

*(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and  
Footnotes Originally Issued in Turkish, See Note I in Section Three)*

## **Odea Bank Anonim Şirketi**

**Unconsolidated Financial Statements, Related Disclosures and  
Independent Auditors' Report Thereon  
as of and for the year-ended  
31 December 2023**

**Convenience Translation of the Independent Auditors' Report Originally Prepared and Issued in Turkish to English (See Note I in Section Three)**

**Independent Auditor's Report**

To the General Assembly of Odea Bank Anonim Şirketi

**A) Report on the Audit of the Unconsolidated Financial Statements**

*Qualified Opinion*

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

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

*Basis for Qualified Opinion*

As stated in Note 2.9. of Section Five, the accompanying unconsolidated financial statements as at 31 December 2023 include a general provision of total of TRL 335.000 thousand which TRL 650.000 thousand had been recognized as expense in the prior periods and TRL 315.000 thousand in the current period was reversed; with a deferred tax asset on this general provision amounting to TRL 100.500 thousand which TRL 162.500 thousand was recognized in prior periods and TRL 62.000 thousand was reversed in the current period which does not meet the requirements of BRSA Accounting and Reporting Legislation. This general provision is provided by the Bank management for the possible effects of the negative circumstances which may arise in economy or market conditions.

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

*Key Audit Matters*

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

*Impairment of loans measured at amortized cost*

Refer to Section III, No: VII to the unconsolidated financial statements relating to the details of accounting policies and significant judgments of for impairment of loans measured at amortized cost.

<b>Key audit matter</b>	<b>How the matter is addressed in our audit</b>
<p>As of 31 December 2023, loans measured at amortized cost comprise 45% of the Bank's total assets.</p> <p>The Bank recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard ("Standard").</p> <p>The Bank applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank management annually.</p> <p>The significant assumptions and estimates of the Bank's management are as follows:</p> <ul style="list-style-type: none"> <li>• significant increase in credit risk</li> <li>• incorporating the forward-looking macroeconomic information in calculation of credit risk</li> <li>• design and implementation of expected credit loss model</li> </ul> <p>The determination of the impairment of loans measured at amortized cost depends on the credit default status, the model based on the change in the credit risk at the first recognition date and the classification of the loans measured at amortized cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.</p> <p>The Bank calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the market value of the collateral provided for credit transactions.</p> <p>The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward-looking expectations are reflected by macroeconomic models.</p> <p>The impairment calculation for loans has been identified as a key audit matter, as it has a complex structure and includes significant estimations and assumptions made by the management.</p>	<p>Our procedures for auditing the expected credit losses on loans include below:</p> <ul style="list-style-type: none"> <li>• We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.</li> <li>• We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank's impairment accounting policy compared with the Regulation and Standard.</li> <li>• We evaluated the Banks's business model and methodology and the evaluation of the calculations carried out with the control testing and detail analysis by the involvement of specialist.</li> <li>• We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and evaluation of their classification.</li> <li>• For the expected credit loss calculations for individually assessed loans, we evaluated the accuracy of the loss allowances by including prospective cash flow information and collateral values.</li> <li>• We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated.</li> <li>• We assessed the macroeconomic models and tested the effect of the risk parameters by recalculation method.</li> <li>• We evaluated the qualitative and quantitative assessments, which are used in determining the significant increase in credit risk.</li> <li>• We evaluated the adequacy of the disclosures in the unconsolidated financial statements related to impairment provisions.</li> </ul>

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

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

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

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

### *Auditors’ Responsibilities for the Audit of the Unconsolidated Financial Statements*

Responsibilities of auditors in an audit are as follows:

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

As part of an audit in accordance with BRSA Audit Regulation and TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

B) Report on Other Legal and Regulatory Requirements

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

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Erdal Tıkmak, SMMM

Partner

13 February 2024

Istanbul, Turkey

Translated into English from the original Turkish report and financial statements

**ODEA BANK A.Ş.**  
**UNCONSOLIDATED FINANCIAL REPORT**  
**AS OF DECEMBER 31, 2023**

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

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- ACCOUNTING POLICIES
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITORS’ REPORT

The accompanying unconsolidated financial statements for the year-end and notes to these financial statements are prepared based on the financial records of the Bank and in accordance with the Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations of these, have been subject to independent audit and presented in **thousands of Turkish Lira** unless otherwise stated.

Tamer  
GHAZALEH

Mert ÖNCÜ

Mehmet Gökmen UÇAR

Öcal PERÇİN

Chair of the Board  
of Directors

Member of the Board of  
Directors and General  
Manager

Deputy General Manager and  
Assistant General Manager in  
charge of Finance, Financial  
Control and Strategy

Financial Reporting Director

Oya AYDINLIK

Mouayed MAKHLOUF

Farid LAHOUD

Member of Board of  
Directors  
and Chair of the Audit  
Committee

Member of Board of Directors  
and Audit Committee Member

Member of Board of Directors  
and Audit Committee Member

Contact information of the personnel in charge of addressing questions about this financial report:

Name-Surname / Title : Senem Sarohan / Financial Reporting Manager  
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**Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish,  
See Note I of Section Three**

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**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2023**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

**I. Bank's Incorporation Date, Beginning Statute, Changes in the Existing Statute**

Odea Bank A.Ş. ("the Bank") was established as a deposit bank with USD 300 Million capital with the permission of BRSA numbered 4432 dated October 27, 2011, which was published in the Official Gazette on October 28, 2011, numbered 28098. The Bank started its operations in the "foreign deposit banks founded in Turkey" group, by taking operating permission from BRSA numbered 4963 on September 28, 2012, which was published in Official Gazette dated October 2, 2012 numbered 28429.

**II. Explanations Regarding Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank**

As of 31 December 2023 and 31 December 2022, the shareholders' structure and their ownerships are summarized as follows:

Name and Surname / Commercial Title	Current Period		Prior Period	
	Share Amount	Share Ratios	Share Amount	Share Ratios
Bank Audi sal	2.513.293	76,419%	2.513.293	76,419%
European Bank for Reconstruction and Development	263.394	8,009%	263.394	8,009%
International Finance Corporation	209.252	6,362%	209.252	6,362%
H.H Sheikh Dheyab Binzayed Binsultan Al-Nahyan	131.697	4,004%	131.697	4,004%
IFC FIG Investment Company S.a.r.l	112.674	3,426%	112.674	3,426%
Mr. Mohammad Hassan Zeidan	58.532	1,780%	58.532	1,780%
	<b>3.288.842</b>	<b>100,00%</b>	<b>3.288.842</b>	<b>100,00%</b>

**Bank Audi sal**

Bank Audi Group is a leading Lebanese based banking group with a universal banking profile. Based on a diversified universal service model, it operates principally in Lebanon in the Middle East, Europe and in Turkey. The Group offers universal financial products and services including Corporate, Commercial, Retail and Private Banking services in addition to capital market activities and factoring.

Bank Audi Group boasts one of the largest branch networks in Lebanon, covering the Greater Beirut area and other strategic regions in Lebanon. The Group has two principal subsidiaries in Europe and one in Turkey.

The Group ranks among the top banks in Lebanon in terms of asset size, shareholders' equity, customer deposits, loans and net income. Having one of the largest branch networks in Lebanon, the Group has 90 branches as of 31 December 2023.

The Bank Audi Group, established in 1830, has become a private joint stock company (Société Anonyme Libanaise), limited to 99 years in 1962. The Group's shareholder base has been expanding since 1983, with the first shareholders being the members of the Audi family along with Kuwaiti investors. Today, the Group's shareholder base covers 1.500 shares and/or Global Depository Receipt (GDR) holders representing the shares. The parent bank of the Group, Bank Audi's shares and its Global Depository Receipt (GDR) are quoted on the Beirut Stock Exchange.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2023**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**III. Explanations Regarding the Chair and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares and Areas of Responsibility in the Bank**

<b>Title</b>	<b>Name-Surname</b>	<b>Responsibility</b>	<b>Education</b>
<b>Chair of the Board of Directors</b>	Tamer GHAZALEH(*)	Chair of the Board of Directors	Bachelor's Degree
<b>Vice Chair of the Board of Directors</b>	Khalil EL DEBS(**)	Vice Chair of the Board of Directors	Master's Degree
<b>Members of the Board of Directors</b>			
	Mouayed MAKHLOUF	Member of the Board of Directors and Member of the Audit Committee	Master's Degree
	Antoine NAJM	Member of the Board of Directors	Bachelor's Degree
	Ayşe Botan BERKER	Member of the Board of Directors	Ph.D. Degree
	Farid LAHOUD	Member of the Board of Directors and Member of the Audit Committee	Ph.D. Degree
	Chahdan JEBEYLI	Member of the Board of Directors	Master's Degree
	Oya AYDINLIK	Member of the Board of Directors and Chair of the Audit Committee	Bachelor's Degree
	Ebru OĞAN KNOTTNERUS	Member of the Board of Directors	Bachelor's Degree
	Hilmi GÜVENAL	Member of the Board of Directors	Bachelor's Degree
	Elias ABOU SLEIMAN(***)	Member of the Board of Directors	Master's Degree
<b>Member of the Board of Directors and General Manager</b>	Mert ÖNCÜ	Member of the Board of Directors and General Manager	Ph.D. Degree
<b>Deputy General Manager</b>	Yalçın AVCI	Commercial Banking	Master's Degree
	Mehmet Gökmen UÇAR	Finance, Financial Control and Strategy	Bachelor's Degree
<b>Assistant General Managers (****)</b>	Emir Kadir ALPAY	Treasury, Capital Markets and FI	Master's Degree
	Sinan Erdem ÖZER	Information Technologies and Operations	Master's Degree
	Hüseyin GÖNÜL	Risk Management and Internal Control	Bachelor's Degree
	Cenk DEMİRÖZ	Credit Allocation	Master's Degree
	Hüseyin Cem TANER	Credit Monitoring and Remedial	Bachelor's Degree
	Ebru VARDAR	Human Resources	Bachelor's Degree
	Gürcan KIRMIZI	Retail Banking	Bachelor's Degree

\*The term of Mr. Imad ITANI as chair of the Board of Directors has ended as of August 9, 2023. Mr. Tamer GHAZALEH has been appointed as chair of the Board

\*\* Mr. Khalil EL DEBS has been appointed as vice chair of the Board of Directors as of August 9, 2023

\*\*\* Mr Elias ABOU SLEIMAN has been appointed as member of the Board of Directors as of September 15, 2023

\*\*\*\* Private Banking Assistant General Manager Mr. Cem Muratoğlu resigned from his position as of 31.08.2023

Individuals mentioned above do not own any shares of the Bank.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2023**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**IV. Information About The Persons and Institutions That Have Qualified Shares**

Information about the persons and institutions that have qualified shares as of 31 December 2023:

Name and Surname / Commercial Title	Share Amount	Share Ratios	Paid up Shares	Unpaid Shares
Bank Audi sal	2.513.293	76,419%	2.513.293	-

**V. Summary on the Bank's Functions and Areas of Activity**

The headquarters of the Bank is located in Istanbul and as of 31 December 2023. The Bank has 41 domestic branches with 1.284 employees. The Bank is organized to operate in all operational aspects of commercial and retail banking under the scope of 4th Article of the Banking Law. The Bank has no subsidiaries in the financial sector (31 December 2022: 48 domestic branches, 1.110 employees).

**VI. Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the institutions subject to full consolidation method or proportional consolidation and institutions which are deducted from equity or not included in these three methods**

The Bank has no consolidated subsidiaries.

**VII. The existing or potential, actual or legal obstacles on the transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities**

None.

**Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I of Section Three**

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Items
- III. Statement of Profit or Loss
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows
- VII. Statement of Profit Distribution

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF 31 DECEMBER 2023**

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

**I. BALANCE SHEET – ASSETS**

	Note Ref (Section Five)	Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022			
		TL	FC	Total	TL	FC	Total	
<b>I.</b>	<b>FINANCIAL ASSETS (Net)</b>	<b>10.357.977</b>	<b>22.686.765</b>	<b>33.044.742</b>	<b>12.841.253</b>	<b>15.671.313</b>	<b>28.512.566</b>	
<b>1.1</b>	<b>Cash and cash equivalents</b>	<b>5.724.639</b>	<b>14.985.992</b>	<b>20.710.631</b>	<b>6.064.098</b>	<b>10.222.327</b>	<b>16.286.425</b>	
1.1.1	Cash and balances at Central Bank	I-1	4.929.547	9.202.633	14.132.180	1.149.956	6.911.848	8.061.804
1.1.2	Banks	I-3	156	5.788.204	5.788.360	1.126.014	3.314.028	4.440.042
1.1.3	Receivables from Money Markets		799.402	-	799.402	3.792.303	-	3.792.303
1.1.4	Allowance for expected credit losses (-)		4.466	4.845	9.311	4.175	3.549	7.724
<b>1.2</b>	<b>Financial assets at fair value through profit or loss</b>	<b>I-2</b>	<b>1.321.170</b>	<b>70.125</b>	<b>1.391.295</b>	<b>1.566</b>	<b>34.424</b>	<b>35.990</b>
1.2.1	Public debt securities		267	20.290	20.557	1.566	9.196	10.762
1.2.2	Equity instruments		-	49.835	49.835	-	25.228	25.228
1.2.3	Other financial assets		1.320.903	-	1.320.903	-	-	-
<b>1.3</b>	<b>Financial assets at fair value through other comprehensive income</b>	<b>I-4</b>	<b>3.053.600</b>	<b>7.350.976</b>	<b>10.404.576</b>	<b>6.144.836</b>	<b>4.802.398</b>	<b>10.947.234</b>
1.3.1	Public debt securities		2.951.025	7.350.213	10.301.238	5.663.225	4.801.931	10.465.156
1.3.2	Equity instruments		16.458	763	17.221	13.154	467	13.621
1.3.3	Other financial assets		86.117	-	86.117	468.457	-	468.457
<b>1.4</b>	<b>Derivative financial assets</b>	<b>I-2</b>	<b>258.568</b>	<b>279.672</b>	<b>538.240</b>	<b>630.753</b>	<b>612.164</b>	<b>1.242.917</b>
1.4.1	Derivative financial assets at fair value through profit or loss		215.354	279.672	495.026	607.102	612.164	1.219.266
1.4.2	Derivative financial assets at fair value through other comprehensive income	I-11	43.214	-	43.214	23.651	-	23.651
<b>II.</b>	<b>FINANCIAL ASSEST MEASURED AT AMORTISED COST (Net)</b>		<b>30.907.636</b>	<b>15.910.920</b>	<b>46.818.556</b>	<b>23.138.242</b>	<b>14.600.325</b>	<b>37.738.567</b>
2.1	Loans	I-5	<b>21.829.794</b>	<b>15.614.091</b>	<b>37.443.885</b>	<b>17.975.045</b>	<b>14.565.724</b>	<b>32.540.769</b>
2.2	Receivables from leasing transactions	I-10	-	-	-	-	-	-
2.3	Factoring receivables		-	-	-	-	-	-
<b>2.4</b>	<b>Other financial assets measured at amortized cost</b>	<b>I-6</b>	<b>11.114.964</b>	<b>1.280.266</b>	<b>12.395.230</b>	<b>6.327.808</b>	<b>969.911</b>	<b>7.297.719</b>
2.4.1	Public debt securities		7.237.628	1.280.266	8.517.894	3.309.652	969.911	4.279.563
2.4.2	Other financial assets		3.877.336	-	3.877.336	3.018.156	-	3.018.156
2.5	Allowance for expected credit losses (-)		2.037.122	983.437	3.020.559	1.164.611	935.310	2.099.921
<b>III.</b>	<b>NON-CURRENT ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS" (Net)</b>	<b>I-16</b>	<b>826.297</b>	-	<b>826.297</b>	<b>805.513</b>	-	<b>805.513</b>
3.1	Held for sale		826.297	-	826.297	805.513	-	805.513
3.2	Held from discontinued operations		-	-	-	-	-	-
<b>IV.</b>	<b>INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		-	-	-	-	-	-
<b>4.1</b>	<b>Investments in associates (Net)</b>	<b>I-7</b>	-	-	-	-	-	-
4.1.1	Associates accounted by using equity method		-	-	-	-	-	-
4.1.2	Non-consolidated associates		-	-	-	-	-	-
<b>4.2</b>	<b>Investments in subsidiaries (Net)</b>	<b>I-8</b>	-	-	-	-	-	-
4.2.1	Non-consolidated financial subsidiaries		-	-	-	-	-	-
4.2.2	Non-consolidated non-financial subsidiaries		-	-	-	-	-	-
<b>4.3</b>	<b>Jointly Controlled Partnerships (Joint Ventures) (Net)</b>	<b>I-9</b>	-	-	-	-	-	-
4.3.1	Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2	Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
<b>V.</b>	<b>TANGIBLE ASSETS (Net)</b>	<b>I-12</b>	<b>374.748</b>	-	<b>374.748</b>	<b>302.149</b>	-	<b>302.149</b>
<b>VI.</b>	<b>INTANGIBLE ASSETS AND GOODWILL (Net)</b>	<b>I-13</b>	<b>538.720</b>	-	<b>538.720</b>	<b>243.171</b>	-	<b>243.171</b>
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		538.720	-	538.720	243.171	-	243.171
<b>VII.</b>	<b>INVESTMENT PROPERTIES (Net)</b>	<b>I-14</b>	-	-	-	-	-	-
<b>VIII.</b>	<b>CURRENT TAX ASSETS</b>		<b>514.524</b>	-	<b>514.524</b>	<b>911</b>	-	<b>911</b>
<b>IX.</b>	<b>DEFERRED TAX ASSETS</b>	<b>I-15</b>	<b>861.963</b>	-	<b>861.963</b>	<b>593.629</b>	-	<b>593.629</b>
<b>X.</b>	<b>OTHER ASSETS</b>	<b>I-17</b>	<b>668.454</b>	<b>62.136</b>	<b>730.590</b>	<b>791.435</b>	<b>8.908</b>	<b>800.343</b>
<b>TOTAL ASSETS</b>			<b>45.050.319</b>	<b>38.659.821</b>	<b>83.710.140</b>	<b>38.716.303</b>	<b>30.280.546</b>	<b>68.996.849</b>

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS OF 31 DECEMBER 2023**

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

**I. BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note Ref. (Section Five)	TL	FC	Total	TL	FC	Audited Current Period 31 December 2023	Audited Prior Period 31 December 2022
<b>I. DEPOSITS</b>	II-1	<b>30,012,273</b>	<b>28,219,972</b>	<b>58,232,245</b>	<b>31,005,197</b>	<b>18,233,262</b>	<b>49,238,459</b>	
<b>II. LOANS RECEIVED</b>	II-3	<b>1,060,818</b>	<b>930,028</b>	<b>1,990,846</b>	-	<b>1,359,218</b>	<b>1,359,218</b>	
<b>III. MONEY MARKET FUNDS</b>	II-4	<b>4,764,815</b>	<b>1,482,640</b>	<b>6,247,455</b>	<b>4,000,353</b>	-	<b>4,000,353</b>	
<b>IV. MARKETABLE SECURITIES (Net)</b>	II-5	-	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-	-
4.2 Asset backed securities		-	-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-	-
<b>V. FUNDS</b>		-	-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	II-2	<b>20,536</b>	<b>487,900</b>	<b>508,436</b>	<b>265,550</b>	<b>661,839</b>	<b>927,389</b>	
7.1 Derivative financial liabilities at fair value through profit or loss		17,554	487,900	505,454	231,556	661,839	893,395	
7.2 Derivative financial liabilities at fair value through other comprehensive income	II-8	2,982	-	2,982	33,994	-	33,994	
<b>VIII. FACTORING PAYABLES</b>		-	-	-	-	-	-	-
<b>IX. LEASE PAYABLES</b>	II-7	<b>163,278</b>	-	<b>163,278</b>	<b>163,074</b>	-	<b>163,074</b>	
<b>X. PROVISIONS</b>	II-9	<b>769,371</b>	<b>73,205</b>	<b>842,576</b>	<b>998,579</b>	<b>242,547</b>	<b>1,241,126</b>	
10.1 Provision for restructuring		-	-	-	-	-	-	-
10.2 Reserves for employee benefits		135,596	-	135,596	88,678	-	88,678	
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-	-
10.4 Other provisions		633,775	73,205	706,980	909,901	242,547	1,152,448	
<b>XI. CURRENT TAX LIABILITIES</b>	II-10	<b>207,226</b>	-	<b>207,226</b>	<b>325,533</b>	-	<b>325,533</b>	
<b>XII. DEFERRED TAX LIABILITIES</b>	II-10	-	-	-	-	-	-	-
<b>XIII. LIABILITIES RELATED TO ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)</b>	II-11	-	-	-	-	-	-	-
13.1 Held for sale		-	-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT</b>	II-12	-	<b>8,412,601</b>	<b>8,412,601</b>	-	<b>5,336,904</b>	<b>5,336,904</b>	
14.1 Loans		-	-	-	-	-	-	-
14.2 Other debt instruments		-	<b>8,412,601</b>	<b>8,412,601</b>	-	<b>5,336,904</b>	<b>5,336,904</b>	
<b>XV. OTHER LIABILITIES</b>	II-6	<b>415,996</b>	<b>578,929</b>	<b>994,925</b>	<b>690,385</b>	<b>673,457</b>	<b>1,363,842</b>	
<b>XVI. SHAREHOLDERS' EQUITY</b>		<b>6,157,234</b>	<b>(46,682)</b>	<b>6,110,552</b>	<b>5,249,741</b>	<b>(208,790)</b>	<b>5,040,951</b>	
16.1 Paid-in capital	II-13	3,288,842	-	3,288,842	3,288,842	-	3,288,842	
16.2 Capital reserves		(2,198)	-	(2,198)	(2,198)	-	(2,198)	
16.2.1 Equity share premiums		-	-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-	-
16.2.3 Other capital reserves		(2,198)	-	(2,198)	(2,198)	-	(2,198)	
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		(19,195)	-	(19,195)	(33,553)	-	(33,553)	
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		6,264	(46,682)	(40,418)	792,115	(208,790)	583,325	
16.5 Profit reserves		1,173,348	-	1,173,348	351,332	-	351,332	
16.5.1 Legal reserves	II-13	89,360	-	89,360	46,700	-	46,700	
16.5.2 Statutory reserves		-	-	-	-	-	-	-
16.5.3 Extraordinary reserves		1,083,988	-	1,083,988	304,632	-	304,632	
16.5.4 Other profit reserves		-	-	-	-	-	-	-
16.6 Profit or loss		1,710,173	-	1,710,173	853,203	-	853,203	
16.6.1 Prior periods profits or losses		-	-	-	-	-	-	-
16.6.2 Current period net profit or loss		1,710,173	-	1,710,173	853,203	-	853,203	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>43,571,547</b>	<b>40,138,593</b>	<b>83,710,140</b>	<b>42,698,412</b>	<b>26,298,437</b>	<b>68,996,849</b>	

**Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three**

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS**  
**AS OF 31 DECEMBER 2023**

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

**II. STATEMENT OF OFF-BALANCE SHEET ITEMS**

Note Ref. (Section Five)	Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
	TL	FC	Total	TL	FC	Total
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>	<b>45,946,866</b>	<b>106,823,212</b>	<b>152,770,078</b>	<b>56,018,219</b>	<b>123,545,647</b>	<b>179,563,866</b>
<b>I. GUARANTEES</b>	<b>III-1</b>	<b>16,604,621</b>	<b>3,315,097</b>	<b>19,919,718</b>	<b>11,651,588</b>	<b>3,423,006</b>
1.1 Letters of guarantee		9,719,848	988,832	10,708,680	6,876,842	1,197,845
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		9,719,848	988,832	10,708,680	6,876,842	1,197,845
1.2 Bank acceptances		-	-	-	-	-
1.2.1 Import letter of acceptance		-	-	-	-	-
1.2.2 Other bank acceptances		-	-	-	-	-
1.3 Letters of credit		53,023	2,320,301	2,373,324	286,303	2,143,422
1.3.1 Documentary letters of credit		53,023	2,320,301	2,373,324	286,303	2,143,422
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		6,831,750	5,964	6,837,714	4,488,443	81,739
1.9 Other collaterals		-	-	-	-	4,570,182
<b>II. COMMITMENTS</b>	<b>III-1</b>	<b>20,629,675</b>	<b>933,182</b>	<b>21,562,857</b>	<b>16,124,178</b>	<b>1,808,351</b>
2.1 Irrevocable commitments		2,050,221	933,182	2,983,403	2,413,373	1,808,351
2.1.1 Forward asset purchase and sales commitments		-	-	-	-	4,221,724
2.1.2 Forward deposit purchase and sales commitments		5,461	881,231	886,692	805,888	1,775,395
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-
2.1.4 Loan granting commitments		1,345,848	-	1,345,848	1,021,137	-
2.1.5 Securities underwriting commitments		-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-
2.1.7 Payment commitment for checks		104,224	-	104,224	77,145	-
2.1.8 Tax and fund liabilities from export commitments		-	-	-	-	77,145
2.1.9 Commitments for credit card expenditure limits		589,373	-	589,373	504,112	-
2.1.10 Commitments for promotions related with credit cards and banking activities		1,504	-	1,504	1,398	-
2.1.11 Receivables from short sale commitments		-	-	-	-	1,398
2.1.12 Payables for short sale commitments		-	-	-	-	-
2.1.13 Other irrevocable commitments		3,811	51,951	55,762	3,693	32,956
2.2. Revocable commitments		18,579,454	-	18,579,454	13,710,805	-
2.2.1 Revocable loan granting commitments		18,579,454	-	18,579,454	13,710,805	-
2.2.2 Other revocable commitments		-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>III-2</b>	<b>8,712,570</b>	<b>102,574,933</b>	<b>111,287,503</b>	<b>28,242,453</b>	<b>118,314,290</b>
3.1 Derivative financial instruments for hedging purposes		600,000	-	600,000	1,750,000	-
3.1.1 Fair value hedge		-	-	-	-	1,750,000
3.1.2 Cash flow hedge		600,000	-	600,000	1,750,000	-
3.1.3 Hedge of net investment in foreign operations		-	-	-	-	-
3.2 Trading derivatives		8,112,570	102,574,933	110,687,503	26,492,453	118,314,290
3.2.1 Forward foreign currency buy/sell transactions		630,535	7,938,919	8,569,454	294,483	6,336,939
3.2.1.1 Forward foreign currency transactions-buy		630,535	3,705,593	4,336,128	261,179	3,058,356
3.2.1.2 Forward foreign currency transactions-sell		-	4,233,326	4,233,326	33,304	3,278,583
3.2.2 Swap transactions related to foreign currency, and interest rates		5,946,882	55,807,633	61,754,515	4,947,732	85,635,636
3.2.2.1 Foreign currency swaps-buy		-	28,612,846	28,612,846	440,108	19,847,088
3.2.2.2 Foreign currency swaps-sell		2,766,882	26,093,741	28,860,623	2,107,624	20,116,010
3.2.2.3 Interest rate swaps-buy		1,590,000	550,523	2,140,523	1,200,000	23,890,081
3.2.2.4 Interest rate swaps-sell		1,590,000	550,523	2,140,523	1,200,000	25,090,081
3.2.3 Foreign currency, interest rate and securities options		1,168,614	38,476,227	39,644,841	21,250,238	26,341,715
3.2.3.1 Foreign currency options-buy		858,134	13,560,290	14,418,424	14,884,996	9,017,401
3.2.3.2 Foreign currency options-sell		310,480	24,915,937	25,226,417	6,365,242	23,689,556
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		366,539	352,154	718,693	-	-
3.2.4.1 Foreign currency futures-buy		151,640	207,177	358,817	-	-
3.2.4.2 Foreign currency futures-sell		214,899	144,977	359,876	-	-
3.2.5 Interest rate futures		-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-
3.2.6 Other		-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>81,252,429</b>	<b>246,087,871</b>	<b>327,340,300</b>	<b>72,235,430</b>	<b>152,178,139</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>7,256,020</b>	<b>34,688,788</b>	<b>41,944,808</b>	<b>7,155,224</b>	<b>8,243,339</b>
4.1 Assets under management		6,884,713	29,021,582	35,906,295	7,004,837	3,729,681
4.2 Investment securities held in custody		-	4,269,806	4,269,806	600	3,368,949
4.3 Checks received for collection		366,802	1,397,400	1,764,202	139,321	1,144,709
4.4 Commercial notes received for collection		3,027	-	3,027	6,300	-
4.5 Other assets received for collection		-	-	-	-	6,300
4.6 Assets received for public offering		-	-	-	-	-
4.7 Other items under custody		1,478	-	1,478	4,166	-
4.8 Custodians		-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>73,981,448</b>	<b>211,225,600</b>	<b>285,207,048</b>	<b>65,065,245</b>	<b>143,821,008</b>
5.1 Marketable securities		1,967,848	6,209,579	8,177,427	1,875,981	3,351,583
5.2 Guarantee notes		32,908,545	29,116,117	62,024,662	32,218,084	18,877,965
5.3 Commodities		3,193,443	4,354,828	7,548,271	3,048,390	2,718,903
5.4 Warrants		-	-	-	-	5,767,293
5.5 Properties		25,717,566	117,611,426	143,328,992	18,995,975	79,470,914
5.6 Other pledged items		10,194,046	53,933,650	64,127,696	8,926,815	39,401,643
5.7 Pledged items-depository		-	-	-	-	48,328,458
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>14,961</b>	<b>173,483</b>	<b>188,444</b>	<b>14,961</b>	<b>113,792</b>
<b>TOTAL OFF - BALANCE SHEET ITEMS (A+B)</b>		<b>127,199,295</b>	<b>352,911,083</b>	<b>480,110,378</b>	<b>128,253,649</b>	<b>275,723,786</b>
						<b>403,977,435</b>

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2023**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**III. STATEMENT OF PROFIT OR LOSS**

INCOME AND EXPENSE ITEMS	Note (Section Five)	Audited Current Period 1 January- 31 December 2023	Audited Prior Period 1 January- 31 December 2022
<b>I. INTEREST INCOME</b>	<b>IV-1</b>	<b>10,983,643</b>	<b>7,387,380</b>
1.1 Interest on loans		5,628,877	3,884,250
1.2 Interest received from reserve deposits		2,327	15,469
1.3 Interest received from banks		182,428	66,205
1.4 Interest received from money market transactions		365,577	16,751
1.5 Interest received from marketable securities portfolio		4,797,567	3,395,666
1.5.1 Financial assets at fair value through profit or loss		25,612	49,568
1.5.2 Financial assets at fair value through other comprehensive income		1,724,020	2,450,526
1.5.3 Financial assets measured at amortized cost		3,047,935	895,572
1.6 Finance lease income		-	-
1.7 Other interest income		6,867	9,039
<b>II. INTEREST EXPENSE (-)</b>	<b>IV-2</b>	<b>8,950,608</b>	<b>4,447,184</b>
2.1 Interest on deposits		7,562,799	3,527,054
2.2 Interest on funds borrowed		314,179	42,153
2.3 Interest on money market transactions		218,135	318,685
2.4 Interest on securities issued		664,014	407,555
2.5 Finance lease interest expenses		51,077	28,652
2.6 Other interest expenses		140,404	123,085
<b>III. NET INTEREST INCOME (I - II)</b>		<b>2,033,035</b>	<b>2,940,196</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>1,050,179</b>	<b>187,514</b>
4.1 Fees and commissions received		1,151,066	217,219
4.1.1 Non-cash loans		246,901	94,764
4.1.2 Other		904,165	122,455
4.2 Fees and commissions paid (-)		100,887	29,705
4.2.1 Non-cash loans		-	-
4.2.2 Other		100,887	29,705
<b>V. DIVIDEND INCOME</b>	<b>IV-3</b>	-	-
<b>VI. TRADING PROFIT/LOSS (Net)</b>	<b>IV-4</b>	<b>621,575</b>	<b>40,843</b>
6.1 Profit/losses from capital market transactions		773,503	446,303
6.2 Profit/losses from derivative financial transactions		(2,483,947)	123,167
6.3 Foreign exchange profit/losses		2,332,019	(528,627)
<b>VII. OTHER OPERATING INCOME</b>	<b>IV-5</b>	<b>2,340,865</b>	<b>1,198,783</b>
<b>VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)</b>		<b>6,045,654</b>	<b>4,367,336</b>
<b>IX. EXPECTED CREDIT LOSSES (-)</b>	<b>IV-6</b>	<b>1,690,138</b>	<b>1,441,713</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>IV-6</b>	<b>12,250</b>	<b>495,143</b>
<b>XI. PERSONNEL EXPENSES (-)</b>		<b>1,312,585</b>	<b>654,428</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>IV-7</b>	<b>1,281,763</b>	<b>678,830</b>
<b>XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>1,748,918</b>	<b>1,097,222</b>
<b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		-	-
<b>XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		-	-
<b>XVI. NET MONETARY POSITION GAIN/LOSS</b>		-	-
<b>XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	<b>IV-9</b>	<b>1,748,918</b>	<b>1,097,222</b>
<b>XVIII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>IV-10</b>	<b>(38,745)</b>	<b>(244,019)</b>
18.1 Current tax provision		(85,778)	(785,109)
18.2 Expense effect of deferred tax (+)		(792,143)	(527,941)
18.3 Income effect of deferred tax (-)		839,176	1,069,031
<b>XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	<b>IV-11</b>	<b>1,710,173</b>	<b>853,203</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
20.1 Income from assets held for sale		-	-
20.2 Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3 Other income from discontinued operations		-	-
<b>XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1 Expenses on assets held for sale		-	-
21.2 Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3 Other expenses from discontinued operations		-	-
<b>XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)</b>		-	-
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
23.1 Current tax provision		-	-
23.2 Expense effect of deferred tax (+)		-	-
23.3 Income effect of deferred tax (-)		-	-
<b>XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>1,710,173</b>	<b>853,203</b>
<b>XXV. NET PROFIT/LOSSES (XIX+XXIV)</b>	<b>IV-12</b>	<b>1,710,173</b>	<b>853,203</b>
Profit / Loss per Share (*)		0,520	0,259

(\*) Presented in Full TL.

