

Fibabanka Anonim Şirketi

**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)*



To the Shareholders of Fibabanka Anonim Şirketi

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.

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 recognised as expense in the current period and TL 1.320.000 thousand had been recognised 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 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 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.

<i>Key audit matter</i>	<i>How the matter is addressed in our audit</i>
<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. 29750 dated 22 June 2016 and TFRS 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 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 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’ disclosures 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

Alper Güvenç, 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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Contact E-Mail : deniz.turunc@fibabanka.com.tr

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.

Hüsnü Mustafa Özyeğin Chairman of the Board of Directors	Faik Onur Umut 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
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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 PERIOD 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.

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2023

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

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

<u>Name Surname(*)</u>	<u>Title</u>	<u>Assignment Date</u>
Board of Directors		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
Mehmet Güleşci	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. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 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.I.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.I.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.I.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.I.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.I.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.I.6)	44.299.675	16.407.422	60.707.097	34.656.254	10.838.678	45.494.932
2.1 Loans	(5.I.5)	42.471.793	9.761.225	52.233.018	33.382.033	6.150.406	39.532.439
2.2 Lease Receivables	(5.I.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.I.5)	318.004	3.293	321.297	186.000	790	186.790
2.4 Financial Assets Measured at Amortised Cost	(5.I.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.I.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.I.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.I.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.I.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.I.12)	864.678	-	864.678	692.513	-	692.513
VI. INTANGIBLE ASSETS (Net)	(5.I.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.I.14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	500	-	500
IX. DEFERRED TAX ASSET	(5.I.15)	994.644	-	994.644	384.664	-	384.664
X. OTHER ASSETS	(5.I.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.

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)

LIABILITIES	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2023)			(31/12/2022)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	49.983.742	18.460.864	68.444.606	32.068.693	14.790.133	46.858.826
II. FUNDS BORROWED	(5.II.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.II.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.II.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.II.6)	372.953	-	372.953	141.567	40	141.607
X. PROVISIONS	(5.II.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.II.9)	920.780	-	920.780	404.817	-	404.817
XII. DEFERRED TAX LIABILITIES	(5.II.9)	-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	(5.II.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.II.5)	3.026.860	398.222	3.425.082	1.366.691	537.689	1.904.380
XVI. SHAREHOLDERS' EQUITY	(5.II.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.II.13)	1.498	-	1.498	703	-	703
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		67.752.504	36.085.961	103.838.465	44.454.848	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 (I+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	447.689	947.339	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	447.689	947.339	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)	9.128.167	9.017.737	18.145.904	4.420.924	5.243.627	9.664.551
2.1. Irrevocable Commitments		9.128.167	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	276.368	-	276.368
2.1.8. Tax and Fund Liabilities from Export Commitments		66.455	-	66.455	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	14.085.362	20.618.486	34.703.848
3.2.1.1. Forward Foreign Currency Transactions - Buy		27.816.113	8.412.207	36.228.320	13.955.119	3.850.166	17.805.285
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	51.904.959	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		29.623.713	15.309.346	44.933.059	16.667.370	18.386.595	35.053.965
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		2.625	-	2.625	740.014	133.559	873.573
3.2.3. Foreign Currency, Interest Rate and Securities Options		1.416.449	15.863.800	17.280.249	3.949.600	8.827.490	12.777.090
3.2.3.1. Foreign Currency Options- Buy		1.272.926	7.369.837	8.642.763	3.836.207	2.385.768	6.221.975
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	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		-	8.327.575	8.327.575	-	2.372.802	2.372.802
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		525.313.570	278.875.697	804.189.267	327.646.280	198.570.838	526.217.118
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	1.329.704	5.960.020	7.289.706
4.2. Investment Securities Held in Custody		2.115.264	9.098.921	11.214.185	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	491.856.979
5.1. Marketable Securities		571.007	679.847	1.250.854	512.236	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	145.203.351	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 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 (01/01/2023-31/12/2023)	PRIOR PERIOD (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		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 (-)		11.783.850	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	650.621
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)	(1.053.003)
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 I (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 (±)	(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 (XVII±XVIII)	(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 (±)		-	-
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	2.720.589
25.1	Group Profit/Loss		4.191.974	2.720.130
25.2	Minority Interest		795	459
	Earnings per share		0,03088	0,02196

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

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	-	-
2.2.2 Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other	-	-
2.2.3 Comprehensive Income	54.865	1.031.238
2.2.4 Cash Flow Hedge Income/Loss	-	-
2.2.5 Foreign Net Investment Hedge Income/Loss	-	-
2.2.6 Other Comprehensive Income Items Reclassified Through Profit or Loss	(1.676)	(3)
2.2.7 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								
	Paid-in Capital	Share Premium	Share Certificate	Other Capital Yedekleri	1	2	3	4	5	6	Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity Excluding Minority Interests	Minority Interests	Total Equity
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	2.364.47
II. Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Z.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Z.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	-	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)	-	(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	(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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Z.1 Effect of corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Z.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. Convertable 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	10.690.672

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 (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		2.860.541	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 commision 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)	133.569
1.2.5 Net (increase) / decrease in bank deposits (+/-)		(6.178.017)	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		-	-
II. 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	3.788
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)	647.770	187.298
C. CASH FLOWS FROM FINANCING ACTIVITIES		-	-
III. 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)	15.333.648	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 (*) (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	5.404.260	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 (%)	2,92%	2,16%
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 (%)	-	-

(*) As per the Turkish Commercial Code profit distributions are made based on unconsolidated financial statements.
(**) The decision regarding the 2023 profit distribution will be made at the General Assembly meeting.

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 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.

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)

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 PYŞ. 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.

FİBABANKA A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIODS BETWEEN 1 JANUARY - 31 DECEMBER 2023

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III. Explanations on consolidated subsidiaries and associates (continued)

2. Associates (continued)

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.

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".

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.

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.

IV. Explanations on forward transactions, options and derivative instruments

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.

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.

The liabilities and receivables arising from the derivative transactions are recorded as off-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 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.

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 Parent 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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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 measured 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.

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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.

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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;

- Costumer 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.

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- 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.

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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 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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XVIII. Explanations on taxation (continued)

1. Current Tax (continued)

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, 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.

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.

2. Deferred Tax

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".

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.

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XVIII. Explanations on taxation (continued)

2. Deferred Tax (continued)

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.

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.

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).

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 Parent 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 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.

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 on equity items in the fourth section, Information on Financial Structure and Risk Management.

XX. Explanations on share certificates issued

None.

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 Group does not have any government incentives.

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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)	(563.350)	86.821	(1.035.599)
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	5.648.414
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	--	--	1.119.236	1.119.236
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.

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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	--	--

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	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	--	--
Total Additional Tier I Capital	100.000	100.000
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".

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	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.

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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		
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 BRSA's 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.

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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)

	Current Period Risk Amount (*)	Average Risk Amount (*)
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	28.742.202	27.652.536
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	14.483	39.286
Conditional and Unconditional Exposures to Banks and Brokerage Houses	4.596.631	5.863.554
Conditional and Unconditional Exposures to Corporates	20.109.271	17.293.237
Conditional and Unconditional Retail Exposures	25.369.561	26.836.361
Conditional and Unconditional Exposures Secured by Real Estate Property	425.527	967.735
Past Due Receivables	112.039	109.144
Receivables Defined in High Risk Category by BRSA	11.927.725	6.324.462
Exposures in the Form of Collective Investment Undertakings	641.364	308.422
Securitization positions	4.691.791	2.321.445
Equity share investments	16.550	17.512
Other Receivables	4.684.586	4.367.356
Total	101.331.730	92.101.050

(*)- Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.
(**) Represents the arithmetical average of quarterly reports.
(***) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

	Prior Period Risk Amount (*)	Average Risk Amount (*)
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	19.580.338	17.522.660
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	73.361	100.925
Conditional and Unconditional Exposures to Banks and Brokerage Houses	5.012.448	4.415.117
Conditional and Unconditional Exposures to Corporates	15.236.284	11.336.795
Conditional and Unconditional Retail Exposures	20.785.766	13.663.941
Conditional and Unconditional Exposures Secured by Real Estate Property	1.158.995	1.371.535
Past Due Receivables	152.127	251.003
Receivables Defined in High Risk Category by BRSA	4.325.127	3.637.207
Exposures in the Form of Collective Investment Undertakings	171.714	114.634
Securitization positions	1.165.718	989.586
Equity share investments	14.496	13.877
Other Receivables	2.908.377	2.969.695
Total	70.584.751	56.386.975

(*)- Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.
(**) Represents the arithmetical average of quarterly reports.
(***) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

