9. Risk Amounts	83,394,731	81,995,921	---	4,163,564	1,109,643

(1) Risk amount based on the Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio (Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio) and the Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio (Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio) as of December 2023, the former before being amended by the Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio (Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio) as of December 2023 and the latter.

d. Explanation on the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements:

Disclosures regarding differences between amounts valued according to TAS and risk exposures

The differences between the amounts assessed under TAS and the amounts after risk reduction in transactions subject to counterparty credit risk stem from the addition of potential risk amounts to the renewal costs of derivative transactions subject to the CPR and the volatility adjustments for repo / reverse repo transactions. Funds provided to differences arising from risk reduction are also included by opening separate line for them.

Valuations of securities subject to market risk in accordance with TAS represent the fair value of held for trading financial instruments. On the other hand, the values in the risk amount line represents the amount subject to market risk based on the capital requirements calculated for the losses arising due factors such as interest rate risk of the market risk, equity price risk, currency risk in accordance with the "Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio".

If financial instruments that are accounted for at their fair values are traded in an active market, the valuation is based on that market price. The TL borrowing instruments in the held for trading securities portfolio comprise of government securities. These securities are evaluated at the weighted average trading price in the Istanbul Stock Exchange. For TL securities that are not traded, the market price is calculated based on the CBRT prices. For the FX securities in the same portfolio, the average of purchase and sale quotations in the market are considered as the market price. Derivative financial instruments are evaluated using the discounted cash flow model using market data. Input data used in evaluations using market value and/or valuation methods are periodically checked for validity and independence.

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

e. Information on Credit Risk

General Qualitative Information on Credit Risk:

The Bank's credit risk management policies are established in line with the strategy approved by the Board of Directors in accordance with the related regulations and are based on prudence, sustainability and the customers' credit worthiness principles.

The limits are set in accordance with the Risk Policies by the Board of Directors based on the Bank's risk appetite. In accordance with the determined risk limits, the authorizations and sub-authorizations are done by the Credit Policies which is in line with the determined limits. Special attention is given to ensure that the limits are in line with market expectations and the Bank's strategies.

Credit rating models and decision trees are used in the credit underwriting processes in accordance with the risk appetite, credit policies set by the Bank and the targets of the Bank. The grading of all customers except for individual credit customers by the Bank is essential. The individual loan portfolio is managed via an automated decision trees.

Customer selection is carried out in accordance with policies and strategies of the Bank and is based on the ability to pay on time and the cash flows expected to be received from its operations independent from guarantees, sureties and pledged assets. When needed; it is mandatory for the Bank to obtain appropriate collateral in line with the source of the payment for the repayment of the credit from the customers to ensure that their obligations arising from the credit are met on time and in full. The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risks. In this context, a minimum collateral margin is determined by taking into account the collateral quality and the collection expectations given default and it is ensured that the appropriate collateral is obtained based on the credit type. Before a credit relationship is established with a customer, an analysis and intelligence collection are carried out in order to measure the creditworthiness of the customers. Before the credit decisions; the customer is examined and evaluated with an analysis for factors that have affected its past, present and future performances and any other factors (financial and non-financial data) that may affect its past, present and future performances.

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

General Qualitative Information on Credit Risk (continued):

Credit risk is encountered when the counterparty is unable to fulfill its obligations defined with the agreement. All credit risk bearing banking products are managed with prudent credit policies and procedures in the Bank. The credit quality of the counterparty is evaluated with an internal rating score in all corporate, commercial and SME credit transactions. In order to monitor the credit risk, internal limits are determined on the basis of sector, maturity, customer and internal rating to avoid the risk of concentration.

Credit risk management is a process in which credit risks are assessed and monitored in a consistent manner, besides all credit portfolios are included on a consolidated basis. Credit risk is managed on the basis of portfolios, risk / return balance and asset quality of the Bank, and the credit risk is governed by the principles contained in the policy documents. In addition, credit-based evaluation, underwriting and follow-up are carried out by the units in the Loans group within the framework of the relevant processes. Loans proposals are evaluated by the credit units of the Headquarters, if necessary, within the framework of the level of authority based on the determined amount and finalized the loan proposal by the Credit Committee and the Board of Directors.

The units carry out their risk management activities in accordance with the risk appetite and capacity of the Bank through the use of risk measurement and management tools within the policies established by the Board of Directors. In this context, the organizational structure for credit risk management and control functions is detailed as follows the units included in the scope of Credit Risk Management are Corporate Loans, Commercial Loans Allocation, Credit Monitoring and Collection Department and Risk Analysis Department. Decisions on credit policies are taken by the Credit Committee. Allocated credit limits and usages, exceeded limits, assessments of large risks and overdue loans are regularly reported to the senior management.

In the course of credit risk management, the Risk Management Department conducts monitoring and reporting of internal concentration limits. It is ensured that the policies related to the concentration risk management are prepared and processed within the policies of allocation, monitoring, limit monitoring and management. Regular reporting on the cost of the loan and the development of the following loans is made. In addition, stress test and scenario analysis studies related to the loan portfolio are carried out within the scope of ICAAP.

The evaluation of the internal systems established to cover all branches and units and the maintenance of the continuity of functioning, competence and efficiency are among the highest priorities of the Bank's Board of Directors. Within the scope of internal systems, the duties and responsibilities of the Board of Directors, Internal Audit, Internal Control and Operational Risk and Risk Management activities are carried out by the Audit Committee.

Credit Quality of Assets

	Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation		Allowances/ amortisation and impairments	Net value
	Defaulted	Non-defaulted		
Current Period				
1 Loans	747.737	31.806.578	1.154.459	31.399.856
2 Debt securities	--	21.915.693	5.075	21.910.618
3 Off-balance sheet exposures	23.175	19.186.693	25.175	19.184.693
4 Total	770.912	52.918.964	1.184.909	52.504.967
Prior Period				
1 Loans	665.426	39.053.803	1.290.271	38.418.958
2 Debt securities	--	12.602.768	3.766	12.599.002
3 Off-balance sheet exposures	22.751	18.387.261	19.290	18.391.222
4 Total	688.177	52.044.332	1.313.327	51.419.182

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

General Qualitative Information on Credit Risk (continued):

Changes in stock of default loans and debt securities

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	665.426	888.713
2 Loans and debt securities defaulted since the last reporting period	1.062.831	454.489
3 Receivables back to non-defaulted status	--	--
4 Amounts written off ^(*)	489.549	104.059
5 Other changes ^(**)	(490.971)	(573.703)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	747.737	665.426

(*) Sales of non-performing loan portfolios are disclosed.
(**) Other changes include collections during the period.

Breakdown of receivables by geographical area, sector and outstanding maturity:

Loans and Other Receivables	Current Period	Prior Period
Domestic	51.114.892	38.551.629
European Union (EU) Countries	691.624	502.042
OECD Countries	--	--
Off-Shore Banking Regions	--	--
USA, Canada	18	--
Other Countries	44	132
Total	51.806.578	39.053.803

Sectoral Breakdown:

Loans and Other Receivables	Current Period	Prior Period
Agriculture	1.735.444	1.394.845
Farming and Stockbreeding	911.091	925.980
Forestry	824.353	468.865
Fishery	--	--
Manufacturing	10.305.771	8.740.445
Mining and Quarrying	4.203.573	2.857.387
Production	5.781.419	5.271.172
Electricity, Gas and Water	340.779	611.886
Construction	3.229.809	2.029.716
Services	21.593.047	15.613.289
Wholesale and Retail Trade	12.981.284	8.195.690
Accommodation and Dining	3.355.321	2.715.220
Transportation and Telecommunication	2.032.366	1.522.818
Financial Institutions	516.447	1.326.208
Real Estate and Rental Services	416.562	461.397
Self-Employment Services	1.169.430	826.260
Educational Services	99.758	88.028
Health and Social Services	1.021.879	477.668
Others	14.942.507	11.275.508
Total	51.806.578	39.053.803

Breakdown by outstanding maturity:

	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 years and over	Total
Current Period	12.142.908	16.184.686	17.701.229	4.152.526	1.625.229	51.806.578
Prior Period	9.004.336	11.493.171	12.981.981	4.194.502	1.379.813	39.053.803

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

e. Exposures provisioned against by major regions and sectors and write-offs:

Current Period	Non-performing		Write-offs
	loans	Specific Provisions	
Domestic	747.737	539.890	489.549
European Union (EU) Countries	—	—	—
OECD Countries	—	—	—
Off Shore Banking Regions	—	—	—
USA, Canada	—	—	—
Other Countries	—	—	—
Total	747.737	539.890	489.549

Prior Period	Non-performing		Write-offs
	loans	Specific Provisions	
Domestic	665.426	498.895	104.130
European Union (EU) Countries	—	—	—
OECD Countries	—	—	—
Off Shore Banking Regions	—	—	—
USA, Canada	—	—	—
Other Countries	—	—	—
Total	665.426	498.895	104.130

Current Period	Non-performing		Write-offs
	loans	Specific Provisions	
Agriculture	14.426	12.634	6.800
Farming and Stockbreeding	9.885	9.062	3.767
Forestry	4.341	3.572	3.093
Fishery	—	—	—
Manufacturing	86.732	55.902	97.932
Mining and Quarrying	16.816	13.594	88.274
Production	44.846	37.223	8.677
Electricity, Gas and Water	5.170	5.087	151
Construction	44.407	25.781	23.909
Services	420.241	301.980	53.710
Wholesale and Retail Trade	116.607	94.522	34.782
Accommodation and Dining	210.479	123.182	432
Transportation and Telecommunication	66.573	64.090	1.802
Financial Institutions	2.054	1.302	—
Real Estate and Rental Services	4.205	3.788	5.450
Self-Employment Services	7.250	5.124	1.192
Educational Services	1.604	1.576	7.112
Health and Social Services	11.469	8.296	2.740
Others	201.911	133.593	297.118
Total	747.737	539.890	489.549

Prior Period	Non-performing		Write-offs
	loans	Specific Provisions	
Agriculture	26.487	19.937	712
Farming and Stockbreeding	19.614	14.540	703
Forestry	6.853	5.432	0
Fishery	0	0	0
Manufacturing	91.812	76.608	84
Mining and Quarrying	40.172	36.250	19
Production	46.142	35.206	62
Electricity, Gas and Water	5.497	5.149	3
Construction	161.495	98.015	1.048
Services	305.357	173.940	1.858
Wholesale and Retail Trade	95.262	73.614	895
Accommodation and Dining	4.429	3.865	26
Transportation and Telecommunication	85.054	80.208	204
Financial Institutions	12	12	3
Real Estate and Rental Services	6.140	5.996	8
Self-Employment Services	3.923	2.274	0
Educational Services	2.258	1.404	5
Health and Social Services	9.171	6.890	717
Others	180.295	130.315	100.428
Total	665.426	498.895	104.130

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

e. Exposures provisioned against by major regions and sectors and write-offs:

Aging analysis:	Current Period		Prior Period
	Amount	Amount	
Days past due			
0-30	51.423.060	38.886.600	
31-60	250.004	110.379	
61-90	133.514	56.744	
90+	747.737	665.426	
Total	52.554.315	39.710.229	

Breakdown of restructured receivables based on whether or not provisions are allocated:

Breakdown of restructured receivables based on whether or not provisions are allocated:			
Current Period	Performing		Non-performing
	loans	Loans under follow-up	
Provisioned	—	—	5.995
Not provisioned (*)	—	3.320.517	—
Total	—	3.320.517	5.995

(*) Provision for the first stage provision for expected loss for 12 months for standard where loans, provision for the second stage significant increase in credit risk for clearly identified loans for following.