**ODEA BANK ANONİM ŞİRKETİ**

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2023**

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

**IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Audited Current Period 1 January- 31 December 2023	Audited Prior Period 1 January- 31 December 2022
<b>I. CURRENT PERIOD PROFIT / (LOSS)</b>	<b>1.710.173</b>	<b>853.203</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>(640.572)</b>	<b>620.798</b>
<b>2.1 Other comprehensive income that will not be reclassified to profit or loss</b>	<b>(16.829)</b>	<b>(29.989)</b>
2.1.1 Gains (losses) on revaluation of property, plant and equipment	-	-
2.1.2 Gains (losses) on revaluation of intangible assets	-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans	(28.124)	(41.059)
2.1.4 Other Components of other comprehensive income that will not be reclassified to profit or loss	-	-
2.1.5 Taxes relating to components of other comprehensive income that will not be reclassified to profit or loss	11.295	11.070
<b>2.2 Other comprehensive income that will be reclassified to profit or loss</b>	<b>(623.743)</b>	<b>650.787</b>
2.2.1 Exchange differences on translation	-	-
2.2.2 Valuation and/or reclassification profit or loss from financial assets at fair value through other comprehensive income	(895.329)	908.058
2.2.3 Income (loss) related with cash flow hedges	61.579	(42.411)
2.2.4 Income (loss) related with hedges of net investments in foreign operations	-	-
2.2.5 Other components of other comprehensive income that will be reclassified to other profit or loss	-	-
2.2.6 Taxes relating to components of other comprehensive income that will be reclassified to profit or loss	210.007	(214.860)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>1.069.601</b>	<b>1.474.001</b>

The accompanying notes are an integral part of these financial statements.

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2023**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

							Other Comprehensive Income/Expense Items Not To Be Recycled To Profit and Loss			Other Comprehensive Income/Expense Items To Be Recycled To Profit and Loss						
		Note (Section Five)	Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Recycled to Profit or Loss) (*)	Translation Differences	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss) (**)	Profit Reserves	Prior Period Income and Losses	Current Year Income and Losses	Total Shareholders' Equity
		Current Period 31/12/2023														
I.		Balance at the beginning of the period	3,288.842	-	-	(2.198)	-	(42.867)	9.314	-	640.209	(56.884)	351.332	-	853.203	5.040.951
II.		Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1		Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2		Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.		New Balance (I+II)	3,288.842	-	-	(2.198)	-	(42.867)	9.314	-	640.209	(56.884)	351.332	-	853.203	5.040.951
IV.		Total comprehensive income (loss)	-	-	-	-	-	(16.829)	-	-	(668.835)	45.092	-	-	1.710.173	1.069.601
V.		Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.		Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.		Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.		Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.		Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.		Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XL.		Profit distribution	-	-	-	-	-	-	31.187	-	-	-	822.016	-	(853.203)	-
11.1		Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2		Transfers to reserves (**)	-	-	-	-	-	-	-	-	-	-	853.203	-	(853.203)	-
11.3		Others	-	-	-	-	-	-	31.187	-	-	-	(31.187)	-	-	-
		End Balance (III+IV+V+VI+VII+VIII+IX+X+XL+11.1+11.2+11.3)	3,288.842	-	-	(2.198)	-	(59.696)	40.501	-	(28.626)	(11.792)	1,173.348	-	1.710.173	6.110.552

(\*) TL 31.187 presented under extraordinary reserves includes the real estate sales gain benefited from corporate tax exemption and presented under "Others" account.

(\*\*) At the Ordinary General Assembly meeting dated March 27, 2023, TL 42.660, which is 5% of the Bank's net profit for the year 2022, amounting to TL 853.203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 810.543. It has been decided to set aside TL as Extraordinary Reserves.

The accompanying notes are an integral part of these financial statements.

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2023**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Note (Section Five)						Other Comprehensive Income/Expense Items Not To Be Recycled To Profit and Loss			Other Comprehensive Income/Expense Items To Be Recycled To Profit and Loss						
		Paid- In Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Tangible Assets Revaluation Reserve	Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans	Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Recycled to Profit or Loss) (*)	Translation Differences	Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income	Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss) (**)	Profit Reserves	Prior Period Income and Losses	Current Year Income and Losses	Total Shareholders' Equity	
	Prior Period 31/12/2022															
I.	Balance at the beginning of the period	3,288.842	-	-	(2.198)	-	(12.878)	6.917	-	(43.524)	(23.938)	148.041	-	205.688	3.566.950	
II.	Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	New Balance (I+II)	3,288.842	-	-	(2.198)	-	(12.878)	6.917	-	(43.524)	(23.938)	148.041	-	205.688	3.566.950	
IV.	Total comprehensive income (loss)	-	-	-	-	-	(29.989)	-	-	683.733	(32.946)	-	-	853.203	1.474.001	
V.	Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XL.	Profit distribution	-	-	-	-	-	-	2.397	-	-	-	-	203.291	-	(205.688)	
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers to reserves (**)	-	-	-	-	-	-	-	-	-	-	-	205.688	-	(205.688)	
11.3	Others	-	-	-	-	-	-	2.397	-	-	-	-	(2.397)	-	-	
	End Balance (III+IV+.....+XI)	3,288.842	-	-	(2.198)	-	(42.867)	9.314	-	640.209	(56.884)	351.332	-	853.203	5.040.951	

(\*) TL 2.397 presented under extraordinary reserves includes the real estate sales gain benefited from corporate tax exemption and presented under "Others" account.

(\*\*) At the Ordinary General Assembly meeting dated March 29, 2022, TL 10.285, which is 5% of the Bank's net profit for the year 2021, TL 205.688, was reserved as 1st Arrangement Legal Reserve in accordance with Article 519 of the Turkish Commercial Code numbered 6102 and the remaining amount of TL 195.403 has been decided to reserve as extraordinary Reserves.

The accompanying notes are an integral part of these financial statements.

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**VI. STATEMENT OF CASH FLOWS**

	<b>Footnotes (Section Five)</b>	<b>Audited Current Period 1 January- 31 December 2023</b>	<b>Audited Prior Period 1 January- 31 December 2022</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit / (loss) before changes in operating assets and liabilities</b>		<b>2,747,345</b>	<b>2,712,490</b>
1.1.1 Interest received		9,490,618	6,469,783
1.1.2 Interest paid		(8,115,929)	(4,232,408)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		1,151,066	217,219
1.1.5 Other income/(expense)		1,014,636	616,414
1.1.6 Collections from previously written off loans		353,994	539,338
1.1.7 Payments to personnel and service suppliers		(2,019,163)	(993,435)
1.1.8 Taxes paid		(729,564)	(640,640)
1.1.9 Others	<b>VI-1</b>	1,601,687	736,219
<b>1.2 Changes in operating assets and liabilities</b>		<b>(4,675,267)</b>	<b>479,378</b>
1.2.1 Net (increase) decrease in financial assets held for trading		(1,354,875)	65,541
1.2.2 Net (increase) decrease in due from banks and other financial institutions		(1,294,000)	1,158,557
1.2.3 Net (increase) decrease in loans		3,189,893	(2,198,843)
1.2.4 Net (increase) decrease in other assets	<b>VI-1</b>	228,081	(360,602)
1.2.5 Net increase (decrease) in bank deposits		(4,139)	(352,793)
1.2.6 Net increase (decrease) in other deposits		(2,561,296)	3,662,367
1.2.7 Net (increase) decrease in financial liability at fair value through profit or loss		(4,352,971)	(1,165,146)
1.2.8 Net increase (decrease) in funds borrowed		2,270,335	964,336
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	<b>VI-1</b>	(796,295)	(1,294,039)
<b>I. Net cash used in from banking operations</b>		<b>(1,927,922)</b>	<b>3,191,868</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>1,722,334</b>	<b>(1,241,851)</b>
2.1 Cash paid for purchase of jointly controlled entities, associates and subsidiaries		-	-
2.2 Cash obtained from sale of jointly controlled entities, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(674,194)	(367,479)
2.4 Fixed assets sales		276,627	759,463
2.5 Cash paid for purchase of financial assets available for sale		(1,507,815)	(1,501,269)
2.6 Cash obtained from sale of financial assets available for sale		5,458,980	4,328,590
2.7 Cash paid for purchase of investment securities		(7,355,512)	(6,700,308)
2.8 Cash obtained from sale of investment securities		5,524,248	2,239,152
2.9 Others		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash flows from financing activities</b>		<b>(111,374)</b>	<b>(49,538)</b>
3.1 Cash obtained from funds borrowed and securities issued		198,247	256,325
3.2 Cash used for repayment of funds borrowed and securities issued		(210,500)	(256,325)
3.3 Issued equity instrument		-	-
3.4 Dividends paid		-	-
3.5 Payments for leases		(99,121)	(49,538)
3.6 Other		-	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>3,436,484</b>	<b>2,245,611</b>
<b>V. Net increase in cash and cash equivalents</b>		<b>3,119,522</b>	<b>4,146,090</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	<b>VI-2</b>	<b>11,115,667</b>	<b>6,969,577</b>
<b>VII. Cash and cash equivalents at end of the period</b>	<b>VI-2</b>	<b>14,235,189</b>	<b>11,115,667</b>

The accompanying notes are an integral part of these financial statements.

**ODEA BANK ANONİM ŞİRKETİ**  
**UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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

**VII. STATEMENT OF PROFIT DISTRIBUTION**

	Audited Current Period 31.12.2023 (*)	Audited Prior Period 31.12.2022 (**)
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME/(LOSS)</b>		
1.1 CURRENT YEAR INCOME	1.748.918	1.097.222
1.2 TAXES AND DUTIES PAYABLE (-)	38.745	244.019
1.2.1 Corporate tax (Income tax)	85.778	785.109
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(47.033)	(541.090)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>1.710.173</b>	<b>853.203</b>
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	42.660
1.5 OTHER STATUTORY RESERVES (-)	-	31.187
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]</b>	<b>1.710.173</b>	<b>779.356</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	779.356
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>	<b>-</b>	<b>-</b>
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE (****)</b>		
3.1 TO OWNERS OF ORDINARY SHARES	0,520	0,259
3.2 TO OWNERS OF ORDINARY SHARES ( % )	52,0%	25,9%
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES ( % )	-	-

(\*) The decision regarding the 2023 Profit Distribution will be taken at the General Assembly meeting.

(\*\*) At the Ordinary General Assembly meeting dated March 27, 2023, TL 42.660, which is 5% of the Bank's net profit for the year 2022, amounting to TL 853.203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 810.543. It has been decided to set aside TL as Extraordinary Reserves. 31.187 TL included in the Extraordinary Reserve Fund consists of real estate sales profits benefiting from the Corporate Tax exemption.

(\*\*\*) Presented in Full TL.

The accompanying notes are an integral part of these financial statements.

**ODEA BANK ANONİM ŞİRKETİ**  
**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2023**  
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

**SECTION THREE**  
**ACCOUNTING PRINCIPLES**

**I. Basis of Presentation**

**a. The preparation of the unconsolidated financial statements and related notes and explanations in accordance with the Turkish Financial Reporting Standards and regulation on the Regulation on Accounting Applications for Banks and Safeguarding of Documents**

The unconsolidated financial statements have been prepared in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks" published in the Official Gazette no.26333 dated 1 November 2006 with regard to Banking Law No. 5411, and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by those, by those, "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") (all "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation).

The unconsolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value. The accompanying unconsolidated financial statements and notes to these financial statements are expressed in thousands of Turkish Lira (TL), unless otherwise stated.

In preparing the unconsolidated financial statements in accordance with "BRSA Accounting and Financial Reporting Legislation", the Bank management has to make assumptions and estimates about the assets and liabilities in the balance sheet. These estimates and assumptions include fair value calculation of financial instruments and impairment of financial assets are being reviewed regularly and, when necessary, adjustments are made and the effects of these adjustments are reflected to the statement of profit or loss. The assumptions and estimates used are explained in the related notes.

**b. Information on accounting policies and changes in financial statements**

Accounting policies and valuation principles used in the preparation of the unconsolidated financial statements are determined in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency and in case where a specific regulation is not made by BRSA, TFRS.

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.

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained in section three notes II to XXIV.

**c. Changes in accounting policies and disclosures**

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2023 have no material effect on the financial statements, financial performance and on the Bank's accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Bank's accounting policies.

In addition to the aid provided to the region due to the earthquake disaster that occurred in Kahramanmaraş and surrounding provinces in February, customers affected by the earthquake were offered interest-free deferral of their loan and credit card debts and free transaction/service opportunities. The effects of the earthquake disaster were reviewed and it was evaluated that there was no effect on the financial statements that would affect the going concern.

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**II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions**

The Bank's main activities comprise retail, commercial and corporate banking, money market and securities market operations.

The Bank uses financial assets intensely by its nature. The Bank's basic strategy regarding the use of financial assets is intended for ensuring the balance between the profits from and risk levels of assets.

The most important funding source of the Bank is the deposits accepted for various time periods and apart from deposits, the most important funding sources are equity, securities issued, money market transactions and borrowings obtained from foreign financial institutions, generally medium and long term. In order to use these sources in high-yield and high-quality financial assets, the Bank follows an effective asset-liability management strategy. The Bank manages interest rate risk, liquidity risk, exchange rate risk and credit risk carried on in and off balance sheet assets and liabilities within the framework of internal and legal limits.

The Bank's asset-liability management is executed by the Asset-Liability Management Committee, within the risk limits determined by the Board of Directors, in order to keep the liquidity risk, interest rate risk, currency risk and credit risk within certain limits depending on the equity adequacy and to maximize profitability.

Translation gains and losses arising from foreign currency transactions are accounted for within the period in which the transaction occurs. Foreign currency denominated assets and liabilities are translated into TL with the prevailing buying rate of exchange of the Bank on reporting date and gains and losses arising from such transactions are recognized in the statement of profit or loss under the account of foreign exchange gains or losses.

**III. Explanations on Futures and Options Contracts and Derivative Instruments**

The derivative transactions mainly consist of options, foreign currency swaps, interest rate swaps, and foreign currency forward contracts. Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. The changes in their fair values are recorded on balance sheet under "the portion of derivative financial assets measured at fair value through profit and loss" or "the portion of derivative financial liabilities measured at fair value through profit and loss", respectively depending on the fair values being positive or negative. Fair value changes for derivatives are recorded in the account of "income / losses" from derivative transactions under income statement.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to "TFRS – 9 Financial Instruments" in case the related embedded derivative's economic features and risks are not closely related to the host contract, another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and the hybrid instrument is not carried at fair value through profit or loss. If the underlying contract is closely related to the embedded derivative, the embedded derivative is accounted for in accordance with the standard which the underlying contract is based on without any separation from the contract.

Within the scope of TFRS 13 Fair Value Measurement standard; if there is a significant decrease in the volume or level of activity for that asset or liability in relation to normal market activity for the asset or liability (or similar assets or liabilities); when the transaction or quoted price does not represent fair value; and / or when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or when the price is stale, the Bank makes an adjustment to the transactions or quoted prices and reflects this adjustment to the fair value measurement. In this context, the Bank determines the point within the range that is most representative of fair value under current market conditions.

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**III. Explanations on Futures and Options Contracts and Derivative Instruments (continued)**

*Derivative financial instruments held for hedging purpose*

The Bank may apply cash flow hedge accounting to mitigate interest rate changes on TL deposit through interest rate swaps.

The Bank utilizes derivative instruments effectively in the process of asset and liability management. TFRS 9 permits to defer application of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Bank continues to apply hedge accounting in accordance with TAS 39 in this context.

Within the scope of cash flow hedge accounting, effective part of the fair value changes of the hedging instrument are accounted in equity under "Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss" whereas ineffective part is accounted in the income statement.

The Bank hedges its cash flow risk arising from Turkish Lira floating interest rate liabilities by using interest rate swaps. Within the scope of cash flow hedge accounting the fair values being positive or negative and effective portions in the equity under "Other Comprehensive Income Items to be recycled to profit and loss" and ineffective portions in the income statement under "profit / loss from derivative financial transaction".

In the periods in which the cash flows (interest expenses) of the hedged item affects the income statement, the profit/ loss of the hedging instrument is recycled to the income statement from equity.

Effectiveness tests are performed at the beginning of the hedge accounting period and at each reporting period. The effectiveness tests are carried out using the Dollar off-set model and the hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

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 income statement under trading account income/loss caption over the maturity of the hedged item from that date of the hedge accounting is discontinued. While expiring, sale, discontinuing cash flow hedge accounting or when no longer effective the cumulative gains/losses recognised in shareholders' equity and presented under "accumulated other comprehensive income or expense to be reclassified to profit or loss" are continued to be kept in this account. When the cash flows of hedged item incur, the gain/losses accounted for under shareholders' equity are recognised in income statement considering the original maturity.

**IV. Explanations on Interest Income and Expenses**

Interest income and expenses are recognized in the statement of income by using the "Effective interest method". Starting from January 1, 2018, Bank has started accruing interest income on non-performing loans.

**V. Explanations on Fees and Commission Income and Expenses**

Fees and commissions those that are not an integral part of the effective interest rate of the financial instruments measured at amortized cost are accounted for in accordance with "TFRS 15 - Revenue from Customer Contracts". Fees and commission income/expenses are primarily recognized on an accrual basis or "Effective interest method (Internal rate of return)" according to the nature of the fee and commission. Income earned in return for services rendered contractually or due to operations like sale or purchase of assets on behalf of a third party real person or corporate body are recognized when realized.

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**VI. Explanations on Financial Assets**

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects.

Basically, financial instruments create the majority of the commercial activities and operations of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date. The settlement date is the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

The Bank categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority.

The methods and assumptions used in the recognition and measurement of financial instruments are mentioned below.

*Cash, Banks, and Other Financial Institutions:*

Cash and cash equivalents comprise cash on hand, demand placements, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash and are carried at amortized cost. The book values of these assets are at their fair values.

*Financial Assets at Fair Value Through Profit and Loss:*

"Financial assets at fair value through profit/loss" are financial assets that are either managed by a model other than the ones that are managed with a business model of hold to collect contractual cash flows or with a business model of hold to collect contractual cash flows or to sell financial assets, or being subject to mentioned business models, of which cash flows does not meet the "solely for the payments of principal and interest" criteria.

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 income statement. Transaction costs related to such assets are recorded as expense at the time of occurrence.

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**VI. Explanations on Financial Assets (continued)**

*Financial Assets at Fair Value Through Other Comprehensive Income:*

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows which are solely payments of principal and interest are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost 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 income statement. "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 income statement of the period until the receipt of consideration against that asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted for under the "other comprehensive income or expense items to be recycled to profit or loss" under shareholders' equity.

Equity instruments, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition an entity can choose in an irrevocable way to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

*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 for in the income statement.

"Fair value through other comprehensive income" and "measured at amortized cost" securities portfolio of the Bank contains Consumer Price Indexed (CPI) bonds. These securities are valued and accounted for using the effective interest method based on the CPI of two months before the reporting date together with the real coupon rates and the reference index at the issuance date, with the index coefficient generated on the inflation rate is estimated by the Bank. The inflation rate estimated by the inflation expectations of Central Bank and the Bank, is updated when necessary during the year. Securities are valued at the end of the year with reference index announced by the Ministry of Treasury and Finance.

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**VI. Explanations on Financial Assets (continued)**

*Loans and Receivables:*

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market.

Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method".

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the statement of income.

Foreign exchange gains and losses on the foreign currency indexed loans are presented under foreign exchange gains and losses in the statement of income.

*Derecognition of a financial asset:*

Before evaluating whether, and to what extent, derecognition is appropriate, the Bank determines whether those criteria should be applied to a part of a financial asset (or a part of a group of similar financial assets) or a financial asset (or a group of similar financial assets) in its entirety. Criteria is applied to a part of financial asset (or a part of a group of similar financial assets) if, and only if, the part being considered for derecognition meets one of the following three conditions: (i) The part comprises only specifically identified cash flows from a financial asset (or a group of similar financial assets) (ii) The part comprises only a fully proportionate (pro rata) share of the cash flows from a financial asset (or a group of similar financial assets) (iii) The part comprises only a fully proportionate (pro rata) share of specifically identified cash flows from a financial asset (or a group of similar financial assets).

A financial asset (or, a part of a financial asset or a part of group of financial assets, where appropriate) is derecognized when, and only when,

- The contractual rights to the cash flows from the financial asset expire; or
- The contractual rights to the cash flows from the financial asset are transferred; or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in the arrangement without material delay and;
- If the entity transfers substantially all the risks and rewards of ownership of the financial asset or,
- If the entity neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, whether it has retained control of the financial asset.

If the Bank transfers the contractual rights to the cash flows from the financial asset, or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients in the arrangement without material delay and if the Bank neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the entity shall determine whether it has retained control of the financial asset and it shall continue to recognize the financial asset to the extent of its continuing involvement in the financial asset. In this case, the entity also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the entity has retained.

The Bank has evaluated the non-performing loan portfolio of which contractual rights are transferred to the asset management companies, in the context of above statements and derecognizes the loans that are subject to agreements in which all risks and rewards are transferred to the buyer.

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**VII. Explanations on Expected Credit Losses**

As of 1 January 2018, a loss allowance for expected credit losses is provided by Bank for all financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, all financial assets which are not measured at fair value through profit or loss, commitments and financial guarantee contracts in accordance with TFRS 9 International Financial Reporting Standard and "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside" published in the Official Gazette No. 29750 dated 22 June 2016. Equity instruments are not subject to impairment assessment as they are measured at fair value.

The Bank has started its credit calculation method with the expected credit loss models in accordance with IFRS 9 rules as of 1 January 2018. Expected credit losses include a probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that are current conditions and forecasts of future economic conditions and the time value of money.

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

Stage 1:

They are financial assets that do not have a significant increase in credit risk at initial recognition or since initial recognition. Loss allowance for impairment of credit risk for these assets is recorded in the amount of 12-month expected credit loss.

Stage 2:

In the case of a significant increase in credit risk since initial recognition the financial asset is transferred to Stage 2. Loss allowance for impairment of credit risk is determined on the basis of the instrument's lifetime expected credit losses.

Stage 3 (Default):

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. In the calculation of expected credit losses, probability of default is considered as 100%. In determining the impairment, the Bank considers the following criteria:

- Delinquency in interest and/or principal payments by more than 90 days.
- Having the opinion that collection of principal and /or interest will be past due more than 90 days from its maturity or due date due to reasons such as having problems in the financing operating capital or creating additional liquidity due to unfavourable developments in macroeconomic conditions or in the sectors the debtor operates or, independent from all, due to adverse developments peculiar to the debtor.

The collections made based on provision provided for loans in the current period are deducted from "Expected Credit Losses" account in income statement, and the principal collections made in respect of loans that have been provision set aside in the previous periods or write-off exposures under off-balance sheet are recognized under "Other Operating Income" account.

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**VII. Explanations on Expected Credit Losses (continued)**

*Significant Increase in Credit Risk*

The Bank performs qualitative and quantitative assessments for the determination of financial assets that will be classified as Stage 2 due to the significant increase in credit risk.

To make the quantitative assessment, the Bank compares the rating information of the financial asset at the reporting date with the rating information at the date of initial recognition. The Bank compares the rating information of the financial instrument as of the reporting date with the rating information of the financial instrument as of the date of initial recognition, and classifies the financial instrument as Stage 2 if the change in deteriorating direction exceeds certain thresholds on a segment basis.

Within the scope of qualitative assessments, if any of the following criteria occurs; the related financial asset would be considered as Stage 2:

- Watchlist exposures,
- Forborne exposures,
- The other retail exposures which belong to an obligor who has a retail exposure that is classified as non-performing loans.

*Measurement of Expected Credit Losses*

The Bank calculates expected credit losses with a weighted estimate of the probabilities of credit losses over the expected life of the financial instrument. The parameters that are subject to the expected credit loss calculation are given below.

**Exposure at Default (EAD):** The EAD represents the incurred amortized cost for cash obligations as of reporting date. It refers to the value calculated through credit conversion factors for non-cash loans and commitments.

**Credit Conversion Factor (CCF):** As of the reporting date, CCF corresponds to the rate used to convert non-cash loans and commitments to loan equivalents. The Bank uses the conversion rates based on the statistical internal models developed by considering the historical data on the basis of products.

**Lost Given Default (LGD):** It refers to the economic loss resulting from the loan if the borrower defaults. The Bank uses LGD ratios in its calculations based on the statistical internal models developed by considering the historical data on the basis of segments.

**Probability of Default (PD):** PD represent the likelihood of default over a specified time period. Based on TFRS 9, the Bank uses two different PDs in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months following the reporting date.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

The Bank divides its non-retail portfolio into Corporate, Medium and Small segments and uses 6 different internal rating models in total. In internal rating models that include the Corporate and Medium segments, the customer's financial information includes the results of internal and external behavioural information and the results of qualitative answers. In the internal rating model, which includes the Small segment, it includes the results of the customer's internal and external behavioural information. PD calculations are performed by considering historical data and current conditions. For retail portfolio, the cumulative multiplication of the 12-month averages of the roll rates for each delinquency cluster on the basis of products that are sharing common characteristics is considered as PD.

When expected credit losses are estimated, the Bank considers three scenarios (base, pessimistic and optimistic) to determine PIT PDs. Scenarios are reviewed at least once a year and revised if necessary. Each scenario has its own probability of occurrence. The weighted average of the scenarios results according to their realization probabilities determines the PIT PD on the basis of each segment. ECL calculations are made over these determined PIT PDs.

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**VII. Explanations on Expected Credit Losses (continued)**

*Significant Increase in Credit Risk (continued)*

If the loan is classified as Stage 1, the loss amount is considered as the expected loss in the first 12 months. The bank calculates the 12-month expected credit loss based on an expectation of default that is likely to occur in the 12 months following the reporting date. 12-month expected credit losses are calculated by multiplying the estimated default amounts at each cash flow date by the marginal default probabilities and the loss at default rate, and then discounting the effective interest rate of the loan from the relevant date to the present.

If the loan classified under Stage 2, expected credit losses is calculated by considering lifetime. The expected credit loss measurement, including the use of forward-looking macroeconomic scenarios is similar to that described above however the probability of default is estimate lifetime of the financial instrument.

In accordance with IFRS 9, the Bank set aside provision for Stage 3 in the calculation of expected credit losses in accordance with internal policies. The Bank makes this calculation by using default LGD rates that increase according to the time spent in default for companies below a certain threshold value, and by discounting the collection expectations for the financial instrument to its present value with the internal rate of return for the companies above this threshold.

For retail products sharing similar credit risk characteristics, a collective approach is used for ECL measurement. In making this calculation, the Bank takes into consideration the transition rates between the clusters in the thirty-day intervals past due of the financial assets sharing the similar credit risk characteristics as of the end of the month. The probability of loss for related cluster is calculated by multiplying the average of the 12-month transition rates corresponding to each cluster with the average of the 12-month transition rates of afterthought clusters. The outstanding balance per cluster is multiplied by the probability of loss, LGD and weighted average remaining maturity. Finally, expected credit loss is computed by applying the respective impact from the forward looking model which accounts 3 probability weighted scenarios considering the stage and the remaining maturity of the retail product.

The Bank updates TFRS 9 models at least once a year in accordance with its internal policies.

*Approaches to Determine Forward Looking Economic Scenario*

As mentioned above, by using scenarios linked to macroeconomic factors, the impact of future expectations for the individual portfolio is included in the calculation of expected credit losses. The macroeconomic indicators that make up these forecast models are Gross Domestic Product (GDP) and unemployment for the individual segment, and only GDP rates for the non-individual segments. The macroeconomic forecast model includes more than one scenario, and the weighted averages of the relevant scenarios are reflected in the expected loss calculation for the individual segment and in the PIT PD for non-individual segments.

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**VII. Explanations on Expected Credit Losses (continued)**

*Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)*

As of 1 January 2018, The Bank applied the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income in accordance with TFRS 9 principles. However, the loss allowance is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

When the related financial asset is de-recognised from the financial statement, the loss allowance for expected credit losses previously reflected to the other comprehensive income is classified under the profit-loss statement.

**VIII. Explanations on Offsetting of Financial Instruments**

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

**IX. Explanations on Sales and Repurchase Agreements and Lending of Securities**

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under 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 depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

Funds given against securities purchased under agreements to resell ("reverse repo") are accounted under "Receivables from reverse repurchase agreements" on the balance sheet. The difference between the purchase and determined re-sell price is accrued over the life of repurchase agreements.

The income and expenses from these transactions are reflected to the "Interest Income on Marketable Securities" and "Interest Expense on Money Market Borrowings" accounts in the income statement.

**X. Explanations on Assets Held for Sale and Discontinued Operations**

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing receivables and are accounted in the unconsolidated financial statements in accordance with the regulations of "Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)".

The Bank, in some portion of the foreclosed assets, provides repurchase right to the debtor.

A discontinued operation is a division of a bank that is either disposed or held for sale.

Results of discontinued operations are included in the income statement separately. As of 31 December 2023 and 31 December 2022 the Bank does not have any discontinued operations.

**XI. Explanations on Goodwill and Other Intangible Assets**

There is no goodwill regarding the investments in associates and subsidiaries.

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives. There have been no changes in the amortization calculation method during the current period.

As of the balance sheet date, all software are purchased and there are no completed or continuing software development projects by the Bank.

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**XII. Explanations on Tangible Fixed Assets**

Tangible fixed assets are accounted for at acquisition cost less accumulated depreciation.

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Depreciation method is not changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	<b>%</b>
Buildings	2
Safety box	2-13
ATM	10
Furniture, fixtures and others	7-33
Office equipment's	10-25

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage, or any other lien on tangible fixed assets.

Branches, service buildings and vehicles subject to operational lease are accounted in accordance with TFRS 16 as of 1 January 2019.

At the commencement date, the Bank measures the right-of-use asset in accordance with TFRS 16. The depreciation requirements in TAS 16 Property, Plant and Equipment is applied in depreciating real assets considered as right-of-use asset. Amortization calculation considers the length of contract as useful lifetime.

The amortization expenses related to operational leases subject to TFRS 16 are recorded in profit/loss table under amortization expenses of tangible asset.

**XIII. Explanations on Leasing Transactions**

Tangible assets acquired through financial leasing are recognized as assets and the related liabilities as lease payables in assets and liabilities, respectively. Financial costs on leasing agreements are distributed throughout the lease periods at fixed interest rates. Interest expenses and foreign exchange losses related with financial leasing are accounted in income statement. Depreciation for assets acquired through financial leases is calculated consistently with the same principle as for the tangible assets.

As of the balance sheet date, the Bank does not have authorization for any financial leasing transactions as lessor.

**a. Disclosures of TFRS 16**

**Bank- lessee:**

The Bank assesses whether the contract has the quality of a lease or whether the lease includes the 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 the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

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**XIII. Explanations on Leasing Transactions (continued)**

**Right of use assets:**

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 and

When Bank applying the cost method, the existence of the right to use:

- a) Accumulated depreciation and accumulated impairment losses are deducted and
- b) Measures the restatement of the lease obligation at the restated cost.

TAS 16 Impairment of Assets is applied to determine whether the real estates considered as right-of-use assets are impaired and to account for any impairment loss identified.

**The Lease Obligations:**

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.

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 Provisions and Contingent Liabilities**

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation and discounted to present value if material.