1. Profile of significant exposures in major regions:

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional exposures to onl retail exposures	Conditional and unconditional exposures secured by real estate property	Receivables defined in high risk category by BRSA	Collective investment undertakings	Receivables defined in high risk category by BRSA	Mortgage-backed securities	Securitization positions	Equity share investments	Equity investments	Other receivables	Total
Current Period *															
Domestic	28.745.600	14.483	--	--	--	3.727.475	19.682.049	25.363.072	425.527	112.039	11.815.336	--	641.364	4.691.791	99.908.218
EU Countries	--	--	--	--	--	748.253	425.853	498	--	--	224	--	11.653	--	1.186.481
OECD Countries **	--	--	--	--	--	34.118	--	1	--	--	--	--	--	--	34.119
Off-Shore Banking Region	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
USA, Canada	--	--	--	--	--	83.596	--	2.985	--	--	--	--	--	--	86.581
Other Countries	--	--	--	--	--	3.189	--	947	--	112.165	--	--	--	--	116.301
Subsidiaries and Associates	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Entities Under Common Control	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Total	28.745.600	14.483	--	--	--	4.596.631	20.107.902	25.367.503	425.527	112.039	11.927.725	--	641.364	4.691.791	101.331.700

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis.
(***) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional exposures to onl retail exposures	Conditional and unconditional exposures secured by real estate property	Receivables defined in high risk category by BRSA	Collective investment undertakings	Equity investments	Other receivables	Total
Prior Period (*)											
Domestic	19.586.674	73.361	2.888.483	14.876.660	20.780.735	1.158.469	152.127	4.286.416	4.897	2.908.377	68.053.631
EU Countries	--	--	1.978.581	358.046	368	--	--	69	9.599	--	2.346.663
OECD Countries **	--	--	39.851	--	--	--	--	--	--	--	39.851
Off-Shore Banking Region	--	--	--	--	--	--	--	--	--	--	--
USA, Canada	--	--	--	--	--	--	--	--	--	--	99.439
Other Countries	--	--	99.439	--	--	--	--	--	--	--	45.167
Associates, Subsidiaries and	--	--	6.094	--	431	--	38.642	--	--	--	--
Entities Under Common Control	--	--	--	--	--	--	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--	--	--	--	--	--	--
Total	19.586.674	73.361	5.012.448	15.234.706	20.781.534	1.158.469	152.127	4.325.127	14.496	2.908.377	70.584.751

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis.
(***) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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II. Explanations on Consolidated Credit Risk (continued)

2. Risk profile by sectors or counterparties

Current Period	1	2	3	4	5	6	7	8	9	10	11	12	TL	FC	Total
Agricultural	339	--	--	185.208	791.145	--	883	87.215	--	--	--	--	1.030.518	34.272	1.064.790
Farming and Stockbreeding	339	--	--	185.188	727.310	--	825	87.211	--	--	--	--	966.601	34.272	1.000.873
Forestry	--	--	--	20	42.915	--	56	4	--	--	--	--	42.995	--	42.995
Fishing	--	--	--	--	20.920	--	2	--	--	--	--	--	20.922	--	20.922
Manufacturing	1.368	--	--	5.065.522	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	31.805	--	12	--	--	--	--	--	134.105	188.612	322.717
Construction	830	--	--	798.532	5.998.972	33.206	9.728	9.402.420	--	--	--	--	16.130.698	112.990	16.243.688
Services	28.742.340	--	4.596.627	12.661.548	9.118.828	130.939	18.191	1.133.253	641.364	--	4.897	4.684.585	36.705.751	25.026.821	61.732.572
Wholesale and Retail Trade	--	--	--	1.989.217	7.343.531	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	28.742.173	--	4.596.627	7.766.255	61.002	--	752	112.164	641.364	--	4.897	4.684.585	24.539.983	22.069.836	46.609.819
Real Estate and Rental Services	--	--	--	74.573	124.183	--	408	10	--	--	--	--	127.439	71.735	199.174
Self-Employment Services	--	--	--	--	37.300	--	87	--	--	--	--	--	37.387	--	37.387
Educational Services	--	--	--	4.663	49.841	--	25	50.079	--	--	--	--	104.628	--	104.628
Health and Social Services	167	--	--	248.829	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	--	4.691.791	11.653	--	9.538.593	454.885	9.993.478
Total (*)	28.745.600	14.483	4.596.631	20.107.902	25.367.503	425.527	112.039	11.927.725	641.364	4.691.791	16.550	4.684.585	73.052.961	28.278.739	101.331.700

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(**) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

1 : Contingent and non-contingent receivables from central administrations or central banks

2 : Contingent and non-contingent receivables from regional or local governments

3 : Contingent and non-contingent receivables from banks and brokerage institutions

4 : Contingent and non-contingent corporate receivables

5 : Contingent and non-contingent retail receivables

6 : Receivables secured by real estate mortgage with and without conditions

7 : Receivables overdue for collection

8 : Receivables determined by the Board as having a high risk

9 : Investments in the Nature of a Collective Investment Organization

10 : Equity Investments

11 : Securitization Positions

12 : Other receivables

Prior Period	1	2	3	4	5	6	7	8	9	10	11	12	TL	FC	Total
Agricultural	813	--	--	280.509	786.234	13.829	2.702	48.266	--	--	--	--	1.132.353	1.132.353	
Farming and Stockbreeding	750	--	--	280.489	749.452	13.822	2.535	48.263	--	--	--	--	1.095.311	1.095.311	
Forestry	63	--	--	20	30.205	7	9	3	--	--	--	--	30.307	30.307	
Fishing	--	--	--	--	6.577	--	158	--	--	--	--	--	6.735	6.735	
Manufacturing	1.636	--	--	5.585.054	4.366.240	56.996	15.652	204.237	--	--	--	--	10.229.815	10.229.815	
Mining and Quarrying	--	--	--	476.873	100.425	--	16	119	--	--	--	--	577.433	577.433	
Production	1.636	--	--	4.597.388	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	61.100	3.447.696	--	--	--	--	11.874.791	11.874.791	
Services	19.581.752	--	5.012.426	7.548.191	5.966.226	889.680	21.872	345.715	171.714	--	4.897	2.908.377	1.257.603	41.193.247	42.450.850
Wholesale and Retail Trade	66	--	--	1.677.721	4.904.745	14.187	13.360	170.413	--	--	--	--	6.780.492	6.780.492	
Accommodation and Dining	1.067	--	--	1.094.808	105.864	874.383	658	33.431	--	--	--	--	2.110.211	2.110.211	
Transportation and Telecom.	--	--	--	900.879	689.221	2	4.548	9.945	--	--	--	--	1.604.595	1.604.595	
Financial Institutions	19.580.338	--	5.012.426	3.551.640	27.501	--	--	38.517	171.714	--	4.897	2.908.377	1.257.603	30.037.807	31.295.410
Real Estate and Rental Services	--	--	--	77.721	63.449	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	52.887	--	--	--	--	359.834	359.834	
Other (*)	939	73.361	22	1.150.889	1.992.233	174.167	50.801	279.213	--	1.165.718	9.599	--	1.165.715	3.731.227	4.896.942
Total (*)	19.586.674	73.361	5.012.448	15.234.706	20.781.534	1.158.469	152.127	4.325.127	171.714	1.165.718	14.496	2.908.377	2.423.318	68.161.433	70.584.751

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(**) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

1 : Contingent and non-contingent receivables from central administrations or central banks

2 : Contingent and non-contingent receivables from regional or local governments

3 : Contingent and non-contingent receivables from banks and brokerage institutions

4 : Contingent and non-contingent corporate receivables

5 : Contingent and non-contingent retail receivables

6 : Receivables secured by real estate mortgage with and without conditions

7 : Receivables overdue for collection

8 : Receivables determined by the Board as having a high risk

9 : Investments in the Nature of a Collective Investment Organization

10 : Equity Investments

11 : Securitization Positions

12 : Other receivables

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II. Explanations on Consolidated Credit Risk (continued)

3. Analysis of maturity-bearing exposures according to remaining maturities

Exposure Categories / Current Period*	Term to Maturity				
	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Contingent and non-contingent receivables from central governments or central banks	11.451.501	1.257.441	214.888	1.780.080	11.189.672
Contingent and non-contingent receivables from regional or local governments	--	4.475	10.008	--	--
Conditional receivables from banks and intermediary institutions	--	--	--	--	--
Contingent and uncontingent corporate other receivables	--	--	--	--	--
Contingent and non-contingent SME corporate receivables	--	--	--	--	--
Contingent and uncontingent corporate receivables	4.350.573	--	--	--	245.959
Contingent and uncontingent retail receivables	1.957.626	10.774.384	2.050.524	1.244.893	4.038.004
Receivables secured by contingent and non-contingent real estate mortgages	4.264.176	7.227.574	7.745.059	4.451.781	586.131
Overdue receivables	7.285	45.521	8.475	20.144	343.740
Receivables determined as high risk by the board	--	--	--	--	--
Mortgage-backed securities	1.304.416	1.578.667	1.487.369	4.643.006	2.914.267
Securitization positions	--	--	--	--	--
Short-term receivables from banks and intermediary institutions and short-term	65.829	172.277	296.432	106.826	--
Investments as a collective investment institution	--	--	--	--	--
Other receivables	--	--	--	--	--
Total**	23.401.406	21.060.339	11.812.755	12.246.730	19.317.773
(*) Items with determined maturities are classified according to remaining maturities					
(**) Central bank receivables in the amount of TL 2.852.018 that do not carry a maturity element, cash and similar items in the amount of TL 1.878.834, credit card limits in the amount of TL 71.479, non-cash credit limits and payment commitments in the amount of TL 1.130.228, other receivables in the amount of TL 2.739.228, payable overdue receivables in the amount of TL 112.039, receivables from investment funds in the amount of TL 4.691.791, stock investments are not included in the table TL 16.550.					
(***) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.					

