


# **TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI**

## **UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES AT DECEMBER 31, 2023 TOGETHER WITH INDEPENDENT AUDITORS' REPORT**

**(Convenience Translation of Publicly Announced Unconsolidated Financial Statements and  
Independent Auditors' Report Originally Issued in Turkish)**

  
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Convenience Translation of the Auditor’s Audit Report Originally Issued in Turkish

Independent Auditors’ Report on Audit of Unconsolidated Financial Statements

To the General Assembly of Türkiye Vakıflar Bankası T.A.O;

Qualified Opinion

We have audited the unconsolidated statement of financial position of Türkiye Vakıflar Bankası T.A.O. (“the Bank”) at December 31, 2023 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements.

In our opinion, except for the effects of the matter on the unconsolidated financial statements described in the Basis of for Qualified Opinion paragraph, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Türkiye Vakıflar Bankası T.A.O. as at December 31, 2023 and unconsolidated financial performance and unconsolidated its cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.

Basis of Qualified Opinion

As explained in Section Five Part II.7, the accompanying unconsolidated financial statements as at December 31, 2023 include a free provision at an amount of thousand TL 11,000,000 of which thousand TL 19,000,000 was provided in prior years and thousand TL 12,250,000 was reversed in current year and thousand TL 4,250,000 was provided in the current year by the Bank management for the possible current year effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Our audit was conducted in accordance with “Regulation on independent audit of the Banks” published in the Official Gazette no.29314 dated April 2, 2015, by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards (“ISA”) which are the part of Turkish Auditing Standards issued 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 of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with 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.

  
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*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit 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.

Key Audit Matter	How the Key Audit Matter is addressed in our audit
<b><i>Financial impact of TFRS 9 “Financial Instruments” standard and recognition of classification, measurement and impairment on financial assets and related important disclosures</i></b>	
<p>As presented in Section III disclosure VIII, the Bank recognizes expected credit losses of financial assets in accordance with TFRS 9 Financial Instruments standard. We considered impairment of financial assets as a key audit matter since:</p> <ul style="list-style-type: none"><li>- Amount of on and off-balance sheet items that are subject to expected credit loss calculation is material to the financial statements</li><li>- There are complex and comprehensive requirements of TFRS 9</li><li>- The classification of the financial assets is based on the Bank’s business model and characteristics of the contractual cash flows in accordance with TFRS 9 and the Bank uses significant judgment on the assessment of the business model and identification of the complex contractual cash flow characteristics of financial instruments</li><li>- Policies implemented by the Bank management include compliance risk to the regulations and other practices</li><li>- Processes of TFRS 9 are advanced and complex</li><li>- Judgements and estimates used in expected credit loss, complex and comprehensive</li><li>- Disclosure requirements of TFRS 9 are comprehensive and complex.</li></ul>	<p>Our audit procedures included among others include:</p> <ul style="list-style-type: none"><li>- Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Bank’s past experience, local and global practices</li><li>- Reviewing and testing of processes which are used to calculate expected credit losses by involving our Information technology and process audit specialists</li><li>- Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments and data sources used in calculating expected loss, taking into account standard requirements, industry and global practices</li><li>- Reviewing the appropriateness of criteria in order to identify the financial assets having solely payments of principal and interest and checking the compliance to the Bank’s Business model</li><li>- Reviewing the Bank’s classification and measurement models of the financial instruments and comparing with TFRS 9 requirements</li><li>- Evaluating the alignment of the significant increase in credit risk determined during the calculation of expected credit losses, default definition, restructuring definition, probability of default, loss given default, exposure at default and macro-economic variables that are determined by the financial risk management experts with the Bank’s past performance, regulations, and other processes that has forward looking estimations</li><li>- Assessing the completeness and the accuracy of the data used for expected credit loss calculation.</li><li>- Testing the mathematical accuracy of expected credit loss calculation on sample basis</li><li>- Evaluating the judgments and estimates used for the individually assessed financial assets</li><li>- Evaluating the necessity and accuracy of the updates made or required updates after the modeling process</li><li>- Auditing of TFRS 9 disclosures.</li></ul>



Pension Fund Obligations	How the Key Audit Matter is addressed in our audit
<p>Employees of the Bank are members of Türkiye Vakıflar Bankası T.A.O. Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı, (“the Fund”), which is established in accordance with the temporary Article 20 of the Social Security Act No. 506 and related regulations. The Fund is a separate legal entity and foundation recognized by an official decree, providing all qualified employees with pension and post-retirement benefits. As disclosed in the “Section Three Note XVI to the financial statements, Banks will transfer their pension fund to the Social Security Institution and the authority of the “Council of Ministers” on the determination of the mentioned transfer date is changed as “President” in the Decree Law No. 703 published in the Official Gazette numbered 30473 and dated July 9, 2018.</p> <p>As of 31 December 2023, the Bank's transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and numbered 26377.</p> <p>Considering the subjectivity of key assumptions and estimate used in the calculations of transferrable liabilities and the effects of the potential changes in the estimates used together with the uncertainty around the transfer date and given the fact that technical interest rate is prescribed under the law, we considered this to be a key audit matter.</p>	<p>It has been addressed whether there have been any significant changes in regulations governing pension liabilities, employee benefits plans during the period, that could lead to adjust the valuation of employee benefits. Support from actuarial auditor of another entity who is in the same audit network within our firm, has been taken to assess the appropriateness of the actuarial assumptions and calculations performed by the external actuary.</p> <p>Furthermore, the accuracy and adequacy of the footnotes in the unconsolidated financial statements of the Bank have been evaluated.</p>



Responsibilities of Management and Directors for the Unconsolidated Financial Statements

Bank management is responsible for the preparation and fair presentation of the 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 the financial statement that is free from material misstatement, whether due to fraud or error.

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

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

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

In an independent audit, the responsibilities of us as independent auditors are:

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

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement 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 auditor’s report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the 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 government with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### ***Report on Other Legal and Regulatory Requirements***

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 – December 31, 2023, are not in compliance with the TCC and provisions of the Bank's articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor's report is Damla Harman.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi  
A member firm of Ernst & Young Global Limited

Damla Harman, SMMM  
Partner

February 6, 2024  
İstanbul, Türkiye

## **CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH**

### **TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI UNCONSOLIDATED FINANCIAL REPORT AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2023**

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The unconsolidated financial report as at and for the year ended December 31, 2023, prepared in accordance with the "Communiqué of Financial Statements and Related Disclosures and Footnotes to be Publicly Announced by Banks" as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

The accompanying unconsolidated financial statements for the year and related disclosures and footnotes which have been independently audited, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, the related statements and guidance and in compliance with the financial records of our Bank and unless otherwise stated, presented in thousands of Turkish Lira.

February 6, 2024

Mustafa SAYDAM  
Chairman of the Board

Abdülkadir AKSU  
Board and Audit  
Committee Member

Sadık YAKUT  
Board and Audit  
Committee Member

Abdi Serdar ÜSTÜNSALİH  
General Manager and  
Board Member

Şuayyip İLBİLGİ  
Assistant General Manager

Korhan TURGUT  
Director of Accounting and  
Financial Affairs

The authorized contact person for questions on this financial report:

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Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF THE THE YEAR ENDED DECEMBER 31, 2023

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

SECTION ONE

GENERAL INFORMATION

I. HISTORY OF THE BANK INCLUDING ITS INCORPORATION DATE, INITIAL LEGAL STATUS, AMENDMENTS TO LEGAL STATUS

Türkiye Vakıflar Bankası Türk Anonim Ortaklığı (“The Bank”) was established to operate as stated in the disclosure V of this section, under the authorization of a special law numbered 6219, called “the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı”, on January 11, 1954, within the framework of the authority granted to The General Directorate of the Foundations of Turkish Republic Prime Ministry (“The General Directorate of the Foundations”). The Bank’s statute has not been changed since its establishment.

II. THE BANK’S SHAREHOLDERS STRUCTURE, MANAGEMENT AND INTERNAL AUDIT, DIRECT AND INDIRECT SHAREHOLDERS, CHANGE IN SHAREHOLDER STRUCTURE DURING THE PERIOD AND INFORMATION ON BANK’S RISK GROUP

The Ministry of Treasury and Finance, in addition to its A Group and B Group shares, is indirectly the controlling shareholder in the Bank's capital when the shares of the Türkiye Wealth Fund (D Group) are included.

As at December 31, 2023, the Bank’s paid-in capital is TL 9,915,922; (December 31, 2022: TL 7,111,364) divided into 991,592,152,254 shares with each has a nominal value of Kr 1 (December 31, 2022: 711,136,411,675).

The Bank’s shareholders structure as at December 31, 2023 and December 31, 2022 are as stated below:

Shareholders – December 31, 2023	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Türkiye Varlık Fonu (D Grubu)	7,415,921,523	7,415,922	74.79
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058,640	1,075,058	10.84
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,552,666	402,553	4.06
TC Hazine ve Maliye Bakanlığı (Group B)	387,673,328	387,673	3.91
Other appendant foundations (Group B)	2,588,471	2,588	0.03
Other real persons and legal entities (Group C)	1,519,264	1,519	0.02
Publicly traded (Group D)	630,607,631	630,609	6.35
<b>Total</b>	<b>9,915,921,523</b>	<b>9,915,922</b>	<b>100.00</b>

Shareholders - December 31, 2022	Number of Shares – 100 unit	Nominal Value of the Shares – Thousands of TL	Share Percentage (%)
Türkiye Varlık Fonu (D Grubu)	4,611,364,117	4,611,364	64.85
TC Hazine ve Maliye Bakanlığı (Group A)	1,075,058,640	1,075,058	15.12
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,552,666	402,553	5.66
TC Hazine ve Maliye Bakanlığı (Group B)	387,673,328	387,673	5.45
Other appendant foundations (Group B)	2,591,250	2,591	0.04
Other real persons and legal entities (Group C)	1,527,393	1,528	0.02
Publicly traded (Group D)	630,596,723	630,597	8.86
<b>Total</b>	<b>7,111,364,117</b>	<b>7,111,364</b>	<b>100.00</b>



Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF THE THE YEAR ENDED DECEMBER 31, 2023****(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)****GENERAL INFORMATION (Continued)****II. THE BANK’S SHAREHOLDERS STRUCTURE, MANAGEMENT AND INTERNAL AUDIT, DIRECT AND INDIRECT SHAREHOLDERS, CHANGE IN SHAREHOLDER STRUCTURE DURING THE PERIOD AND INFORMATION ON BANK’S RISK GROUP (Continued)**

With the Decree Law No. 696 published in the Official Gazette dated December 24, 2017, the "Türkiye Vakıflar Bankası Turkish Joint-Stock Company Law" No. 6219 was amended.

With the Presidential Decree dated December 3, 2019, published in line with the relevant provisions of Law No. 6219, 58.51% of the total of 43.00% (A) Group and 15.51% (B) Group, managed and represented by the General Directorate of Foundations' per share value of share is determined.

In accordance with the relevant provisions of the Law No. 6219, the provisions of the Capital Market Law, including the obligation to propose shares regarding the transfer transactions regarding the shares specified in the Presidential Decree of December 3, 2019, will not be applied. There will be no changes regarding the 25.22% shares of the (D) Group traded at the stock exchange.

The process regarding the transfer of bank shares has been completed as of December 11, 2019 and 58.51% of the Bank's share has been transferred to the Treasury and has been recorded in the Bank's share book on behalf of the Ministry of Treasury and Finance of the Republic of Türkiye.

With the decision of the Bank's Board of Directors dated May 11, 2020, it has been decided to increase the paid-in capital of TL 2,500,000 provided that it remains within the registered capital ceiling, by completely restricting the pre-emptive rights of the current shareholders and by increasing cash capital increase, which will generate a total sales revenue of TL 7,000,000 in total. Within the framework of the relevant legislation of the Capital Markets Board ("CMB"), the Banking Regulation and Supervision Agency ("BRSA") and the Procedure for Borsa İstanbul's Wholesale Purchase and Sales Transactions, all of the shares to be issued due to the capital increase, are set to be transferred to Türkiye Wealth Fund, without public offering and by dedicated sales method.

In the material event disclosure published by the Bank on May 15, 2020, it was announced that the sales price of the shares to be issued was determined as TL 4.98 for a share with a nominal value of 1 TL, and that the paid-in capital will be increased from TL 2,500,000 to TL 3,905,622 as a result of the capital increase.

It has been announced that the shares with a nominal value of TL 1,405,622 issued by the Bank are sold with a dedicated sales method for a share with a nominal value of TL 1, with a total sales revenue of TL 7,000,000 over the price of TL 4.98. As of the May 20, 2020, the shares were sold to Türkiye Wealth Fund through the wholesale transaction method in stock market and the capital increase transactions have been completed.

By the Decision of the Bank's Board of Directors dated February 9, 2022, provided that the Bank will remain within the registered capital ceiling, the Bank's paid-in capital of TL 3,905,622 will be increased through the method of cash increase of capital to be obtained from the allocated and cash total sales revenue of TL 13,400,000 by completely restricting the rights of the existing shareholders, and all shares to be issued due to this capital increase will be increased within the framework of the relevant legislation of the Capital Market Board, the Banking Regulation and Supervision Agency, and Borsa İstanbul's Procedure for Wholesale Transactions, it has been decided to sell to the Türkiye Wealth Fund by allocated sales method without a public offering.

In the special circumstances disclosure issued by the Bank on February 25, 2022, it was announced that the sale price of the shares to be issued was determined as TL 4.18 for 1 TL nominal value share and that the capital paid as a result of the capital increase would be increased from TL 3,905,622 to TL 7,111,364.

Shares of the nominal value of TL 3,205,741 issued by the Bank was sold to the Türkiye Wealth Fund on March 9, 2022, through a wholesale transaction in the Stock Exchange share market with the private placement method with a total sales revenue of TL 13,400,000 at a price of TL 4.18 for a nominal value share of TL 1, and that capital increase transactions were completed.

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**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI****NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF THE THE YEAR ENDED DECEMBER 31, 2023****(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)****GENERAL INFORMATION (Continued)****II. THE BANK’S SHAREHOLDERS STRUCTURE, MANAGEMENT AND INTERNAL AUDIT, DIRECT AND INDIRECT SHAREHOLDERS, CHANGE IN SHAREHOLDER STRUCTURE DURING THE PERIOD AND INFORMATION ON BANK’S RISK GROUP (Continued)**

On March 21, 2023, the Bank's Board of Directors decided to increase the Bank's paid-in capital of TL 7,111,364 by allotted and cash capital increase with a total sales proceeds of TL 32,000,000 by fully restricting the pre-emptive rights of the existing shareholders, provided that it remains within the Bank's registered capital ceiling, and all of the shares to be issued due to this capital increase, within the framework of the relevant legislation of the Capital Markets Board ("CMB"), the Banking Regulation and Supervision Agency ("BRSA"), and the Procedure for Wholesale Transactions of Borsa İstanbul, it has been decided to sell the shares to the Turkish Wealth Fund through private placement without a public offering.

On March 28, 2023, the Bank announced that the sale price of the shares to be issued was determined as TL 11.41 per share with a nominal value of TL 1 and that the paid-in capital would be increased from TL 7,111,364 to TL 9,915,922 as a result of the capital increase.

The shares with a nominal value of TL 2,804,557 issued by the Bank were sold to the Turkish Wealth Fund through a wholesale transaction in the equity market on March 28, 2023, through the allocated sales method with a total sales revenue of TL 32,000,000 at a price of TL 11.41 per share with a nominal value of TL 1 and the capital increase transactions were completed.

Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF THE THE YEAR ENDED DECEMBER 31, 2023

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

GENERAL INFORMATION (Continued)

III. INFORMATION ON THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS, AUDIT COMMITTEE MEMBERS, GENERAL MANAGER, ASSISTANT GENERAL MANAGERS AND THEIR SHARES IN THE BANK

Name and Surname	Responsibility	Date of Appointment	Education	Experience in Banking and Management
<b>Board of Directors</b>				
Mustafa SAYDAM	Chairman	March 26, 2021	Bachelor's	29 years
Dr. Cemil Ragıp ERTEM	Deputy Chairman	June 12, 2020	PhD	25 years
Abdi Serdar ÜSTÜNSALİH	Member – General Manager	May 27, 2019	Master's	32 years
Dr. Adnan ERTEM	Member	October 28, 2010	PhD	35 years
Şahin UĞUR	Member	June 9, 2017	Bachelor's	37 years
Sadık YAKUT	Member	May 27, 2019	Bachelor's	4 years
Abdülkadir AKSU	Member	May 27, 2019	Bachelor's	4 years
Haydar Kemal KURT	Member	March 25, 2022	Bachelor's	1 years
Abdullah Erdem CANTİMUR	Member	August 2, 2023	Master's	22 years
<b>Audit Committee</b>				
Abdülkadir AKSU	Member	March 25,2022	Bachelor's	4 years
Sadık YAKUT	Member	March 25,2022	Bachelor's	4 years
<b>Auditor</b>				
Hasan TURE	Auditor	June 9, 2017	Bachelor's	39 years
Mehmet Emin BAYSA	Auditor	June 12, 2020	Master's	4 years
<b>Assistant General Managers</b>				
Metin Recep ZAFER	Banking Operations, Digital Channels, Business Intelligence and Payment Systems Software Development, Credit- Customer and Account Operations, Core Banking Software Development, Treasury Operations, Foreign Operations, It System and Software Support Department, R&D, Marketing and Infrastructure Software Development, System Management, It Planning and Coordination	June 13, 2006	PhD	28 years
Muhammet Lütfü ÇELEBİ	Human Resources, Organisation Development, Performance Management and Academy	October 23, 2013	Bachelor's	28 years
Şuayyip İLBİLGİ	General Accounting and Financial Operations, Strategy and Planning Department, Subsidiaries and Affiliates	August 1, 2017	Bachelor's	27 years
Mikail HIDİR	Office Of Chief Legal Counsel, Legal Affairs, Credit Risk Liquidation	December 26,2018	Bachelor's	20 years
Hazım AKYOL	Corporate Loans 1-2, Commercial Loans 1-2, SME, Micro SME and Retail Loans	May 31,2019	Bachelor's	30 years
Alaattin ŞİMŞEK	Corporate Banking Marketing, Commercial Banking Marketing, SME Banking Marketing, Micro SME Banking Marketing, Cash Management Product Development and Foreign Trade Marketing, Public Institutions and Local Governments Banking Marketing, Field Management, Corporate Branches	May 31, 2019	Bachelor's	28 years
Ferkan MERDAN	Payment Systems, Digital Banking and Distribution Channels, Corporate Communication	May 31, 2019	Master's	27 years
Muhammed Onay ÖZKAN	Treasury Management., International Banking and Investor Relations, Treasury Middle Office	May 31, 2019	Bachelor's	24 years
Arif ÇOKÇETİN	Credit Risk Planning and Monitoring, Special Loans Management, Finacial Analysis and Rating Department	July 8, 2020	Bachelor's	28 years
Kadir KARATAŞ	Support Services	August 13, 2020	Master's	27 years
Mustafa TURAN	Retail Banking Marketing, Deposit Management and Marketing, Payment Systems, Marketing	January 4, 2022	Bachelor's	20 years

The persons mentioned above do not have a significant share in the non-public portion of the Bank’s shares.

Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF THE THE YEAR ENDED DECEMBER 31, 2023

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

GENERAL INFORMATION (Continued)

III. INFORMATION ON THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS, AUDIT COMMITTEE MEMBERS, GENERAL MANAGER, ASSISTANT GENERAL MANAGERS AND THEIR SHARES IN THE BANK (Continued)

Credit Policies and Processes Implementation Departments, Secure Banking Departments and Board of Directors Affairs Unit are working dependent to the General Manager.

At the Board of Directors Meeting held on August 2, 2023, regarding the distribution of duties among Board Members as per the Articles of Incorporation

- Mr. Mustafa Saydam has been selected as the Chairman,
- Mr. Cemil Ragıp Ertem has been selected as the Deputy Chairman,
- Mr. Abdi Serdar Üstünsalih was elected as the General Manager,

By unanimous vote.

IV. INFORMATION ON THE BANK’S QUALIFIED SHAREHOLDERS

<b>Current Period – December 31, 2023</b>				
Shareholders	Nominal Value of Shares	Share Percentage	Paid Shares (Nominal)	Unpaid Shares
Türkiye Wealth Fund (Group D)	7,415,922	74.79	7,415,922	-
The Ministry of Treasury and Finance of the Republic of Türkiye (Group A)	1,075,058	10.84	1,075,058	-
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,553	4.06	402,553	-
The Ministry of Treasury and Finance of the Republic of Türkiye (Group B)	387,673	3.91	387,673	-
<b>Prior Period - December 31, 2022</b>				
Shareholders	Nominal Value of Shares	Share Percentage	Paid Shares (Nominal)	Unpaid Shares
Türkiye Wealth Fund (Group D)	4,611,364	64.85	4,611,364	-
The Ministry of Treasury and Finance of the Republic of Türkiye (Group A)	1,075,058	15.12	1,075,058	-
Vakıfbank Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (Group C)	402,553	5.66	402,553	-
The Ministry of Treasury and Finance of the Republic of Türkiye (Group B)	387,673	5.45	387,673	-

With the Decree Law No. 696 published in the Official Gazette dated December 24, 2017, the Presidential decision dated December 3, 2019, and the material event disclosure made by the Bank on February 25, 2022, the material event disclosure made by the Bank on March 21, 2023 and the changes in the capital structure of the Bank are explained in detail in Section I General Information section of the report, under heading II.

Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS  
AS OF THE THE YEAR ENDED DECEMBER 31, 2023

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

GENERAL INFORMATION (Continued)

V. INFORMATION ABOUT THE SERVICES AND NATURE OF ACTIVITIES OF THE BANK

The Bank was established under the authorization of special law numbered 6219, called “the Law of Türkiye Vakıflar Bankası Türk Anonim Ortaklığı”, on January 11, 1954, within the framework of the authority granted to The General Directorate of the Foundations. Operational activities of the Bank as stated at its Articles of Association are as follows:

The Bank's objective is to carry out all kinds of banking activities that deposit banks can perform, provided that the obligations specified in the Banking Law and other relevant legislation are fulfilled.

The Bank shall exercise all the powers recognized by the provisions of the Banking Law and other relevant legislation in order to achieve its objectives.

In this framework, the Bank shall engage in activities such as to issue all kinds of cash and non-cash loans, either in Turkish Lira or foreign currency, to act as an intermediary in the export, purchase and sale of financial instruments, to carry out investment banking transactions, to buy, sell or transfer loans as wholesale or retail, to complete transactions in domestic and foreign futures markets, to provide funds from domestic and foreign interbank money market, to perform capital market transactions, to act as intermediary for import and export transactions, to act as agent for insurance and other financial institutions, and to participate in any partnership to which they may become a partner, without prejudice to the provisions of the capital market legislation, or to establish new partnerships for this purpose or to quit established partnerships.