Prior Period	Performing		Non-performing
	loans	Loans under follow-up	
Provisioned	—	—	10.248
Not provisioned (*)	—	2.896.777	—
Total	—	2.896.777	10.248

(*) Provision for the first stage provision for expected loss for 12 months for standard where loans, provision for the second stage significant increase in credit risk for clearly identified loans for following.

Credit risk mitigation techniques-Overview

Current Period	Exposures unsecured, carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured		Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Collateralized amount of exposures secured by credit derivatives
			by collateral	by collateral			
1 Loans	47.521.896	717.611	716.084	3.427	1.420	—	—
2 Debt Securities	21.920.018	—	—	—	—	—	—
3 Total	69.441.914	717.611	716.084	3.427	1.420	—	—
4 Of which defaulted	4.923	202.874	202.874	—	—	—	—

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Prior Period	Exposures unsecured, carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured		Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Collateralized amount of exposures secured by credit derivatives
			by collateral	by collateral			
1 Loans	34.146.209	1.463.827	1.459.849	4.338	4.338	—	—
2 Debt Securities	12.590.882	—	—	—	—	—	—
3 Total	46.737.091	1.463.827	1.459.849	4.338	4.338	—	—
4 Of which defaulted	144.986	75.545	75.545	—	—	—	—

31.12.2022 / 31.12.2022 / 31.12.2022 / 31.12.2022 / 31.12.2022 / 31.12.2022 / 31.12.2022 / 31.12.2022

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

Information on consolidated credit risk mitigation techniques

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation technique; only financial collaterals consisting of cash blockages are used.

Applications related to the valuation and management of collaterals are defined as follows: Appraisals for the mortgages that are received as collaterals are only performed by the firms that have been approved by the BRSB and licensed by the Capital Markets Board ("CMB"). Appraisal reports for the real estates that are received as collaterals for commercial loans, are renewed each year as long as the risk continues. As a rule, each year a different appraisal firm is preferred. Management of the appraisal process is carried out by Appraisal & Real Estate Project Finance Unit. Vehicle pledges are followed through their insurance values. Regular investigations are performed for the cheques and bills that are received as collaterals and in case of any negative finding the Bank seeks to replace the collateral.

The Bank's collaterals are mainly composed of cheques, notes, mortgages, guarantees, vehicle pledges and deposit pledges. The Bank's credit risk concentration mainly consists of corporate receivables and are followed by receivables that are collateralized with mortgage, SME and retail receivables, respectively.

Exposure Categories*	Amount	Financial Collaterals	Other/Physical Collaterals**	Guarantees and Credit Derivatives
Current Period				
Receivables from Central Governments	23,740,468			1,427
Receivables, Cheqs, Financial Collaterals from Regional or Local Governments and CSF Funds	54,483			
Receivables from Administrative Units and Non-Commercial Enterprises	11			
Receivables from Multinational Development Banks				
Receivables from International Organizations	8,796,411	189,889		
Receivables from Banks and Brokerage Houses	28,797,469	4,684,833		
Corporate Receivables	27,342,511	11,889		
Retail Receivables	429,527	11	482,776	
Receivables that are Collateralized by Residential Property	112,819			
Real Estate Receivables	11,527,725	49,338	119,381	
Receivables Derived to High Risk Category by BRSB	685,384			
Securities Collateralized by Mortgage	4,491,791			
Short-term Receivables from Banks	16,158			
Investments Similar to Collective Investment Funds	6,684,535			
Equity Investments				
Other Receivables	627,321,769	4,383,471	817,817	1,427

(*) Receivables are presented above after credit conversion.
 (**) Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.
 (***) % of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

Exposure Categories*	Amount	Financial Collaterals	Other/Physical Collaterals**	Guarantees and Credit Derivatives
Prior Period				
Receivables from Central Governments	15,586,474			4,138
Receivables, Cheqs, Financial Collaterals from Regional or Local Governments and CSF Funds	33,361			
Receivables from Administrative Units and Non-Commercial Enterprises	11			
Receivables from Multinational Development Banks				
Receivables from International Organizations				
Receivables from Banks and Brokerage Houses	1,512,488	76,423		
Corporate Receivables	11,234,782	60,913		
Retail Receivables	29,791,334	1,419		
Receivables that are Collateralized by Residential Property	1,176,468		1,083,291	
Real Estate Receivables	750,127		14,343	
Receivables Derived to High Risk Category by BRSB	6,525,121			
Securities Collateralized by Mortgage	11			
Short-term Receivables from Banks	779,714			
Investments Similar to Collective Investment Funds	1,563,718			
Equity Investments	74,496			
Other Receivables	2,468,213			
Total	20,944,751	7,428,778	1,083,434	4,238

(*) Receivables are presented above after credit conversion.
 (**) Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.
 (***) % of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

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

Counterparty credit risk (CCR) approach analysis

Current Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CVA	RWA
1. Standardised Approach - CCR (for derivatives)	468,953	496,271	-	1,4	1,351,314	695,679
2. Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
3. Single Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	7,744,324	1,570,669
4. Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
5. Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	-	-	-
6 Total	-	-	-	1,4	9,095,638	4,269,348

(*) % of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

Prior Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post-CVA	RWA
1. Standardised Approach - CCR (for derivatives)	603,856	386,549	-	1,4	1,386,567	954,626
2. Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
3. Single Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	3,276,997	1,778,368
4. Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)	-	-	-	-	-	-
5. Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions	-	-	-	-	-	-
6 Total	603,856	386,549	-	1,4	4,663,564	2,733,028

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

Capital requirement for credit valuation adjustment (CVA)

	Current Period	Prior Period
	EAD post-CVA	EAD post-CVA
1. All exposures (including the transitional)	-	-
2. All Standard risk exposures (including the transitional)	-	-
3. All portfolios subject to the transitional CVA capital obligation	9,095,638	1,094,212
4. Total subject to the CVA capital obligation	9,095,638	1,094,212

(*) % of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2023 was used.

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

Explanations on consolidated market risk C

Whether the Group within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. Risk measurement methods such as cash flow projections and GAP analysis are also applied.

Capital to be kept for general market risk and specific risk are calculated by using a standard method in accordance with "Measurement and Assessment of Bank Capital Adequacy Regulation" and are reported monthly.

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of "the Regulation on Measurement and Assessment of Capital Adequacy of Banks", reduced as per the "Regulation on Credit Risk Mitigation Techniques" following included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank's derivative financial instruments are calculated using the "Fair Value Method".

Market risk under standardised approach

	Current Period		Prior Period	
	RWA	RWA	RWA	RWA
Outright Products				
1. Interest rate risk (general and specific)	661,508	345,438		
2. Equity risk (general and specific)	--	--	1,200	
3. Foreign exchange risk	531,150	288,587		
4. Commodity risk	2,230,453	214,850		
Options				
5. Simplified approach	--	--		
6. Delta plus method	1,738	47,790		
7. Scenario approach	--	--		
8. Securitisation	--	--		
* Total	3,611,613	918,125		

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

Quantitative information on counterparty risk

The counterparty risk amount is calculated in accordance with fair value measurement methodology stated in Appendix 2 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The replacement costs of the contracts with positive value are obtained by evaluating the contracts according to their fair value. The potential credit risk amount is calculated by multiplying contract or transaction amounts with certain ratios determined in accordance with days to maturity and contract type. The total of replacement cost and potential credit risk make up counterparty risk amount. Counterparty credit risk mitigation considers only cash collaterals.

	Risk Weight						
	0%	20%	50%	100%	150%	250%	Total Risk
Current Period							
Foreign Exchange Risk (net)	440,277	294,679	8,771	88,113	16,762	24,234	1,000,836
Commodity Contracts	50,088	--	--	35,088	--	28,234	113,410
Equity Derivative Products	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Foreign Exchange Risk (net)	490,365	294,679	8,771	123,201	16,762	52,468	1,114,246
Commodity Contracts	50,088	--	--	35,088	--	28,234	113,410
Equity Derivative Products (P)	1,500,000	112,200	8,111	98,810	166,232	177,616	1,903,970

	Risk Weight						
	0%	20%	50%	100%	150%	250%	Total Risk
Prior Period							
Foreign Exchange Risk (net)	476,762	276,149	8,771	88,840	16,762	24,234	1,000,836
Commodity Contracts	50,088	--	--	35,088	--	28,234	113,410
Equity Derivative Products	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--
Foreign Exchange Risk (net)	526,850	276,149	8,771	123,928	16,762	52,468	1,114,246
Commodity Contracts	50,088	--	--	35,088	--	28,234	113,410
Equity Derivative Products (P)	1,500,000	112,200	8,111	98,810	166,232	177,616	1,903,970

Explanations on consolidated operational risk

The value at operational risk is calculated according to the "basic indicator approach". Value at operational risk amount is calculated by using the last 3 years' (2022, 2021 an 2020) gross income, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated September 6, 2014 numbered 29111, "Calculation of Operational Risk". 15% of average gross income which is TL 506.242 (31 December 2022: TL 220.238) represents also the minimum capital requirement to recover the risk amount.

Current Period	Total/ No. of			Rate (%)	Total
	31/12/2020	31/12/2021	31/12/2022			Years of Positive Gross Income
Gross Income	1,000,819	1,544,469	8,877,281	1,174,448	11
Value at Operational Risk (Total)* (12,3)					506,242

Prior Period	Total/ No. of			Rate (%)	Total
	31/12/2019	31/12/2020	31/12/2021			Years of Positive Gross Income
Gross Income	1,152,117	1,303,892	1,944,469	1,144,251	11
Value at Operational Risk (Total)* (12,3)					220,238

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SECTION FIVE

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosure related to the consolidated assets

1. Information on cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL / Foreign Currency	163.089	2.746.180	170.869	1.850.512
Balances with the Central Bank of Turkey	6.544.938	9.113.375	925.454	12.070.692
Other	--	--	--	--
Total	6.708.027	11.859.555	1.096.323	13.921.204

1.1 Information related to the account of the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	6.104.148	2.274.216	925.454	1.864.462
Unrestricted Time Deposits	440.790	1.766.292	--	6.575.320
Restricted Time Deposits	--	5.072.867	--	3.630.910
Total	6.544.938	9.113.375	925.454	12.070.692

The reserve requirements in TL, FC and gold that maintained in accordance with the "Communiqué Regarding the Reserve Requirements" numbered 2005/1 are included in the table.

According to the Communiqué on Required Reserves published in the Official Gazette dated 31 December 2022 and numbered 32060, the facility for maintain Turkish lira reserve requirements in standard gold and scrap gold has been terminated as of 23 June 2023.

The required reserve rates for TL liabilities vary between 0% and 30% for TL deposits and other liabilities according to their maturities as of 31 December 2023 (31 December 2022: 3% and 8% for all TL liabilities); the reserve rates for foreign currency liabilities vary between 5% and 30% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2023 (31 December 2022: 5% and 26% for all foreign currency liabilities). As of 28 April 2023, the application of adding 5 points to the required reserve ratios determined for foreign currency deposits and precious metal deposit accounts for banks whose share of TL deposits in total deposits calculated for real and legal persons is below 60% has been abolished as of 18 August 2023.

As of 27 October 2023, an additional reserve requirement ratio of 4 percent to be maintained in Turkish lira at all maturities for deposits denominated in foreign currency (foreign bank deposits and precious metal accounts). Additional reserve requirement rates have been excluded from the reserve requirement commission application by the decision of the CBRT.

