

Fibabanka Anonim Şirketi

Consolidated Financial Statements
as of and for the Three Month Period Ended
31 March 2024

With Independent Auditors'
Review Report Thereon

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



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Independent Auditor's Report on Review of Consolidated Interim Financial Statements

To the Board of Directors of Fibabanka A.Ş.

Introduction

We have reviewed the accompanying consolidated balance sheet of Fibabanka A.Ş. ("the Bank") and its consolidated financial subsidiaries (together referred to as "the Group") as at 31 March 2024 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 three month period then ended, and notes, comprising significant accounting policies and other explanatory information. The Bank management is responsible for the preparation and fair presentation of these consolidated interim financial information in accordance with the Banking Regulation and Supervision Agency Accounting and Reporting Legislation which includes "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 Agency ("BRSA") and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" for the matters not regulated by the aforementioned regulations (together referred as "BRSA Accounting and Financial Reporting Legislation"). Our responsibility is to express a conclusion on these consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion.

Basis for Qualified Conclusion

As stated in Note II.8.3.1 of Section Five, the accompanying consolidated interim financial statements as at 31 March 2024 includes a general reserve total of TL 1.556.000 thousand of which TL 1.586.000 thousand had been recognized as expense in the prior periods and TL 30.000 thousand was reversed in the current period with a deferred tax asset amounting to TL 466.800 thousand of which TL 475.800 thousand had been recognized in prior periods and TL 9.000 thousand was reversed in the current period 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.

As of 31 December 2023, the Bank did not consider its balance sheet submitted as an annex to the corporate tax return as of 31 December 2023 prepared in accordance with inflation accounting within the scope of "General Communiqué on the Tax Procedure Law No. 555" published in the Official Gazette No. 32414 dated 30 December 2023 and paragraph (A) of the duplicate article 298 and temporary article 33 of the Law No. 213 published by the Republic of Türkiye Ministry of Treasury and Finance on the deferred tax calculation. As of 31 March 2024, the Bank recognized the related deferred tax amount on its financial information by considering its balance sheet prepared in accordance with inflation accounting for tax purpose. If the Bank had taken the related balance sheet prepared in accordance with inflation accounting for tax purpose into consideration in the deferred tax calculation as of 31 December 2023, deferred tax income and net profit for the period would be decreased by TL 758.500 thousand respectively, and prior year loss/(income) would be decreased/(increased) by TL 758.500 thousand on the interim financial information prepared as of 31 March 2024.

Qualified Conclusion

Based on our review, except for the effects of the matters described in the Basis for Qualified Conclusion paragraphs, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, its consolidated financial position of Fibabanka A.Ş. as at 31 March 2024 and its consolidated financial performance and consolidated cash flows for the three month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on Other Regulatory Requirements Arising From Legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the interim annual report in section VII of the accompanying consolidated interim financial information is not consistent, in all material respects, with the reviewed consolidated interim financial information and explanatory notes.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi


Alper Güvenç, SMMM
Partner

15 May 2024
İstanbul, Türkiye

**THE CONSOLIDATED FINANCIAL REPORT OF
FİBABANKA A.Ş.
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024**

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The consolidated financial report for the three month 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
- REVIEW REPORT
- INTERIM ACTIVITY 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 Bank's records, have been independently reviewed and presented as attached.

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

Information related to personnel to whom questions related to this financial report may be directed:

Name-Surname/Title : **Ayşe Akdaş**/Financial Control and Reporting Director
Telephone Number : (212) 381 84 88
Fax Number : (212) 258 37 78

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FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 MARCH 2024

(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 March 2024 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 SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 MARCH 2024

(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 March 2024, paid-in capital of the Bank is TL 1.357.723 and all paid in.

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

<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
Murat Özyeğin	Member	08-Feb-24
Ömer Mert	General Manager - Member	18-Jan-17

(*) 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 March 2024, the total shares held by the Bank's Management represent 5,65% of the Bank's Capital.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 MARCH 2024

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

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

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

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

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

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 March 2024, the Group serves with 40 domestic branches and 1.913 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 2024 - 31 March 2024

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.

Financial subsidiary of the Parent Bank;

- Fiba Portföy Yönetimi A.Ş

is consolidated using full consolidation method.

Financial associates of the Parent Bank;

- HDI Fiba Emeklilik ve Hayat A.Ş.
- Fiba Sigorta A.Ş.

are consolidated by 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 the Parent Bank and Its Subsidiaries

None.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 31 MARCH 2024

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

ASSETS	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/03/2024)			(31/12/2023)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		20.171.141	25.225.195	45.396.336	18.680.265	19.293.020	37.973.285
1.1 Cash and Cash Equivalents	(5.1.1)	6.220.536	21.979.470	28.200.006	7.638.467	16.806.496	24.444.963
1.1.1 Cash and Balances at Central Bank		5.722.957	18.826.060	24.549.017	6.708.027	11.859.555	18.567.582
1.1.2 Banks	(5.1.3)	501.480	1.215.398	1.716.878	344.427	2.739.945	3.084.372
1.1.3 Money Market Placements		-	1.938.012	1.938.012	591.490	2.206.996	2.798.486
1.1.4 Expected Credit Loss (-)		3.901	-	3.901	5.477	-	5.477
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	850.458	65.976	916.434	3.327.249	136.353	3.463.602
1.2.1 Government Debt Securities		15	39	54	15	35	50
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		850.443	65.937	916.380	3.327.234	136.318	3.463.552
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	11.618.734	3.053.560	14.672.294	6.877.369	2.280.353	9.157.722
1.3.1 Government Debt Securities		7.842.776	2.964.289	10.807.065	5.430.428	2.204.393	7.634.821
1.3.2 Equity Securities		4.897	-	4.897	4.897	-	4.897
1.3.3 Other Financial Assets		3.771.061	89.271	3.860.332	1.442.044	75.960	1.518.004
1.4 Derivative Financial Assets	(5.1.2)	1.481.413	126.189	1.607.602	837.180	69.818	906.998
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit and Loss		1.481.413	126.189	1.607.602	837.180	69.818	906.998
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.1.6)	47.750.949	17.385.042	65.135.991	44.299.675	16.407.422	60.707.097
2.1 Loans	(5.1.5)	45.896.190	10.542.180	56.438.370	42.471.793	9.761.225	52.233.018
2.2 Lease Receivables	(5.1.10)	-	-	-	-	-	-
2.3 Factoring Receivables	(5.1.5)	443.864	8.303	452.167	318.004	3.293	321.297
2.4 Financial Assets Measured at Amortised Cost	(5.1.6)	2.681.580	6.834.559	9.516.139	2.666.362	6.642.904	9.309.266
2.4.1 Government Debt Securities		2.198.196	6.769.744	8.967.940	2.198.192	6.584.906	8.783.098
2.4.2 Other Financial Assets		483.384	64.815	548.199	468.170	57.998	526.168
2.5 Expected Credit Losses (-)		1.270.685	-	1.270.685	1.156.484	-	1.156.484
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	-	-	-	10.380	-	10.380
3.1 Assets Held for Sale		-	-	-	10.380	-	10.380
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		1.162.668	-	1.162.668	1,119,236	-	1,119,236
4.1 Investments in Associates (Net)	(5.1.7)	1,045,168	-	1,045,168	1,001,736	-	1,001,736
4.1.1 Associates Accounted by Using Equity Method		1,045,168	-	1,045,168	1,001,736	-	1,001,736
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Investments in Subsidiaries (Net)	(5.1.8)	117,500	-	117,500	117,500	-	117,500
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-financial Subsidiaries		117,500	-	117,500	117,500	-	117,500
4.3 Joint Ventures (Net)	(5.1.9)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(5.1.12)	984.522	-	984.522	864.678	-	864.678
VI. INTANGIBLE ASSETS (Net)	(5.1.13)	816.864	-	816.864	787.722	-	787.722
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		816.864	-	816.864	787.722	-	787.722
VII. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(5.1.15)	1,623,460	-	1,623,460	814,644	-	814,644
X. OTHER ASSETS	(5.1.17)	1,575,343	26,478	1,601,821	1,363,751	17,672	1,381,423
TOTAL ASSETS		74,084,947	42,636,715	116,721,662	67,940,351	35,718,114	103,658,465

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 31 MARCH 2024

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

LIABILITIES	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/03/2024)			(31/12/2023)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	50.970.580	24.787.968	75.758.548	49.983.742	18.460.864	68.444.606
II. FUNDS BORROWED	(5.II.3)	-	2.334.781	2.334.781	-	2.325.261	2.325.261
III. MONEY MARKET FUNDS		1.004.396	9.442.267	10.446.663	-	7.610.322	7.610.322
IV. SECURITIES ISSUED (Net)	(5.II.4)	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
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)	799.360	127.932	927.292	817.844	69.007	886.851
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		799.360	127.932	927.292	817.844	69.007	886.851
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5.II.6)	416.177	-	416.177	372.953	-	372.953
X. PROVISIONS	(5.II.8)	1.906.139	-	1.906.139	1.981.078	-	1.981.078
10.1 Provisions for Restructuring		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		239.425	-	239.425	310.903	-	310.903
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.666.714	-	1.666.714	1.670.175	-	1.670.175
XI. CURRENT TAX LIABILITIES	(5.II.9)	1.015.066	-	1.015.066	740.780	-	740.780
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)	-	7.689.816	7.689.816	-	7.180.853	7.180.853
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	7.689.816	7.689.816	-	7.180.853	7.180.853
XV. OTHER LIABILITIES	(5.II.5)	2.562.345	844.077	3.406.422	3.026.860	398.222	3.425.082
XVI. SHAREHOLDERS' EQUITY	(5.II.12)	12.777.268	43.490	12.820.758	10.649.247	41.432	10.690.679
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		616.012	-	616.012	357.246	-	357.246
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		568.819	43.490	612.309	725.747	41.432	767.179
16.5 Profit Reserves		7.688.716	-	7.688.716	3.742.127	-	3.742.127
16.5.1 Legal Reserves		271.545	-	271.545	204.289	-	204.289
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		6.305.424	-	6.305.424	3.022.580	-	3.022.580
16.5.4 Other Profit Reserves		1.111.747	-	1.111.747	515.258	-	515.258
16.6 Profit or Loss		2.315.508	-	2.315.508	4.236.228	-	4.236.228
16.6.1 Prior Periods' Profit or Loss		280.662	-	280.662	44.254	-	44.254
16.6.2 Current Period Net Profit or Loss		2.034.846	-	2.034.846	4.191.974	-	4.191.974
16.7 Minority Interest	(5.II.13)	1.812	-	1.812	1.498	-	1.498
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		71.451.331	45.270.331	116.721.662	67.572.504	36.085.961	103.658.465