**XV. Explanations on Liabilities Regarding Employee Benefits**

In accordance with the existing labor law, the Bank is required to make lump-sum termination indemnities to each employee who has completed over one year of service and whose employment is terminated due to retirement or for reasons other than resignation and misconduct.

The Bank has calculated provision for employee severance benefits in the accompanying financial statements in accordance with TAS 19 "Employee Benefits" by using the "Projection Method" based on their past experiences in the issues of completion of personnel service period and severance pay eligibility and discounted the total provision by using the current market yield at the balance sheet date.

The Bank has no retirement fund or foundation that the employees are the member of.

*Defined Contribution Plans:*

The Bank pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

*Short-term Employee Benefits:*

In accordance with TAS 19 "Turkish Accounting Standard on Employee Benefits"; defined liabilities that arise from unused leave payments are accrued in the related period and are not discounted.

**XVI. Explanations on Taxation**

*Corporate Tax:*

While corporate tax which is applied to corporate earnings at the rate of 20% in Turkey, in accordance with the regulation introduced by the Law No. 7316 on the "Procedure for Collection of Public Receivables and the Law Amending Some Laws", has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2021 and as 23% for the corporate earnings for the taxation periods of 2022, in accordance with the regulation introduced by the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law", this rate has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2022 for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. With the 21st article of the Law No. 7456, the phrase 25% above has been changed to 30% and it is applied to the earnings obtained in 2023 and the following taxation periods, starting from the declarations that must be submitted as of October 1, 2023.

In accordance with tax legislation, temporary tax is paid at the rate in force in the relevant period on earnings generated as of quarterly periods, and the amounts paid are deducted from the calculated tax on annual earnings.

Tax returns are required to be filed between the first and the last day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The Bank makes necessary provisions over results of current period operations related with Income Tax and Corporate Tax liabilities.

The balance resulting from netting off prepaid taxes and the corporate tax provision is shown in the current tax asset or liability as being positive or negative, respectively.

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**XVI. Explanations on Taxation (continued)**

As of 31 December 2022, 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. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the 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 the financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

In accordance with the Tax Procedural Law General Communiqué No. 555 published in the Official Gazette No. 32415 (2nd Repeat) dated 30 December 2023, the financial statements for the 2023 accounting period must be subject to inflation adjustment in accordance with the temporary article 33 of the Law No. 213 as of the end of the 2023 calendar year. In addition, the profit/loss difference arising from the inflation adjustment made by the banks in the 2024 and 2025 accounting periods, including the provisional tax periods, is not taken into account in determining the profit.

*Deferred Tax Liability / Asset:*

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In accordance with TAS 12 "Turkish Accounting Standard on Income Taxes" the Bank calculates deferred tax asset on carry forward tax losses and all deductible temporary differences, if sufficient taxable profit within five-year period to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences.

The book value of the deferred tax asset is reviewed at the end of each reporting period. The book value of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient financial profit will be available to allow the benefit of part or all of the deferred tax asset to be obtained.

If the deferred tax transactions and other issues are recognized (accounted) in profit and loss, related tax effects are recognized in profit and loss. On the other hand, if the deferred tax transactions and other issues are recognized (accounted) in equity accounts, related tax effects are also recognized (accounted) in equity accounts.

Deferred tax assets and liabilities are reflected in the accompanying financial statements on a net basis.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet.

In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

**XVII. Additional Explanations on Borrowings**

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

The Bank has not issued convertible bonds.

**XVIII. Explanations on Issued Share Certificates**

Direct transaction costs related to issuance of stock certificates are recognized as discount from equity.

**Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three**

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**XIX. Explanations on Avalized Drafts and Acceptances**

Avalized draft and acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in off-balance sheet accounts.

**XX. Explanations on Government Incentives**

There are no government incentives utilized by the Bank.

**XXI. Explanations on Segment Reporting**

Reporting according to the operational segment is presented in Note XII of Section Four.

**XXII. Explanations on Reclassifications**

None.

**XXIII. Related Parties**

For the purpose of these financial statements, shareholders of the Bank, key management personnel and board members together with their families and companies controlled by/subsidiary with them, associated companies and joint ventures and the Fund providing post-employment benefits are considered and referred to as related parties in accordance with TAS 24 "Related Parties".

The transactions with related parties are disclosed in detail in Note VII of Section Five.

**XXIV. Explanations on Other Disclosures**

None.

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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF  
THE BANK**

**I. Explanations on Equity**

As of 31 December 2023, Bank's total capital has been calculated as TL 10.769.146 and capital adequacy ratio is 20,82%. As of 31 December 2022, Bank's total capital amounted to TL 9.580.283 and capital adequacy ratio was 20,31%. These ratios are above the minimum ratio required by the legislation.

**a. Information about Total Capital:**

	<b>Current Period</b> <b>31 December 2023</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves (*)	1.173.348
Gains recognized in equity as per TAS	52.374
Profit	1.710.173
Current Period Profit	1.710.173
Prior Period Profit	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>6.224.737</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	2.628
Improvement costs for operating leasing	49.577
Goodwill (net of related tax liability)	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	538.720
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	299.761
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	11.792
Communique Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>902.478</b>
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS	-
<b>Total Common Equity Tier 1 Capital</b>	<b>5.322.259</b>

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**I. Explanations on Equity (continued)**

	Current Period 31 December 2023
<b>ADDITIONAL TIER 1 CAPITAL</b>	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-
<b>Additional Tier I Capital before Deductions</b>	
<b>Deductions from Additional Tier I Capital</b>	
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	
<b>Total Additional Tier I Capital</b>	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>5.322.259</b>
<b>TIER II CAPITAL</b>	
Debt instruments and share issue premiums deemed suitable by the BRSA (**)	5.595.481
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	574.667
<b>Tier II Capital Before Deductions</b>	<b>6.170.148</b>
<b>Deductions From Tier II Capital</b>	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	723.261
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation when the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions from Tier II Capital</b>	<b>723.261</b>
<b>Total Tier II Capital</b>	<b>5.446.887</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>10.769.146</b>
<b>Deductions from Total Capital</b>	
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables 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 (-)	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)</b>	<b>-</b>

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**I. Explanations on Equity (continued)**

	<b>Current Period 31 December 2023</b>
<b>TOTAL CAPITAL</b>	
Total Capital (TIER I Capital and TIER II Capital)	10,769.146
Total risk weighted amounts	51,717.145
<b>CAPITAL ADEQUACY RATIOS</b>	
Core Capital Adequacy Ratio	10,29
Tier 1 Capital Adequacy Ratio	10,29
Capital Adequacy Ratio	20,82
<b>BUFFERS</b>	
Total buffer requirement	2,501
Capital conservation buffer requirement	2,500
Bank specific counter-cyclical buffer requirement	0,001
Systemic important bank buffer ratio	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	-
	5,79
<b>Amounts Lower Than Excesses as per Deduction Rules</b>	
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Amount arising from deferred tax assets based on temporary differences	-
Limits related to provisions considered in Tier II calculation	-
<b>Limits related to provisions considered in Tier II calculation</b>	
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	2,146,446
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	574,667
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

(\*) At the Ordinary General Assembly meeting dated March 27, 2023, TL 42,660, which is 5% of the Bank's net profit for the year 2022, amounting to TL 853,203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 810,543. It has been decided to set aside TL as Extraordinary Reserves.

(\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24,535 thousands of Tier II sub-loan as of 31 December 2023, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

As of 31 December 2023, the Bank has calculated the credit risk amount based on the Banking Regulation and Supervision Agency's decision numbered 10188 and dated 28 April 2022, taking into account the Central Bank's foreign exchange buying rates as of 30 December 2022. In addition, negative net valuation differences of securities classified under "Fair Value through Other Comprehensive Income" portfolio and acquired before 21 December 2021 are not taken into account in the calculation of Capital.

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**I. Explanations on Equity (continued)**

	<b>Prior Period 31 December 2022</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>	
Paid-up Capital following all debts in terms of claim in liquidation of the Bank	3.288.842
Share issue premiums	-
Reserves (*)	351.332
Gains recognized in equity as per TAS	867.754
Profit	853.203
Current Period Profit	853.203
Prior Period Profit	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>5.361.131</b>
<b>Deductions from Common Equity Tier 1 Capital</b>	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-
Improvement costs for operating leasing	37.220
Goodwill (net of related tax liability)	243.171
Other intangibles other than mortgage-servicing rights (net of related tax liability)	91.243
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	56.884
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-
Gains arising from securitization transactions	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-
Defined-benefit pension fund net assets	-
Direct and indirect investments of the Bank in its own Common Equity	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-
Excess amount arising from mortgage servicing rights	-
Excess amount arising from deferred tax assets based on temporary differences	-
Other items to be defined by the BRSA	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>428.518</b>
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	-
<b>Total Common Equity Tier 1 Capital</b>	<b>4.932.613</b>

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**I. Explanations on Equity (continued)**

	<b>Prior Period</b> <b>31 December 2022</b>
<b>ADDITIONAL TIER 1 CAPITAL</b>	
Preferred Stock not Included in Common Equity and the Related Share Premiums	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-
<b>Additional Tier I Capital before Deductions</b>	
<b>Deductions from Additional Tier I Capital</b>	
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
<b>Transition from the Core Capital to Continue to deduce Components</b>	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-
<b>Total Deductions From Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	-
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>4.932.613</b>
<b>TIER II CAPITAL</b>	
Debt instruments and share issue premiums deemed suitable by the BRSA(**)	4.579.876
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	526.610
<b>Tier II Capital Before Deductions</b>	<b>5.106.486</b>
<b>Deductions From Tier II Capital</b>	
Direct and indirect investments of the Bank on its own Tier II Capital (-)	458.816
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank(-)	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions from Tier II Capital</b>	<b>458.816</b>
<b>Total Tier II Capital</b>	<b>4.647.670</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>9.580.283</b>
<b>Deductions from Total Capital</b>	
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-
Net Book Values of Movables and Immovables 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 (-)	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)</b>	-

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**I. Explanations on Equity (continued)**

	<b>Prior Period 31 December 2022</b>
<b>TOTAL CAPITAL</b>	
Total Capital (TIER I Capital and TIER II Capital)	9.580.283
Total risk weighted amounts	47.163.442
<b>CAPITAL ADEQUACY RATIOS</b>	
Core Capital Adequacy Ratio	10,46
Tier 1 Capital Adequacy Ratio	10,46
Capital Adequacy Ratio	20,31
<b>BUFFERS</b>	
Total buffer requirement	2.506
Capital conservation buffer requirement	2.500
Bank specific counter-cyclical buffer requirement	0,006
Systemic important bank buffer ratio	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	5,96
<b>Amounts Lower Than Excesses as per Deduction Rules</b>	
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
Amount arising from deferred tax assets based on temporary differences	-
Limits related to provisions considered in Tier II calculation	-
Limits related to provisions considered in Tier II calculation	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.715.654
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	526.610
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>	
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-

(\*) At the Ordinary General Assembly meeting dated March 29, 2022, TL 10.285, which is 5% of the Bank's net profit for the year 2021, amounting to TL 205.688, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining 195.403. It has been decided to set aside TL as Extraordinary Reserves

(\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

As of 31 December 2022, the Bank has calculated the credit risk amount based on the Banking Regulation and Supervision Agency's decision numbered 10188 and dated 28 April 2022, taking into account the Central Bank's foreign exchange buying rates as of 30 December 2022. In addition, negative net valuation differences of securities classified under "Fair Value through Other Comprehensive Income" portfolio and acquired before 21 December 2021 are not taken into account in the calculation of Capital.

**Information on the reconciliation of Total Capital and Sahreholders' Equity:**

The difference between Total Capital and Shareholders' Equity in the unconsolidated balance sheet mainly arises from expected credit loss provisions (for stage I and stage II loans) and subordinated loans. In the calculation of Total Capital, up to 1,25% of expected credit loss from stage I and stage II over total credit risk amount is added to Total Capital. Also, subordinated loans' nominal amount, by reducing 20% each year if the remaining maturity is less than 5 year, is considered as Tier II Capital. In addition; leasehold improvement costs (presented under the Tangible Assets item in the balance sheet) and Intangible Fixed Assets are deducted from Total Capital in the calculation of capital adequacy. Lastly, within the scope of the BRSA's Board Decision dated December 21, 2021, in case the net valuation differences of the securities in the portfolio of "Securities at Fair Value through Other Comprehensive Income" as of December 21, 2021 are negative, these differences are not taken into account in the calculated equity amount.

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**I. Explanations on Equity (continued)**

**Details on Subordinated Liabilities:**

Lender	Odea Bank A.S
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS1655085485/ US67576MAA27
Governing law(s) of the instrument	It is subject to English law additionally certain articles are subject to Turkish law. It has been issued under the "Communiqué on Borrowing Instruments" of the CMB and the "Regulation on Equities of Banks" of the BRSA.
Regulatory treatment	Tier II Capital
Subject to 10% deduction as of 1/1/2015	No
Eligible at stand-alone / consolidated (*)	Stand Alone
Instrument type (types to be specified by each jurisdiction)	Subordinated Loan
Amount recognised in regulatory capital (Currency in thousand, as of most recent reporting date) (**)	4.872.220
Per value of instrument ( Thousand USD ) (***)	275.465
Accounting classification	Liability-Subordinated Loans
Original date of issuance	01/08/2017
Perpetual or dated	10 Years Dated
Original maturity date	-
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount (****)	None.
Subsequent call dates, if applicable	-
Coupons / dividends	-
Fixed or floating dividend/coupon	Fixed
Coupon rate and any related index	8,606%
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	None
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	Yes
If write-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (1) its operating license is to be revoked and the Bank is liquidated or (2) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (3) it is probable that the Issuer will become non-viable; then the bonds can be written-down
If write-down, full or partial	Fully or partially
If write-down, permanent or temporary	Permanent
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	In priority of receivables, it comes after the debt instruments which are nonsubordinated loans.
Whether the sub-loan agreement contains all the items stated within the article number 7 and 8 of "Own fund regulation" or not	The instrument is in compliance with article number 8.
Details of above mentioned items within article number 7 and 8 of "Own fund regulation"	The instrument is not in compliant with article numbered 7.

(\*) As of most recent reporting date, the bank does not have participation or subsidiary company.

(\*\*) Does not include accrued interests.

(\*\*\*) On 1 August 2017, the Bank issued Basel III compliant bonds with a maturity of 10 years, amounting to USD 300 million, to be sold to real and legal persons residing abroad. According to the BRSA's letter of 17 July 2017, the bond has been classified as supplementary capital in accordance with the Regulation on Banks' Equity. Pursuant to the approval of the BRSA with the letter dated September 26, 2018, the Bank repurchased US\$ 24.535 thousand subordinated bonds as of December 31, 2023 and made a deduction from the contribution capital amount in the equity calculation. The shares have not been canceled by the Bank, and their re-circulation is at the disposal of the Bank.

(\*\*\*\*) On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

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**I. Explanations on Equity (continued)**

**Explanations on Internal Capital Management**

"Internal Capital Requirement Assessment Process" and "Risk Strategy" were prepared by the Bank in order to define the internal capital requirement assessment process and were approved by the Board of Directors in August 2012. In this process and strategy, criteria have been determined to ensure the maintenance of the Bank's capital adequacy in accordance with the risk profile and risk appetite. Internal capital requirement assessment methodology is considered as a developing and living process and work plans are created for future periods.

Capital adequacy ratio is calculated monthly by the Risk Management Group, when requested by the Senior Management, information is provided about the capital need in accordance with the strategic plans and studies are carried out on internal capital management. The design and execution of the capital requirement internal evaluation process is carried out by the Risk Management Group. The Risk Management Group informs the Senior Management and the Board of Directors on these matters directly or through the Risk Committee.

**II. Explanations on Credit Risk**

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor's group basis within the limits and updated on a defined frequency based on market developments. In the credit allocation process, many financial and non-financial criteria are considered within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

Risks and limits related to treasury activities and customer based commercial activities are monitored daily. Moreover, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

The credit worthiness of the debtors of the loans and other receivables is monitored regularly as prescribed in the Communiqué on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". Most of the statement of accounts for the loans has been tried to derive from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies when the companies are audited. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

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**II. Explanations on Credit Risk (continued)**

	Current Period Risk Amount (*)	Average Net Loan Amount After Provisions
<b>Risk Types</b>		
Contingent and Non-Contingent Receivables from central governments or central banks	26.492.926	23.140.290
Contingent and Non-Contingent Receivables from regional or local governments	120.096	119.633
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	1.153.946	640.411
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Non-Contingent Receivables from banks and brokerage houses	13.099.480	19.443.375
Contingent and Non-Contingent Corporates	36.221.890	36.363.595
Contingent and Non-Contingent Retail Receivables	877.181	843.627
Contingent and Non-Contingent Receivables Secured by Mortgages	9.289.848	8.244.479
Past Due Receivables	175.099	282.838
Receivables defined in high risk category by Regulator	500	12.728
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other Receivables	2.625.905	2.733.336
<b>Total</b>	<b>90.056.871</b>	<b>91.824.312</b>

(\*) The figures represent total risk amounts before credit risk mitigation and before credit conversion factor.

	Prior Period Risk Amount (*)	Average Net Loan Amount After Provisions
<b>Risk Types</b>		
Contingent and Non-Contingent Receivables from central governments or central banks	19.882.363	17.717.580
Contingent and Non-Contingent Receivables from regional or local governments	119.207	138.871
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	720.461	1.028.648
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Non-Contingent Receivables from banks and brokerage houses	14.987.156	12.293.964
Contingent and Non-Contingent Corporates	35.387.979	31.718.233
Contingent and Non-Contingent Retail Receivables	1.488.069	854.411
Contingent and Non-Contingent Receivables Secured by Mortgages	4.982.040	4.559.678
Past Due Receivables	366.932	461.274
Receivables defined in high risk category by Regulator	347	790
Secured by mortgages	-	-
Securitization positions	-	-
Short-Term Receivables from Banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other Receivables	2.924.824	2.363.462
<b>Total</b>	<b>80.859.378</b>	<b>71.136.911</b>

(\*) The figures represent total risk amounts before credit risk mitigation and before credit conversion factor.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and requirements related to forward transactions is normally realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are included in the same risk group as overdue cash loans which are not collected upon maturity.

The proportion of the Bank's top 100 and 200 cash loan customers' in total cash loans is 83% and 92% respectively. (31 December 2022: 79% and 90%)

The proportion of the Bank's top 100 and 200 customers' non-cash loan balances in total non-cash loans is 53% and 72%. (31 December 2022: 54% and 72%)

The proportion of the Bank's top 100 and 200 customers' cash and non-cash loan balances in total balance sheet assets and non-cash loans is 34% and 42% respectively. (31 December 2022: 34% and 42%)

The Bank provided a collective loan loss provision for cash loans (stage 1 and stage 2) amounting to TL 1.954.944 (31 December 2022: TL 1.321.581).

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**II. Explanations on Credit Risk (continued)**

**Information on loan types and provisions: (\*)**

<b>31 December 2023</b>	<b>Commercial</b>	<b>Retail</b>	<b>Total</b>
Standard Loans	26.649.642	213.088	26.862.730
Watchlist	8.459.292	9.819	8.469.111
Significant Increase in Credit Risk	538.707	-	538.707
Non-performing Loans	1.518.078	55.259	1.573.337
Specific Provision (-)	(959.783)	(35.443)	(995.226)
<b>Total</b>	<b>36.205.936</b>	<b>242.723</b>	<b>36.448.659</b>

  

<b>31 December 2022</b>	<b>Commercial</b>	<b>Retail</b>	<b>Total</b>
Standard Loans	23.513.763	222.608	23.736.371
Watchlist	7.281.665	18.857	7.300.522
Significant Increase in Credit Risk	12.403	-	12.403
Non-performing Loans	1.430.444	61.029	1.491.473
Specific Provision (-)	(703.879)	(39.330)	(743.209)
<b>Total</b>	<b>31.534.396</b>	<b>263.164</b>	<b>31.797.560</b>

(\*) According to the internal segmentation of the bank

**Information on past due loan and other receivables (\*):**

<b>31 December 2023</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Consumer Loans</b>	<b>Total</b>
Not past due and 30 days past due	34.248.981	1.222.123	215.501	35.686.605
30-90 days past due	173.642	2.895	7.019	183.556
Other (**)	-	-	387	387
<b>Total</b>	<b>34.422.623</b>	<b>1.225.018</b>	<b>222.907</b>	<b>35.870.548</b>

  

<b>31 December 2022</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Consumer Loans</b>	<b>Total</b>
Not past due and 30 days past due	28.673.682	1.476.748	226.671	30.377.101
30-90 days past due	3.066	116.398	14.416	133.880
Other (**)	537.937	-	378	538.315
<b>Total</b>	<b>29.214.685</b>	<b>1.593.146</b>	<b>241.465</b>	<b>31.049.296</b>

(\*) According to the internal segmentation of the bank

(\*\*) Refers to loans and receivables over 90 days.

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**II. Explanations on Credit Risk (continued)**

**Significant Risks that are significant on the profile of the regions**

**Risk Classifications (\*)**

**31 December 2023**

	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total
Domestic	26,467,921	120,096	-	1,121,476	-	5,864,671	30,472,970	252,318	9,265,971	175,099	500	-	-	-	2,625,905	76,366,927
European Union Countries	-	-	-	32,470	-	1,131,043	4	13	-	-	-	-	-	-	-	1,163,530
OECD Countries**	-	-	-	-	-	23,301	-	16	-	-	-	-	-	-	-	23,317
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	3,062,551	-	9	-	-	-	-	-	-	-	3,062,560
Other Countries	-	-	-	-	-	2,487,946	46,537	83	-	-	-	-	-	-	-	2,534,566
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/ Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>26,467,921</b>	<b>120,096</b>	<b>-</b>	<b>1,153,946</b>	<b>-</b>	<b>12,569,512</b>	<b>30,519,511</b>	<b>252,439</b>	<b>9,265,971</b>	<b>175,099</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,625,905</b>	<b>83,150,900</b>

**31 December 2022**

	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Receivables	Contingent and Non-Contingent Receivables Secured by Mortgages	Past Due Receivables	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	Total
Domestic	19,882,360	116,945	-	64,767	-	9,186,089	30,501,144	315,294	4,970,362	320,777	347	-	-	-	2,924,824	68,282,909
European Union Countries	-	-	-	655,694	-	908,216	32,087	15	-	-	-	-	-	-	-	1,596,012
OECD Countries**	-	-	-	-	-	599,160	-	11	-	-	-	-	-	-	-	599,171
Off-shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	2,659,971	-	-	-	-	-	-	-	-	-	2,659,971
Other Countries	-	-	-	-	-	363,210	43,077	60	-	46,155	-	-	-	-	-	452,502
Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/ Liabilities ***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>19,882,360</b>	<b>116,945</b>	<b>-</b>	<b>720,461</b>	<b>-</b>	<b>13,716,646</b>	<b>30,576,308</b>	<b>315,380</b>	<b>4,970,362</b>	<b>366,932</b>	<b>347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,924,824</b>	<b>73,590,565</b>

(\*) Stands for the risk categories listed in "Regulations on Measurement and Assessment of Capital Adequacy Ratios of Banks."

(\*\*) EU countries, OECD countries other than USA and Canada

(\*\*\*) Assets and liabilities that are not distributed according to a consistent principle

**Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three**

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**II. Explanations on Credit Risk (continued)**

**Risk Classifications (\*)**

**Sector concentrations for cash loans:**

**31 December 2023**

Sectors/Counterparties (**)	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Receivables Secured by Mortgages	Receivables defined in high risk category by Regulator	Collateralized Mortgage Marketable Securities	Short-Term Receivables from Banks, brokerage houses and Corporates	Investment similar to collective investment funds	Other Receivables	TL	FC	Total		
1 Agriculture	-	-	-	-	-	-	713.045	60	51	1,091	-	-	-	571.322	142.925	714.247		
1.1 Farming and Raising Livestock	-	-	-	-	-	-	568.398	58	51	985	-	-	-	569.492	-	569.492		
1.2 Forests, Wood and Paper	-	-	-	-	-	-	-	-	-	106	-	-	-	-	-	106		
1.3 Fishery	-	-	-	-	-	-	144.647	2	-	-	-	-	-	-	1.724	142.925	144.649	
2 Manufacturing	-	-	-	-	-	-	16,560,601	2,675	1,404,458	50,875	1	-	-	-	15,507,922	2,510,688	18,018,610	
2.1 Mining and Quarry	-	-	-	-	-	-	174,193	29	23,531	359	-	-	-	-	198,019	93	198,112	
2.2 Production	-	-	-	-	-	-	14,152,432	2,641	678,201	47,945	1	-	-	-	12,831,136	2,050,084	14,881,220	
2.3 Electricity, Gas and Water	-	-	-	-	-	-	2,233,976	5	702,726	2,571	-	-	-	-	2,478,767	460,511	2,939,278	
3 Construction	-	-	-	-	-	-	398,637	266	-	140	-	-	-	-	360,618	38,425	399,043	
4 Services	87,856	-	-	1,153,946	-	10,944,286	8,021,460	4,692	3,709,894	72,223	-	-	-	-	15,703,197	8,291,160	23,994,357	
4.1 Wholesale and Retail Trade	-	-	-	-	-	-	5,746,330	3,563	63,920	22,576	-	-	-	-	5,306,422	529,967	5,836,389	
4.2 Hotel, Tourism, Food and Beverage Services	-	-	-	-	-	-	537,078	114	3,372,654	12,208	-	-	-	-	165,024	3,757,030	3,922,054	
4.3 Transportation and Communication	-	-	-	-	-	-	777,546	732	5	1,037	-	-	-	-	752,485	26,835	779,320	
4.4 Financial Institutions	87,856	-	-	1,153,946	-	10,944,286	471,619	28	54,814	8,103	-	-	-	-	8,978,159	3,742,493	12,720,652	
4.5 Real Estate and Renting Services	-	-	-	-	-	-	219,578	57	51	326	-	-	-	-	93,580	126,432	220,012	
4.6 Self-Employment Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
4.7 Education Services	-	-	-	-	-	-	10,449	30	9,084	6	-	-	-	-	19,569	-	19,569	
4.8 Health and Social Services	-	-	-	-	-	-	258,860	168	209,366	27,967	-	-	-	-	387,958	108,403	496,361	
5 Other	26,380,065	120,096	-	-	-	1,625,226	4,825,768	244,746	4,151,568	50,770	499	-	-	-	2,625,905	26,939,588	13,085,055	40,024,643
<b>Total</b>	<b>26,467,921</b>	<b>120,096</b>	-	<b>1,153,946</b>	-	<b>12,569,512</b>	<b>30,519,511</b>	<b>252,439</b>	<b>9,265,971</b>	<b>175,099</b>	<b>500</b>	-	-	-	<b>2,625,905</b>	<b>59,082,647</b>	<b>24,068,253</b>	<b>83,150,900</b>

(\*) The risk classes in the regulation is taken into consideration to measure and assess the capital adequacy of banks.

(\*\*) Before credit risk mitigation and after credit conversion rate, refers to the amount of total risk

**Convenience translation of unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note I. of Section three**

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**II. Explanations on Credit Risk (continued)**

**Risk Classifications (\*)**

**Sector concentrations for cash loans:**

**31 December 2022**

Sectors/Counterparties (**)	Due from Central Governments or Central Banks	Regional Governments or Local Government Receivables	Receivables on Administrative Units and Non-commercial Enterprises	Receivables on Multilateral Development Banks	Receivables on International Organizations	Receivables on Banks and Brokerage Houses	Contingent and Non-Contingent Corporates	Contingent and Non-Contingent Receivables Secured by Mortgages	Receivables defined in high risk category by Regulator	Past Due Receivables	Collateralized Mortgage Marketable Securities	Short-Term Receivables from Banks, brokerage houses and Corporates	Other Receivables				
													TL	FC	Total		
<b>1 Agriculture</b>	-	-	-	-	-	-	<b>519.613</b>	<b>178</b>	<b>60</b>	<b>699</b>	-	-	-	<b>468.121</b>	<b>52.429</b>	<b>520.550</b>	
1.1 Farming and Raising Livestock	-	-	-	-	-	-	436.384	176	60	641	-	-	-	437.261	-	437.261	
1.2 Forests, Wood and Paper	-	-	-	-	-	-	-	48	-	58	-	-	-	-	106	-	106
1.3 Fishery	-	-	-	-	-	-	83.181	2	-	-	-	-	-	-	30.754	52.429	83.183
<b>2 Manufacturing</b>	-	-	-	-	-	-	<b>14,964.559</b>	<b>3,469</b>	<b>835.602</b>	<b>74.582</b>	-	-	-	<b>11,612.492</b>	<b>4,265.720</b>	<b>15,878.212</b>	
2.1 Mining and Quarry	-	-	-	-	-	-	275.046	201	6.527	419	-	-	-	191.534	90.659	282.193	
2.2 Production	-	-	-	-	-	-	12,757.358	3,266	294.925	70.987	-	-	-	10,282.199	2,844.337	13,126.536	
2.3 Electricity, Gas and Water	-	-	-	-	-	-	1,932.155	2	534.150	3,176	-	-	-	1,138.759	1,330.724	2,469.483	
<b>3 Construction</b>	-	-	-	-	-	-	639.018	518	-1	77	-	-	-	<b>632.931</b>	<b>6.681</b>	<b>639.612</b>	
<b>4 Services</b>	<b>499.806</b>	-	-	<b>665.712</b>	-	<b>7,447.509</b>	<b>9,382.667</b>	<b>5,695</b>	<b>1,104.937</b>	<b>214.714</b>	<b>6</b>	-	-	<b>12,226.031</b>	<b>7,095.015</b>	<b>19,321.046</b>	
4.1 Wholesale and Retail Trade	-	-	-	-	-	-	4,125.607	4,386	68.944	23,288	6	-	-	3,647.773	574.458	4,222.231	
4.2 Hotel, Tourism, Food and Beverage	-	-	-	-	-	-	2,531.815	135	888.291	162.179	-	-	-	131.754	3,450.666	3,582.420	
4.3 Services	-	-	-	-	-	-	622.826	705	7,156	5,191	-	-	-	609.422	26,456	635.878	
4.4 Transportation and Communication	-	-	-	-	-	-	1,302.797	230	54.994	4,398	-	-	-	7,165.592	2,809.854	9,975.446	
4.5 Financial Institutions	<b>499.806</b>	-	-	<b>665.712</b>	-	<b>7,447.509</b>	-	-	-	-	-	-	-	-	-	-	
4.6 Real Estate and Renting Services.	-	-	-	-	-	-	297.625	56	230	172	-	-	-	150.863	147.220	298.083	
4.7 Self-Employment Services	-	-	-	-	-	-	20.056	63	11,172	11	-	-	-	-	-	-	
4.8 Education Services	-	-	-	-	-	-	481.941	120	74.150	19,475	-	-	-	31.302	-	31.302	
4.9 Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	489.325	86.361	575.686	
<b>5 Other</b>	<b>19,382.554</b>	<b>116.945</b>	-	<b>54.749</b>	-	<b>6,269.137</b>	<b>5,070.451</b>	<b>305.520</b>	<b>3,029.764</b>	<b>76.860</b>	<b>341</b>	-	-	<b>2,924.824</b>	<b>24,760.068</b>	<b>12,471.077</b>	
<b>Total</b>	<b>19,882,360</b>	<b>116,945</b>	-	<b>720,461</b>	-	<b>13,716,646</b>	<b>30,576,308</b>	<b>315,380</b>	<b>4,970,362</b>	<b>366,932</b>	<b>347</b>	-	-	<b>2,924,824</b>	<b>49,699,643</b>	<b>23,890,922</b>	
																<b>73,590,565</b>	

(\*) The risk classes in the regulation is taken into consideration to measure and assess the capital adequacy of banks.