The Bank is also authorized to carry out the banking services of the registered and appendant foundations as well as the cash registers under the agreements to be made by the General Directorate of Foundations.

Without prejudice to the provisions of the relevant legislation, the Bank may acquire, grant, issue, sell, transfer, pledge or mortgage to others, take pledges and mortgages on securities and real estate in its may lease or lease similar rights, annotate the lease and sale promise contracts to the title deed in his favor, and remove annotations for all kinds of movable properties, real estates and their rights, particularly industrial, intellectual and similar rights, right of incorporation and loyalty, rights of usufruct, easement and superior rights. The Bank can establish, either individually or collectively in an equal manner, pledge or mortgage.

The Bank may acquire securities and real estates in order to carry out banking activities or collect its receivables within the legal limits and may dispose of them by sale, exchange and other forms when necessary.

The Bank may obtain all kinds of collateral, guarantee in kind and personal guarantees, for the collection and provision of its rights and receivables. In this regard, the deed, tax offices and other public and private institutions before registration, cancellation, assignment and all other operations can do.

As at December 31, 2023, the Bank has 940 domestic, 4 foreign, in total 944 branches (December 31, 2022: 945 domestic, 4 foreign, in total 949 branches). As at December 31, 2023, the Bank has 17,263 employees (December 31, 2022: 16,961 employees).

VI. CURRENT OR LIKELY ACTUAL OR LEGAL BARRIERS TO IMMEDIATE TRANSFER OF EQUITY OR REPAYMENT OF DEBTS BETWEEN BANK AND ITS SUBSIDIARIES

None.

SECTION TWO  
UNCONSOLIDATED  
FINANCIAL STATEMENTS



Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF DECEMBER 31, 2023

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

		Current Period December 31, 2023			Prior Period December 31, 2022		
ASSETS	Notes	TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		378,873,910	483,722,105	862,596,015	159,158,470	381,761,465	540,919,935
1.1 Cash and cash equivalents	V-I-1	237,724,945	280,218,253	517,943,198	60,478,397	249,085,725	309,564,122
1.1.1 Cash and balances at Central Bank	V-I-1	156,309,961	229,393,739	385,703,700	48,395,302	220,539,919	268,935,221
1.1.2 Banks	V-I-3	651	51,099,939	51,100,590	53	28,545,806	28,545,859
1.1.3 Receivables from Money Markets		81,418,249	-	81,418,249	12,095,635	-	12,095,635
1.1.4 Allowance for expected credit losses (-)	V-I-18	3,916	275,425	279,341	12,593	-	12,593
1.2 Financial assets at fair value through profit or loss	V-I-2	2,997,041	31,257,616	34,254,657	234,078	16,862,130	17,096,208
1.2.1 Public debt securities		-	30,499,847	30,499,847	-	16,478,799	16,478,799
1.2.2 Equity instruments		144,926	757,769	902,695	100,375	383,331	483,706
1.2.3 Other financial assets		2,852,115	-	2,852,115	133,703	-	133,703
1.3 Financial assets at fair value through other comprehensive income	V-I-4	114,425,889	166,717,480	281,143,369	84,216,338	112,682,191	196,898,529
1.3.1 Public debt securities		112,640,191	166,684,771	279,324,962	81,886,540	112,298,627	194,185,167
1.3.2 Equity instruments		153,626	17,818	171,444	109,726	10,128	119,854
1.3.3 Other financial assets		1,632,072	14,891	1,646,963	2,220,072	373,436	2,593,508
1.4 Derivative financial assets	V-I-2	23,726,035	5,528,756	29,254,791	14,229,657	3,131,419	17,361,076
1.4.1 Derivative financial assets at fair value through profit or loss		23,726,035	5,528,756	29,254,791	14,229,657	3,131,419	17,361,076
1.4.2 Derivative financial assets at fair value through other comprehensive income	V-I-11	-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST		1,297,089,192	504,800,609	1,801,889,801	748,960,983	321,800,151	1,070,761,134
2.1 Loans	V-I-5	1,052,862,084	466,249,420	1,519,111,504	665,851,258	287,874,060	953,725,318
2.2 Receivables from leasing transactions	V-I-10	-	-	-	-	-	-
2.3 Factoring receivables		-	-	-	-	-	-
2.4 Financial assets measured at amortised cost	V-I-6	289,285,980	55,087,022	344,373,002	124,556,209	34,036,643	158,592,852
2.4.1 Public debt securities		289,285,980	54,698,887	343,984,867	124,497,259	33,829,671	158,326,930
2.4.2 Other financial assets		-	388,135	388,135	58,950	206,972	265,922
2.5 Allowance for expected credit losses (-)		45,058,872	16,535,833	61,594,705	41,446,484	110,552	41,557,036
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)	V-I-16	213,007	-	213,007	282,278	-	282,278
3.1 Held for sale purpose		213,007	-	213,007	282,278	-	282,278
3.2 Held from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		17,662,202	2,702,730	20,364,932	12,358,076	1,843,727	14,201,803
4.1 Investments in associates (Net)	V-I-7	5,759,620	-	5,759,620	4,066,701	-	4,066,701
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-consolidated associates		5,759,620	-	5,759,620	4,066,701	-	4,066,701
4.2 Investments in subsidiaries (Net)	V-I-8	11,902,582	2,702,730	14,605,312	8,291,375	1,843,727	10,135,102
4.2.1 Non-consolidated financial subsidiaries		10,023,741	2,702,730	12,726,471	7,434,429	1,843,727	9,278,156
4.2.2 Non-consolidated non-financial subsidiaries		1,878,841	-	1,878,841	856,946	-	856,946
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	V-I-9	-	-	-	-	-	-
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)	V-I-12	25,597,813	125,883	25,723,696	11,943,565	47,806	11,991,371
VI. INTANGIBLE ASSETS AND GOODWILL (Net)	V-I-13	878,685	1,634	880,319	428,824	1,125	429,949
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		878,685	1,634	880,319	428,824	1,125	429,949
VII. INVESTMENT PROPERTIES (Net)	V-I-14	2,928,725	-	2,928,725	-	-	-
VIII. CURRENT TAX ASSETS		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	V-I-15	10,891,261	-	10,891,261	2,444,654	33,646	2,478,300
X. OTHER ASSETS	V-I-17	56,583,554	14,562,822	71,146,376	32,969,525	7,026,328	39,995,853
TOTAL ASSETS		1,790,718,349	1,005,915,783	2,796,634,132	968,546,375	712,514,248	1,681,060,623

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

Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AS OF DECEMBER 31, 2023

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

		Current Period December 31, 2023			Prior Period December 31, 2022		
LIABILITIES AND EQUITY	Notes	TL	FC	Total	TL	FC	Total
I. DEPOSITS	V-II-1	1,254,133,247	707,627,870	1,961,761,117	680,677,897	447,024,078	1,127,701,975
II. BORROWINGS	V-II-3	32,724,113	188,953,477	221,677,590	9,404,855	121,341,387	130,746,242
III. MONEY MARKET FUNDS		58,858,701	73,504,733	132,363,434	55,875,286	76,656,669	132,531,955
IV. MARKETABLE SECURITIES (Net)	V-II-3	1,163,579	117,165,636	118,329,215	6,025,430	63,828,578	69,854,008
4.1 Bills		1,163,579	-	1,163,579	4,465,332	1,411,042	5,876,374
4.2 Asset backed securities		-	-	-	-	-	-
4.3. Bonds		-	117,165,636	117,165,636	1,560,098	62,417,536	63,977,634
V. FUNDS		3,005	-	3,005	3,005	-	3,005
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		3,005	-	3,005	3,005	-	3,005
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	V-II-2	81,679	5,684,709	5,766,388	207,781	4,511,816	4,719,597
7.1 Derivative financial liabilities at fair value through profit or loss		81,679	5,684,709	5,766,388	207,781	4,511,816	4,719,597
7.2 Derivative financial liabilities at fair value through other comprehensive income	V-II-6	-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	V-II-5	2,866,665	3,947	2,870,612	1,017,323	4,080	1,021,403
X. PROVISIONS	V-II-7	20,628,265	1,463,336	22,091,601	23,178,324	68,834	23,247,158
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		7,128,807	-	7,128,807	3,710,133	-	3,710,133
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		13,499,458	1,463,336	14,962,794	19,468,191	68,834	19,537,025
XI. CURRENT TAX LIABILITIES	V-II-8	11,522,000	27,923	11,549,923	5,162,745	19,871	5,182,616
XII. DEFERRED TAX LIABILITIES	V-II-8	-	-	-	-	-	-
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	V-II-9	-	-	-	-	-	-
13.1 Held for sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	V-II-10	10,730,094	23,707,184	34,437,278	9,567,360	14,475,926	24,043,286
14.1 Loans		-	-	-	-	-	-
14.2 Other debt instruments		10,730,094	23,707,184	34,437,278	9,567,360	14,475,926	24,043,286
XV. OTHER LIABILITIES	V-II-4	83,300,256	31,056,099	114,356,355	40,515,711	14,508,778	55,024,489
XVI. SHAREHOLDERS' EQUITY	V-II-11	166,695,848	4,731,766	171,427,614	106,989,858	(4,969)	106,984,889
16.1 Paid-in capital	V-II-11	9,915,922	-	9,915,922	7,111,364	-	7,111,364
16.2 Capital reserves		47,437,916	883,459	48,321,375	17,195,809	539,452	17,735,261
16.2.1 Equity shares premiums		45,589,048	-	45,589,048	16,468,559	-	16,468,559
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		1,848,868	883,459	2,732,327	727,250	539,452	1,266,702
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		21,825,766	(657,341)	21,168,425	11,187,946	(194,979)	10,992,967
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		1,812,094	4,505,648	6,317,742	11,635,996	(349,442)	11,286,554
16.5 Profit reserves		59,858,743	-	59,858,743	35,841,511	-	35,841,511
16.5.1 Legal reserves		6,612,656	-	6,612,656	3,828,329	-	3,828,329
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		51,613,230	-	51,613,230	30,522,271	-	30,522,271
16.5.4 Other profit reserves		1,632,857	-	1,632,857	1,490,911	-	1,490,911
16.6 Profit or loss		25,845,407	-	25,845,407	24,017,232	-	24,017,232
16.6.1 Prior years' profits or losses		799,497	-	799,497	-	-	-
16.6.2 Current period net profit or loss		25,045,910	-	25,045,910	24,017,232	-	24,017,232
16.7 Minority interests		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		1,642,707,452	1,153,926,680	2,796,634,132	938,625,575	742,435,048	1,681,060,623

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

Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED OFF-BALANCE SHEET ITEMS AS OF DECEMBER 31, 2023

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

		Current Period			Prior Period		
		December 31, 2023			December 31, 2022		
	Notes	TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)	863,023,395	1,335,390,171	2,198,413,566	355,853,831	662,723,572	1,018,577,403
I.	GUARANTEES AND SURETIES	V-III-2	241,897,179	247,494,642	489,391,821	123,926,018	150,322,508
1.1.	Letters of guarantee	V-III-1	239,771,005	157,390,797	397,161,802	122,161,954	97,327,915
1.1.1.	Guarantees subject to State Tender Law		6,831,439	-	6,831,439	3,990,928	39,994,659
1.1.2.	Guarantees given for foreign trade operations		12,911,007	85,112,714	98,023,721	5,938,641	-
1.1.3.	Other letters of guarantee		220,028,559	72,278,083	292,306,642	111,319,385	62,237,184
1.2.	Bank acceptances		4,258	4,398,076	4,402,334	49,258	3,630,388
1.2.1.	Import letter of acceptance		-	1,091,455	1,091,455	-	873,407
1.2.2.	Other bank acceptances	V-III-4	4,258	3,306,621	3,310,879	49,258	2,756,981
1.3.	Letters of credit	V-III-4	2,121,916	82,572,374	84,694,290	1,714,806	47,594,116
1.3.1.	Documentary letters of credit		2,121,916	82,572,374	84,694,290	1,714,806	47,594,116
1.3.2.	Other letters of credit		-	-	-	-	-
1.4.	Pre-financing given as guarantee		-	23,515	23,515	-	14,896
1.5.	Endorsements		-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Republic of Turkey		-	-	-	-	-
1.5.2.	Other endorsements		-	-	-	-	-
1.6.	Purchase guarantees for Securities issued		-	-	-	-	-
1.7.	Factoring guarantees		-	-	-	-	-
1.8.	Other guarantees		-	526,329	526,329	-	316,843
1.9.	Other warranties		-	2,583,551	2,583,551	-	1,438,350
II.	COMMITMENTS		451,724,674	287,192,025	738,916,699	193,126,679	147,890,651
2.1.	Irrevocable commitments	V-III-1	416,470,540	106,591,474	523,062,014	163,955,449	51,092,262
2.1.1.	Asset purchase and sales commitments	V-III-1	35,193,004	106,591,474	141,784,478	5,100,287	51,092,262
2.1.2.	Deposit purchase and sales commitments		-	-	-	-	-
2.1.3.	Share capital commitments to associates and subsidiaries		-	-	-	-	-
2.1.4.	Loan granting commitments	V-III-1	119,165,714	-	119,165,714	60,802,246	-
2.1.5.	Securities issuance brokerage commitments		-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-
2.1.7.	Commitments for checks payments	V-III-1	10,121,928	-	10,121,928	6,916,438	-
2.1.8.	Tax and fund liabilities from export commitments		-	-	-	-	-
2.1.9.	Commitments for credit card expenditure limits	V-III-1	239,679,180	-	239,679,180	81,979,697	-
2.1.10.	Commitments for credit cards and banking services promotions		2,274,392	-	2,274,392	5,676,476	-
2.1.11.	Receivables from short sale commitments of marketable securities		-	-	-	-	-
2.1.12.	Payables for short sale commitments of marketable securities		-	-	-	-	-
2.1.12.	Other irrevocable commitments	V-III-1	10,036,322	-	10,036,322	3,480,305	-
2.2.	Revocable commitments		35,254,134	180,600,551	215,854,685	29,171,230	96,798,389
2.2.1.	Revocable loan granting commitments		35,254,134	180,600,551	215,854,685	29,171,230	96,798,389
2.2.2.	Other revocable commitments		-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	V-III-5	169,401,542	800,703,504	970,105,046	38,801,134	364,510,413
3.1.	Derivative financial instruments held for hedging		-	-	-	-	-
3.1.1.	Fair value hedges		-	-	-	-	-
3.1.2.	Cash flow hedges		-	-	-	-	-
3.1.3.	Hedges for investments made in foreign countries		-	-	-	-	-
3.2.	Trading transactions		169,401,542	800,703,504	970,105,046	38,801,134	364,510,413
3.2.1.	Forward foreign currency purchase and sale transactions		13,437,023	18,270,450	31,707,473	1,031,528	1,153,908
3.2.1.1.	Forward foreign currency purchase transactions		6,731,972	9,136,245	15,868,217	933,919	1,183,285
3.2.2.	Forward foreign currency sales		6,705,051	9,134,205	15,839,256	97,609	904,542
3.2.2.	Currency and interest rate swaps		146,286,235	587,735,885	734,022,120	25,130,648	279,351,809
3.2.2.1.	Currency swap purchase transactions		3,312,843	231,173,916	234,486,759	1,203,410	79,987,782
3.2.2.2.	Currency swap sale transactions		141,123,392	122,716,186	263,839,578	22,417,238	55,474,754
3.2.2.3.	Interest rate swap purchase transactions		925,000	116,922,891	117,847,891	755,000	71,944,637
3.2.2.4.	Interest rate swap sale transactions		925,000	116,922,892	117,847,892	755,000	71,944,636
3.2.3.	Currency, interest rate and security options		8,508,530	8,647,024	17,155,554	10,648,322	11,846,306
3.2.3.1.	Currency purchase options		8,508,530	304,758	8,813,288	10,648,322	716,531
3.2.3.2.	Currency sale options		-	8,342,266	8,342,266	-	11,129,775
3.2.3.3.	Interest rate purchase options		-	-	-	-	-
3.2.3.4.	Interest rate sale options		-	-	-	-	-
3.2.3.5.	Security purchase options		-	-	-	-	-
3.2.3.6.	Security sale options		-	-	-	-	-
3.2.4.	Currency futures		-	-	-	820,882	655,550
3.2.4.1.	Currency purchases futures		-	-	-	-	655,550
3.2.4.2.	Currency sales futures		-	-	-	820,882	-
3.2.5.	Interest rate futures		-	-	-	-	-
3.2.5.1.	Interest rate purchases futures		-	-	-	-	-
3.2.5.2.	Interest rate sales futures		-	-	-	-	-
3.2.6.	Other		1,169,754	186,050,145	187,219,899	1,169,754	71,502,840
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		26,518,716,170	21,382,410,321	47,901,126,491	13,999,266,261	12,025,723,050
IV.	ITEMS HELD IN CUSTODY		234,749,671	119,191,038	353,940,709	131,787,214	44,328,002
4.1.	Assets under management		-	-	-	-	-
4.2.	Securities held in custody		61,953,528	79,267,030	141,220,558	59,772,566	23,547,755
4.3.	Checks received for collection		80,178,405	3,074,417	83,252,822	40,551,463	1,843,476
4.4.	Commercial notes received for collection		7,490,224	5,613,199	13,103,423	5,396,491	3,083,854
4.5.	Other assets received for collection		2,152	1,183	3,335	2,152	749
4.6.	Securities received for public offering		-	-	-	-	-
4.7.	Other items under custody		309	21,785,600	21,785,909	309	10,454,688
4.8.	Custodians		85,125,053	9,449,609	94,574,662	26,064,233	5,397,480
V.	PLEDGED ITEMS		4,329,505,590	1,033,151,407	5,362,656,997	2,228,674,022	619,386,476
5.1.	Marketable securities		398,290	4,906,082	5,304,372	1,137,763	1,876,845
5.2.	Guarantee notes		19,402,395	10,297,268	29,699,663	5,358,114	6,818,656
5.3.	Commodity		320,451,642	12,699,256	333,150,898	168,878,389	8,073,124
5.4.	Warrant		-	-	-	-	-
5.5.	Immovables		3,497,221,552	841,937,410	4,339,158,962	1,783,113,213	504,987,569
5.6.	Other pledged items		491,647,668	163,143,400	654,791,068	269,844,038	97,432,224
5.7.	Depositories receiving pledged items		384,043	167,991	552,034	342,505	198,058
VI.	ACCEPTED GUARANTEES AND WARRANTS		21,954,460,909	20,230,067,876	42,184,528,785	11,638,805,025	11,362,008,572
	TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		27,381,739,565	22,717,800,492	50,099,540,057	14,355,120,092	12,688,446,622

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

Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED DECEMBER 31, 2023

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

		Current Period		Prior Period	
		January 1, 2023-		January 1, 2022-	
		December 31, 2023		December 31, 2022	
	Notes				
I.	INTEREST INCOME	V-IV-1	312,915,975	V-IV-1	158,569,464
1.1	Interest on loans	V-IV-1	198,542,927	V-IV-1	85,311,692
1.2	Interest received from reserve deposits		1,151,837		273,019
1.3	Interest received from banks	V-IV-1	1,279,748		637,036
1.4	Interest received from money market transactions		1,290,774		59,785
1.5	Interest received from marketable securities portfolio	V-IV-1	109,219,223		71,952,776
1.5.1	Financial assets at fair value through profit or loss		590,576		358,840
1.5.2	Financial assets at fair value through other comprehensive income		35,091,717		26,315,916
1.5.3	Financial assets measured at amortised cost		73,536,930		45,278,020
1.6	Finance lease interest income		-		-
1.7	Other interest income		1,431,466		335,156
II.	INTEREST EXPENSES	V-IV-2	260,960,901	V-IV-2	84,854,301
2.1	Interest on deposits	V-IV-2	225,121,690	V-IV-2	61,010,346
2.2	Interest on funds borrowed	V-IV-2	13,576,002	V-IV-2	4,034,277
2.3	Interest on money market transactions		10,511,907		10,313,486
2.4	Interest on securities issued	V-IV-2	9,866,653		7,744,330
2.5	Leasing interest income		623,989		238,635
2.6	Other interest expenses		1,260,660		1,513,227
III.	NET INTEREST INCOME/EXPENSE (I - II)		51,955,074		73,715,163
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		25,745,988		10,792,735
4.1	Fees and commissions received		32,727,748		13,584,777
4.1.1	Non-cash loans		3,418,604		1,846,650
4.1.2	Other		29,309,144		11,738,127
4.2	Fees and commissions paid		6,981,760		2,792,042
4.2.1	Non-cash loans		260		310
4.2.2	Other		6,981,500		2,791,732
V.	DIVIDEND INCOME	V-IV-3	199,740	V-IV-3	149,074
VI.	TRADING PROFIT/LOSS (Net)	V-IV-4	14,030,910	V-IV-4	4,990,170
6.1	Profit/losses from capital market transactions	V-IV-4	4,782,827	V-IV-4	1,741,387
6.2	Profit/losses from derivative financial transactions	V-IV-4	(3,982,543)	V-IV-4	(753,965)
6.3	Foreign exchange profit/losses	V-IV-4	13,230,626	V-IV-4	4,002,748
VII.	OTHER OPERATING INCOME	V-IV-5	40,288,762	V-IV-5	9,677,887
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III-IV+V+VI-VII)		132,220,474		99,325,029
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	V-IV-6	49,961,062	V-IV-6	26,865,264
X.	OTHER PROVISION EXPENSES (-)	V-IV-6	4,342,780	V-IV-6	7,230,357
XI.	PERSONNEL EXPENSES (-)		15,139,340		10,701,430
XII.	OTHER OPERATING EXPENSES (-)	V-IV-7	37,365,614	V-IV-7	37,243,595
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		25,411,678		-
XIV.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-		-
XV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-		-
XVI.	NET MONETARY POSITION GAIN/LOSS		-		-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XII+...+XV)	V-IV-8	25,411,678	V-IV-8	37,243,595
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	V-IV-9	(365,768)	V-IV-9	(13,226,363)
18.1	Current tax provision	V-IV-11	(8,781,428)	V-IV-11	(19,688,536)
18.2	Expense effect of deferred tax (+)	V-IV-11	(12,586,204)	V-IV-11	(7,195,141)
18.3	Income effect of deferred tax (-)	V-IV-11	21,001,864	V-IV-11	13,657,314
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII+XVIII)	V-IV-10	25,045,910	V-IV-10	24,017,232
XX.	INCOME FROM DISCONTINUED OPERATIONS		-		-
20.1	Income from assets held for sale		-		-
20.2	Profit from sale of associates, subsidiaries and joint ventures		-		-
20.3	Other income from discontinued operations		-		-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-		-
21.1	Expenses on assets held for sale		-		-
21.2	Losses from sale of associates, subsidiaries and joint ventures		-		-
21.3	Other expenses from discontinued operations		-		-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-		-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-		-
23.1	Current tax provision		-		-
23.2	Expense effect of deferred tax (+)		-		-
23.3	Income effect of deferred tax (-)		-		-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII+XXIII)		-		-
XXV.	NET PROFIT/LOSSES (XIX+XXIV)	V-IV-12	25,045,910	V-IV-12	24,017,232
25.1	Equity holders of the Bank		-		-
25.2	Non-controlling interest (-)		-		-
	Profit/Loss per 100 shares (full TL)	III-XXIV	2.5839	III-XXIV	3.6377