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS AT 31 MARCH 2024

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

	Footnotes	CURRENT PERIOD (31/03/2024)			PRIOR PERIOD (31/12/2023)		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		102.335.866	172.720.390	275.056.256	73.345.185	132.550.965	205.896.150
I. GUARANTIES AND WARRANTIES	(5.III.1)	677.072	596.491	1.273.563	499.650	564.314	1.063.964
1.1. Letters of Guarantee		677.072	438.803	1.115.875	499.650	447.689	947.339
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		677.072	438.803	1.115.875	499.650	447.689	947.339
1.2. Bank Acceptances		-	55.231	55.231	-	35.408	35.408
1.2.1. Import Letter of Acceptances		-	55.231	55.231	-	35.408	35.408
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	102.457	102.457	-	81.217	81.217
1.3.1. Documentary Letters of Credit		-	102.457	102.457	-	81.217	81.217
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		8.985.826	9.504.980	18.490.806	9.128.167	9.017.737	18.145.904
2.1. Irrevocable Commitments	(5.III.1)	8.985.826	9.504.980	18.490.806	9.128.167	9.017.737	18.145.904
2.1.1. Asset Purchase Commitments		611.395	9.504.980	10.116.375	3.029.917	9.017.737	12.047.654
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		7.201.008	-	7.201.008	5.329.780	-	5.329.780
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		684.908	-	684.908	329.964	-	329.964
2.1.8. Tax and Fund Liabilities from Export Commitments		96.855	-	96.855	66.455	-	66.455
2.1.9. Commitments for Credit Card Limits		377.009	-	377.009	357.395	-	357.395
2.1.10. Commitments for Credit Cards and Banking Services Promotions		23	-	23	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		14.628	-	14.628	14.650	-	14.650
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.5)	92.672.968	162.618.919	255.291.887	63.717.368	122.968.914	186.686.282
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		92.672.968	162.618.919	255.291.887	63.717.368	122.968.914	186.686.282
3.2.1. Forward Foreign Currency Buy/Sell Transactions		44.350.489	58.385.197	102.735.686	28.734.489	42.366.620	71.101.109
3.2.1.1. Forward Foreign Currency Transactions - Buy		33.339.272	18.805.564	52.144.836	27.816.113	8.412.207	36.228.320
3.2.1.2. Forward Foreign Currency Transactions - Sell		11.011.217	39.579.633	50.590.850	918.376	33.954.413	34.872.789
3.2.2. Swap Transactions Related to Foreign Currency and Interest		42.182.935	58.697.292	100.880.227	33.165.838	56.038.467	89.204.305
3.2.2.1. Foreign Currency Swap- Buy		4.009.681	43.744.263	47.753.944	3.536.875	40.729.121	44.265.996
3.2.2.2. Foreign Currency Swap- Sell		33.473.254	14.953.029	48.426.283	29.623.713	15.309.346	44.933.059
3.2.2.3. Interest Rate Swap- Buy		2.350.000	-	2.350.000	2.625	-	2.625
3.2.2.4. Interest Rate Swap- Sell		2.350.000	-	2.350.000	2.625	-	2.625
3.2.3. Foreign Currency, Interest Rate and Securities Options		1.118.017	29.424.686	30.542.703	1.416.449	15.863.800	17.280.249
3.2.3.1. Foreign Currency Options- Buy		811.288	14.458.543	15.269.831	1.272.926	7.369.837	8.642.763
3.2.3.2. Foreign Currency Options- Sell		306.729	14.966.143	15.272.872	143.523	8.493.963	8.637.486
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		5.021.527	4.678.671	9.700.198	400.592	372.452	773.044
3.2.4.1. Foreign Currency Futures- Buy		4.759.792	236.168	4.995.960	208.574	175.452	384.026
3.2.4.2. Foreign Currency Futures- Sell		261.735	4.442.503	4.704.238	192.018	197.000	389.018
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		-	11.433.073	11.433.073	-	8.327.575	8.327.575
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		603.540.615	313.414.634	916.955.249	525.313.570	278.875.697	804.189.267
IV. ITEMS HELD IN CUSTODY		12.787.788	110.080.580	122.868.368	12.519.628	80.018.454	92.538.082
4.1. Customer Fund and Portfolio Balances		3.743.216	11.599.256	15.342.472	4.513.472	9.041.400	13.554.872
4.2. Investment Securities Held in Custody		1.834.519	9.663.466	11.497.985	2.115.264	9.098.921	11.214.185
4.3. Cheques Received for Collection		6.896.638	315.996	7.212.634	5.602.489	253.445	5.855.934
4.4. Commercial Notes Received for Collection		205.915	92.434	298.349	180.903	80.650	261.553
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		107.500	88.409.428	88.516.928	107.500	61.544.038	61.651.538
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		590.752.827	203.334.054	794.086.881	512.793.942	198.857.243	711.651.185
5.1. Marketable Securities		350.036	2.055.906	2.405.942	571.007	679.847	1.250.854
5.2. Guarantee Notes		119.528	142.472	262.000	116.127	136.163	252.290
5.3. Commodity		31.250	598.756	630.006	-	551.838	551.838
5.4. Warranty		-	-	-	-	-	-
5.5. Immovables		4.356.081	22.318.958	26.675.039	4.548.581	20.846.466	25.395.047
5.6. Other Pledged Items		585.895.932	178.217.962	764.113.894	507.558.227	176.642.929	684.201.156
5.7. Pledged Items - Depository		-	-	-	-	-	-
VI. ACCEPTED BILL, GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		705.876.481	486.135.024	1.192.011.505	598.658.755	411.426.662	1.010.085.417

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 1 JANUARY 2024 - 31 MARCH 2024

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

INCOME AND EXPENSE ITEMS		Footnotes	CURRENT PERIOD (01/01/2024-31/03/2024)	PRIOR PERIOD (01/01/2023-31/03/2023)
I.	INTEREST INCOME	(5.IV.1)	6.356.170	1.967.241
1.1	Interest on Loans	(5.IV.1)	5.247.525	1.553.661
1.2	Interest on Reserve Deposits		95.816	111
1.3	Interest on Banks	(5.IV.1)	71.373	12.473
1.4	Interest on Money Market Placements		116.222	80.076
1.5	Interest on Marketable Securities Portfolio	(5.IV.1)	821.701	320.574
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		300	42
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		540.197	104.935
1.5.3	Financial Assets Measured at Amortized Cost		281.204	215.597
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		3.533	346
II.	INTEREST EXPENSE (-)		5.350.657	1.567.088
2.1	Interest on Deposits	(5.IV.2)	4.822.981	1.211.709
2.2	Interest on Funds Borrowed	(5.IV.2)	261.541	183.113
2.3	Interest on Money Market Placements		245.639	65.856
2.4	Interest on Securities Issued	(5.IV.2)	-	94.365
2.5	Interest on Leasing Expenses		19.896	6.992
2.6	Other Interest Expenses		600	5.053
III.	NET INTEREST INCOME (I - II)		1.005.513	400.153
IV.	NET FEES AND COMMISSIONS INCOME		846.853	497.082
4.1	Fees and Commissions Received		991.108	632.281
4.1.1	Non-cash Loans		3.938	3.055
4.1.2	Other	(5.IV.12)	987.170	629.226
4.2	Fees and Commissions Paid (-)		144.255	135.199
4.2.1	Non-cash Loans		18	27
4.2.2	Other	(5.IV.12)	144.237	135.172
V	DIVIDEND INCOME	(5.IV.3)	243.013	-
VI.	TRADING INCOME / LOSS (Net)	(5.IV.4)	988.123	835.072
6.1	Trading Gain / Loss on Securities		371.115	28.023
6.2	Gain / Loss on Derivative Financial Transactions		(1.611.782)	196.791
6.3	Foreign Exchange Gain / Loss		2.228.790	610.258
VII.	OTHER OPERATING INCOME	(5.IV.5)	457.078	350.078
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		3.540.580	2.082.385
IX.	EXPECTED CREDIT LOSS (-)	(5.IV.6)	306.822	193.964
X.	OTHER PROVISION EXPENSES (-)	(5.IV.6)	8.285	41.891
XI.	PERSONNEL EXPENSES (-)		884.837	442.002
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.7)	886.358	487.446
XIII.	NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)		1.454.278	917.082
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XV.	INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING		44.226	41.091
XVI.	GAIN / LOSS ON NET MONETARY POSITION		-	-
XVII.	P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	(5.IV.8)	1.498.504	958.173
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	536.656	(236.969)
18.1	Current Tax Provision		(206.027)	(225.040)
18.2	Deferred Tax Expense Effect (+)		(57.846)	(57.703)
18.3	Deferred Tax Income Effect (-)		800.529	45.774
XIX.	NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	(5.IV.10)	2.035.160	721.204
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)	2.035.160	721.204
25.1	Group Profit/Loss		2.034.846	721.129
25.2	Minority Interest		314	75
	Earnings per share		0,01499	0,00531

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 1 JANUARY 2024-31 MARCH 2024

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

		CURRENT PERIOD (01/01/2024- 31/03/2024)	PRIOR PERIOD (01/01/2023- 31/03/2023)
I.	CURRENT PERIOD PROFIT / LOSS	2.035.160	721.204
II.	OTHER COMPREHENSIVE INCOME	103.896	(50.187)
2.1	Not Reclassified Through Profit or Loss	258.766	(11.753)
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	716	(42.293)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	258.265	19.862
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(215)	10.678
2.2	Reclassified Through Profit or Loss	(154.870)	(38.434)
2.2.1	Foreign Currency Conversion Differences	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other Comprehensive Income	(220.424)	(50.182)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Loss	(794)	(562)
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	66.348	12.310
III.	TOTAL COMPREHENSIVE INCOME (I+II)	2.139.056	671.017

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

FİBABANKA A.Ş. AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD BETWEEN 1 JANUARY 2024 - 31 MARCH 2024

(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 Reserves	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 (31/03/2023)																
I. Balances at beginning of the period	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 balances at beginning of the period (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	-	-	-	-	-	(31.615)	19.862	-	(37.869)	(565)	-	-	721.129	670.942	75	671.017
V. Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	(3.349)	-	(3.349)	-	(3.349)
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	2.653.980	66.150	(2.720.130)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	2.653.980	-	(2.653.980)	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	66.150	(66.150)	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	1.357.723	128.678	-	100.000	-	(78.314)	475.778	-	744.311	(568)	3.736.890	62.935	721.129	7.248.562	778	7.249.340
CURRENT PERIOD (31/03/2024)																
I. Prior period ending balance	1.357.723	128.678	-	100.000	-	(78.577)	435.823	-	768.861	(1.682)	3.742.127	44.254	4.191.974	10.689.181	1.498	10.690.679
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	-	(78.577)	435.823	-	768.861	(1.682)	3.742.127	44.254	4.191.974	10.689.181	1.498	10.690.679
IV. Total Comprehensive Income	-	-	-	-	-	501	258.265	-	(152.397)	(2.473)	-	-	2.034.846	2.138.742	314	2.139.056
V. Capital Increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital reserves from inflation adjustments to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / decrease due to other changes (**)	-	-	-	-	-	-	-	-	-	-	-	(8.977)	-	(8.977)	-	(8.977)
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	3.946.589	245.385	(4.191.974)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to reserves	-	-	-	-	-	-	-	-	-	-	3.946.589	-	(3.946.589)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	245.385	(245.385)	-	-	-
Balances at the end of the period (III+IV+.....+X+XI)	1.357.723	128.678	-	100.000	-	(78.076)	694.088	-	616.464	(4.155)	7.688.716	280.662	2.034.846	12.818.946	1.812	12.820.758

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 SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN 1 JANUARY 2024 - 31 MARCH 2024 (Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

	Footnotes	CURRENT PERIOD (01/01/2024 - 31/03/2024)	PRIOR PERIOD (01/01/2023 - 31/03/2023)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		2.643.921	1.124.396
1.1.1 Interest received (+)		6.144.406	1.991.298
1.1.2 Interest paid (-)		(4.760.165)	(1.681.548)
1.1.3 Dividend received (+)		243.013	-
1.1.4 Fees and commission received (+)		979.117	646.513
1.1.5 Other income (+)		3.715.247	1.365.131
1.1.6 Collections from previously written off loans and other receivables (+)		123.290	103.323
1.1.7 Cash payments to personnel and service suppliers (-)		(1.593.398)	(804.584)
1.1.8 Taxes paid (-)		8.172	-
1.1.9 Other (+/-)	(5.VI.3)	(2.215.761)	(495.737)
1.2 Changes in Operating Assets and Liabilities		2.585.910	2.932.138
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		1.846.564	(294.738)
1.2.2 Net (increase) / decrease in due from banks (+/-)		(2.356.634)	(328.878)
1.2.3 Net (increase) / decrease in loans (+/-)		(3.095.635)	(5.648.946)
1.2.4 Net (increase) / decrease in other assets (+/-)	(5.VI.3)	(292.175)	(137.737)
1.2.5 Net (increase) / decrease in bank deposits (+/-)		6.536.979	166.250
1.2.6 Net (increase) / decrease in other deposits (+/-)		(1.669.335)	5.414.101
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 (+/-)		(165.959)	521.709
1.2.9 Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-)	(5.VI.3)	1.782.105	3.240.377
I. Net Cash Provided from Banking Operations (+/-)		5.229.831	4.056.534
B. CASH FLOWS FROM INVESTMENT ACTIVITIES		-	-
II. Net Cash Flow Provided from Investment Activities (+/-)		(5.403.928)	(1.158.018)
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(43.432)	-
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 (-)		(60.662)	(51.557)
2.4 Cash obtained from the sale of tangible and intangible assets (+)		65.611	(37.229)
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(5.271.208)	(581.726)
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 (-)		33.477	(369.995)
2.8 Cash obtained from the sale of financial assets at amortised cost (+)		-	-
2.9 Other (+/-)	(5.VI.3)	(127.714)	(117.511)
C. CASH FLOWS FROM FINANCING ACTIVITIES		-	-
III. Net Cash Provided from Financing Activities (+/-)		(16.049)	(3.702.583)
3.1 Cash obtained from funds borrowed and securities issued (+)		-	-
3.2 Cash outflow from funds borrowed and securities issued (-)		-	(3.702.499)
3.3 Equity instruments issued (+)		-	-
3.4 Dividends paid (-)		-	-
3.5 Payments for financial leases liabilities (-)		(19.896)	(6.992)
3.6 Other (+/-)		3.847	6.908
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		1.872.014	228.766
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		1.681.868	(575.301)
VI. Cash and Cash Equivalents at the Beginning of the Period (+)	(5.VI.1)	19.377.572	15.333.650
VII. Cash and Cash Equivalents at the End of the Period (V+VI)	(5.VI.1)	21.059.440	14.758.349

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 31 MARCH 2024**

(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

BRSA Accounting and Reporting Regulations differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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 XXIX below.

3. Other

According to “TAS 29 Financial Reporting in Hyperinflation Economies”, businesses whose functional currency is the currency of a high-inflation economy report their financial statements according to the purchasing power of money at the end of the reporting period. Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) announced that financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies as of 31 December 2023 would not be subject to the inflation adjustment in accordance with BRSA Board decision on 12 December 2023. BRSA also announced that banks, financial leasing, factoring, financing, savings financing and asset management companies are required to apply inflation adjustment as of 1 January 2025 in accordance with BRSA Board decision on 11 January 2024. Based on this, “TAS 29 Financial Reporting in Hyperinflation Economies” has not been applied in the consolidated financial statements as of 31 March 2024.