The commission practice according to the share of Turkish Lira deposits in total deposits which were applied since 23 December 2022, has been changed as of 29 September 2023. An annual commission of 8% in USD will be applied over the required reserve amount placed at CBRT for foreign currency deposit and precious metal deposit accounts, for the banks whose rate of converted and renewed FC Protected TL Deposit Amounts and newly opened Real Person FC Protected TL Deposit Amounts below 100%. Having said that, if a bank achieves the target, but could not convert at least 5% of FC Protected TL Deposit Amounts to Conventional TL Deposit; then a discounted commission rate according to deficient amount would be applied to that bank.

As of 10 November 2023, Reserve requirement commission practice has been changed to be followed in two items, the commission according to the Renewal and transition rate to TL and the commission according to the share of TL deposits. According to the renewal and TL transition rate practice, the commission rate for banks whose conversion rate is below 100% will be applied between 6% and 8% according to current Renewal and TL transition rate, and for banks with a conversion rate of 100% and Türkiye Garanti Bankası AŞ Convenience Translation of Financial Statements Unconsolidated Financial Report as of and Related Disclosures and Footnotes for the Year Ended 31 December 2023 Originally Issued in Turkish (Thousands of Turkish Lira (TL)) 106 above, the commission rate will not be applied when the TL transition rate is 10% and above, the renewal rate is 75% and above, and the commission rate will be calculated as much as the deficient portion for banks that fall below the target at any of these rates. As of 23 December 2023, the renewal rate target has been abolished and TL transition rate has been increased from 10% to 15%. According to the Reserve requirement commission practice based on Turkish Lira Deposit Share, the TL share rate will be calculated separately for the real person and the legal entity. If the difference between the TL share calculation for real persons compared to the calculation period four weeks ago remains below 3.5%, the commission rate will be applied 2%. If the TL share calculated for legal entities remains below the TL share calculated according to the date of 18 August 2023, the commission rate will be applied 1%. The commission amount will be calculated in USD, based on maintained foreign currency reserve requirement.

1. Explanations and disclosure related to the consolidated assets (continued)

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

2.1 Information on financial assets at fair value through profit or loss given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	--	--	107	--
Total	--	--	107	--

Trading securities given as collateral represent those collaterals given to the Central Bank of Turkey and Istanbul Clearing and Custody Bank (Takasbank) for interbank money market, foreign exchange market and other transactions, as of balance sheets dates.

As of 31 December 2023, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 3.463.602 (31 December 2022: TL 399.306).

2.2 Loans recognised at fair value through profit or loss

As of 31 December 2023, there are no loans recognized at fair value through profit or loss (31 December 2022: None).

2.3 Information on financial assets at fair value through profit or loss subject to repurchase agreements

None.

2.4 Positive differences relating to derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	433.679	--	620.810	--
Swap Transactions	395.462	--	373.350	--
Futures Transactions	--	--	--	--
Options	8.039	69.818	91.169	24.338
Other	--	--	--	--
Total	837.180	69.818	1.085.329	24.338

3. Information on Banks

3.1 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	343.764	2.136.470	256.396	1.521.325
Foreign	663	603.475	2.926	700.465
Foreign head-offices and branches	--	--	--	--
Total	344.427	2.739.945	259.322	2.221.790

3.2 Due from foreign banks

	Current Period		Prior Period	
	Unrestricted Balances	Restricted Balances	Unrestricted Balances	Restricted Balances
EU Countries	100.169	44.952	251.827	12.528
USA and Canada	131.706	--	134.160	--
DECO Countries	130.391	50.685	115.976	158.103
Off-Shore Banking Regions	--	--	--	--
Other	146.435	--	30.797	--
Total	508.501	95.637	532.760	170.631

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

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

4. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income

4.1 Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral / blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	4.995.651	1.720.653	1.474.786	1.391.824
Other	--	--	--	--
Total	4.995.651	1.720.653	1.474.786	1.391.824

As of 31 December 2023 the amount of financial assets valued at fair value through other comprehensive income not given as collateral or not blocked is TL 2.441.418 (31 December 2022: TL 2.274.300).

4.2 Details of financial assets valued at fair value through other comprehensive income

	Current Period	Prior Period
Debt instruments	9.186.845	5.148.865
Quoted on Stock Exchange	8.354.206	4.763.287
Unquoted on Stock Exchange	832.639	385.578
Share certificates	4.897	4.897
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	4.897	4.897
Impairment provision (-)	34.020	12.852
Total	9.157.722	5.140.910

5. Information on Loans

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans to Shareholders	--	450	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	450	--	--
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	13.038	--	11.478	--
Total	13.038	450	11.478	--

5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured

Cash Loans	Standard Loans	Loans Under Close Monitoring			
		Non-Restructured	Restructured		Total
			Contract Terms	Revised	
Loans	47.508.981	977.900	3.320.517	--	
Working Capital Loans	4.766.529	31.214	1.026.123	--	
Export Loans	5.311.528	11.716	--	--	
Loans to Financial Sector	936.257	--	--	--	
Consumer Loans	12.473.388	363.504	181.489	--	
Credit Cards	206.536	10.375	--	--	
Others	21.200.943	561.295	181.899	--	
Specialization Loans	--	--	--	--	
Other Receivables	--	--	--	--	
Total (*)	47.508.981	977.900	3.320.517	--	

(* Financing operations according to % 301.29 (1) December 2022 % 196.989 are included)

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 months Expected Credit Losses	210.409	--	340.840	--
Significant increase in Credit Risk	--	404.340	--	400.518
Total	210.409	404.340	340.840	400.518

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

5. Information on Loans (continued)

5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured (continued)

The overdue analysis of close monitoring loans

The overdue analysis of close monitoring loans

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	93.349	82.865	176.214
31-60 days	48.697	183.470	232.167
61-90 days	27.761	106.225	133.986
Total	169.807	372.560	542.367

Prior Period	Commercial Loans	Consumer Loans	Total
1-30 days	10.129	49.091	59.220
31-60 days	9.428	92.775	102.203
61-90 days	10.429	46.322	56.751
Total	29.986	188.188	218.174

Maturity analysis of cash loans

	Standard Loans and Other Receivables	Loans and Other Receivables under Close Monitoring	
	Loans and Other Receivables	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans and Other Receivables	37.758.509	774.997	52.946
Loans	37.758.509	774.997	52.946
Specialized Loans	--	--	--
Other Loans	--	--	--
Medium and Long-term Loans and Other Receivables	9.749.652	202.903	3.267.971
Loans	9.749.652	202.903	3.267.971
Specialized Loans	--	--	--
Other Loans	--	--	--

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

1. Explanations and disclosure related to the consolidated assets (continued)

5. Information on Loans (continued)

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

	Short-Term	Medium or Long Term	Total
Consumer Loans-TL	6.259.807	6.015.694	12.275.501
Mortgage Loans	--	74.414	74.414
Vehicle Loans	--	411	411
General Purpose Loans	6.259.807	5.940.869	12.200.676
Other	--	--	--
Consumer Loans-Indexed to FC	--	322	322
Mortgage Loans	--	322	322
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Consumer Loans-FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	216.119	--	216.119
With Installment	16.549	--	16.549
Without Installment	199.570	--	199.570
Individual Credit Cards-FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Loans Given to Employees-TL	5.306	6.259	11.565
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	5.306	6.259	11.565
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Personnel Credit Cards - TL	1.473	--	1.473
With Installment	126	--	126
Without Installment	1.347	--	1.347
Personnel Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Real Persons)	701.003	--	701.003
Overdraft Loans-FC (Real Persons)	--	--	--
Total	7.183.708	6.022.275	13.205.983

1. Explanations and disclosure related to the consolidated assets (continued)

5. Information on Loans (continued)

5.4 Information on commercial loans with installments and corporate credit cards

	Short-Term	Medium or Long Term	Total
Installment Commercial Loans - TL	5.553.472	739.380	6.292.852
Real Estate Loans	--	--	--
Vehicle Loans	--	277	277
General Purpose Loans	5.553.472	739.103	6.292.575
Other	--	--	--
Installment Commercial Loans - Indexed to FC	--	37.728	37.728
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	37.728	37.728
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	1.719	--	1.719
With Installment	--	--	--
Without Installment	1.719	--	1.719
Corporate Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Legal Entities)	258.383	--	258.383
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	5.813.574	777.108	6.590.682

5.5 Distribution of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	51.806.578	39.053.803
Total (*)	51.806.578	39.053.803

(*) Factoring receivables amounting to TL 321.297 (31 December 2022: TL 186.790) are included.

5.6 Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	51.114.892	38.575.281
Foreign Loans	691.686	478.522
Total (*)	51.806.578	39.053.803

(*) Factoring receivables amounting to TL 321.297 (31 December 2022: TL 186.790) are included.

5.7 Loans granted to subsidiaries and associates

The Bank has loans granted to subsidiaries and associates amounting to TL 179.981 as of 31 December 2023 (31 December 2022: TL 267.036).

5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	241.268	93.007
Loans and Receivables with Doubtful Collectability	83.045	70.418
Uncollectible Loans and Receivables	215.577	335.470
Total	539.890	498.895

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

5. Information on Loans (continued)

5.9 Information on non-performing loans (Net)

5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period	1.171	289	4.135
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	1.171	289	4.135
Prior Period	2.429	745	7.123
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	2.429	745	7.123

5.9.2 Movement on non-performing loans

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Balances at End of Prior Period	132.120	98.733	434.573
Additions (+)	1.048.668	7.739	6.424
Transfers from Other Categories of Non-Performing Loans (+)	--	392.344	127.019
Transfers to Other Categories of Non-Performing Loans (-)	392.344	127.019	--
Collections (-)	241.592	59.336	190.043
Write-offs (-) (*)	33.645	1.558	31.720
Sold (-) (**) (***)	117.689	188.937	116.000
Corporate and Commercial Loans	63.541	26.217	51.757
Retail Loans	52.295	162.591	64.214
Credit Cards	1.853	129	29
Other	--	--	--
Balances at End of the Period	395.518	121.966	230.253
Provisions (-)	241.268	83.045	215.577
Net Balance on Balance Sheet	154.250	38.921	14.676

(*) Consists of loans with 100% provision at the relevant date.

(**) As of 31 December 2023, the loan amounting to TL 422.626 was written off by transferring and selling to asset management companies (31 December 2022: TL 94.398). When the calculation is made considering the loans sold, the Bank's NPL ratio is measured as 1,42% (31 December 2022: 1,68%) instead of 2,21% (31 December 2022: 1,91%).

(***) All of them are due to sales of NPLs.