(\*\*) Before credit risk mitigation and after credit conversion rate, refers to the amount of total risk

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**II. Explanations on Credit Risk (continued)**

**Distribution of time exposures according to Remaining Maturities:**

**31 December 2023**

<b>Risk Types</b>	<b>Time to Maturity</b>						<b>Over 1 Year</b>	<b>Total</b>
	<b>Demand</b>	<b>1 Month</b>	<b>1–3 Months</b>	<b>3–6 Months</b>	<b>6–12 Months</b>			
Due from central governments or central banks	7.083.593	4.178.495	115.742	-	-	-	15.090.091	<b>26.467.921</b>
Regional or Local Government Receivables	-	55.844	-	-	-	9.438	54.814	<b>120.096</b>
Receivables on Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-
Receivables on Multilateral Development Banks	2.816	7	-	32.463	-	-	1.118.660	<b>1.153.946</b>
Receivables on International Organizations	-	-	-	-	-	-	-	-
Receivables on Banks and Brokerage Houses	3.665.137	2.353.186	678.588	1.631.498	1.358.664	2.882.439	<b>12.569.512</b>	
Receivables from Corporates	-	4.265.914	3.536.442	4.304.048	10.092.470	8.320.637	<b>30.519.511</b>	
Retail Receivables	84.328	18.140	2.781	22.800	12.327	112.063	<b>252.439</b>	
Receivables Secured by Mortgages	529.339	566.820	228.577	675.947	487.773	6.777.515	<b>9.265.971</b>	
Past Due Receivables	165.042	9.939	-	118	-	-	<b>175.099</b>	
Receivables defined in high risk category by Regulators	500	-	-	-	-	-	-	<b>500</b>
Secured by mortgages	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporates	-	-	-	-	-	-	-	-
Investment similar to collective investment funds	-	-	-	-	-	-	-	-
Other Receivables	2.625.905	-	-	-	-	-	-	<b>2.625.905</b>
<b>Total</b>	<b>14.156.660</b>	<b>11.448.345</b>	<b>4.562.130</b>	<b>6.666.874</b>	<b>11.960.672</b>	<b>34.356.219</b>	<b>83.150.900</b>	

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

**31 December 2022**

<b>Risk Types</b>	<b>Time to Maturity</b>						<b>Over 1 Year</b>	<b>Total</b>
	<b>Demand</b>	<b>1 Month</b>	<b>1–3 Months</b>	<b>3–6 Months</b>	<b>6–12 Months</b>			
Due from central governments or central banks	3.059.380	3.661.362	176.177	52.654	-	-	12.932.787	<b>19.882.360</b>
Regional or Local Government Receivables	-	-	-	-	-	-	116.945	<b>116.945</b>
Receivables on Administrative Units and Non commercial Enterprises	-	-	-	-	-	-	-	-
Receivables on Multilateral Development Banks	-	-	10.018	101.713	42.026	566.704	<b>720.461</b>	
Receivables on International Organizations	-	-	-	-	-	-	-	-
Receivables on Banks and Brokerage Houses	3.592.132	5.932.511	1.132.812	697.530	595.229	1.766.432	<b>13.716.646</b>	
Receivables from Corporates	1	3.816.466	6.093.603	3.031.022	7.151.961	10.483.255	<b>30.576.308</b>	
Retail Receivables	113.466	25.838	7.896	6.108	14.157	147.915	<b>315.380</b>	
Receivables Secured by Mortgages	447.594	170.618	366.272	331.538	375.706	3.278.634	<b>4.970.362</b>	
Past Due Receivables	304.283	62.317	-	-	332	-	<b>366.932</b>	
Receivables defined in high risk category by Regulators	347	-	-	-	-	-	-	<b>347</b>
Secured by mortgages	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks, brokerage houses and Corporates	-	-	-	-	-	-	-	-
Investment similar to collective investment funds	-	-	-	-	-	-	-	-
Other Receivables	2.924.824	-	-	-	-	-	-	<b>2.924.824</b>
<b>Total</b>	<b>10.442.027</b>	<b>13.669.112</b>	<b>7.786.778</b>	<b>4.220.565</b>	<b>8.179.411</b>	<b>29.292.672</b>	<b>73.590.565</b>	

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

**Risk by Risk Weights Balances:**

<b>Risk Weights (*)</b> <b>Current Period</b>	<b>Deductions from the shareholders' equity</b>												<b>Total</b>
	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>35%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>250%</b>	<b>1250%</b>		
1 Amount before the credit risk mitigation	28.417.629	-	5.607.698	-	7.192.491	222.750	38.053.978	586.317	3.070.037	-	-	-	<b>83.150.900</b>
2 Amount after the credit risk mitigation	28.752.950	-	5.607.698	5.863	13.697.824	210.734	30.657.374	76.979	3.512.540	-	-	-	<b>82.521.962</b>

(\*) Balances with financial collateral are shown as 0% risk weight.

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**II. Explanations on Credit Risk (continued)**

**Risk by Risk Weights Balances:**

Risk Weights (*) Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Deductions from the shareholders' equity	Total
Amount before the credit													
1 risk mitigation	21,567,594	-	8,829,871	-	4,962,021	322,836	34,981,816	784,523	2,141,904	-	-	-	73,590,565
Amount after the credit													
2 risk mitigation	21,709,764	-	8,829,871	14,092	7,910,907	300,295	31,461,639	206,459	2,172,741	-	-	-	72,605,768

(\*) Balances with financial collateral are shown as 0% risk weight.

**Important sectors or type of information according to counterparty**

31 December 2023 Current Period	Loans		Provisions	
	Impaired	Significant Increase in Credit Risk (Stage 2)	Non-performing Loans (Stage 3)	Allowance for expected credit losses (TFRS 9)
<b>Sectors/Counterparties (*)</b>				
<b>Agricultural</b>				
Farming and raising livestock	-	-	5,742	5,374
Forestry	-	-	759	759
Fishing	-	-	-	-
<b>Manufacturing</b>	<b>2,862,869</b>	<b>465,194</b>	<b>717,551</b>	
Mining	-	28,444	8,222	
Production	958,794	416,738	321,975	
Electricity, Gas, Water	1,904,075	20,012	387,354	
<b>Construction</b>		<b>432</b>	<b>410</b>	
<b>Services</b>	<b>3,769,083</b>	<b>272,043</b>	<b>872,257</b>	
Wholesale and retail trade	128,504	137,741	94,432	
Hotel, Food, Beverage services	3,518,526	59,156	715,553	
Transportation and Telecommunication	92,714	8,362	38,342	
Financial Institutions	-	12,688	2,269	
Real Estate and Lending Service	837	3,853	3,710	
Self employment service	-	-	-	
Education Service	19,320	13	3,355	
Health and social services	9,182	50,230	14,596	
<b>Other(**)</b>	<b>2,375,866</b>	<b>829,167</b>	<b>939,507</b>	
<b>Total</b>	<b>9,007,818</b>	<b>1,573,337</b>	<b>2,535,858</b>	

(\*) Sector classification is based on the type of principal activity of customers.

(\*\*) Includes retail credit cards, retail loans and other loans.

31 December 2022 Prior Period	Loans		Provisions	
	Impaired	Significant Increase in Credit Risk (Stage 2)	Non-performing Loans (Stage 3)	Allowance for expected credit losses (TFRS 9)
<b>Sectors/Counterparties (*)</b>				
<b>Agricultural</b>				
Farming and raising livestock	-	-	6,819	6,261
Forestry	-	-	6,062	5,504
Fishing	-	-	757	757
<b>Manufacturing</b>	<b>2,439,978</b>	<b>313,308</b>	<b>748,768</b>	
Mining	-	27,987	24,401	
Production	985,865	260,943	214,824	
Electricity, Gas, Water	1,454,113	24,378	509,543	
<b>Construction</b>		<b>424</b>	<b>403</b>	
<b>Services</b>	<b>2,920,209</b>	<b>335,022</b>	<b>470,690</b>	
Wholesale and retail trade	69,734	157,790	86,504	
Hotel, Food, Beverage services	2,723,473	84,168	335,290	
Transportation and Telecommunication	87,265	16,867	29,409	
Financial Institutions	963	13,589	3,099	
Real Estate and Lending Service	3,567	3,768	3,722	
Self employment service	-	-	-	
Education Service	22,930	48	1,248	
Health and social services	12,277	58,792	11,418	
<b>Other(**)</b>	<b>1,952,738</b>	<b>835,900</b>	<b>679,352</b>	
<b>Total</b>	<b>7,312,925</b>	<b>1,491,473</b>	<b>1,905,474</b>	

(\*) Sector classification is based on the type of principal activity of customers.

(\*\*) Includes retail credit cards, retail loans and other loans.

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**II. Explanations on Credit Risk (continued)**

**Information related to Impairment and Expected Credit Loss Provisions:**

<b>Current Period</b>	<b>Opening Balance 1 January 2023</b>	<b>The Amount of Provision in the period</b>	<b>Reversal of Provision</b>	<b>Other</b>	<b>Closing Balance</b>
Specific Provisions	743.209	463.931	210.780	(1.134)	995.226
Collective Provisions	1.321.581	3.169.105	2.535.742	-	1.954.944

<b>Prior Period</b>	<b>Opening Balance 1 January 2022</b>	<b>The Amount of Provision in the period</b>	<b>Reversal of Provision</b>	<b>Other</b>	<b>Closing Balance</b>
Specific Provisions	934.310	224.084	364.551	(50.634)	743.209
Collective Provisions	1.416.555	1.376.673	670.173	(801.474)	1.321.581

**Risk included in counter-cyclical capital buffer calculation:**

<b>31 December 2023</b>			
<b>Ultimate country of risk</b>	<b>Private sector credit exposures in banking book</b>	<b>Risk Weighted Equivalent trading book</b>	<b>Total</b>
Türkiye	41.208.554	85.600	<b>41.294.154</b>
Albania	11.845	-	<b>11.845</b>
Saudi Arabia	1.740	-	<b>1.740</b>
Switzerland	12	-	<b>12</b>
United Arab Emirates	10	-	<b>10</b>
USA	-	7	<b>7</b>
Slovenia	4	-	<b>4</b>
Austria	4	-	<b>4</b>
Ireland	3	-	<b>3</b>
Germany	3	-	<b>3</b>
Azerbaijan	2	-	<b>2</b>
Other	2	-	<b>2</b>
<b>Total</b>	<b>41.222.179</b>	<b>85.607</b>	<b>41.307.786</b>

**Risk included in counter-cyclical capital buffer calculation:**

<b>31 December 2022</b>			
<b>Ultimate country of risk</b>	<b>Private sector credit exposures in banking book</b>	<b>Risk Weighted Equivalent trading book</b>	<b>Total</b>
Turkey	35.285.634	177.262	<b>35.462.896</b>
United Arab Emirates	76.775	-	<b>76.775</b>
Albania	32.084	-	<b>32.084</b>
Saudi Arabia	2.003	-	<b>2.003</b>
Switzerland	10	-	<b>10</b>
Azerbaijan	8	-	<b>8</b>
Netherlands	4	-	<b>4</b>
Lebanon	3	-	<b>3</b>
Germany	3	-	<b>3</b>
Austria	3	1	<b>4</b>
USA	2	-	<b>2</b>
Slovenia	-	1	<b>1</b>
Other	2.226.705	12	<b>2.226.717</b>
<b>Total</b>	<b>37.623.234</b>	<b>177.276</b>	<b>37.800.510</b>

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**II. Explanations on Credit Risk (continued)**

**Internal credit rating system**

Internal credit rating system is used by the Bank. Prior to March 2022, the rating mainly considers the ratings obtained by processing the financial data of the customers in the MRA - Moody's Risk Analyst program, and as of March 2022, the ratings processed in the ECA-Electronic Credit Application program, which considers the internal and sector behavioural data of the customers as well as the financial data of the customers was started to use.

The risks that are subject to rating models can be allocated as follows.

Rating	Risk	Description
	Grade	
(1) Excellent	1	Judged to be of the highest quality, with minimal credit risk. Superior asset quality and financial capacity; excellent and proven management; market leader.
(2) Strong	2+	Very good credit with very good asset quality, consistently strong liquidity and debt capacity; highly regarded in the industry with strong market share.
	2	
	2-	
(3) Good	3+	Good credit considered upper-medium grade, subject to low credit risk; good asset quality, strong liquidity and debt capacity. Company is above average size and holds a good position in the industry.
	3	
	3-	
(4) Satisfactory	4+	Acceptable credit subject to moderate credit risk, considered medium grade and as such may possess certain higher than average risk characteristics. Company has demonstrated adequate to good performance.
	4	
	4-	
(5) Adequate	5+	Average to low credit subject to moderate credit risk, considered medium grade and as such may possess certain higher risk characteristics. Company has demonstrated adequate performance. The companies that are being followed under monitoring status or Group II (Stage 2) can have a maximum of 5 (+).
	5	
	5-	
(6) Marginal	6+	Below average credit subject to high credit risk. Company is likely a lower tier competitor in its industry. Acceptable but requiring close monitoring and support of strong risk mitigants. A company that can take the lowest note in the normal state is 7.
	6	
	6-	
(7) Vulnerable	7+	Weak credit: Judged to be of poor standing and subject to very high credit risk. Constitutes undue and unwarranted credit risk. Currently in performing status not to the point of justifying a Substandard classification. A company that can take the lowest note in the normal state is 7.
	7	
	7-	
(8) Substandard	8	Substandard (Default): Unacceptable credit with normal repayment in jeopardy. As mentioned in the credit provisions III. Group (Stage 3) loans are monitored with this note.
(9) Doubtful	9	Doubtful (Default): Full repayment questionable. Serious problems to the point where partial loss of principal is likely. As mentioned in the credit provisions IV. Group (Stage 3) loans are monitored with this note.
(10) Loss	10	Loss (Default): Expected loss. Such an asset may have recovery but not to the point of avoiding loss classification. As mentioned in the credit provisions V. Group (Stage 3) loans are monitored with this note.

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**II. Explanations on Credit Risk (continued)**

Below table shows the portion of the performing cash loans as per BRSA's scale that is equivalent to Bank's internal rating system:

<b>Debtors financial Position</b>	<b>Degree</b>	<b>31 December 2023 Portion in total</b>	<b>31 December 2022 Portion in total</b>
Debtor has a solid financial position	1	0%	1%
Debtor has a good financial position	2	25%	13%
Debtor's financial position is at risk within short and medium term	3	46%	42%
Debtor's financial position is at high risk within short term	4	24%	39%
Debtor has been defaulted	5	5%	4%
Debtor has not been rated	6	0%	1%

**Collateral Distribution(\*)**

<b>31 December 2023</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Retail</b>	<b>Total</b>
Deposit	1.186.834	138.672	11.979	1.337.485
Mortgage	25.881.263	2.071.193	76.674	28.029.130
Assignment of claim	27.229.561	1.266.868	-	28.496.429
Cheque	3.576.088	195.132	-	3.771.220
Pledge of vehicle	1.119.043	53.593	84	1.172.720
<b>TOTAL</b>	<b>58.992.789</b>	<b>3.725.458</b>	<b>88.737</b>	<b>62.806.984</b>

<b>31 December 2022</b>	<b>Corporate and Commercial</b>	<b>SME</b>	<b>Retail</b>	<b>Total</b>
Deposit	1.408.133	235.293	7.120	1.650.546
Mortgage	11.035.809	1.623.138	78.516	12.737.463
Assignment of claim	22.700.238	970.193	-	23.670.431
Cheque	2.577.968	162.258	-	2.740.226
Pledge of vehicle	1.287.666	20.203	84	1.307.953
<b>TOPLAM</b>	<b>39.009.814</b>	<b>3.011.085</b>	<b>85.720</b>	<b>42.106.619</b>

(\*) Represents the amounts weighted by taking into consideration the credit risks of the customers.

**III. Explanations on Currency Risk**

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors sets limits for the positions and stop losses which are followed up daily and weekly. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

The announced foreign exchange buying rates of the Bank at 31 December 2023 and the previous five working days in full TL are as follows (Bank's FC evaluation rates):

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**III. Explanations on Currency Risk (continued)**

	<b>25 December 2023</b>	<b>26 December 2023</b>	<b>27 December 2023</b>	<b>28 December 2023</b>	<b>29 December 2023</b>	<b>31 December 2023</b>
<b>USD</b>	29,1845	29,3220	29,3821	29,4457	29,4788	29,4788
<b>CHF</b>	34,1952	34,2735	34,4848	35,0686	35,0751	35,0751
<b>GBP</b>	37,1628	37,2575	37,4793	37,5200	37,4842	37,4842
<b>100 JPY</b>	0,2054	0,2059	0,2060	0,2085	0,2076	0,2076
<b>EURO</b>	32,1808	32,3073	32,5263	32,6193	32,5617	32,5617

	<b>23 December 2022</b>	<b>26 December 2022</b>	<b>27 December 2022</b>	<b>28 December 2022</b>	<b>29 December 2022</b>	<b>30 December 2022</b>
<b>USD</b>	18,6741	18,6832	18,7121	18,7132	18,7156	18,7005
<b>CHF</b>	20,0454	20,0609	20,1005	20,1993	20,2598	20,2330
<b>GBP</b>	22,4857	22,4985	22,4955	22,6100	22,5466	22,5284
<b>100 JPY</b>	0,1405	0,1406	0,1402	0,1398	0,1404	0,1417
<b>EURO</b>	19,8038	19,8175	19,8818	19,9129	19,9367	19,9434

The simple arithmetic averages of foreign exchange buying rates of the Bank for major currencies the thirty days before 31 December 2023 are as follows:

	<b>Monthly Average Foreign Exchange Rate</b>
<b>USD</b>	29,0830
<b>CHF</b>	33,6378
<b>GBP</b>	36,8300
<b>100 JPY</b>	0,2021
<b>EURO</b>	31,7472

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**III. Explanations on Currency Risk (continued)**

<b>31 December 2023</b>	<b>EUR</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TOTAL</b>
<b>Assets</b>				
Cash (Cash in Vault, Foreign tax Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	4.586.975	4.558.539	52.274	9.197.788
Banks	926.670	4.409.888	451.646	5.788.204
Financial Assets at Fair Value through Profit and Loss	6.009	64.116	-	70.125
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	1.535.208	5.815.768	-	7.350.976
Loans (*)	10.001.026	4.664.328	-	14.665.354
Subsidiaries, Associates and Jointly Controlled Entities	-	-	-	-
Financial Assets measured at Amortized Cost	269.874	1.000.196	-	1.270.070
Derivative Financial Assets for Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	7.584	245.918	88.306	341.808
<b>Total Assets (**)</b>	<b>17.333.346</b>	<b>20.758.753</b>	<b>592.226</b>	<b>38.684.325</b>
<b>Liabilities</b>				
Bank Deposits	-	456	-	456
Other Deposits	4.694.821	14.441.039	9.083.656	28.219.516
Money Market Balances	-	1.482.640	-	1.482.640
Funds Provided From Other Financial Institutions (***)	231.455	9.068.883	42.291	9.342.629
Marketable securities issued	-	-	-	-
Miscellaneous payables	149.349	149.211	3.679	302.239
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	56.948	755.688	25.159	837.795
<b>Total Liabilities (**)</b>	<b>5.132.573</b>	<b>25.897.917</b>	<b>9.154.785</b>	<b>40.185.275</b>
<b>Net Balance Sheet Position</b>	<b>12.200.773</b>	<b>(5.139.164)</b>	<b>(8.562.559)</b>	<b>(1.500.950)</b>
<b>Net Off-Balance Sheet Position</b>	<b>(12.136.427)</b>	<b>5.308.684</b>	<b>8.561.225</b>	<b>1.733.482</b>
Derivative Financial Assets	5.110.387	19.978.130	10.350.974	35.439.491
Derivative Financial Liabilities	17.246.814	14.669.446	1.789.749	33.706.009
Non-Cash Loans (****)	798.753	2.477.728	38.616	3.315.097
<b>Prior Period</b>				
Total Assets	13.899.252	16.324.991	427.543	30.651.786
Total Liabilities	4.629.117	17.170.270	3.846.087	25.645.474
<b>Net Balance Sheet Position</b>	<b>9.270.135</b>	<b>(845.279)</b>	<b>(3.418.544)</b>	<b>5.006.312</b>
<b>Net Off-Balance Sheet Position</b>	<b>(11.224.221)</b>	<b>2.125.971</b>	<b>2.478.035</b>	<b>(6.620.215)</b>
Financial Derivative Assets	5.735.331	21.773.555	5.335.768	32.844.654
Financial Derivative Liabilities	16.959.552	19.647.584	2.857.733	39.464.869
Non-Cash Loans (****)	1.033.777	2.377.305	11.924	3.423.006

(\*) Foreign currency indexed loans amounting to TL 24.504 are included in the loan portfolio. Expected loss provisions are not considered.

(\*\*) The foreign currency risk calculation is presented in accordance with the "Regulation on Foreign Currency Net General Position / Equity Standard Ratio Calculation and Implementation of Banks' on Consolidated and Non-Consolidated Basis" as published in the Official Gazette dated 1 November 2006 and numbered 26333 (FCNGP Regulation) and does not include all items in the financial statements.

(\*\*\*) Subordinated loans are included.

(\*\*\*\*) Does not affect net off-balance sheet position.

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**III. Explanations on Currency Risk (continued)**

**Foreign currency sensitivity:**

The Bank holds EUR (Euro) and USD (US Dollars) currencies as a result of foreign currency transactions and manages it by using miscellaneous financial instruments.

As of 31 December 2023, the Bank's net foreign exchange exposure as per internal calculation is presented below:

<b>31 December 2023</b>	<b>EURO</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TOTAL</b>
Net currency position including on-balance sheet and off-balance sheet	133.129	82.447	(5.320)	210.256
<b>31 December 2022</b>	<b>EURO</b>	<b>USD</b>	<b>OTHER FC</b>	<b>TOTAL</b>
Net currency position including on-balance sheet and off-balance sheet	(18.773)	1.424.612	14.922	1.420.761

The internal currency risk calculation includes derivative financial assets / liabilities, securities valuation differences and similar positions which are not included in the FCNGP Regulation of the BRSA and options are taken into account with their delta equivalents for internal currency risk management purposes.

BRSA's decision numbered 32039 dated 10 December 2022, the FCNGP Regulation was changed in a way that converges to the Bank's internal currency risk calculation, and the said amendment entered into force as of 09 January 2023.

The maximum and minimum positions presented in Other FC column of internal foreign exchange exposure calculation are TL 75.649 and TL (73.844) respectively (31 December 2022: TL 12.747 and TL (2.560)).

The table below shows the sensitivity of the Bank to a 10% change in USD and EURO exchange rates. 10% is the sensitivity rate and represents possible change in foreign exchange rates. Positive/Negative number indicates a change in profit or loss and other equity where USD and EUR appreciate 10% against TL.

<b>Change in currency rate in %</b>	<b>Effect on profit or loss (*)</b>		<b>Effect on equity(*)</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
USD	10%	8.245	142.461	8.245
USD	-10%	(8.245)	(142.461)	(8.245)
EUR	10%	13.313	(1.877)	13.313
EUR	-10%	(13.313)	1.877	(13.313)

(\*) Represents before tax amounts

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**IV. Explanations on Interest Rate Risk**

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

Risk Management Group performs duration, maturity and sensitivity analysis to protect the effect of interest rate volatility and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budgeted targets.

The Bank management follows the market interest rates daily and revises the interest rates of the Bank whenever necessary.

Since the Bank monitors maturity mismatches very closely a significant interest rate risk exposure is not expected.

**Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):**

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
<b>31 December 2023</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	3.781.804	-	-	-	-	10.350.376	14.132.180
Banks (*)	-	-	-	-	-	5.779.049	5.779.049
Financial Assets at Fair Value Through Profit and Loss	49.835	48	63	11.766	8.680	1.320.903	1.391.295
Money Market Placements	-	102.521	696.881	-	-	-	799.402
Financial assets at fair value through other comprehensive income	386.912	1.364.690	3.491.206	3.585.165	1.559.382	17.221	10.404.576
Loans (*)	9.230.304	3.699.316	11.064.421	5.200.079	6.676.429	(1.376.834)	34.493.715
Financial assets measured at amortized cost (*)	947.162	2.938.835	4.524.312	3.077.379	907.542	(70.389)	12.324.841
Other Assets (**)	130.229	98.494	219.309	90.208	-	3.846.842	4.385.082
<b>Total Assets</b>	<b>14.526.246</b>	<b>8.203.904</b>	<b>19.996.192</b>	<b>11.964.597</b>	<b>9.152.033</b>	<b>19.867.168</b>	<b>83.710.140</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	2.173	2.173
Customer Deposits	30.063.467	8.185.923	2.948.186	2.901	-	17.029.595	58.230.072
Money Market Borrowings	6.247.455	-	-	-	-	-	6.247.455
Miscellaneous Payables	-	-	-	-	-	433.005	433.005
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	935.552	197.465	--	857.829	-	-	1.990.846
Subordinated Loans(***)	-	-	-	8.412.601	-	-	8.412.601
Other Liabilities (****)	335.741	60.662	93.224	18.809	-	7.885.552	8.393.988
<b>Total Liabilities</b>	<b>37.582.215</b>	<b>8.444.050</b>	<b>3.041.410</b>	<b>9.292.140</b>	<b>--</b>	<b>25.350.325</b>	<b>83.710.140</b>
Balance Sheet Long Position	-	-	16.954.782	2.672.457	9.152.033	-	28.779.272
Balance Sheet Short Position	(23.055.969)	(240.146)	-	-	-	(5.483.157)	(28.779.272)
Off-Balance Sheet Long Position	24.923.602	8.386.644	4.558.446	547.561	-	-	38.416.253
Off-Balance Sheet Short Position	(24.166.130)	(7.543.432)	(5.012.670)	(1.441.874)	-	-	(38.164.106)
<b>Total Position</b>	<b>(22.298.497)</b>	<b>603.066</b>	<b>16.500.558</b>	<b>1.778.144</b>	<b>9.152.033</b>	<b>(5.483.157)</b>	<b>252.147</b>

- (\*) Expected Credit losses for related items are presented in non-interest bearing column.  
 (\*\*) Derivative financial assets are classified under other assets and expected loss provisions for other assets are netted off in other assets.  
 (\*\*\* ) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSB dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSB on 26 September 2018, bought back USD 24,535 thousands of Tier II sub-loan as of 31 December 2023, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8.606%.  
 (\*\*\*\*) Other obligations line; It includes shareholders' equity amounting to 6.110.552 TL, tax liability of 207.226 TL, provisions of 842.576 TL, liabilities from lease transactions of 163.278 TL and other liabilities of 561.920 TL and derivative financial liabilities amounting to 508.436 TL.

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**IV. Explanations on Interest Rate Risk (continued)**

**Prior period information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):**

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
<b>31 December 2022</b>							
<b>Assets</b>							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1.085.624	-	-	-	-	6.976.180	8.061.804
Banks (*)	1.331.775	-	-	-	-	3.100.543	4.432.318
Financial Assets at Fair Value Through Profit and Loss	25.625	88	563	5.882	3.832	-	35.990
Money Market Placements	2.775.233	1.017.070	-	-	-	-	3.792.303
Financial assets at fair value through other comprehensive income	191.174	559.354	2.366.114	6.688.380	1.128.591	13.621	10.947.234
Loans (*)	9.510.512	6.951.945	5.141.931	3.766.959	5.677.949	(573.317)	30.475.979
Financial assets measured at amortized cost (*)	-	301.474	2.274.586	2.030.386	2.691.273	(35.131)	7.262.588
Other Assets (***)	101.266	549.818	53.170	376.489	162.174	2.745.716	3.988.633
<b>Total Assets</b>	<b>15.021.209</b>	<b>9.379.749</b>	<b>9.836.364</b>	<b>12.868.096</b>	<b>9.663.819</b>	<b>12.227.612</b>	<b>68.996.849</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	6.313	6.313
Customer Deposits	17.790.166	20.936.917	1.105.237	65.152	-	9.334.674	49.252.146
Money Market Borrowings	4.000.353	-	-	-	-	-	4.000.353
Miscellaneous Payables	-	-	-	-	-	1.107.582	1.107.582
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	692.771	-	-	666.447	-	-	1.359.218
Subordinated Loans(***)	-	-	-	5.336.904	-	-	5.336.904
Other Liabilities (****)	270.205	500.518	72.901	83.765	-	7.026.944	7.954.333
<b>Total Liabilities</b>	<b>22.753.495</b>	<b>21.437.435</b>	<b>1.178.138</b>	<b>6.152.268</b>	<b>-</b>	<b>17.475.513</b>	<b>68.996.849</b>
Balance Sheet Long Position	-	-	8.658.226	6.715.828	9.663.819	-	25.037.873
Balance Sheet Short Position	(7.732.286)	(12.057.686)	-	-	-	(5.247.901)	(25.037.873)
Off-Balance Sheet Long Position	15.846.086	42.327.611	2.609.666	9.690.853	3.740.094	-	74.214.310
Off-Balance Sheet Short Position	(14.728.803)	(39.809.341)	(3.355.012)	(10.709.184)	(3.740.094)	-	(72.342.434)
<b>Total Position</b>	<b>(6.615.003)</b>	<b>(9.539.416)</b>	<b>7.912.880</b>	<b>5.697.497</b>	<b>9.663.819</b>	<b>(5.247.901)</b>	<b>1.871.876</b>

(\*) Expected Credit losses for related items are presented in non-interest bearing column.

(\*\*) Derivative financial assets are classified under other assets and expected loss provisions for other assets are netted off in other assets.

(\*\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2022, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

(\*\*\*\*) Other obligations line; It includes shareholders' equity amounting to 5.040.951 TL, tax liability of 325.533 TL, provisions of 1.241.126 TL, liabilities from lease transactions of 163.074 TL and other liabilities of 256.260 TL and derivative financial liabilities amounting to 927.389 TL.

**Current period interest rates applied to monetary financial instruments:**

	EURO %	USD %	JPY %	TL %
<b>31 December 2023</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit and Loss	6,06	7,93	-	11,00
Money Market Placements	-	-	-	49,26
Financial Assets at Fair Value Through Other Comprehensive Income	3,97	5,45	-	29,29
Loans	6,67	10,21	-	37,93
Financial Assets Measured at Amortized Cost	5,01	7,53	-	33,25
<b>Liabilities</b>				
Bank Deposits	2,09	3,61	-	42,90
Customer Deposits	1,60	3,01	-	32,58
Money Market Borrowings	-	6,14	-	43,42
Subordinated Loans	-	8,61	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	3,29	4,12	-	43,13

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**IV. Explanations on Interest Rate Risk (continued)**

**Prior Period interest rates applied to monetary financial instruments:**

	EURO %	USD %	JPY %	TL %
<b>31 December 2022</b>				
<b>Assets</b>				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-
Bank	-	0,40	-	8,97
Financial Assets at Fair Value Through Profit and Loss	6,58	8,90	-	12,96
Money Market Placements	-	-	-	14,25
Financial Assets at Fair Value Through Other Comprehensive Income	4,22	5,60	-	32,86
Loans	5,32	8,51	-	15,05
Financial Assets Measured at Amortized Cost	4,50	7,53	-	28,35
<b>Liabilities</b>				
Bank Deposits	1,09	4,27	-	-
Customer Deposits	0,91	1,47	-	14,87
Money Market Borrowings	-	-	-	9,16
Subordinated Loans	-	8,61	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	2,98	4,34	-	-

**Nature of interest rate risk resulted from banking book:**

The interest rate risk for all on-balance sheet and off-balance sheet items, which are interest sensitive, and for banking accounts has been calculated. In calculation of interest rate risk, the bank has no any assumptions for early repayment of loans and demand deposits. Interest rate risk arising from banking accounts is calculated and is reported to BRSA monthly.

**Economic value differences resulted from interest rate instabilities calculated according to Regulation on Measurement and Evolution of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method.**

Unit of Currency	Applicable Shock (+ / -) base point)*	Profit/ Loss	Profit / Equity Capital – Loss / Equity Capital
TL	500	(392,455)	-3,64%
	-400	363,042	3,37%
EUR	200	(557,908)	-5,18%
	-200	634,269	5,89%
USD	200	152,511	1,42%
	-200	(150,689)	-1,40%
<b>Total (For Positive Shock)</b>		<b>(797,852)</b>	<b>-7,41%</b>
<b>Total (For Negative Shock)</b>		<b>846,622</b>	<b>7,86%</b>

\* The intensity and direction of a currency different rows were entered separately for each shock.

The interest rate risk arising from banking book is calculated and reported according to "Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method" published in the Official Gazette no. 28034 on 23 August 2011. The positive and negative shocks do not show results in the opposite direction in EUR shocks since a floor applies to EUR shocks. The effects of positive and negative shocks result in an opposite direction in internal calculations where aforementioned effects are not included. The impact of interest rate shocks on equity is close to the data described above and within the internal limits.

**V. Explanations on Share Certificates Position Risk**

The Bank has no outstanding share certificate position.

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**VI. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio**

Liquidity risk is a risk that occurs as a result of, not having cash in hand or cash inflow at a level and nature to meet cash outflow as a consequence of imbalance in cash flow in time and completely. Liquidity risk consists of sum of two main risk types; funding liquidity risk and market liquidity risk.

Management of the Bank's liquidity risk is carried out in scope of responsibilities of Board of Directors, Risk Committee of the Board, Assets and Liabilities Management Committee (ALCO), Risk Management Department and other business units which are members of ALCO.