The differences between the standards set out by BRSA Accounting and Financial Reporting Legislation and the accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and 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.

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.

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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.

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 March 2024	31 December 2023
US Dollar	32,2854	29,4382
Euro	34,8023	32,5739

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 March 2024.

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.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

III. Explanations on consolidated subsidiaries and associates (continued)

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.

Equity method is a method of accounting whereby the book value of the investor's share capital in the subsidiary or the joint venture is either added to or subtracted in proportion with investor's share from the change in the subsidiary's or joint venture's equity within the period. The method also foresees that profit will be deducted from the subsidiaries' or joint venture's recalculated value accordingly.

The financial institution subsidiaries of the Bank, HDI 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 "Communiqué on the Preparation of Consolidated Financial Statements of the Banks".

HDI Fiba Emeklilik ve Hayat A.Ş. started its activities in health and personal accident insurance in January 2013, reinsurance operations related to these insurances in July 2013 and pension activities in December 2013. As of 20 December 2022, 8.000.000 shares representing 40% of HDI 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, HDI Sigorta A.Ş. and Fibabanka A.Ş. established Fiba Sigorta A.Ş. to operate in the elementary insurance 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 Bank's derivative instruments are classified as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with "TFRS 9". In choosing accounting policy, TFRS 9 gives the option to postpone the acceptance of TFRS 9 financial hedging accounting and continue using TAS 39 financial hedging accounting. In accordance with this, Bank is continuing to use TAS 39 for financial hedging accounts.

The liabilities and receivables arising from 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 can enter 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.

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

IV. Explanations on forward transactions, options and derivative instruments (continued)

Explanations on derivative financial instruments held for hedging (continued)

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.

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 are recognized when the related services are provided, 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.

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VII. Explanations on financial assets (continued)

2. Financial assets measured at fair value through other comprehensive income (continued)

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.

As of 1 January 2024, the Bank started to follow a portion of its new short-term retail loans as Financial Assets Measured at Fair Value through Other Comprehensive Income considering that the new business model's objective is both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates on cash flows that are solely payments of principal and interest on principal amount outstanding. The amount of these loans is TL 1.027.564 and is presented in the "Other Financial Assets" line under "Financial Assets Measured at Fair Value through Other Comprehensive Income" in the financial statements.

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 Other Comprehensive Income" accounts.

VIII. Explanations on expected credit loss

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 June 2016 numbered 29750.

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions. Expected credit loss is calculated by using following components: "Exposure at Default", "Probability of Default" and "Loss Given Default".

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

VIII. Explanations on expected credit loss (continued)

Calculation of expected credit loss

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

Stage 1

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

Stage 2

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

Stage 3

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

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

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

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

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

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

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

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

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

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VIII. Explanations on expected credit loss (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 or a disposal group 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:

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

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

- a) Deducts accumulated depreciation and accumulated impairment losses and
- b) 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:

- a) Increase the book value to reflect the interest on the lease obligation
- b) Reduces the book value to reflect the lease payments made and
- c) 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 “IFRS 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 2023: 30,50%), inflation rate of 27,00% (31 December 2023: 27,00%).
- Effective as of 1 Jan 2024, ceiling salary amount is considered as TL 35.058,58 (full TL) (31 December 2023: TL 35.058,5).
- 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 March 2024, 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 is 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.

75% of the capital earning derived from the sale of equity investments and 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, are 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, a new law was approved regarding profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, are 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.

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XVIII. Explanations on taxation (continued)

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

Deferred tax 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 March 2024, the deferred tax asset is TL 1.623.460 (31 December 2023: TL 814.644 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within "Deferred Tax Income Effect" and "Deferred Tax Expense Effect" in the statement of profit or loss; net income is TL 742.683 for the current period (31 March 2023: TL 11.929 expense). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 66.133 of income (31 March 2023: TL 22.988 income).

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.

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XXI. Explanations on bank acceptances and bills of guarantee

The 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.

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 its operating results, assets and liabilities are reported under the "Treasury and Headquarters".

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period-1 January - 31 March 2024				
Net Interest Income	17.094	1.046.035	(57.616)	1.005.513
Net Fees and Commissions Income	423.512	406.734	16.607	846.853
Dividend Income	--	--	243.013	243.013
Trading Income / Loss (Net)	275.979	316.356	395.788	988.123
Other Operating Income	239.669	359.615	(142.206)	457.078
Expected Credit Loss (-)	(245.533)	(161.350)	100.061	(306.822)
Other Provision Expenses (-)	--	30.000	(38.285)	(8.285)
Personnel and Other Operating Expenses	(630.055)	(817.035)	(324.105)	(1.771.195)
Income/Loss From Investments Under Equity Accounting	--	--	44.226	44.226
Profit/(loss) Before Tax	80.666	1.180.355	237.483	1.498.504
Tax Provision	--	--	536.656	536.656
Profit/(loss) After Tax	80.666	1.180.355	774.139	2.035.160
Current Period-31 March 2024				
Segment Assets	13.881.421	43.189.997	58.487.576	115.558.994
Subsidiaries and Associates	--	--	1.162.668	1.162.668
Total Assets	13.881.421	43.189.997	59.650.244	116.721.662
Segment Liabilities	56.243.949	10.968.460	36.688.495	103.900.904
Shareholders' Equity	--	--	12.820.758	12.820.758
Total Liabilities	56.243.949	10.968.460	49.509.253	116.721.662

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Prior Period-1 January - 31 March 2023				
Net Interest Income	161.244	257.517	(18.608)	400.153
Net Fees and Commissions Income	133.515	426.348	(62.781)	497.082
Dividend Income	--	--	--	--
Trading Income / Loss (Net)	103.512	306.470	425.090	835.072
Other Operating Income	136.542	199.648	13.888	350.078
Expected Credit Loss (-)	(61.939)	(48.235)	(83.791)	(193.965)
Other Provision Expenses (-)	--	(40.000)	(1.891)	(41.891)
Personnel and Other Operating Expenses	(448.775)	(319.155)	(161.517)	(929.447)
Income From Investments Under Equity Accounting	--	--	41.091	41.091
Profit/(loss) Before Tax	24.099	782.593	151.481	958.173
Tax Provision	--	--	(236.969)	(236.969)
Profit/(loss) After Tax	24.099	782.593	(85.488)	721.204
Prior Period-31 December 2023				
Segment Assets	13.207.159	38.599.419	50.732.651	102.539.229
Subsidiaries and Associates	--	--	1.119.236	1.119.236
Total Assets	13.207.159	38.599.419	51.851.887	103.658.465
Segment Liabilities	55.216.319	11.219.571	26.531.896	92.967.786
Shareholders' Equity	--	--	10.690.679	10.690.679
Total Liabilities	55.216.319	11.219.571	37.222.575	103.658.465

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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 29 March 2024, it has been decided to allocate TL 67.256 as legal reserves, TL 602.861 for special funds and TL 3.282.844 as extraordinary reserves from the remaining TL 3.952.961 after deducting previous year losses (interest expense of the issued Tier 1 security with the amount of TL 100.000 nominal followed under shareholders' equity) of TL 16.793 from TL 3.969.754 of net profit after tax for 2023.

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 March 2024	31 March 2023
Net Profit / (Loss) distributable to Common Shares	2.034.846	721.129
Average Number of Issued Common Shares (Thousand))	135.772.255	135.772.255
Earnings Per Share (Amounts presented as full TL)	0,01499	0,00531

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.

The Group has no bonus shares issued in 2024 (31 December 2023: 22.000 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 accepted as related parties as per "Related Party Disclosures Standard" ("TAS 24"). Transactions with related parties are disclosed under the "Explanations and disclosures on the risk group of the Bank" 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 2023, the amount of TL 180.000 presented in the "Current Tax Liabilities" has been netted from the "Deferred Tax Asset" account.

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 March 2024, the Group’s total capital has been calculated as TL 16.101.107 and the capital adequacy ratio is 17,31% (As of 31 December 2023, the Group’s total capital amounted to TL 13.653.052 and the capital adequacy ratio was 17,98%).

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

	Current Period (31/03/2024) Amount	Prior Period (31/12/2023) 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	7.686.667	3.777.986
Other comprehensive income according to TAS	1.311.304	1.205.048
Profit	2.273.745	4.194.122
Current period profit	2.035.160	4.192.769
Prior period profit	238.585	1.353
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	24.255	24.255
Tier I Capital Before Deductions	12.782.372	10.687.812
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 (**)	89.912	97.434
Improvement costs for operational leasing	61.130	48.215
Goodwill and other intangible assets and related deferred taxes	--	--
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.607.387	1.533.680
Excess amount arising from deferred tax assets from temporary differences	466.800	475.800
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 (31/03/2024) Amount	Prior Period (31/12/2023) 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	100.946	--
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	2,326,175	2,155,129
Total Common Equity Tier I Capital	10,456,197	8,532,683
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 (31/03/2024) Amount	Prior Period (31/12/2023) 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)	10.556.197	8.632.683
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA (*)	4.604.234	4.198.193
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	--	--
Provisions (Article 8 of the Regulation on the Equity of Banks)	943.934	825.139
Tier II Capital before Deductions	5.548.168	5.023.332
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	3.258	--
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	3.258	2.963
Total Tier II Capital	5.544.910	5.020.369
Total Equity (Total Tier I and Tier II Capital)	16.101.107	13.653.052

(*) 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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	Current Period (31/03/2024) Amount	Prior Period (31/12/2023) Amount
Total Tier I Capital and Tier II Capital (Total Equity)	16.101.107	13.653.052
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	16.101.107	13.653.052
Total Capital (Total of Tier I Capital and Tier II Capital)	16.101.107	13.653.052
Total Risk Weighted Assets (***)	93.045.773	75.950.130
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	11,24	11,24
Tier I Capital Adequacy Ratio (%)	11,35	11,37
Capital Adequacy Ratio (%)	17,31	17,98
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,52	2,51
a) Capital Conservation Buffer Requirement (%)	2,50	2,50
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,02	0,01
c) Systemically Important Banks Buffer Requirement Ratio (%)	--	--

(**) As of 31 March 2024, the Central Bank's foreign exchange buying rate of 27 June 2023 is used. As of 31 December 2023, the Central Bank's foreign exchange buying rate of 31 December 2022 is used.

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	Current Period (31/03/2024) Amount	Prior Period (31/12/2023) 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 (%)	5,35	5,37
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)	677.207	632.317
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	943.934	825.139
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, as per the BRSA's Decision dated 16 April 2020 and numbered 8999, 0% risk weight can be applied to the foreign currency receivables of banks from the Central Government of the Republic of Turkey, in accordance with the Standard Approach, within the scope of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks. Additionally, 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) (**)	4.604.234	100.000
Nominal value of debt instrument (Thousand TL)	9.685.620	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 four 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 reducement	--	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 reducement 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 Meets the conditions defined by 8th article, does not meet the conditions defined by 7th article.	After depositors, other borrowers and Tier II capital Meets the conditions defined by 7th article, does not meet the conditions defined by 8th article.
Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation		
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 Risk Management

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 March 2024:

- CR8 - RWA flow statements of credit risk exposures under IRB (Internal Ratings Based)
- CCR7 - RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- MR2 - RWA flow statements of market risk exposures under an IMA

a. Overview of Risk Weighted Amounts

	Risk Weighted Amounts		Minumum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	64.392.600	55.211.690	5.151.408
2 Of which standardised approach (SA)	64.392.600	55.211.690	5.151.408
3 Of which internal rating-based (IRB) approach	--	--	--
4 Counterparty credit risk	7.550.595	5.979.333	604.048
5 Of which standardised approach for counterparty credit risk (SA-CCR)	7.550.595	5.979.333	604.048
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	3.442.161	4.691.791	275.373
9 Equity investments in funds - mandate-based approach	--	--	--
10 Equity investments in funds - 1250% risk weighting approach	--	--	--
11 Settlement risk	--	--	--
12 Securitisation exposures in banking book	129.374	128.273	10.350
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	5.110.363	3.611.013	408.829
17 Of which standardised approach (SA)	5.110.363	3.611.013	408.829
18 Of which internal model approaches (IMM)	--	--	--
19 Operational risk	12.420.680	6.328.030	993.654
20 Of which basic indicator approach	12.420.680	6.328.030	993.654
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)	93.045.773	75.950.130	7.443.662

(*) As of 31 March 2024, the Central Bank's foreign exchange buying rate for 27 June 2023 was used.