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

5. Information on Loans (continued)

5.9 Information on non-performing loans (Net)

5.9.3 Information on expected loss provisions set aside for loans

	Stage 1	Stage 2	Stage 3
Beginning of period (1 January 2023)	140.841	460.834	448.895
Loans and movements added during the period	81.888	26.387	105.619
Loans and movements removed during the period	(145.447)	(111.397)	(26.844)
Movements of Stage 1 and Stage 2			
Stage 1 Loans to two periods	94.776	--	--
Transfers from Stage 1 to Stage 2	(8.070)	8.811	--
Stage 2 Loans to two periods	--	83.211	--
Transfers from Stage 2 to Stage 1	24	(24.407)	--
Movements of Stage 3			
Transfers from Stage 1 to Stage 3 (P)	108	--	25.588
Transfers from Stage 2 to Stage 3 (P)	--	140	21.188
Stage 3 Loans to two periods between and parameter changed	--	--	(152.880)
Others	10.867	10.677	--
End	216.429	463.428	216.019
Period end (31 December 2023)	216.429	463.428	216.019

5.9.4 Information on non-performing loans and other receivables in foreign currencies

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period			
Balance as of Period End	170.523	--	60.961
Provisions (-)	99.349	--	60.872
Net Balance on Balance Sheet	71.274	--	89
Prior Period			
Balance as of Period End	--	--	224.039
Provisions (-)	--	--	173.182
Net Balance on Balance Sheet	--	--	50.857

5.9.5 Information regarding gross and net amounts of non-performing loans with respect to debtor groups

	III. Group Loans and receivables with limited collectability	IV. Group Loans and receivables with doubtful collectability	V. Group Uncollectible loans and receivables
Current Period (Net)	154.250	38.921	14.676
Loans Granted to Real Persons and Legal Entities (Gross)	395.518	121.966	230.253
Provisions (-)	241.268	83.045	215.577
Loans Granted to Real Persons and Legal Entities (Net)	154.250	38.921	14.676
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)	39.113	28.315	99.103
Loans Granted to Real Persons and Legal Entities (Gross)	132.120	98.733	434.573
Provisions (-)	93.007	70.418	335.470
Loans Granted to Real Persons and Legal Entities (Net)	39.113	28.315	99.103
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

5.10 Information on interest accruals, valuation differences and related provisions calculated for non-performing loans by The Banks which reserves provision according to TFRS 9

The Bank does not calculate interest accruals and rediscount for non-performing loans (31 December 2022: The Bank does not calculate interest accruals and rediscount for non-performing loans).

5.11 Explanations about policy of write-off policy

In the event that the conditions stated in the law related to the unworthiness of the receivable arise, whole provisions are set aside for all of these loans and the loans are written off from the assets by the board decision.

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

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

1. Explanations and disclosure related to the consolidated assets (continued)

6. Information on financial assets measured at amortized cost

6.1 Information on securities subject to repurchase agreement and given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar Marketable Securities	2.172.085	6.244.106	1.868.108	4.665.807
Other	--	--	--	--
Total	2.172.085	6.244.106	1.868.108	4.665.807

6.2 Information on government securities in financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2.198.192	6.584.906	2.140.658	4.651.692
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	2.198.192	6.584.906	2.140.658	4.651.692

6.3 Information on financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments	9.309.266	7.067.342		
Quoted on Stock Exchange		9.309.266		7.067.342
Unquoted on Stock Exchange	--	--	--	--
Share certificates	--	--	--	--
Quoted on Stock Exchange	--	--	--	--
Unquoted on Stock Exchange	--	--	--	--
Impairment provision (-)	--	--	--	--
Total	9.309.266	7.067.342		

6.4 Information on the movement of financial assets measured at amortized cost during the period

	Current Period	Prior Period
Balance at the beginning of period	7.067.342	3.230.721
Foreign Exchange Difference in Monetary Assets	2.135.382	1.269.703
Revaluation adjustments	72.571	65.975
Purchases during the year	110.764	2.500.943
Disposals through Sales and Redemptions	(76.793)	--
Impairment provision (-)	--	--
Total	9.309.266	7.067.342

7. Information on associates

As of 31 December 2023, the Bank has associates amounting to TL 1.001.736 with a total cost of TL 856.588 (31 December 2022: TL 844.496).

Company Name	Address (City / Country)	Bank's Share- if different voting rights (%)	Bank's Risk Group Share (%)
Fiba Sigorta A.Ş.	Istanbul	50,0%	50,0%
HDI Fiba Emeklilik ve Hayat A.Ş.	Istanbul	40,0%	40,0%

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

As of 20 December 2022, 8.000.000 shares of Fiba Emeklilik ve Hayat A.Ş. representing 40% of its capital share, was transferred to Fibabanka A.Ş. for TL 746.588.

1. Explanations and disclosure related to the consolidated assets (continued)

7. Information on associates (continued)

A company with the title Fiba Sigorta A.Ş. was established by the Bank and HDI Sigorta A.Ş. with a 50% - 50% partnership share to operate in elementary branches The Bank's participation amount is TL 110.000.

Information regarding the subsidiaries as of 31 December 2023 is presented below:

Company Name	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
Fiba Sigorta A.Ş.	464.781	262.089	1.757	55.230	400	47.487	102	--
HDI Fiba Emeklilik ve Hayat A.Ş.	19.740.848	442.243	64.338	184.007	37.355	240.324	99.706	--

(*) Total Fixed assets consist tangible and intangible assets.

(**) It has been prepared on the basis of the 31 December 2023 consolidated financial statements, which have not been independently audited.

Movement of Investments in associates

	Current Period	Prior Period
Balance at beginning of Period	844.496	--
Movement during the Period	157.240	--
Additions and Capital increases ^{(1)(*)}	15.000	841.588
Bonus Shares Received	--	--
Dividends from the Current Year Profit	143.497	3.296
Sales/Liquidations	--	--
Reclassification of shares	--	--
Differences Between Market value and Book value	--	--
Currency Differences on Foreign Subsidiaries	--	--
Other	(1.237)	(388)
Balance at End of Period	1.001.736	844.496
Capital Commitments	--	--
Share of Percentage at the end of Period ⁽²⁾	--	--

(1) As of 20 December 2022, 8.000.000 shares of Fiba Emeklilik ve Hayat A.Ş. representing 40% of its capital share was transferred to Fibabanka A.Ş. for TL 746.588.

(2) In 2022, a company with the title Fiba Sigorta A.Ş. was established by the Bank and HDI Sigorta A.Ş. with a 50% - 50% partnership share to operate in elementary branches. In 2023, Fiba Sigorta realized a cash capital increase and Fibabanka participated in the capital increase with TL 15.000 in proportion to its share and increased its investment amount to TL 110.000.

Sectoral information on consolidated financial subsidiaries and the related carrying

	Current Period	Prior Period
Bank	--	--
Insurance Companies	1.001.736	844.496
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	--	--

Associates listed on the stock exchange within the scope of consolidation

	Current Period	Prior Period
Valued at equity accounting method	1.001.736	844.496
Valued at fair value	--	--

Associates listed on the stock exchange within the scope of consolidation

None.

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- I. Explanations and disclosure related to the consolidated assets (continued)
8. Information on subsidiaries

Non financial subsidiaries

As of 31 December 2023, the Bank has unconsolidated non-financial subsidiary in the amount of TL 117.500 (31 December 2022: TL 117.500).

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)
Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.	Istanbul	100%	100%

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., was established with the purpose of providing entrepreneurship, creation of new business fields and technologies, investment in financial technology companies, mobile payment, income expenditure follow-up and money transfer consultancy services.

Financial subsidiaries

The Bank has TL 29.700 investment in a financial subsidiary as of 31 December 2023 (31 December 2022: TL 7.920).

In 2023, the process of increasing the paid-in capital of Fiba Portföy Yönetimi A.Ş from TL 8.000 to TL 30.000 was completed, and the increased TL 22.000 was met from internal resources (extraordinary reserves). It was registered on 2 June 2023 and announced in the Turkish Trade Registry Gazette numbered 10844 on the same date.

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)	Consolidation Type
Fiba Portföy Yönetimi A.Ş.	Istanbul	99%	99%	Full Consolidation

Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with 99% share of Fibabanka A.Ş.

The financial information about Fiba Portföy Yönetimi A.Ş. as of 31 December 2023 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (%)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
104.528	149.309	746	-	-	75.518	45.939	-

(*) Total fixed assets consist of tangible and intangible assets.

(**) It has been prepared on the basis of its financial statements dated 31 December 2023, which have not undergone limited audit.

Current Period	Fiba Portföy Yönetimi A.Ş.
Core Capital	142.937
Paid in Capital	30.308
Inflation Adjustments to Paid in Capital	-
Share Premiums	-
Reserves	-
Current Period's Profit and Prior Period's Profit	112.937
Current Period's Losses and Prior Period's Losses	-
Least-satisfied Improvements on Operational Losses (-)	-
Intangible Assets (-)	-
Goodwill (Net) (-)	-
Supplementary Capital	-
Capital	142.937
Deductions From Capital	-
Net Available Equity	142.937

The Parent Bank does not have any capital assets for its subsidiary included in the calculation of its consolidated capital adequacy ratio.

- I. Explanations and disclosure related to the consolidated assets (continued)
8. Information on subsidiaries (continued)

Movement of consolidated investment in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	7.920	5.445
Movements during the Period	--	--
Additions and Capital Increases	21.780	--
Bonus Shares Received	--	2.475
Dividends from the Current Year Profit	--	--
Sales/Liquidations	--	--
Reclassification of shares	--	--
Increase / (Decrease) in Market Values	--	--
Currency Differences on Foreign Subsidiaries	--	--
Reversal of Impairment Losses/ Impairment Losses (-)	--	--
Balance at the End of Period	29.700	7.920
Capital Commitments	29.700	7.920
Share of Percentage at the end of Period (%)	99	99

Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with 99% participation of Fibabanka A.Ş.

Sectoral information on consolidated financial subsidiaries and the related carrying amount

	Current Period	Prior Period
Banks	--	--
Insurance Companies	--	--
Factoring Companies	--	--
Leasing Companies	--	--
Finance Companies	--	--
Other Subsidiaries	29.700	7.920

Valuation of investments in consolidated subsidiaries

	Current Period	Prior Period
Valued at cost	29.700	7.920
Valued at fair value	--	--

Quoted consolidated investments in subsidiaries

None.

9. Information on entities under common control

The Group does not have investments in entities under common control as of 31 December 2023.

10. Information on lease receivables

The Group does not have lease receivables as of 31 December 2023.

11. Information on derivative financial assets held for hedging purposes

As of 31 December 2023, The Bank has no hedging derivative financial assets (31 December 2022: None).

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1. Explanations and disclosure related to the consolidated assets (continued)
12. Information on tangible assets

Current Period	Land and Building	Vehicles	Property Under Construction ^(*)	Other Tangible Assets ^(*)	Total
Cost					
Beginning Balance, 1 January 2023	179,245	43,799	213,110	293,468	689,622
Additions	248,902	18,281	---	147,228	414,411
Disposals	---	2,528	149,028	6,370	157,926
Ending Balance, 31 December 2023	588,147	59,552	70,584	434,326	1,152,609
Accumulated Depreciation					
Beginning Balance, 1 January 2023	---	(18,349)	---	(84,561)	(102,910)
Depreciation	---	948	---	46,009	47,957
Disposals	---	(16,540)	---	(73,681)	(100,121)
Ending Balance, 31 December 2023	(134,837)	(34,741)	---	(118,232)	(287,810)
Net Book Value, 31 December 2023	453,310	24,811	70,584	316,094	864,793
<small>(*) Other tangible fixed assets consist of: land-based improvements, office assets, office machinery, furniture and other movables. (**) The property under construction items that is being made includes the total capitalized project cost following the completion of the projects.</small>					
Prior Period					
Cost					
Beginning Balance, 1 January 2022	276,042	29,330	124,458	137,983	567,813
Additions	43,283	13,868	80,474	109,303	246,928
Disposals	---	---	---	3,788	3,788
Ending Balance, 31 December 2022	319,325	43,198	211,932	244,473	818,928
Accumulated Depreciation					
Beginning Balance, 1 January 2022	---	(7,963)	---	(95,031)	(103,094)
Depreciation	---	(8,388)	---	(71,553)	(88,941)
Disposals	---	---	---	4,113	4,113
Ending Balance, 31 December 2022	(93,020)	(16,351)	---	(84,561)	(193,932)
Net Book Value, 31 December 2022	226,305	26,847	211,932	160,012	625,096
<small>(*) Other tangible fixed assets consist of: land-based improvements, office assets, office machinery, furniture and other movables. (**) The property under construction items that is being made includes the total capitalized project cost following the completion of the projects.</small>					

- 12.1 Disclosure for impairment losses or releases individually material for financial statements

- 12.1.1 Conditions for allocating/releasing any impairment

None.