Board of Directors has the ultimate responsibility concerning the liquidity risk and its management. Board of Directors also has the responsibility to determine liquidity risk appetite as a part of holistic risk appetite, evaluate and approve proposed limits, approve liquidity risk management policy and confirm changes regarding limit and confinement.

Risk Committee evaluates and approves short, medium and long term liquidity risk management strategies. Risk Committee also provides general adaptability of the Bank to principals and management procedures included in the management of the risk. Risk Committee reviews and evaluates liquidity risk reports periodically.

Assets and Liabilities Management Committee (ALCO) establishes short, medium and long term liquidity management strategies and evaluates the liquidity risk profile of the Bank and impacts of recently developed trends on the liquidity of the Bank through periodical meetings. ALCO makes a decision regarding the qualification of liquidity buffer of the Bank in line with risk appetite and liquidity strategy of the Bank. Additionally, ALCO reviews liquidity reports and feedbacks of the Risk Management, considers Treasury's opinions and action plans and informs Risk Committee and Board of Directors about the possible adverse conditions regarding liquidity and its material impacts.

Risk Management establishes liquidity risk management policy, determines liquidity risk limits and submits these policies and limits to the approval of Board of Directors. It also provides to measure and manage liquidity risk in the framework of risk appetite and limits approved by the Board of Directors. Risk management performs reporting to ALCO, Risk Committee and members of Board of Directors regarding adherence to risk appetite and limit excess. Additionally, risk management is also responsible to form and implement liquidity stress tests and share the results with the related parties.

Liquidity risk analysis and early warning signals are reported to the senior management periodically. Furthermore, all the analysis including regulatory and internal rates with respect to liquidity risk are reported to ALCO and limit and warning levels approved by the Board of Directors are monitored periodically and reported to related parties.

Funding management of the Bank is carried out under the control of the Treasury and with the knowledge of ALCO. The Bank's funding strategy is intended to ensure sufficient liquidity and diversity of funding sources to meet actual and contingent liabilities through both normal and stress periods. A significant part of Bank's liquidity needs is met with deposits which represent the main funding source of the Bank. On the other hand, when it is deemed necessary, bond issuance and pre-financing products can be provided in addition to the aforementioned sources.

Almost all the liabilities of the Bank are denominated in TL, USD or EUR and the concentration risk in the funding sources is monitored closely. Concentration analysis related to deposits are performed and factors, which can deteriorate access to funding sources and trigger a sudden withdrawal of funds at a significant level, are analyzed.

Liquidity risk is closely monitored and managed in order to keep it at a level appropriate to risk appetite and liquidity risk management policies, by promoting diversification of funding sources, keeping high quality liquid assets and reduction or termination of activities causing limit excess.

In scope of the Liquidity Stress Test, the Bank monitors stress scenarios arising from internal and external factors and manages its high quality liquid assets, deposits, other balance sheet items generating cash outflows, loans and other cash inflows in that respect. There are designated risk limits for indicators. The compliance with the risk and the determined risk limits is shared with the Senior Management and the relevant business units and necessary actions are taken.

The Bank has established a Liquidity Emergency Action Plan to explain the actions that should be taken in possible liquidity tightness scenarios. In this context, normal market conditions and various stress levels are defined and action plans are created for each situation. In addition to the Emergency Action Plan, Basic Risk Indicators and Liquidity Early Warning Signals are defined within the scope of Liquidity Risk Management Policy and these indicators are regularly monitored.

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

The liquidity coverage ratios are calculated in accordance with the "Regulation on Liquidity Coverage Ratio Calculation of Banks" published in Official Gazette dated 21 March 2014 and numbered 28948. Liquidity coverage ratios should be at least 80% for foreign currency assets and liabilities and 100% for total assets and liabilities.

Information regarding weekly solo liquidity coverage ratios realized in the fourth quarter of 2023 is as follows:

	Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
<b>Current Period- 31 December 2023</b>				
<b>HIGH QUALITY LIQUID ASSETS</b>			<b>27.051.725</b>	<b>12.630.345</b>
1 High quality liquid assets	27.051.725	12.630.345	27.051.725	12.630.345
<b>CASH OUTFLOWS</b>				
2 Retail and Small Business Customer Deposits	<b>46.065.965</b>	<b>18.736.482</b>	<b>4.379.319</b>	<b>1.873.648</b>
3 Stable deposits	4.545.540	-	227.277	-
4 Less stable deposits	41.520.425	18.736.482	4.152.042	1.873.648
5 Unsecured Funding other than Retail and Small Business Customer Deposits	<b>12.249.682</b>	<b>5.452.684</b>	<b>7.560.426</b>	<b>2.879.306</b>
6 Operational deposits	53.085	4	12.380	-
7 Non-Operational Deposits	8.578.586	4.810.841	4.021.369	2.245.547
8 Other Unsecured Funding	3.618.011	641.839	3.526.677	633.759
9 Secured funding	-	-	32.422	-
10 Other Cash Outflows	<b>21.412.849</b>	<b>4.043.759</b>	<b>3.927.136</b>	<b>1.132.714</b>
11 Liquidity needs related to derivatives and market	694.432	806.901	694.432	806.901
12 Debts related to the structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	20.718.417	3.236.858	3.232.704	325.813
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	-	-	-	-
16 TOTAL CASH OUTFLOWS	-	-	<b>15.899.303</b>	<b>5.885.668</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	4.896	-	-	-
18 Unsecured Lending Transactions	10.178.403	4.485.266	7.559.542	3.914.855
19 Other contractual cash inflows	264.824	1.151.841	264.824	1.151.841
20 TOTAL CASH INFLOWS	<b>10.448.123</b>	<b>5.637.107</b>	<b>7.824.366</b>	<b>5.066.696</b>
				Upper Limit Applied Amounts
21 TOTAL HQLA				<b>27.051.725</b>
22 TOTAL NET CASH OUTFLOWS				<b>8.079.463</b>
23 Liquidity Coverage Ratio (%)				<b>345,01</b>
				<b>838,23</b>

(\*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

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

Information regarding weekly unconsolidated liquidity coverage ratios realized in the fourth quarter of 2022 is as follows:

Prior Period- 31 December 2022	Rate of "Percentage to be taken into account" not implemented Total value (*)		Rate of "Percentage to be taken into account" implemented Total value (*)	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>			<b>19.382.641</b>	<b>9.926.405</b>
1 High quality liquid assets	24.645.733	14.915.831	19.382.641	9.926.405
<b>CASH OUTFLOWS</b>				
2 Retail and Small Business Customer Deposits	<b>32.386.232</b>	<b>14.803.084</b>	<b>3.092.026</b>	<b>1.480.308</b>
3 Stable deposits	2.931.953	-	146.598	-
4 Less stable deposits	29.454.279	14.803.084	2.945.428	1.480.308
5 Unsecured Funding other than Retail and Small Business Customer Deposits	<b>8.309.866</b>	<b>4.906.604</b>	<b>4.242.177</b>	<b>2.524.264</b>
6 Operational deposits	16.458	3	4.114	1
7 Non-Operational Deposits	7.031.007	4.239.193	2.975.662	1.856.855
8 Other Unsecured Funding	1.262.401	667.408	1.262.401	667.408
9 Secured funding	-	-	-	-
10 Other Cash Outflows	<b>18.580.752</b>	<b>5.741.600</b>	<b>2.461.811</b>	<b>2.624.934</b>
11 Liquidity needs related to derivatives and market	2.415.334	2.091.816	741.097	2.091.816
12 Debts related to the structured financial products	-	-	-	-
13 Commitment related to debts to financial markets and other off balance sheet liabilities	16.165.418	3.649.784	1.720.714	533.118
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	-	-	-	-
16 TOTAL CASH OUTFLOWS	-	-	<b>9.796.014</b>	<b>6.629.506</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	120.087	-	-	-
18 Unsecured Lending Transactions	8.039.845	4.240.957	6.040.042	3.879.345
19 Other contractual cash inflows	309.739	926.367	309.739	926.366
20 TOTAL CASH INFLOWS	<b>8.469.671</b>	<b>5.167.324</b>	<b>6.349.781</b>	<b>4.805.711</b>
			Upper Limit Applied Amounts	
21 TOTAL HQLA			<b>19.382.641</b>	<b>9.926.405</b>
22 TOTAL NET CASH OUTFLOWS			<b>3.571.293</b>	<b>2.165.335</b>
23 Liquidity Coverage Ratio (%)			<b>581,87</b>	<b>503,41</b>

(\*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

Liquidity coverage ratio is calculated by proportioning the high quality liquid assets owned by the bank to the net cash outflows in the one month maturity window. Important balance sheet items that determine the ratio can be listed as required reserves held at the CBRT, securities not subject to repo / collateral, deposits according to counterparty, securities taken as collateral with reverse repo, placements to banks and derivative transactions. Since these items have a high share in liquid assets and net cash outflows in terms of volume, their ratio of consideration is high and they may change over time, their effect on liquidity coverage ratio is higher than other items.

Although derivative transactions create a low amount of net cash flow in terms of total liquidity coverage ratio, fluctuations in foreign currency derivative transaction volumes may affect the foreign currency liquidity coverage ratio.

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

The weeks having the highest and lowest level of liquidity coverage ratios calculated for the last three months and their average values are given below:

	Current Period-31 December 2023		Prior Period-31 December 2022	
	TL+FC	FC	TL+FC	FC
Lowest Week	257,03 10.11.2023	489,63 22.12.2023	357,00 04.11.2022	270,84 04.11.2022
Highest Week	515,87 13.10.2023	994,76 29.09.2023	825,01 16.12.2022	714,55 25.11.2022
Average	345,11	838,23	581,87	503,41

**Presentation of assets and liabilities according to their remaining maturities:**

31 December 2023	Demand	Up to 1 Month	1-3 Month	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
<b>Assets</b>								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	4.083.632	10.048.548	-	-	-	-	-	14.132.180
Banks	5.788.360	-	-	-	-	-	(9.311)	5.779.049
Financial Assets at Fair Value Through Profit and Loss	1.320.903	49.835	48	63	11.766	8.680	-	1.391.295
Money Market Placements	-	-	102.521	696.881	-	-	-	799.402
Financial Assets at Fair Value Through Other Comprehensive Income	17.221	308.959	482.505	2.886.580	4.921.769	1.787.542	-	10.404.576
Loans	-	6.331.956	3.093.067	10.085.745	9.183.635	7.176.145	(1.376.833)	34.493.715
Financial Assets Measured at Amortized Cost	-	374.703	46.838	2.285.239	3.399.850	6.288.600	(70.389)	12.324.841
Other Assets (***)	-	130.229	98.494	212.451	97.066	-	3.846.842	4.385.082
<b>Total Assets</b>	<b>11.210.116</b>	<b>17.244.230</b>	<b>3.823.473</b>	<b>16.166.959</b>	<b>17.614.086</b>	<b>15.260.967</b>	<b>2.390.309</b>	<b>83.710.140</b>
<b>Liabilities</b>								
Bank Deposits	2.173	-	-	-	-	-	-	2.173
Customer Deposits	17.029.595	30.063.467	8.185.923	2.948.186	2.901	-	-	58.230.072
Money Market Borrowings	-	6.247.455	-	-	-	-	-	6.247.455
Miscellaneous Payables	-	-	-	-	-	-	433.005	433.005
Marketable Securities Issued	-	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	-	1.070.620	197.465	201.059	521.702	-	-	1.990.846
Subordinated Loans (****)	-	-	-	-	8.412.601	-	-	8.412.601
Other Liabilities (*****)	-	335.741	60.662	93.224	18.809	-	7.885.552	8.393.988
<b>Total Liabilities</b>	<b>17.031.768</b>	<b>37.717.283</b>	<b>8.444.050</b>	<b>3.242.469</b>	<b>8.956.013</b>	-	<b>8.318.557</b>	<b>83.710.140</b>
<b>Liquidity (Gap)/ Surplus</b>	<b>(5.821.652)</b>	<b>(20.473.053)</b>	<b>(4.620.577)</b>	<b>12.924.490</b>	<b>8.658.073</b>	<b>15.260.967</b>	<b>(5.928.248)</b>	-
<b>Net Off-Balance Sheet Position</b>	-	(7.219.257)	(2.496.661)	(1.173.837)	3.473	-	-	(10.886.282)
Financial Derivative Assets	-	31.359.547	10.334.972	6.326.607	1.820.138	-	-	49.841.264
Financial Derivative Liabilities	-	(38.578.804)	(12.831.633)	(7.500.444)	(1.816.665)	-	-	(60.727.546)
<b>Non-Cash Loans</b>	<b>3.963.898</b>	<b>1.491.176</b>	<b>4.632.203</b>	<b>9.832.441</b>	-	-	-	<b>19.919.718</b>
<b>Prior period</b>								
Total Assets	5.553.150	15.070.154	8.281.429	10.218.627	15.555.214	12.188.731	2.129.544	68.996.849
Total Liabilities	9.340.987	22.753.498	20.977.954	1.307.201	6.329.746	152.936	8.134.527	68.996.849
<b>Liquidity (Gap)/ Surplus</b>	<b>(3.787.837)</b>	<b>(7.683.344)</b>	<b>(12.696.525)</b>	<b>8.911.426</b>	<b>9.225.468</b>	<b>12.035.795</b>	<b>(6.004.983)</b>	-
<b>Net Off-Balance Sheet Position</b>	-	507.362	1.258.575	109.608	(3.669)	-	-	1.871.876
Financial Derivative Assets	-	15.423.170	29.208.708	3.304.075	18.798.169	7.480.188	-	74.214.310
Financial Derivative Liabilities	-	(14.915.808)	(27.950.133)	(3.194.467)	(18.801.838)	(7.480.188)	-	(72.342.434)
<b>Non-Cash Loans</b>	<b>3.026.982</b>	<b>790.825</b>	<b>1.987.079</b>	<b>9.269.708</b>	-	-	-	<b>15.074.594</b>

(\*) Assets such as fixed assets, other assets, securities representing shares in the capital, current tax assets and non-performing loans are recorded here.

(\*\*) Other assets line includes assets other than those mentioned above.

(\*\*\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2023, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8.606%.

(\*\*\*\*) Other obligations line; It includes shareholders' equity amounting to 6.110.552 TL, tax liability of 207.226 TL, provisions of 842.576 TL, liabilities from lease transactions of 163.278 TL and other liabilities of 561.920 TL and derivative financial liabilities amounting to 508.436 TL.

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

**Analysis of financial liabilities by remaining contractual maturities (\*):**

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
<b>As of December 31, 2023</b>								
Bank Deposits	2,173	-	-	-	-	-	-	2,173
Customer deposits	17,029,595	30,292,945	8,496,066	3,342,433	4,124	-	-	59,165,163
Subordinated Loans	-	-	-	-	10,507,963	-	-	10,507,963
Funds Provided From Other Financial Institutions	-	937,751	1,050,439	-	206,337	-	-	2,194,527
Funds From interbank money market	-	-	-	-	-	-	-	-
<b>Total</b>	<b>17,031,768</b>	<b>31,230,696</b>	<b>9,546,505</b>	<b>3,342,433</b>	<b>10,718,424</b>	-	-	<b>71,869,826</b>

(\* ) Includes total interest to be paid

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
<b>As of December 31, 2022</b>								
Bank Deposits	6,313	-	-	-	-	-	-	6,313
Customer deposits	9,334,674	17,851,403	21,351,129	1,189,968	92,781	-	-	49,819,955
Subordinated Loans	-	-	-	-	8,548,131	-	-	8,548,131
Funds Provided From Other Financial Institutions	-	693,095	-	-	823,850	-	-	1,516,945
Funds From interbank money market	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9,340,987</b>	<b>18,544,498</b>	<b>21,351,129</b>	<b>1,189,968</b>	<b>9,464,762</b>	-	-	<b>59,891,344</b>

(\* ) Includes total interest to be paid

**Breakdown of derivative instruments due to their remaining contractual maturities:**

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>As of December 31, 2023</b>						
Gross settled						
Foreign exchange forward contracts	2,284,908	2,096,860	3,848,774	338,912	-	8,569,454
Currency swaps	43,206,489	10,218,560	4,048,420	-	-	57,473,469
Interest rate swap agreement	-	480,000	1,100,000	3,301,046	-	4,881,046
Foreign currency sell and buy options	24,443,801	10,371,185	4,829,855	-	-	39,644,841
Futures Transactions	-	666,219	52,474	-	-	718,693
Interest rate sell and buy options	-	-	-	-	-	-
<b>Total</b>	<b>69,935,198</b>	<b>23,832,824</b>	<b>13,879,523</b>	<b>3,639,958</b>	-	<b>111,287,503</b>

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
<b>As of December 31, 2022</b>						
Gross settled						
Foreign exchange forward contracts	2,139,861	948,127	2,706,470	836,964	-	6,631,422
Currency swaps	21,028,313	16,904,742	107,048	2,363,103	-	40,403,206
Interest rate swap agreement	400,000	200,000	1,969,846	34,399,940	14,960,376	51,930,162
Foreign currency sell and buy options	6,770,805	39,105,970	1,715,178	-	-	47,591,953
Futures Transactions	-	-	-	-	-	-
Interest rate sell and buy options	-	-	-	-	-	-
<b>Total</b>	<b>30,338,979</b>	<b>57,158,839</b>	<b>6,498,542</b>	<b>37,600,007</b>	<b>14,960,376</b>	<b>146,556,743</b>

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**VII. Explanations on Leverage Ratio**

**Information on subjects that causes difference in leverage ratio between current and prior periods:**

"Regulation on the Measurement and Evaluation of Banks Leverage Levels" regulates the procedures and principles regarding to ensure adequate capital at the consolidated and non-consolidated basis for exposure of possible risk of Banks. Leverage ratio of the Bank calculated amounting to 4,88% (31 December 2022: 5,92%). According to Regulations, minimum leverage ratio is 3%.

**Disclosure of Leverage ratio template:**

	Current Period 31 December 2023(*)	Prior Period 31 December 2022 (*)
<b>Balance sheet transactions</b>		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	81.877.335	66.188.535
2 (Assets deducted from Core capital)	(896.629)	(270.516)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	80.980.706	65.918.019
<b>Derivative financial assets and credit derivatives</b>		
4 Cost of replenishment for derivative financial assets and credit derivatives	718.609	722.275
5 Potential credit risk amount of derivative financial assets and credit derivatives	-	-
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	718.609	722.275
<b>Financing transactions secured by marketable security or commodity</b>		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	-	-
<b>Off-balance sheet transactions</b>		
10 Gross notional amount of off-balance sheet transactions	42.242.410	30.771.272
11 (Correction amount due to multiplication with credit conversion rates)	(13.667.485)	(10.566.789)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	28.574.925	20.204.483
<b>Capital and total risk</b>		
13 Core Capital	5.378.947	5.132.427
14 Total risk amount(sum of lines 3, 6, 9 and 12)	110.274.240	86.844.777
<b>Leverage ratio</b>		
15 Leverage ratio	4,88	5,92

(\*) The arithmetic average of the last 3 months in the related periods.

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**VIII. Explanations on Presentation of Financial Assets and Liabilities at Fair Value**

The presentation of the Bank's financial assets and liabilities with their fair values is as follows;

	31 December 2023		31 December 2022	
	Book Value	Fair Value	Book Value	Fair Value
<b>Financial Assets</b>	<b>66.831.453</b>	<b>61.566.919</b>	<b>59.018.067</b>	<b>59.487.768</b>
Money Market Placements	799.402	799.402	3.792.303	3.792.303
Banks	5.788.360	5.788.360	4.440.042	4.440.042
Financial assets at fair value through other comprehensive income	10.404.576	10.404.576	10.947.234	10.947.234
Financial assets measured at amortized cost	12.395.230	10.745.922	7.297.719	7.700.006
Loans	37.443.885	33.828.659	32.540.769	32.608.183
<b>Financial Liabilities</b>	<b>75.878.072</b>	<b>74.936.199</b>	<b>61.298.776</b>	<b>60.439.393</b>
Bank Deposits	2.173	2.173	6.313	6.313
Other Deposits	58.230.072	58.244.426	49.232.146	49.249.533
Funds Borrowed From Other Financial Institutions	8.238.301	8.222.178	5.359.571	5.458.828
Subordinated Loans	8.412.601	7.472.497	5.336.904	4.360.877
Issued Bonds	-	-	-	-
Miscellaneous Payables	994.925	994.925	1.363.842	1.363.842

The following methods and assumptions were used to estimate the fair value of the financial instruments:

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

- a) Quoted market prices (non-adjusted) (1st level)
- b) Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)
- c) Data not based on observable data regarding assets or liabilities (3rd level)

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below:

December 31, 2023	Level 1	Level 2	Level 3(*)	Total
<b>Financial Assets</b>	<b>11.728.815</b>	<b>588.075</b>	<b>17.221</b>	<b>12.334.111</b>
Financial Assets at Fair Value through Profit and Loss	1.341.460	49.835	-	1.391.295
Financial Assets at Fair Value through Other Comprehensive Income	10.387.355	-	17.221	10.404.576
Derivative Financial Assets at Fair Value through Profit and Loss	-	538.240	-	538.240
Derivative Financial Assets at Fair Value through Other Comprehensive Income	-	-	-	-
<b>Financial Liabilities</b>	<b>-</b>	<b>508.436</b>	<b>-</b>	<b>508.436</b>
Derivative Financial Liabilities at Fair Value Through Profit and Loss	-	508.436	-	508.436
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	-	-	-
December 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>	<b>10.944.375</b>	<b>1.268.145</b>	<b>13.621</b>	<b>12.226.141</b>
<b>Financial Liabilities</b>	<b>-</b>	<b>927.389</b>	<b>-</b>	<b>927.389</b>

(\*) The Bank has 3rd level financial assets amounting to TL 17.221 (31 December 2022: TL 13.621). The exchange increase in current period is amounting to TL 296.

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**IX. Explanations Related to Transactions Carried Out on Behalf on Customers, Items Held in Trust**

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. Details of these transactions are provided in the off-balance sheet table. The Bank has no trust transactions.

**X. Explanations on Risk Management**

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 30 June 2016. According to Communiqué these notes have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of 31 December 2023:

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

**a. Overview of RWA**

		Risk Weighted Amount	Minimum Capital Requirement		
			Current Period	Prior Period	Current Period 31 December 2023
			31 December 2023	31 December 2022	
1	Credit risk (excluding counterparty credit risk) (CCR)	45.683.373	41.755.738		3.654.670
2	Standardised approach (SA)	45.683.373	41.755.738		3.654.670
3	Internal rating-based (IRB) approach	-			-
4	Counterparty credit risk	289.972	373.053		23.198
5	Standardised approach for counterparty credit risk (SA-CCR)	289.972	373.053		23.198
6	Internal model method (IMM)	-			-
7	Basic risk weight approach to internal models equity position in the banking account	-	-		-
8	Investments made in collective investment companies – look-through approach	-	-		-
9	Investments made in collective investment companies – mandate-based approach	-	-		-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-		-
11	Settlement risk	-	-		-
12	Securitization positions in banking accounts	-	-		-
13	IRB ratings-based approach (RBA)	-	-		-
14	IRB Supervisory Formula Approach (SFA)	-	-		-
15	SA/simplified supervisory formula approach (SSFA)	-	-		-
16	Market risk	2.193.300	2.629.038		175.464
17	Standardised approach (SA)	2.193.300	2.629.038		175.464
18	Internal model approaches (IMM)	-			-
19	Operational Risk	3.550.500	2.405.613		284.040
20	Basic Indicator Approach	3.550.500	2.405.613		284.040
21	Standard Approach	-	-		-
22	Advanced measurement approach	-	-		-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-		-
24	Floor adjustment	-	-		-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>51.717.145</b>	<b>47.163.442</b>	<b>4.137.372</b>	

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**X. Explanations on Risk Management (continued)**

**b. Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation**

<b>Current Period</b>	<b>Revalued amount in accordance with TAS as reported in published financial statements</b>	<b>Subject to counter party credit risk</b>	<b>Securitization positions</b>	<b>Subject to market risk</b>	<b>Not subject to capital requirements or subject to deduction from capital</b>
<b>Assets</b>					
Cash and balances with Central Bank	14.132.180	14.132.180	-	-	-
Financial assets at fair value through profit and loss	1.391.295	-	-	-	37.989
Banks	5.788.360	5.788.360	374.041	-	-
Money market placements	799.402	799.402	-	-	-
Expected credit losses (-)	9.311	-	-	-	-
Financial assets measured at fair value through other comprehensive income	10.404.576	10.404.576	-	-	-
Derivative financial assets	538.240	-	667.661	-	209.340
Financial assets measured at amortised cost	12.395.230	12.395.230	-	-	-
Expected credit losses (-)	3.020.559	990.347	-	-	-
Loans	37.443.885	37.443.885	-	-	-
Lease receivables	-	-	-	-	-
Factoring receivables	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-
Associates (net)	-	-	-	-	-
Tangible assets (net)	374.748	325.170	-	-	49.577
Intangible assets (net)	538.720	-	-	-	538.720
Investment property (net)	-	-	-	-	-
Tax asset	1.376.487	863.985	-	-	299.761
Property and equipment held for sale and related to discontinued operations (net)	826.297	826.297	-	-	-
Other assets	730.590	743.446	-	-	-
<b>Total assets</b>	<b>83.710.140</b>	<b>82.732.184</b>	<b>1.041.702</b>	<b>-</b>	<b>247.329</b>
					<b>888.058</b>
<b>Liabilities</b>					
Deposit	58.232.245	-	-	-	-
Derivative financial liabilities at fair value through profit or loss	505.454	-	-	-	223.794
Loans received	1.990.846	-	-	-	-
Money market funds	6.247.455	-	-	-	-
Securities Issued	-	-	-	-	-
Funds	-	-	-	-	-
Factoring payables	-	-	-	-	-
Lease payables	163.278	-	-	-	-
Derivative financial liabilities at fair value through other comprehensive income	2.982	-	-	-	-
Provisions	842.576	-	-	-	-
Tax liability	207.226	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-
Subordinated debt	8.412.601	-	-	-	-
Other liabilities	994.925	-	-	-	-
Shareholders' equity	6.110.552	-	-	-	-
<b>Total liabilities</b>	<b>83.710.140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>223.794</b>
					<b>-</b>

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**X. Explanations on Risk Management (continued)**

**b. Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation (continued)**

Prior Period	Revalued amount in accordance with TAS as reported in published financial statements	Subject to credit risk	Subject to counter party credit risk	Securitization positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
<b>Assets</b>						
Cash and balances with Central Bank	8.061.804	8.061.804	-	-	-	-
Financial assets at fair value through profit and loss	35.990	-	-	-	35.990	-
Banks	4.440.042	4.003.613	76.301	-	-	-
Money market placements	3.792.303	3.692.221	-	-	-	-
Expected credit losses (-)	7.724	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	10.947.234	10.947.234	-	-	-	-
Derivative financial assets	1.242.917	-	736.935	-	587.531	-
Financial assets measured at amortised cost	7.297.719	7.297.719	-	-	-	-
Expected credit losses (-)	2.099.921	741.014	-	-	-	-
Loans	32.540.769	32.540.769	-	-	-	-
Lease receivables	-	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Associates (net)	-	-	-	-	-	-
Tangible assets (net)	302.149	302.149	-	-	-	37.220
Intangible assets (net)	243.171	243.171	-	-	-	243.171
Investment property (net)	-	-	-	-	-	-
Tax asset	594.540	594.540	-	-	-	91.243
Property and equipment held for sale and related to discontinued operations (net)	805.513	805.513	-	-	-	-
Other assets	800.343	806.463	-	-	-	-
<b>Total assets</b>	<b>68.996.849</b>	<b>68.554.182</b>	<b>813.236</b>		<b>623.521</b>	<b>371.634</b>
<b>Liabilities</b>						
Deposit	49.238.459	-	-	-	-	-
Derivative financial liabilities at fair value through profit or loss	893.395	-	-	-	267.534	-
Loans received	1.359.218	-	-	-	-	-
Money market funds	4.000.353	-	-	-	-	-
Securities Issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	163.074	-	-	-	-	-
Derivative financial liabilities at fair value through other comprehensive income	33.994	-	-	-	-	-
Provisions	1.241.126	-	-	-	-	-
Tax liability	325.533	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debt	5.336.904	-	-	-	-	-
Other liabilities	1.363.842	-	-	-	-	-
Shareholders' equity	5.040.951	-	-	-	-	-
<b>Total liabilities</b>	<b>68.996.849</b>	<b>-</b>	<b>-</b>		<b>267.534</b>	<b>-</b>

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**X. Explanations on Risk Management (continued)**

**b. Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation (continued)**

<b>Current Period</b>	<b>Total</b>	<b>Subject to credit risk</b>	<b>Securitization positions</b>	<b>Subject to counterparty credit risk</b>	<b>Subject to market risk (*)</b>
Assets carrying value in accordance with TAS	82.822.082	82.732.184	-	1.041.702	247.329
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	-	-	-	-	223.794
<b>Total net amount under scope of regulatory consolidation</b>	<b>82.822.082</b>	<b>82.732.184</b>	-	<b>1.041.702</b>	<b>23.535</b>
Off-balance sheet amount	22.856.315	22.856.315	-	-	34.303.171
Differences due to risk mitigation		(776.716)	-	-	-
Differences due to different netting rules		-	-	-	-
Differences due to consideration of provisions		-	-	-	-
Differences due to the applications of the Bank		-	-	-	-
<b>Exposure amounts</b>	<b>105.678.397</b>	<b>104.811.783</b>	-	<b>1.041.702</b>	<b>34.326.706</b>

<b>Prior Period</b>	<b>Total</b>	<b>Subject to credit risk</b>	<b>Securitization positions</b>	<b>Subject to counterparty credit risk</b>	<b>Subject to market risk (*)</b>
Assets carrying value in accordance with TAS	68.625.215	68.554.182	-	813.236	623.521
Liabilities carrying value in accordance with TAS under scope of regulatory consolidation	-	-	-	-	267.534
<b>Total net amount under scope of regulatory consolidation</b>	<b>68.625.215</b>	<b>68.554.182</b>	-	<b>813.236</b>	<b>355.987</b>
Off-balance sheet amount	19.006.659	19.006.659	-	-	31.258.627
Differences due to risk mitigation	-	(1.135.123)	-	-	-
Differences due to different netting rules	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to the applications of the Bank	-	-	-	-	-
<b>Exposure amounts</b>	<b>87.631.874</b>	<b>86.425.718</b>	-	<b>813.236</b>	<b>31.614.614</b>

**c. Credit risk explanation**

1. General qualitative information about credit risk:

Credit Risk Management Department operates under Internal Systems pillar directly subject to Board of Directors as it is mentioned in scope of "Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process". Reports, prepared in a wider perspective, are reported to Board of Directors and senior management through the Risk Committee as well as reports having given minimum standards in scope of aforementioned regulation. Risk Report include customer, group, collateral and sector concentrations, stress tests, risk profile, overdue receivables and specific provision development, close monitoring development and capital adequacy analysis as general scope and main content. Within the scope of the budget determined within the scope of the Bank's business model and targets, the Bank's risk appetite and its limits are determined together with its main partner.

The Bank determines risk limits including all risks and covering all activities of the Bank and those limits are approved by Board of Directors. Limits of the Bank are determined in a way to reflect risk appetite, which is planned to be undertaken, and expectations in economy with our main partner. Credit policies are established in compliance with risk limits accordingly. Those limits are periodically monitored by Risk Management and Board of Directors is informed in scope of respective outputs.

Credit allocation processes are established in line with risk appetite and limits determined in scope of credit policies. In this scope, rating and decision support systems are used in evaluation of credits in order to reflect related risks. Access levels are determined by Board of Directors.

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

Credit Risk is the possibility of loss to which the current or future return or capital of the bank shall be exposed since the debtor cannot fulfil its liability in due time through violating requirements of related contract. The Bank approaches risk management as a cycle. Credit allocation units, form the first level of line of defence for credit risk in scope of allocation decision. Board of Directors holds the control over credit process in scope of authorization levels. Credit Risk Management Department of the Bank carries out its operations under Internal Systems organization which is directly subject to Board of Directors as it is mentioned in scope of "Communiqué on Internal Systems and Internal Capital Adequacy Assessment Process of Banks". Risk Management executes measurement, monitoring and reporting activities of credit risk through using statistical methods and forms line of defence at second level. Internal Control and Supervisory Board Directorate forms line of defence at third level in this process.

Board of Directors is responsible for determination of taking risks and appetite level. Board of Directors manages risks through Risk Committee. Committee is responsible for determination of risk policies, measurement and monitoring of risks. Reports, which are issued in a wider perspective in addition to reports whose minimum standards are determined in scope of "Communiqué on Internal Systems and Internal Capital Adequacy Assessment Process of Banks", are reported to Board of Directors and senior management through the Risk Committee. The aforementioned reports include customer, group, collateral and sector concentrations; stress tests, risk profile, follow-up and special provision development, close monitoring development and analysis of capital adequacy.