Exposure Categories / Prior Period*	Term to Maturity				
	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Contingent and non-contingent receivables from central governments or central banks	5.272.806	4.908.690	138.386	941.182	7.573.334
Contingent and non-contingent receivables from regional or local governments	--	1.553	1.699	--	70.109
Conditional receivables from banks and intermediary institutions	4.398.750	112.168	5.666	473.173	22.596
Contingent and uncontingent corporate other receivables	--	--	--	--	--
Contingent and non-contingent SME corporate receivables	--	--	--	--	--
Contingent and uncontingent corporate receivables	3.397.461	5.637.476	1.743.233	1.297.044	3.125.011
Contingent and uncontingent retail receivables	2.472.859	5.369.323	6.482.118	5.270.385	486.674
Receivables secured by contingent and non-contingent real estate mortgages	4.121	19.876	29.155	97.229	1.007.741
Overdue receivables	--	--	--	--	--
Receivables determined as high risk by the board	128.048	269.322	178.074	298.387	3.451.296
Mortgage-backed securities	--	--	--	--	--
Securitization positions	--	60.814	31.680	79.220	--
Short-term receivables from banks and intermediary institutions and short-term	--	--	--	--	--
Investments as a collective investment institution	--	--	--	--	--
Other receivables	--	--	--	--	--
Total**	15.674.045	16.379.222	8.610.011	8.456.620	15.736.761
(*) Items with determined maturities are classified according to remaining maturities					
(**) Central bank receivables in the amount of TL 752.276 that do not carry a maturity element, cash and similar items in the amount of TL 1.542.048, credit card limits in the amount of TL 7.264, non-cash credit limits and payment commitments in the amount of TL 782.312, other receivables in the amount of TL 1.311.055, payable overdue receivables in the amount of TL 356.201, receivables from investment funds in the amount of TL 1.165.718, miscellaneous receivables in the amount of TL 796 and stock investments are not included in the table TL 14.496.					
(***) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.					

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

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II. Explanations on Consolidated credit risk (continued)
4. Exposures by risk weights

Risk Weights / Current Period	0%	10%	20%	35%	50%	75%	100%	150%	200%	1250%	2%	500%	Deductions from Equity	Total
Exposures														
Before Credit	30.621.007	--	4.868.925	--	574.407	22.971.948	30.460.107	9.457.285	2.089.483	--	8.171	280.367		101.331.700
Risk Mitigation														
Exposures After														
Credit Risk	35.000.568	--	4.664.457	39.448	854.115	22.911.589	26.075.519	9.457.266	2.040.200	--	8.171	280.367		101.331.700
Mitigation														

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

Risk Weights /Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	200%	2%	%500	Deductions from Equity	Total
Exposures													
Before Credit	21.122.385	--	4.492.620	--	839.883	15.676.763	24.125.982	3.503.807	808.102	8.732	6.477	--	70.584.751
Risk Mitigation													
Exposures After													
Credit Risk	22.551.045	--	3.756.218	18.627	1.830.345	15.642.172	22.459.248	3.503.785	808.102	8.732	6.477	--	70.584.751
Mitigation													

(*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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 (Stage3); 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
	Impaired		Expected
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	Credit Losses (TFRS 9)
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	44.666	38.959
Electricity, Gas and Water	143.626	5.170	36.326
Construction	174.255	44.407	40.352
Services	2.922.503	420.241	545.584
Wholesale and Retail Trade	285.815	116.607	98.080
Accommodation and Dining	2.472.620	210.479	351.433
Transportation and	26.582	66.573	64.361
Financial Institutions	--	2.054	1.302
Real Estate and Rental	118.054	4.205	15.137
Self-Employment Services	18.675	7.250	5.291
Educational Services	442	1.604	1.581
Health and Social Services	315	11.469	8.399
Other	846.822	201.911	255.664
Total	4.298.417	747.737	944.261

Prior Period	Loans		Provisions
	Impaired		Expected
	Significant Increase in Credit Risk (Stage 2)	Impaired (Stage 3)	Credit Losses (TFRS 9)
Major Sector / Counterparties			
Agriculture	11.725	26.467	20.317
Farming and Stockbreeding	6.953	19.614	14.856
Forestry	4.772	6.853	5.461
Fishery	--	--	--
Manufacturing	240.269	91.812	109.140
Mining and Quarrying	95.799	40.172	63.006
Production	40.114	46.143	36.921
Electricity, Gas and Water	104.356	5.497	9.213
Construction	130.517	161.495	115.005
Services	2.277.442	205.357	431.853
Wholesale and Retail Trade	79.443	95.367	78.956
Accommodation and Dining	1.912.786	4.429	232.565
Transportation and	17.107	85.054	80.788
Financial Institutions	--	12	12
Real Estate and Rental	91.888	6.143	14.052
Self-Employment Services	175.805	2.923	17.363
Educational Services	5	2.258	1.404
Health and Social Services	408	9.171	6.713
Other	588.515	180.295	272.854
Total	3.248.468	665.426	949.169

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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)	382.736	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.

7. Exposures subject to countercyclical capital buffer

Current Period			
Country	RWAs of Banking Book for Private Sector Credit		Total
	Exposures	Trading Book	
Turkey	59.509.170	4.160.969	63.670.139
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	5.634	23.363	28.997
Others	15.160	3.103	18.263
Total	60.031.752	4.269.511	64.301.263

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

Prior Period			
Country	RWAs of Banking Book for Private Sector Credit		Total
	Exposures	Trading Book	
Turkey	39.644.113	2.404.823	42.048.936
Russia	25.922	32.094	58.016
Malta	209.246	--	209.246
Marshall Islands	--	--	--
Australia	3.042	--	3.042
England	52.231	273.917	326.148
Germany	33.651	8.562	42.213
France	--	240	240
Others	67.080	13.333	80.413
Total	40.035.285	2.732.969	42.768.254

(*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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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	2.576.264	1.973.194
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:	312.885	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

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	127.675	100.693	14.496	--
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	145.181	96.760	360	--
Total	974.110	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.

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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 (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)	4.530.277	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	
	Profit/Loss	Equity	Profit/Loss	Equity
USD	33.860	37.761	(46.717)	(47.597)
Euro	(41.813)	(41.626)	(33.267)	(33.111)
Other FC	(1.240)	(1.185)	(26.032)	(25.980)
Total (Net)	(9.193)	(5.050)	(106.016)	(106.688)

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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	5.068.140	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(***)	--	--	--	--	--	5.152.606	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	(18.369.315)	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.

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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	9.803.275
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	19.417.833	--	--	6.370.828	186.639	--	25.975.300
Balance Sheet Short Position	--	(13.091.573)	(27.709)	--	--	(12.856.018)	(25.975.300)
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	19.417.834	(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.

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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	Shocked Applied (+/- x bps)	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)	-2,75%
Euro	-200	408.589	3,10%
Total (For Positive Shocks)		(499.509)	-3,79%
Total (For Negative Shocks)		449.607	3,41%

Prior Period	Shocked Applied (+/- x bps)	Gains/ Losses	Gains/ Equity - Losses /Equity
TRY	500	(400.139)	-4,38%
TRY	-400	347.153	3,80%
USD Dollar	200	244.624	2,68%
USD Dollar	-200	(275.838)	-3,02%
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	3,39%

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	-	-

(*) As of 30 September 2023, the Central Bank’s foreign exchange buying rate for 31 December 2022 was used.

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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.