- 12.1.2 Amount of impairment losses provided or released in financial statements during current period

None.

- 12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually

None.

13. Information on intangible assets

- 13.1 Useful lives and depreciation rates

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Group's intangible assets consist of software programs and rights, and their useful lives range between 3 to 10 years.

- 13.2 Depreciation methods

Depreciation for assets which are in balance sheet for less than one year is calculated by the straight line method by proportioning the duration of asset in the balance sheet to the predicted yearly depreciation amount.

1. Explanations and disclosure related to the consolidated assets (continued)
13. Information on intangible assets (continued)

- 13.3 Movements of intangible assets for the current period

	Current Period	Prior Period
Cost		
Beginning Balance, 1 January	429,881	236,961
Additions	665,356	192,921
Disposals	---	---
Ending Balance, 31 December	1,095,237	429,882
Accumulated Depreciation		
Beginning Balance, 1 January	(188,189)	(130,402)
Amortisation Expense for Current Period (i)	(121,326)	(55,820)
Disposals	---	---
Ending Balance, 31 December	(309,515)	(186,222)
Net Book Value, 31 December	785,722	243,660

- 13.4 Details for any individually material intangible assets

None.

- 13.5 Intangible assets capitalised under government incentives at fair values

None.

- 13.6 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

- 13.7 Net book value of intangible asset that are restricted in usage or pledged

None.

- 13.8 Commitments to acquire intangible assets

None.

- 13.9 Disclosure on revalued intangible assets

None.

- 13.10 Research and development costs expensed during current period

None.

- 13.11 Goodwill

None.

14. Information on investment properties

None.

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

15. Information on deferred tax asset

15.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits

As of 31 December 2023, the deferred tax asset amounting to TL 994.644 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2022: TL 384.664 deferred tax asset).

Deferred tax asset consists of deferred tax asset and liability items recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

	Current Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	1.337.599	401.279
Unearned Commission Income/Prepaid Commission Expenses	168.693	50.608
Retirement Pay and Unused Vacation Provision	310.215	93.065
Tangible Assets Base Differences	(180.022)	(54.006)
Provisions	2.228.478	668.543
Other	(550.875)	(164.845)
Deferred Tax Asset/(Liability)	3.314.088	994.644
	Prior Period	
	Deferred Tax Base	Deferred Tax Asset/ (Liability)
Financial Assets Valuation	439.020	109.755
Unearned Commission Income/Prepaid Commission Expenses	113.049	28.262
Retirement Pay and Unused Vacation Provision	233.882	58.470
Tangible Assets Base Differences	(208.394)	(52.098)
Provisions	2.130.620	532.655
Other	(1.169.064)	(292.380)
Deferred Tax Asset/(Liability)	1.539.113	384.664

The movement of the current year and prior year deferred tax assets is shown below

	1 January - 31 December 2023	1 January - 31 December 2022
Deferred Tax Asset, 1 January	384.664	202.844
Deferred Tax Income / (Expense)	659.877	400.065
Deferred Tax Recognized Directly Under Equity	(49.897)	(218.245)
Deferred Tax Asset/(Liability), Period End Balance	994.644	384.664

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

15. Information on deferred tax asset (continued)

15.2 Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet

None (31 December 2022: None).

15.3 Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes

None.

16. Information on assets held for sale and non-current assets related to discontinued operations

As of 31 December 2023, the Group has assets held for sale of TL 10.380 (31 December 2022: TL 24.609).

17. Information on other assets

Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

17.1 Information on prepaid expenses, tax and similar items

As of 31 December 2023, total prepaid expenses are TL 141.547 (31 December 2022: TL 94.343).

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II. Explanations and disclosures related to consolidated liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Current period	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative	
								Deposit	Total
Saving Deposits	1.253.707	-	10.327.548	26.698.183	1.809.400	62.270	69.566	--	40.220.674
Foreign Currency Deposits	5.092.289	-	5.752.026	906.543	13.693	63.128	440.752	--	12.268.431
Residents in Turkey	4.679.169	-	5.567.083	900.482	13.693	62.910	440.605	--	11.663.942
Residents Abroad	413.120	-	184.943	6.061	--	218	147	--	604.489
Public Sector Deposits	2.259	-	-	53	--	--	--	--	2.312
Commercial Deposits	1.989.976	-	609.731	4.787.815	408.366	202	72.134	--	7.868.224
Other Ins. Deposits	6.317	-	5.132	49.884	193	--	--	--	61.526
Precious Metal Deposits	3.877.628	-	2.130.113	6.942	--	--	--	--	6.014.683
Interbank Deposits	178.108	-	17.404	627.805	1.185.439	--	--	--	2.008.756
Central Bank of Turkey	15.955	-	-	585.199	1.185.439	--	--	--	1.786.593
Domestic Banks	31	-	-	--	--	--	--	--	31
Foreign Banks	162.122	-	17.404	42.606	--	--	--	--	222.132
Special Finan.Inst.	--	-	--	--	--	--	--	--	--
Other	--	-	--	--	--	--	--	--	--
Total	12.400.284	-	18.841.954	33.077.225	3.417.091	125.600	582.452	--	68.444.606

(*) As of 31 December 2023, the Bank has a total of TL 13.066.878 of currency protected TL time deposits.

Prior period	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	6 Months - 1 Year	1 Year and Over	Cumulative	
								Deposit	Total
Saving Deposits	829.765	-	5.843.018	11.407.352	178.965	12.680	45.739	--	18.317.519
Foreign Currency Deposits	3.644.610	-	4.778.777	1.302.016	13.376	34.656	281.593	--	10.055.028
Residents in Turkey	3.261.577	-	4.598.962	1.239.943	13.376	34.518	281.503	--	9.429.879
Residents Abroad	383.033	-	179.815	62.073	--	138	90	--	625.149
Public Sector Deposits	734	-	-	--	--	--	--	--	734
Commercial Deposits	1.380.847	-	1.902.199	2.990.905	93.110	34	48.087	--	6.415.182
Other Ins. Deposits	6.389	-	37.254	319.726	201	79	--	--	363.649
Precious Metal Deposits	2.138.258	-	1.595.782	--	--	--	--	--	3.734.040
Interbank Deposits	637.446	-	1.262.110	3.738.825	2.334.293	--	--	--	7.972.674
Central Bank of Turkey	34.005	-	23.260	3.738.825	2.334.293	--	--	--	6.130.383
Domestic Banks	26	-	1.231.968	--	--	--	--	--	1.231.994
Foreign Banks	603.415	-	6.882	--	--	--	--	--	610.297
Special Finan.Inst.	--	-	--	--	--	--	--	--	--
Other	--	-	--	--	--	--	--	--	--
Total	8.638.049	-	15.419.140	19.758.824	2.619.945	47.449	375.419	--	46.858.826

(*) As of 31 December 2022, the Bank has a total of TL 8.659.756 of currency protected TL time deposits.

II. Explanations and disclosures related to consolidated liabilities (continued)

1. Information on deposits (continued)

1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance

	Under the Guarantee of		Exceeding	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	11.112.879	5.541.792	28.621.950	12.695.735
Foreign Currency Saving Deposits	5.305.948	3.313.362	9.593.414	8.076.182
Other Deposits in the Form of Saving Deposits	--	--	--	--
Foreign Branches' Deposits Under Insurance of Foreign Authorities	--	--	--	--
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	--	--	--	--
Total	16.418.827	8.855.154	38.214.964	20.771.917

(*) In the first paragraph of Article 1 of the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 7/11/2006 and numbered 26339, the phrase "savings deposits and belonging to real persons" has been changed to "all deposits excluding those belonging to official institutions, credit institutions and financial institutions."

In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposit and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions, have started to be insured. In this context, commercial deposits covered by the insurance amount to TL 585.359 and the related amount is not included in the footnote.

1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad

1.4 Saving deposits that are not under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad	--	--
Deposits of Ultimate Shareholders and Their Close Families	73.604	6.773
Deposits of Chairman and Members of the Board of Directors and their Close Families	--	--
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	425.928	95.245
Saving Deposits in Banks Established in Turkey Exclusively for Off	--	--
Shore Banking Activities	--	--

2. Information on derivative financial liabilities held for trading

2.1 Information on negative differences relating to derivative financial liabilities

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	311.624	--	279.519	--
Swap Transactions	490.607	--	258.528	--
Futures Transactions	--	--	--	--
Options	15.613	69.007	82	23.811
Other	--	--	--	--
Total	817.844	69.007	538.129	23.811

3. Information on banks and other financial institutions

3.1 Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey	--	--	--	--
From Domestic Banks and Institutions	--	329.664	--	--
From Foreign Banks, Institutions and Funds	--	1.995.597	--	3.179.212
Total	--	2.325.261	--	3.179.212

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II. Explanations and disclosures related to consolidated liabilities (continued)

3.2 Maturity analysis of borrowing

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	--	1.920.660	--	469.618
Medium and Long Term	--	404.601	--	2.709.594
Total	--	2.325.261	--	3.179.212

3.3 Additional explanation related to the concentrations of the Group's major liabilities

In the scope of normal banking operations, the Group funds itself through the funds provided in the form of deposits, bank borrowings and bond issuance.

4. Information related to securities issued

	Current Period		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	--
Book Value	--	--	--	--

	Prior period		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	1.150.000	--	--	3.609.912
Book Value	1.108.379	--	--	3.702.499

5 Other Liabilities

Other liabilities of balance sheet do not exceed 10% of the balance sheet total excluding the off-balance sheet items.

6. Obligations under financial lease

With the "IFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees.

	Current Period		Prior Period	
	Gross	Net	Brüt	Net
Less than 1 Year	153.124	139.142	61.232	56.663
Between 1-4 Years	282.026	182.704	117.021	81.630
More than 4 Years	191.631	51.107	8.183	3.314
Total	626.781	372.953	186.436	141.607

7. Information on derivative financial liabilities for hedging purposes

As of 31 December 2023, there are no derivative financial liabilities for hedging purposes (31 December 2022: None).

8. Information on provisions

8.1 Foreign exchange losses on the foreign currency indexed loans

The foreign exchange losses on foreign currency indexed loans are netted off from the loans on the balance sheet. As of 31 December 2023, there is no provision of foreign exchange loss on the foreign currency indexed loans. (31 December 2022: None).

II. Explanations and disclosures related to liabilities (continued)

8. Information on provisions (continued)

8.2 The specific provisions provided for unindemnified non cash loans

As of 31 December 2023, the specific provision provided for unindemnified non cash loans is TL 18.886 (31 December 2022: TL 14.192).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	1.586.000	1.320.000

8.3.2 The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total provisions

None.

8.3.3 Explanations on reserves for employee benefits

As of 31 December 2023, reserves for employee benefits amounting to TL 310.903 (31 December 2022: TL 234.316) comprise of TL 98.200 reserve for employee termination benefits (31 December 2022: TL 69.065), TL 24.854 unused vacation pay liability (31 December 2022: TL 15.228) and TL 187.849 personnel bonus accrual (31 December 2022: TL 150.023).