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

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
AS OF THE YEAR ENDED DECEMBER 31, 2023

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

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME				
	Current Period January 1, 2023- December 31, 2023	Prior Period January 1, 2022- December 31, 2022		
I. PROFIT (LOSS)	25,045,910	24,017,232		
II. OTHER COMPREHENSIVE INCOME	5,206,646	17,143,419		
2.1. Other comprehensive income that will not be reclassified to profit or loss	10,175,458	7,558,646		
2.1.1. Gains (Losses) on Revaluation of Property, Plant and Equipment	10,368,401	2,761,318		
2.1.2. Gains (losses) on revaluation of Intangible Assets	-	-		
2.1.3. Gains (losses) on remeasurements of defined benefit plans	(1,718,889)	(767,936)		
2.1.4. Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	2,534,286	6,148,570		
2.1.5. Taxes Relating to Components of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(1,008,340)	(583,306)		
2.2. Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(4,968,812)	9,584,773		
2.1.1. Exchange Differences on Translation	-	-		
2.2.2. Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(6,038,666)	12,912,990		
2.2.3. Income (Loss) Related with Cash Flow Hedges	-	-		
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	1,069,854	(3,328,217)		
III. TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	30,252,556	41,160,651		

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

Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY AS OF THE YEAR  
ENDED DECEMBER 31, 2023

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY										
	Notes	Paid in Capital	Share Premiums	Share Cancellation	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified Through Profit or Loss	1	2	3	4
I. Current Period December 31, 2023										
Prior Period End Balance	7,111,364	16,468,559	-	1,266,702	3,237,996	(793,431)	8,547,402	80,727	11,205,827	35,841,511
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-
2.1. Effects of Corrections	-	-	-	-	-	-	-	-	-	-
2.2. Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I-II)	7,111,364	16,468,559	-	1,266,702	3,237,996	(793,431)	8,547,402	80,727	11,205,827	35,841,511
IV. Total Comprehensive Income	2,804,558	29,120,489	-	-	8,223,324	(1,150,394)	3,102,518	-	(4,968,812)	-
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Resources	-	-	-	-	-	-	-	-	-	-
VII. Paid-in capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-
IV. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	1,465,025	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-
11.1. Dividend paid	-	-	-	-	-	-	-	-	-	-
11.2. Transfers to Reserves	-	-	-	-	-	-	-	-	-	-
11.3. Other	-	-	-	-	-	-	-	-	-	-
Ending Balance	9,915,922	45,589,048	-	2,732,327	11,461,320	(1,942,835)	11,649,930	80,727	6,237,015	59,858,743

1. Property & Equipment Revaluation Increase/Decrease

2. Defined Benefit Pension Plan Remeasurement Gain/Loss

3. Other (Accumulated Amount of the Shares Stated as Other Comprehensive Income Not Reclassified Through Profit or Loss and Components Not Reclassified as Other Profit or Loss of the Investments Valued by Equity Method)

4. Translation Differences From Foreign Currency Transactions

5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income

6. Other (Cash Flow Hedge Income/Loss, Accumulated Amount of the Shares Stated as Other Comprehensive Income Reclassified Through Profit or Loss and Components Reclassified as Other Profit or Loss of the Investments Valued by Equity Method.

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



**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF THE YEAR ENDED DECEMBER 31, 2023**

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																
	Prior Period December 31, 2022	Notes	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss	1	2	3	4	5	6	Prior Period Net Income (Loss)	Current Period Net Income (Loss)	Total Shareholders' Equity
I.	Prior Period End Balance		3,905,622	6,303,277	-	766,228	845,324	(230,911)	2,819,908	80,727	1,621,054	-	31,666,047	4,175,464	-	51,952,740
II.	Corrections and Accounting Policy Changes According to IAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (+/-)		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Total Comprehensive Income		3,905,622	6,303,277	-	766,228	845,324	(230,911)	2,819,908	80,727	1,621,054	-	31,666,047	4,175,464	-	51,952,740
V.	Capital Increase by Cash		-	-	-	-	-	(561,520)	5,727,494	-	9,584,773	-	-	-	24,017,232	41,160,461
VI.	Capital Increase by Internal Resources		3,205,742	10,165,282	-	-	2,392,672	-	-	-	-	-	-	-	-	13,371,024
VII.	Paid-in capital inflation adjustment difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution		-	-	-	500,474	-	-	-	-	-	-	188,919	(188,919)	-	500,474
11.1.	Dividends paid		-	-	-	-	-	-	-	-	-	-	3,986,545	(3,986,545)	-	-
11.2.	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3.	Other		-	-	-	-	-	-	-	-	-	-	3,986,545	(3,986,545)	-	-
	Ending Balance		7,111,364	16,468,559	-	1,266,702	3,337,996	(792,431)	8,547,402	80,727	11,205,827	-	35,841,511	-	24,017,232	106,984,889

1. Property & Equipment Revaluation Increase/Decrease
2. Defined Benefit Pension Plan Remeasurement Gain/Loss
3. Other (Accumulated Amount of the Shares Stated as Other Comprehensive Income Not Reclassified Through Profit or Loss and Components Not Reclassified as Other Profit or Loss of the Investments Valued by Equity Method)
4. Translation Differences from Foreign Currency Transactions
5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income
6. Other (Cash Flow Hedge Income/Loss, Accumulated Amount of the Shares Stated as Other Comprehensive Income Reclassified Through Profit or Loss and Components Reclassified as Other Profit or Loss of the Investments Valued by Equity Method)

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

**Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish**

**TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI**

## UNCONSOLIDATED STATEMENT OF CASH FLOW AS OF THE YEAR ENDED DECEMBER 31, 2023

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

		Current Period	Prior Period
	Notes	December 31, 2023	December 31, 2022
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1</b>	<b>Operating profit before changes in operating assets and liabilities</b>	<b>74,391,073</b>	<b>44,326,955</b>
1.1.1	Interests received	286,039,442	128,082,693
1.1.2	Interests paid	(257,399,952)	(82,908,875)
1.1.3	Dividends received	199,740	149,074
1.1.4	Fee and commissions received	24,675,436	9,570,664
1.1.5	Other income	6,562,635	533,285
1.1.6	Collections from previously written-off loans and other receivables	5,735,956	4,291,605
1.1.7	Cash payments to personnel and service suppliers	(16,850,254)	(7,900,316)
1.1.8	Taxes paid	(1,678,577)	(16,524,997)
1.1.9	Other	27,106,647	9,033,822
<b>1.2</b>	<b>Changes in operating assets and liabilities</b>	<b>289,343,059</b>	<b>31,749,549</b>
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss	(16,739,460)	(664,955)
1.2.2	Net increase (decrease) in due from banks	17,546,409	(106,484,046)
1.2.3	Net increase (decrease) in loans	(385,733,804)	(291,617,820)
1.2.4	Net increase (decrease) in other assets	(19,029,315)	(28,898,887)
1.2.5	Net increase (decrease) in bank deposits	(18,074,704)	44,738,936
1.2.6	Net increase (decrease) in other deposits	643,812,271	387,599,276
1.2.7	Net increase (decrease) in financial liabilities at fair value through profit or loss	-	-
1.2.8	Net increase (decrease) in funds borrowed	24,636,229	14,423,346
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	42,925,433	12,653,699
<b>I.</b>	<b>Net cash flow provided from banking operations</b>	<b>363,734,132</b>	<b>76,076,504</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II.</b>	<b>Net cash provided from investing activities</b>	<b>(215,161,327)</b>	<b>(46,491,679)</b>
2.1	Cash paid for the purchase of associates, subsidiaries and joint ventures	(841,608)	(471,510)
2.2	Cash obtained from the sale of associates, subsidiaries and joint ventures	-	1,750
2.3	Cash paid for the purchase of tangible and intangible asset	(27,348,007)	(7,046,470)
2.4	Cash obtained from the sale of tangible and intangible asset	9,571,476	2,463,862
2.5	Cash paid for the purchase of financial assets at fair value through other comprehensive income	(98,516,549)	(27,713,006)
2.6	Cash obtained from the sale of financial assets at fair value through other comprehensive income	13,719,971	24,793,375
2.7	Cash paid for the purchase of financial assets at amortized cost	(126,283,530)	(41,636,940)
2.8	Cash obtained from sale of financial assets at amortized cost	15,067,844	3,320,778
2.9	Other	(530,924)	(203,518)
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III.</b>	<b>Net cash flow from financing activities</b>	<b>55,691,879</b>	<b>953,390</b>
3.1	Cash obtained from funds borrowed and securities issued	66,084,341	20,738,100
3.2	Cash outflow from funds borrowed and securities issued	(9,413,092)	(19,280,979)
3.3	Equity instruments issued	-	-
3.4	Dividends paid	-	-
3.5	Payments for finance lease liabilities	(979,370)	(503,731)
3.6	Other	-	-
<b>IV.</b>	<b>Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>367,899</b>	<b>256,513</b>
<b>V.</b>	<b>Net increase/decrease in cash and cash equivalents</b>	<b>204,632,583</b>	<b>30,794,728</b>
<b>VI.</b>	<b>Cash and cash equivalents at beginning of the period</b>	<b>129,436,268</b>	<b>98,641,540</b>
<b>VII.</b>	<b>Cash and cash equivalents at end of the period</b>	<b>334,068,851</b>	<b>129,436,268</b>

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



Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION  
AS OF THE YEAR ENDED DECEMBER 31, 2023

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

	Notes	Current Period December 31, 2023	Prior Period December 31, 2022
I.	DISTRIBUTION OF CURRENT YEAR PROFIT <sup>(*)</sup>		
1.1	CURRENT YEAR'S PROFIT	25,411,678	37,243,595
1.2	TAXES AND LEGAL DUTIES PAYABLE	(365,768)	(13,226,363)
1.2.1	Corporate tax (income tax)	(8,781,428)	(19,688,536)
1.2.2	Withholding tax	-	-
1.2.3	Other taxes and duties <sup>(*)</sup>	8,415,660	6,462,173
A.	NET PROFIT FOR THE YEAR	25,045,910	24,017,232
1.3	DEFERED TAX INCOME TRANSFERRED TO OTHER RESERVES	-	-
B.	NET PROFIT FOR THE YEAR AFTER DEFERRED TAX INCOME	-	-
1.4	ACCUMULATED LOSSES	-	-
1.5	FIRST LEGAL RESERVES	-	1,200,862
1.6	OTHER STATUTORY RESERVES	-	1,200,861
C.	NET PROFIT AVAILABLE FOR DISTRIBUTION <sup>(**)</sup>	-	21,615,509
1.7	FIRST DIVIDEND TO SHAREHOLDERS	-	-
1.7.1	To owners of ordinary shares	-	-
1.7.2	To owners of privileged shares	-	-
1.7.3	To owners of redeemed shares	-	-
1.7.4	To profit sharing bonds	-	-
1.7.5	To holders of profit and loss sharing certificates	-	-
1.8	DIVIDENDS TO PERSONNEL	-	-
1.9	DIVIDENDS TO BOARD OF DIRECTORS	-	-
1.10	SECOND DIVIDEND TO SHAREHOLDERS	-	-
1.10.1	To owners of ordinary shares	-	-
1.10.2	To owners of privileged shares	-	-
1.10.3	To owners of redeemed shares	-	-
1.10.4	To profit sharing bonds	-	-
1.10.5	To holders of profit and loss sharing certificates	-	-
1.11	SECOND LEGAL RESERVES	-	-
1.12	STATUS RESERVES	-	-
1.13	EXTRAORDINARY RESERVES	-	21,473,562
1.14	OTHER RESERVES	-	141,947
1.15	SPECIAL FUNDS	-	-
II.	DISTRIBUTION FROM RESERVES		
2.1	DISTRIBUTION OF 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 privileged shares	-	-
2.3.3	To owners of redeemed shares	-	-
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	-	-
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES (Earning per 100 shares)	2.5839	3.6377
3.2	TO OWNERS OF ORDINARY SHARES (%)	258.39	363.77
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(\*) The amount shown in other taxes and legal liabilities is deferred income/expense tax, and deferred tax income is not subject to profit distribution.  
(\*\*) As of the report date, distributable net profit of the period is not shown as any decision regarding the 2023 profit distribution is not taken.

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

Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED FINANCIAL REPORT AS OF THE YEAR ENDED DECEMBER 31, 2023

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

SECTION THREE  
ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated November 1, 2006 and in accordance with the regulations, communiques, 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 BRSA, Turkish Financial Reporting Standards (“TFRS”) enforced by Public Oversight, Accounting and Auditing Standards Authority (“POA”) and related appendices and interpretations (together referred as BRSA Accounting and Reporting Legislation). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué on Disclosures about Risk Management to be Announced to Public by Banks” and amendments to this Communiqué. General board and some regulatory authorities have the authorization to change the legal financial statements after they are published. The Bank maintains its accounting records in Turkish Lira, in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

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

The accounting policies and valuation principles applied in the preparation of the unconsolidated financial statements have been determined and applied by BRSA in accordance with the regulations, communiqués, explanations and circulars published in accordance with the accounting and financial reporting principles and if no specific regulation has been made by BRSA, it has been determined and applied according to the principles of TFRS.

The preparation of financial statements according to TFRS requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date and amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgments and estimates are explained in related notes.

Benchmark Rate Reform - Stage 2, which introduces amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from January 2021, was published in December 2020 and early application of the changes is permitted. With the amendments made, certain exceptions are provided in the basis used in determining the contractual cash flows and in the hedge accounting provisions. The changes came into effect from January 1, 2021. Loans given from items indexed to benchmark interest rates in the Bank's financial statements and securities assets; Securities issued, derivative transactions and loans obtained through repo constitute liabilities. These changes do not have a significant impact on the Bank's financial position or performance As of December 31, 2023, the Bank has no hedging transactions based on the benchmark interest rate. As of July 1, 2023, the secured overnight financing rate (SOFR) has been introduced in floating rate open transactions indexed to USD LIBOR. These changes did not have a material impact on the Bank's financial statements as of December 31, 2023.

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED FINANCIAL REPORT AS OF THE YEAR ENDED DECEMBER 31, 2023

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

ACCOUNTING POLICIES (Continued)

I. BASIS OF PRESENTATION (Continued)

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to “TAS 29 Financial Reporting in Hyperinflation Economies”. Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on November 23, 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 December 31, 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 December 31, 2023 would not be subject to the inflation adjustment in accordance with BRSA Board decision on December 12, 2023. Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the financial statements of the Bank as of December 31, 2023.

Tensions between Russia and Ukraine have turned into a crisis and heated conflict within Ukraine. The Bank does not have direct activity in the relevant geography and the crisis is not expected to have a direct impact on bank operations. However, the course of the crisis is uncertain as of the date of the report, developments are monitored, and its estimated effects are evaluated within the scope of the relevant accounting standards and taken into account in the preparation of financial statements.

The accounting policies applied in the current period are in line with the previous period financial statements. The accounting policies followed, and the valuation principles used in the preparation of financial statements are presented in detail below.

II. STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS AND INFORMATION ON FOREIGN CURRENCY TRANSACTIONS

Strategy for the use of financial instruments

Core operations of the Bank are based on retail banking, corporate banking, private banking, foreign exchange operations, money market operations, investment security transactions, and international banking in accordance with the requirements of its economic development while utilizing foundation resources. As a result of the nature of its operations, the Bank intensively utilizes financial instruments. The Bank accepts deposits consisting various maturities as the main source of funding with deposits being in high return as well as carefully utilizing them in high quality financial activities.

The most important fund sources of the Bank other than the deposits are its equity and medium and long-term borrowings obtained from foreign financial institutions. The Bank pursues an effective asset-liability management strategy by securing balance between funding resources and investments so as to reduce risks and increase returns. Accordingly, the Bank gives great significance to long-term placements bearing higher interest rates.

It is essential to consider the maturity structure of assets and liabilities in liquidity management. The essence of asset liability management is the keep to liquidity risk, exchange risk, and credit risk within reasonable limits, while enhancing profitability and strengthening the shareholders’ equity.

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED FINANCIAL REPORT AS OF THE YEAR ENDED DECEMBER 31, 2023

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

ACCOUNTING POLICIES (Continued)

II. STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS AND INFORMATION ON FOREIGN CURRENCY TRANSACTIONS (Continued)

Strategy for the use of financial instruments (Continued)

Investments in marketable securities and lending loans generate higher return than the average rate of return of the Bank’s operating activities on the basis of maturity structures and market conditions. When bank placements are considered, they have short term maturity in terms of liquidity management and have lower return. The Bank can take various positions on short-term foreign exchange risk, interest rate risk and market risk in money and capital markets, by considering market conditions, within specified limits set by regulations. The Bank hedges itself and controls its position against the foreign exchange risk being exposed due to foreign currency available-for-sale investments, investments in other portfolios and other foreign currency transactions by various derivative transactions and setting the equilibrium between foreign currency denominated assets and liabilities.

Within the legal limitations and the regulations of the bank’s internal control, the foreign currency position is being followed, the foreign currency position is established according to the basket equilibrium that is determined by taking into account current market conditions.

In order to avoid interest rate risk, assets and liabilities having fixed and floating interest rates are kept in balance, taking the maturity structure into consideration.

Information on foreign currency transactions

Exchange differences arising on amortized cost of financial assets at fair value through profit or loss are recognized in the income statement. Exchange differences arising on unrealized gains and losses are recognized in other comprehensive income or expense in profit or loss. Foreign exchange profits and losses arising from the translation of monetary items and the collection and payment of foreign currency transactions are included in the income statement.

While foreign exchange differences arising from amortized cost values of financial assets that fair value differences in foreign currency is reflected in other comprehensive income are recognized in the income statement, the exchange differences calculated on unrealized gains and losses are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss item in equity.

On March 24, 2020, Türkiye Vakıflar Bankası T.A.O. Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı (ESV) shares, which are presented in the paid-in capital of Vakıfbank International AG Türkiye Foundations Bank, are purchased by the Bank. Because of the exchange risk arise from the 75.7 Million EUR of Vakıfbank International AG's paid-in capital shares amounting to 100 Million EUR, the fair value hedging strategy has been applied. In this context, 76 Million EUR portion of the securities issued by the Bank on April 24, 2019 with a nominal amount of 700 Million Euros and the redemption date of April 24, 2024, were determined as hedging instruments. In this transaction, fair value changes related to the investment abroad, which is a hedged item, are reflected in the income statement as long as the hedging transaction is effective. In this context, as of December 31, 2023, the foreign exchange income presented in the income statement is 964,359 The effectiveness of the transaction is the degree to balance the changes in the fair value of the hedged item that can be associated with the hedged currency risk by the hedging instrument.

As of December 31, 2023, it was identified that the evaluations that were made about the process to protect from the fair value risk were effective. Efficiency testing, which is consistent with the Bank's risk strategies, is conducted using the "Dollar off-set method" in the protection from risk process. According to this method, hedging compares the change in value of protection subject from risk with the change in value of protection tool from risk and calculates the relation with the effectiveness ratio of the hedge. The calculated effectiveness ratio is being evaluated within the TAS 39 Financial Instruments: Recognition and Measurement standards and hedge accounting principles are being applied. The bank documents the hedging strategies along with risk management goals. Hedge accounting ends when protection subject from risk ends or being sold or effectiveness test results are not effective anymore.

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED FINANCIAL REPORT AS OF THE YEAR ENDED DECEMBER 31, 2023

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

ACCOUNTING POLICIES (Continued)

III. INFORMATION OF ASSOCIATES AND SUBSIDIARIES

Subsidiaries and associates are recognized at fair value in the unconsolidated financial statements, under the standard of, TFRS 9, "Financial Instruments: Türkiye Financial Reporting Standards" and in accordance with IAS 27 "Separate Financial Statements".

IV. INFORMATION ON FORWARDS, OPTIONS AND OTHER DERIVATIVE TRANSACTIONS

The derivative transactions mainly consist of currency and interest rate swaps, precious metals swaps, foreign currency forward contracts and currency options. The Bank has classified its derivative transactions, mentioned above, as “Derivative Financial Assets at Fair Value Through Profit or Loss” in accordance with the “TFRS 9 – Financial Instruments”.

Derivatives are initially recorded at their purchase costs. The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts.

Derivative transactions are valued at their fair values subsequent to their acquisition and in accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss". The fair value differences of derivative financial instruments are recognized in the income statement.

Embedded derivative products are not separated from the articles of association and are accounted according to the standard on which the articles of association are based.

V. INFORMATION ON INTEREST INCOME AND EXPENSES

Interest income and expenses are recognized using the effective interest method.

Starting from January 1, 2018, Bank has started accruing interest income on non-performing loans. Net book value of the non-performing loans (Gross Book Value – Expected Credit Loss) are rediscounted through effective interest rate of and recognized through the gross book value of the non-performing loan.

VI. INFORMATION ON FEES AND COMMISSIONS

Banking service income is recorded as income when they are collected. Other fee and commission income are transferred to profit/loss accounts according to the principle of periodicity on the basis of accrual using the principle of the effective interest method. Fee and commission expenses are recorded as expense at the time they are paid.

Fees and commissions other than those that are an integral part of the effective interest rate of financial instruments measured at amortized cost are accounted in accordance with the TFRS 15 “Revenue from Contracts with Customers” standard.

VII. INFORMATION ON FINANCIAL ASSETS

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 January 19, 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

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

ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

The Bank recognizes a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by Bank management and the nature of contractual cash flows of the financial asset are taken into consideration.

Classification and Measurement of Financial Instruments

According to TFRS 9, the classification and measurement of financial assets is determined according to the business model in which the financial asset is managed and whether it depends on the contractual cash flows that include interest payments only on the principal and principal balance.

Assessments on whether contractual cash flows include only principal balances and interest payments on the principal

Within the scope of this evaluation; principal is defined as the fair value of the financial asset when it is first recognized in the financial statements. For the time value of money, interest takes into account the costs (E.g. liquidity risk and management costs) for the credit risk and other underlying credit risks and profit margin associated with the principal amount over a period of time.

The Bank takes into consideration the contractual terms of the financial asset in the evaluation of the contractual cash flows that only include principal and interest payments on the principal. This assessment assesses whether the financial asset contains a contractual clause that could change the timing or amount of contractual cash flow.

While performing the assessment, the Bank fulfills the on-balance sheet classification and measurement criteria by applying the procedures defined in TFRS 9 Financial Instruments including events that may change the amount and timing of cash flows, leverage structure of the financial product, early payment options, contingent interest rate changes and similar conditions.