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VI. Explanations on Consolidated 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	4.745.503	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	831.431	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			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	3.891.813	9.094.538	3.490.593
21 TOTAL HQLA			21.472.790	14.920.643
22 TOTAL NET CASH OUTFLOWS			8.960.718	3.732.823
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)

		Total Unweighted Value (*)		Total Weighted Value (*)	
Prior Period		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	1.323.494
3	Stable deposits	4.363.585	--	218.129	--
4	Less stable deposits	26.319.410	13.187.102	2.634.013	1.323.494
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	10.607.742	5.227.334	7.351.422	3.376.172
6	Operational deposits	--	--	--	--
7	Non-Operational deposits	5.396.773	2.814.562	2.140.622	1.015.535
8	Other unsecured funding	5.210.969	2.412.772	5.210.800	2.360.637
9	Secured funding	--	--	185.095	185.095
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			11.252.999	5.436.818
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			11.748.890	8.747.862
22	TOTAL NET CASH OUTFLOWS			5.330.672	2.047.436
23	LIQUIDITY COVERAGE RATIO (%)			220,40	427,26

(*) 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)

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	1.253.115	1.831.257	..	..	..	..	..	3.084.372
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	1.950.181	..	..	..	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	..	2.003.566	..	..	..	..	..	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	9.264.002	1.862.323	..	..	92.998.764
Net Off-Balance Sheet Position	..	81.961	107.845	234.760	221.556	417.842	..	1.063.964
Prior Period								
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	..	706.247	140.225	189.334	2.675	..	..	1.038.481
Derivative Financial Assets	..	32.242.402	23.407.184	5.025.055	798.051	..	..	61.472.692
Derivative Financial Liabilities	..	31.536.155	23.266.959	4.835.721	795.376	..	..	60.434.211
Non-Cash Loans	..	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.

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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 Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	2.008.756	2.068.221	178.108	652.584	1.237.529	--	--	--
Other Deposits	66.435.850	67.309.063	12.222.176	42.966.160	11.315.225	402.574	402.928	--
Money Market Funds	7.610.322	7.672.385	--	2.614.975	5.057.410	--	--	--
Securities Issued	--	--	--	--	--	--	--	--
Funds Borrowed	2.325.261	2.395.536	--	42.264	338.810	2.014.462	--	--
Subordinated Debts	7.180.853	9.853.219	--	--	342.748	342.748	9.167.723	--
Total	85.561.042	89.298.424	12.400.284	46.275.983	18.291.722	2.759.784	9.570.651	--

Prior Period	Carrying Values	Gross Nominal Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	7.972.674	8.011.591	660.705	1.239.282	6.111.604	--	--	--
Other Deposits	38.886.152	39.190.028	8.000.603	22.698.733	8.077.297	184.567	228.828	--
Money Market Funds	3.469.865	3.488.332	--	1.350.640	2.137.692	--	--	--
Securities Issued	4.810.878	4.968.210	--	3.718.210	1.250.000	--	--	--
Funds Borrowed	3.179.212	3.481.909	--	--	57.811	3.424.098	--	--
Subordinated Debts	4.543.945	6.621.321	--	--	145.136	217.703	6.258.482	--
Total	62.862.726	65.761.391	8.661.308	29.006.865	17.779.540	3.826.368	6.487.310	--

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.

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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.

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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.

	Balance sheet assets	Current Period(*)	Prior Period(*)
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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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	2.798.486	1.636.551	2.798.486	1.636.551
Due from banks	3.084.372	2.481.112	3.084.372	2.481.112
Loans measured at amortised cost	9.309.266	7.067.342	9.077.897	7.288.338
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	2.008.756	7.972.674	2.008.756	7.972.674
Other deposits	66.435.850	38.886.152	66.435.850	38.886.152
Funds provided from other financial institutions	2.325.261	3.179.212	2.325.261	3.179.212
Marketable securities issued (*)	7.180.853	9.354.823	7.180.853	9.354.823
Miscellaneous payables	2.003.566	1.415.625	2.003.566	1.415.625

(*) 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.

Current Period	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	3.463.602	399.413	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Inc	8.721.514	4.684.609	436.208	456.301	--	--
Derivative Financial Assets	--	--	906.998	1.109.667	--	--
Loans Measured at Fair Value through Profit and Loss	--	--	--	--	--	--
Total	12.185.116	5.084.022	1.343.206	1.565.968	--	--
Financial Liabilities						
Derivative Financial Liabilities	--	--	886.851	561.940	--	--
Total	--	--	886.851	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)

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IX. Explanations on transactions carried out on behalf of customers and fiduciary activities

None.

X. Explanations on consolidated securitisation positions

		Founded by the bank			Sponsored by the bank			Invested by the bank		
Current Period		Conventional	Synthetic	Total	Conventional	Synthetic	Total	Conventional	Synthetic	Total
1	Retail (total)	378.271	--	378.271	--	--	--	139.311	--	139.311
2	Residential mortgage	--	--	--	--	--	--	--	--	--
3	Credit card	--	--	--	--	--	--	--	--	--
4	Other retail receivables	378.271	--	378.271	--	--	--	139.311	--	139.311
5	Re-securitisation	--	--	--	--	--	--	--	--	--
6	Corporate (total)	98.026	--	98.026	--	--	--	25.756	--	25.756
7	Corporate loans	98.026	--	98.026	--	--	--	25.756	--	25.756
8	Commercial mortgage	--	--	--	--	--	--	--	--	--
9	Lease and receivables taken over	--	--	--	--	--	--	--	--	--
10	Other corporate	--	--	--	--	--	--	--	--	--
11	Re-securitization	--	--	--	--	--	--	--	--	--

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

		Founded by the bank			Sponsored by the bank			Invested by the bank		
Prior Period		Conventional	Synthetic	Total	Conventional	Synthetic	Total	Conventional	Synthetic	Total
1	Retail (total)	--	--	--	--	--	--	171.714	--	171.714
2	Residential mortgage	--	--	--	--	--	--	--	--	--
3	Credit card	--	--	--	--	--	--	--	--	--
4	Other retail receivables	--	--	--	--	--	--	171.714	--	171.714
5	Re-securitisation	--	--	--	--	--	--	--	--	--
6	Corporate (total)	--	--	--	--	--	--	--	--	--
7	Corporate loans	--	--	--	--	--	--	--	--	--
8	Commercial mortgage	--	--	--	--	--	--	--	--	--
9	Lease and receivables taken over	--	--	--	--	--	--	--	--	--
10	Other corporate	--	--	--	--	--	--	--	--	--
11	Re-securitization	476.297	--	--	--	--	--	--	--	--

(*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

		Position Amounts (based on RW intervals)				
Current Period		≤%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 2022 was used.

		Position Amounts (based on RW intervals)				
Prior Period		≤%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	--	--	--	--	--
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 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 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.

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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	10.262
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 2022 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

Current Period	Carrying values in financial statements prepared as per TAS	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(*)	Securitisation exposures	Subject to market risk (**)	
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	18.567.582	18.567.582	--	--	--	--
Banks	3.084.372	3.084.372	--	--	--	--
Money Markets Placements	2.798.486	2.798.486	--	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	3.463.602	--	--	--	--	--
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	9.309.266	9.309.266	5.508.005	--	--	--
Derivative financial assets	906.998	--	656.534	--	906.998	--
Non-performing Financial Assets	(7.302)	(7.302)	--	--	--	--
Loans (net)	51.399.656	51.399.656	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	10.380	10.380	--	--	--	--
Investment in Associates (net)	1.001.736	1.001.736	--	--	--	--
Investment in Subsidiaries (net)	117.500	117.500	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	864.678	864.678	--	--	--	--
Intangible Assets (net)	787.722	--	--	--	--	787.722
Investment Property (net)	--	--	--	--	--	--
Tax Asset	994.644	994.644	--	--	--	--
Other Assets	1.381.423	1.381.424	--	--	--	--
Total Assets	103.838.465	98.680.144	8.400.758	--	906.998	787.722
Liabilities						
Deposits	68.444.606	--	--	--	--	68.444.606
Funds Borrowed	2.325.261	--	--	--	--	2.325.261
Money Market Funds	7.610.322	--	4.075.014	--	3.535.308	7.610.322
Securities Issued	--	--	--	--	--	--
Funds	--	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	886.851	--	--	--	886.851	886.851
Factoring Payables	--	--	--	--	--	--
Lease Payables	372.953	--	--	--	--	372.953
Provisions	1.981.078	--	--	--	--	--
Tax Liability	920.780	--	--	--	--	920.780
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	7.180.853	--	--	--	--	--
Other liabilities	3.425.082	--	--	--	--	3.425.082
Shareholders' Equity	10.690.679	--	--	--	--	10.690.679
Total Liabilities	103.838.465	--	4.075.014	--	4.422.159	94.676.534

(*) Unconsolidated Financial Statements of the Bank

(**) Disclosed based on gross amounts of the securities.

(***)Disclosed based on gross position amounts subject to general market risk and specific risk.