	Current Period	Prior Period
Balance at the Beginning	69.064	24.307
Change in the period	21.360	7.994
Aktüeriel Loss/Profit Transferred to Equity	50.167	45.745
Paid in the Period	(42.391)	(8.982)
Balance at the End	98.200	69.064

9. Explanations on Tax Liability

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 31 December 2023, the Group's current tax liability is TL 920.780 (31 December 2022: TL 404.817).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	566.400	240.742
Taxation on securities	71.851	20.648
Property tax	1.105	540
Banking and Insurance Transaction Tax (BITT)	128.919	41.778
Taxes on foreign exchange transactions	7.955	6.065
Value added taxes payable	15.659	8.268
Income tax ceased from wages	48.023	31.339
Other	4.411	16.009
Total	844.323	365.389

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	30.994	16.732
Social Security Premiums- Employer	39.606	19.232
Bank Social Aid Pension Fund Premium- Employee	--	--
Bank Social Aid Pension Fund Premium- Employer	--	--
Pension Fund Membership Fees and Provisions- Employee	--	--
Pension Fund Membership Fees and Provisions- Employer	--	--
Unemployment Insurance- Employee	1.952	1.165
Unemployment Insurance- Employer	3.905	2.299
Other	--	--
Total	76.457	39.428

9.2 Explanations on deferred tax liabilities

None (31 December 2022: None).

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II. Explanations and disclosures related to liabilities (continued)

10. Information on liabilities regarding assets held for sale and discounted operations

None (31 December 2022: None).

11. Explanations on subordinated loans

The additional Tier 1 capital with a nominal amount of USD 30 million was early redeemed on 1 March 2022 with the approval of the BRSA, and the redemption amount was used in the cash capital increase realized in April 2022.

	Current Period		Prior Period	
	TL (*)	FC	TL	FC
Debt instruments subject to common equity	100.000	--	100.000	--
Subordinated loans	--	--	--	--
Subordinated debt instruments*	100.000	--	100.000	--
Debt instruments subject to Tier 2 equity	--	7.180.853	--	4.543.945
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	7.180.853	--	4.543.945
Total	100.000	7.180.853	100.000	4.543.945

(*) Related debt instrument is shown under "Other Capital Reserves" account.

12. Information on shareholders' equity

12.1 Paid-in capital

	Current Period	Prior Period
Common Stock	1.357.723	1.357.723
Preferred Stock	--	--

12.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied at The Bank; if so the amount of registered share capital ceiling:

Registered share capital system is not applied.

12.3 Information on share capital increases and their sources; other information on increased capital shares in current period

Fiba Portföy Yönetimi A.Ş., the financial subsidiary of the Bank, made a capital increase from internal resources (extraordinary reserves) with the decision taken at the Extraordinary General Assembly dated 23 May 2023. The paid-in capital of the Bank's financial subsidiary, Fiba Portföy Yönetimi A.Ş., was increased by TL 22.000 to TL 30.000.

The Bank's subsidiary Fiba Sigorta A.Ş. The capital increase was made with the decision taken at the Extraordinary General Assembly dated 30 March 2023. Fiba Sigorta A.Ş., its paid-in capital was increased by TL 15.000 to TL 110.000.

12.4 Information on share capital increases from revaluation funds:

None.

12.5 Information on capital commitments the purpose and the sources until the end of the fiscal year and the subsequent interim period:

The capital is totally paid in and there are no capital commitments.

12.6 Indicators of the Group's income, profitability and liquidity for the prior periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Group's equity:

None.

12.7 Information on privileges given to stocks representing the capital

The Group does not have any preferred shares.

II. Explanations and disclosures related to liabilities (continued)

12. Information on shareholders' equity (continued)

12.8 Common stock issue premiums, shares and equity instruments

Number of shares issued with premiums and the related share premiums are presented below.

	Current Period	Prior Period
Number of Shares (Thousand)	26.230.098	26.230.098
Number of Privileged Shares	--	--
Share Premium	128.678	128.678
Share Cancellation Profits	--	--
Other Equity Instruments	--	--

12.9 Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)	--	--	--	--
Security Valuation Difference	725.747	41.432	788.895	(6.718)
Exchange Difference	--	--	--	--
Total	725.747	41.432	788.895	(6.718)

12.10 Information on other capital reserves

The Parent Bank issued a TL-denominated debt instrument on 20 March 2019 with nominal amount of TL 100.000 with a floating interest rate, which fulfills the conditions of 7th section-2nd paragraph of BRSA's "Regulation on Equities of Banks", has equity characteristics and will be added to Tier 1 capital calculations. The principal of debt instrument is under "Other Capital Reserves" account and interest expense is under "Prior Periods Profit or Losses" account.

12.11 Information on revaluation reserve

None.

12.12 Bonus shares of subsidiaries, associates and joint ventures

Fiba Portföy Yönetimi A.Ş., the financial subsidiary of the Bank, made a bonus share of TL 22.000 from internal sources on 23 May 2023 (31 December 2022: 2.500 TL).

12.13 Information on legal reserves

	Current Period	Prior Period
Legal Reserves	204.289	71.590
Special Reserves	--	--

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	3.022.580	926.300
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

13. Information on minority shares

	Current Period	Prior Period
Opening Balance	703	244
Minority Shares in Net Profit of Subsidiaries	795	459
Dividend Payment in Prior Period	--	--
Increase /(Decrease) in Minority Shares due to Sale	--	--
Others	--	--
Period-end Balance	1.498	703

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Notes to the Consolidated Financial Statements for the Periods Between 1 January - 31 December 2023

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III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments

1. Information on consolidated off-balance sheet commitments

1.1 Nature and amount of irrevocable loan commitments

	Current Period	Prior Period
Asset Sale and Purchase Commitments	12,047,654	5,669,993
Credit Card Limit Commitments	357,395	36,319
Credit Card and Bank Trans. Promo. Guarantee	6	--
Commitments for Credit Allocation with the Guarantee of Usage	5,329,780	3,644,791
Export Commitments	66,455	31,761
Commitment for Cheques	329,964	276,368
Other Irrevocable Commitments	14,650	5,719
Total	18,145,904	9,664,551

1.2 Possible losses and commitments related to off-balance sheet items, including the ones listed below

1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Letters of Guarantee TL	499,650	486,870
Letters of Guarantee FC	447,689	154,792
Letters of Credit	81,217	86,358
Bills of Exchange and Acceptances	35,408	17,941
Total	1,063,964	745,961

The Bank has set aside TL 21,369 of expected credit loss allowance for non-cash loans (31 December 2022: TL 15,642).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	21,322	15,710
Irrevocable Letters of Guarantee	823,196	545,901
Letters of Guarantee Given in Advance	35,997	10,330
Letters of Guarantee Given to Customs	59,469	55,760
Other Letters of Guarantee	7,355	13,961
Total	947,339	641,662

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	--	3,098
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	--	3,098
Other Non-Cash Loans	1,063,964	742,863
Total	1,063,964	745,961

III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments (continued)

3. Information on sectorial risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	2,314	0.2%	3,137	1.2%	1,844	0.2%	--	0.0%
Farming and raising livestock	2,304	0.4%	--	0.0%	3,254	0.7%	--	0.0%
Forestry	428	0.1%	3,137	1.2%	405	0.1%	--	0.0%
Fishing	--	0.0%	--	0.0%	--	0.0%	--	0.0%
Manufacturing	104,875	31.0%	324,069	19.7%	114,859	23.6%	54,423	21.0%
Mining	14,975	3.0%	19,254	2.1%	7,975	1.6%	--	0.0%
Production	89,152	17.8%	312,441	17.6%	104,920	21.8%	54,423	21.0%
Electric, gas and water	768	0.2%	--	0.0%	2,157	0.4%	--	0.0%
Construction	100,817	30.2%	17,248	1.7%	107,459	22.0%	54,955	21.0%
Services	200,940	49.2%	190,418	13.7%	179,848	35.7%	170,219	67.2%
Wholesale and retail trade	16,322	19.3%	92,781	16.3%	112,524	23.1%	80,754	21.2%
Hotel, food and beverage services	7,034	1.4%	8,168	1.4%	3,324	0.7%	4,104	1.1%
Transportation and telecommunication	8,340	1.7%	82,844	11.1%	8,838	1.8%	4,946	1.3%
Financial institutions	76,963	15.4%	4,004	0.7%	39,310	7.3%	20,511	5.8%
Real estate and renting services	5,239	1.1%	--	0.0%	5,242	1.1%	--	0.0%
Self-employment services	3,618	0.6%	469	0.1%	1,850	0.4%	11,761	3.1%
Education services	1,675	0.2%	--	0.0%	1,203	0.2%	--	0.0%
Health and social services	2,956	0.6%	23,428	4.2%	3,317	0.7%	10,443	4.0%
Other	70,429	18.7%	45,456	8.1%	87,567	18.0%	12,484	4.8%
Total	499,650	100.0%	364,314	100.0%	486,870	100.0%	319,941	100.0%

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

Current Period	Stage I		Stage II	
	YK	YK	YK	YK
Letters of Guarantee	406,163	427,308	80,660	10,038
Bills of Exchange and Bank Acceptances	--	--	--	38,408
Letters of Credit	--	81,217	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Securities	--	--	--	--
Non-Cash Loans	406,163	508,525	80,660	48,446

(*) The expected credit loss according to TL 13 (7) for non-cash loans which are not indemnified is included.

Prior Period	Stage I		Stage II	
	YK	YK	YK	YK
Letters of Guarantee	401,323	194,710	54,647	--
Bills of Exchange and Bank Acceptances	--	17,561	--	--
Letters of Credit	--	86,358	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Securities	--	--	--	--
Non-Cash Loans	401,323	298,629	54,647	--

5. Information related to derivative financial instruments

Types of trading transactions	Current Period		Prior Period	
	TL	FC	TL	FC
Foreign Currency Related Derivative Transactions (I)	128,351,457	117,286,959	71,101,129	34,702,848
Forward Transactions	71,101,129	--	71,101,129	--
Swap Transactions	57,250,328	117,286,959	--	34,702,848
Future Transactions	77,244	142,388	--	--
Option Transactions	17,280,144	--	12,777,090	--
Interest Related Derivative Transactions (II)	3,350	1,747,149	--	--
Forward Rate Transactions	--	--	--	--
Interest Rate Swap Transactions	--	1,747,149	--	--
Interest Option Transactions	--	--	--	--
Future Interest Transactions	--	--	--	--
Other Trading Derivative Transactions (III)	3,350	2,372,932	--	--
A. Total Derivative Transactions Held for Trading (I+II)	131,704,811	119,034,108	71,101,129	34,702,848
Types of hedging transactions:				
Fair Value Hedges	--	--	--	--
Cash Flow Hedges	--	--	--	--
Net Investment Hedges	--	--	--	--
B. Total Derivative Transactions Held for Hedging Purposes	--	--	--	--
Total Derivative Transactions (A+B)	131,704,811	119,034,108	71,101,129	34,702,848

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- III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments (continued)
6. Credit derivatives and risk exposures on credit derivatives
None.
7. Explanations on contingent liabilities and assets
The Group provided provision of TL 50.722 for the legal cases pending against the Group where the cash outflows are probable (31 December 2022: TL 50.760).
8. Custodian and intermediary services
The Group provides trading and safe keeping services in the name and account of third parties. Such transactions are presented in off-balance statements.

IV. Explanations and disclosures related to the statement of profit or loss

1. Interest Income

1.1 Information on interest on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans(*)	8.743.059	729.746	5.207.462	382.979
Short Term Loans	7.045.973	323.378	3.893.724	53.553
Medium and Long Term Loans	1.697.086	406.368	1.313.738	329.426
Interest on Non-Performing Loans	72.564	--	47.143	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total (*)	8.815.623	729.746	5.254.605	382.979

(*) Includes fees and commissions obtained from cash loans as well.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TP	YP
The Central Bank of Turkey	--	23.232	909	8.139
Domestic Banks	52.428	12.369	9.126	4.542
Foreign Banks	--	7.887	--	1.460
Branches and Head Office Abroad	--	--	--	--
Total	52.428	43.488	10.035	14.141

1.3 Interest received from marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	6	201	31	143
Financial Assets at Fair Value Through Other Comprehensive Income	572.247	207.773	170.980	125.967
Financial Assets Measured at Amortized Cost	570.512	347.058	220.018	235.036
Total	1.142.765	555.032	391.029	361.146

1.4 Information on interest income received from associates and subsidiaries

Total interest income received from subsidiaries is TL 8.111 (31 December 2022: TL 13.800).