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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 March 2024, the Group's net long position is TL 1.058.389 (31 December 2023: TL 1.067.192 net long position) resulting from short position on the balance sheet amounting to TL 2.556.621 (31 December 2023: TL 2.340.953 long position) and long position on the off-balance amounting to TL 3.615.010 (31 December 2023: TL 1.273.761 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 32,2854
Euro purchase rate as at the balance sheet date	TL 34,8023

Date	USD	EURO
26 March 2024	32,0592	34,6819
27 March 2024	32,1005	34,8336
28 March 2024	32,1650	34,8285
29 March 2024	32,2854	34,8023
31 March 2024	32,2854	34,8023

The simple arithmetic averages of US Dollar and EUR buying rates in March 2024 are TL 31,9190 and TL 34,6759 (in full TL amounts) respectively.

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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	3.438.878	13.428.871	1.958.311	18.826.060
Due From Banks	281.728	166.101	767.569	1.215.398
Financial Assets at Fair Value through Profit/Loss (*)	22.386	43.590	--	65.976
Money Market Placements	--	1.938.012	--	1.938.012
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	180.791	2.852.999	19.770	3.053.560
Loans and Receivables(**)	7.110.663	3.480.727	--	10.591.390
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	--	--	--	--
Financial Assets Measured at Amortized Cost	2.238.210	4.596.349	--	6.834.559
Derivative Financial Assets Hedging Purposes	--	--	--	--
Tangible Assets	--	--	--	--
Intangible Assets	--	--	--	--
Other Assets (***)	6.343	10.903	87	17.333
Total Assets	13.278.999	26.517.552	2.745.737	42.542.288
Liabilities				
Bank Deposits	2.396	8.726	28.339	39.461
Foreign Currency Deposits	4.262.962	12.703.599	7.781.946	24.748.507
Money Market Borrowings	530.004	8.912.263	--	9.442.267
Funds Provided from Other Financial Institutions	844.541	1.490.240	--	2.334.781
Securities Issued(****)	--	7.689.816	--	7.689.816
Sundry Creditors	243.856	461.884	37.651	743.391
Derivative Fin. Liabilities for Hedging Purposes	--	--	--	--
Other Liabilities(*****)	56.311	25.184	19.191	100.686
Total Liabilities	5.940.070	31.291.712	7.867.127	45.098.909
Net Balance Sheet Position	7.338.929	(4.774.160)	(5.121.390)	(2.556.621)
Net Off-Balance Sheet Position	(7.432.595)	5.793.326	5.254.279	3.615.010
Financial Derivative Assets (*****)	7.800.314	64.579.399	15.469.158	87.848.871
Financial Derivative Liabilities (*****)	15.232.909	58.786.073	10.214.879	84.233.861
Non-Cash Loans (*****)	303.017	292.457	1.017	596.491
Prior Period				
Total Assets	12.568.502	20.695.034	2.420.614	35.684.150
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

(*) Accruals of trading derivative financial assets amounting to TL 126.189 are not included.

(**) Includes foreign currency indexed loans and accruals amounting to TL 40.907.

(***) TL 9.145 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 127.932 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 4.976.542 (31 December 2023: TL 5.294.270), foreign currency sale commitments within the derivative financial liabilities amounted to TL 4.528.438 (31 December 2023: TL 3.723.467).

(***** There is no effect on the net off-balance sheet position.

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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	19.562.623	--	--	--	--	4.986.394	24.549.017
Banks	50.221	--	--	--	--	1.666.657	1.716.878
Financial Assets at Fair Value Through Profit or Loss(*)	1.381.178	938.147	163.250	19.075	--	22.386	2.524.036
Interbank Money Market Placements	1.938.012	--	--	--	--	--	1.938.012
Financial Assets Measured at Fair Value through Other Comprehensive Income (*****)	4.348.535	2.330.542	1.985.234	1.588.064	3.387.458	1.032.461	14.672.294
Loans(**)	9.059.089	16.019.995	23.526.262	5.567.095	1.871.413	(422.177)	55.621.677
Financial Assets Measured at Amortized Cost	113.760	485.754	3.427.692	5.344.696	142.412	--	9.514.314
Other Assets(***)	--	--	--	--	--	6.185.434	6.185.434
Total Assets	36.453.418	19.774.438	29.102.438	12.518.930	5.401.283	13.471.155	116.721.662
Liabilities							
Bank Deposits	4.175.455	4.326.191	--	--	--	39.693	8.541.339
Other Deposits	37.136.951	8.465.758	4.923.646	357.832	--	16.333.022	67.217.209
Interbank Money Market Received	3.990.751	6.455.912	--	--	--	--	10.446.663
Sundry Creditors(****)	--	--	--	--	--	1.916.507	1.916.507
Marketable Securities Issued(****)	--	--	--	7.689.816	--	--	7.689.816
Funds Borrowed From Other Institutions	721.721	676.098	936.962	--	--	--	2.334.781
Other Liabilities(*****)	207.202	687.405	190.451	222.540	35.872	17.231.877	18.575.347
Total Liabilities	46.232.080	20.611.364	6.051.059	8.270.188	35.872	35.521.099	116.721.662
Balance Sheet Long Position	--	--	23.051.379	4.248.742	5.365.411	--	32.665.532
Balance Sheet Short Position	(9.778.662)	(836.926)	--	--	--	(22.049.944)	(32.665.532)
Off-Balance Sheet Long Position	--	--	2.200.000	150.000	--	130.832.917	133.182.917
Off-Balance Sheet Short Position	(1.463.381)	(3.111.499)	(2.329.358)	(150.000)	--	(125.171.111)	(132.225.349)
Total Position	(11.242.043)	(3.948.425)	22.922.021	4.248.742	5.365.411	(16.388.138)	957.568

(*) Includes derivative financial assets.

(**) Non-performing loans of (TL 846.683) and related expected credit losses of (TL 613.231), expected credit losses for (stage 1 of TL 254.906 and for stage 2 of TL 400.723) are presented in “non-interest bearing” column (Includes factoring receivables amounting to TL 452.167).

(****) Non-interest bearing column includes TL 1.162.668 investments in subsidiaries, TL 984.552 tangible assets, TL 816.864 intangible assets, TL 1.623.460 tax asset, TL 1.601.821 other assets and TL 3.901 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 12.820.758 shareholders’ equity, TL 3.406.422 other liabilities, TL 1.906.139 provisions and TL 1.015.066 tax liabilities.

(*****) Non-interest bearing column also includes loans that are classified as financial assets measured at fair value through other comprehensive income of TL 1.027.564.

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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	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 814.644 tax asset, TL 10.380 assets held for sale, TL 1.381.423 other assets and TL 5.477 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)

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	--	--	--	53,25
Financial Assets at Fair Value Through Profit/ Loss	--	8,10	--	10,80
Interbank Money Market Placements	--	5,50	--	--
Financial Assets Measured at Fair Value through Other Comprehensive Income	5,34	7,80	--	32,52
Loans	7,67	8,11	--	46,38
Financial Assets Measured at Amortized Cost	4,90	5,47	--	24,46
Liabilities				
Bank Deposits	--	--	--	40,53
Other Deposits	1,37	1,87	--	46,30
Interbank Money Market Received	3,15	5,00	--	52,75
Sundry Creditors	--	--	--	--
Marketable Securities Issued(*)	--	9,80	--	--
Funds Borrowed from Other Financial Institutions	6,99	6,09	--	--

(*) 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	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	--	39,35
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.

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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 exchange	-	-	-
2.Equity Investment Group B	-	-	-
Listed on the exchange	-	-	-
3.Equity Investment Group C	-	-	-
Listed on the exchange	-	-	-
1. Equity Investment Group Other (*)	23.006	-	-

(*) As of 31 March 2024, the Central Bank's foreign exchange buying rate for 27 June 2023 was used.

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 three month 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)			22.035.469	15.801.734
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which:	55.432.206	18.466.850	4.745.503	1.615.493
3 Stable deposits	9.220.556	--	433.423	--
4 Less stable deposits	46.211.650	18.466.850	4.312.080	1.615.493
5 Unsecured wholesale funding, of which:	14.894.454	4.169.351	10.172.122	2.473.797
6 Operational deposits	--	--	--	--
7 Non-Operational deposits	7.707.789	2.686.364	2.977.322	1.005.075
8 Other unsecured funding	7.186.665	1.482.987	7.194.800	1.468.722
9 Secured funding	--	--	118.100	118.100
10 Other cash outflows	9.327.158	1.303.150	1.386.256	805.015
11 Outflows related to derivative exposures and other collateral requirements	843.014	748.333	843.014	748.333
12 Outflows related to restructured financial instruments	--	--	--	--
13 Payment commitments granted for debts to financial markets and other off-balance sheet commitments	8.484.144	554.817	543.242	56.682
14 Other revocable off-balance sheet commitments and other contractual obligations	--	--	--	--
15 Other irrevocable or conditionally revocable off-balance sheet obligations	81.044	83	81.044	83
16 TOTAL CASH OUTFLOWS			16.503.025	5.012.488
CASH INFLOWS				
17 Secured receivables	--	--	--	--
18 Unsecured receivables	11.451.510	3.546.359	7.061.098	3.593.969
19 Other cash inflows	729.847	458.346	559.357	246.829
20 TOTAL CASH INFLOWS	12.013.751	3.891.813	7.620.455	3.840.798
21 TOTAL HQLA			22.035.469	15.801.734
22 TOTAL NET CASH OUTFLOWS			8.882.570	1.171.690
23 LIQUIDITY COVERAGE RATIO (%)			248,08	1.348,63

(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio (continued)

Prior Period	Total Unweighted Value (*)		Total Weighted Value (*)	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)			21.472.790	14.920.643
CASH OUTFLOWS				
2 Retail deposits and deposits from small business customers, of which:	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 wholesale funding, 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)

The table below shows the lowest, highest and average Liquidity Coverage Ratio for the first 3 months of 2024.

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	503,93%	30/01/2024	138,31%	05/03/2024	254,39%
FC	1.716,47%	05/02/2024	344,91%	23/01/2024	934,79%

Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	393,33%	26/10/2023	165,72%	08/11/2023	252,42%
FC	1.116,64%	27/12/2023	202,74%	08/12/2023	480,90%

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 takes into consideration cash outflows and margin calls arising from derivative transactions by their 24-month averages in accordance with the relevant regulation.

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	9,413,944	15,135,073	--	--	--	--	--	24,549,017
Banks	1,666,656	50,222	--	--	--	--	--	1,716,878
Financial Assets at Fair Value Through Profit or Loss(*)	22,386	1,381,178	975,785	125,594	19,075	18	--	2,524,036
Interbank Money Market Placements	--	1,938,012	--	--	--	--	--	1,938,012
Financial Assets Measured at Fair Value Through Other Comprehensive Income (*****)	4,897	2,707,946	146,267	1,684,207	5,578,566	4,550,411	--	14,672,294
Loans (**)	--	13,860,745	16,431,241	20,166,265	4,393,246	1,192,357	(422,177)	55,621,677
Investment Securities Held-to-Maturity	--	55,580	485,754	2,995,530	5,712,943	264,507	--	9,514,314
Other Assets(***)	--	--	--	--	--	--	6,185,434	6,185,434
Total Assets	11,107,883	35,128,756	18,039,047	24,971,596	15,703,830	6,007,293	5,763,257	116,721,662
Liabilities								
Bank Deposits	39,693	4,175,454	4,326,192	--	--	--	--	8,541,339
Other Deposits	16,328,203	37,136,953	8,470,576	4,923,645	357,832	--	--	67,217,209
Funds Borrowed from Other Financial Institutions	--	721,721	676,098	936,962	--	--	--	2,334,781
Interbank Money Market Received	--	3,990,751	6,455,912	--	--	--	--	10,446,663
Marketable Securities Issued(****)	--	--	--	--	7,689,816	--	--	7,689,816
Sundry Creditors	--	1,916,507	--	--	--	--	--	1,916,507
Other Liabilities (*****)	--	1,365,703	736,243	270,135	231,754	36,325	15,935,187	18,575,347
Total Liabilities	16,367,896	49,307,089	20,665,021	6,130,742	8,279,402	36,325	15,935,187	116,721,662
Net Liquidity Surplus / (Gap)	(5,260,013)	(14,178,333)	(2,625,974)	18,840,854	7,424,428	5,970,968	(10,171,931)	--
Net Off-Balance Sheet Position								
Derivative Financial Assets	--	112,587,204	119,092,568	20,084,744	2,802,326	--	--	254,566,842
Derivative Financial Liabilities	--	56,676,272	59,912,662	10,165,443	1,401,163	--	--	128,155,540
Non-Cash Loans	22,559	28,985	78,646	454,464	257,113	431,796	--	1,273,563
Prior Period								
Total Assets	12,384,686	29,171,671	17,525,053	21,341,726	14,646,248	3,843,397	4,745,684	103,658,465
Total Liabilities	12,220,284	48,987,151	18,387,339	2,639,000	7,726,509	34,338	13,663,844	103,658,465
Net Liquidity 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	--	(165,476)	269,688	584,274	268	--	--	688,754
Derivative Financial Assets	--	60,951,305	21,025,346	9,848,276	1,862,591	--	--	93,687,518
Derivative Financial Liabilities	--	61,116,781	20,755,658	9,264,002	1,862,323	--	--	92,998,764
Non-Cash Loans	--	81,961	107,845	234,760	221,556	417,842	--	1,063,964

(*) 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.