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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

Prior Period	Carrying values in financial statements prepared as per TAS	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(*)	Securitisation exposures	Subject to market risk (**)	
Assets						
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances With Central Bank of Turkey	15.017.527	15.017.527	--	--	--	--
Banks	2.481.112	2.481.112	--	--	--	--
Money Markets Placements	1.636.551	1.636.551	--	--	--	--
Financial Assets Measured at Fair Value Through Profit or Loss	399.413	--	--	--	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	5.140.910	5.140.910	1.761.213	--	--	--
Financial Assets Measured at amortized cost	7.067.342	7.067.342	1.515.784	--	--	--
Derivative financial assets	1.109.667	--	845.398	--	1.109.667	--
Non-performing Financial Assets	(4.551)	(4.551)	--	--	--	--
Loans (net)	38.428.958	38.428.958	--	--	--	--
Assets Held for Sale and Assets of Discontinued Operations(net)	24.609	24.609	--	--	--	--
Investment in Associates (net)	844.496	844.496	--	--	--	--
Investment in Subsidiaries (net)	117.500	117.500	--	--	--	--
Joint-Ventures (net)	--	--	--	--	--	--
Tangible Assets (net)	692.513	692.513	--	--	--	--
Intangible Assets (net)	243.652	--	--	--	--	243.652
Investment Property (net)	--	--	--	--	--	--
Tax Asset	491.414	491.414	--	--	--	--
Other Assets	496.763	284.852	--	--	--	211.911
Total Assets	74.187.876	72.223.233	4.122.395	--	1.109.667	455.563
Liabilities						
Deposits	46.858.826	--	--	--	--	46.858.826
Funds Borrowed	3.179.212	--	--	--	--	3.179.212
Money Market Funds	3.469.865	--	1.124.703	--	2.345.162	3.469.865
Securities Issued	4.810.878	--	--	--	--	4.810.878
Funds	--	--	--	--	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--	--	--
Derivative financial liabilities	561.940	--	--	--	561.940	561.940
Factoring Payables	--	--	--	--	--	--
Lease Payables	141.607	--	--	--	--	141.607
Provisions	1.624.484	--	--	--	--	--
Tax Liability	511.067	--	--	--	--	511.067
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net)	--	--	--	--	--	--
Subordinated Debts	4.543.945	--	--	--	--	--
Other liabilities	1.904.380	--	--	--	--	1.904.380
Shareholders' Equity	6.581.672	--	--	--	--	6.581.672
Total Liabilities	74.187.876	--	1.124.703	--	2.907.102	68.019.447

(*) Unconsolidated Financial Statements of the Bank

(**) Disclosed based on gross amounts of the securities.

(***)Disclosed based on gross position 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 risk(*)
1	Carrying Value of Assets in Accordance with	103.838.465	98.680.144	--	8.400.758	906.998
2	Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	4.075.014	4.422.159
3	Total Net Amount	103.838.465	98.680.144	--	4.325.744	(3.515.161)
4	Off-balance sheet amounts(**)	16.355.235	15.652.284	--	702.951	702.951
5	Valuation differences	--	--	--	--	--
6	Differences due to different netting rules	--	--	--	--	6.423.223
7	Differences due to consideration of provisions	--	--	--	--	--
8	Differences resulted from the BRSA's applications	--	--	--	--	--
9	Differences due to risk mitigation	--	--	--	4.075.014	--
10	Risk Amounts	120.193.700	114.332.428	--	9.103.709	3.611.013

(*)Risk amounts include financial instruments in trading accounts as per to 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 2022 was used.

Prior Period		Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial	74.187.876	72.223.233	--	4.122.395	1.109.667
2	Carrying value of liabilities that are subjected to counterparty credit risk as per TAS	--	--	--	1.124.703	2.907.102
3	Total Net Amount	74.187.876	72.223.233	--	2.997.692	(1.797.435)
4	Off-balance sheet amounts(**)	9.368.857	8.827.688	--	541.169	541.169
5	Valuation differences	--	--	--	--	--
6	Differences due to different netting rules	--	--	--	--	2.174.391
7	Differences due to consideration of provisions	--	--	--	--	--
8	Differences resulted from the BRSA's applications	--	--	--	--	--
9	Differences due to risk mitigation	--	--	--	1.124.703	--
10	Risk Amounts	83.556.733	81.050.921	--	4.663.564	918.125

(*)Risk amounts include financial instruments in trading accounts as per to 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 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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.

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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		Allowances/ amortisation and impairments	Net value
Current Period	Defaulted	Non-defaulted		
1 Loans	747.737	51.806.578	1.154.659	51.399.656
2 Debt securities	--	21.925.693	5.075	21.920.618
3 Off-balance sheet exposures	23.175	19.186.693	25.175	19.184.693
4 Total	770.912	92.918.964	1.184.909	92.504.967
Prior Period	Defaulted	Non-defaulted		
1 Loans	665.426	39.053.803	1.290.271	38.428.958
2 Debt securities	--	12.602.768	3.766	12.599.002
3 Off-balance sheet exposures	22.751	10.387.761	19.290	10.391.222
4 Total	688.177	62.044.332	1.313.327	61.419.182

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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	454.480
3 Receivables back to non-defaulted status	--	--
4 Amounts written off (*)	489.549	104.059
5 Other changes (**)	(490.971)	(573.708)
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	5.761.419	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	2.032.366	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	6.860
Farming and Stockbreeding	9.885	9.062	3.767
Forestry	4.541	3.572	3.093
Fishery	--	--	--
Manufacturing	66.752	55.902	97.952
Mining and Quarrying	16.916	13.594	88.824
Production	44.666	37.221	8.977
Electricity, Gas and Water	5.170	5.087	151
Construction	44.407	35.781	33.909
Services	420.241	301.980	53.710
Wholesale and Retail Trade	116.607	94.522	34.782
Accommodation and Dining	210.479	123.182	632
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	8.396	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	26.467	19.997	712
Farming and Stockbreeding	19.614	14.565	703
Forestry	6.853	5.432	9
Fishery	0	0	0
Manufacturing	91.812	76.608	84
Mining and Quarrying	40.172	36.253	19
Production	46.143	35.206	62
Electricity, Gas and Water	5.497	5.149	3
Construction	161.495	98.015	1.048
Services	205.357	173.960	1.858
Wholesale and Retail Trade	95.367	73.614	895
Accommodation and Dining	4.429	3.665	26
Transportation and Telecommunication	85.054	80.305	204
Financial Institutions	12	12	3
Real Estate and Rental Services	6.143	5.996	8
Self-Employment Services	2.923	2.274	0
Educational Services	2.258	1.404	5
Health and Social Services	9.171	6.690	717
Others	180.295	130.315	100.428
Total	665.426	498.895	104.130

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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:

Aging analysis:

Days past due	Current Period Amount	Prior Period Amount
0-30	51.423.060	38.886.680
31-60	250.004	110.379
61-90	133.514	56.744
90+	747.737	665.426
Total	52.554.315	39.719.229

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 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 nature loans, provision for the second stage (significant increase in credit risk) for closely monitored loans he is leaving.

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 nature loans, provision for the second stage (significant increase in credit risk) for closely monitored loans he is leaving.

Credit risk mitigation techniques-Overview

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralize d amount of exposures secured by credit derivatives
1 Loans	47.533.596	737.611	734.184	3.427	3.427	--	--
2 Debt Securities	21.920.618	--	--	--	--	--	--
3 Total	69.454.214	737.611	734.184	3.427	3.427	-	-
4 Of which defaulted	4.973	202.874	202.874	--	--	--	--

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralize d amount of exposures secured by credit derivatives
1 Loans	36.198.209	1.465.877	1.459.541	6.336	6.336	--	--
2 Debt Securities	12.599.002	--	--	--	--	--	--
3 Total	48.797.211	1.465.877	1.459.541	6.336	6.336	-	-
4 Of which defaulted	144.986	21.545	21.545	--	--	--	--

(*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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XI. Explanations on risk management objectives and policies (continued)

Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	28.742.173	--	28.745.600	--	--	%0,0
2 Exposures to regional and local governments	14.483	--	14.483	--	7.242	%50,0
3 Exposures to adm. bodies and non-commercial Associates	--	--	--	--	--	%0,0
4 Exposures to multilateral development banks	--	--	--	--	--	%0,0
5 Exposures to international organizations	--	--	--	--	--	%0,0
6 Exposures to banks and brokerage houses	4.594.777	4.006	4.594.777	1.854	943.432	%20,5
7 Exposures to corporates	19.741.332	818.149	19.739.964	367.938	16.073.270	%79,9
8 Retail exposures	24.158.525	5.676.904	24.156.466	1.211.037	19.635.473	%77,4
9 Exposures secured by residential property	39.425	115	39.425	23	13.807	%35,0
10 Exposures secured by commercial property	382.751	7.674	382.751	3.328	204.425	%52,9
11 Past-due items	108.367	3.672	108.367	3.672	70.108	%62,6
12 Exposures in high-risk categories	11.924.654	6.141	11.924.654	3.071	19.711.142	%165,3
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	%0,0
14 Securitization positions	641.364	--	641.364	--	128.273	%20,0
15 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	%0,0
16 Exposures in the form of coll. investment undertakings(*)	4.691.791	--	4.691.791	--	4.691.791	%100,0
17 Other exposures	4.528.092	9.135.625	4.528.092	156.493	2.805.751	%59,9
18 Equity share investments	16.550	--	16.550	--	16.550	%100,0
19 Total	99.584.284	15.652.286	99.584.284	1.747.416	64.301.264	%63,5