At the time of initial recognition, each financial asset is classified as a financial asset that is measured at fair value through profit or loss, at amortized cost or at fair value other comprehensive income.

Financial assets at Fair Value Through Profit or Loss

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

Marketable securities classified as financial assets at fair value through profit or loss are recognized at their fair values.



TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED FINANCIAL REPORT AS OF THE YEAR ENDED DECEMBER 31, 2023

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

ACCOUNTING POLICIES (Continued)

VII. INFORMATION 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 assets with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they 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 amortised 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 acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

Securities representing the share in the capital classified as financial assets at fair value through profit or loss are recognized at fair value. Exceptionally, cost may be an appropriate estimation method for determining fair value. This is only possible if there is not enough recent information on the measurement of fair value or if the fair value can be measured with more than one method and the cost reflects the fair value estimation among these methods in the best way.

During initial recognition an entity can choose in an irrevocable was 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 in income statement.

In addition, the Bank's securities portfolio includes, Consumer Price Indexed (CPI) Government Bonds classified as both financial assets at fair value through other comprehensive income and financial assets measured at amortised cost. These securities are valued and recorded according to the effective interest rate method on the basis of the real coupon rates and the reference inflation index at the date of issuance and the index calculated by taking into account the estimated inflation rate as stated in the Treasury Undersecretary’s CPI Indexed Bonds Investor Guide, the reference indices used in the calculation of the actual coupon payment amounts of these securities are formed according to the CPI ratio of two months ago. The Bank determines the estimated inflation rate in parallel to this the rate, which is estimated by taking into account the expectations of the Central Bank of the Republic of Türkiye and the Bank, is updated when deemed necessary during the year as stated in the accounting policies, the Bank makes the valuation of the Consumer Price Indexed (CPI) government bonds in its securities portfolio on the basis of the reference index on the date of issuance and the index calculated by taking into account the estimated inflation rate. At the end of the year, the reference indices published by the Ministry of Treasury and Finance for CPI-indexed bonds are used.

TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

UNCONSOLIDATED FINANCIAL REPORT AS OF THE YEAR ENDED DECEMBER 31, 2023

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

ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS(Continued)  
Derivative Financial Assets

The Bank's derivative transactions mainly consist of foreign currency swaps and interest rate swaps, cross currency swaps, currency options and forward foreign currency purchase / sale contracts.

The derivative financial instruments of the Bank are classified as Financial assets at fair value through profit and loss in accordance with “TFRS 9 Financial Instruments” (TFRS 9). Liabilities and receivables arising from derivative transactions are recorded in off-balance sheet accounts.

Loans

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". Loans of the Bank are retained under the “Measured at Amortized Cost” accounts due to holding loans in scope of a business model for the collection of contractual cash flows and contractual terms of loans that leads to cash flows representing solely payments of principal and interest at certain date.

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS

As of January 1, 2018, the Bank recognizes provisions for expected loss in accordance with TFRS 9 requirements according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated June 22, 2016, numbered 29750. Expected credit loss model is applied to financial assets measured at amortized cost or financial assets at fair value through other comprehensive income (e.g. placements, loans and leasing receivables), loan commitments and financial guarantee contracts.

The expected credit loss estimates are required to be unbiased, probability-weighted, considering the time value of money and including supportable information about past events, current conditions, and forecasts of future economic conditions.

It is possible to perform the expected credit loss calculations in accordance with TFRS 9, with three main parameters for each loan. Exposure at Default (EAD), Loss Given Default (LGD), Probability of Default (PD).

Expected Credit Loss (ECL) Calculation - Input and Forecasting Methodologies

Exposure at Default (EAD): Represents the amount of risk on the default date of the borrower in case of default. According to TFRS 9 in calculating EAD, the estimation of how customer risk rating changes over time is important. Amount of EAD for cash and non-cash loans are calculated in different ways.

Cash loans are divided into two parts as loans with payment plan and loans without payment plan. For loans with payment plan, EAD is calculated by considering the installments to be paid in the future. For cash loans without payment plan, EAD is calculated by keeping credit balance constant. For non-cash loans and limit commitments EAD is calculated by regarding to credit conversion factor and behavioral maturity periods.

Loss Given Default: The ratio that provides the uncollectable amount of the loans in the process after the default. The LGD ratio is the division of the uncollectable amount of a defaulted loan into the defaulted loan amount. This ratio enables to predetermine the risks in the case of default for the active credit portfolio and allows for provision under TFRS 9. In LGD methodology, all non-performing loans amounts and long-term collection process has been taken into account and LGD rate is calculated after deducting net collections amounts from the default amount and discounted with effective interest rates or approximate rate over the net amounts with an approximate value.



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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

Expected Credit Loss (ECL) Calculation - Input and Forecasting Methodologies (Continued)

For corporate and retail portfolios, different LGD calculations are performed. Since the dragging effect, LGD rates in corporate portfolios are considered on customer basis. In accordance with TFRS 9, in order to differentiate according to different risk characteristics, individual and corporate segments are separated into LGD pools, taking into account the collateral status of the receivable and the change in risk balance.

Probability of Default (PD): Represents the probability of default of the debtor in a defined time lag in the future.

The models used in PD calculations were developed based on historical data on past and quarterly and non-defaultable loans. PD rates used within the scope of TFRS 9 are calculated separately for each rating model and rating information. In this context, firstly, PD rates are calculated from historical data (through the cycle) from this model and rating values, then lifetime default rate curves are created. These lifetime default rate curves provide the following two basic estimation data in the calculation of expected credit losses as follows:

- 12 Months PD ratio: The probability of default within 12 months from the reporting date estimate
- Lifetime PD ratio: Estimation of the probability of default over the expected life of the financial instrument

The models developed under TFRS 9 have detailed segment structures based on corporate and retail portfolios.

While creating the corporate PD rates, the rating values assigned to the customers as of the date of each rating and the customers who default on the corporate side are considered. Retail portfolios are divided into sub-segments according to product groups and lifetime default rate curves vary according to product groups. By taking into account the periodic PD rates, a PD rate scale is generated on the basis of rating and model code through the cycle.

The relation of all risk parameters with macroeconomic conditions has been tested and it has been determined that macroeconomic conditions have an effect on the probability of default. In this context, point in time PD values have been established by taking into account the macroeconomic forecasts in the change of the default probability.

Separate macroeconomic models have been created for the retail portfolio and the commercial portfolio, and macroeconomic forecasts affect the expected loss provision calculations under two different scenarios, base and adverse. Currently, base and adverse scenario weights are taken into consideration as 50% - 50%. The future macroeconomic forecasts considered within the scope of TFRS 9 are in line with the economic forecasts subject to the Bank's current Budget and ICAAP processes.

In the calculation of the expected credit loss in accordance with TFRS 9, a certain part of commercial and corporate loans is subject to individual assessment on a customer basis in accordance with internal evaluations. As of the date of the report, the Bank has reviewed its provisions on a customer and industry basis and reflected them in its financial statements, taking into account its sustainability approach to the expected credit loss provisions calculations under TFRS 9. The models and methodologies used for TFRS 9 are evaluated by the relevant teams responsible for model and methodology in terms of accuracy and suitability at least once a year. Models and other issues created within the scope of TFRS 9 that need updates are periodically reviewed and revised to reflect in the financial statements when necessary.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

Expected Credit Loss (ECL) Calculation - Input and Forecasting Methodologies (Continued)

Macroeconomic forecasts and risk delinquency data used in risk parameter models are re-evaluated every quarter to reflect changes in economic conjuncture and are updated if needed.

The maximum period to determine the expected credit losses except for demand and revolving loans is up to the contractual life of the financial asset.

Staging

Financial assets are divided into the following three categories based on the increase in the credit risks observed since the initial acquisition:

Stage 1:

Financial assets that are included in the portfolio with no significant increase in credit risk at or after initial recognition or with a low default rate at the reporting date provision is accounted for 12 months expected credit losses. The Bank applies the expected 12-month default probabilities to the estimated default amount and multiplies with the loss given default and downgrades to the present day with the original effective interest rate of the loan. For these assets, credit risk impairment provision is accounted for 12 months expected credit losses. The Bank applies the expected 12-month default probabilities to the estimated default amount and multiplies with the loss given default and downgrades to the present day with the original effective interest rate of the loan. For these assets, an expected 12-month credit loss is recognized, and interest income is calculated over the gross carrying amount. 12-month expected credit loss is the loss arising from possible risks in the first 12 months following the reporting date.

Stage 2:

A financial asset is transferred to stage 2 if there is a significant increase in credit risk since initial recognition but the financial asset is not yet considered to be impaired. The Bank determines the credit risk impairment provision of the financial asset according to lifetime expected credit loss. Lifetime expected credit losses are credit losses arising from all events that may occur during the expected life of the financial asset. The probability of default, and loss given default are estimated over the life of the loan including the use of multiple scenarios. Expected cash flows are discounted using the original effective interest rate.

Stage 3:

Stage 3 includes financial assets with objective evidence of impairment as of the reporting date. Lifetime expected credit loss is recorded for these assets. The Bank's methodology for loans at this stage is similar to loans classified in Stage 2, but the probability of default is considered 100%. Loss given default is calculated considering the period the loan waits in the non-performing loans and an aging curve formed from the historical data.

Significant Increase in Credit Risk

The Standard requires the assessment of whether there is a significant increase in the credit risk of financial assets by the date of initial recognition based on the information available without excessive effort and cost as of the reporting date. The factors that show a significant increase in credit risk under TFRS 9 are as follows:

Past Due Date; significant increase in the credit risk since the granting date in the case of loans overdue more than 30 days.

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ACCOUNTING POLICIES (Continued)

VIII. INFORMATION ON EXPECTED LOSS PROVISIONS (Continued)

Significant Increase in Credit Risk (Continued)

Restruction: Classification of financial assets under stage 2 as a result of the emergence of privileges and financial difficulties in the case of restructuring of financial receivables.

Qualitative Criteria: Implementation of set of qualitative criteria set by the Bank in accordance with the information obtained.

Quantitative Criteria: As of the reporting date, the default risk for the borrower and the default risk as of the date of the initial allowance are compared with the change in the grade / score information as a result of the application of statistically determined threshold values.

The Bank has accounted for the effect of applying the new provisions at the date of January 1, 2018, by recording a reversal in the opening records of previous years' profit and loss accounts. The primary impact is due to changes in the allowance for credit losses in accordance with the new impairment provisions and the tax effects of the corresponding provisions.

Default Definition

The Bank takes into account the requirements of TFRS 9 and the relevant BRSA in order to determine the default situation in accordance with the definition of default and its indicators included in the Communiqué on the Calculation of Provisions Regulation and the Amount Based on the Internal Risk Based Approach of the Credit Risk.

In terms of the default definition, the bank has set the following criterias;

- Over 90 days delayed collection of principals and / or interest amount,
- The customer has been bankrupt or has been found to apply for bankruptcy,
- The customer's creditworthiness is impaired,
- It is decided that the principal and / or interest payments of the borrower will be delayed by more than 90 days since the collaterals and / or borrower's own funds are insufficient to cover the payment of the receivables at maturity,
- It is decided that the principal and / or interest payments of the customer will be delayed by more than 90 days due to macroeconomic, sector specific or customer specific reasons.

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 “Group V Loan” (Loans Classified as Loss) if it cannot reasonably be expected to be recovered. In accordance with the amendment in the related regulation on provisions, the deduction of loans from the records is an accounting practice and does not result in the right to waive. In the current period a write-off transaction has been made for non-performing loans in the amount of TL 1,599,845 for which 100% provision has been made. (December 31, 2022: TL 3,186,885).

Asset Sales Policy

Banks that are directly or indirectly owned by the public or banks that are controlled by the public and financial institutions qualified as subsidiaries to these Banks can sell non-performing loans to asset management companies. As of December 31, 2023 and December 31, 2022, there are no transactions of this nature at the Bank.

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ACCOUNTING POLICIES (Continued)

IX. INFORMATION ON OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are reported in the balance sheet as net amount in the cases of the Bank’s right and right to sanction to finalize and have the intention to receive/pay related financial asset or liability over the recognized amount or have the right to finalize the related asset and liability simultaneously.

X. INFORMATION ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING

Securities sold under repurchase agreements (“repo”) are classified under “Financial Assets at Fair Value through Profit or Loss”, “Financial Assets at Fair Value through Other Comprehensive Income” and/or “Financial Assets Measured at Amortised cost” portfolios according to their holding purposes in the Bank’s portfolio, and they are valued based on the revaluation principles of the related portfolios. Funds received through repurchase agreements are classified in balance sheet under “Money Market Funds” and the related interest expenses are accounted on an accrual basis of balance sheet date.

Securities purchased under resale agreements (“reverse repo”) are classified in balance sheet under “Receivables from Money Markets”. The income accrual is calculated for the securities purchased under resale agreements via the difference between buying and selling prices on the balance sheet date.

XI. INFORMATION ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND RELATED LIABILITIES

As per TFRS 5 - “Non-current Assets Held for Sale and Discontinued Operations”, a fixed asset classified as an asset kept for sales purposes (or a group of fixed assets to be disposed of) is measured with either its book value or fair value less costs to sell (with the lower one).

A discontinued operation is a part of the Bank’s business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Bank has no discontinued operations.

XII. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

As at the balance sheet date, there is no goodwill on financial statements.

The Bank’s intangible assets consist of software. Intangible assets are initially recorded at their costs in compliance with the TAS 38 – *Intangible Assets*.

The costs of the intangible assets purchased before December 31, 2004, are restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortized based on straight line amortization.

The Bank, there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 - Impairment of Assets and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Estimated useful lives of the Bank’s intangible assets are 3-15 years, and amortisation rates are between 6.67% and 33.33%.

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ACCOUNTING POLICIES (Continued)

XIII. INFORMATION ON TANGIBLE ASSETS

The costs of the tangible assets purchased before December 31, 2004, are restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. In subsequent periods no inflation adjustment is made for tangible assets, and costs which are restated as of December 31, 2004, are considered as their historical costs. Tangible assets purchased after January 1, 2005, were recorded at their historical costs after foreign exchange differences and financial expenses are deducted if any. The Bank decided to pursue the properties for use according to their fair values in terms of separating the land and buildings within the context of TAS 16 “Turkish Accounting Standard on Property, Plant and Equipment” after the change in the accounting policy as of September 30, 2015.

Tangible fixed assets followed at fair value in 2022 are revalued in the current period and reflected in the financial statements.

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and recognized in the income statement of the period.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of related assets. Other maintenance costs are expensed.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets. Depreciation rates and estimated useful lives are:

Tangible assets	Estimated useful life (years)	Depreciation rate (%)
Buildings	50	2
Office equipment, furniture and fixture, and motor vehicles	5-50	2-20
Assets obtained through leases	3-25	4-33,33

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

At each reporting date, the Bank evaluates whether there is objective evidence of impairment on its assets. If there is an objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 - *Impairment of Assets* and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

Investment Properties

Real estate held for the purpose of obtaining rental income or appreciation gain, or both, rather than for the purpose of producing and supplying goods and services, being used for administrative purposes or being sold within the framework of normal business course, is classified as investment properties. As of December 31, 2023, the Bank has decided to monitor its investment properties with the fair value method within the scope of "TAS 40 Investment Properties" standard. Investment properties are valued by independent appraisal firms and arising changes in their fair value are recognised in the statement of profit or loss in the period.

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ACCOUNTING POLICIES (Continued)

XIV. INFORMATION ON LEASING ACTIVITIES

The difference between operating leases and financial leases has been eliminated with the “TFRS 16 Leases” effective as of January 1, 2019, and on the transition date, the Bank has applied the simplified transition approach and elected not to restate comparative figures.

The Bank started to apply the “TFRS 16 Leases” standard which went into effect on January 1, 2019, to leases of service buildings and car rentals. However, ATMs which are determined as low value by the Bank and short-term lease contracts with a duration of 12 months or less, have been evaluated within the scope of the exemption granted by the standard. The payments for these contracts are recorded as expense in the period they occurred.

In accordance with “TFRS 16 Leases” standard, the Bank calculates the “right to use” amount on the basis of the present value of the lease payments of the fixed asset leased at the beginning of the lease and includes them in “tangible fixed assets”. In calculating assets having a right to use, outstanding rent amounts were discounted by a specific rate, considering the remaining term of the lease contract signed with the property owner, to determine net present value.

Instead of recognising leases in the scope of the "TFRS 16 Leases" standard as expenses or prepaid expenses, the Bank recognised the total lease liabilities to be paid by the end of the lease contract as “Lease Payables” under liabilities on the balance sheet. Changes that may impact the lease liability are remeasured and included in the balance sheet accounts.

Monthly interest and depreciation are calculated on the net present value based on the period of the lease contract, and are recognised on the income statement.

Footnotes on right-of-use assets and liabilities are presented in Note 5, Part II of Section V.

XV. INFORMATION ON PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

Provisions and contingent liabilities are accounted in accordance with TAS 37 “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets”.

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of management on the expenses to incur as at the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of unplanned or unexpected one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, the Bank discloses the contingent asset.



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ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON OBLIGATIONS OF THE BANK CONCERNING EMPLOYEE RIGHTS

Reserve for employee termination benefits

In accordance with existing Turkish Labor Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The computation of the liability is based upon the retirement pay ceiling announced by the Government. The applicable ceiling amount as at December 31, 2023 is TL 23,490 (full TL) (December 31, 2022: TL 15,371 (full TL)).

The Bank reserved for employee severance indemnities in the accompanying unconsolidated financial statements using actuarial method in compliance with the TAS 19 – Employee Benefits.

As of December 31, 2023, and December 31, 2022, actuarial estimates used are:

	Current Period - 31 December 2023	Prior Period - 31 December 2022
Discount Rate	28.24%	18.45%
Estimated Inflation Rate	24.50%	15.00%
Net real Discount Rate	3.00%	3.00%

Other benefits to employees

The Bank has provided provision for undiscounted short-term employee benefits earned during the financial period (unused vacations, premium and dividend) as per services rendered in compliance with TAS 19 in the accompanying unconsolidated financial statements.

In accordance with TAS 19, the Bank recognizes actuarial gains and losses generated in related reporting periods in equity.

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ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON OBLIGATIONS OF THE BANK CONCERNING EMPLOYEE RIGHTS (Continued)

Pension fund

The employees of the Bank are the members of “Türkiye Vakıflar Bankası Türk Anonim Ortaklığı Memur ve Hizmetlileri Emekli ve Sağlık Yardım Sandığı Vakfı” (“the Fund”) established on May 15, 1957 as per the temporary article no. 20 of the Social Security Law no. 506.

As part of Social Security Law’s 506 numbered, temporary article no.23, monthly income or salary is eligible for whose disabled with fund’s associates, senility and death insurance is subjected according to the first paragraph of the temporary article no. 23 which states the Banks should transfer pension funds to the Social Security Institution within three years after the issue date of the Banking Law, issued in the November 1, 2005 dated and 25983 numbered Official Gazette, has been cancelled by the Constitutional Court’s March 22, 2007 dated and 2007/33 numbered decision. Reasoned ruling of the Constitutional Court has been issued on December 15, 2007 in the Official Gazette no. 26731. The reason for the cancellation decision by Constitutional Court was stated as possible future losses on acquired rights of Fund members.

Following the publication of the ruling, the Turkish Parliament started to work on new legal arrangements and the Social Security Law no. 5754 (“the Law”) has been approved on April 17, 2008. The Law is enacted by the approval of the President of Türkiye and issued on the May 8, 2008 dated and 26870 numbered Official Gazette.

In accordance with the temporary article no. 20 of the Article no. 73 of the Law;

The discounted liability for each fund in terms of the persons transferred as at the transfer date, including the contributors left the fund, should be calculated by the assumptions below:

- a) The technical interest rate to be used for the actuarial calculation is 9.80%
- b) Income and expenditures in respect to fund’s insurance division are considered in the calculation of discounted liability.

Law requires the transfer to be completed in three years beginning from January 1, 2008. The three years period has expired on May 8, 2011; however, it has been extended to May 8, 2013 with the decision of Council of Ministers published in Official Gazette dated April 9, 2011. Before the expiration date, with the decision of Council of Ministers published in Official Gazette dated May 3, 2013, the period for transferring banks, insurance and reassurance firms, board of trade, exchanges or participants, monthly salary paid individuals and beneficiaries of the funds that are constructed for their personnel to Social Security Institution in the scope of the temporary article no. 20 of the Social Security Law no. 506 published in Official Gazette dated April 30, 2014 extended for one year. The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated April 23, 2015 numbered 29335. “Council of Ministers” expression in “Council of Ministers is authorized to determine the date of transfer to the Social Security Institution” stated in provisional article 20 of Social Insurance and Universal Health Insurance Law No. 5510 is replaced with the “President” pursuant to the paragraph (I) of Article 203 of Statutory Decree No. 703 promulgated in repeated Official Gazette No. 30473, dated July 9, 2018.

The employer of pension fund participants will continue to pay the non-transferable social rights, which are already disclosed in the article of association of the pension fund, to the pension participants and their right owners, even though the salary payment obligation has been transferred to the Social Security Foundation.

The technical financial statements of the Fund are audited by the certified actuary according to the “Actuaries Regulation” which is issued as per the Article no. 21 of the 5684 numbered Insurance Law. As per the actuarial report dated December 31, 2023 in compliance with the principles explained above, there is no technical or actual deficit determined which requires provision against as at December 31, 2023.



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ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION

Corporate tax

According to Article 21 of the Law No. 7456 published in the Official Gazette dated July 15, 2023 and numbered 32249, starting from the declarations to be submitted as of 1/10/2023, the corporate tax rate of 25% over the corporate earnings of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies has been increased from 25% to 30% to be applied to the earnings of the institutions in 2023 and the following taxation periods. In this context, for the first time, the rate of 30% will be applied for the temporary tax covering the period January 1, 2023-September 30, 2023 and which must be declared and paid on November 17, 2023. Furthermore, with the same law, the exemption for the gains derived from the sale of immovable properties acquired as of July 15, 2023 has been terminated, the exemption rate for profits arising from the sale of immovable properties in the assets of institutions before this date has been determined as 25%.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. Except for the dividend payments to these institutions, the withholding tax rate on the dividend payments is 10%. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax. No further tax is paid if the profit is not distributed.

75% of the profits arising from the sale of subsidiary shares held for at least 2 years are exempt from corporate tax, provided that they are added to the capital as stipulated by the Corporate Tax Law or kept in a special fund account as a liability for 5 years. The bank monitors these profits in the "Other Profit Reserves" item under equity in its balance sheet.

The bank shall be responsible for all of the profits corresponding to the part of the proceeds used in the liquidation of these debts from the transfer of immovable properties, participation shares, founder's shares, usufruct shares and priority rights to the banks, in return for these debts, of the institutions that are under follow-up due to their debts and their guarantors and mortgagers, and all of the profits obtained by the banks in this way. 50% of the gains arising from the sale of immovables obtained by the banks in this way, and 75% of the gains arising from the sale of others It is exempt from corporate tax.