**2. Credit quality of assets:**

<b>Gross carrying values of (according to TAS)</b>				
<b>31 December 2023</b>	<b>Defaulted exposures</b>	<b>Non-defaulted exposures</b>	<b>Allowances/ impairments</b>	<b>Net values</b>
1 Loans	1.573.337	35.870.548	2.950.170	34.493.715
2 Debt Securities	-	22.782.585	70.389	22.712.196
3 Off-balance sheet exposures	67.048	41.415.527	30.191	41.452.384
<b>4 Total</b>	<b>1.640.385</b>	<b>100.068.660</b>	<b>3.050.750</b>	<b>98.658.295</b>

<b>Gross carrying values of (according to TAS)</b>				
<b>31 December 2022</b>	<b>Defaulted exposures</b>	<b>Non-defaulted exposures</b>	<b>Allowances/ impairments</b>	<b>Net values</b>
1 Loans	1.491.473	31.049.296	2.064.790	30.475.979
2 Debt Securities	-	18.231.332	35.131	18.196.201
3 Off-balance sheet exposures	79.247	32.927.876	281.122	32.726.001
<b>4 Total</b>	<b>1.570.720</b>	<b>82.208.504</b>	<b>2.381.043</b>	<b>81.398.181</b>

**3. Changes in stock of defaulted loans and debt securities:**

	<b>31.12.2023</b>
<b>1 Defaulted loans and debt securities at end of the previous reporting period</b>	<b>1.491.473</b>
2 Loans and debt securities that have defaulted since the last reporting period	401.980
3 Returned to non-defaulted status	-
4 Amounts written off	(1.134)
5 Other changes (*)	(318.982)
<b>6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>1.573.337</b>
	<b>31.12.2022</b>
<b>1 Defaulted loans and debt securities at end of the previous reporting period</b>	<b>1.989.128</b>
2 Loans and debt securities that have defaulted since the last reporting period	8.075
3 Returned to non-defaulted status	-
4 Amounts written off	(50.634)
5 Other changes (*)	(455.096)
<b>6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)</b>	<b>1.491.473</b>

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

4. Additional disclosure related to the credit quality of assets:

a. Breakdown of receivables by geographical area, sector and outstanding maturity:

Breakdown by geographical area:

	<b>31.12.2023</b>	<b>31.12.2022</b>
Domestic	35.848.452	30.925.631
European Union Countries	-	10
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	22.096	123.655
<b>Total</b>	<b>35.870.548</b>	<b>31.049.296</b>

(\*) OECD Countries other than EU countries, USA and Canada.

Breakdown by sector (\*):

	<b>31.12.2023</b>	<b>31.12.2022</b>
<b>Agricultural</b>	<b>1.002.171</b>	<b>954.861</b>
Farming and raising live stock	769.787	858.512
Forestry	-	-
Fishing	232.384	96.349
<b>Manufacturing</b>	<b>10.298.012</b>	<b>9.361.867</b>
Mining	21.698	142.633
Production	6.957.640	6.102.820
Electricity, Gas, Water	3.318.674	3.116.414
<b>Construction</b>	<b>8.530.297</b>	<b>6.678.412</b>
<b>Services</b>	<b>15.571.024</b>	<b>12.389.745</b>
Wholesale and Retail Trade	3.442.165	2.728.552
Hotel, Food, Beverage Services	6.235.217	4.732.371
Transportation and Telecommunication	1.227.379	1.167.631
Financial Institutions	2.868.749	2.405.733
Real Estate and Lending Service	105	31.512
Self Employment Service	-	-
Education Service	520.189	101.332
Health and Social Services	1.277.220	1.222.614
<b>Other</b>	<b>469.044</b>	<b>1.664.411</b>
<b>Total</b>	<b>35.870.548</b>	<b>31.049.296</b>

(\*) Breakdown of sector classified according to type of principal activity of costumers.

Breakdown by outstanding maturity:

<b>31 December 2023</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>5 Years and Over</b>			<b>Total</b>
				<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Total</b>	
Loans	6.331.956	3.093.067	10.085.745	9.183.635	7.176.145	35.870.548	
<hr/>							
<b>31 December 2022</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>5 Years and Over</b>			<b>Total</b>
				<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Total</b>	
Loans	5.014.539	6.076.637	5.524.195	6.454.076	7.979.849	31.049.296	

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

Breakdown by sector (\*):

b) Amounts of provision allocated receivables based on geographical area and sector and amounts deducted from the assets with the related provisions:

Breakdown by geographical area:

<b>31 December 2023</b>	<b>Non-performing Loans</b>	<b>Provisions</b>
Domestic	1.573.337	995.226
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	-	-
<b>Total</b>	<b>1.573.337</b>	<b>995.226</b>

(\*) OECD Countries other than EU countries, USA and Canada.

<b>31 December 2022</b>	<b>Non-performing Loans</b>	<b>Provisions</b>
Domestic	1.491.473	743.209
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	-	-
Other	-	-
<b>Total</b>	<b>1.491.473</b>	<b>743.209</b>

(\*) OECD Countries other than EU countries, USA and Canada.

Breakdown by sector (\*):

<b>31 December 2023</b>	<b>Non-performing Loans</b>	<b>Provisions</b>
<b>Agricultural</b>	<b>7.240</b>	<b>6.709</b>
Farming and raising live stock	7.240	6.709
Forestry	-	-
Fishing	-	-
<b>Manufacturing</b>	<b>469.799</b>	<b>241.152</b>
Mining	30.630	7.204
Production	417.058	212.704
Electricity, Gas, Water	22.111	21.244
<b>Construction</b>	<b>585.926</b>	<b>403.353</b>
<b>Services</b>	<b>367.041</b>	<b>267.244</b>
Wholesale and Retail Trade	98.908	80.693
Hotel, Food, Beverage Services	63.262	51.987
Transportation and Telecommunication	8.665	8.200
Financial Institutions	18.876	6.397
Real Estate and Lending Service	163	95
Self Employment Service	-	-
Education Service	105.823	103.669
Health and Social Services	71.344	16.203
<b>Other</b>	<b>143.331</b>	<b>76.768</b>
<b>Total</b>	<b>1.573.337</b>	<b>995.226</b>

(\*) Classified according to type of principal activity of costumers.

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

Breakdown by sector (\*):

<b>31 December 2022</b>	<b>Non-performing Loans</b>	<b>Provisions</b>
<b>Agricultural</b>	<b>8.288</b>	<b>7.549</b>
Farming and raising live stock	8.288	7.549
Forestry	-	-
Fishing	-	-
<b>Manufacturing</b>	<b>398.332</b>	<b>207.060</b>
Mining	30.194	26.070
Production	270.159	88.642
Electricity, Gas, Water	97.979	92.348
<b>Construction</b>	<b>495.673</b>	<b>196.699</b>
<b>Services</b>	<b>463.263</b>	<b>270.225</b>
Wholesale and Retail Trade	126.796	76.010
Hotel, Food, Beverage Services	97.009	58.421
Transportation and Telecommunication	18.418	9.310
Financial Institutions	19.745	7.310
Real Estate and Lending Service	128	75
Self Employment Service	-	-
Education Service	120.800	104.484
Health and Social Services	80.367	14.615
<b>Other</b>	<b>125.917</b>	<b>61.676</b>
<b>Total</b>	<b>1,491,473</b>	<b>743.209</b>

(\*) Classified according to type of principal activity of customers.

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

5. Expected Credit Loss

a. Expected Credit Loss for Cash and Cash Equivalents

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2023)</b>	<b>7.724</b>	-	-	<b>7.724</b>
Additions	17.485	-	-	17.485
Disposals (-)	(15.898)	-	-	(15.898)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>9.311</b>	-	-	<b>9.311</b>

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2022)</b>	<b>2.797</b>	-	-	<b>2.797</b>
Additions	19.068	-	-	19.068
Disposals (-)	(14.141)	-	-	(14.141)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>7.724</b>	-	-	<b>7.724</b>

b. Expected Credit Loss for Financial Assets Measured at Fair Value through Other Comprehensive Income

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2023)</b>	<b>35.131</b>	-	-	<b>35.131</b>
Additions	131.505	-	-	131.505
Disposals (-)	(96.247)	-	-	(96.247)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>70.389</b>	-	-	<b>70.389</b>

	Stage 1	Stage 2	Stage 3	Total
<b>Beginning Balance (1 January 2022)</b>	<b>6.156</b>	-	-	<b>6.156</b>
Additions	47.035	-	-	47.035
Disposals (-)	(18.060)	-	-	(18.060)
Write-offs (-)	-	-	-	-
Transfers to Stage 1	-	-	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>35.131</b>	-	-	<b>35.131</b>

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

5. Expected Credit Loss

c. Expected Credit Loss for Loans

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Beginning Balance (1 January 2023)</b>	<b>159.316</b>	<b>1.162.265</b>	<b>743.209</b>	<b>2.064.790</b>
Additions	1.097.792	2.071.313	386.738	3.555.843
Disposals (-)	(912.419)	(1.546.130)	(210.780)	(2.669.329)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(1.134)	(1.134)
Transfers to Stage 1	104.145	(104.145)	-	-
Transfers to Stage 2	(34.522)	34.522	-	-
Transfers to Stage 3	-	(77.193)	77.193	-
<b>Balance at the end of the period</b>	<b>414.312</b>	<b>1.540.632</b>	<b>995.226</b>	<b>2.950.170</b>

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Beginning Balance (1 January 2022)</b>	<b>119.320</b>	<b>1.297.235</b>	<b>934.310</b>	<b>2.350.865</b>
Additions	119.531	1.254.272	223.733	1.597.536
Disposals (-)	(212.789)	(1.255.637)	(364.551)	(1.832.977)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	(50.634)	(50.634)
Transfers to Stage 1	133.585	(133.585)	-	-
Transfers to Stage 2	(325)	3.195	(2.870)	-
Transfers to Stage 3	(6)	(3.215)	3.221	-
<b>Balance at the end of the period</b>	<b>159.316</b>	<b>1.162.265</b>	<b>743.209</b>	<b>2.064.790</b>

d. Expected Credit Loss for Non-cash Loans

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Beginning Balance (1 January 2023)</b>	<b>77.126</b>	<b>195.019</b>	<b>8.977</b>	<b>281.122</b>
Additions	93.555	226.083	1.145	320.783
Disposals (-)	(152.184)	(412.172)	(7.358)	(571.714)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfers to Stage 1	10.212	(10.212)	-	-
Transfers to Stage 2	(5.425)	5.425	-	-
Transfers to Stage 3	-	(59)	59	-
<b>Balance at the end of the period</b>	<b>23.284</b>	<b>4.084</b>	<b>2.823</b>	<b>30.191</b>

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
<b>Beginning Balance (1 January 2022)</b>	<b>36.329</b>	<b>13.137</b>	<b>9.257</b>	<b>58.723</b>
Additions	105.308	186.040	109	291.457
Disposals (-)	(63.611)	(5.058)	(389)	(69.058)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfers to Stage 1	77	(77)	-	-
Transfers to Stage 2	(977)	977	-	-
Transfers to Stage 3	-	-	-	-
<b>Balance at the end of the period</b>	<b>77.126</b>	<b>195.019</b>	<b>8.977</b>	<b>281.122</b>

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

6. Credit risk mitigation techniques – overview:

The Bank considers appropriate collaterals mentioned in “Regulation on Measurement and Evaluation of Bank’s Capital Adequacy” published on Official Gazette numbered 29511 for the calculation of capital adequacy. Since mortgages determine a receivable class, collateral used in credit risk reduction consists of cash collaterals with blockage.

All expertise reports, get done by the Bank, are assigned to valuation institutions, which are authorized by Banking Regulation and Supervision Agency and also having CMB license. Expertise requests, received from branches for valuation reports issued for the purpose of collateral, are evaluated by Expertise and Mortgage Department and forwarded to contracted valuation institutions through expertise system of the Bank. Valuation institutions submits expertise report through using expertise system of the bank following the completion of expertise activity. The report, submitted by expertise institution, is reviewed by Expertise and Mortgage Department and delivered to branches via aforementioned system. If there exists elements, which are considered as risks, in collateralization, those elements are included in valuation report.

Mortgage transaction is performed by law firms following the collateralization decision. Mortgage request is submitted from branch to our mortgage department via mortgage system of the bank. Mortgage department forwards the request to contracted law firms after controlling the request in question. Authenticated deeds and mortgage receipt certificates are delivered to branches via aforementioned system following the finalisation of mortgage transaction.

If the mortgage is in release phase, release request, submitted by the branch, is delivered to directorate of land registry with release letter which is obtained on mortgage release system following getting approval of required approvers.

An audit report is issued on an annual basis in scope of communique on risk mitigation techniques for received collaterals.

	Exposures not covered with cash collateral	Exposures secured by cash collateral	Exposures secured by collateral, of which: secured amount(**)	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans (*)	31.073.194	3.420.521	522.628	-	-
2	Debt securities	22.712.196	-	-	-	-
<b>3</b>	<b>Total</b>	<b>53.785.390</b>	<b>3.420.521</b>	<b>522.628</b>	-	-
4	Of which defaulted	1.573.265	72	67	-	-

(\*) Shows loans that are covered with cash collateral

(\*\*) Shows risk adjusted cash collaterals in line with related BRSA's credit risk mitigation regulation with the maturity profile of the loan.

7. Qualitative disclosures related to rating grades used by the Banks for the calculation of credit risk with standard approach:

The Bank uses external rating grades provided by Fitch Ratings for the calculation of credit risk with standard method. In this scope, risk weights in Receivables from Central Administrations or Central Banks class of the Bank are determined through taking ratings provided by Fitch Ratings and guidance given by BRSA for the aforementioned CRA into account.

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

**8. Standard approach – credit risk exposure and credit risk mitigation (CRM) effects**

Current Period - 31.12.2023		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Assets classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	26.442.920	50.006	26.778.243	25.001	-	0%
2	Exposures to regional governments or local authorities	120.096	-	120.096	-	60.048	50%
3	Exposures to public sector entities	-	-	-	-	-	0%
4	Exposures to multilateral development banks	1.121.476	32.470	1.121.476	32.470	-	0%
5	Exposures to international organisations	-	-	-	-	-	0%
6	Exposures to institutions	10.734.762	2.364.718	10.734.762	1.834.749	4.620.691	37%
7	Exposures to corporates	18.153.993	18.067.897	17.313.359	12.262.585	32.647.874	110%
8	Retail exposures	205.123	672.058	187.851	43.962	186.645	81%
9	Exposures secured by residential property	5.863	-	5.863	-	2.052	35%
10	Exposures secured by commercial real estate	9.177.957	106.028	9.177.957	82.151	6.449.911	70%
11	Past-due loans	175.099	-	175.032	-	167.880	96%
12	Higher-risk categories by the Agency Board	500	-	500	-	740	148%
13	Exposures in the form of covered bonds	-	-	-	-	-	0%
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16	Other assets	2.625.902	3	2.625.902	3	1.792.635	68%
17	Investments in equities	-	-	-	-	-	0%
<b>18</b>	<b>Total</b>	<b>68.763.691</b>	<b>21.293.180</b>	<b>68.241.041</b>	<b>14.280.921</b>	<b>45.928.476</b>	<b>56%</b>

Prior Period - 31.12.2022		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Assets classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	19.882.359	4	20.024.529	1	-	0%
2	Exposures to regional governments or local authorities	114.683	4.524	114.683	2.262	58.473	50%
3	Exposures to public sector entities	-	-	-	-	-	0%
4	Exposures to multilateral development banks	711.354	9.107	711.354	9.107	-	0%
5	Exposures to international organisations	-	-	-	-	-	0%
6	Exposures to institutions	12.031.341	2.955.815	12.031.341	1.685.305	4.267.880	31%
7	Exposures to corporates	21.179.104	14.208.875	20.347.564	9.111.320	31.600.788	107%
8	Retail exposures	218.504	1.269.565	212.747	93.176	233.043	76%
9	Exposures secured by residential property	14.092	-	14.092	-	4.932	35%
10	Exposures secured by commercial real estate	4.809.991	157.957	4.809.974	146.279	3.512.612	71%
11	Past-due loans	366.932	-	366.862	-	430.103	117%
12	Higher-risk categories by the Agency Board	347	-	347	-	509	147%
13	Exposures in the form of covered bonds	-	-	-	-	-	0%
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	0%
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	0%
16	Other assets	2.924.824	-	2.924.825	-	1.960.050	67%
17	Investments in equities	-	-	-	-	-	0%
<b>18</b>	<b>Total</b>	<b>62.253.531</b>	<b>18.605.847</b>	<b>61.558.318</b>	<b>11.047.450</b>	<b>42.068.390</b>	<b>56%</b>

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

**9. Standard approach – exposures by asset classes and risk weights**

<b>Asset classes/ Risk weight(*)</b>											<b>Total credit risk exposure amount (***)</b>
	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%(*)</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>Other (35% - 50%(**))</b>		
<b>Current Period - 31.12.2023</b>											
Exposures to central governments or central banks	26.803.244	-	-	-	-	-	-	-	-	-	26.803.244
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	120.096	120.096
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	1.153.946	-	-	-	-	-	-	-	-	-	1.153.946
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-
Exposures to institutions	-	-	5.560.812	-	-	8.359	-	-	7.000.340	12.569.511	
Exposures to corporates	-	-	-	-	-	26.502.121	3.786	3.070.037	-	29.575.944	
Retail exposures	-	-	-	-	210.734	6.049	15.030	-	-	231.813	
Exposures secured by residential property	-	-	-	-	-	-	-	-	5.863	5.863	
Exposures secured by commercial real estate	-	-	-	6.505.400	-	2.312.205	-	442.503	-	9.260.108	
Past-due loans	-	-	-	-	-	45.381	57.673	-	71.978	175.032	
Higher-risk categories by the Agency Board	-	-	-	-	-	-	490	-	10	500	
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	
Investments in equities	-	-	-	-	-	-	-	-	-	-	
Other assets	795.760	-	46.886	-	-	1.783.259	-	-	-	-	2.625.905
<b>Total</b>	<b>28.752.950</b>	-	<b>5.607.698</b>	<b>6.505.400</b>	<b>210.734</b>	<b>30.657.374</b>	<b>76.979</b>	<b>3.512.540</b>	<b>7.198.287</b>	<b>82.521.962</b>	

(\*) Collateralized with the Real Estate Mortgage

(\*\*) Except that Collateralized with the Real Estate Mortgage

(\*\*\*) After Credit Conversion Rate and after credit risk mitigation

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**X. Explanations on Risk Management (continued)**

**c. Credit risk explanation (continued)**

Prior Period - 31.12.2022 Asset classes/ Risk weight(*)	0%	10%	20%	50%(*)	75%	100%	150%	200%	Other (35% - 50%(**))	Total credit risk exposure amount (***)
Exposures to central governments or central banks	20.024.530	-	-	-	-	-	-	-	-	20.024.530
Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	116.945	116.945
Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	720.461	-	-	-	-	-	-	-	-	720.461
Exposures to international organisations	-	-	-	-	-	-	-	-	-	-
Exposures to institutions	-	-	8.829.871	-	-	104.518	6.259	-	4.775.998	13.716.646
Exposures to corporates	-	-	-	-	-	27.316.980	-	2.141.904	-	29.458.884
Retail exposures	-	-	-	-	300.295	1.240	4.388	-	-	305.923
Exposures secured by residential property	-	-	-	-	-	-	-	-	14.092	14.092
Exposures secured by commercial real estate	-	-	-	2.948.957	-	1.976.459	-	30.837	-	4.956.253
Past-due loans	-	-	-	-	-	102.383	195.480	-	68.999	366.862
Higher-risk categories by the Agency Board	-	-	-	-	-	7	332	-	8	347
Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-
Other assets	964.773	-	-	-	-	1.960.052	-	-	-	2.924.825
<b>Total</b>	<b>21.709.764</b>	-	<b>8.829.871</b>	<b>2.948.957</b>	<b>300.295</b>	<b>31.461.639</b>	<b>206.459</b>	<b>2.172.741</b>	<b>4.976.042</b>	<b>72.605.768</b>

(\*) Collateralized with the Real Estate Mortgage

(\*\*) Except that Collateralized with the Real Estate Mortgage

(\*\*\*) After Credit Conversion Rate and after credit risk mitigation

**d. Counterparty Credit risk (CCR) explanations:**

**1. Qualitative disclosure related to counterparty credit risk:**

Counterparty credit risk (CCR) states default risk of counterparty, which is a party to a transaction imposing an obligation to both parties, going into default before the final payment included in cash flow of the transaction in question. The Bank monitors Counterparty Credit Risk in the framework of Counterparty Credit Risk and Exchange Risk Management Policy which is approved by Board of Directors. Counterparty Credit Risk and Exchange Risk Management Policy includes rules, limits and actions in case of non-compliance related to transactions in counterparty credit risk and exchange risk.

The Bank internally applies different action rules for each of the action groups determined for measurement of counterparty credit risk. Action groups are divided into Individual Business Line, Non-Individual Business Line (except for Stock Exchange and Banks) and Banks and Stock Exchanges.

Potential and current risk exposures of transactions are calculated/determined in order to determine CCR. Internal netting application is taken into account while calculating risk exposures.

Daily collateral management is performed in accordance with provisions of agreements related to transactions of counterparty credit risk and exchange risk with stock exchanges and banks having ISDA-CSA agreement.

Internal limits related to counterparty credit risk and exchange risk are evaluated by Credits Department with respect to requests from related departments and submitted to the approval of Director of Credits Department, General Manager, Credit Committee or Board of Directors according to magnitude of exposures.

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**X. Explanations on Risk Management (continued)**

d. Counterparty Credit risk (CCR) explanations (continued)

The Bank legally calculates counterparty credit risk and exchange risk in accordance with the rules and explanations mentioned in "Regulation on Measurement and Evaluation of Bank's Capital Adequacy". Counterparty credit risk and exchange risk, calculated legally, is subject to limit of capital adequacy ratio.

2. Analysis of counterparty credit risk (CCR) exposure by approach

<b>Current Year – 31.12.2023</b>	<b>Revaluation Cost</b>	<b>Potential credit risk exposure</b>	<b>EBPRT(*)</b>	<b>Alpha</b>	<b>Exposure after credit risk mitigation</b>	<b>Risk Weighted Amounts</b>
1 Standart Approach-CCR	95.585	203.361	-	1,40	298.946	166.955
2 Internal Model Approach	-	-	-	-	-	-
3 Simplified Standardised Approach for Credit Risk Mitigation	-	-	-	-	-	-
4 Comprehensive Method for Credit Risk Mitigation	-	-	-	-	374.041	78.148
Value at Risk for Repo Transactions,						
5 Securities or Commodity lending or borrowing transactions	-	-	-	-	374.041	78.148
<b>6 Total</b>	-	-	-	-	-	<b>245.103</b>

(\*) Effective expected positive risk amount

<b>Prior Year – 31.12.2022</b>	<b>Revaluation Cost</b>	<b>Potential credit risk exposure</b>	<b>EBPRT(*)</b>	<b>Alpha</b>	<b>Exposure after credit risk mitigation</b>	<b>Risk Weighted Amounts</b>
1 Standart Approach-CCR	163.653	251.112	-	1,40	414.765	289.158
2 Internal Model Approach	-	-	-	-	-	-
3 Simplified Standardised Approach for Credit Risk Mitigation	-	-	-	-	-	-
4 Comprehensive Method for Credit Risk Mitigation	-	-	-	-	76.301	23.494
Value at Risk for Repo Transactions,						
5 Securities or Commodity lending or borrowing transactions	-	-	-	-	76.301	23.494
<b>6 Total</b>	-	-	-	-	-	<b>312.652</b>

(\*) Effective expected positive risk amount

3. Credit valuation adjustment (CVA) capital charge

<b>Current Year – 31.12.2023</b>	<b>Exposure (After credit risk mitigation methods)</b>	<b>Risk Weighted Amounts</b>
Total portfolio value with comprehensive approach CVA capital adequacy		
1 (i) Value at risk component (3*multiplier included)	-	-
2 (ii) Stressed Value at Risk (3*multiplier included)	-	-
3 Total portfolio value with simplified approach CVA capital adequacy	415.968	18.451
4 Total amount of CVA capital adequacy	415.968	18.451

<b>Prior Year – 31.12.2022</b>	<b>Exposure (After credit risk mitigation methods)</b>	<b>Risk Weighted Amounts</b>
Total portfolio value with comprehensive approach CVA capital adequacy		
1 (i) Value at risk component (3*multiplier included)	-	-
2 (ii) Stressed Value at Risk (3*multiplier included)	-	-
3 Total portfolio value with simplified approach CVA capital adequacy	572.404	60.401
4 Total amount of CVA capital adequacy	572.404	60.401

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**X. Explanations on Risk Management (continued)**

d. Counterparty Credit risk (CCR) explanations (continued)

4. Standard approach – CCR exposures by regulatory portfolio and risk weights

<b>Current Period Risk Weights</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>Other</b>	<b>Total Credit Risk(*)</b>
Risk Classes									
Central governments and central banks receivables	87.926	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	552.914	33.189	-	-	-	-	127.177
Corporate receivables	-	-	-	-	-	116.091	-	-	116.091
Retail receivables	-	-	-	-	2.447	-	-	-	1.835
Other assets(**)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>87.926</b>	<b>-</b>	<b>552.914</b>	<b>33.189</b>	<b>2.447</b>	<b>116.091</b>	<b>-</b>	<b>-</b>	<b>245.103</b>

(\*) Total credit risk; After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.

(\*\*) Other assets: "Central to the counterparty risk" table includes amounts that are not included in the reported counterparty credit risk.

<b>Prior Period Risk Weights</b>	<b>0%</b>	<b>10%</b>	<b>20%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>Other</b>	<b>Total Credit Risk(*)</b>
Risk Classes									
Central governments and central banks receivables	199.681	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	54.166	200.870	-	-	-	-	111.268
Corporate receivables	-	-	-	-	-	179.989	6.259	-	189.378
Retail receivables	-	-	-	-	16.008	-	-	-	12.006
Other assets(**)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>199.681</b>	<b>-</b>	<b>54.166</b>	<b>200.870</b>	<b>16.008</b>	<b>179.989</b>	<b>6.259</b>	<b>-</b>	<b>312.652</b>

(\*) Total credit risk; After applying counterparty credit risk measurement techniques that are related to the amount of capital adequacy calculation.

(\*\*) Other assets: "Central to the counterparty risk" table includes amounts that are not included in the reported counterparty credit risk.

5. Composition of collateral for CCR exposure: Due to absence of derivative collateral considered in the calculation of capital adequacy, related table was not given.

6. Credit derivatives exposures: None.

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**X. Explanations on Risk Management (continued)**

d. Counterparty Credit risk (CCR) explanations (continued)

7. Risk exposure to CCP:

		<b>Post CRM risk exposure</b>	<b>RWA</b>
1	Exposure to Qualified Central Counterparties (QCCPs) (total)		26.418
2	Exposures for trades at WCCPs (excluding initial margin and default fund contributions); of which	-	-
3	(i) OTC Derivatives	-	-
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Repo-reverse repo transactions, credit securities transactions and securities or commodities lending or	1.320.900	26.418
6	(iv) Netting sets where cross-product has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Paid guarantee fund amount	-	-
10	Unpaid guarantee fund commitment	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC Derivatives	-	-
14	(ii) Exchange-traded Derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross-product has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

e. Explanations Related to Securitization Positions: None.

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**X. Explanations on Risk Management (continued)**

**f. Explanations on Market Risk**

Market risk is the possibility of depreciation of on- and off-balance sheet positions due to fluctuations in market risk factors. Fluctuations in market risk factors; it refers to changes in interest rates, exchange rates, stock prices, commodity prices and volatility. Currency risk and interest rate risks are considered as the two most important components of market risk, and when deemed necessary, derivative financial transactions are carried out in order to protect against financial risks.

The Bank manages the market risk in line with the Market Risk Management Policy, which includes the rules, limits and actions to be taken in case of non-compliance regarding the management of the trading portfolio. Which products of the Bank will be included in the trading portfolio are determined by the Board of Directors-approved Trading Portfolio Strategy. Risk principles, policies and risk limits regarding the management of market risk are approved by the Board of Directors, reviewed regularly, and implemented by the Bank's senior management and related units.

The Bank monitors the regulatory and internal limits determined within the scope of measuring the market risk of the Trading portfolio and approved by the Board of Directors. Under the internal limits, there are foreign currency position, interest rate and volatility limits in various breakdowns, and compliance with risks and limits is monitored and reported daily by the Risk Management Unit.

The regulatory capital requirement arising from the Market Risk is calculated and reported using the standard method in line with the principles of the Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks on the Calculation of the Exposure Subject to Market Risk.

The responsibilities of the Board of Directors, General Manager, Asset-Liability Committee (ALCO), Treasury Markets Unit, Finance, Financial Control and Strategy Unit and Risk Management Unit regarding the management of Market Risk have been determined and detailed in the Market Risk Management Policy.

For the measurement and reporting of Market Risk, the Treasury Front Office system and a Market Risk software are used.

**Standardised approach**

	<b>31 December 2023</b>	<b>31 December 2022</b>
	<b>RWA</b>	<b>RWA</b>
<b>Outright products</b>		
1 Interest rate risk (general and specific)	369.573	498.294
2 Equity risk (general and specific)	-	50.450
3 Foreign exchange risk	602.625	1.058.765
4 Commodity risk	1.110.677	494.929
<b>Options</b>		
5 Simplified approach	-	-
6 Delta-plus method	110.425	526.600
7 Scenario approach	-	-
8 Securitisation	-	-
<b>9 Total</b>	<b>2.193.300</b>	<b>2.629.038</b>

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**X. Explanations on Risk Management (continued)**

**g. Explanations on Operational Risk**

**Basic indicator approach:**

The annual gross income is composed of net interest income and net non-interest income after deducting realised gains/losses from the sale of securities classified as financial assets at fair value through other comprehensive income (previously, available for sale) and financial assets measured at amortized cost (previously, held-to-maturity), extraordinary income and income derived from insurance claims at year-end.

The value at operational risk is calculated according to the basic indicator approach of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette No. 28337 dated June 28, 2012.

	2 PY Amount	1 PY Amount	CY Amount	Total / Total number of years for which gross income is positive	Rate (%)	Total
Gross income	1.203.049	1.300.940	3.176.816	1.893.602	15	284.040
The amount subject to operational risk (Total*12,5)						<b>3.550.500</b>

**XI. Explanations on Hedge Accounting**

The Bank, utilize derivative instruments effectively in the process of asset and liability management. In this context, the Bank applies TAS 39 standard for hedge accounting.

As of December 31, 2023, The Bank applies cash flow hedge accounting using interest swap transactions to hedge its TL customer deposits partially amounting to TL 300.000 with short term cyclical basis (31 December 2022: 875.000).

Within the scope of hedge accounting, "Part of derivative financial assets at fair value through other comprehensive income" TL 43.214 (31 December 2022: TL 23.651), "Part of derivative financial liabilities at fair value through other comprehensive income" TL 2.982 (31 December 2022: TL 33.994) in the balance sheet accounts, as the effective part of the fair value change, in the "Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss" under shareholders' equity, after tax of TL 11.792 (31 December 2022: TL 56.884), the ineffective part is derivatives in the income statement. are recognized in the profit/loss item from financial transactions.

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**XII. Explanations on Segment Reporting**

Organized to operate in all operational aspects of banking under the scope of 4th Article of the Banking Law, the Bank is providing diversified financial solutions focused on capital financing, foreign trade, project finance, non-cash products, cash management and internet banking services to commercial customers. Retail Banking, formed under three major divisions, namely, Retail Loans, Bank and Credit Cards and Wealth Management, serves to the financial needs of customers through branches, internet and mobile channels. Treasury and Capital Markets department is managing TL and FCY liquidity in healthy and sustainable manner, performing profit oriented trading activities in the market within the limits given by the Board. In addition, Treasury sales unit delivers pricing services of government bills and bonds, Eurobonds and derivatives to the Bank customers.