(*)Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology.
 (***) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Exposures to sovereigns and their central banks	19.580.338	--	19.586.674	--	--	%0,0
2 Exposures to regional and local governments	73.361	--	73.361	--	36.681	%50,0
3 Exposures to adm. bodies and non-commercial Associates	--	--	--	--	--	%0,0
4 Exposures to multilateral development banks	--	--	--	--	--	%0,0
5 Exposures to international organizations	--	--	--	--	--	%0,0
6 Exposures to banks and brokerage houses	5.000.918	23.345	5.000.918	11.530	1.059.107	%21,1
7 Exposures to corporates	14.953.706	609.176	14.952.128	282.578	14.550.935	%95,5
8 Retail exposures	19.984.899	3.686.930	19.980.667	800.867	16.868.862	%81,2
9 Exposures secured by residential property	18.613	72	18.613	14	6.520	%35,0
10 Exposures secured by commercial property	1.136.369	6.285	1.135.843	3.999	644.611	%56,6
11 Past-due items	149.509	2.618	149.509	2.618	125.262	%82,3
12 Exposures in high-risk categories	4.321.488	7.278	4.321.488	3.639	6.895.391	%159,4
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	%0,0
14 Securitization positions	171.714	--	171.714	--	34.343	%20,0
15 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	%0,0
16 Exposures in the form of coll. investment undertakings(*)	1.165.718	--	1.165.718	--	1.165.718	%100,0
17 Other exposures	2.809.759	4.491.985	2.809.759	98.618	1.366.330	%47,0
18 Equity share investments	14.496	--	14.496	--	14.496	%100,0
19 Total	69.380.888	8.827.689	69.380.888	1.203.863	42.768.256	%60,6

(*)Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology.
 (***) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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XI. Explanations on risk management objectives and policies (continued)

Exposures by asset classes and risk weights:

Current Period															Total Risk Weight (**)
Risk Classes/ Risk Weight	0%	10%	20%	25%	35%(*)	50%	75%	100%	150%	200%	250%	2%	500%	Other	
1 Exposures to sovereigns and their central banks	28.745.600	--	--	--	--	--	--	--	--	--	--	--	--	--	28.745.600
2 Exposures to regional and local governments	--	--	--	--	--	14.483	--	--	--	--	--	--	--	--	14.483
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to banks and brokerage houses	288.048	--	4.023.093	--	--	277.299	--	--	--	--	--	8.171	--	--	4.596.631
7 Exposures to corporates	4.024.632	--	--	--	--	--	16.073.270	--	--	--	--	--	--	--	20.107.902
8 Retail exposures	4.132	--	--	--	--	--	22.911.589	2.451.782	--	--	--	--	--	--	25.367.503
9 Exposures secured by residential property	--	--	--	--	39.448	--	--	--	--	--	--	--	--	--	39.448
10 Exposures secured by commercial property	--	--	--	--	--	363.108	22.771	--	--	--	--	--	--	--	386.079
11 Past-due items	--	--	--	--	--	91.149	--	13.664	7.286	--	--	--	--	--	112.029
12 Exposures in high-risk categories	49.302	--	--	--	--	107.876	--	--	9.449.980	2.040.200	--	--	280.367	--	11.927.725
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
14 Menkul kıymetli sermaye pozisyonları	--	--	641.364	--	--	--	--	--	--	--	--	--	--	--	641.364
15 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	4.691.791	--	--	--	--	--	--	--	4.691.791
16 Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
17 Equity share investments	--	--	--	--	--	--	--	16.550	--	--	--	--	--	--	16.550
18 Other exposures	1.878.834	--	--	--	--	--	2.895.751	--	--	--	--	--	--	--	4.684.585
19 Total	35.000.568	--	4.664.457	--	39.448	854.115	22.911.589	26.075.515	9.457.266	2.040.200	--	8.171	280.367	--	101.331.100

(*) Collateralized by real estate mortgages

(**) After CCF and CRM

(***) Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology.

(****) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

Prior Period															Total Risk Weight (**)
Risk Classes/ Risk Weight	0%	10%	20%	35%(*)	50%	50%(*)	75%	100%	150%	200%	250%	2%	500%		
1 Exposures to sovereigns and their central banks	19.586.674	--	--	--	--	--	--	--	--	--	--	--	--	--	19.586.674
2 Exposures to regional and local governments	--	--	--	--	73.361	--	--	--	--	--	--	--	--	--	73.361
3 Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
4 Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
5 Exposures to international organizations	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
6 Exposures to banks and brokerage houses	736.402	--	3.584.504	--	681.558	--	--	1.252	--	--	--	8.732	--	--	5.012.448
7 Exposures to corporates	683.771	--	--	--	--	--	14.550.935	--	--	--	--	--	--	--	15.234.706
8 Retail exposures	2.129	--	--	--	--	--	15.642.172	5.137.233	--	--	--	--	--	--	20.781.534
9 Exposures secured by residential property	--	--	--	18.627	--	--	--	--	--	--	--	--	--	--	18.627
10 Exposures secured by commercial property	--	--	--	--	--	990.462	--	149.380	--	--	--	--	--	--	1.139.842
11 Past-due items	--	--	--	--	67.708	--	--	70.442	13.977	--	--	--	--	--	152.127
12 Exposures in high-risk categories	22	--	--	--	17.256	--	--	3.462	3.489.808	808.102	--	--	6.477	--	4.325.127
13 Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
14 Menkul kıymetli sermaye pozisyonları	--	--	171.714	--	--	--	--	--	--	--	--	--	--	--	171.714
15 Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
16 Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	1.165.718	--	--	--	--	--	--	1.165.718
17 Equity share investments	--	--	--	--	--	--	--	14.496	--	--	--	--	--	--	14.496
18 Other exposures	1.542.047	--	--	--	--	--	1.366.330	--	--	--	--	--	--	--	2.908.377
19 Total	22.551.045	--	3.756.218	18.627	839.883	990.462	15.642.172	22.459.248	3.503.785	808.102	8.732	6.477	70.584.751	--	70.584.751

(*) Collateralized by real estate mortgages

(**) After CCF and CRM

(***) Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology.

(****) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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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 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 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 *				
Current Period	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	28.745.600	--	--	3.427
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	14.483	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	4.596.631	288.068	--	--
Receivables from Banks and Brokerage Houses	20.107.902	4.034.632	--	--
Corporate Receivables	25.367.503	11.669	--	--
Retail Receivables	425.527	--	402.756	--
Receivables that are Collateralized by Residential Property	112.039	--	--	--
Past due Receivables	11.927.725	49.302	119.061	--
Receivables Defined in High Risk Category by BRSA	--	--	--	--
Securities Collateralised by Mortgages	641.364	--	--	--
Short-term Receivables from Banks,	4.691.791	--	--	--
Investments Similar to Collective Investment Funds	16.550	--	--	--
Equity Investments	4.684.585	--	--	--
Other Receivables	101.331.700	4.383.671	521.817	3.427

(*) Non-cash risks 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.
(**) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

Exposure Categories *				
Prior Period	Amount	Financial Collaterals	Other/Physical Collaterals **	Guarantees and Credit Derivatives
Receivables from Central Governments	19.586.674	--	--	6.336
Receivables, Coins, Purchased Cheques from Regional or Local Governments and CBT Banks	73.361	--	--	--
Receivables from Administrative Units and Non-Commercial Enterprises	--	--	--	--
Receivables from Multilateral Development Banks	--	--	--	--
Receivables from International Organisations	--	--	--	--
Receivables from Banks and Brokerage Houses	5.012.448	736.402	--	--
Corporate Receivables	15.234.706	683.933	--	--
Retail Receivables	20.781.534	5.418	--	--
Receivables that are Collateralized by Residential Property	1.158.469	--	1.009.089	--
Past due Receivables	152.127	--	14.342	--
Receivables Defined in High Risk Category by BRSA	4.325.127	22	--	--
Securities Collateralised by Mortgages	--	--	--	--
Short-term Receivables from Banks,	171.714	--	--	--
Investments Similar to Collective Investment Funds	1.165.718	--	--	--
Equity investments	14.496	--	--	--
Other Receivables	2.908.377	--	--	--
Total	70.584.751	1.425.775	1.023.431	6.336