Advance tax that is calculated with the current rate through profit from quarterly period has to be declared on the 17th day and paid until the 17th night of the second following month after the period end. Advance taxes paid during the year are set off on corporate tax which is calculated in yearly corporate tax return for that year. In the case of excess amount of advance tax, the amount can be reimbursed in cash or be set off to other financial debts.

According to tax legislation, financial losses which are not exceed over 5 years can be deducted from profit of the company. Losses cannot be set off from retained earnings.

There is no procedure in Türkiye that provides the opportunity to come to a mutual agreement with the tax authorities about tax due. Corporate tax return declared until the evening of the last day of the fourth month following the end of the accounting period. Firms that allowed to analyze taxes, can examine the accounting records within five years and change the tax amount if there is a wrong transaction

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ACCOUNTING POLICIES (Continued)

XVII. INFORMATION ON TAXATION (Continued)

Corporate tax (Continued)

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the regulation made with the Law No. 7352 dated 20 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this; Tax Procedure Law financial statements for the 2021 and 2022 accounting periods have not been subjected to inflation adjustment, and the Tax Procedure Law financial statements dated 31 December 2023 have been subjected to inflation adjustment in a way that will not affect corporate tax base. Additionally; With the law number 7491 published in the Official Gazette numbered 32413 dated 28 December 2023, banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will be subject to inflation adjustments in the 2024 and 2025 accounting periods. It is regulated that the resulting profits or losses will not be taken into account in determining the corporate tax base.

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

Since the financial statements are subject to inflation adjustment as of 31 December 2023, real estates and depreciation units are not subject to revaluation as of 31 December 2023. Corporate tax is calculated by taking into account of real estates and depreciation units’ amortized values until 30 September 2023.

With Law No. 7338 published in the Official Gazette dated October 26, 2021, and numbered 31640, the revaluation of immovables and economic assets subject to depreciation has been introduced in the repeated Article 298, paragraph (C) and provisional Article 32 added to the Tax Procedure Law. With the Tax Procedure Law General Communiqués numbered 537 and 547 published in the Official Gazette on May 14, 2022, and January 14, 2023, the procedures and principles regarding the implementation were determined. The immovables and depreciable economic assets that meet the conditions under the reiterated paragraph (Ç) of Article 298 of the Tax Procedure Law No. 213 and the temporary article 32 were first revalued within the scope of the temporary article 32 and then in accordance with the repeated article 298/Ç. In accordance with the relevant legislation, the value increase amounts arising as a result of the revaluation are monitored in a special fund account in the liabilities of the balance sheet. Within the scope of temporary Article 32 of the Tax Procedure Law No. 213, the increase in value is taxed at a rate of 2%.

Law No. 7440 on the Restructuring of Certain Receivables and Amending Some Laws, published in the Official Gazette dated March 12, 2023, and numbered 32130, was enacted. With this law, tax at the rate of 10% is calculated by corporate taxpayers on the exemptions and deductions made the subject of deduction from corporate earnings following the regulations contained in Law No. 5520 and other Laws by showing in the corporate tax return for the year 2022 and on their basis subject to reduced corporate tax within the scope of Article 32/A of the same Law, without being associated with the period earnings. 5% additional tax is calculated on the exemption regulated in subparagraph (a) of the first paragraph of Article 5 of Law No. 5520 and on the exempt earnings obtained from abroad and certified to carry a tax burden of at least 15%. The first installment of this tax shall be paid within the payment period of the corporate tax and the second installment shall be paid in the fourth month following this period.

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## TÜRKİYE VAKIFLAR BANKASI TÜRK ANONİM ORTAKLIĞI

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

#### ACCOUNTING POLICIES (Continued)

#### XVII. INFORMATION ON TAXATION (Continued)

##### Corporate tax (Continued)

##### Corporation tax legislation for the foreign branches

##### *Bahrain*

Bahrain branch is non-taxable because there is no corporate tax practice in that country. Bahrain branch’ income is added to headquarters income and it is taxed in Türkiye according to Law No. 5520 on Corporate Tax Laws published in the Official Gazette dated June 5, 2012, numbered B.07.1.GİB.4.99.16.02-KVK-5/1-b-128.

##### *Erbil*

Erbil branch is taxable according to the country’s law legislation. Declaration of financial records and their tax payments are differing from cities that are related to centralized government and cities that are related to North Iraq. On the other hand, North Iraq tax administrations can impute taxes rather than the designated rates.

##### *New York*

New York branch is taxable according to state law legislation and country law legislation. Double Tax Treaty Agreements is stated for being taxed in Türkiye.

##### *Qatar*

The branch of the Bank operating in Qatar is taxed according to the legislation of this country. Since the branch is located in the Qatar Financial Center, there is a withholding tax exemption. In addition, although the branch is subject to the corporate tax of the relevant country, the Double Taxation Agreements signed between the two countries are based.

##### Deferred taxes

According to the TAS 12 - Income Taxes; deferred tax assets and liabilities are recognized, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, and initial recognition of assets and liabilities which affect neither accounting nor taxable profit. The deferred tax debt or assets is determined by calculating the “taxable temporary differences “between the assets” and debts’ book values versus the values on the legal tax base accounts. According to tax legislation, differences that do not affect the financial or commercial profit of the assets or liabilities at the acquisition date are excluded from these calculations.

For the deferred tax assets and liabilities calculated within the scope of TAS 12, deferred tax calculations were made at the rate of 30% for the assets and liabilities as of the end of the reporting period.

According to December 8, 2004, BRSA.DZM.2/13/1-a-3 notice, there is no deferred tax assets on general provision and free provision. In addition to this, deferred tax asset calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles, beginning from January 1, 2018. Deferred rate calculation for free provisions is not calculated.

Deferred taxes’ book value is revised in every balance sheet date. If there is a condition met, where no possible taxable profit could be generated in case of a full or partial deferred tax asset benefit could be enabled by the Bank, the book value of the deferred tax asset will be decreased.

Calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements only if the Bank has a legal right to offset current tax assets with current tax liabilities and deferred tax assets and liabilities are related to the income tax of the same taxable entity.

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#### ACCOUNTING POLICIES (Continued)

#### XVII. INFORMATION ON TAXATION (Continued)

##### Corporate tax (Continued)

##### Corporation tax legislation for the foreign branches

In case valuation differences resulting from the subsequent measurement of the items are recognized in the statement of income, then the related current and or deferred tax effects are also recognized in the statement of income. On the other hand, if valuation differences are recognized in shareholders’ equity, then the related current or deferred tax effects are also recognized directly in the shareholders’ equity. The other hand, if valuation differences are recognized in shareholders’ equity, then the related current or deferred tax effects are also recognized directly in the shareholders’ equity.

According to the Provisional Article 33 of the Tax Procedure Law, in the financial statements dated 31 December 2023, the tax effects arising from the subject of inflation correction of the corporate tax are included in the deferred tax calculation as of 31 December 2023.

##### Transfer Pricing

In Türkiye, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated November 18, 2007, sets details about implementation.

Pursuant to the relevant Communiqué, if a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm’s length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

#### XVIII. INFORMATION ON CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank of Türkiye (CBRT); and cash equivalents include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

#### XIX. ADDITIONAL INFORMATION ON BORROWINGS

The Bank provides funding resources such as syndication and securitization transactions in case of need. In the current period, the Bank has started to obtain funds through domestic and international bonds since August 2011.

These transactions are initially recognized at acquisition costs at the transaction date and are subsequently measured at amortized cost using effective interest method.

The Bank is not hedging about debt instruments.

#### XX. INFORMATION ON ISSUANCE OF EQUITY SECURITIES

The shares of the Bank having nominal value of TL 322,000, representing the 25.18% of the Bank’s outstanding shares, was publicly offered at a price between TL 5.13-5.40 for each share having a nominal value of TL 1 on November 2005, and TL 1,172,347 was recorded as “Share Premiums” in shareholders’ equity. TL 448,429 of this amount has been utilized in capital increase on December 19, 2006.

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ACCOUNTING POLICIES (Continued)

XX. INFORMATION ON ISSUANCE OF EQUITY SECURITIES(Continued)

With the decision of the Bank's Board of Directors dated May 11, 2020, it has been decided to increase the paid-in capital of TL 2,500,000 provided that it remains within the registered capital ceiling, by completely restricting the pre-emptive rights of the current shareholders and by increasing cash capital increase, which will generate a total sales revenue of TL 7,000,000 in total. Within the framework of the relevant legislation of the Capital Markets Board, the Banking Regulation and Supervision Agency and the Procedure for Borsa İstanbul's Wholesale Purchase and Sales Transactions, all of the shares to be issued due to the capital increase, are set to be transferred to Türkiye Wealth Fund, without public offering and by private placement.

In the special circumstances disclosure published by the Bank on May 15, 2020, it was announced that the sales price of the shares to be issued was determined as TL 4.98 for a share with a nominal value of TL 1, and the issued capital due to capital increase will be increased from TL 2,500,000 to TL 3,905,622.

It has been announced that the shares with a nominal value of TL 1,405,622 issued by the Bank are sold with a dedicated sales method for a share with a nominal value of TL 1, with a total sales revenue of TL 7,000,000 over the price of TL 4.98. As of the May 20, 2020, the shares were sold to Türkiye Wealth Fund through the wholesale transaction method in stock market and the capital increase transactions have been completed.

With the decision of the Bank's Board of Directors dated February 9, 2022, provided that the Bank's registered capital ceiling is limited, the Bank's paid-in capital of TL 3,905,622 will be increased by way of cash capital increase, which will result in a total sales revenue of TL 13,400,000 in cash and allocated, by completely restricting the pre-emption rights of the existing shareholders. and all of the shares to be issued due to this capital increase, within the framework of the relevant legislation of the Capital Markets Board, the relevant legislation of the Banking Regulation and Supervision Agency and Borsa İstanbul's Procedure on Wholesale Purchases and Sales Transactions, by the Turkish Wealth Fund by private sale method without public offering. It has been decided to sell to Türkiye Wealth Fund.

In the material event statement published by the Bank on February 25, 2022, it was announced that the selling price of the shares to be issued was determined as TL 4.18 for the share with a nominal value of TL 1, and the paid-in capital would be increased from TL 3,905,622 to TL 7,111,364 as a result of the capital increase.

The shares with a nominal value of TL 3,205,742 issued by the Bank were sold to the Turkish Wealth Fund through a wholesale transaction on the stock market on March 9, 2022, with a total sales revenue of TL 13,400,000 for a share with a nominal value of TL 1, with a total sales revenue of TL 13,400,000. The capital increase transactions have been completed.

On March 21, 2023, the Bank's Board of Directors decided to increase the Bank's paid-in capital of TL 7,111,364 by allotted and cash capital increase with a total sales proceeds of TL 32,000,000 by fully restricting the pre-emptive rights of the existing shareholders, provided that it remains within the Bank's registered capital ceiling, and all of the shares to be issued due to this capital increase, within the framework of the relevant legislation of the Capital Markets Board ("CMB"), the Banking Regulation and Supervision Agency ("BRSA"), and the Procedure for Wholesale Transactions of Borsa İstanbul, it has been decided to sell the shares to the Türkiye Wealth Fund through private placement without a public offering.

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ACCOUNTING POLICIES (Continued)

XX. INFORMATION ON ISSUANCE OF EQUITY SECURITIES(Continued)

On March 28, 2023, the Bank announced that the sale price of the shares to be issued was determined as TL 11.41 per share with a nominal value of TL 1 and that the paid-in capital would be increased from TL 7,111,364 to TL 9,915,922 as a result of the capital increase.

The shares with a nominal value of TL 2,804,557 issued by the Bank were sold to the Turkish Wealth Fund through a wholesale transaction in the equity market on March 28, 2023, through the allocated sales method with a total sales revenue of TL 32,000,000 at a price of TL 11.41 per share with a nominal value of TL 1 and the capital increase transactions were completed.

XXI. INFORMATION ON CONFIRMED BILLS OF EXCHANGE AND ACCEPTANCES

Confirmed bills of exchange and acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts as possible debt and commitment, if any.

XXII. INFORMATION ON GOVERNMENT INCENTIVES

As at December 31, 2023 and December 31, 2022, the Bank does not have any government incentives.

XXIII. INFORMATION ON SEGMENT REPORTING

An operating segment is a component of an entity:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

- Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and

- For which discrete financial information is available. Segment reporting was selected as a fundamental section reporting method considering Bank’s risk and return structure and key sources. It is disclosed in Section 4 Note X.

XXIV. INFORMATION ON OTHER MATTERS

Earnings per share

Earnings per share has been calculated by dividing the net profit for the year to weighted average of outstanding shares. In Türkiye, the companies may perform capital increase (“Bonus Shares”) from retained earnings. In earning per share computation bonus shares are treated as issued shares.

As at and for the period ended December 31, 2023, earnings per 100 shares are full TL 2.5839 (December 31, 2022: full TL 3.6377).

Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Shareholders, top executives and board members are accepted as related party personally, with their families and companies according to TAS 24 - Related Party Disclosures Standard. Transactions made with related parties are disclosed in Section 5 Note VII.

Classifications

Adjustments were made in the previous period of the cash flow statement to be compatible with the current period.



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SECTION FOUR  
INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT  
I. INFORMATION ON EQUITY ITEMS

Total Capital amount and Capital Adequacy Standard Ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”.

Additionally, the recent revision changes considered are as follows:

In accordance with the BRSA's regulation dated December 21, 2021, and numbered 9996, prior to this date used in the calculation of the capital adequacy ratio, the equity amount calculated omitting the negative valuation differences related to the securities in the portfolio "Securities at Fair Value Reflected in Other Comprehensive Income".

Pursuant to the BRSA's letter no. 10496 dated January 31, 2023, the exchange rates announced by the CBRT as of December 31, 2022, were used in the calculation of the amount based on credit risk.

As of December 31, 2023, Bank’s equity amount TL 220,599,945 (December 31, 2022: 142,131,587 TL) capital adequacy ratio is 15.09% (December 31, 2022: 15.19%).

Current Period - December 31, 2023	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	9,915,922	7,111,364
Share Premium	45,589,048	16,468,559
Reserves	59,858,743	35,841,511
Income recognized under equity in accordance with TAS	30,533,368	25,086,157
Profit	25,845,407	24,017,232
Current Period's Profit	25,045,910	24,017,232
Prior Period's Profit	799,497	-
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	3,266,085	1,266,702
Common Equity Tier 1 Capital Before Deductions	175,008,573	109,791,525
Deductions from Common Equity Tier 1 Capital	-	-
Valuation adjustments calculated as per the (i) item of first paragraph of Article 9	-	-
Net loss for the prior year losses and uncovered portion of the total reserves and losses that are recognized under equity in accordance with TAS	2,600,166	1,336,852
Leasehold Improvements on Operational Leases	334,565	206,443
Goodwill netted with deferred tax liability	-	-
Other intangible assets netted with deferred tax liabilities except mortgage servicing rights	431,690	423,708
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
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	149,762	-
Excess amount expressed in the law (Article 56 4th paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amounts exceeding 15% of Tier 1 Capital according to Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (2nd article temporary second paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Amounts related to mortgage servicing rights	-	-
Excess amount of deferred tax assets from temporary differences	-	-
Other Items Determined by BRSA	-	-
The amount to be deducted from common equity tier 1 capital	-	-
Total regulatory adjustments to Common equity Tier 1	3,516,183	1,967,003
Common Equity Tier 1 capital (CET1)	171,492,390	107,824,522
Additional Tier 1 capital: instruments	27,898,065	18,979,365
Premiums that are not included in Common Equity Tier 1 capital	-	-
Bank's borrowing instruments and related issuance premium	27,898,065	18,979,365
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	-	-
Additional Tier 1 Capital before deductions	-	-
Deductions from Additional Tier 1 Capital	-	-
Bank's direct or indirect investment in Tier 1 Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10%	-	-
Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Current Period - December 31, 2023	Current Period	Prior Period
Transition from the Core Capital to Continue to deduce Components		
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 (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	27,898,065	18,979,365
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	199,390,455	126,803,887
TIER 2 CAPITAL	-	-
Bank's borrowing instruments and related issuance premium	4,040,000	4,145,000
Bank's borrowing instruments and related issuance premium (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	17,201,741	11,205,302
Tier 2 Capital Before Deductions	21,241,741	15,350,302
Deductions From Tier 2 Capital	-	-
Bank's direct or indirect investment in Tier 2 Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by Financial Institutions with the conditions declared in Article 8	-	-
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 Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital	-	-
Other Items Determined by BRSA (-)	-	-
Total Deductions From Tier 2 Capital	-	-
Tier 2 Capital	21,241,741	15,350,302
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	220,632,196	142,154,189
The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)	-	-
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years (-)	-	-
Other accounts to be defined by the BRSA (-)	32,251	22,602
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
Portion of the total of net long positions of investments made in Common 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 not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital 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 not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of investments made 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, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
TOTAL CAPITAL	220,599,945	142,131,587
Total Capital	1,461,824,738	935,977,998
Total Risk Weighted Amounts	-	-
Capital Adequacy Ratios	-	-
Core Capital Adequacy Ratio (%)	11.73	11.52
Tier 1 Capital Adequacy Ratio (%)	13.64	13.55
Capital Adequacy Ratio (%)	15.09	15.19
BUFFERS	-	-
Total buffer requirement (a+b+c)	2,534	2,517
a) Capital conservation buffer requirement (%)	2,500	2,500
b) Bank specific counter-cyclical buffer requirement (%)	0.034	0.017
c) Systemically important banks buffer requirement (%) *	0.000	0.000
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 (%)	7.23	7.02
Amounts below deduction thresholds	-	-
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-
Amounts arising from the net long positions of investments made in Tier 1 Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Limits related to provisions considered in Tier 2 calculation	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	48,246,870	25,493,875
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	17,201,741	11,205,302
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-	-
Upper limit for Additional Tier 1 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 1 Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier 2 Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier 2 Capital subjected to temporary Article 4	-	-
*According to the "Regulations on Systemically Important Banks" 4th paragraph of Article 4, the "systemically important banks buffer requirement (%)” is to be filled by the systemically important banks that are not obligated to prepare consolidated financial statements and should be reported as zero for by the other banks.	-	-



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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio

Current Period – December 31, 2023					
Issuer	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.
Unique identifier (CUSIP, ISIN vb.)	TRSVKFB92719	TRSVKFB92719	TRSVKFB92925	TRSVKFB92925	TRSVKFB93225
Governing law(s) of the instrument	Debt Instrument Communique numbered CMB-VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB-VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB-VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB-VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communique numbered CMB-VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communique on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity
Subject to 10% deduction as of 1/1/2015	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.
Eligible at solo/group&solo	Available	Available	Available	Available	Available
Instrument type	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Additional Capital Bond Issuance (Tier I Capital)	Additional Capital Bond Issuance (Tier I Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	315	4,994	22,904	725	1,250
Par value of instrument (in million)	315	4,994	22,904	725	1,250
Accounting classification	346011- Subordinated Liabilities	346001- Subordinated Liabilities	347001- Subordinated Liabilities	346011- Subordinated Liabilities	346011-Subordinated Liabilities
Original date of issuance	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019	October 27, 2022
Perpetual or dated	Dated (10 years) Maturity Date: September 6, 2027	Undated	Undated	Dated (10 years) Maturity Date: September 14, 2029	Dated (10 years) Maturity Date: October 14, 2032
Issue date	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019	October 27, 2022
Issuer call subject to prior supervisory approval	Available	Available	Available	Available	Available
Call option dates, conditioned call dates and call amount	Early call date at the end of five years.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call date at the end of five years.	Early call date at the end of five years.
Subsequent call dates, if applicable	Only one call option is available	September 27, 2023	April 24, 2024.	Only one call option is available	Only one call option is available

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Current Period – December 31, 2023					
Fixed or floating dividend/coupon	Coupon / dividends				
	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date	Fixed interest rate / Interest payment once in six months	Floating interest rate / Interest payment once in three months, principal payment at the maturity date	Floating interest rate/ Interest payment once in six months, principal payment at the maturity date	Floating interest rate/ Interest payment once in six months, principal payment at the maturity date
Coupon rate and any related index	5 years maturity "Indicator Government Debt Security" +350 basis points	12.62 % fixed interest rate	5.076 % fixed interest rate	TLRIF + 150 basis points	CPI (Annual Real Interest Rate 160 basis points)
Existence of a dividend stopper	Nil	Nil	Nil	Nil	Nil
Fully discretionary, partially discretionary or mandatory	Nil	Nil	Nil	Nil	Nil
Existence of step up or other incentive to redeem	Nil	Nil	Nil	Nil	Nil
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible					
If convertible, conversion trigger (s)	Nil	Nil	Nil	Nil	Nil
If convertible, fully or partially write-up mechanism	Nil	Nil	Nil	Nil	Nil
If convertible, conversion rate	Nil	Nil	Nil	Nil	Nil
If convertible, mandatory or optional conversion	Nil	Nil	Nil	Nil	Nil
If convertible, specify instrument type convertible into	Nil	Nil	Nil	Nil	Nil
If convertible, specify issuer of instrument if converts into	Nil	Nil	Nil	Nil	Nil

If write-down, write-down trigger(s)	Available. Revoking the business activity of Bank according to 71 clauses of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. BRSA regulation on bank's shares and matters referred to in Article 7 of Companies Law Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. Revoking the business activity of Bank according to 71 clauses of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. BRSA regulation on bank's shares and matters referred to in Article 7 of Companies Law Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. Revoking the business activity of Bank according to 71 clauses of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.
If write-down, full or partial	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature.	Has full or partial write down feature
If write-down, permanent or temporary	Has permanent write down feature.	Has permanent or temporary write down feature.	Has permanent write down feature.	Has permanent or temporary write down feature.	Has permanent write down feature
If temporary write-down, description of write-up mechanism	Has no write-up mechanism.	Has write-up mechanism.	Has no write-up mechanism.	Has write-up mechanism.	Has no write-up mechanism
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	Before the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity	Possess Article 8	Possess Article 7	Possess Article 7	Possess Article 8	Possess Article 8
Accounting classification of Banks' shareholders equity law that are not possessed	Not Possess Article 7	Possess Article 7	Possess Article 7	Possess Article 7	Not Possess Article 7