<b>Current Period (1 January-31 December 2023)</b>	<b>Commercial Banking</b>	<b>Retail Banking</b>	<b>Other and Unallocated</b>	<b>Bank's Total</b>
<b>Operating Income</b>	<b>3.992.373</b>	<b>924.598</b>	<b>1.128.685</b>	<b>6.045.656</b>
<b>Profit Before Tax</b>	<b>1.858.162</b>	<b>(61.746)</b>	<b>(47.498)</b>	<b>1.748.918</b>
<b>Tax Provision</b>	-	-	<b>(38.745)</b>	<b>(38.745)</b>
<b>Net Profit</b>	<b>1.858.162</b>	<b>(61.746)</b>	<b>(86.243)</b>	<b>1.710.173</b>
<b>Total Asset</b>	<b>35.477.017</b>	<b>330.640</b>	<b>47.902.483</b>	<b>83.710.140</b>
Segment Assets	35.477.017	330.640	47.902.483	83.710.140
<b>Total Liability</b>	<b>18.115.262</b>	<b>39.002.138</b>	<b>26.592.740</b>	<b>83.710.140</b>
Segment Liability	18.115.262	39.002.138	20.482.188	77.599.588
Equity	-	-	6.110.552	6.110.552

<b>Prior Period (1 January-31 December 2022)</b>	<b>Commercial Banking</b>	<b>Retail Banking</b>	<b>Other and Unallocated</b>	<b>Bank's Total</b>
<b>Operating Income</b>	<b>1.910.909</b>	<b>589.280</b>	<b>1.867.147</b>	<b>4.367.336</b>
<b>Profit Before Tax</b>	<b>355.665</b>	<b>156.201</b>	<b>585.356</b>	<b>1.097.222</b>
<b>Tax Provision</b>	-	-	<b>(244.019)</b>	<b>(244.019)</b>
<b>Net Profit</b>	<b>355.665</b>	<b>156.201</b>	<b>341.337</b>	<b>853.203</b>
<b>Total Asset</b>	<b>31.347.308</b>	<b>328.184</b>	<b>37.321.357</b>	<b>68.996.849</b>
Segment Assets	31.347.308	328.184	37.321.357	68.996.849
<b>Total Liability</b>	<b>12.547.125</b>	<b>36.211.307</b>	<b>20.238.417</b>	<b>68.996.849</b>
Segment Liability	12.547.125	36.211.307	15.197.466	63.955.898
Equity	-	-	5.040.951	5.040.951

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**XIII. Information on international risk ratings**

**FITCH RATINGS (December 2023)**

Long Term FC IDR	B- / (Stable)
Short Term FC IDR	B
Long Term TL IDR	B- / (Stable)
Short Term TL IDR	B
Viability	b-
National Long Term Rating	BBB(tur)
National Long Term Rating Outlook	Stable
Subordinated Notes	CCC

**MOODY'S RATINGS (January 2024)**

Outlook	Positive
Long Term FC Deposit	Caa1
Long Term TL Deposit	Caa1
Short Term FC Deposit	NP
Short Term TL Deposit	NP
Baseline Credit Assessment - BCA	caa1
Adjusted BCA	caa1
National Scale Rating (NSR) Long Term Deposit	Baa1.tr
National Scale Rating (NSR) Short Term	TR-2

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**SECTION FIVE**

**INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. Explanations and Disclosures Related to the Assets**

**1. a) Information on Cash and Balances with the Central Bank of Turkey:**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	80,249	1,140,704	53,167	464,767
Balances with the Central Bank of Turkey	4,849,298	8,061,929	1,096,789	6,447,081
Other	-	-	-	-
<b>Total</b>	<b>4,929,547</b>	<b>9,202,633</b>	<b>1,149,956</b>	<b>6,911,848</b>

**b) Information related to the account of the Central Bank of Turkey:**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Unrestricted Demand Deposit	4,038,938	2,605,546	796,789	1,902,162
Unrestricted Time Deposit	-	-	300,000	-
Restricted Time Deposit	810,360	5,456,383	-	4,544,919
<b>Total</b>	<b>4,849,298</b>	<b>8,061,929</b>	<b>1,096,789</b>	<b>6,447,081</b>

**c) Explanations related to reserve deposits:**

In accordance with the "Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and gold. According to the Communiqué on Required Reserves published in the Official Gazette dated July 1, 2021 and numbered 31528, the facility for maintain Turkish lira reserve requirements in foreign currency was terminated as of October 1, 2021. According to the Communiqué on Required Reserves published in the Official Gazette dated 31 December 2022 and numbered 32060, the facility for maintain Turkish lira reserve requirements in standard gold and scrap gold has been abolished as of June 23, 2023.

The required reserve rates for TL liabilities vary between 0% and 8% for TL deposits and other liabilities according to their maturities as of 31 December 2023 (31 December 2022: 3% and 8% for all TL liabilities) and between 10% and 30% for accounts provided with exchange rate/price protection support by the Central Bank (December 31, 2022: None). In foreign currency, it is between 5% and 30% depending on the maturity structure (31 December 2022: between 5% and 26%) as of 31 December 2023.

In accordance with the CBT instruction dated 31 August 2022 and numbered 1579, the commission practice according to the share of Turkish Lira deposits in total deposits has been changed effective from 29 September 2023. Accordingly, different commission rates based on share of Turkish Lira deposits in total deposits, transition and renewal is applied.

As of 27 October 2023, an additional reserve requirement ratio of 4 percent has to be maintained in Turkish lira at all maturities for deposits denominated in foreign currency (foreign bank deposits and precious metal accounts). Additional reserve requirement rates have been excluded from the reserve requirement commission application by the decision of the CBRT.

Within the scope of the "Communiqué on the Establishment of Securities in Turkish Lira for Foreign Currency Liabilities" numbered 2022/20; foreign currency liabilities, by the transition from foreign currency protected deposits to TL, the assets (credit growth, differentiation according to interest rate) are subject to purchase securities. As of 29 December 2023, with the transition from foreign currency protected deposits to TL, purchasing security through differentiation according to the interest rate on assets has ended.

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**I. Explanations and Disclosures Related to the Assets (continued)**

**2. Information on financial assets at fair value through profit and loss (net):**

- a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked: None (31 December 2022: None).
- a.2) Financial assets at fair value through profit and loss subject to repurchase agreements: None (31 December 2022: None).

b) Positive differences related to derivative financial assets held-for-trading:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Forward Transactions	9.243	68.282	11.084	72.798
Swap Transactions	198.839	173.439	464.764	522.180
Futures Transactions	-	-	-	-
Options	7.272	37.951	131.254	17.186
Other	-	-	-	-
<b>Total</b>	<b>215.354</b>	<b>279.672</b>	<b>607.102</b>	<b>612.164</b>

**3. Information on banks:**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Banks				
Domestic	156	437.163	1.126.014	88.046
Foreign	-	5.351.041	-	3.225.982
Branches and head office abroad	-	-	-	-
<b>Total</b>	<b>156</b>	<b>5.788.204</b>	<b>1.126.014</b>	<b>3.314.028</b>

**Information on foreign bank accounts:**

	Unrestricted Amount		Restricted Amount	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
European Union Countries	910.326	485.583	-	9.573
USA and Canada	4.170.821	1.880.801	-	-
OECD Countries	69.584	234.345	198.157	169.650
Other	2.153	1.285	-	444.745
<b>Total</b>	<b>5.152.884</b>	<b>2.602.014</b>	<b>198.157</b>	<b>623.968</b>

**4. Information on financial assets at fair value through other comprehensive income:**

a.1) Information on financial assets given as collateral or blocked:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar securities	1.097.976	5.356.208	2.276.735	3.641.365
Other	-	-	-	-
<b>Total</b>	<b>1.097.976</b>	<b>5.356.208</b>	<b>2.276.735</b>	<b>3.641.365</b>

a.2) Information on financial assets subject to repurchase agreements:

As of 31 December 2023, financial assets at fair value through other comprehensive income subject to repurchase agreements: TL 3.277.507 (31 December 2022: TL 2.871.230).

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**I. Explanations and Disclosures Related to the Assets (continued)**

**4. Information on financial assets at fair value through other comprehensive income: (continued)**

b) Information on financial assets at fair value through other comprehensive income portfolio:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Debt securities	10.543.290	11.198.464
Quoted on a stock exchange	10.543.290	11.198.464
Not quoted	-	-
Share certificates	17.221	13.621
Quoted on a stock exchange	-	-
Not quoted	17.221	13.621
Value Increase/Impairment Losses (-)	155.935	264.851
<b>Total</b>	<b>10.404.576</b>	<b>10.947.234</b>

**5. Information on loans:**

a) Information on all types of loans or advances given to shareholders and employees of the Bank:

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	-	23.583	-	14.960
Loans granted to employees	16.217	-	6.238	-
<b>Total</b>	<b>16.217</b>	<b>23.583</b>	<b>6.238</b>	<b>14.960</b>

b) Information on the first and second group loans including restructured or rescheduled loans:

**31 December 2023**

<b>Cash Loans</b>	<b>Standard loans</b>	<b>Loans under close monitoring (*)</b>		
		<b>Loans under restructuring</b>		
		<b>Not under the scope of restructuring</b>	<b>Modifications on agreement conditions</b>	<b>Refinancing</b>
Non-specialized loans	26.862.730	1.249.784	-	7.758.034
Loans given to enterprises	499.692	-	-	5.761.591
Export loans	8.212.379	474.945	-	-
Import loans	-	-	-	-
Loans given to financial sector	2.868.749	-	-	-
Consumer loans	85.137	4.801	-	3.047
Credit cards	178.287	2.014	-	318
Other	15.018.486	768.024	-	1.993.078
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>26.862.730</b>	<b>1.249.784</b>	<b>-</b>	<b>7.758.034</b>

(\*) In accordance with TFRS 9 and the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside the loans subject to significant increase in the credit risk of the borrower are included in the above table amounting to TL 538.707.

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

**31 December 2022**

	Loans under close monitoring (*)			
	Standard loans	Not under the scope of restructuring	Loans under restructuring	
			Modifications on agreement conditions	Refinancing
<b>Cash Loans</b>				
Non-specialized loans	23.736.371	230.485	-	7.082.440
Loans given to enterprises	976.188	-	-	6.692.455
Export loans	6.304.183	17.058	-	-
Import loans	-	-	-	-
Loans given to financial sector	2.405.733	-	-	-
Consumer loans	110.167	9.636	-	7.053
Credit cards	125.764	1.307	-	688
Other	13.814.336	202.484	-	382.244
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>23.736.371</b>	<b>230.485</b>	<b>-</b>	<b>7.082.440</b>

(\*) In accordance with TFRS 9 and the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside the loans subject to significant increase in the credit risk of the borrower are included in the above table amounting to TL 12.403.

First and Second Stage Expected Loss Provisions (*)	31 December 2023		31 December 2022
	Standard Loans	Loans Under Close Monitoring	Loans Under Close Monitoring
12-Month provisions for possible losses	414.312	-	159.316
Significant increase in credit risk	-	1.540.632	-
<b>Total</b>	<b>414.312</b>	<b>1.540.632</b>	<b>159.316</b>
			<b>1.162.265</b>

(\*) The expected loss provision amounting to TL 70.389 related to other financial assets measured at amortized cost is not included.

**b.1) Information on Maturity analysis of cash loans**

	31 December 2023		
	Standard Loans	Not under the scope of restructuring	Loans under restructuring
Cash Loans			
Short-term Loans	11.786.846	491.645	1.974.047
Medium and Long Term Loans	15.075.884	758.139	5.783.987
<b>Total</b>	<b>26.862.730</b>	<b>1.249.784</b>	<b>7.758.034</b>

**c) Information on loan types and provisions: (\*)**

31 December 2023	Commercial	Retail	Total
Standard Loans	26.649.642	213.088	26.862.730
Watchlist	8.459.292	9.819	8.469.111
Significant Increase in Credit Risk	538.707	-	538.707
Non-performing Loans	1.518.078	55.259	1.573.337
Specific Provision (-)	(959.783)	(35.443)	(995.226)
<b>Total</b>	<b>36.205.936</b>	<b>242.723</b>	<b>36.448.659</b>

(\*) According to the internal segmentation of the bank.

31 December 2022	Commercial	Retail	Total
Standard Loans	23.513.763	222.608	23.736.371
Watchlist	7.281.665	18.857	7.300.522
Significant Increase in Credit Risk	12.403	-	12.403
Non-performing Loans	1.430.444	61.029	1.491.473
Specific Provision (-)	(703.879)	(39.330)	(743.209)
<b>Total</b>	<b>31.534.396</b>	<b>263.164</b>	<b>31.797.560</b>

(\*) According to the internal segmentation of the bank.

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

d) Information on consumer loans and credit cards given to customers and bank's personnel:

<b>31 December 2023</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Consumer Loans – TL</b>	<b>11.654</b>	<b>60.460</b>	<b>72.114</b>
Housing Loans	-	49.413	49.413
Car Loans	-	-	-
General Purpose Loans	11.654	11.047	22.701
Other	-	-	-
<b>Consumer Loans - Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards - TL</b>	<b>129.024</b>	<b>234</b>	<b>129.258</b>
With Installments	14.777	234	15.011
Without Installments	114.247	-	114.247
<b>Individual Credit Cards-FC</b>	<b>598</b>	<b>-</b>	<b>598</b>
With Installments	-	-	-
Without Installments	598	-	598
<b>Personnel Loans - TL</b>	<b>2.978</b>	<b>7.796</b>	<b>10.774</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	2.978	7.796	10.774
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards - TL</b>	<b>5.412</b>	<b>26</b>	<b>5.438</b>
With Installments	995	26	1.021
Without Installments	4.417	-	4.417
<b>Personnel Credit Cards - FC</b>	<b>5</b>	<b>-</b>	<b>5</b>
With Installments	-	-	-
Without Installments	5	-	5
<b>Overdraft Accounts – TL (Real Persons)</b>	<b>10.097</b>	<b>-</b>	<b>10.097</b>
<b>Overdraft Accounts – FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>159.768</b>	<b>68.516</b>	<b>228.284</b>

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

d) Information on consumer loans and credit cards given to customers and bank's personnel: (continued)

<b>31 December 2022</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Consumer Loans – TL</b>	<b>4.379</b>	<b>110.470</b>	<b>114.849</b>
Housing Loans	-	88.573	88.573
Car Loans	-	16	16
General Purpose Loans	4.379	21.881	26.260
Other	-	-	-
<b>Consumer Loans - Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Consumer Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards - TL</b>	<b>108.078</b>	<b>548</b>	<b>108.626</b>
With Installments	15.118	548	15.666
Without Installments	92.960	-	92.960
<b>Individual Credit Cards-FC</b>	<b>601</b>	<b>-</b>	<b>601</b>
With Installments	-	-	-
Without Installments	601	-	601
<b>Personnel Loans - TL</b>	<b>310</b>	<b>2.734</b>	<b>3.044</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	310	2.734	3.044
Other	-	-	-
<b>Personnel Loans- Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Loans - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards - TL</b>	<b>3.192</b>	<b>2</b>	<b>3.194</b>
With Installments	538	2	540
Without Installments	2.654	-	2.654
<b>Personnel Credit Cards - FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With Installments	-	-	-
Without Installments	-	-	-
<b>Overdraft Accounts – TL (Real Persons)</b>	<b>7.540</b>	<b>-</b>	<b>7.540</b>
<b>Overdraft Accounts – FC (Real Persons)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>124.100</b>	<b>113.754</b>	<b>237.854</b>

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

- e) Information on commercial loans with installments and corporate credit cards:

<b>31 December 2023</b>	<b>Short Term</b>	<b>Medium and Long Term</b>	<b>Total</b>
<b>Commercial loans with installment facility-TL</b>	<b>1.313.345</b>	<b>4.374.654</b>	<b>5.687.999</b>
Business Loans	-	269	269
Car Loans	-	29.355	29.355
General Purpose Loans	1.313.345	4.345.027	5.658.372
Other	-	3	3
<b>Commercial loans with installment facility-Indexed to FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
<b>Commercial loans with installment facility -FC</b>	<b>730.282</b>	<b>11.904.259</b>	<b>12.634.541</b>
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	730.282	11.904.259	12.634.541
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>45.293</b>	<b>-</b>	<b>45.293</b>
With Installments	189	-	189
Without Installments	45.104	-	45.104
<b>Corporate Credit Cards-FC</b>	<b>27</b>	<b>-</b>	<b>27</b>
With Installments	-	-	-
Without Installments	27	-	27
<b>Overdraft Accounts-TL (Legal Entities)</b>	<b>19.739</b>	<b>-</b>	<b>19.739</b>
<b>Overdraft Accounts-FC (Legal Entities)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2.108.686</b>	<b>16.278.913</b>	<b>18.387.599</b>

- f) Distribution of credits by users:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Public	120.049	113.542
Private	35.750.499	30.935.754
<b>Total</b>	<b>35.870.548</b>	<b>31.049.296</b>

- g) Distribution of domestic and foreign loans:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Domestic loans	35.848.452	30.925.631
Foreign loans	22.096	123.665
<b>Total</b>	<b>35.870.548</b>	<b>31.049.296</b>

- h) Loans granted to subsidiaries and associates: None. (31 December 2022: None)

- i) Expected credit losses provided against loans (Stage 3):

	<b>31 December 2023</b>	<b>31 December 2022</b>
Expected credit losses		
Loans with limited collectability	331.177	47.604
Loans with doubtful collectability	6.003	8.430
Uncollectible loans	658.046	687.175
<b>Total</b>	<b>995.226</b>	<b>743.209</b>

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

j) Information on non-performing loans (Net):

j.1) Information on loans and other receivables which are restructured or rescheduled within non-performing portfolio:

	<b>III. Group</b> Loans and other receivables with limited collectability	<b>IV. Group</b> Loans and other receivables with doubtful collectability	<b>V. Group</b> Uncollectible loans and other receivables
<b>Current Period</b>			
(Gross amounts before provisions)	75	21	108.847
Restructured loans and other receivables	75	21	108.847
<b>Prior Period</b>			
(Gross amounts before provisions)	-	-	143.532
Restructured loans and other receivables	-	-	143.532

j.2) The movement of total non-performing loans:

	<b>III. Group</b> Loans with limited collectability	<b>IV. Group</b> Loans with doubtful collectability	<b>V. Group</b> Uncollectible loans
<b>31 December 2022 balance</b>	<b>94.933</b>	<b>12.198</b>	<b>1.384.342</b>
Additions (+)	401.980	263	34.746
Transfers from other categories of non-performing loans (+)	1.917	2.045	3.346
Transfers to other categories of non-performing loans (-)	2.042	3.346	1.917
Collections (-)	7.931	4.854	341.209
Write-offs (-)	-	-	1.134
Sold	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other (-)	-	-	-
<b>31 December 2023 balance</b>	<b>488.857</b>	<b>6.306</b>	<b>1.078.174</b>
Specific provision (-)	331.177	6.003	658.046
<b>Net Balances on Balance Sheet</b>	<b>157.680</b>	<b>303</b>	<b>420.128</b>

j.3) Information on foreign currency non-performing loans and other receivables:

	<b>III. Group</b> Loans with limited collectability	<b>IV. Group</b> Loans with doubtful collectability	<b>V. Group</b> Uncollectible loans
<b>Current Period</b>			
Period end balance	243.144	-	439.211
Provision (-)	128.379	-	228.850
<b>Net Balances on Balance Sheet</b>	<b>114.765</b>	<b>-</b>	<b>210.361</b>
<b>Prior Period</b>			
Period end balance	-	-	516.687
Provision (-)	-	-	221.601
<b>Net Balances on Balance Sheet</b>	<b>-</b>	<b>-</b>	<b>295.086</b>

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**I. Explanations and Disclosures Related to the Assets (continued)**

**5. Information on loans (continued)**

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
<b>31 December 2023 (Net)</b>	<b>157.680</b>	<b>303</b>	<b>420.128</b>
Loans to Real Persons and Legal Entities (Gross)	488.857	6.306	1.078.174
Specific provision (-)	331.177	6.003	658.046
Loans to Real Persons and Legal Entities (Net)	157.680	303	420.128
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
<b>31 December 2022 (Net)</b>	<b>47.329</b>	<b>3.768</b>	<b>697.167</b>
Loans to Real Persons and Legal Entities (Gross)	94.933	12.198	1.384.342
Specific provision (-)	47.604	8.430	687.175
Loans to Real Persons and Legal Entities (Net)	47.329	3.768	697.167
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

j.5) Information on interest accruals, rediscounts and valuation differences calculated for non-performing loans and their provisions:

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
<b>Current Period (Net)</b>			
Interest Accruals, Rediscounts and Valuation Differences	4.915	3.746	507.420
Special Provision Amount (-)	4.915	3.746	507.420
<b>Prior Period (Net)</b>			
Interest Accruals, Rediscounts and Valuation Differences	542	3.884	579.041
Special Provision Amount (-)	542	3.884	579.041

k) Main principles of liquidation policies of non-performing loans and receivables:

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 29750 dated June 22, 2016; legal action is carried on considering debtor, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 December 2023, the net amount after provisions of the non-performing loans and receivables is TL 420.128 (31 December 2022: TL 697.167).

l) Explanations on write-off policy:

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on November 27, 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as "Uncollectible loans" if it cannot reasonably be expected to be recovered. Loans and receivables considered as non-collectable are written-off pursuant to approval of Board of Directors (BoD) and other related departments. As of 31 December 2023, The Bank has written-off TL 1.134 of non-performing loan portfolio which has 100% provision (31 December 2022: TL 50.634)

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**6. Information on financial assets measured at amortized cost:**

- a) Information on financial assets given as collateral or blocked: As of 31 December 2023, financial assets measured at amortized cost given as collateral is amounting to TL 2.734.423 (31 December 2022: TL 2.228.841).
- b) Investments and legal liabilities subject to repurchase agreements: As of 31 December 2023, financial assets measured at amortized cost subject to repurchase agreements is amounting to TL 4.621.067 (31 December 2022: TL 1.063.566).
- c) The Bank has TL 12.395.230 financial assets measured at amortized cost as of 31 December 2023 (31 December 2022: TL 7.297.719).
- d.1) Government securities measured at amortised cost:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Government Bonds	8.517.894	4.279.563
Treasury Bills	-	-
Other Government Securities	3.877.336	3.018.156
<b>Total</b>	<b>12.395.230</b>	<b>7.297.719</b>

	<b>31 December 2023</b>	<b>31 December 2022</b>
Debt securities		
Quoted on a stock exchange	12.395.230	7.297.719
Not quoted	12.395.230	7.297.719
Value Increase/Impairment Losses (-)	-	-
<b>Total</b>	<b>12.395.230</b>	<b>7.297.719</b>

- d.2) Movement on financial assets measured at amortized cost:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Beginning Balance	7.297.719	1.335.040
Foreign Currency Differences on Monetary Assets (*)	3.266.247	1.501.523
Purchases During Year	7.355.512	6.700.308
Disposals Through Sales and Redemptions	(5.524.248)	(2.239.152)
Impairment Provision (-)	-	-
<b>Total</b>	<b>12.395.230</b>	<b>7.297.719</b>

(\*) Represents exchange differences and accrual interest.

**7. Information on associates (Net):**

The Bank has no associates in the current period (31 December 2022: None).

**8. Information on subsidiaries (Net):**

The Bank has no subsidiaries in the current period (31 December 2022: None).

**9. Information on jointly controlled entities (Net):**

The Bank has no jointly controlled entities in the current period (31 December 2022: None).

**10. Information on lease receivables (Net):**

The Bank has no lease receivables in the current period (31 December 2022: None).

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**I. Explanations and Disclosures Related to the Assets (continued)**

**11. Information on derivative financial assets for hedging purposes:**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	43.214	-	23.651	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>43.214</b>	-	<b>23.651</b>	-

**12. Information on tangible assets (Net):**

	Closing Balance December 31, 2022				Change in estimate	Ending Balance December 31, 2023
	Additions	Disposals	Other			
Cost:						
Land and buildings	9.174	-	-	-	-	9.174
Leased tangible assets	272.616	188.154	104.675	-	-	356.095
Vehicles	-	-	-	-	-	-
Other	373.653	88.818	13.807	-	-	448.664
<b>Total Cost</b>	<b>655.443</b>	<b>276.972</b>	<b>118.482</b>	-	-	<b>813.933</b>
Accumulated Depreciation:						
Land and buildings	1.864	183	-	-	-	2.047
Leased tangible assets	103.783	99.121	59.587	-	-	143.317
Vehicles	-	-	-	-	-	-
Other	247.647	55.498	9.324	-	-	293.821
<b>Total Accumulated Depreciation</b>	<b>353.294</b>	<b>154.802</b>	<b>68.911</b>	-	-	<b>439.185</b>
<b>Net Book Value</b>	<b>302.149</b>	<b>122.170</b>	<b>49.571</b>	-	-	<b>374.748</b>

- a) Disclosure for impairment losses or releases individually material for financial statements:
  - a.1) Conditions for allocating/releasing any impairment: None. (31 December 2022: None)
  - a.2) Amount of impairment losses provided or released in financial statements during current period: None (31 December 2022: None).
- b) Disclosure on conditions and amounts of allocating / releasing any impairment as per asset class, which are not individually but on an aggregated basis material to financial statements: None (31 December 2022: None).
- c) Restriction on tangible assets, capitalized expenditures and purchase commitments: None (31 December 2022: None).

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**I. Explanations and Disclosures Related to the Assets (continued)**

**13. Information on intangible assets:**

	Closing Balance December 31, 2022	Additions	Disposals	Other	Change in estimate	Ending Balance December 31, 2023
Cost:						
Software cost	377.941	397.222	-	-	-	775.163
Other intangible assets	-	-	-	-	-	-
<b>Total Cost</b>	<b>377.941</b>	<b>397.222</b>	-	-	-	<b>775.163</b>
Accumulated Depreciation:						
Software cost	134.770	101.673	-	-	-	236.443
Other intangible assets	-	-	-	-	-	-
<b>Total Accumulated Depreciation</b>	<b>134.770</b>	<b>101.673</b>	-	-	-	<b>236.443</b>
<b>Net Book Value</b>	<b>243.171</b>	<b>295.549</b>	-	-	-	<b>538.720</b>

**14. Investment Property (Net):**

None (31 December 2022: None).

**15. Explanations on deferred tax assets:**

- a) As of 31 December 2023, the Bank has deferred tax asset amounting to TL 861.963 arising from deductible temporary differences (31 December 2022: TL 593.629).

Timing differences constituting the basis for deferred tax	Basis	Deferred tax asset/(liability)	Basis	Prior Period
Difference between net book value and tax value of financial assets	39.706	7.941	72.752	15.868
Provisions	3.166.084	949.825	3.131.195	782.799
Valuation differences	2.322.996	696.899	1.778.776	444.694
Deferred commissions	102.812	30.844	69.306	17.326
<b>Deferred Tax Asset</b>	<b>5.631.598</b>	<b>1.685.509</b>	<b>5.052.029</b>	<b>1.260.687</b>
Valuation differences	2.638.129	791.439	2.566.846	641.710
Provisions	71.580	21.474	72.950	18.237
Other	27.178	10.633	28.453	7.111
<b>Deferred Tax Liability (-)</b>	<b>2.736.887</b>	<b>823.546</b>	<b>2.668.249</b>	<b>667.058</b>
<b>Total deferred tax assets, net</b>		<b>861.963</b>		<b>593.629</b>

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**I. Explanations and Disclosures Related to the Assets (continued)**

**15. Explanations on deferred tax assets:**

- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None (31 December 2022: None).

<b>Net deferred tax asset / (debt)</b>	<b>Current Period (1 January-31 December 2023)</b>	<b>Prior Period (1 January-31 December 2022)</b>
<b>As of January 1</b>	<b>593.629</b>	<b>256.329</b>
Deferred tax income/(expense) in profit or loss table	47.033	541.090
Deferred tax income / (expense) under equity	221.301	(203.790)
<b>Ending balance</b>	<b>861.963</b>	<b>593.629</b>

- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None (31 December 2022: None).

**16. Information on assets held for sale and discontinued operations:**

As of 31 December 2023, the Bank has assets held for sale and discontinued operations amounting to TL 826.297 (31 December 2022: TL 805.513).

The Bank, in some portion of the foreclosed assets, provides repurchase right to the debtor.

As of 31 December 2023, the right of repurchase value of assets of the Bank is TL 61.537 (31 December 2022: TL 97.524).

**17. Information on other assets**

- a) Other assets do not exceed 10% of the balance sheet total (excluding off balance sheet commitments).
- b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None (31 December 2022: None).

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**II. Explanations and Disclosures Related to the Liabilities**

**1. Information on maturity structure of deposits:**

**a) 31 December 2023**

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	992.239	-	1.605.086	8.214.746	8.010.652	1.466.550	264.652	-	20.553.925
Foreign currency deposits	7.586.118	-	3.522.719	10.387.951	653.287	144.401	30.173	-	22.324.649
Residents in Turkey	7.243.570	-	3.448.775	10.317.903	643.212	144.401	19.595	-	21.817.456
Residents abroad	342.548	-	73.944	70.048	10.075	-	10.578	-	507.193
Public sector deposits	24.421	-	-	-	-	-	-	-	24.421
Commercial deposits	2.701.502	-	974.190	1.237.842	2.760.302	1.473.562	176.075	-	9.323.473
Other institutions deposits	12.534	-	9.012	8.133	79.058	-	-	-	108.737
Precious metals deposits	5.712.781	-	-	179.742	2.344	-	-	-	5.894.867
Interbank deposits	2.173	-	-	-	-	-	-	-	2.173
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	1	-	-	-	-	-	-	-	1
Foreign Banks	2.172	-	-	-	-	-	-	-	2.172
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>17.031.768</b>	<b>-</b>	<b>6.111.007</b>	<b>20.028.414</b>	<b>11.505.643</b>	<b>3.084.513</b>	<b>470.900</b>	<b>-</b>	<b>58.232.245</b>

Currency-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against exchange rate changes in foreign currency, has started to be offered to bank customers. As of 31 December 2023, the total amount of deposits includes TL 9.462.207 (31 December 2022: TL 19.488.010) deposits within this scope.

**31 December 2022**

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year And over	Accumulating Deposits	Total
Saving deposits	304.293	-	1.789.231	5.039.345	15.406.785	224.947	395.038	-	23.159.639
Foreign currency deposits	3.705.737	-	3.972.765	6.003.203	889.186	139.624	55.565	-	14.766.080
Residents in Turkey	3.469.244	-	3.934.676	5.678.050	809.573	104.588	48.874	-	14.045.005
Residents abroad	236.493	-	38.089	325.153	79.613	35.036	6.691	-	721.075
Public sector deposits	18.209	-	-	-	-	-	-	-	18.209
Commercial deposits	1.878.658	-	638.080	1.211.028	2.843.492	801.842	355.887	-	7.728.987
Other institutions deposits	1.027	-	3.417	11.044	81.131	-	53	-	96.672
Precious metals deposits	3.426.750	-	-	33.242	2.567	-	-	-	3.462.559
Interbank deposits	6.313	-	-	-	-	-	-	-	6.313
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	6.313	-	-	-	-	-	-	-	6.313
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9.340.987</b>	<b>-</b>	<b>6.403.493</b>	<b>12.297.862</b>	<b>19.223.161</b>	<b>1.166.413</b>	<b>806.543</b>	<b>-</b>	<b>49.238.459</b>

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**1. Information on maturity structure of deposits (continued):**

b.1) Information on saving deposits under the guarantee of saving deposits insurance (\*):

Information on saving deposits and exceeding the limit of insurance saving deposits:

<b>Saving deposits</b>	<b>Under the Guarantee of Insurance</b>		<b>Exceeding the Limit of Insurance</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Saving deposits	8.690.902	3.844.503	11.863.023	19.315.136
Foreign currency saving deposits	3.644.603	2.289.261	16.240.669	12.310.592
Other deposits in the form of saving deposits	-	-	-	-
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
<b>Total</b>	<b>12.335.505</b>	<b>6.133.764</b>	<b>28.103.692</b>	<b>31.625.728</b>

(\*) 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, corporations other than credit institutions and financial institutions, are included within the scope of deposit insurance scheme. In this context, commercial deposits covered by the insurance amounts to TL 396.559 and the said amount is not included in the above footnote.

b.2) Deposit amounts not under the guarantee of saving deposit:

Deposits of real persons not under the guarantee of saving deposit insurance:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chair, members of the Board of Directors and assistant general managers and their close families	24.245	19.570
Deposits obtained through illegal acts defined in the 282 <sup>nd</sup> Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

**2. Information on derivative financial liabilities at fair value through profit or loss:**

Negative differences table related to derivative financial liabilities at fair value through profit or loss:

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward Transactions	1.039	8.194	473	60.951
Swap Transactions	8.079	294.353	200.254	580.296
Futures Transactions	-	-	-	-
Options	8.436	185.353	30.829	20.592
Other	-	-	-	-
<b>Total</b>	<b>17.554</b>	<b>487.900</b>	<b>231.556</b>	<b>661.839</b>

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**3. Information on borrowings:**

a) Information on banks and other financial institutions:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
From Domestic Banks and Institutions	1.060.818	-	-	-
From Foreign Banks, Institutions and Funds	-	930.028	-	1.359.218
<b>Total</b>	<b>1.060.818</b>	<b>930.028</b>	-	<b>1.359.218</b>

b) Maturity analysis of borrowings:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Short-term	1.060.818	72.198	-	692.771
Medium and long-term	-	857.830	-	666.447
<b>Total</b>	<b>1.060.818</b>	<b>930.028</b>	-	<b>1.359.218</b>

**4. Information on funds provided from repurchase agreement transactions:**

Funds Provided Under Repurchase Agreements:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Funds Provided Under Repurchase Agreements		6.247.455		4.000.353
<b>Total</b>		<b>6.247.455</b>		<b>4.000.353</b>

**5. Marketable Securities Issued (Net):**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Bills	-	-	-	-
Bonds	-	-	-	-
<b>Total</b>	-	-	-	-

**6. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:**

None (31 December 2022: None).