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IV. Explanations and disclosures related to the statement of profit or loss (continued)

2. Interest expense

2.1 Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	--	385.525	833	21.739
The Central Bank of Turkey	--	--	--	--
Domestic Banks	--	8.532	833	1.534
Foreign Banks	--	376.993	--	20.205
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	614.610	--	349.464
Total	--	1.000.135	833	371.203

(*)Includes fees and commission expenses on borrowings, as well.

2.2 Information on interest expenses to associates and subsidiaries

Total interest expense given to subsidiaries is TL 104.938 (1 January - 31 December 2022: TL 8.712).

2.3 Information on interest expenses to marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	161.844	16.146	21.039	213.832

2.4 Information on maturity structure of interest expenses paid for deposits

Account Description	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	540.816	--	--	--	--	--	540.816
Saving Deposits	--	2.221.509	5.216.103	321.832	33.657	4.547	--	7.797.648
Public Sector Deposits	--	--	7.255	--	--	--	--	7.255
Commercial Deposits	--	339.330	1.067.552	49.593	11.028	34	--	1.467.537
Other	--	4.088	60.664	1.724	--	--	--	66.476
7 Days Notice	--	--	--	--	--	--	--	--
Total	--	3.105.743	6.351.574	373.149	44.685	4.581	--	9.879.732
Foreign Currency								
Foreign Currency Deposits	--	12.356	111.328	3.046	10.081	11.025	--	147.836
Bank Deposits	--	22.089	--	--	--	--	--	22.089
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	5.747	--	--	--	--	--	5.747
Total	--	40.192	111.328	3.046	10.081	11.025	--	175.672
Grand Total	--	3.145.935	6.462.902	376.195	54.766	15.606	--	10.055.404

3. Information on dividend income

There is dividend income received from subsidiaries of the Group in the current period TL 130.001 (31 December 2022: TL 200.000).

IV. Explanations and disclosures related to the statement of profit or loss (continued)

4. Information on net trading income / loss

	Current Period	Prior Period
Income	31.155.117	13.706.131
Gains on Capital Market Operations	485.352	107.308
Gains on Derivative Financial Instruments	5.261.687	2.983.347
Foreign Exchange Gains	25.408.078	10.615.476
Loss (-)	26.433.790	10.749.069
Losses on Capital Market Operations	291.287	40.427
Losses on Derivative Financial Instruments	9.511.555	4.036.350
Foreign Exchange Losses	16.630.948	6.672.292
Net Trading Income / (Loss)	4.721.327	2.957.062

5. Information on other operating income

Other operating income mainly consists of provision reversals, profit from sale of assets, commissions on cheques and notes and costs recharged.

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	1.035.599	626.607
12 Months Expected Credit Losses (Stage 1)	13.018	185.888
Significant Increase In Credit Risk (Stage 2)	123.940	103.830
Impaired Credits (Stage 3)	898.641	336.889
Impairment Losses on Marketable Securities	--	--
Financial Assets Valued at Fair Value Through Profit or Loss	--	--
Financial Assets Valued at Fair Value Through Other Comprehensive Income	--	--
Impairment Losses on Associates, Subsidiaries and Joint Ventures	--	--
Associates	--	--
Subsidiaries	--	--
Joint-Ventures	--	--
Other (*)	268.812	1.026.806
Total	1.304.411	1.653.413

(*) Within the period of 31 December 2023, there is TL 2.812 litigation expense and TL 266.000 provision for possible losses (31 December 2022: TL 983.000 provision for possible losses and TL 44.745 litigation expense).

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IV. Explanations and disclosures related to the statement of profit or loss (continued)

7. Information related to other operational expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	7.525	586
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	48.949	27.921
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	121.370	55.880
Impairment Losses on Investment Accounted for under Equity Method	--	--
Impairment of Assets to be Disposed	--	--
Depreciation of Assets to be Disposed	--	--
Impairment of Assets Held for Sale	84.122	39.323
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	918.573	393.291
Operational leases expenses related with TFRS 16 exceptions	2.944	699
Repair and Maintenance Expenses	8.960	4.704
Advertisement Expenses	152.089	109.315
Other Expenses	754.580	278.573
Losses on Sale of Assets	720.496	290.070
Other	432.495	242.177
Total	2.333.530	1.049.248

(*) Loss on Sale of Assets amounting to TL 716.182 is related to the sale of loans within the scope of VDMK. In 2023, a total of TL 8.403.475 loans were sold for the purpose of issuing VDMK, and the difference of TL 716.182 between the book value and the discounted value of these loans was recognized as loss on sale.

(**) The other line includes SDFI expenses in the amount of TL 118.876, contractual power of attorney fee expenses in the amount of TL 64.549, audit and counselling expenses in the amount of TL 71.102.

8. Information on profit/loss before tax from continued and discontinued operations

	Current Period	Prior Period
Interest Income	12.570.281	8.122.214
Interest Expenses (-)	(11.753.850)	(4.271.618)
Net Fee and Commission Income	1.445.750	450.621
Dividend Income	120.001	200.000
Trading Profit/Loss (net)	4.721.327	2.957.062
Other Operating Income	2.630.651	1.111.038
Provision for Impairment in Loans and Other Receivables	(1.029.559)	(628.607)
Other Provision Expenses (-)	(268.823)	(1.028.806)
Reversal Expenses (+)	2.044.028	840.494
Other Operating Expenses (-)	(2.190.033)	(1.182.181)
Profit/(Loss) before Tax	5.648.414	3.462.221

9. Explanations on tax provision for resumed operations and discontinued operations

The Group's ongoing activities tax reconciliation is as follows:

	Current Period	Prior Period
Net Operating Profit	5.648.414	3.462.221
Corporate tax rate	20%	20%
Adjustment of Tax before Deductions and Additions	(1.494.324)	865.555
Deductions	(1.501.180)	(897.807)
Additions	1.262.300	(771.884)
Calculated tax	(1.455.645)	(741.632)

9.1 Current period taxation income or expense and deferred tax income or expense

For the period ended 31 December 2023, the Group provided current tax expense of TL 2.115.557 in the statement of profit or loss (1 January - 31 December 2022: TL 1.141.697 expense).

For the period ended 31 December 2023, the Group provided the deferred tax income of TL 659.912 in the statement of profit/loss period (1 January - 31 December 2022: TL 400.065 net deferred tax income).

IV. Explanations and disclosures related to the statement of profit or loss (continued)

10. Information on profit/loss from continued and discontinued operations

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	5.648.414	3.462.221
Tax Benefit/(Charge) on Continuing Operations	(1.455.645)	(741.632)
Net Profit/(Loss) from Continuing Operations	4.192.769	2.720.589

11. Information on net profit/loss for the period

11.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Group's performance for the period

In the current and prior periods, the Group's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expense on deposits and similar borrowing items which are funding resources of loans and marketable securities.

11.2 Changes in estimations made by the Group with respect to the financial statements items do not have a material effect on profit/loss.

11.3 Consolidated profit in current period from minority shares

Consolidated profit in current period from minority shares is TL 795 (1 January - 31 December 2022: TL 459).

12. If "other" lines of the statement of profit or loss exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

In the current period, "other" items recognised in "fees and commissions received" majorly comprised of commissions such as, valuation commissions, insurance commissions, contracted merchant commissions, credit card commissions.

In the current period, "other" items recognised in "fees and commissions paid" majorly comprised of commissions to correspondent banks, credit card commissions and commissions on issuance of securities.

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Periods Between 1 January - 31 December 2023

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

V. Explanations and disclosures related to statements of changes in consolidated shareholders' equity

1. Information on inflation adjustment difference of shareholders' equity

As per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.

In accordance with the circular, TL 17.416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account. Mentioned inflation adjustment was used in the capital increase from TL 426.650 to TL 550.000 together with TL 9.502 profit from the disposal of real estate and TL 96.432 cash contribution of Fiba Holding A.Ş. in accordance with the Board of Directors decision dated 25 February 2013. Legal procedures were completed on 29 May 2013 and capital increase was accounted for in the financial statements.

2. Information on profit distribution

The decision relating to distribution of 2023 profit will be made at the General Assembly.

At the General Assembly meeting held on 31 March 2023, 2022 profit of the Parent Bank was decided to be distributed as follows:

Profit or Loss	2.671.354
A - Prior Periods Losses	17.375
B- Legal Reserves	132.699
C- Special Funds	425.000
D- Extraordinary Reserves	2.096.820

3. Information on foreign exchange difference

None.

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

Fair value gains and losses on financial assets measured at fair value through other comprehensive income are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such equity securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" for such equity securities. In case the related assets are Debt securities, they are recognized under in the account "Accumulated Other Comprehensive Income or Loss to be Reclassified Through Profit or Loss" under equity.

VI. Explanations and disclosures related to the consolidated statement of cash flows

1. Information on cash and cash equivalents

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency, money in transfer, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments on marketable securities are defined as "Cash equivalents".

a. Cash and cash equivalents at the beginning of the period:

	1 January 2023	1 January 2022
Cash	2.021.381	968.288
Banks and Other Financial Institutions	11.675.717	10.544.077
Money Market Placements	1.636.551	128.720
Total Cash and Cash Equivalent Assets	15.333.649	11.641.085

b. Cash and cash equivalents at the end of the period:

	31 December 2023	31 December 2022
Cash	2.909.269	2.021.381
Banks and Other Financial Institutions	13.669.816	11.675.717
Money Market Placements	2.798.486	1.636.551
Total Cash and Cash Equivalent Assets	19.377.571	15.333.649

2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons

In the current period, demand deposits of TL 95.637 which is blocked at foreign banks as the guarantee of derivative transactions and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equivalents (31 December 2022: TL 170.631).

3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents

"Other items" amounting to TL (5.982.588) in "operating profit before changes in operating assets and liabilities" consists of other operating expenses and realized derivative losses (31 December 2022: TL (857.815)).

"Net increase/decrease in other liabilities" amounting to TL 7.570.265 in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2022: TL 4.208.132).

"Net increase/decrease in other assets" amounting to TL (897.618) in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2022: TL 133.569).

"Other" amounting to TL 647.770 in "Net cash flows from investment activities" consists of purchases of intangible assets (31 December 2022: TL 187.298).

"The effect of exchange rate changes on cash and cash equivalents" is the amount arising from conversion of the cash and cash equivalents denominated in foreign currencies with the average of the exchange rates effective at the beginning and at the end of the related periods and is TL 8.270.338 the current period (1 January- 31 December 2022: TL 3.553.221).

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Periods Between 1 January - 31 December 2023

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

VII. Explanations and disclosures on the risk group of the Parent Bank

1. Information on the volume of transactions with the Group's risk group, lending and deposits outstanding at period end and income and expenses in the current period

1.1 The volume of transactions with the Bank's risk group

Current period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables **	--	--	--	--	--	--
Balance at the Beginning of the Period	267.036	483	--	--	627.604	76.715
Balance at the End of the Period	179.981	683	--	450	1.145.486	60.151
Interest and Commission Income Received	8.109	2	407	--	183.935	178

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

Prior period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables **	--	--	--	--	--	--
Balance at the Beginning of the Period	60.114	--	--	--	465.991	67.861
Balance at the End of the Period	267.036	483	--	--	627.604	76.715
Interest and Commission Income Received	13.797	3	23	--	79.962	299

(*) Described in article 49 of the Banking Act No: 5411.