(***** Includes loans that are classified as financial assets measured at fair value through other comprehensive income of TL 1.027.564, as well.

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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 (*)	222.439.466	197.599.802
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	(95.004.672)	(88.912.803)
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 (***)	127.434.794	108.686.999

(*) Consolidated financial statements prepared in compliance with Clause 6 of the article 5 of the communiqué "Preparation of Consolidated Financial Statements".

(**) Represents three month average amounts.

(***) As of 31 March 2024, the Central Bank's foreign exchange buying rate for 27 June 2023 was used.

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VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio (continued)

The Net Stable Funding Ratio table calculated on the basis of Articles 43 and 46, first paragraph of Article 47, first and second paragraphs of Article 77 and Article 93 of the Banking Law No. 5411 dated 19/10/2005 is given below. The purpose of the Net Stable Funding Ratio is to determine the procedures and principles to ensure stable funding in order to prevent the funding risk that the Bank may be exposed to on an unconsolidated basis in the long term from causing deterioration in liquidity levels. Net stable funding ratio is calculated by dividing the available stable funding amount by the required stable funding amount.

The three-month simple arithmetic average of the net stable funding ratio calculated monthly as of the equity calculation periods as of March, June, September and December cannot be less than 100%. Maximum care is taken to comply with these ratios and there is no non-compliance.

Current Period	a	b	c	ç	d
	Unweighted Amount According to Residual Maturity				Total Weighted Amount
	Demand (*)	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding					
1 Capital Instruments	19.864.322	-	-	-	19.864.322
2 Tier 1 Capital and Tier 2 Capital	12.314.626	-	-	-	12.314.626
3 Other Capital Instruments	7.549.696	-	-	-	7.549.696
4 Real-person and Retail Customer Deposits	-	-	35.018.486	-	32.066.634
5 Stable Deposits	-	-	10.999.941	-	10.449.944
6 Less Stable Deposits	-	-	24.018.545	-	21.616.690
7 Other Obligations	-	410.872	15.286.239	-	7.848.555
8 Operational deposits	-	-	-	-	-
9 Other Obligations	-	410.872	15.286.239	-	7.848.555
10 Liabilities equivalent to interconnected assets					
11 Other Liabilities	3.921.165	2.173.321.762	-	-	-
12 Derivative liabilities			-	-	-
13 All other equity not included in the above categories	3.921.165	2.173.321.762	-	-	-
14 Available stable funding					59.779.511
Required stable funding					
15 High Quality Liquid Assets					-
16 Deposits held at financial institutions for operational purposes	-	-	-	-	-
17 Performing Loans	-	27.612.413	48.686.162	15.078.541	39.840.764
18 Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19 Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	27.612.413	-	6.641.934	8.385.996
20 Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	-	48.686.162	8.436.607	31.454.767
21 <i>Loans with a risk weight of less than or equal to 35%</i>	-	-	-	-	-
22 Residential mortgages	-	-	-	-	-
23 <i>Residential mortgages with a risk weight of less than or equal to 35%</i>	-	-	-	-	-
24 Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	-	-
25 Assets equivalent to interconnected liabilities					
26 Other Assets	3.190.153	-	-	-	12.444.889
27 Physical traded commodities, including gold	-	-	-	-	-
28 Initial margin posted or given guarantee fund to central counterparty			1.873		1.592
29 Derivative Assets			2.737.226		2.737.226
30 Derivative Liabilities before the deduction of the variation margin			-		-
31 Other Assets not included above	3.190.153	846.683	-	5.669.235	9.706.071
32 Off-balance sheet commitments		-	-	-	-
33 Total Required stable funding					52.285.652
34 Net Stable Funding Ratio (%)					114,33

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VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio (continued)

Prior Period	a	b	c	ç	d
	Unweighted Amount According to Residual Maturity				Total Weighted Amount
	Demand (*)	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding					
1 Capital Instruments	17.503.115	-	-	-	17.503.115
2 Tier 1 Capital and Tier 2 Capital	10.312.012	-	-	-	10.312.012
3 Other Capital Instruments	7.191.103	-	-	-	7.191.103
4 Real-person and Retail Customer Deposits	-	-	41.384.000	-	37.695.581
5 Stable Deposits	-	-	8.999.628	-	8.549.647
6 Less Stable Deposits	-	-	32.384.371	-	29.145.934
7 Other Obligations	-	866.178	9.050.173	-	-
8 Operational deposits	-	-	-	-	-
9 Other Obligations	-	866.178	9.050.173	-	4.958.176
10 Liabilities equivalent to interconnected assets					
11 Other Liabilities	4.047.165	1.974.707.420	-	-	-
12 Derivative liabilities			-	-	-
13 All other equity not included in the above categories	4.047.165	1.974.707.420	-	-	-
14 Available stable funding					60.156.872
Required stable funding					
15 High Quality Liquid Assets					-
16 Deposits held at financial institutions for operational purposes	-	-	-	-	-
17 Performing Loans	-	29.509.553	43.456.123	16.494.403	38.451.127
18 Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19 Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	29.509.553	-	7.612.363	9.229.656
20 Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	-	43.456.123	8.882.039	29.221.471
21 Loans with a risk weight of less than or equal to 35%	-	-	-	-	-
22 Residential mortgages	-	-	-	-	-
23 Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	-	-
24 Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	-	-
25 Assets equivalent to interconnected liabilities					
26 Other Assets	3.011.447	-	-	-	10.881.884
27 Physical traded commodities, including gold		-	-	-	-
28 Initial margin posted or given guarantee fund to central counterparty			1.282		1.090
29 Derivative Assets			1.681.095		1.681.095
30 Derivative Liabilities before the deduction of the variation margin			-		
31 Other Assets not included above	3.011.447	747.737	-	5.440.514	9.199.698
32 Off-balance sheet commitments		-	-	-	-
33 Total Required stable funding					49.333.011
34 Net Stable Funding Ratio (%)					121,94

(*) Under the heading of other liabilities; Liabilities to Credit Institutions with Remaining Maturity Less than Six Months, Liabilities to Financial Institutions and Central Banks, Other Liabilities with no maturity date are included.

Net Stable Funding Ratios realized during 1 January - 31 March 2024 period are listed in the table below.

Current Period	January- March 2024
Net Stable Funding Ratio %	111,44%
Prior Period	October-December 2023
Net Stable Funding Ratio %	114,07%

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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 March 2024, bank's consolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of The Banks' Leverage Level" is 7,48%. 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)	104.389.067	90.895.999
2	(Assets deducted in determining Tier 1 capital)	(2.190.754)	(2.116.633)
3	Total balance sheet risks (sum of lines 1 and 2)	102.198.313	88.779.366
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative financial instruments and credit derivatives	1.179.945	1.128.218
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	1.020.587	738.907
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	2.200.532	1.867.125
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (except for on-balance sheet)	3.753.182	3.028.080
8	Risks from brokerage activities related exposures	--	--
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	3.753.182	3.028.080
Off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	19.282.767	15.016.195
11	(Adjustments for conversion to credit equivalent amounts)	--	--
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	19.282.767	15.016.195
Capital and total risks			
13	Tier 1 capital	9.514.023	8.591.231
14	Total risks (sum of lines 3, 6, 9 and 12)	127.434.794	108.690.766
Leverage ratio			
15	Leverage ratio	7,48	7,90

(*) Represents three-month average amounts.

(**) As of 31 March 2024, the Central Bank's foreign exchange buying rate for 27 June 2023 was used.

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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	167.520	2.418.464	163.089	2.746.180
Balances with the Central Bank of Turkey	5.555.437	16.407.596	6.544.938	9.113.375
Other	--	--	--	--
Total	5.722.957	18.826.060	6.708.027	11.859.555

1.1 Information related to the account of the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	4.722.222	2.105.738	6.104.148	2.274.216
Unrestricted Time Deposits	833.215	7.178.295	440.790	1.766.292
Restricted Time Deposits	--	7.123.563	--	5.072.867
Total	5.555.437	16.407.596	6.544.938	9.113.375

The reserve requirements in TL, FC and gold that are kept in accordance with the “Communiqué Regarding the Reserve Requirements” numbered 2013/15 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 option of keeping Turkish lira reserve requirements in terms of standard gold and scrap gold has been terminated as of 23 June 2023.

The reserve requirement rates for TL liabilities vary between 0% and 25% for TL deposits and other liabilities according to their maturities as of 31 March 2024 (31 December 2023: 0% and 30% for all TL liabilities); the reserve requirement rates for foreign currency liabilities vary between 5% and 30% for deposits and other foreign currency liabilities according to their maturities as of 31 March 2024 (31 December 2023: 5% and 30% for all foreign currency liabilities). As of 18 August 2023, execution of 5 points higher foreign currency reserve requirement ratios for the banks with a “TL Deposit Share” ratio below 60%, calculated separately for real and legal person deposit portfolio has been terminated.

With the Communiqué published in the Official Gazette dated 2 November 2023 and numbered 32357, as of 27 October 2023, an additional reserve requirement ratio of 4 percent has been maintained in Turkish lira at all maturities for deposits denominated in foreign currency (excluding 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 reserve requirement amount placed at CBRT for foreign currency deposits 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 take into consideration two ratios the renewal and transition rate to TL and 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 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 as 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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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

I. Explanations and disclosure related to the assets (continued)

1. Information on cash and balances with the Central Bank of Turkey (continued)

1.1 Information related to the account of the Central Bank of Turkey (continued)

As of 19 January 2024, the renewal and TL transition rate target in reserve requirement commission practice has been reduced from 100 percent to 95 percent, and the additional reserve requirement ratio for deposits denominated in foreign currency (excluding foreign bank deposits and precious metal accounts) has been increased from 4 to 8 percent.

As of 20 January 2024, for banks with a renewal and TL transition rate of at least 90%, a maximum interest payment of 25% on reserve requirements for FX-protected deposits and a maximum interest payment of 36% on reserve requirements for standard deposits (32-91 days maturity) have been introduced. As of 16 March 2024, demand deposits and deposits with maturities up to 1 month have been added to the standard TL deposit group (Demand deposits and time deposits with maturities between 1-91 days will be taken into consideration).

From the calculation date of 29 March 2024 calculation date to 3 January 2025 (including) calculation date four weeks earlier in the event that the growth rate of cash loans according to the date is above 2%, the amount of the loan amount exceeding this rate the practice of blocking Turkish Lira reserve requirements has been introduced.

1.2 Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	497.723	475.277	343.764	2.136.470
Foreign	3.757	740.121	663	603.475
Foreign head-offices and branches	--	--	--	--
Total	501.480	1.215.398	344.427	2.739.945

1.2.1 Due from foreign banks

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

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

As of 31 March 2024, there are no financial assets for trading purposes given as collateral (31 December 2023: None).

As of 31 March 2024, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 916.434 (31 December 2023: TL 3.463.602).

2.2 Information on financial assets at fair value through profit or loss subject to repurchase agreements

None.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

1. Explanations and disclosure related to the assets (continued)
3. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income
- 3.1 *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	7.389.675	2.249.402	4.995.651	1.720.653
Other	--	--	--	--
Total	7.389.675	2.249.402	4.995.651	1.720.653

As of 31 March 2024 the amount of financial assets valued at fair value through other comprehensive income not given as collateral or not blocked is TL 5.033.217 (31 December 2023: TL 2.441.418) and TL 1.027.564 of this amount consists of loans valued at fair value through other comprehensive income.

3.2 *Details of financial assets valued at fair value through other comprehensive income*

	Current Period	Prior Period
Debt instruments	13.686.767	9.186.845
Quoted on Stock Exchange	11.801.226	8.354.206
Unquoted on Stock Exchange	1.885.541	832.639
Share certificates	4.897	4.897
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	4.897	4.897
Impairment provision (-)	46.934	34.020
Total	13.644.730	9.157.722

As of 31 March 2024, loans amounting to TL 1.027.564 are presented in “Other Financial Assets” line under ‘Financial Assets Valued at Fair Value Through Other Comprehensive Income’ in the financial statements (31 December 2023: None).

4. Derivative Financial Assets
- 4.1 *Positive differences relating to derivative financial assets*

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	766.856	--	433.679	--
Swap Transactions	702.346	--	395.462	--
Futures Transactions	--	--	--	--
Options	12.211	126.189	8.039	69.818
Other	--	--	--	--
Total	1.481.413	126.189	837.180	69.818

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- I. Explanations and disclosure related to the assets (continued)
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	8	85	--	450
Corporate Shareholders	--	--	--	--
Individual Shareholders	8	85	--	450
Indirect Loans to Shareholders	--	--	--	--
Loans to Employees	14.142	--	13.038	--
Total	14.150	85	13.038	450

- 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	52.109.118	1.429.350	2.505.386	--
Working Capital Loans	7.635.726	87.183	2.201.677	--
Export Loans	6.755.921	4.314	--	--
Import Loans	--	--	--	--
Loans to Financial Sector	428.261	--	--	--
Consumer Loans	12.079.144	381.569	174.659	--
Credit Cards	207.034	13.553	--	--
Others	25.003.032	942.731	129.050	--
Specialization Loans	--	--	--	--
Other Receivables	--	--	--	--
Total (*)	52.109.118	1.429.350	2.505.386	--

(*) Factoring receivables amounting to TL 452.167 (31 December 2023: TL 321.297) are included, loans measured at fair value through other comprehensive income amounting to TL 1.027.564 are excluded.