**7. Explanations on lease obligations (Net):**

	31 December 2023		31 December 2022	
	Gross	Net	Gross	Net
Less Than 1 Year	54.444	33.613	20.063	14.664
Between 1-4 Years	108.287	80.381	142.236	105.547
More Than 4 Years	105.274	49.284	93.161	42.863
<b>Total</b>	<b>268.005</b>	<b>163.278</b>	<b>255.460</b>	<b>163.074</b>

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**8. Information on derivative financial liabilities at fair value through other comprehensive income:**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	2.982	-	33.994	-
Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>2.982</b>	<b>-</b>	<b>33.994</b>	<b>-</b>

As of 31 December 2023, the Bank has no derivative financial liabilities subject to cash flow hedge accounting (31 December 2022: None).

**9. Information on provisions:**

a) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: None (31 December 2022: None).

b) Information on employee termination benefits and unused vacation accrual:

<b>b.1) Information on employee termination benefits and unused vacation accrual:</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Employee termination benefit provision	106.012	73.353
Unused vacation provision	29.584	15.325
<b>Total of provision for employee benefits</b>	<b>135.596</b>	<b>88.678</b>

The Bank reserved for employee severance indemnities using actuarial method in compliance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits" for all its employees who is retired or whose employment is terminated, called up for military service or died.

b.2) Movements in the employee termination benefit provision during the year:

	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Balance at the beginning of period</b>	<b>73.353</b>	<b>26.355</b>
Service Cost	2.270	6.471
Interest expense	18.832	7.924
Actuarial gain/loss	28.124	41.060
Payments during the period (*)	(16.567)	(8.457)
<b>Balance at the end of period</b>	<b>106.012</b>	<b>73.353</b>

(\*) Recognized in other comprehensive income.

	<b>31 December 2023</b>	<b>31 December 2022</b>
Discount rate in real terms	3,00%	2,00%
Interest rate	23,60%	12,10%
Estimated salary/ Employee termination benefit increase rate	46,57%	49,63%

c) Information on other provisions:

c.1) Provisions for possible losses: TL 335.000 (31 December 2022: TL 650.000).

c.2) The breakdown of the sub accounts if other provisions exceed 10% of the grand total of provisions: Other provisions consist of litigation provision amounting to TL 105.349 (31 December 2022: TL 79.429), provision for credit cards promotion and banking services amounting to TL 131 (31 December 2022: TL 2) and other provisions amounting to TL 236.310 (31 December 2022: TL 141.895).

c.3) Expected loss provisions for non-cash loans: TL 27.367 (31 December 2022: TL 272.145 provision).

c.4) Information on provisions for non-cash loans that are non-funded and non-transformed into cash: TL 2.823 (31 December 2022: TL 8.977 provision).

d) Liabilities on pension rights: None.

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

- d.1) Liabilities for pension funds established in accordance with "Social Security Institution": None (31 December 2022: None).  
d.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None (31 December 2022: None).

**10. Explanations on taxes payable:**

- a) Information on current tax liability:  
a.1) Information on corporate tax: As of 31 December 2023, the provision of corporate income tax: None (31 December 2022: 215.807).  
a.2) Explanations on taxes payable:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Withholding tax on deposits	81.610	42.369
BITT	28.148	18.190
Payroll Tax	23.326	12.810
Value Added Tax Payable	18.738	9.534
Property Tax	2.628	1.682
Foreign Exchange Tax	1.517	1.645
Stamp Tax	964	530
Corporate Taxes Payable	-	215.807
Other	1.097	1.724
<b>Total</b>	<b>158.028</b>	<b>304.291</b>

- a.3) Information on premiums:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Social Security Premiums-Employee	20.212	8.990
Social Security Premiums-Employer	25.089	10.381
Unemployment Insurance-Employer	2.598	1.247
Unemployment Insurance-Employee	1.299	624
Bank Social Aid Pension Fund Premium-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Other	-	-
<b>Total</b>	<b>49.198</b>	<b>21.242</b>

- b) Explanations on deferred tax liabilities, if any: None.

**11. Information on liabilities regarding assets held for sale and discounted operations:** None (31 December 2022: None).

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**12. Information on subordinated loans:**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Debt instruments to be included in core capital calculation	-	-	-	-
Subordinated loans				
Subordinated debt	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	8.412.601	-	5.336.904
Subordinated loans				
Subordinated debt	-	8.412.601	-	5.336.904
<b>Total</b>	<b>-</b>	<b>8.412.601</b>	<b>-</b>	<b>5.336.904</b>

(\*) The Bank, on August 1, 2017 issued the Basel III compliant, 10 year, USD 300 million bond to foreign domicile investors and with the permission of BRSA dated July 17, 2017, classified it as Tier II sub-loan. The Bank, pursuant to the approval of the BRSA on 26 September 2018, bought back USD 24.535 thousands of Tier II sub-loan as of 31 December 2023, and the relevant amount has been deducted from the capital amount in the equity calculation. The Bank has not redeemed or cancelled the shares in circulation, thus selling back any portion of such amount at any time is completely at the Bank management's discretion. On August 1, 2022, the early pay option of the subordinated bond has not been exercised and the coupon interest for the coming periods has been set at 8,606%.

**13. Information on Shareholders' Equity:**

a) Presentation of Paid-in capital:

As of 31 December 2023, the Bank's paid in capital consists of TL 3.288.842.000 shares which nominal value is TL 1(full TL).

<b>TL</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Common stock (*)	3.288.842	3.288.842
Preferred stock	-	-
<b>Total</b>	<b>3.288.842</b>	<b>3.288.842</b>

(\*) Nominal Capital

- b) The registered capital system is not applied in the bank.
- c) Information on share capital increases from revaluation funds in the current period: None.
- d) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.
- e) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The Bank takes timely action to strengthen its equity in accordance with previous indicators of the Bank's income, profitability and liquidity and taking into consideration and evaluations made within the frame of those indicators and changes in accounting policies.

- f) Information on preferred shares: None.
- g) Information on preferred shares: None.
- h) Information on marketable securities value increase fund:

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TP</b>	<b>YP</b>	<b>TP</b>	<b>YP</b>
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	18.056	(46.682)	849.000	(208.791)
Foreign Exchange Difference	-	-	-	-
<b>Total</b>	<b>18.056</b>	<b>(46.682)</b>	<b>849.000</b>	<b>(208.791)</b>

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**II. Explanations and Disclosures Related to the Liabilities (continued)**

**13. Information on Shareholders' Equity (continued):**

i) Information on legal reserves:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Primary Legal Reserves	89.360	46.700
Secondary Legal Reserve	-	-
Other Legal Reserves Per Special Legislation	-	-
<b>Total</b>	<b>89.360</b>	<b>46.700</b>

At the Ordinary General Assembly meeting dated March 27, 2023, TL 42.660, which is 5% of the Bank's net profit for the year 2022 amounting to TL 853.203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining TL 810.543 has been decided to set aside as Extraordinary Reserves

j) Earnings per share:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Bank's profit	1.710.173	853.203
Weighted Average Number of Issued Ordinary Shares (Thousand)	3.288.842	3.288.842
<b>Earnings Per Share (Full TL)</b>	<b>0,520</b>	<b>0,259</b>

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("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.

k) Main principles of liquidation policies of non-performing loans and receivables:

According to the "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree. As of 31 December 2023, the net amount after provisions of the non-performing loans and receivables in the fifth group (in Stage 3) is TL 420.128 (31 December 2022: TL 697.167).

**14. Information on minority shares:**

None.

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments**

**1. Information on off-balance sheet liabilities:**

a) Nature and amount of irrevocable loan commitments:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Forward asset purchase and sales commitments	886.692	2.581.283
Loan granting commitments	1.345.848	1.021.137
Commitments for checks	104.224	77.145
Credit card limit commitments	589.373	504.112
Other irrevocable commitments (*)	57.266	38.047
<b>Total</b>	<b>2.983.403</b>	<b>4.221.724</b>

(\*) Other irrevocable commitments includes promotion practices commitment regarding credit cards and banking services.

b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial guarantees and other letters of credits:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Letters of guarantee	10.708.680	8.074.687
Letters of credit	2.373.324	2.429.725
Bank acceptance loans	-	-
Other guarantees	6.837.714	4.570.182
<b>Total</b>	<b>19.919.718</b>	<b>15.074.594</b>

b.2) Guarantees, suretyships, and similar transactions:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Definite letter of guarantees	8.104.663	5.561.017
Temporary letter of guarantees	75.857	233.355
Other letter of guarantees	2.528.160	2.280.315
<b>Total</b>	<b>10.708.680</b>	<b>8.074.687</b>

c.1) Total amount of non-cash loans:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Non-cash loans given to cover cash loans	1.927.711	1.810.672
With maturity of 1 year or less than 1 year	1.617.583	1.318.979
With maturity of more than 1 year	310.128	491.693
Other non-cash loans	17.992.007	13.263.922
<b>Total</b>	<b>19.919.718</b>	<b>15.074.594</b>

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments  
(continued)**

**1. Information on off-balance sheet liabilities (continued):**

- c.2) Information on sectoral risk breakdown of non-cash loans and irrevocable loan commitments (excluding forward asset sales and purchase commitments):

	<b>December 31, 2023 (*)</b>			
	<b>TL</b>	<b>(%)</b>	<b>FC</b>	<b>(%)</b>
<b>Agricultural</b>	<b>482.073</b>	<b>2,90</b>	<b>2.064</b>	<b>0,06</b>
Farming and raising livestock	478.990	2,88	-	0,00
Forestry	-	0,00	-	0,00
Fishery	3.083	0,02	2.064	0,06
<b>Manufacturing</b>	<b>7.976.118</b>	<b>48,04</b>	<b>1.602.303</b>	<b>48,33</b>
Mining	54.504	0,33	295	0,01
Production	7.621.359	45,90	1.528.311	46,10
Electric, gas and water	300.255	1,81	73.697	2,22
<b>Construction</b>	<b>966.346</b>	<b>5,82</b>	<b>42.110</b>	<b>1,27</b>
<b>Services</b>	<b>7.149.522</b>	<b>43,06</b>	<b>1.550.107</b>	<b>46,76</b>
Wholesale and retail trade	3.937.780	23,71	668.431	20,16
Hotel, food and beverage services	35.995	0,22	153	0,00
Transportation and telecommunication	816.180	4,92	79.291	2,39
Financial institutions	1.909.580	11,50	682.440	20,59
Real estate and renting services	229.056	1,38	109.082	3,29
Self-employment services	107.624	0,65	-	0,00
Education services	100	0,00	-	0,00
Health and social services	113.207	0,68	10.710	0,32
<b>Other</b>	<b>30.562</b>	<b>0,18</b>	<b>118.513</b>	<b>3,57</b>
<b>Total</b>	<b>16.604.621</b>	<b>100,00</b>	<b>3.315.097</b>	<b>100,00</b>

(\*) Classified according to type of principal activity of costumers.

	<b>December 31, 2022 (*)</b>			
	<b>TL</b>	<b>(%)</b>	<b>FC</b>	<b>(%)</b>
<b>Agricultural</b>	<b>312.628</b>	<b>2,68</b>	<b>1.122</b>	<b>0,03</b>
Farming and raising livestock	305.833	2,62	-	0,00
Forestry	-	0,00	-	0,00
Fishery	6.795	0,06	1.122	0,03
<b>Manufacturing</b>	<b>5.618.678</b>	<b>48,22</b>	<b>1.826.510</b>	<b>53,36</b>
Mining	65.472	0,56	187	0,01
Production	5.185.497	44,50	1.751.782	51,18
Electric, gas and water	367.709	3,16	74.541	2,18
<b>Construction</b>	<b>670.691</b>	<b>5,76</b>	<b>195.184</b>	<b>5,70</b>
<b>Services</b>	<b>4.923.664</b>	<b>42,26</b>	<b>1.368.983</b>	<b>39,99</b>
Wholesale and retail trade	2.387.286	20,49	623.194	18,21
Hotel, food and beverage services	13.270	0,11	94	0,00
Transportation and telecommunication	397.917	3,42	67.155	1,96
Financial institutions	1.718.378	14,75	607.451	17,75
Real estate and renting services	162.770	1,40	64.654	1,89
Self-employment services	128.135	1,10	-	0,00
Education services	100	0,00	-	0,00
Health and social services	115.808	0,99	6.435	0,19
<b>Other</b>	<b>125.927</b>	<b>1,08</b>	<b>31.207</b>	<b>0,91</b>
<b>Total</b>	<b>11.651.588</b>	<b>100,00</b>	<b>3.423.006</b>	<b>100,00</b>

(\*) Classified according to type of principal activity of costumers.

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments (continued)**

**1. Information on off-balance sheet liabilities (continued):**

c.3) Information on I st and II nd group non-cash loans:

<b>31.12.2023</b> <b>Non-cash loans</b>	<b>I st Group</b>		<b>II nd Group</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Letters of guarantee	9.455.681	972.786	249.164	16.046
Bank acceptances	-	-	-	-
Letters of credit	53.023	2.320.301	-	-
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	6.816.750	5.964	15.000	-
<b>Total</b>	<b>16.325.454</b>	<b>3.299.051</b>	<b>264.164</b>	<b>16.046</b>

  

<b>31.12.2022</b> <b>Non-cash loans</b>	<b>I st Group</b>		<b>II nd Group</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Letters of guarantee	6.810.055	804.538	66.787	393.307
Bank acceptances	-	-	-	-
Letters of credit	286.303	2.143.422	-	-
Endorsements	-	-	-	-
Securities issue purchase and guarantees	-	-	-	-
Factoring Commitments	-	-	-	-
Other commitments and contingencies	4.488.443	81.739	-	-
<b>Total</b>	<b>11.584.801</b>	<b>3.029.699</b>	<b>66.787</b>	<b>393.307</b>

**2. Information related to derivative financial instruments:**

	<b>Derivative transactions according to purposes</b>			
	<b>Trading</b>	<b>Hedging</b>	<b>Trading</b>	<b>Hedging</b>
	<b>December 31, 2023</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2022</b>
<b>Types of trading transactions</b>				
Foreign currency related derivative transactions (I):	106.406.457	-	94.626.581	-
Forward transactions	8.569.454	-	6.631.422	-
Swap transactions	57.473.469	-	40.403.206	-
Futures transactions	718.693	-	-	-
Option transactions	39.644.841	-	47.591.953	-
Interest related derivative transactions (II) :	4.281.046	-	50.180.162	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	4.281.046	-	50.180.162	-
Interest option transactions	-	-	-	-
Futures interest transactions	-	-	-	-
Other derivative transactions for trade (III)	-	-	-	-
<b>A. Total trading derivative transactions (I+II+III)</b>	<b>110.687.503</b>	-	<b>144.806.743</b>	-
<b>Types of hedging transactions</b>				
Fair value hedges	-	-	-	-
Cash flow hedges	-	600.000	-	1.750.000
Net investment hedges	-	-	-	-
<b>B. Total hedging related derivatives</b>	-	<b>600.000</b>	-	<b>1.750.000</b>
<b>Total Derivative Transactions (A+B)</b>	<b>110.687.503</b>	<b>600.000</b>	<b>144.806.743</b>	<b>1.750.000</b>

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**III. Explanations and Disclosures Related to the Off-Balance Sheet Contingencies and Commitments  
(continued)**

**1. Information related to derivative financial instruments (continued):**

Forward foreign currency, swap and option transactions include mainly proprietary transactions as well as customer deals, which are entered into for hedging of foreign exchange and interest rate risk purposes regardless of them being subject to hedge accounting and measured at fair value in line with Turkish accounting Standards. Both legs of every derivative transaction are aggregated in the table.

**2. Information related to credit derivatives and risk exposures:**

None.

**3. Explanations on contingent liabilities and assets:**

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of jointly controlled entity (joint venture) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in jointly controlled entities (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
  - b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: None.
  - b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: None.

**4. Explanations on the activities carried out on behalf and account of other persons:**

The Bank is engaged in trading and custody of securities on behalf of real and legal persons. The details of the securities taken into custody are presented in the off-balance sheet accounts.

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss**

**1. a) Information on interest on loans:**

<b>Interest on loans</b>	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Short term loans	2.710.020	164.859	1.608.671	87.792
Medium and long term loans	1.378.625	1.123.034	1.145.478	894.708
Interest collected from non-performing loans	252.339	-	147.601	-
<b>Total</b>	<b>4.340.984</b>	<b>1.287.893</b>	<b>2.901.750</b>	<b>982.500</b>

**b) Information on interest received from banks:**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
From The Central Bank of Republic of Turkey	5.085	-	731	-
From domestic banks	52.991	-	15.964	95
From foreign banks	-	124.352	-	49.415
From branches and offices abroad	-	-	-	-
<b>Total</b>	<b>58.076</b>	<b>124.352</b>	<b>16.695</b>	<b>49.510</b>

**c) Interest received from marketable securities portfolio:**

	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Financial assets at fair value through profit or loss (Net)	23.664	1.949	48.636	932
Financial assets at fair value through other comprehensive income	1.370.637	353.382	2.204.012	246.515
Financial Assets Measured at Amortized Cost	2.960.861	87.074	819.385	76.186
<b>Total</b>	<b>4.355.162</b>	<b>442.405</b>	<b>3.072.033</b>	<b>323.633</b>

**2. a) Information on interest on funds borrowed:**

<b>Interest on funds borrowed</b>	<b>31 December 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Banks	261.033	47.977	-	40.167
The Central Bank of Turkey	-	-	-	-
Domestic banks	261.033	113	-	187
Foreign banks	-	47.864	-	39.980
Branches and offices abroad	-	-	-	-
Other institutions	3.554	1.615	1.986	-
<b>Total</b>	<b>264.587</b>	<b>49.592</b>	<b>1.986</b>	<b>40.167</b>

**b) Information on interest expense to associates and subsidiaries:** None.

**c) Information on interest expense to marketable securities issued:** As of 31 December 2023, the Bank has interest expense to marketable securities issued, including Tier II sub-loan issued amounting to TL 664.014 (31 December 2022: TL 407.555).

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)**

**d) Distribution of interest expense on deposits based on maturity of deposits:**

Account Name TL	31 December 2023								Total	
	Time Deposits									
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total		
Bank deposits	-	3.933	-	-	-	-	-	3.933		
Saving deposits	1.150	419.610	2.193.095	3.262.921	139.964	73.323	-	6.090.063		
Public sector deposits	-	14	-	-	-	-	-	14		
Commercial deposits	44	67.683	305.991	646.180	89.619	40.897	-	1.150.414		
Other deposits	-	1.002	8.609	37.416	-	-	-	47.027		
7 days call accounts	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>1.194</b>	<b>492.242</b>	<b>2.507.695</b>	<b>3.946.517</b>	<b>229.583</b>	<b>114.220</b>	-	<b>7.291.451</b>		
<b>Foreign Currency</b>										
Foreign currency deposits	144	27.827	165.684	66.596	2.175	1.627	-	264.053		
Bank deposits	-	7.023	-	-	-	-	-	7.023		
7 days call accounts	-	-	-	-	-	-	-	-		
Precious metal deposits	-	-	-	-	-	272	-	272		
<b>Total</b>	<b>144</b>	<b>34.850</b>	<b>165.684</b>	<b>66.596</b>	<b>2.175</b>	<b>1.899</b>	-	<b>271.348</b>		
<b>Grand Total</b>	<b>1.338</b>	<b>527.092</b>	<b>2.673.379</b>	<b>4.013.113</b>	<b>231.758</b>	<b>116.119</b>	-	<b>7.562.799</b>		
31 December 2022										
Time Deposits										
Account Name TL	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulating Deposits	Total		
Bank deposits	-	10.408	-	-	-	-	-	10.408		
Saving deposits	219	329.726	725.667	760.527	40.859	406.214	-	2.263.212		
Public sector deposits	-	1	-	-	-	-	-	1		
Commercial deposits	17	97.891	241.334	113.966	192.415	39.538	-	685.161		
Other deposits	-	1.728	16.624	8.706	5.372	30.159	-	62.589		
7 days call accounts	-	-	-	-	-	-	-	-		
<b>Total</b>	<b>236</b>	<b>439.754</b>	<b>983.625</b>	<b>883.199</b>	<b>238.646</b>	<b>475.911</b>	-	<b>3.021.371</b>		
<b>Foreign Currency</b>										
Foreign currency deposits	391	57.787	380.828	43.604	5.283	1.296	-	489.189		
Bank deposits	-	16.149	-	-	-	-	-	16.149		
7 days call accounts	-	-	-	-	-	-	-	-		
Precious metal deposits	-	1	326	18	-	-	-	345		
<b>Total</b>	<b>391</b>	<b>73.937</b>	<b>381.154</b>	<b>43.622</b>	<b>5.283</b>	<b>1.296</b>	-	<b>505.683</b>		
<b>Grand Total</b>	<b>627</b>	<b>513.691</b>	<b>1.364.779</b>	<b>926.821</b>	<b>243.929</b>	<b>477.207</b>	-	<b>3.527.054</b>		

**3. Information on Dividend Income:** None (31 December 2022: None).

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)**

**4. Information on net trading income:**

	<b>31 December 2023</b>	<b>31 December 2022</b>
<b>Income</b>	<b>227.081.314</b>	<b>165.489.793</b>
Gains on capital market operations	775.428	454.885
Gains on derivative financial instruments	6.183.974	7.429.829
Foreign exchange gains	220.121.912	157.605.079
<b>Losses (-)</b>	<b>226.459.739</b>	<b>165.448.950</b>
Losses on capital market operations	1.925	8.582
Losses on derivative financial instruments	8.667.921	7.306.662
Foreign exchange losses	217.789.893	158.133.706
<b>Net Amount</b>	<b>621.575</b>	<b>40.843</b>

**5. Information on other operating income:**

For the period ended 31 December 2023, other operating income includes reversals from previous years' expenses and other operating income.

	<b>31 December 2023</b>	<b>31 December 2022</b>
Income from Reversal of Prior Years' General and Specific Provisions	1.537.998	954.147
Income from Reversal of Prior Years' Other Provisions	562.758	81.594
Other Income	240.109	163.042
<b>Total</b>	<b>2.340.865</b>	<b>1.198.783</b>

**6. Provision for impairment of loans and other receivables:**

a) Expected credit loss provisions:

	<b>31 December 2023</b>	<b>31 December 2022</b>
Expected Credit Loss Provisions	1.690.138	1.441.713
12-Month Expected Credit Losses (Stage 1)	398.692	221.087
Significant Increase In Credit Risk (Stage 2)	802.909	1.040.332
Credit-Impaired (Stage 3)	488.537	180.294
Impairment Provisions For Financial Assets	-	-
Financial Assets At Fair Value Through Profit Or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-
Impairment Provisions Related To Investments In Associates, Subsidiaries And Jointly Controlled Partnerships (Joint Ventures)	-	-
Investments in associates	-	-
Subsidiaries	-	-
Jointly controlled partnerships (joint ventures)	-	-
Other	-	-
<b>Total</b>	<b>1.690.138</b>	<b>1.441.713</b>

b) Other Provisions:

As of 31 December 2023, other provision expenses are TL 12.250 (31 December 2022: TL 495.143).

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)**

**7. Information on other operating expenses:**

	<b>31 December 2023</b>	<b>31 December 2022</b>
Employee termination benefit provision	4.995	5.939
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Amortization expenses of fixed assets	154.802	82.378
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	101.673	46.733
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Amortization expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	1.020.118	543.465
Leasing expenses related to TFRS 16 exemptions (*)	6.159	4.611
Maintenance expenses	26.393	13.274
Advertisement expenses	152.101	63.262
Other expenses (**)	835.465	462.318
Loss on sales of assets	175	315
Other	-	-
<b>Total</b>	<b>1.281.763</b>	<b>678.830</b>

(\*) Includes all operating lease expenses within the scope of the exemption.

(\*\*) Other operating expenses majorly consist of IT expenses, premiums for saving deposit insurance fund, auditing and consultancy services, credit card related expenses, support services, taxes, duties and charges and other expenses.

**8. Fees for Services Received from Independent Auditor / Independent Audit Firm**

The fee (excluding VAT) information for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below.

	<b>31 December 2023 (*)</b>	<b>31 December 2022 (*)</b>
Audit Fee	4.300	2.308
Tax Advisory Fee	-	-
Other Advisory Fees	-	-
<b>Total</b>	<b>4.300</b>	<b>2.308</b>

(\*) Services received from KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi are presented.

**9. Information on profit/(loss) from continued and discontinued operations before taxes:**

As of 31 December 2023, the Bank's profit before tax from continued operations is TL 1.748.918 (31 December 2022: 1.097.222).

**10. Information on tax provision for continued and discontinued operations:**

As of 31 December 2023, The Bank has deferred tax income amounting to TL 47.033 and TL 85.778 current tax expense amounting (31 December 2022: TL 541.090 deferred tax income and TL 785.109 current tax provision).

**11. Information on net profit/(loss) from continued and discontinued operations:**

As of 31 December 2023, the Bank's net profit from continued operations is TL 1.710.173 (31 December 2022: TL 853.203).

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**IV. Explanations and Disclosures Related to the Statement of Profit or Loss (continued)**

**12. The explanations on net income / loss for the period:**

- a) If the disclosure of usual banking transactions, income and expenditure items' composition is necessary to understand the annual performance of the Bank, the composition and amount of these items: None.
- b) The effect of a change in the estimation made as painting on the financial statement items on the profit / loss, if it affects the following periods, the effect including those periods: None.

**13. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:** The other item under the "Fees and Commissions Received" in the income statement mainly consists of banking service income and credit card transactions.

**V. Explanations and notes related to consolidated statement of changes in shareholders' equity**

**1. Information on dividends :**

At the Ordinary General Assembly meeting dated March 27, 2023, TL 42.660, which is 5% of the Bank's net profit for the year 2022 amounting to TL 853.203, was set aside as 1st Order Legal Reserves in accordance with Article 519 of the Turkish Commercial Code No. 6102, and the remaining TL 810.543 has been decided to set aside as Extraordinary Reserves. 31.187 TL included in the Extraordinary Reserve Fund consists of real estate sales profits benefiting from the Corporate Tax exemption.

**2. Explanations on share certificates position risk from banking book:**

The Bank, as explained in Section Three III and Section Four XI, applies cash flow hedge accounting and as of 31 December 2023, there is TL 11.792 after tax in the hedging funds (effective part) account in equity (31 December 2022: TL 56.884).

- 3. Changes on after revaluation of financial assets at fair value through other comprehensive income:** None (31 December 2022: None).
- 4. Reconciliation of currency rate differences at the beginning and end of the period:** None (31 December 2022: None).
- 5. Effects of previous adjustments on the opening balance sheet:** None (31 December 2022: None).
- 6. Explanations on issuance of share certificates** None (31 December 2022: None).

**VI. Explanations and Disclosures on Statement of Cash Flows**

**1. The effects of the other items stated in the statement of cash flows and the changes in foreign currency exchange rates on cash and cash equivalents:**

"Others" line amounting to TL 1.601.687 also includes the effect of change in foreign exchange rate on cash and cash equivalents.

"Net increase/decrease in other liabilities" line amounting to TL (796.295) in "Changes in bank operations assets and liabilities" consists of changes in miscellaneous payables, other liabilities and tax liability.

"Net increase/decrease in other assets" line amounting to TL 228.081 consists of changes in temporary accounts.

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**VI. Explanations and Disclosures on Statement of Cash Flows (continued)**

**2. Cash and cash equivalents at beginning and end of periods:**

<b>Beginning of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>3.516.884</b>	<b>4.679.039</b>
Cash in TL/foreign currency	517.934	1.138.673
Central Bank of Republic of Turkey	2.998.950	3.540.366
<b>Cash equivalents</b>	<b>7.598.783</b>	<b>2.290.538</b>
Receivables from banks and other financial institutions	3.814.879	2.290.538
Receivables from money market placements	3.783.904	-
<b>Total cash and cash equivalents</b>	<b>11.115.667</b>	<b>6.969.577</b>

<b>End of the period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Cash</b>	<b>7.865.436</b>	<b>3.516.884</b>
Cash in TL/foreign currency	1.220.952	517.934
Central Bank of Republic of Turkey	6.644.484	2.998.950
<b>Cash equivalents</b>	<b>6.369.753</b>	<b>7.598.783</b>
Receivables from banks and other financial institutions	5.590.203	3.814.879
Receivables from money market placements	779.550	3.783.904
<b>Total cash and cash equivalents</b>	<b>14.235.189</b>	<b>11.115.667</b>

**VII. Explanations on the Risk Group of the Bank**

- 1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:**  
**a) 31 December 2023:**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities and real persons included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	-	14.960	-	1.176
Balance at end of period	-	-	-	23.583	479	3.856
Interest and commission income	-	-	-	-	35	-

**31 December 2022:**

<b>Risk Group of The Bank</b>	<b>Subsidiaries, associates and jointly controlled entities</b>		<b>Direct and indirect shareholders of the Bank</b>		<b>Other entities and real persons included in the risk group</b>	
	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>	<b>Cash</b>	<b>Non-cash</b>
Loans and other receivables	-	-	-	-	-	-
Balance at beginning of period	-	-	424	15.486	-	561
Balance at end of period	-	-	-	14.960	-	1.176
Interest and commission income	-	-	-	-	-	-

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**VII. Explanations on the Risk Group of the Bank (continued)**

b.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	-	-	6.313	10.856	19.570	8.413
Balance at end of period	-	-	2.531	6.313	24.245	19.570
Interest on deposits	-	-	-	-	3.657	2.201

b.2) Information on forward and option agreements and other similar agreements made with related parties:

Risk Group of The Bank	Subsidiaries, associates and jointly controlled entities		Direct and indirect shareholders of the Bank		Other entities and real persons included in the 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 beginning of period	-	-	22.440.568	40.470.430	-	-
Balance at end of period	-	-	-	22.440.568	-	-
Total loss/ profit (*)	-	-	24.055	(1.605.975)	-	-

(\*) As of 31 December 2023 represents derivative financial assets due to outstanding IRS transactions with the Bank's parent company, Bank Audi sal and does not have any material impact on the Bank's performance as such transactions are backed-to-back with third parties almost with similar terms. Daily margining is provided in accordance with the current international derivative contracts (ISDA, CSA).

b.3) Explanation on the benefits granted to the executive management of the Bank:

Gross payment made to the executive management as of 31 December 2023 is TL 116.874 (31 December 2022: TL 61.832).

**VIII. Domestic, Foreign and Off-Shore Branches or Equity Investments, and Foreign Representative Offices of Bank**

	Number of Branches	Number Of Employees	Country		
				Total Assets	Legal Capital
Domestic Branches	41	1.284			
Foreign Representative Offices	-	-	-		
Foreign Branches	-	-	-		
Off-shore Banking Branches	-	-	-		

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**IX. Explanations and Disclosures Related To Subsequent Events**

BRSA has determined within the board decision dated 11 January 2024 and numbered 10825 that transition date of "TAS 29 Hyperinflationary Financial Reporting in Hyperinflationary Economies" for banks, leasing companies, factoring companies, financing companies, savings financing companies and asset management companies is 1 January 2025.

The Bank has completed the establishment and registration procedures of its non-financial subsidiary investment, Odea Teknoloji Hizmetleri A.Ş., whose shares are fully owned by the Bank and has a capital of 10 million TL, on January 31, 2024.

**SECTION SIX**  
**OTHER EXPLANATIONS**

**I. Other explanations on the Bank's operations**

None.

**SECTION SEVEN**  
**EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

**I. Explanations on Independent Auditors' Report**

**Brief Information on Odea Bank A.Ş:**

The unconsolidated financial statements for the period ended 31 December 2023 have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (the Turkish member of KPMG International Cooperative). The auditor's report dated 13 February 2024 is presented preceding the unconsolidated financial statements.

**II. Explanations and Notes Prepared By Independent Auditor**

None.