(*) Non-cash risks 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.
(***) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

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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-CRM	RWA
1 Standardised Approach - CCR (for derivatives)	468.953	496.271	-	1,4	1.351.314	698.679
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	--	--	--	1,4	9.095.538	4.269.348

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 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 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 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	4.663.564	2.732.970

(*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Capital requirement for credit valuation adjustment (CVA)

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
1 (i) VaR component (including the 3×multiplier)	--	--	--	--
2 (ii) Stressed VaR component (including the 3×multiplier)	--	--	--	--
3 All portfolios subject to the Standardised CVA capital obligation	9.095.538	2.094.233	1.709.125	736.891
4 Total subject to the CVA capital obligation	9.095.538	2.094.233	1.709.125	736.891

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

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XI. Explanations on risk management objectives and policies (continued)

CCR exposures by risk class and risk weights - standardised approach

Current Period									
Risk weights	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk (*)
Exposures to sovereigns and their central banks	532.099	--	--	--	--	--	--	--	532.099
Exposures to regional and local governments	--	--	--	--	--	--	--	--	--
Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--
Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--
Exposures to international organizations	--	--	--	--	--	--	--	--	--
Exposures to banks and brokerage houses	288.068	--	99.263	226.671	--	--	--	--	614.002
Exposures to corporates	3.786.945	--	--	--	--	4.057.164	--	--	7.844.109
Retail exposures	--	--	--	--	105.328	--	--	--	105.328
Exposures secured by residential property	--	--	--	--	--	--	--	--	--
Past-due items	--	--	--	--	--	--	--	--	--
Exposures in high-risk categories	--	--	--	--	--	--	--	--	--
Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--
Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	--	--
Equity share investments	--	--	--	--	--	--	--	--	--
Othr Exposures	--	--	--	--	--	--	--	--	--
Other Assets(*)	--	--	--	--	--	--	--	--	--
Total	4.607.112	--	99.263	226.671	105.328	4.057.164	--	--	9.095.538
(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.									
Prior Period									
Risk weights	0%	10%	20%	50%	75%	100%	150%	2%	Total credit risk (*)
Exposures to sovereigns and their central banks	185.667	--	--	--	--	--	--	--	185.667
Exposures to regional and local governments	--	--	--	--	--	--	--	--	--
Exposures to adm. bodies and non-commercial entities	--	--	--	--	--	--	--	--	--
Exposures to multilateral development banks	--	--	--	--	--	--	--	--	--
Exposures to international organizations	--	--	--	--	--	--	--	--	--
Exposures to banks and brokerage houses	736.402	--	467.437	463.774	--	--	--	8.732	1.676.345
Exposures to corporates	388.302	--	--	--	--	2.326.004	--	--	2.714.306
Retail exposures	--	--	--	--	65.936	--	--	--	65.936
Exposures secured by residential property	--	--	--	--	--	--	--	--	--
Past-due items	--	--	--	--	--	--	--	--	--
Exposures in high-risk categories	--	--	--	--	--	--	21.310	--	21.310
Exposures in the form of bonds secured by mortgages	--	--	--	--	--	--	--	--	--
Securitization positions	--	--	--	--	--	--	--	--	--
Short term exposures to banks, brokerage houses and corp.	--	--	--	--	--	--	--	--	--
Exposures in the form of coll. investment undertakings	--	--	--	--	--	--	--	--	--
Equity share investments	--	--	--	--	--	--	--	--	--
Othr Exposures	--	--	--	--	--	--	--	--	--
Other Assets	--	--	--	--	--	--	--	--	--
Total	1.310.371	--	467.437	463.774	65.936	2.326.004	21.310	8.732	4.663.564
(*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.									

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XI. Explanations on risk management objectives and policies (continued)

Collaterals for CCR

	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Current Period						
Cash-domestic currency	--	--	--	--	--	--
Cash-foreign currency	187.393	--	94.666	--	4.075.014	--
Domestic sovereign debts	--	--	--	--	--	7.713.667
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	--
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
Total	187.393	--	94.666	--	4.075.014	7.713.667

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Prior Period						
Cash-domestic currency	--	--	--	--	--	--
Cash-foreign currency	1.682.713	--	166.879	--	1.124.703	--
Domestic sovereign debts	--	--	--	--	--	--
Other sovereign debts	--	--	--	--	--	--
Government agency debts	--	--	--	--	--	--
Corporate debts	--	--	--	--	--	--
Equity securities	--	--	--	--	--	--
Other collateral	--	--	--	--	--	--
Total	1.682.713	--	166.879	--	1.124.703	--

(*) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.

Exposures to central counterparties

	Current Period		Prior Period	
	EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
Exposures to QCCPs (total)	8.868	860	--	--
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	8.171	163	--	--
(i) OTC derivatives	--	--	--	--
(ii) Exchange-traded derivatives	8.171	163	--	--
(iii) Securities financing transactions	--	--	--	--
(iv) Netting sets where cross-product netting has been approved	--	--	--	--
Non-segregated initial margin	--	--	--	--
Segregated initial margin	--	--	--	--
Pre-funded default fund contributions	697	697	--	--
Unfunded default fund contributions	--	--	--	--
Exposures to QCCPs (total)	--	--	--	--
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	--	--	--	--
(i) OTC derivatives	--	--	--	--
(ii) Exchange-traded derivatives	--	--	--	--
(iii) Securities financing transactions	--	--	--	--
(iv) Netting sets where cross-product netting has been approved	--	--	--	--
Non-segregated initial margin	--	--	--	--
Segregated initial margin	--	--	--	--
Pre-funded default fund contributions	--	--	--	--
Unfunded default fund contributions	--	--	--	--

(*) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.

Explanations on consolidated market risk

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

In order to hedge against the market risk within the context of the risk management objectives, the Group sets its activities related to market risk management in accordance with “Regulations on Banks’ Internal Control and Risk Management Systems” published in the Official Gazette no. 29057 dated 11 July 2014 and “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in the Official Gazette no. 29511 dated 23 October 2015.

Being exposed to market risk, Bank’s Board of Directors have defined risk management strategies and policies about risk managements in line with application and recommendation of group and have led to follow-up strategies periodically. The limits of risks are identified and these limits are revised periodically. Board of Directors ensures that risk management group and executive managers should identify, measure, control and manage the Bank’s risk.

Market risk arising from trading transactions is limited through the risk appetite policy approved by Board of Directors as “low” and measured by taking into consideration BRSA’s standard methodology. Additionally Financial Control Department reports the market value and realized profit/loss of trading portfolio. The Risk Management and Asset Liability Committee continuously monitor compliance of trading transactions with the risk appetite policy. Market risk caused by mismatches of asset-liability maturities is also monitored through GAP reports.

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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
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	2.270.425	234.850
Options		
5 Simplified approach	--	--
6 Delta-plus method	3.738	47.750
7 Scenario approach	--	--
8 Securitisation	--	--
9 Total	3.611.013	918.125

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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 Weights								
Current Period	Value	0%	20%	50%	75%	100%	150%	Total RWA
Interest-Rate Contracts (*)	--	--	--	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	644.271	289.629	8.171	85.133	36.962	224.376	--	294.827
Commodity Contracts	58.680	--	--	30.656	--	28.024	--	43.352
Equity-Shares Related Contracts	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--
Gross Positive Fair Values	--	--	--	--	--	--	--	--
Netting Benefits	--	--	--	--	--	--	--	--
Net Current Exposure Amount	656.534	242.469	--	72.621	68.366	273.078	--	360.663
Collaterals Received	--	--	--	--	--	--	--	--
Net Derivative Position (***)	1.359.485	532.098	8.171	188.410	105.328	525.478	--	698.842
(*) Repo transactions								
(**) Includes option, currency swap and forward contracts.								
(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.								
(****) As of 31 December 2023, the Central Bank's foreign exchange buying rate for 31 December 2022 was used.								

Risk Weights								
Prior Period	Value	0%	20%	50%	75%	100%	150%	Total RWA
Interest-Rate Contracts (*)	--	--	--	--	--	--	--	--
Foreign-Exchange-Rate Contracts (**)	536.962	170.185	8.732	163.465	25.111	152.975	16.494	278.456
Commodity Contracts	4.207	--	--	1.895	--	2.312	--	3.260
Equity-Shares Related Contracts	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--
Gross Positive Fair Values	--	--	--	--	--	--	--	--
Netting Benefits	--	--	--	--	--	--	--	--
Net Current Exposure Amount	845.398	15.483	--	298.414	40.825	485.860	4.816	672.910
Collaterals Received	--	--	--	--	--	--	--	--
Net Derivative Position (***)	1.386.567	185.668	8.732	463.774	65.936	641.147	21.310	954.626
(*) Repo transactions								
(**) Includes option, currency swap and forward contracts.								
(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.								
(****) As of 31 December 2022, the Central Bank's foreign exchange buying rate for 31 December 2021 was used.								