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Prior Period - December 31, 2022									
Issuer	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.	T. Vakıflar Bankası T.A.O.
Unique identifier (CUSIP, ISIN vb.)	TRSVKFB92719	TRSVKFB92719	TRSVKFB92719	TRSVKFB92719	TRSVKFB92719	TRSVKFB92719	TRSVKFB92719	TRSVKFB92719	TRSVKFB92719
Governing law(s) of the instrument	Debt Instrument Communicue numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communicue numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communicue numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communicue numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communicue numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communicue numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communicue numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communicue numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity	Debt Instrument Communicue numbered CMB- VII-128.8 BRSA regulation on bank's shareholder equity BRSA Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity
Subject to 10% deduction as of 1/1/2015	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.	Not subject to deduction.
Eligible at solo/group&solo	Available	Available	Available	Available	Available	Available	Available	Available	Available
Instrument type	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Additional Capital Bond Issuance (Tier I Capital)	Additional Capital Bond Issuance (Tier I Capital)	Additional Capital Bond Issuance (Tier I Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)	Bond Issuance Possessing Subordinated Loan Conditions (Tier II Capital)
Amount recognized in regulatory capital (Currency in million, as of most recent reporting date)	420	4.994	13.985	13.985	725	725	1.750	1.750	1.250
Par value of instrument (in million)	420	4.994	13.985	13.985	725	725	1.750	1.750	1.250
Accounting classification	346011 - Subordinated Liabilities	346001 - Subordinated Liabilities	346001 - Subordinated Liabilities	346001 - Subordinated Liabilities	346011 - Subordinated Liabilities	346011 - Subordinated Liabilities	346011 - Subordinated Liabilities	346011 - Subordinated Liabilities	346011 - Subordinated Liabilities
Original date of issuance	September 18, 2017	September 27, 2018	April 24, 2019	September 27, 2019	September 27, 2019	September 27, 2019	October 27, 2022	October 27, 2022	October 27, 2022
Perpetual or dated	Dated (10 years) Maturity Date: September 6, 2027	Undated	Undated	Undated	Dated (10 years) Maturity Date: September 14, 2029	Dated (10 years) Maturity Date: September 14, 2029	Dated (10 years) Maturity Date: October 14, 2032	Dated (10 years) Maturity Date: October 14, 2032	Dated (10 years) Maturity Date: October 14, 2032
Issue date	September 18, 2017	September 27, 2018	September 27, 2018	September 27, 2018	September 27, 2019	September 27, 2019	October 27, 2022	October 27, 2022	October 27, 2022
Issuer call subject to prior supervisory approval	Available	Available	Available	Available	Available	Available	Available	Available	Available
Call option dates, conditioned call dates and call amount	Early call date at the end of five years.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call option at the end of five years is available and this option may be used depending on the BRSA approval.	Early call date at the end of five years.	Early call date at the end of five years.	Early call date at the end of five years.	Early call date at the end of five years.	Early call date at the end of five years.
Subsequent call dates, if applicable	Only one call option is available.	September 27, 2023	April 24, 2024.	April 24, 2024.	Only one call option is available	Only one call option is available	Only one call option is available	Only one call option is available	Only one call option is available

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Summary information related to capital adequacy ratio (Continued)

Prior Period - December 31, 2022									
Fixed or floating dividend/coupon	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date	Coupons / dividends		Fixed interest rate / Interest payment once in a year	Floating interest rate/ Interest payment once in three months, principal payment at the maturity date	Floating interest rate/ Interest payment once in six months, principal payment at the maturity date	Floating interest rate/ Interest payment once in six months, principal payment at the maturity date	Floating interest rate/ Interest payment once in six months, principal payment at the maturity date	Floating interest rate/ Interest payment once in six months, principal payment at the maturity date
		Fixed interest rate / Interest payment once in six months	Fixed interest rate / Interest payment once in six months						
Coupon rate and any related index	5 years maturity "Indicator Government Debt Security" +3.50 basis points	12.62 % fixed interest rate	12.62 % fixed interest rate	5.076 % fixed interest rate	TLTRF + 150 basis points	CPI (Annual Real Interest Rate 160 basis points)	17.50 % (Annual simple interest)	17.50 % (Annual simple interest)	17.50 % (Annual simple interest)
Existence of a dividend stopper	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fully discretionary, partially discretionary or mandatory	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Existence of step up or other incentive to redeem	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
If convertible conversion trigger (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, fully or partially	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible conversion rate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, mandatory or optional conversion	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify instrument type convertible into	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
If convertible, specify issuer of instrument it converts into	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Write-down feature									
If write-down, write-down trigger(s)	Available. Revolving the business activity of Bank according to 71 clauses of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. BRSA regulation on bank's shareholder equity and the matters referred to in Article 7 of Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. BRSA regulation on bank's shareholder equity and the matters referred to in Article 7 of Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. BRSA regulation on bank's shareholder equity and the matters referred to in Article 7 of Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. Revolving the business activity of Bank according to 71 clauses of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. BRSA regulation on bank's shareholder equity and the matters referred to in Article 7 of Communicue on Principles Regarding Debt Securities to be Included in the Calculation of Banks' Equity.	Available. Revolving the business activity of Bank according to 71 clauses of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. Revolving the business activity of Bank according to 71 clauses of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.	Available. Revolving the business activity of Bank according to 71 clauses of 5411 numbered Banking Law or liquidation proceedings to Savings Deposit Insurance Fund are the triggering events.
If write-down, full or partial	Has full or partial write down feature	Has full or partial write down feature	Has full or partial write down feature	Has full or partial write down feature	Has full or partial write down feature	Has full or partial write down feature	Has full or partial write down feature	Has full or partial write down feature	Has full or partial write down feature
If write-down, permanent or temporary write-up mechanism	Has permanent write down feature.	Has permanent or temporary write down feature.	Has permanent or temporary write down feature.	Has permanent or temporary write down feature.	Has permanent or temporary write down feature	Has permanent or temporary write down feature.	Has permanent or temporary write down feature.	Has permanent or temporary write down feature.	Has permanent write down feature
If temporary write-down, description of write-up mechanism	Has no write-up mechanism.	Has write-up mechanism.	Has write-up mechanism.	Has write-up mechanism.	Has no write-up mechanism.	Has write-up mechanism.	Has no write-up mechanism.	Has no write-up mechanism.	Has no write-up mechanism
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	After the debt instruments to be included in secondary capital calculation, the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.	Before the debt instruments to be included in the additional capital calculation, after the depositors and all other creditors.
Whether conditions which stands in article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess Article 8	Possess Article 7	Possess Article 7	Possess Article 7	Possess Article 8	Possess Article 8	Possess Article 8	Possess Article 8	Possess Article 8
According to article 7 and 8 of Banks' shareholders equity law that are not possessed	Not Possess Article 7	Possess Article 7	Possess Article 7	Possess Article 7	Not Possess Article 7	Possess Article 7	Possess Article 7	Not Possess Article 7	Not Possess Article 7

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. INFORMATION ON EQUITY ITEMS (Continued)

Reconciliation of capital items to balance sheet:

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Shareholders’ equity	171,427,614	106,984,889
Valuation differences of the marketable securities (*)	447,035	1,469,784
Stocks acquired through repurchase from the market (**)	383,996	-
Leasehold improvements on operational leases	(334,565)	(206,443)
Goodwill and intangible assets	(431,690)	(423,708)
General provision (1.25% of the amount that subject to credit risk) (**)	17,201,741	11,205,302
Subordinated debt	31,938,065	23,124,365
Deductions from shareholders’ equity	(32,251)	(22,602)
Capital	220,599,945	142,131,587

(\*) In accordance with the BRSA regulation dated December 21, 2021, and numbered 9996, in calculating the capital adequacy ratio, the equity amount calculated without taking into consideration the negative valuation differences of the securities in the “Fair Value of Financial Assets Through Other Comprehensive Income” portfolio, which was obtained before this date, was used.

(\*\*) Pursuant to the BRSA's regulation dated 14 February 2023 and numbered 10508, in the calculation of the capital adequacy ratio, the shares acquired by the banks through buyback from the market after 6/2/2023 will not be considered as a discount item from the core capital until 1/1/2024.

II. CREDIT RISK

Credit risk is defined as the counterparty’s possibility of failing to fulfil its obligations on the terms set by the agreement. Credit risk means risks and losses that may occur if the counterparty fails to comply with the agreement’s requirements and cannot perform its obligations partially or completely on the terms set. It covers the possible risks arising from futures and option agreements and other agreements alike and the credit risks arising from credit transactions that have been defined by the Banking Law.

In compliance with the articles 51 and 54 set forth in Banking Law and ancillary regulation, credit limits are set by the Bank for the financial position and credit requirements of customers within the authorization limits assigned for branches, regional directorates, lending departments, assistant general manager responsible of lending, general manager, credit committee and board of directors and credits are given regarding these limits in order to limit credit risk in lending facilities.

Credit limits are determined separately for the individual customer, company, group of companies, risk groups on a product basis. In accordance with the related Lending Policy, several criteria are used in the course of determining these credit limits. Customers should have a long-standing and a successful business past, a high commercial morality, possess a good financial position and a high morality, the nature of their business should be appropriate to use the credit , possess their commercial operations in an affirmative and a balanced manner, have experience and specialization in their profession, be able to adopt themselves to the economic conditions, to be accredited on the market, have sufficient equity capital, possess the ability to create funds with their operations and finance their placement costs. Also, the sector and the geographical position of customers, where they operate and other factors that may affect their operations are considered in the evaluation process of loans. Apart from ordinary intelligence operations, the financial position of the customer is mainly analyzed based on the balance sheets and the income statements provided by the loan customer, the documents received in accordance with the related regulation for their state of accounts and other related documents. Credit limits are subject to revision regarding the overall economic developments and the changes in the financial information and operations of the customers.

Collaterals for the credit limits are determined on a customer basis in order to ensure bank placements and their liquidity. The amount and type of the collateral are determined regarding the creditworthiness of the credit users. The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

The Bank has risk control limits for derivative transaction (futures, options, etc.) positions, which effects credit risk and market risk.

For credit risk management purposes, Risk Management Department operates in

- The determination of credit risk policies in coordination with the Bank’s other units,
- Determining and monitoring concentration limits on sectoral and country basis,
- The contribution to the formation of rating and scoring systems,
- The submit to the Board of Directors and the senior management of not only credit risk management reports about credit portfolio’s distribution (borrower, sector, geographical region), credit quality (impaired loans, credit risk ratings) and credit concentration but also scenario analysis reports, stress tests and other analyses,
- The studies regarding the formation of advanced credit risk measurement approaches.

Credit risk is defined and managed for all cash and non-cash agreements and transactions, which carry counterparty risk. Loans with renegotiated terms are followed in accordance with Bank’s credit risk management and follow-up principles. The financial position and trading operations of related customers are continuously analyzed and principal and interest payments, scheduled in renegotiation agreement, are strictly controlled by related departments. In the framework of Bank’s risk management concept, long term commitments are accepted more risky than short term commitments.

In addition, in the calculation of the amount subject to credit risk, calculations were made based on the BRSA's regulation dated January 31, 2023, and numbered 10496, taking into account the CBRTS foreign exchange buying rates for December 30, 2022.

Indemnified non-cash loans are regarded as the same risk weight with the loans that are past due and unpaid.

Banking operations and lending activities carried in foreign countries are not exposed to material credit risks, due to related countries’ financial conditions, customers and their operations.

The Bank’s largest 100 cash loan customers compose 33.22% of the total cash loan portfolio (December 31, 2022: 35.63%).

The Bank’s largest 100 non-cash loan customers compose 49.63% of the total non-cash loan portfolio (December 31, 2022: 48.82%).

The Bank’s largest 100 cash loan customers compose 17.81% of total assets of the Bank and the Bank’s largest 100 non-cash loan customers compose 11.05% of total off-balance sheet items (December 31, 2022: 19.79% and 13.14%).

The Bank’s largest 200 cash loan customers compose 41.18% of the total cash loan portfolio (December 31, 2022: 43.04%).

The Bank’s largest 200 non-cash loan customers compose 60.03% of the total non-cash loan portfolio (December 31, 2022: 60.46%).

The Bank’s largest 200 cash loan customers compose 22.08% of total assets of the Bank and the Bank’s largest 200 non-cash loan customers compose 13.36% of total off-balance sheet items (December 31, 2022: 23.90% and 16.28%).



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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

Information on loan types and expected loss provisions:

Current Period, December 31, 2023	Commercial Loans		Consumer Loans		Credit Cards		Total	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
Loans	1,194,601,186	52,930,921	184,608,580	3,383,787	139,901,738	5,237,921	1,519,111,504	61,552,629
Stage 1	1,069,925,413	12,930,036	178,263,595	1,229,531	134,693,840	3,444,199	1,382,882,848	17,603,766
Stage 2	109,794,877	26,968,033	3,449,165	341,274	3,161,327	503,786	116,405,369	27,813,093
Stage 3	14,880,896	13,032,852	2,895,820	1,812,982	2,046,571	1,289,936	19,823,287	16,135,770
Financial Assets and Other Assets	1,227,667,926	158,375	-	-	-	-	1,227,667,926	158,375
Non-Cash Loans and Commitments	868,394,963	3,856,296	-	-	-	-	868,394,963	3,856,296
Stage 1	846,828,076	2,304,455	-	-	-	-	846,828,076	2,304,455
Stage 2	20,521,379	1,465,412	-	-	-	-	20,521,379	1,465,412
Stage 3	1,045,508	86,429	-	-	-	-	1,045,508	86,429
Total	3,290,664,075	56,945,592	184,608,580	3,383,787	139,901,738	5,237,921	3,615,174,393	65,567,300

Prior Period, December 31, 2022	Commercial Loans		Consumer Loans		Credit Cards		Total	
	Balance	Provision	Balance	Provision	Balance	Provision	Balance	Provision
Loans	758,055,316	37,192,130	138,196,986	2,573,808	57,473,016	1,771,090	953,725,318	41,537,028
Stage 1	667,193,667	4,663,115	133,448,141	662,887	55,684,826	911,998	856,326,634	6,238,000
Stage 2	74,525,749	18,541,901	1,868,974	167,267	729,613	105,875	77,124,336	18,815,043
Stage 3	16,335,900	13,987,114	2,879,871	1,743,654	1,058,577	753,217	20,274,348	16,483,985
Financial Assets and Other Assets	710,337,090	89,737	-	-	-	-	710,337,090	89,737
Non-Cash Loans and Commitments	427,427,212	416,221	-	-	-	-	427,427,212	416,221
Stage 1	419,823,124	321,042	-	-	-	-	419,823,124	321,042
Stage 2	6,890,344	30,052	-	-	-	-	6,890,344	30,052
Stage 3	713,744	65,127	-	-	-	-	713,744	65,127
Total	1,895,819,618	37,698,088	138,196,986	2,573,808	57,473,016	1,771,090	2,091,489,620	42,042,986

Information on expected loss provisions for loans:

Current Period December 31, 2023	Stage 1	Stage 2	Stage 3
Provision balance at the beginning	6,238,000	18,815,043	16,483,985
Additional provisions during the period	11,832,527	18,766,369	2,855,901
Disposals during the period (-)	1,132,928	8,848,632	1,857,791
Deleted from assets (-)	-	-	1,599,845
Transfers to stage 1	1,185,161	(1,184,306)	(854)
Transfers to stage 2	(444,445)	450,699	(6,254)
Transfers to stage 3	(74,549)	(186,080)	260,628
Provision Balance at the end of the Period	17,603,766	27,813,093	16,135,770

Prior Period December 31, 2022	Stage 1	Stage 2	Stage 3
Provision balance at the beginning	2,799,887	8,992,622	14,133,868
Additional provisions during the period	4,143,327	13,330,278	4,447,410
Disposals during the period (-)	428,287	2,885,046	(189,854)
Deleted from assets (-)	-	-	3,186,885
Transfers to stage 1	158,603	(158,115)	(488)
Transfers to stage 2	(403,811)	426,270	(22,459)
Transfers to stage 3	(31,719)	(890,966)	922,685
Provision Balance at the end of the Period	6,238,000	18,815,043	16,483,985

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

The general provision for credit risk amounts to TL 48,246,870 (December 31, 2022: TL 25,493,875).

Risk Classifications:	Current Period Risk Amount <sup>(*)</sup>	Average Risk Amount <sup>(*)</sup> <sup>(**)</sup>
Claims on sovereigns and Central Banks	1,006,778,403	765,427,746
Claims on regional governments or local authorities	9,026,034	8,559,444
Claims on administrative bodies and other non-commercial undertakings	7,437,194	5,128,967
Claims on multilateral development banks	83,803	22,315
Claims on international organizations	-	-
Claims on banks and intermediary institutions	194,384,067	140,116,193
Claims on corporate	838,072,016	717,133,974
Claims included in the regulatory retail portfolios	316,729,303	299,542,641
Claims secured by residential property	238,774,583	206,897,979
Past due loans	3,685,268	3,628,205
Higher risk categories decided by the Agency	140,714,863	101,172,300
Secured securities	-	8,432
Securitization exposures	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-
Undertakings for collective investments in mutual funds	2,852,116	3,312,823
Stock Investments	19,952,954	15,236,422
Other claims	66,046,961	59,480,424

(\*) Before reducing the credit risk, the rate of the post credit conversion is given.

(\*\*) Average risk amount is calculated based on the arithmetic average of the monthly risk amounts after conversion for January-December 2023 period.

Risk Classifications:	Prior Period Risk Amount <sup>(**)</sup>	Average Risk Amount <sup>(*)</sup> <sup>(**)</sup>
Claims on sovereigns and Central Banks	611,073,442	480,332,920
Claims on regional governments or local authorities	7,003,783	7,486,818
Claims on administrative bodies and other non-commercial undertakings	925,801	1,089,644
Claims on multilateral development banks	-	52,468
Claims on international organizations	-	-
Claims on banks and intermediary institutions	87,060,154	78,695,537
Claims on corporate	539,838,317	426,277,909
Claims included in the regulatory retail portfolios	202,385,601	144,333,663
Claims secured by residential property	161,573,374	136,108,595
Past due loans	3,790,165	3,953,299
Higher risk categories decided by the Agency	95,634,959	47,765,839
Secured securities	74,700	33,121
Securitization exposures	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-
Undertakings for collective investments in mutual funds	133,703	30,782
Stock Investments	14,140,005	8,393,875
Other claims	56,847,645	30,726,673

(\*) Before reducing the credit risk, the rate of the post credit conversion is given.

(\*\*) Average risk amount is calculated based on the arithmetic average of the monthly risk amounts after conversion for January-December 2022 period.



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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

Risk profile according to the geographical concentration <sup>(\*\*\*)</sup>

Current Period - December 31, 2023	Claims on sovereigns and Central Banks	Claims on regional governments or local authorities	Claims on administrative bodies and other non- commercial undertakings	Claims on multilateral development banks	Claims on international organizations	Claims on banks and intermediary institutions	Claims on corporates	Claims included in the regulatory portfolios	Claims secured by residential property	Past due loans	Higher risk categories decided by the Board	Securitization positions	Undertakings for collective investments in mutual funds	Short-term claims and short term corporate claims on banks and intermediary institutions			Total
														Investments	Stock	Other receivables	
Domestic	1,000,218,729	9,026,034	7,437,194	-	-	83,803	78,712,120	316,716,487	238,774,583	3,685,268	140,149,573	-	2,852,116	644,127	66,046,961	2,673,333,085	
EU countries	-	-	-	-	-	-	69,733,604	440	-	-	-	-	-	-	-	69,817,847	
OECD countries (*)	-	-	-	-	-	-	1,259,310	44	-	-	-	-	-	-	-	1,259,354	
Off-shore banking regions	-	-	-	-	-	-	1,805,250	24,829,422	10,647	-	-	-	-	-	-	29,437,126	
USA, Canada	2,791,807	-	-	-	-	-	16,255,686	3,606,297	1,685	-	-	-	-	-	-	23,631,535	
Other countries	3,767,867	-	-	-	-	-	26,202,992	566,404	-	-	565,290	-	-	-	-	27,334,686	
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Undistributed Assets/ Liabilities (**)	-	-	-	-	-	-	415,105	-	-	-	-	-	-	19,308,827	-	19,723,932	
<b>Total</b>	<b>1,006,778,403</b>	<b>9,026,034</b>	<b>7,437,194</b>	<b>-</b>	<b>-</b>	<b>83,803</b>	<b>194,384,067</b>	<b>838,072,016</b>	<b>238,774,583</b>	<b>3,685,268</b>	<b>140,714,863</b>	<b>-</b>	<b>2,852,116</b>	<b>19,952,954</b>	<b>66,046,961</b>	<b>2,844,537,565</b>	

<sup>(\*)</sup> OECD countries except from EU countries, USA, Canada.

<sup>(\*\*)</sup> The assets and liabilities that can not be distributed according to a consistent base.

<sup>(\*\*\*)</sup> Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

Convenience Translation of Publicly Announced Unconsolidated Financial Statements Originally Issued in Turkish

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. CREDIT RISK (Continued)

Risk profile according to the geographical concentration <sup>(\*\*\*)</sup>

Prior Period - December 31, 2022	Claims on sovereigns and Central Banks	Claims on regional governments or local authorities	Claims on administrative bodies and other non- commercial undertakings	Claims on multilateral development banks	Claims on international organizations	Claims on banks and intermediary institutions	Claims on corporates	Claims included in the regulatory portfolios	Claims secured by residential property	Past due loans	Higher risk categories decided by the Board	Securitization positions	Undertakings for collective investments in mutual funds	Investments	Stock	Other receivables	Total	Short-term claims and claims on short term corporate banks on intermediary institutions
Domestic	607,575,787	7,003,783	925,801	-	-	27,398,902	518,046,079	202,385,601	161,571,249	3,790,165	95,314,941	74,700	-	389,727	56,847,645	1,681,458,083		
EU countries	-	-	-	-	-	36,924,239	-	-	-	-	-	-	-	-	-	36,924,239		
OECD countries (*)	-	-	-	-	-	1,600,759	-	-	-	-	-	-	-	-	-	1,600,759		
Off-shore banking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
regions	2,059,501	-	-	-	-	2,074,512	18,978,794	-	2,125	-	-	-	-	-	-	23,114,932		
USA, Canada	1,438,154	-	-	-	-	13,055,290	2,420,663	-	-	-	-	-	-	-	-	16,914,107		
Other countries	-	-	-	-	-	-	392,781	-	-	-	320,018	-	-	-	-	6,418,171		
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Undistributed Assets/ Liabilities (**)	-	-	-	-	-	301,080	-	-	-	-	-	-	-	13,750,278	-	14,051,358		
<b>Total</b>	<b>611,073,442</b>	<b>7,003,783</b>	<b>925,801</b>	<b>-</b>	<b>-</b>	<b>87,060,154</b>	<b>539,838,317</b>	<b>202,385,601</b>	<b>161,573,374</b>	<b>3,790,165</b>	<b>95,634,959</b>	<b>74,700</b>	<b>-</b>	<b>133,703</b>	<b>14,140,005</b>	<b>56,847,645</b>	<b>1,780,481,649</b>	

<sup>(\*)</sup> OECD countries except from EU countries, USA, Canada.

<sup>(\*\*)</sup> The assets and liabilities that can not be distributed according to a consistent base.