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-months Expected Credit Losses	254.906	--	210.409	--
Significant Increase in Credit Risk	--	400.723	--	404.360
Total	254.906	400.723	210.409	404.360

The overdue analysis of close monitoring loans

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	134.236	96.193	230.429
31-60 days	86.305	204.453	290.758
61-90 days	49.933	108.248	158.181
Total	270.474	408.894	679.368
Prior 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

Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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- 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	6.290.358	5.515.835	11.806.193
Mortgage Loans	--	67.580	67.580
Vehicle Loans	--	484	484
General Purpose Loans (*)	6.290.358	5.447.771	11.738.129
Other	--	--	--
Consumer Loans-Indexed to FC	--	315	315
Mortgage Loans	--	315	315
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Consumer Loans-FC	--	--	--
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Individual Credit Cards-TL	216.108	--	216.108
With Installment	12.120	--	12.120
Without Installment	203.988	--	203.988
Individual Credit Cards-FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Loans Given to Employees-TL	5.470	7.310	12.780
Mortgage Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	5.470	7.310	12.780
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	1.362	--	1.362
With Installment	59	--	59
Without Installment	1.303	--	1.303
Personnel Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Real Persons)	816.084	--	816.084
Overdraft Loans-FC (Real Persons)	--	--	--
Total	7.329.382	5.523.460	12.852.842

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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	7.331.275	1.150.169	8.481.444
Real Estate Loans	--	--	--
Vehicle Loans	10.944	20.557	31.501
General Purpose Loans	7.320.331	1.129.612	8.449.943
Other	--	--	--
Installment Commercial Loans - Indexed to FC	--	40.591	40.591
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	40.591	40.591
Other	--	--	--
Installment Commercial Loans - FC	--	--	--
Real Estate Loans	--	--	--
Vehicle Loans	--	--	--
General Purpose Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - TL	3.117	--	3.117
With Installment	--	--	--
Without Installment	3.117	--	3.117
Corporate Credit Cards - FC	--	--	--
With Installment	--	--	--
Without Installment	--	--	--
Overdraft Loans-TL (Legal Entities)	1.701.040	--	1.701.040
Overdraft Loans-FC (Legal Entities)	--	--	--
Total	9.035.432	1.190.760	10.226.192

5.5 Distribution of loans by customers

	Current Period	Prior Period
Public Sector	--	--
Private Sector	56.043.854	51.806.578
Total (*)	56.043.854	51.806.578

(*) Factoring receivables amounting to TL 452.167 (31 December 2023: TL 321.297) are included, loans measured at fair value through other comprehensive income amounting to TL 1.027.564 are excluded.

5.6 Distribution of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	55.324.710	51.114.892
Foreign Loans	719.144	691.686
Total (*)	56.043.854	51.806.578

(*) Factoring receivables amounting to TL 452.167 (31 December 2023: TL 321.297) are included, loans measured at fair value through other comprehensive income amounting to TL 1.027.564 are excluded.

5.7 Loans granted to subsidiaries and associates

As of 31 March 2024, the Bank has loans granted to subsidiaries and associates amounting to TL 131.587 (31 December 2023: TL 179.981).

5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Substandard Loans - Limited Collectibility	162.487	241.268
Doubtful Loans	234.800	83.045
Uncollectible Loan	215.944	215.577
Total	613.231	539.890

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I. Explanations and disclosure related to the consolidated assets (continued)

5. Information on Loans (continued)

5.9 Information on non-performing loans (Net)

5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period	1.078	553	4.698
Gross Amounts before Provisions	--	--	--
Restructured Loans and Other Receivables	1.078	553	4.698
Prior Period	1.171	289	4.135
Gross Amounts before Specific Provisions	--	--	--
Restructured Loans and Other Receivables	1.171	289	4.135

5.9.2 Movement on non-performing loans

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Balances at the End of Prior Period	395.518	121.966	230.253
Additions (+)	332.078	2.095	1.433
Transfers from Other Categories of Non-Performing Loans (+)	--	344.421	35.066
Transfers to Other Categories of Non-Performing Loans (-)	344.421	35.066	--
Collections (-)	74.536	19.007	29.747
Write-offs (-) (*) (**)	1.893	310	1.369
Sold (-) (**) (***)	56.021	45.522	8.255
Corporate and Commercial Loans	2.391	--	2.795
Retail Loans	49.270	45.522	5.460
Credit Cards	4.360	--	--
Other	--	--	--
Balances at End of the Period	250.725	368.577	227.381
Provisions (-)	162.487	234.800	215.944
Net Balance on Balance Sheet	88.238	133.777	11.437

(*) Consists of loans with 100% provision at the relevant date.

(**) As of 31 March 2024, the loan amounting to TL 109.798 was written off by transferring and selling to asset management companies (31 December 2023: TL 422.626). When the calculation is made considering the loans sold, the Bank's NPL ratio is measured as 1,46% (31 December 2023: 1,42%) instead of 1,65% (31 December 2023: 2,21%).

(***) 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 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	--	170.525	49.283
Provisions (-)	--	99.250	49.205
Net Balance on Balance Sheet	--	71.275	78
Prior Period			
Balance as of Period End	170.523	--	60.961
Provisions (-)	99.249	--	60.872
Net Balance on Balance Sheet	71.274	--	89

5.9.4 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)	88.238	133.777	11.437
Loans Granted to Real Persons and Legal Entities (Gross)	250.725	368.577	227.381
Provisions (-)	162.487	234.800	215.944
Loans Granted to Real Persons and Legal Entities (Net)	88.238	133.777	11.437
Banks (Gross)	--	--	--
Provisions (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Provisions (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior 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)	--	--	--

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 2023: 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	2.001.467	6.717.064	2.172.085	6.244.106
Other	--	--	--	--
Total	2.001.467	6.717.064	2.172.085	6.244.106

6.2 Information on government securities in financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	2.198.196	6.769.744	2.198.192	6.584.906
Treasury Bill	--	--	--	--
Other Debt Securities	--	--	--	--
Total	2.198.196	6.769.744	2.198.192	6.584.906

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt instruments	9.516.139	9.309.266
Quoted on Stock Exchange	9.516.139	9.309.266
Unquoted on Stock Exchange	--	--
Share certificates	--	--
Quoted on Stock Exchange	--	--
Unquoted on Stock Exchange	--	--
Impairment provision (-)	--	--
Total	9.516.139	9.309.266

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	9.309.266	7.067.342
Foreign Exchange Difference in Monetary Assets	302.064	2.135.382
Revaluation adjustments	(61.714)	72.571
Purchases during the year	7.968	110.764
Disposals through Sales and Redemptions	(41.445)	(76.793)
Impairment provision (-)	--	--
Total	9.516.139	9.309.266

7. Information on associates

As of 31 March 2024, the Bank has associates amounting to TL 1.045.168 (31 December 2023: TL 1.001.736).

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 March 2024 is presented below:

Company (**)	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value	Prior Period Profit/Loss	Company's Fair Value
Fiba Sigorta A.Ş.	737.095	297.364	2.035	42.740	--	28.448	5.230	--
HDI Fiba Emeklilik ve Hayat A.Ş.	18.508.908	445.282	77.497	76.945	3.885	75.006	58.301	--

(*) Total fixed assets consist tangible and intangible assets.
(**) It has been prepared on the basis of the 31 March 2024 consolidated financial statements, which have not been independently reviewed.

	Current Period	Prior Period
Balance at Beginning of Period	1.001.736	844.496
Movement during the Period	43.432	157.240
Additions and Capital Increases(*)(**)	--	15.000
Bonus Shares Received	--	--
Dividends from the Current Year Profit	44.226	143.497
Sales/Liquidations	--	--
Reclassification of shares	--	--
Reclassification of shares	--	--
Currency Differences on Foreign Subsidiaries	--	--
Other	(794)	(1.257)
Balance at End of Period	1.045.168	1.001.736
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	1.045.168	1.001.736
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	1.045.168	1.001.736
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

As of 31 March 2024, the Bank has subsidiaries with a total amount of TL 147.200 (31 December 2023: TL 147.200).

Non financial subsidiaries

As of 31 March 2024, the Bank has one non-financial subsidiary in the amount of TL 117.500 which is not consolidated (31 December 2023: 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

As of 31 March 2024, the Bank has TL 29.700 investment in a financial subsidiary (31 December 2023: TL 29.700).

In 2023, the process of increasing Fiba Portföy Yönetimi A.Ş paid-in capital from TL 8,000 to TL 30,000 was completed and the increase of TL 22.000 was funded from internal resources (extraordinary reserves). The increase was announced in the Turkish Trade Registry Gazette dated 2 June 2023 and numbered 10844.

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 March 2024 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
214.082	181.223	1.048	-	--	31.413	7.535	--

(*) Total fixed assets consist tangible and intangible assets.

(**) Based on the unreviewed, financial statements as of 31 March 2024.

Movement of consolidated investment in subsidiaries

	Current Period	Prior Period
Balance at Beginning of Period	29.700	7.920
Movements during the Period	--	--
Additions and Capital Increases	--	21.780
Bonus Shares Received	--	--
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	29.700
Capital Commitments	29.700	29.700
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.

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1. Explanations and disclosure related to the consolidated assets (continued)
8. Information on subsidiaries (continued)

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	29.700

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 March 2024.

10. Information on lease receivables

As of 31 March 2024, the Group does not have lease receivables.

11. Information on derivative financial assets held for hedging purposes

As of 31 March 2024, The Bank has no hedging derivative financial assets (31 December 2023: None).

12. Information on tangible assets

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

13. Information on intangible assets

Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

14. Information on investment properties

None.

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I. Explanations and disclosure related to the consolidated assets (continued)

15. Information on deferred tax asset

15.1 *Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits*

As of 31 March 2024, the deferred tax asset amounting to TL 1.623.460 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2023: TL 814.644 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	1.168.982	350.694
Unearned Commission Income/Prepaid Commission Expenses	147.301	44.191
Retirement Pay and Unused Vacation Provision	239.452	71.835
Tangible Assets Base Differences	2.624.977	787.492
Provisions	2.246.619	673.986
Other	(1.015.798)	(304.738)
Deferred Tax Asset/(Liability)	5.411.533	1.623.460

	Prior 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	(1.150.874)	(344.845)
Deferred Tax Asset/(Liability)	2.714.089	814.644

Deferred tax asset amounting to TL 893.135 arising from the revaluation of economic assets within the scope of the ‘General Communiqué on Tax Procedure Law No. 555’ published in the Official Gazette dated 30 December 2023 and numbered 32414 by the Ministry of Treasury and Finance and paragraph (A) of the repeated Article 298 and provisional Article 33 of the Law No. 213, is included.

The movement of the current year and prior year deferred tax assets is shown below:

	1 January - 31 March 2024	1 January - 31 March 2023
Deferred Tax Asset, 1 January	814.644	384.664
Deferred Tax Income / (Expense)	742.683	(11.929)
Deferred Tax Recognized Directly Under Equity	66.133	22.989
Deferred Tax Asset/(Liability) , Period End Balance	1.623.460	395.724

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- 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 2023: 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 March 2024, the Group does not have any assets held for sale (31 December 2023: TL 10.380).
- 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 March 2024, total prepaid expenses are TL 252.702 (31 December 2023: TL 141.547).

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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	1.462.801	--	14.050.370	9.492.246	4.049.771	4.431.376	74.061	--	33.560.625
Foreign Currency	7.467.163	--	7.881.236	1.325.456	325.735	9.266	479.178	--	17.488.034
Residents in Turkey	7.145.271	--	7.697.100	1.319.592	325.735	9.027	479.021	--	16.975.746
Residents Abroad Public	321.892	--	184.136	5.864	--	239	157	--	512.288
Sector Deposits	2.262	--	--	120	--	--	--	--	2.382
Commercial Deposits	2.633.445	--	1.091.260	3.597.796	1.388.764	43.642	80.662	--	8.835.569
Other Ins. Deposits	7.297	--	12.420	39.996	2.351	8.062	--	--	70.126
Precious Metal Deposits	4.760.054	--	2.497.864	2.555	--	--	--	--	7.260.473
Interbank Deposits	39.692	--	1.253.009	17.692	7.230.946	--	--	--	8.541.339
Central Bank of Turkey	27.832	--	--	--	7.230.946	--	--	--	7.258.778
Domestic Banks	33	--	1.201.522	--	--	--	--	--	1.201.555
Foreign Banks	11.827	--	51.487	17.692	--	--	--	--	81.006
Special Finan.Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	16.372.714	--	26.786.159	14.475.861	12.997.567	4.492.346	633.901	--	75.758.548

(*) As of 31 March 2024, the Bank has a total of TL 8.472.338 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	1.253.707	--	10.327.548	26.698.183	1.809.400	62.270	69.566	--	40.220.674
Foreign Currency	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 Public	413.120	--	184.943	6.061	--	218	147	--	604.489
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.