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	31/12/2020	31/12/2021	31/12/2022	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income	1.302.892	1.944.669	6.877.287	3.374.949	15	506.242
Value at Operational Risk (Total*12,5)						6.328.030

Prior Period	31/12/2019	31/12/2020	31/12/2021	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income	1.157.197	1.302.892	1.944.669	1.468.253	15	220.238
Value at Operational Risk (Total*12,5)						2.752.974

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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 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.

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I. 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	--
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

FİBABANKA A.Ş. AND ITS SUBSIDIARIES
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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	
			Revised Contract Terms	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

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- 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	52.546
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			

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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)
- 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

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

- 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 the 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.

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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)

5.9.3 Information on expected loss provisions set aside for loans

	Stage 1	Stage 2	Stage 3
Beginning of period (1 January 2023)	340.842	450.534	498.895
Loans and movements added during the period	81.820	26.305	295.845
Loans and movements moved out during the period	(145.641)	(111.297)	(99.668)
Movements of Stage 1 and Stage 2			
Stage 1 Loans in two periods	(64.778)	--	--
Transfers from Stage 1 to Stage 2	(1.027)	1.311	--
Stage 2 Loans in two periods	--	83.111	--
Transfers from Stage 2 to Stage 1	29	(16.477)	--
Movements of Stage 3			
Transfers from Stage 1 to Stage 3 (*)	(200)	--	35.604
Transfers from Stage 2 to Stage 3	--	(403)	11.198
Stage 3 Loans in two periods (amount and parameter change)	--	--	(52.865)
Write-offs	--	--	--
Sold	(636)	(30.679)	(149.119)
Period end (31 December 2023)	210.409	402.405	539.890

5.9.4 Information on non-performing loans and other receivables in foreign currencies

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period			
Balance as of Period End	170.523	--	60.961
Provisions (-)	99.249	--	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	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	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.

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- I. 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
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.	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 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.

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I. 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.	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 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(*)(**)	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	(1.257)	(388)
Balance at End of Period	1.001.736	844.496
Capital Commitments	--	--
Share of Percentage at the end of Period(%)	--	--

(*) 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.

(**) 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
Banks	--	--
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.	İstanbul	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.	İstanbul	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
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 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	30.000
Inflation Adjustments to Paid-in Capital	--
Share Premium	--
Reserves	--
Current Period's Profit and Prior Periods' Profit	112.937
Current Period's Losses and Prior Periods' Losses	--
Leasehold Improvements on Operational Leases (-)	--
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 needs for its subsidiary included in the calculation of its consolidated capital adequacy standard ratio.

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- 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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I. 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	339.245	43.799	211.910	293.468	888.422
Additions	248.925	18.291	--	147.226	414.442
Disposals	--	2.526	141.326	6.535	150.387
Ending Balance, 31 December 2023	588.170	59.564	70.584	434.159	1.152.477
Accumulated Depreciation					
Beginning Balance, 1 January 2023	(93.020)	(18.349)	--	(84.540)	(195.909)
Depreciation	--	548	--	40.004	40.552
Disposals	(41.817)	(16.940)	--	(73.686)	(132.443)
Ending Balance, 31 December 2023	(134.837)	(34.741)	--	(118.222)	(287.800)
Net Book Value, 31 December 2023	453.333	24.823	70.584	315.937	864.677

(*) Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

(**) The property under construction item 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					
- Beginning Balance, 1 January 2022	296.042	29.930	121.436	137.965	585.373
Additions	43.203	13.869	90.474	159.303	306.849
Disposals	--	--	--	3.788	3.788
Ending Balance, 31 December 2022	339.245	43.799	211.910	293.480	888.434
Accumulated Depreciation					
Beginning Balance, 1 January 2022	(67.657)	(7.961)	--	(95.102)	(170.720)
Depreciation	(25.363)	(10.388)	--	(31.563)	(67.314)
Disposals	--	--	--	42.113	42.113
Ending Balance, 31 December 2022	(93.020)	(18.349)	--	(84.552)	(195.921)
Net Book Value, 31 December 2022	246.225	25.450	211.910	208.928	692.513

(*) Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

(**) The property under construction item 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 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.

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I. 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
Disposal	--	--
Ending Balance, 31 December	1.095.237	429.882
Accumulated Depreciation		
Beginning Balance, 1 January	(186.189)	(130.402)
Amortisation Expense for Current Period (-)	(121.326)	(55.828)
Disposal	--	--
Ending Balance, 31 December	(307.515)	(186.230)
Net Book Value, 31 December	787.722	243.652

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 consolidated assets (continued)

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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

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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)**
- 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.

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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	28.621.550	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 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	TL		FC	
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal	--	--	--	--
Book Value	--	--	--	--
Prior period	TL		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 "TFRS 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).

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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
Aktuerial 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.

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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 I 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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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	5.669.593
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 21.369 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

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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	(%)
Agricultural	2.529	0,5%	7.137	1,3%	3.649	0,7%	--	0,0%
Farming and raising livestock	2.104	0,4%	--	0,0%	3.224	0,7%	--	0,0%
Forestry	425	0,1%	7.137	1,3%	425	0,1%	--	0,0%
Fishing	--	0,0%	--	0,0%	--	0,0%	--	0,0%
Manufacturing	104.875	21,0%	224.065	39,7%	114.853	23,6%	54.423	21,0%
Mining	14.975	3,0%	11.624	2,1%	7.976	1,6%	--	0,0%
Production	89.132	17,8%	212.441	37,6%	104.720	21,5%	54.423	21,0%
Electric, gas and water	768	0,2%	--	0,0%	2.157	0,4%	--	0,0%
Construction	100.857	20,2%	97.243	17,2%	107.153	22,0%	56.955	22,0%
Services	200.960	40,2%	190.413	33,7%	173.648	35,7%	135.229	52,2%
Wholesale and retail trade	96.323	19,3%	91.791	16,3%	112.524	23,1%	80.784	31,2%
Hotel, food and beverage services	7.034	1,4%	8.143	1,4%	3.324	0,7%	4.984	1,9%
Transportation and telecommunication	8.340	1,7%	62.544	11,1%	8.838	1,8%	4.946	1,9%
Financial Institutions	76.963	15,4%	4.004	0,7%	35.310	7,3%	20.311	7,8%
Real estate and renting services	5.259	1,1%	--	0,0%	5.242	1,1%	--	0,0%
Self-employment services	3.010	0,6%	403	0,1%	3.850	0,8%	13.761	5,3%
Education services	1.075	0,2%	--	0,0%	1.223	0,3%	--	0,0%
Health and social services	2.956	0,6%	23.528	4,2%	3.337	0,7%	10.443	4,0%
Other	90.429	18,1%	45.456	8,1%	87.567	18,0%	12.484	4,8%
Total	499.650	100,0%	564.314	100,0%	486.870	100,0%	259.091	100,0%

4. Information on the first and second group of non-cash loans

Current Period	Stage I		Stage II	
	TP	YP	TP	YP
Letters of Guarantee	406.163	427.305	80.660	10.035
Bills of Exchange and Bank Acceptances	--	--	--	35.408
Letters of Credit	--	81.217	--	--
Endorsements	--	--	--	--
Underwriting Commitments	--	--	--	--
Factoring Related Guarantees	--	--	--	--
Other Guarantees and Sureties	--	--	--	--
Non-Cash Loans	406.163	508.522	80.660	45.443

(*) 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	
	TP	YP	TP	YP
Letters of Guarantee	432.223	154.792	54.647	--
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	432.223	259.091	54.647	--

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

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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.

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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		
<i>Turkish Lira</i>								
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
<i>Foreign Currency</i>								
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).

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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 SDIF 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	12.043.061	6.522.214
Interest Expenses (-)	11.783.850	4.292.618
Net Fee and Commission income	3.445.710	650.621
Dividend income	130.001	200.000
Trading Profit/Loss (Net)	4.721.327	2.957.062
Other Operating Income	2.630.617	1.113.038
Provision for Impairment in Loans and Other Receivables	1.035.599	626.607
Other Provision Expenses (-)	268.812	1.026.806
Personnel Expenses (-)	2.044.008	842.494
Other Operating Expenses (-)	2.190.033	1.192.189
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	30%	25%
Amount of Tax before Deductions and Additions	1.694.524	865.555
Deductions	(1.501.180)	(897.807)
Additions	1.262.300	773.884
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).

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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.

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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 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.

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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).

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- 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).

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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.

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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.

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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

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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.