<sup>(\*\*\*)</sup> Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Risk profile according to sectors and counterparties (\*)

Current Period - December 31, 2023	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total
Agricultural	153,950	2,200		-	-	-	7,832,043	4,879,917	5,380,013	13,392	238,667	-	-	-	-	-	-	17,113,395	1,386,793	18,500,188
Farming and raising livestock	141,307	2,200	6	-	-	-	7,309,414	4,746,072	5,308,083	13,049	220,032	-	-	-	-	-	-	16,745,751	994,412	17,740,163
Forestry	1,826	-	-	-	-	-	31,189	80,475	32,457	103	1,451	-	-	-	-	-	-	147,501	-	147,501
Fishing	10,817	-	-	-	-	-	491,440	53,370	39,473	240	17,184	-	-	-	-	-	-	220,143	392,381	612,524
Manufacturing	13,907,473	785,448	2,089	-	-	-	399,294,252	44,498,212	56,279,453	627,088	30,042,868	-	-	-	-	-	-	360,573,329	184,863,554	545,436,883
Production	13,490,246	-	-	-	-	-	20,850,309	1,023,596	894,740	45,202	21,439,832	-	-	-	-	-	-	6,248,765	17,023,608	23,272,373
Mining	241,199	-	-	-	-	-	316,893,377	42,332,804	54,315,513	297,245	217,327	-	-	-	-	-	-	314,360,930	134,608,108	448,969,038
Electric, Gas, Water	176,028	785,448	2,088	-	-	-	61,550,566	941,812	1,069,200	284,641	8,383,689	-	-	-	-	-	-	39,963,634	33,231,838	73,195,472
Construction	14,749,814	-	-	-	-	-	81,586,684	16,471,744	26,465,369	451,510	4,992,636	-	-	-	-	-	-	104,073,703	40,644,058	144,717,757
Services	15,202,836	7,718,048	4,835,778	-	-	-	307,341,067	98,021,499	93,755,606	904,052	38,400,275	-	-	-	-	-	-	509,147,852	253,753,998	762,901,850
Wholesale and retail trade	6,232,998	4,886	-	-	-	-	116,857,898	68,874,619	51,766,548	307,549	10,451,750	-	-	-	-	-	-	227,373,431	27,134,077	254,507,508
Hotel, Food and Beverage Services	629,120	-	15	-	-	-	11,899,748	5,064,135	22,913,758	36,496	983,970	-	-	-	-	-	-	22,519,183	19,008,059	41,527,242
Transportation and Telecommunication	826,873	5	25,732	-	-	-	88,897,755	13,393,881	10,318,800	473,606	1,720,150	-	-	-	-	-	-	40,814,964	74,841,858	115,656,822
Financial Institutions	6,920,208	-	2,301	-	-	-	73,274,402	2,071,280	576,596	49,036	1,393,057	-	-	-	-	-	-	155,635,396	127,374,183	283,009,579
Real Estate and renting services	88,200	-	3,114,012	-	-	-	5,783,428	6,035,789	5,091,586	21,128	5,121,178	-	-	-	-	-	-	23,903,272	1,352,049	25,255,321
Self-employment services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education services	253,591	-	339	-	-	-	920,593	912,608	1,106,668	3,541	1,045,725	-	-	-	-	-	-	4,079,868	163,197	4,243,065
Health and social services	251,836	7,713,157	1,682,099	-	-	-	7,707,243	1,669,187	1,981,650	12,696	17,884,445	-	-	-	-	-	-	34,821,738	3,880,575	38,702,313
Other	962,764,340	520,438	2,599,321	83,803	-	1,157,613	42,077,970	152,857,931	56,894,142	1,689,226	67,040,417	-	-	-	-	-	-	1,041,217,188	331,763,699	1,372,980,887
Total	1,006,778,403	9,026,034	7,437,194	83,803	-	194,384,067	838,072,016	316,729,303	238,774,583	3,685,268	140,714,863	-	-	-	-	-	-	2,032,125,467	812,412,098	2,844,537,565

(\*) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

- 1- Claims on sovereigns and Central Banks
- 2- Claims on regional governments or local authorities
- 3- Claims on administrative bodies and other non-commercial undertakings
- 4- Claims on multilateral development banks
- 5- Claims on international organizations
- 6- Claims on banks and intermediary institutions
- 7- Claims on corporate
- 8- Claims included in the regulatory retail portfolios
- 9- Claims secured by residential property
- 10- Past due loans
- 11- Higher risk categories decided by the Agency
- 12- Secured securities
- 13- Securitization exposures positions
- 14- Short-term claims and short-term corporate claims on banks and intermediary institutions
- 15- Undertakings for collective investments in mutual funds
- 16- Stock investments
- 17- Other claims

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Risk profile according to sectors and counterparties (\*)

Prior Period - December 31, 2022	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total
Agricultural	144,509	2,785	44	-	-	-	4,540,572	3,229,865	2,455,082	21,212	81,147	-	-	-	-	-	-	9,666,257	808,959	10,475,216
Farming and raising livestock	136,516	2,785	44	-	-	-	4,170,708	3,116,244	2,405,739	20,009	80,066	-	-	-	-	-	-	9,473,754	458,357	9,932,111
Forestry	1,779	-	-	-	-	-	23,524	76,714	21,681	604	729	-	-	-	-	-	-	116,126	8,905	125,031
Fishing	6,214	-	-	-	-	-	346,340	36,907	27,662	599	352	-	-	-	-	-	-	76,377	341,697	418,074
Manufacturing	6,654,632	560,629	1,749	-	-	-	246,344,296	24,823,621	31,884,345	397,735	26,518,619	-	-	-	-	-	-	217,737,366	119,448,260	337,185,626
Production	118,968	-	-	-	-	-	15,232,268	618,962	536,481	22,962	354,296	-	-	-	-	-	-	3,703,523	13,180,414	16,883,937
Mining	6,383,013	-	543	-	-	-	177,380,184	23,743,623	30,015,380	245,213	23,750,636	-	-	-	-	-	-	185,212,047	76,906,545	262,118,592
Electric, Gas, Water	152,631	560,629	1,206	-	-	-	53,731,844	461,036	732,484	129,560	2,413,687	-	-	-	-	-	-	28,821,796	29,361,301	58,183,097
Construction	20,169,604	-	-	-	-	-	55,380,975	10,201,898	16,539,507	430,450	4,997,489	-	-	-	-	-	-	64,033,547	43,686,376	107,719,923
Services	47,635,052	6,426,700	501,564	-	-	-	207,173,230	65,057,136	58,410,160	1,588,311	30,922,649	74,700	-	-	-	-	-	302,563,205	202,651,192	505,214,397
Wholesale and retail trade	4,183,509	1,013	102,395	-	-	-	63,363,171	42,528,095	31,764,619	454,354	13,630,489	-	-	-	-	-	-	138,711,962	17,315,685	156,027,647
Hotel, Food and Beverage Services	725,336	-	164	-	-	-	11,984,295	3,071,194	14,028,908	56,095	806,877	-	-	-	-	-	-	14,192,263	16,880,606	30,072,869
Transportation and Telecommunication	7,708,907	5	17,853	-	-	-	88,000,205	8,100,273	6,261,890	951,432	3,287,719	-	-	-	-	-	-	27,939,918	86,388,356	114,328,274
Financial Institutions	33,376,065	-	2,064	-	-	-	86,901,465	31,394,707	2,015,643	590,669	86,948	3,439,228	74,700	-	-	-	-	88,919,504	69,483,415	158,404,919
Real Estate and renting services	113,077	-	299,067	-	-	-	3,454,302	7,674,533	3,686,282	17,638	3,805,254	-	-	-	-	-	-	14,158,249	4,891,904	19,050,153
Self-employment services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education services	213,680	-	1,063	-	-	-	914,319	517,369	933,064	4,956	74,134	-	-	-	-	-	-	2,462,105	196,480	2,658,585
Health and social services	1,314,478	6,425,680	78,958	-	-	-	8,062,231	1,150,029	1,144,738	16,888	5,878,948	-	-	-	-	-	-	16,179,204	7,892,746	24,071,950
Other	536,469,645	13,669	422,444	-	-	158,689	26,399,244	99,073,081	52,284,280	1,352,457	33,115,055	-	-	-	-	-	-	513,023,165	306,863,322	819,886,487
Total	611,073,442	7,003,783	925,801	-	-	87,060,154	539,838,317	202,385,031	161,573,374	3,790,165	95,634,959	74,700	-	-	-	-	-	1,107,023,540	673,458,109	1,780,481,649

(\*) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

- 1- Claims on sovereigns and Central Banks
- 2- Claims on regional governments or local authorities
- 3- Claims on administrative bodies and other non-commercial undertakings
- 4- Claims on multilateral development banks
- 5- Claims on international organizations
- 6- Claims on banks and intermediary institutions
- 7- Claims on corporate
- 8- Claims included in the regulatory retail portfolios
- 9- Claims secured by residential property
- 10- Past due loans
- 11- Higher risk categories decided by the Agency
- 12- Secured securities
- 13- Securitization exposures positions
- 14- Short-term claims and short-term corporate claims on banks and intermediary institutions
- 15- Undertakings for collective investments in mutual funds
- 16- Stock investments
- 17- Other claims

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Distribution of maturity risk factors according to their outstanding maturities (\*)

Risk Classifications-Current Period – December 31, 2023	According to their outstanding maturities					Undistributed
	1 month	1-3 month	3-6 month	6-12 month	1 year and over	
Claims on sovereigns and Central Banks	8,708,439	6,050,149	25,672,585	18,087,472	948,259,758	-
Claims on regional governments or local authorities	4,693	28,109	142,543	645,008	8,205,681	-
Claims on administrative bodies and other non-commercial undertakings	972,453	32,184	264,286	830,290	5,337,981	-
Claims on multilateral development banks	83,803	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-
Claims on banks and intermediary institutions	70,033,104	17,144,347	8,813,038	25,501,428	72,892,150	-
Claims on corporate	66,778,376	86,865,567	64,262,970	155,567,568	464,597,535	-
Claims included in the regulatory retail portfolios	3,629,350	6,839,576	16,756,308	58,203,885	231,300,184	-
Claims secured by residential property	3,495,886	6,690,802	12,618,806	54,043,448	161,925,641	-
Past due loans	-	-	-	-	-	3,685,268
Higher risk categories decided by the Agency	1,637,105	2,111,863	3,387,602	29,221,276	104,357,017	-
Secured Securities	-	-	-	-	-	-
Securitization exposures	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	2,852,116	-
Stock Investments	-	-	-	-	19,952,954	-
Other claims	-	-	-	-	66,046,961	-
TOTAL	155,343,209	125,762,597	131,918,138	342,100,375	2,085,727,978	3,685,268

(\*) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

Distribution of maturity risk factors according to their outstanding maturities (\*)

Risk Classifications- Prior Period – December 31, 2022	According to their outstanding maturities					Undistributed
	1 month	1-3 month	3-6 month	6-12 month	1 year and over	
Claims on sovereigns and Central Banks	35,156,726	28,481,250	11,541,867	50,965,206	484,928,393	-
Claims on regional governments or local authorities	6,652	6,263,882	27,177	78,154	627,918	-
Claims on administrative bodies and other non-commercial undertakings	1,459	567,061	104,699	69,660	182,922	-
Claims on multilateral development banks	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-
Claims on banks and intermediary institutions	22,790,360	9,902,557	5,482,141	11,540,990	37,344,106	-
Claims on corporate	25,161,738	303,845,428	67,242,723	65,166,168	78,422,260	-
Claims included in the regulatory retail portfolios	12,267,847	130,568,580	7,653,703	10,788,104	41,107,367	-
Claims secured by residential property	3,334,323	110,351,379	9,101,197	12,433,141	26,353,334	-
Past due loans	-	-	-	-	-	3,790,165
Higher risk categories decided by the Agency	4,199,587	52,341,481	5,151,989	8,422,588	25,519,314	-
Secured Securities	24,850	35,190	14,660	-	-	-
Securitization exposures	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	133,703	-
Stock Investments	-	-	-	-	14,140,005	-
Other claims	-	-	-	-	56,847,645	-
TOTAL	102,943,542	642,356,808	106,320,156	159,464,011	765,606,967	3,790,165

(\*) Risk amounts are given before credit risk mitigation, after multiplied by credit risk conversion ratio.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Risk balances according to risk weights

Risk Weights Current Period - December 31, 2023	0%	2%	10%	20%	35%	50%	75%	100%	150%	Other Risk Weights	Deductions from the shareholders' equity
Pre-Amount of Credit Risk Mitigation	1,002,475,786	72,839,391	-	159,671,287	90,252,284	295,092,182	302,616,327	780,799,807	87,182,973	53,607,527	798,506
Amount after Credit Risk Mitigation	1,151,952,294	15,867,148	9,602,076	159,882,913	90,252,284	267,925,764	290,374,426	717,917,104	87,156,028	53,607,527	798,506

Risk Weights Prior Period - December 31, 2022	0%	2%	10%	20%	35%	50%	75%	100%	150%	Other Risk Weights	Deductions from the shareholders' equity
Pre-Amount of Credit Risk Mitigation	605,335,564	24,516,902	74,700	110,230,811	71,980,109	160,767,394	182,698,409	529,147,927	45,580,503	50,149,330	652,753
Amount after Credit Risk Mitigation	668,028,248	15,324,777	26,818,275	113,240,755	71,980,109	150,770,457	160,649,245	477,996,617	45,523,836	50,149,330	652,753

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Information According to Sectors and Counterparties

Current Period - December 31, 2023	Impaired (IFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Default (Stage 3)	Expected Credit Loss Provisions (IFRS 9)
Agricultural	190,146	111,705	125,993
Farming and raising livestock	188,536	105,274	119,774
Forestry	677	963	935
Fishing	933	5,468	5,284
Manufacturing	50,817,736	4,692,692	14,768,772
Mining	231,128	360,813	378,423
Production	28,390,588	2,457,985	9,266,653
Electric, Gas, Water	22,196,020	1,873,894	5,123,696
Construction	18,077,779	4,369,508	10,274,935
Services	41,735,687	7,243,249	13,339,473
Wholesale and retail trade	11,632,832	2,673,145	3,310,903
Hotel, Food and Beverage Services	3,026,829	161,056	1,236,019
Transportation and telecommunication	12,433,777	1,878,925	2,562,218
Financial Institutions	349,300	196,017	171,746
Real estate and renting services	7,982,248	155,813	1,611,539
Self-employment services	5,715,568	2,021,394	4,176,579
Education services	525,787	45,258	160,478
Health and social services	69,346	111,641	109,991
Other	5,584,022	3,406,133	5,439,690
Total	116,405,370	19,823,287	43,948,863

Prior Period - December 31, 2022	Impaired (IFRS 9)		
	Significant Increase in Credit Risk (Stage 2)	Default (Stage 3)	Expected Credit Loss Provisions (IFRS 9)
Agricultural	141,379	150,584	142,491
Farming and raising livestock	130,402	142,622	135,217
Forestry	377	2,279	1,918
Fishing	10,600	5,683	5,357
Manufacturing	31,029,226	4,317,450	11,836,712
Mining	273,776	309,869	374,062
Production	23,291,230	2,631,593	8,677,830
Electric, Gas, Water	7,464,220	1,375,988	2,784,821
Construction	12,100,558	4,603,702	5,919,820
Services	31,119,840	8,302,211	12,742,706
Wholesale and retail trade	3,957,883	3,552,489	3,550,300
Hotel, Food and Beverage Services	8,372,194	233,798	2,874,780
Transportation and telecommunication	5,166,415	2,117,741	1,775,034
Financial Institutions	212,163	188,418	109,950
Real estate and renting services	11,304,684	165,698	2,662,440
Self-employment services	1,181,264	1,860,277	1,473,916
Education services	514,476	79,089	185,236
Health and social services	410,761	104,701	111,050
Other	2,733,333	2,900,401	4,657,300
Total	77,124,336	20,274,348	35,299,029

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Information on Changes in Value Adjustments and Credit Provisions

Current Period - December 31, 2023	Opening Balance 1 January 2019	Provisions reserved during the period	Cancelations	Other Adjustments (*)	Closing Balance
Specific provisions	16,549,112	5,592,012	(5,832,648)	(86,277)	16,222,199
General provisions	25,493,875	44,369,050	(20,199,365)	(1,416,690)	48,246,870

(\*) Includes effect of currency translations differences and other provisions’ classifications.

Prior Period - December 31, 2022	Opening Balance 1 January 2019	Provisions reserved during the period	Cancelations	Other Adjustments (*)	Closing Balance
Specific provisions	14,193,174	6,123,405	(3,790,227)	22,760	16,549,112
General provisions	12,065,932	20,741,859	(7,299,090)	(14,826)	25,493,875

(\*) Includes effect of currency translations differences and other provisions’ classifications

Fair value of collateral held against impaired loans

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Cash collateral (*)	-	-
Mortgage	7,803,256	8,307,714
Promissory note (*)	-	-
Others (**)	12,020,031	11,966,634
Total	19,823,287	20,274,348

(\*) As a policy, it is aimed to utilize from cash collateral or liquidate promissory note for an impaired loan collateralized by cash collateral or promissory note to cover the credit risk. Hence, cash collateral and promissory note are shown as zero in the table above.

(\*\*) Sureties obtained for impaired loans are presented in this raw to the extent that the amount does not exceed the amount of impaired loans.

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Cash loans		
Secured Loans:	1,006,961,930	638,517,436
Secured by mortgages	215,282,527	149,307,317
Secured by cash collateral	50,872,523	15,559,342
Guarantees issued by financial institutions	13,669,431	3,887,138
Secured by government institutions or government securities	45,410,327	32,968,702
Other collateral (pledge on assets, corporate and personal guarantees, promissory notes)	681,727,122	436,794,937
Unsecured Loans	492,326,287	294,933,534
Total performing loans	1,499,288,217	933,450,970

	Current Period - December 31, 2023	Prior Period- December 31, 2022
Non-cash loans		
Secured Loans:	279,316,091	158,503,719
Secured by mortgages	39,045,374	19,463,047
Secured by cash collateral	7,581,190	4,195,436
Guarantees issued by financial institutions	-	-
Secured by government institutions or government securities	78,246	128,509
Other collateral (pledge on assets, corporate and personal guarantees, promissory notes)	232,611,281	134,716,727
Unsecured Loans	210,075,730	115,744,807
Total non-cash loans	489,391,821	274,248,526



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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. CREDIT RISK (Continued)

Exposures subject to countercyclical capital buffer

Current Period - December 31, 2023			
Country	RWA Calculations for Private Sector Loans in Banking Book	RWA calculations for Trading Book	Total
Turkey	1,335,413,743	-	1,335,413,743
England	13,725,115	-	13,725,115
USA	9,338,893	-	9,338,893
UAE	4,035,764	-	4,035,764
Germany	1,698,388	-	1,698,388
Bahrain	1,533,835	-	1,533,835
Iraq	1,381,617	-	1,381,617
Switzerland	774,374	-	774,374
Italy	686,448	-	686,448
France	670,843	-	670,843
Other	1,167,987	-	1,167,987
Total	1,370,427,006	-	1,370,427,006
Prior Period - December 31, 2022			
Country	RWA Calculations for Private Sector Loans in Banking Book	RWA calculations for Trading Book	Total
Turkey	877,453,080	-	877,453,080
England	7,310,840	-	7,310,840
USA	4,914,595	-	4,914,595
Bahrain	1,131,111	-	1,131,111
UAE	865,020	-	865,020
Iraq	840,873	-	840,873
Germany	633,273	-	633,273
France	629,715	-	629,715
Switzerland	369,660	-	369,660
Austria	304,298	-	304,298
Other	1,220,614	-	1,220,614
Total	895,673,079	-	895,673,079

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

III. FOREIGN CURRENCY EXCHANGE RISK

Foreign exchange risk that the Bank exposed to, estimation of effects of exposures, and the limits set by the Board of Directors of the Bank for the positions being monitored on a daily basis

The Standard Method which is also used in the legal reporting is used in measuring the currency risk of the Bank.

All of the foreign currency assets and liabilities and the forward foreign-currency transactions are taken into consideration in calculating the capital obligation for the currency risk. The net long and short positions are calculated in Turkish Lira equivalent of each currency. The position with the biggest absolute value is determined as the base amount for the capital obligation and the capital obligation is calculated at that amount.

The magnitude of hedging foreign currency debt instruments and net investment in foreign operations by using derivatives

As at December 31, 2023 and December 31, 2022 the Bank does not have derivative financial instruments held for risk management.

Foreign exchange risk management policy

The Bank manages the Turkish currency or foreign currency risks that may arise in domestic and international markets and follows the transactions that create these risks, and manages these risks at optimum levels within the framework of market expectations and within the scope of the Bank’s strategies by considering the balance with other financial risks.

Sensitivity analysis regarding the currency risk that the Bank is exposed to is explained in the related section III.