(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

1.2 Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the Beginning of the Period	250.214	224.366	1.249.692	2.204	1.150.446	399.459
Balance at the End of the Period	609.425	250.214	50.080	1.249.692	1.325.911	1.150.446
Deposit Interest Expense	104.938	8.712	97.102	13.920	257.036	41.535

(*) Described in article 49 of the Banking Act No: 5411.

1.3 Information on funds obtained from the Bank's risk group

As of 31 December 2023, there are funds other than deposit obtained from Bank's Risk Group TL 4.425.465 (31 December 2022: TL 2.492.998).

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

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

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	75.012	--	1.502.471	404.723
Balance at the End of the Period	--	--	--	75.012	129.289	1.502.471
Total Income/Loss	--	--	--	--	(3.482)	32.588
Transactions for Hedging Purposes:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	--	--	--
Balance at the End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

(*) As described in the Article 49 of Banking Act no.5411.

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

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

The terms of related party transactions are equivalent to those that prevail in arm's length transactions only if such terms can be substantiated regarding the limits exposed by the Banking Act. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.

2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of 31 December 2023, the ratio of the loans and other receivables used by the entities of the Risk Group to total loans and receivables is 2,58% (31 December 2022: 2,36%) and the ratio of the deposits of entities of the Risk Group to total deposits is 2,90% (31 December 2022: 5,66%). The ratio of the funds provided from the Risk Group to the total loans received 43,26% (31 December 2022: 17,05%).

In the current period, benefits such as salaries and bonuses; provided to the key management are TL 115.813 (1 January - 31 December 2022: TL 28.235).

2.3 Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements

None.

2.4 Transactions accounted for under equity method

None.

2.5 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

None.

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Periods Between 1 January - 31 December 2023

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

VIII. Explanations on the Parent's domestic, foreign, off-shore branches or investments in associates and foreign representative offices

1. Information related to the Group's domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic Branch	40	1,958			
			Country of Incorporations		
Foreign Reprasantation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

Domestic Consolidated Subsidiaries

	Number of Employees	Assets	Legal Capital
Fiba Portföy Yönetimi A.Ş.	18	164.686	30.000

IX. Fees for services received from Independent Auditor / Independent Audit firms

The fee information regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the KGK dated 26 March 2021 is given in the table below.

	Current Period	Prior Period
Independent Audit Fee	7.090	5.924
Tax Consultancy Fee	--	--
Other Assurance Services Fee	--	--
Other Fee For Non-Audit Services	--	--
Total	7.090	5.924

(*) Excluding VAT

X. Explanations and notes related to subsequent events

None.

SECTION SIX

I. Other disclosures on activities of the Parent Bank

Summary information of Parent Bank's risk ratings by international rating agencies:

Fitch Ratings

Long term FC and TL Rating	B-
Short term FC and TL Rating	B
Viability Rating	b-
Viability Rating	Unrated
Support Rating	A (tur) Stable
Senior Unsecured Debt Rating	CCC
Subordinated Debt Rating	Stable

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements for the Periods Between 1 January - 31 December 2023

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

SECTION SEVEN

DISCLOSURES ON AUDIT REPORT

I. Disclosures on independent auditor's report

The consolidated financial statements of the Bank as of 31 December 2023, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (The Turkish member firm of KPMG International Cooperative) and a audit report is presented before the accompanying financial statements.

II. Disclosures and footnotes prepared by independent auditors

None.

CONTACT AND BRANCHES

No	Branch Code	Branch Name	City	District	Branch Address	Phone	Fax
1	15	İzmir	İzmir	Konak	Cumhuriyet Meydanı, Meydan Apt. No: 11/B Alsancak	+90 (232) 466 0124	+90 (232) 422 4924
2	18	Caddebostan	İstanbul	Kadıköy	Bağdat Cad. 300/A Caddebostan	+90 (216) 569 7120	+90 (216) 372 6934
3	20	Kalamış	İstanbul	Kadıköy	Fenerbahçe Mah. Ahmet Mithat Efendi Cad. No: 13	+90 (216) 477 7250	+90 (216) 369 1489
4	21	Europe Commercial Branch	İstanbul	Kağıthane	Merkez Mah. Cendere Cad. No: 22/18	+90 (212) 381 17 40	+90 (212) 381 85 76
5	22	Nişantaşı	İstanbul	Şişli	Harbiye Mah. Teşvikiye Cad. No: 49/B	+90 (212) 368 8158	+90 (212) 219 6617
6	23	Etiler	İstanbul	Beşiktaş	Nispetiye Cad. No: 77 Etiler	+90 (212) 359 8203	+90 (212) 257 2059
7	24	Maslak	İstanbul	Sarıyer	Büyükdere Cad. Nurol Plaza No: 255/Z05 Maslak Sarıyer -İstanbul	+90 (212) 368 8122	+90 (212) 219 42 54
8	25	Kozyatağı	İstanbul	Kadıköy	Sahtayicedit Mah. Atatürk Cad. No: 36/A Kozyatağı	+90 (216) 477 7132	+90 (216) 369 1136
9	26	Yıldız	Ankara	Çankaya	Hilal Mah. Hollanda Cad.No: 3/A	+90 (312) 405 8003	+90 (312) 442 2493
10	29	Necatibey	Ankara	Çankaya	Necatibey Cad. No: 23/B Kızılay	+90 (312) 205 1083	+90 (312) 229 6790
11	30	Akdeniz	Antalya	Muratpaşa	Mehmetçik Mah. Apendos Bulvarı No: 81/D	+90 (242) 314 1021	+90 (242) 322 2493
12	31	Merkez	İstanbul	Şişli	Esentepe Mah. Büyükdere Caddesi No: 129 A	+90 (212) 381 8555	+90 (212) 227 2452
13	32	Özyeğin Ün.	İstanbul	Çekmeköy	Nişantepe Mah. Orman Sok. No: 28/30 Öğrenci Merkezi	+90 (216) 525 5000	+90 (216) 525 5001
14	34	Alanya	Antalya	Alanya	Saray Mah. Yunusemre Cad. No: 52/A	+90 (242) 511 5050	+90 (242) 511 6995
15	36	Pendik	İstanbul	Pendik	Çınardere Gönenli Mehmet Efendi Cad. No: 87/B Pendik	+90 (216) 598 1525	+90 (216) 598 1585
16	37	Ostim	Ankara	Yenimahalle	Organize Sanayi Bölgesi, 100. Yıl Bulvarı No: 55 B Blok-2	+90 (312) 386 0401	+90 (312) 386 0462
17	39	Caziantep	Gaziantep	Şehitkamil	İncilipınar Mah. Prof. Muammer Aksoy Cad. No: 19	+90 (342) 215 16 88	+90 (342) 215 1678
18	40	Bodrum	Muğla	Bodrum	Hasan Reşat Öncü Cad. No: 20	+90 (252) 313 1680	+90 (252) 313 1690
19	41	Gebze	Kocaeli	Gebze	Hacı Halil Mah. Atatürk Cad. No: 55/1 A Blok	+90 (262) 643 10 53	+90 (262) 643 1072
20	42	Bakırköy	İstanbul	Bakırköy	İncirli Cad. Aydın İşhanı No: 90	+90 (212) 571 1701	+90 (212) 571 1715

CONTACT AND BRANCHES

No	Branch Code	Branch Name	City	District	Branch Address	Phone	Fax
21	45	Maltepe	Istanbul	Maltepe	Cevizli Mah. Bağdat Cad. No: 444/A	+90 (216) 457 3369	+90 (216) 457 3370
22	47	Denizli	Denizli	Pamukkale	Topraklık Mah. Gazi Mustafa Kemal Bulvarı No: 21/B Denizli	+90 (258) 264 4421	+90 (258) 264 4402
23	48	Mersin	Mersin	Yenişehir	Palmiye Mah. Adnan Menderes Cad. Sözmen Sitesi No: 18/E	+90 (324) 233 1149	+90 (324) 233 6932
24	53	Üsküdar	Istanbul	Üsküdar	Aziz Mahmut Hüdayi Mah. Halk Cad. No: 4-6A	+90 (216) 532 3307	+90 (216) 532 3475
25	54	Konya	Konya	Selçuklu	Feritpaşa Mah. No: 7/C	+90 (332) 345 0230	+90 (332) 345 0991
26	55	Ümraniye	Istanbul	Ümraniye	Alemdağ Cad. No: 372/1	+90 (216) 481 9101	+90 (216) 481 9103
27	58	Bornova	İzmir	Bornova	Kazım Dirik Mah. Mustafa Kemal Cad. No: 117/a	+90 (232) 343 3304	+90 (232) 343 6662
28	59	Muratpaşa	Antalya	Muratpaşa	Muratpaşa Mah. Adnan Menderes Bulvarı No:9 Muratpaşa	+90 (242) 229 1024	+90 (242) 229 1028
29	61	Karşıyaka	İzmir	Karşıyaka	Bostanlı Mahallesi Girne Bulvarı No: 63/A Karşıyaka İzmir	+90 (232) 368 7085	+90 (232) 368 7021
30	62	Adana	Adana	Seyhan	Cemalpaşa Mah. Atatürk Cad. No: 52/A	+90 (322) 459 9711	+90 (322) 459 7993
31	63	Çorlu	Tekirdağ	Çorlu	Cemaliye Mah. Eski Hükümet Cad. No: 6/2B	+90 (282) 653 7020	+90 (282) 652 1969
32	67	Çallı	Antalya	Kepez	Ulus Mah. Namık Kemal Bulvarı No: 6/5 Çetin İş Merkezi Kepez	+90 (242) 344 5420	+90 (242) 344 5421
33	70	Balgat	Ankara	Çankaya	Oğuzlar Mah. Ceyhun Atuf Kansu Cad. No: 50/A Balgat	+90 (312) 220 16 77	+90 (312) 220 1678
34	76	Bursa	Bursa	Nilüfer	Odunluk Mah. Akpınar Cad. R plaza No 21/E	+90 (224) 441 44 08	+90 (224) 441 44 28
35	79	Kadıköy	Istanbul	Kadıköy	Osmanağa Mah. Söğütluçeşme Cad. No: 46-48	+90 (216) 450 56 96	+90 (216) 450 56 97
36	85	Beylikdüzü	Istanbul	Büyükkçekmece	Cumhuriyet Mah. D100 Karayolu Cad. No: 374/26-27	+90 (212) 873 68 85	+90 (212) 872 9887
37	87	Ankara Kurumsal	Ankara	Çankaya	Koç Kuleleri Söğütözü Mah. Söğütözü Cad. No: 2 A Blok K: 27 Ofis No: 78-79	+90 (312) 284 47 72	+90 (312) 287 64 41
38	94	Atatürk OSB	Istanbul	Başakşehir	İkitelli OSB Şubesi Atatürk Bulvarı Haseyad 1. Kısım Göksu İş Merkezi No: 56/D	+90 (212) 549 65 98	+90 (212) 549 3284
39	97	Etiler Özel Bankacılık Merkezi	Istanbul	Beşiktaş	Etiler Mah. Ayazma Yolu Sok No 5	+90 (212) 349 99 99	+90 (212) 351 00 99
40	98	İzmit	Kocaeli	İzmit	Körfez Mah. Ankara Karayolu Cad. No: 113	+90 (262) 324 03 31	+90 (262) 324 03 32