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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 Deposit Insurance		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	14.034.521	11.112.879	18.955.824	28.621.550
Foreign Currency Saving Deposits	8.461.579	5.305.948	13.241.750	9.593.414
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	22.496.100	16.418.827	32.197.574	38.214.964

(*) 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 790.088 and related amount is not included in the footnote.

1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad

1.4 Saving deposits that are not under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad	--	--
Deposits of Ultimate Shareholders and Their Close Families	74.358	73.604
Deposits of Chairman and Members of the Board of Directors and their Close Families	531.408	425.928
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	--	--
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	354.249	--	311.624	--
Swap Transactions	432.718	--	490.607	--
Futures Transactions	--	--	--	--
Options	12.393	127.932	15.613	69.007
Other	--	--	--	--
Total	799.360	127.932	817.844	69.007

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	--	358.566	--	329.664
From Foreign Banks, Institutions and Funds	--	1.976.215	--	1.995.597
Total	--	2.334.781	--	2.325.261

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II. Explanations and disclosures related to consolidated liabilities (continued)

3. Information on banks and other financial institutions (continued)

3.2 Maturity analysis of borrowing

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term	--	1.941.237	--	1.920.660
Medium and Long Term	--	393.544	--	404.601
Total	--	2.334.781	--	2.325.261

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

As of 31 March 2024, The Bank has no securities issued (31 December 2023: None).

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	180.632	163.842	153.124	139.142
Between 1-4 Years	315.261	198.083	282.026	182.704
More than 4 Years	197.368	54.252	191.631	51.107
Total	693.261	416.177	626.781	372.953

7. Information on derivative financial liabilities for hedging purposes

As of 31 March 2024, there are no derivative financial liabilities for hedging purposes (31 December 2023: 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 March 2024, there is no provision of foreign exchange loss on the foreign currency indexed loans. (31 December 2023: None).

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II. Explanations and disclosures related to liabilities (continued)

8. Information on provisions (continued)

8.2 The expected credit loss provisions provided for unindemnified non cash loans

As of 31 March 2024, the expected credit loss provision provided for unindemnified non cash loans is TL 21.757 (31 December 2023: TL 18.886).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	1.556.000	1.586.000

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 March 2024, reserves for employee benefits amounting to TL 239.425 (31 December 2023: TL 310.903) comprise of TL 110.952 reserve for employee termination benefits (31 December 2023: TL 98.200), TL 44.217 unused vacation pay liability (31 December 2023: TL 24.854) and TL 84.256 personnel bonus accrual (31 December 2023: TL 187.849).

9. Explanations on Tax Liability

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 31 March 2024, the Group's current tax liability is TL 1.015.066 (31 December 2023: TL 920.780).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	577.623	386.400
Taxation on securities	83.974	71.851
Property tax	801	1.105
Banking and Insurance Transaction Tax (BITT)	135.340	128.919
Taxes on foreign exchange transactions	18.441	7.955
Value added taxes payable	11.989	15.659
Income tax ceased from wages	60.960	48.023
Other	3.422	4.411
Total	892.550	664.323

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	49.423	30.994
Social Security Premiums- Employer	63.910	39.606
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	3.104	1.952
Unemployment Insurance- Employer	6.079	3.905
Other	--	--
Total	122.516	76.457

9.2 Explanations on deferred tax liabilities

None (31 December 2023: 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 2023: 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	--	7.689.816	--	7.180.853
Subordinated loans	--	--	--	--
Subordinated debt instruments	--	7.689.816	--	7.180.853
Total	100.000	7.689.816	100.000	7.180.853

(*) Related debt instrument is shown under "Other Capital Reserves" account.

12. Information on shareholders' equity

12.1 Paid-in capital

	Current Period	Prior Period
Common Stock	1.357.723	1.357.723
Preferred Stock	--	--

12.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied at The Bank; if so the amount of registered share capital ceiling

Registered share capital system is not applied.

12.3 Information on share capital increases and their sources; other information on increased capital shares in current period

None.

12.4 Information on share capital increases from revaluation funds

None.

12.5 Information on capital commitments the purpose and the sources until the end of the fiscal year and the subsequent interim period

The capital is totally paid in and there are no capital commitments.

12.6 Indicators of the 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	568.819	43.490	725.747	41.432
Exchange Difference	--	--	--	--
Total	568.819	43.490	725.747	41.432

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

None (31 December 2023: TL 22.000).

12.13 Information on legal reserves

	Current Period	Prior Period
Legal Reserves	271.545	204.289
Special Reserves	--	--

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	6.305.424	3.022.580
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Capital Exchange Differences	--	--

13. Information on minority shares

	Current Period	Prior Period
Opening Balance	1.498	703
Minority Shares in Net Profit of Subsidiaries	314	795
Dividend Payment in Prior Period	--	--
Increase /(Decrease) in Minority Shares due to Sale	--	--
Others	--	--
Period-end Balance	1.812	1.498

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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	10.116.375	12.047.654
Credit Card Limit Commitments	377.009	357.395
Credit Card and Bank Trans. Promo. Guarantee	23	6
Commitments for Credit Allocation with the Guarantee of	7.201.008	5.329.780
Export Commitments	96.855	66.455
Commitment for Cheques	684.908	329.964
Other Irrevocable Commitments	14.628	14.650
Total	18.490.806	18.145.904

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	677.072	499.650
Letters of Guarantee FC	438.803	447.689
Letters of Credit	102.457	81.217
Bills of Exchange and Acceptances	55.231	35.408
Total	1.273.563	1.063.964

The Bank has set aside TL 23.029 of expected credit loss allowance for non-cash loans (31 December 2023: TL 21.210).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	14.950	21.322
Irrevocable Letters of Guarantee	1.016.907	823.196
Letters of Guarantee Given in Advance	16.272	35.997
Letters of Guarantee Given to Customs	59.910	59.469
Other Letters of Guarantee	7.836	7.355
Total	1.115.875	947.339

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	--	--
With Original Maturity of 1 Year or Less Than 1 Year	--	--
With Original Maturity of More Than 1 Year	--	--
Other Non-Cash Loans	1.273.563	1.063.964
Total	1.273.563	1.063.964

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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**
Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.
- 4. Information on the first and second group of non-cash loans**
Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.
- 5. Information related to derivative financial instruments**
Not prepared in compliance with the Article 25 of the communique “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.
- 6. Credit derivatives and risk exposures on credit derivatives**
None.
- 7. Explanations on contingent liabilities and assets**
The Group provided provision of TL 61.007 for the legal cases pending against the Group where the cash outflows are probable (31 December 2023: TL 50.722).
- 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	5.018.259	219.593	1.412.438	124.551
Short Term Loans	4.415.850	112.527	1.044.712	46.880
Medium and Long Term Loans	602.409	107.066	367.726	77.671
Interest on Non-Performing Loans	9.673	--	16.672	--
Premiums received from Resource Utilization Support Fund	--	--	--	--
Total (*)	5.027.932	219.593	1.429.110	124.551

(*) 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	--	9.542	--	7.800
Domestic Banks	49.521	9.845	1.022	2.024
Foreign Banks	--	2.465	--	1.627
Branches and Head Office Abroad	--	--	--	--
Total	49.521	21.852	1.022	11.451

1.3 Interest received from marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	299	1	5	37
Financial Assets at Fair Value Through Other Comprehensive Income	475.709	64.488	74.421	30.514
Financial Assets Measured at Amortized Cost	187.384	93.820	152.036	63.561
Total	663.392	158.309	226.462	94.112

1.4 Information on interest income received from associates and subsidiaries

Total interest income received from subsidiaries is TL 134 (31 March 2023: TL 2.123).

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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	--	52.980	--	65.271
The Central Bank of Turkey	--	--	--	--
Domestic Banks	--	6.618	--	596
Foreign Banks	--	46.362	--	64.675
Branches and Head Office Abroad	--	--	--	--
Other Institutions	--	208.561	--	117.842
Total	--	261.541	--	183.113

(*)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 55.590 (31 March 2023: TL 14.474).

2.3 Information on interest expenses to marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid to Marketable Securities	--	--	78.219	16.146

2.4 Information on maturity structure of interest expenses paid for deposits

Account Description	Demand Deposits	Up to 1 Month	Up to 3 Months	Time Deposits			Cumulative Deposits	Total
				Up to 6 Months	Up to 1 Year	1 Year and Over		
Turkish Lira								
Bank Deposits	--	441.483	--	--	--	--	--	441.483
Saving Deposits	--	1.498.850	1.627.523	292.291	278.562	3.040	--	3.700.266
Public Sector Deposits	--	--	231	385	--	--	--	616
Commercial Deposits	--	111.178	401.301	121.590	6.146	545	--	640.760
Other	--	1.080	3.632	142	586	--	--	5.440
7 Days Notice	--	--	--	--	--	--	--	--
Total	--	2.052.591	2.032.687	414.408	285.294	3.585	--	4.788.565
Foreign Currency								
Foreign Currency Deposits	--	13.848	7.578	2.268	380	5.555	--	29.629
Bank Deposits	--	3.888	--	--	--	--	--	3.888
7 Days Notice	--	--	--	--	--	--	--	--
Precious Metal Deposits	--	899	--	--	--	--	--	899
Total	--	18.635	7.578	2.268	380	5.555	--	34.416
Grand Total	--	2.071.226	2.040.265	416.676	285.674	9.140	--	4.822.981

3. Information on dividend income

There is dividend income received from of the Group in the current period TL 243.013 (31 March 2023: None).

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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	8.432.020	5.850.953
Gains on Capital Market Operations	372.101	33.728
Gains on Derivative Financial Instruments	1.990.158	871.240
Foreign Exchange Gains	6.069.761	4.945.985
Loss (-)	7.443.897	5.015.881
Losses on Capital Market Operations	986	5.705
Losses on Derivative Financial Instruments	3.601.940	674.449
Foreign Exchange Losses	3.840.971	4.335.727
Net Trading Income / (Loss)	988.123	835.072

5. Information on other operating income

Other operating income mainly consists of income from cancellation of provisions written as expense in previous years, profit from sale of assets, commissions on cheques and notes and costs recharged.

TL 30.000 of income from the reversal of provision for possible losses is classified here.

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	306.822	193.964
12 Months Expected Credit Losses (Stage 1)	56.451	82.247
Significant Increase In Credit Risk (Stage 2)	13.730	6.955
Impaired Credits (Stage 3)	236.641	104.762
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 (*)	8.285	41.891
Total	315.107	235.855

(*) For the period ended 31 March 2024, there is TL 8.285 of litigation expense (31 March 2023: TL 40.000 of provision for possible losses and TL 1.891 of 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	12.753	4.794
Provision for Bank's Social Aid Fund Deficit	--	--
Impairment Losses on Tangible Assets	--	--
Depreciation Charges of Tangible Assets	15.378	9.321
Impairment Losses on Intangible Assets	--	--
Depreciation Charges of Intangible Assets	45.280	20.722
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	32.214	16.100
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	245.955	203.398
Operational leases expenses related with TFRS 16 exceptions	1.830	249
Repair and Maintenance Expenses	4.363	2.143
Advertisement Expenses	15.333	12.147
Other Expenses	224.429	188.859
Losses on Sale of Assets (*)	295.178	138.221
Other (**)	239.600	94.890
Total	886.358	487.446

(*) Loss on Sale of Assets is related to the sale of loans within the scope of VDMK. In 2024, a total of TL 3.557.408 loans were sold for the purpose of issuing VDMK, and the difference of TL 295.178 between the book value and the discounted value of these loans was recognized as loss on sale.

(**) The other line includes tax expense in the amount of TL 59.147, SDIF expenses in the amount of TL 44.774, audit and counselling expenses in the amount of TL 47.935 and contractual power of attorney fee expenses in the amount of TL 22.766.

8. Information on profit/loss before tax from continued and discontinued operations

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

9. Explanations on tax provision for resumed operations and discontinued operations

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

9.1 Current period taxation income or expense and deferred tax income or expense

For the period ended 31 March 2024, the Group provided current tax expense of TL 206.027 in the statement of profit or loss for the three month period (31 March 2023: TL 225.040 expense).

For the period ended 31 March 2024, the Group provided the deferred tax income of TL 742.683 in the statement of profit/loss for the three month period (31 March 2023: TL 11.929 net deferred tax income). As of 31 March 2024, the Bank has calculated deferred tax asset amounting to TL 893.135 due to revaluation of economic assets and included in deferred tax amount.

10. Information on profit/loss from continued and discontinued operations

Not prepared in compliance with the Article 25 of the communique "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

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.

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- IV. Explanations and disclosures related to the statement of profit or loss (continued)**
- 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 314 (31 March 2023: TL 75).
- 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 on the risk group of the Parent Bank

I. 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	179.981	683	--	450	1.145.486	60.151
Balance at the End of the Period	131.587	524	8	85	842.961	10.842
Interest and Commission Income Received	133	1	5	--	34.049	35

(*) 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	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	2.122	1	--	--	33.122	62

(*) 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

Bankanın Dahil Olduğu Risk Grubu (*)	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	609.425	250.214	50.080	1.249.692	1.325.911	1.150.446
Balance at the End of the Period	808.692	609.425	94.672	50.080	1.693.363	1.325.911
Deposit Interest Expense	55.590	14.474	9.074	35.712	109.854	26.707

(*) 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 March 2024, the Bank has non-deposit funds of TL 338.322 from real and legal persons included in the Bank's risk group (31 December 2023: TL 1.778.332).

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- V. Explanations and disclosures on the risk group of the Parent Bank (continued)
- I. 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 (continued)
- 1.4 Information on forward and option agreements and similar agreements made with 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
Financial Assets at Fair Value Through Profit and Loss:	--	--	--	--	--	--
Balance at the Beginning of the Period	--	--	--	75.012	129.289	1.502.471
Balance at the End of the Period	--	--	1.109.174	--	802.884	129.289
Total Income/Loss	--	--	--	--	12.612	12.875
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 March 2024, the ratio of the loans and other receivables used by the entities of the Risk Group to loans and receivables is 1,75% (31 December 2023: 2,58%) and the ratio of the deposits of entities of the Risk Group to total deposits is 3,43% (31 December 2023: 2,90%). The ratio of the funds provided from the Risk Group to the total loans received and money market funds is 2,65% (31 December 2023: 17,88%).
- In the current period, benefits such as salaries and bonuses; provided to the key management are TL 99.080 (31 March 2023: TL 57.626).
- 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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VI. Explanations on the Group’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	1.913			
			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.	22	214.082	30.000

VII. Explanations and notes related to subsequent events

None.

VIII. Other disclosures on activities of the Parent Bank

The Bank’s credit ratings from the international rating agency Fitch valid as of report date:

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	Positive

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

SECTION SIX

DISCLOSURES ON REVIEW REPORT

I. Disclosures on reviewed report

The consolidated financial statements of the Bank have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the review report is presented before the accompanying financial statements.

II. Disclosures and footnotes prepared by independent auditors

None.

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

SECTION SEVEN

I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager

1. Brief History of Fibabanka A.Ş. and its Shareholder Structure

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 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 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 Parent Bank's shares to Credit Europe Bank N.V. and the legal approval process has been completed as of 27 December 2010. In the Extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. has been amended as Fibabanka A.Ş. ("the Bank").

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.

Also in 2013, capital was increased in the total amount of TL 123.350 to TL 550.000, provided from inflation adjustment difference of TL 17.415, from the profit from the sale of real estate of TL 9.502 and cash from Fiba Holding of TL 96.432 to reach TL 550.000.

On 31 March 2015, according to BOD's decision as of 5 March 2015, share capital was increased from TL 550.000 to TL 678.860 while 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.

According to the Subscription Agreement signed on the date of 23 October 2015, by and between the Bank and International Finance Corporation ("IFC") and European Bank for Reconstruction and Development ("EBRD"), IFC and EBRD have separately subscribed an amount of including the share premium of TL 121.017 (TL 84.328 related amount is the share capital; TL 36.689 is the share premium), which makes a total amount of TL 242.034 in the share capital of the Bank by way of capital increase.

The Bank's TL 847.515 paid capital was increased by TL 93.646 on 7 September 2016 all by TurkFinance B.V. to TL 941.161. In addition, TL 55.299 recorded under the equity as share premium.

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

As of 31 March 2024, the Bank's paid-in capital is TL 1.357.723.

As of 31 March 2024, The Bank's Shareholder Structure:

Commercial Title	Share Amount (Full basis TL)	Share Ratios (%)
Fiba Holding A.Ş	940.000.796,20	69,23%
Turk Finance B.V.	135.093.394,05	9,95%
European Bank for Reconstruction and Development	121.651.601,34	8,96%
International Finance Corporation	84.327.750,28	6,21%
Other	76.649.011,38	5,65%
TOTAL	1.357.722.553,25	100,00%

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD BETWEEN 1 JANUARY - 31 MARCH 2024

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

- I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager (continued)
2. Chairman and the Members of the Board of Directors, Statutory Auditors, General Manager and Assistant General Managers, Members of the Audit , and Managers of the Departments within the scope of Internal Systems

Name	Duty	Responsibility Area	Date of Appointment	Educational Status	Professional Experience
Hüsnü Mustafa Özyeğin	Chairman of the Board of Directors		27-Dec-10	Master	49 years
Fevzi Bozer	Vice Chairman of the Board of Directors		27-Dec-10	Master	41 years
Mehmet Güleşçi	Member of the Board of Directors		27-Dec-10	Master	39 years
Faik Onur Umut	Member of the Board of Directors		23-Jan-19	Bachelor	38 years
Seyfettin Ata Köseoğlu	Member of the Board of Directors		23-Jan-20	Master	35 years
Erman Kalkandelen	Member of the Board of Directors		02-Jul-21	Master	17 years
Ali Fuat Erbil	Member of the Board of Directors		19-Jun-23	Bachelor	30 years
Betül Ebru Edin	Member of the Board of Directors		25-Sep-23	Master	29 years
Murat Özyeğin	Member of the Board of Directors		08-Feb-24	Master	23 years
Ömer Mert	General Manager, Member of the Board of Directors		19-Jan-17	Master	28 years
Elif Alsev Utku Özbey	Deputy General Manager	Financial Control and Financial Reporting	07-Jan-11	Master	29 years
Kerim Lokman Kuriş	Assistant General Manager	Corporate and Commercial Banking	01-Dec-15	Bachelor	25 years
Turgay Hasdiker	Assistant General Manager	Credits	01-Dec-15	Bachelor	32 years
Ahu Dolu	Assistant General Manager	Financial Institutions, Project Financing and Investor Relations	01-Dec-15	Bachelor	26 years
Gerçek Önal	Assistant General Manager	Chief Legal Officer	01-Feb-16	Master	23 years
İbrahim Toprak	Assistant General Manager	Treasury	01-Apr-20	Master	22 years
Serdar Yılmaz	Assistant General Manager	Information Technologies & Banking Operations	01-Sep-20	Master	28 years
Gökhan Ertürk	Assistant General Manager	Ecosystem and Platform Banking	11-May-21	Master	27 years
Ahmet Cemil Borucu	Director	Board of Inspection	07-Feb-11	PhD	26 years
Ayşe Tulgar Ayça	Director	Risk Management	15-Mar-11	Master	24 years
Serdal Yıldırım	Director	Legislation and Compliance	06-Apr-11	Master	27 years
Birol Özen	Director	Internal Control	10-Jan-22	Bachelor	18 years

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

- I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager (continued)
3. Brief Financial Information Relating to Results of Activities During the Period

Summary of Consolidated Balance Sheet		
(Thousand TL)	31-03-2024	31-12-2023
Cash and Cash Equivalents	28.200.006	24.444.963
Financial Assets Valued at Fair Value Through Profit or Loss	916.434	3.463.602
Financial Assets Valued at Fair Value Through Other Comprehensive Income	14.672.294	9.157.722
Derivative Financial Assets	1.607.602	906.998
Financial Assets Measured at Amortized Cost (Net)	65.135.991	60.707.097
Assets Held for Sale (Net)	--	10.380
Investments in Associates, Subsidiaries and Joint Ventures	1.162.668	1.119.236
Tangible Assets (Net)	984.522	864.678
Intangible Assets (Net)	816.864	787.722
Current Tax Assets	--	--
Deferred Tax Assets	1.623.460	814.644
Other Assets	1.601.821	1.381.423
Total Assets	116.721.662	103.658.465
Deposits	75.758.548	68.444.606
Funds Borrowed	2.334.781	2.325.261
Money Market Funds	10.446.663	7.610.322
Securities Issued (Net)	--	--
Derivative Financial Liabilities	927.292	886.851
Lease Liabilities (Net)	416.177	372.953
Provisions	1.906.139	1.981.078
Current Tax Liabilities	1.015.066	740.780
Deffered Tax Liabilities	--	--
Subordinated Debts	7.689.816	7.180.853
Other Liabilities	3.406.422	3.425.082
Shareholders' Equity	12.820.758	10.690.679
Total Liabilities	116.721.662	103.658.465

Summary of Consolidated Statement of Profit or Loss		
(Thousand TL)	31-03-2024	31-03-2023
Net Interest Income	1.005.513	400.153
Net Fees and Commission Income	846.853	497.082
Dividend Income	243.013	--
Trading Income/ Loss (Net)	988.123	835.072
Other Operating Revenues	457.078	350.078
Total Operating Income	3.540.580	2.082.385
Expected Credit Losses (-)	306.822	193.964
Other Provision Expenses (-)	8.285	41.891
Personnel Expenses (-)	884.837	442.002
Other Operating Expenses (-)	886.358	487.446
Net Operating Income / Loss	1.454.278	917.082
Income From Invesments Under Equity Accounting	44.226	41.091
Profit/Loss on Continuing Operations Before Tax	1.498.504	958.173
Tax Provision for Continuing Operations	536.656	(236.969)
Net Period Profit / Loss	2.035.160	721.204

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 MARCH 2024

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

- I. **Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager (continued)**
4. **Evaluations of the Chairman of the Board of Directors and the General Manager Regarding the Interim Period**

Since day one, Fibabanka has conducted its business operations in the light of its “big data” focused digital transformation journey. Thanks to our advanced technology and big data focused investments, the Bank broadened its customer base and provided even better customer service in this challenging period. As a result of this;

As of 31 March 2024, Fibabanka net loans portfolio is TL 56,6 billion.

The Bank has funded its loan portfolio mainly by customer deposits also in 2024. In this period, customer deposits amounting to TL 67,2 billion constitutes 58% of total liabilities.

Also in 2024, by taking care of asset quality, it is aimed to continue having an efficient loan portfolio and higher non-interest income together with higher number of customers. In addition, by keeping the operating expenses under control, the Bank's profit has been achieved a steady growth. As a result the Bank's net profit in the first three month of 2024 is TL 2,0 billion as per unconsolidated financial statements and TL 2,0 million as per consolidated financial statements. As an indicator of Bank's strong capital structure, unconsolidated capital adequacy ratio is 16,73%, consolidated capital adequacy ratio is 17,31% as of 31 March 2024.

Besides its financial targets, the Group, with 40 branches and 1.913 employees, has also non-financial targets like digitalization and inclusion aiming to offer increasingly new innovations through its alternative distribution channels like internet and mobile banking.

In 2024, the Bank will continue its agile, efficient and customer focused growth by keeping its prudent and deliberate attitude against asset quality. In this sense, with the motto “agile thinking, agile solutions” and a personal attention to the customers, our main goals for the future are to increase our service quality by keeping our innovating and enterprising approach in all areas and to increase customer loyalty by being by side in all needs of our customers.

On this journey we went out with the vision of “Being the most loved Bank of Turkey”, we would like to thank our valued employees who work with dedication in our Bank and are the main architect of our business also in 2024, our valued partners, and our valued customers who have contributed to the strength of our Bank.

Best regards,

Hüsnü Mustafa Özyeğin
Chairman of the Board of Directors

Ömer Mert
General Manager and Member of the Board of Directors

FİBABANKA A.Ş. AND ITS SUBSIDIARY

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

I. Interim Report Regarding Evaluations of the Chairman of the Board of Directors and the General Manager (continued)

5. Evaluations Relating to the Bank's Financial Situation

As of 31 March 2024, the Group serves with 40 domestic branches and 1.913 employees.

Total assets of Fibabanka, as of the first quarter of 2024 realised as TL 116.721.662 on consolidated basis.

According to consolidated financial statements, the loan volume, which was TL 51.399.656 at the end of 2023, has been realised as TL 56.649.241 as of the first quarter of the year. Share of the loans in total assets has been realised as 49%.

Credit worthiness of loans and other receivables are monitored continuously in accordance with related laws and regulations. For new credits disbursed, the Bank complies with the limits determined under the Banking Laws and Regulations. Collaterals are taken for the loans disbursed in order to mitigate risk. According to consolidated financial statements, as of the first quarter of 2024, NPLs have been realised as TL 846.683 and provisions related to NPLs as TL 613.231.

According to consolidated securities, financial assets measured at fair value through profit or loss have been realised as TL 916.434, securities measured at fair value through other comprehensive income have been realised as TL 13.644.730 and financial assets measured at amortized cost have been realised as TL 9.516.139 Ratio of total securities portfolio to total assets is 21%.

As of 31 March 2024, the consolidated deposit volume has been realised as TL 75.758.548.

According to the consolidated financial statements, net profit is TL 2.035.160 in the first quarter of 2024.

As of 31 March 2024, the Bank's consolidated capital adequacy ratio is 17,31%.