The Bank’s effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

	US Dollar	Euro
The Bank’s foreign currency purchase rate at the balance sheet date	29.5660	32.7207
Foreign currency purchase rates for the days before balance sheet date:		
Day 1	29.4602	32.6743
Day 2	29.4038	32.5720
Day 3	29.3390	32.3374
Day 4	29.1940	32.1572
Day 5	29.2141	32.2261
Last 30-days arithmetical average rate	29.0328	31.7010

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. FOREIGN CURRENCY EXCHANGE RISK (Continued)

Information on currency risk

Current Period - December 31, 2023	Euro	US Dollar	Other FC	Total
<i>Assets:</i>				
Cash and balances with the Central Bank of Republic of Türkiye	98,366,856	119,236,987	11,789,896	229,393,739
Banks	4,437,620	43,395,846	3,266,473	51,099,939
Financial assets at fair value through profit or loss <sup>(6)</sup>	-	757,769	30,499,847	31,257,616
Interbank money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	25,543,883	141,173,597	-	166,717,480
Loans <sup>(1)</sup>	234,396,848	231,812,973	494,599	466,704,420
Associates, subsidiaries and joint-ventures	2,702,730	-	-	2,702,730
Financial assets measured at amortized cost	31,601,629	23,485,393	-	55,087,022
Derivative financial assets held for risk management purpose	-	-	-	-
Tangible assets	-	121,719	4,164	125,883
Intangible assets	-	1,634	-	1,634
Other assets <sup>(2)</sup>	1,216,418	(1,242,493)	325,375	299,300
<b>Total assets</b>	<b>398,265,984</b>	<b>558,743,425</b>	<b>46,380,354</b>	<b>1,003,389,763</b>
<i>Liabilities:</i>				
Bank deposits	13,406,885	21,415,843	1,697,969	36,520,697
Foreign currency deposits	224,064,174	355,891,890	91,151,109	671,107,173
Interbank money market takings	1,778,309	71,726,424	-	73,504,733
Other funding	70,178,636	105,705,373	13,069,468	188,953,477
Securities issued <sup>(3)</sup>	36,857,303	104,015,517	-	140,872,820
Miscellaneous payables	11,486,669	5,987,739	26,089	17,500,497
Derivative financial liabilities held for risk	-	-	-	-
Other liabilities <sup>(2)</sup>	5,167,736	10,966,282	2,232,621	18,366,639
<b>Total liabilities</b>	<b>362,939,712</b>	<b>675,709,068</b>	<b>108,177,256</b>	<b>1,146,826,036</b>
<b>Net ‘on balance sheet’ position</b>	<b>35,326,272</b>	<b>(116,965,643)</b>	<b>(61,796,902)</b>	<b>(143,436,273)</b>
<b>Net ‘off-balance sheet’ position</b>	<b>(33,480,845)</b>	<b>114,886,534</b>	<b>62,141,930</b>	<b>143,547,619</b>
Derivative assets <sup>(4)</sup>	48,931,224	213,065,014	74,610,279	336,606,517
Derivative liabilities <sup>(4)</sup>	82,412,069	98,178,480	12,468,349	193,058,898
Non-cash loans <sup>(5)</sup>	101,575,810	136,466,109	9,452,723	247,494,642
<b>Prior Period - December 31, 2022</b>	<b>Euro</b>	<b>US Dollar</b>	<b>Other FC</b>	<b>Total</b>
Total assets	309,851,048	366,782,791	35,758,850	712,392,689
Total liabilities	266,984,889	417,038,748	57,943,703	741,967,340
<b>Net ‘on balance sheet’ position</b>	<b>42,866,159</b>	<b>(50,255,957)</b>	<b>(22,184,853)</b>	<b>(29,574,651)</b>
<b>Net ‘off-balance sheet’ position</b>	<b>(42,419,589)</b>	<b>46,800,676</b>	<b>22,094,690</b>	<b>26,475,777</b>
Derivative assets <sup>(4)</sup>	15,420,752	73,133,107	26,028,604	114,582,463
Derivative liabilities <sup>(4)</sup>	57,840,341	26,332,431	3,933,914	88,106,686
Non-cash loans <sup>(5)</sup>	64,503,759	80,730,319	5,088,430	150,322,508

(1). Foreign currency indexed loans amounting to TL 455,807 (December 31, 2022: TL 462,190) which are presented in TL column in the balance sheet are included in the table above.

(2). Other Derivative Financial Instruments Currency Income Costs TL 1,973,758 (31 December 2022: TL 65,542), Prepaid Expenses TL 1,007,262 (December 31, 2022 : TL 508,531), deferred tax assets TL none (December 31, 2022: TL 33,646), and derivative financial instruments currency expense accruals of TL 1,684,685 (December 31, 2022: TL 135,989), unearned income TL 684,193 (December 31, 2022: TL 336,688) and shareholders' equity TL 4,731,766 TL (December 31, 2022: TL (4,969)) are not taken into consideration in the currency risk calculation. Other assets also include expected loss provisions calculated in accordance with TFRS 9.

(3). Subordinated debts are shown under securities issued.

(4). Asset purchase commitments amounting to TL 50,999,793 (December 31, 2022: TL 25,503,640) and asset sales commitments amounting to TL 55,591,681 (December 31, 2022: TL 25,588,622) are included.

(5). Non-cash loans are not taken into consideration in the calculation of the net ‘off-balance sheet’ position.

(6). The amount in other FX consists of gold-based bonds.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. FOREIGN CURRENCY EXCHANGE RISK (Continued)

Exposure to currency risk

10% appreciation of the TL against the following currencies as at and for the period ended December 31, 2023, and December 31, 2022, would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

	Current Period- December 31, 2023		Prior Period- December 31, 2022	
	Profit or loss	Equity <sup>(*)</sup>	Profit or loss	Equity <sup>(*)</sup>
US Dollar	(220,246)	(220,246)	(350,001)	(350,001)
Euro	161,965	161,965	11,531	11,531
Other currencies	34,086	34,086	(9,437)	(9,437)
<b>Total, net <sup>(**)</sup></b>	<b>(24,195)</b>	<b>(24,195)</b>	<b>(347,907)</b>	<b>(347,907)</b>

(\*)Equity effect also includes profit or loss effect of 10% devaluation of TL against related currencies.

(\*\*)Tangible and intangible fixed assets are not included in the currency risk effect calculations on equity and profit or loss.

10% appreciation of the TL against the following currencies as at and for the period ended December 31, 2023, and December 31, 2022, would have effect on equity and profit or loss (without tax effects) by the amounts shown below.

	Current Period - December 31, 2023		Prior Period- December 31, 2022	
	Profit or loss	Equity <sup>(*)</sup>	Profit or loss	Equity <sup>(*)</sup>
US Dollar	220,246	220,246	350,001	350,001
Euro	(161,965)	(161,965)	(11,531)	(11,531)
Other currencies	(34,086)	(34,086)	9,437	9,437
<b>Total, net <sup>(**)</sup></b>	<b>24,195</b>	<b>24,195</b>	<b>347,907</b>	<b>347,907</b>

(\*)Equity effect also includes profit or loss effect of 10% revaluation of TL against related currencies.

(\*\*)Tangible and intangible fixed assets are not included in the currency risk effect calculations on equity and profit or loss.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. INTEREST RATE RISK

Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings taking into account the developments in market conditions.

Bank’s interest rate risk is measured by the standard method.

Measurements for standard method are carried out monthly using the maturity ladder table.

Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates

Current Period – December 31, 2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets:							
Cash and balances with CBRT	-	-	-	-	-	385,703,700	385,703,700
Banks	5,957,583	7,208,526	-	261,891	-	37,672,590	51,100,590
Financial assets at fair value through profit/loss	-	19,865,805	10,634,042	-	-	3,754,810	34,254,657
Interbank money market placements	81,418,249	-	-	-	-	-	81,418,249
Financial assets at fair value through other comprehensive income	126,886,718	27,186,858	18,480,760	60,583,661	47,833,928	171,444	281,143,369
Loans and receivables <sup>(1)</sup>	526,224,425	269,081,690	503,797,466	92,434,642	107,749,994	19,823,287	1,519,111,504
Financial assets measured at amortized cost	161,710,304	1,322,197	29,734,286	118,929,024	32,677,191	-	344,373,002
Other assets <sup>(2)</sup>	8,029,456	22,597,271	4,757,051	635,649	849,260	62,660,374	99,529,061
Total assets	910,226,735	347,262,347	567,403,605	272,844,867	189,110,373	509,786,205	2,796,634,132
Liabilities:							
Bank deposits	40,147,590	16,965,226	409,195	-	-	5,079,581	62,601,592
Other deposits	1,105,567,046	225,156,410	142,510,399	1,318,096	542	424,607,032	1,899,159,525
Interbank money market takings	65,934,555	48,302,621	3,875,521	14,250,737	-	-	132,363,434
Miscellaneous payables	-	-	-	-	-	70,583,483	70,583,483
Securities issued <sup>(3)</sup>	1,717,237	31,829,421	34,391,662	78,558,780	6,269,393	-	152,766,493
Funds borrowed	694,170	144,507,142	30,957,805	14,738,939	14,902,128	15,877,406	221,677,590
Other liabilities <sup>(4)</sup>	5,610,626	16,246,346	4,181,667	1,114,956	1,117,480	229,210,940	257,482,015
Total liabilities	1,219,671,224	483,007,166	216,326,249	109,981,508	22,289,543	745,358,442	2,796,634,132
On balance sheet long position	-	-	351,077,356	162,863,359	166,820,830	-	680,761,545
On balance sheet short position	(309,444,489)	(135,744,819)	-	-	-	(235,572,237)	(680,761,545)
Off-balance sheet long position	6,284,810	39,368,970	-	7,164,367	-	-	52,818,147
Off-balance sheet short position	-	-	(6,119,192)	-	(1,185,305)	-	(7,304,497)
Net position	(303,159,679)	(96,375,849)	344,958,164	170,027,726	165,635,525	(235,572,237)	45,513,650

<sup>(1)</sup>Non-performing loans are shown in the “Non-Interest Bearing” column.

<sup>(2)</sup>Subsidiaries, associates and tangible and intangible assets, expected credit losses and deferred tax asset are included in non-interest bearing column.

<sup>(3)</sup>Subordinated debts are shown under securities issued.

<sup>(4)</sup>Equity is included in non-interest bearing column in other liabilities line.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. INTEREST RATE RISK

Prior Period – December 31, 2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets:							
Cash and balances with CBRT	-	-	-	-	-	268,935,221	268,935,221
Banks	4,065,564	3,296,034	-	159,947	-	21,024,314	28,545,859
Financial assets at fair value through profit/loss	-	-	-	16,478,799	-	617,409	17,096,208
Interbank money market placements	12,095,635	-	-	-	-	-	12,095,635
Financial assets at fair value through other comprehensive income	52,532,440	18,570,351	63,719,193	45,500,272	16,456,419	119,854	196,898,529
Loans and receivables <sup>(1)</sup>	285,501,294	231,486,165	248,950,833	91,694,759	75,817,919	20,274,348	953,725,318
Financial assets measured at amortized cost	92,202,765	3,392,410	1,985,174	44,033,660	16,978,843	-	158,592,852
Other assets <sup>(2)</sup>	2,073,762	12,321,570	3,146,075	2,735,311	977,365	23,916,918	45,171,001
Total assets	448,471,460	269,066,530	317,801,275	200,602,748	110,230,546	334,888,064	1,681,060,623
Liabilities:							
Bank deposits	68,496,142	6,513,088	49,181	-	-	3,039,009	78,097,420
Other deposits	601,875,508	148,998,815	43,401,077	700,181	873	254,628,101	1,049,604,555
Interbank money market takings	58,412,936	63,640,619	8,467,417	2,010,983	-	-	132,531,955
Miscellaneous payables	-	-	-	-	-	37,661,137	37,661,137
Securities issued <sup>(3)</sup>	14,566,554	4,509,909	5,822,331	63,528,037	5,470,463	-	93,897,294
Funds borrowed	7,069,657	72,531,813	17,153,546	23,257,564	5,263,136	5,470,526	130,746,242
Other liabilities <sup>(4)</sup>	1,635,158	9,202,920	2,702,968	750,458	1,678,437	142,552,079	158,522,020
Total liabilities	752,055,955	305,397,164	77,596,520	90,247,223	12,412,909	443,350,852	1,681,060,623
On balance sheet long position	-	-	240,204,755	110,355,525	97,817,637	-	448,377,917
On balance sheet short position	(303,584,495)	(36,330,634)	-	-	-	(108,462,788)	(448,377,917)
Off-balance sheet long position	1,226,200	18,470,911	694,287	3,664,326	-	-	24,055,724
Off-balance sheet short position	-	-	-	-	(1,962,997)	-	(1,962,997)
Net position	(302,358,295)	(17,859,723)	240,899,042	114,019,851	95,854,640	(108,462,788)	22,092,727

<sup>(1)</sup> Non-performing loans are shown in the “Non-Interest Bearing” column.

<sup>(2)</sup> Subsidiaries, associates and tangible and intangible assets, expected credit losses and deferred tax asset are included in non-interest bearing column.

<sup>(3)</sup> Subordinated debts are shown under securities issued.

<sup>(4)</sup> Equity is included in non-interest bearing column in other liabilities line.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IV. INTEREST RATE RISK (Continued)

Average interest rates applied to monetary financial instruments (\*):

	Euro	US Dollar	Yen	TL
Current Period - December 31, 2023	%	%	%	%
<i>Assets:</i>				
Cash and balance with CBRT	-	-	-	-
Banks	3.58	5.00	-	-
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	42.03
Financial assets at fair value through other comprehensive income	4.39	7.42	-	38.77
Loans and receivables	7.56	9.39	-	31.19
Financial assets measured at amortized cost	4.97	5.21	-	32.41
<i>Liabilities:</i>				
Bank deposits	4.62	6.38	-	42.90
Other deposits	1.73	3.08	-	38.11
Interbank money market takings	4.50	6.70	-	43.14
Miscellaneous payables	-	-	-	-
Securities issued (**)	5.18	7.15	-	16.52
Funds borrowed	6.78	7.30	-	14.39

	Euro	US Dollar	Yen	TL
Prior Period - December 31, 2022	%	%	%	%
<i>Assets:</i>				
Cash and balance with CBRT	-	-	-	-
Banks	2.68	4.45	-	-
Financial assets at fair value through profit/loss	-	-	-	-
Interbank money market placements	-	-	-	13.49
Financial assets at fair value through other comprehensive income	3.71	4.95	-	23.94
Loans and receivables	6.29	8.84	-	15.81
Financial assets measured at amortized cost	4.59	6.40	-	25.84
<i>Liabilities:</i>				
Bank deposits	3.01	4.99	-	15.35
Other deposits	1.77	2.33	-	17.67
Interbank money market takings	3.26	5.05	-	9.36
Miscellaneous payables	-	-	-	-
Securities issued (**)	5.08	6.24	-	14.70
Funds borrowed	3.46	6.08	-	10.30

(\*) The rates above are calculated over financial instruments with interest rates.

(\*\*) Subordinated debts are shown under securities issued.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. STOCK POSITION RISKS

Stock position risks arising from banking book items

Information on separations of risks according to objectives including their relation with gains presented in equity and strategically reasons, accounting techniques and general information about valuation methods with the related assumptions and factors that affect the valuation and significant changes

The accounting applications regarding to share investment that qualifications in associate and at fair value through profit or loss, at fair value through other comprehensive income subsidiary of are disclosed in Section 3 Note III and Note VII.

If carrying value is substantially different from fair value and for publicly traded shares if market value is substantially different from fair value, the comparison with the market prices is shown in the table below:

Current Period - December 31, 2023	Comparison		
Stock Investments	Carrying Value	Fair Value (*)	Market Value (*)
<b>Stocks quoted in exchange (*)</b>	<b>8,147,408</b>	<b>8,147,408</b>	<b>8,147,408</b>
1.Stocks Investments Group A	8,147,408	8,147,408	8,147,408
2.Stock Investments Group B	-	-	-
3.Stock Investments Group C	-	-	-
<b>Stocks unquoted in exchange (**)</b>	<b>13,291,663</b>	<b>12,694,869</b>	<b>-</b>

(\*) The values of stocks traded in Stock Exchange are included to both columns assuming the market value is approximate to fair value.

(\*\*) The values of stocks unquoted in exchange are determined according to December 31, 2023, valuation reports prepared by independent valuation companies.

Prior Period - December 31, 2022	Comparison		
Stock Investments	Carrying Value	Fair Value (*)	Market Value (*)
<b>Stocks quoted in exchange (*)</b>	<b>7,170,908</b>	<b>7,170,908</b>	<b>7,170,908</b>
1.Stocks Investments Group A	7,170,908	7,170,908	7,170,908
2.Stock Investments Group B	-	-	-
3.Stock Investments Group C	-	-	-
<b>Stocks unquoted in exchange (**)</b>	<b>7,634,455</b>	<b>7,209,108</b>	<b>-</b>

(\*) The values of stocks traded in Stock Exchange are included to both columns assuming the market value is approximate to fair value.

(\*\*) The values of stocks unquoted in exchange are determined according to valuation reports prepared by independent valuation companies.



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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. STOCK POSITION RISKS (Continued)

Total unearned gain or loss, total revaluation surplus and values included to principal and supplementary capital

Total unearned gain or loss, total appraisal surplus and values included to principal and supplementary capital are given in the below table:

Portfolio-Current Period-December 31, 2023	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss	
		Total (*)	Included in Core Capital	Total (*)	Included in Core Capital
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	4,406,864	4,406,864
3. Other Stocks	-	7,323,793	7,323,793	-	-
4. Total	-	7,323,793	7,323,793	4,406,864	4,406,864

(\*) Amounts are presented including the effect of deferred tax.

Portfolio-Prior Period - December 31, 2022	Realized Gain/Loss in Current Period	Revaluation Surplus		Unrealized Gain and Loss	
		Total (*)	Included in Core Capital	Total (*)	Included in Core Capital
1. Private Capital Investments	-	-	-	-	-
2. Publicly Traded Stocks	-	-	-	4,922,117	4,922,117
3. Other Stocks	-	3,706,012	3,706,012	-	-
4. Total	-	3,706,012	3,706,012	4,922,117	4,922,117

(\*) Amounts are presented including the effect of deferred tax.

Explanations on Equity Shares Risk Arising from Banking Book

Portfolio-Current Period - December 31, 2023	Carrying Value	Total RWA (*)	Minimum Capital Requirement
1.Private Equity Investments	-	-	-
2.Quoted	8,147,408	7,862,322	628,986
3.Other Stocks	13,291,663	12,090,632	967,251
4. Total	21,439,071	19,952,954	1,596,237

(\*) In accordance with the BRSA regulation dated January 31, 2023 and numbered 10496, the foreign exchange buying rates announced by the CBRT as of December 31, 2022 are used in the calculation of the amount subject to credit risk.

Portfolio-Prior Period - December 31, 2022	Carrying Value	Total RWA (*)	Minimum Capital Requirement
1.Private Equity Investments	-	-	-
2.Quoted	7,170,908	7,060,371	564,830
3.Other Stocks	7,634,455	7,079,634	566,371
4. Total	14,805,363	14,140,005	1,131,201

(\*) In accordance with the BRSA regulation dated April 28, 2022 and numbered 10188, the foreign exchange buying rates announced by the CBRT as of December 31, 2021 are used in the calculation of the amount subject to credit risk.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO

Liquidity risk is defined as the risk of not fulfilling payment liabilities on time as a result of not having adequate cash or cash inflow to meet the cash outflow properly due to imbalance in cash flows of the bank. The framework of liquidity risk of the bank is specified with Liquidity Risk Management Document. In the framework of liquidity risk management, policies regarding liquidity risk management are written down by Risk Management Department and fundamental principles, analyses regarding measurement and monitoring risk, basic rudiments on early warning indicators, liquidity buffer and limits are included.

The Bank is managing liquidity risk according to risk capacity and the Bank’s risk appetite in the range envisioned by the regulations. Liquidity risk management approach is in general based on the principle of monitoring in-day liquidity risk. The Bank monitors the net liquidity position and liquidity requirements continuously and facing the future. The Bank takes precautions to increase diversity in fund sources to increase effectiveness and durability in liquidity risk management. On market basis and specific to the Bank (in consideration of market and funding liquidity) scenario and susceptibility analyses are performed and assumptions based on these analyses are reviewed regularly. It is aimed to protect the optimum liquidity level that can meet short – term liquidity needs not to remain inactive and maintain profitability – risk balance.

Liquidity management in the Bank is carried out under Treasury Department in regard to the Bank’s strategic goals and projections, decisions taken in Asset/Liability Committee, treasury policies, limits defined under market circumstances, Bank’s balance sheet and income goals and strategies defined to meet these goals. Daily, weekly, and monthly cash flow statements are prepared in accordance with principles of profitability and prudence in the Bank’s liquidity management. Cash flow statements are evaluated and the Bank’s liquidity is managed in line with Treasury Department policies, daily TL and FC liquidity position Bank balance sheet and income goals.

Scenarios about where to make replacement funding in case of high amount outflows in daily liquidity management are made regularly, effects of probable outflows on liquidity level and legal ratios are evaluated and liquidity management is carried out by taking necessary actions.

The Bank utilizes liquidity ratios, liquidity gap analysis, scenario analysis and stress tests in internal measurement of liquidity risk. In the liquidity gap analysis and liquidity stress scenarios, the level of meeting the Bank's possible cash outflows in the short term of liquid assets is determined and the Bank's concentration on funding sources and fund uses are analyzed. Liquidity risk measurements are carried out by the Risk Management Department and measurement results, liquidity risk limits and early warning levels are monitored and regularly reported to the executive units responsible for the management of the related risk, and to the senior management and the Board of Directors.

It is taken as a basis that the Bank consistently monitors TL and FC liquidity positions and funding strategies. Necessary precautions are taken in line with liquidity needs by following stress circumstances. “Liquidity Emergency Action Plan” which is an important part of liquidity risk management of our Bank, consists of early warning indicators which play an important role in monitoring increases in liquidity risk and the prevention of a possible crisis, action plans to prevent a possible crisis and to be applied during a crisis. Furthermore, to fulfill our banks reserve deposits liability that it has to allocate in the presence of CBRT, alternative fund sources to provide liquidity that is needed in various stress circumstances and under which circumstances to apply these sources, precautions to minimize time maturity mismatch and provide necessary funds on time, how the mechanism is going to operate in cases of crisis and stress is included in the plan.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

In accordance with the "Regulation on the Calculation of the Liquidity Coverage Ratio of Banks" published in the Official Gazette dated March 21, 2014 and numbered 28948, the highest and lowest values of the Bank's Liquidity Coverage Ratio calculated weekly for the last three months and the weeks when these values were observed are given in the table below. In accordance with the related regulation, consolidated and non-consolidated total and foreign currency minimum liquidity coverage ratios are determined as one hundred percent and eighty percent, respectively.

Liquidity Coverage Ratio	TL+FC		FC	
	DATE	RATIO (%)	DATE	RATIO (%)
The lowest value	November, 10 2023	182.96	October, 20 2023	277.12
The highest value	December, 29 2023	240.44	December, 8 2023	459.14

Current Period - December 31, 2023		Total unweighted value *		Total weighted value*	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Liquid Assets (HQLA)			782,921,060	338,005,021
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:				
3	Stable deposits	793,494,688	310,551,312	71,830,265	31,055,131
4	Less stable deposits	150,384,091	-	7,519,205	-
5	Unsecured wholesale funding, of which:	643,110,597	310,551,312	64,311,060	31,055,131
6	Operational deposits	978,220,603	394,556,583	420,426,959	172,817,424
7	Non-operational deposits	648,898,523	258,979,416	161,553,769	64,744,854
8	Other Unsecured debts	199,341,841	76,332,067	129,007,614	48,941,586
9	Secured wholesale funding	129,980,239	59,245,100	129,865,576	59,130,984
10	Other cash outflows, of which;				
11	Outflows related to derivative exposures and other collateral requirements	117,683,364	63,028,589	117,683,364	63,028,589
12	Outflows related to loss of funding on debt products	117,339,691	63,028,589	117,339,691	63,028,589
13	Credit and liquidity facilities	343,673	-	343,673	-
14	Other contractual funding obligations	-	-	-	-
15	Other contingent funding obligations	192,422,232	164,948,530	9,621,112	8,247,427
16	TOTAL CASH OUTFLOWS	578,562,373	104,725,854	45,657,812	7,583,152
				665,219,512	282,731,723
CASH INFLOWS					
17	Secured lending	4,578,487	-	-	-
18	Unsecured lending	199,051,373	87,381,035	152,465,745	75,330,151
19	Other cash inflows	117,116,286	113,719,158	117,116,286	113,719,158
20	TOTAL CASH INFLOWS	320,746,146	201,100,193	269,582,031	189,049,309
Upper Limit Applied Amounts					
21	TOTAL HQLA STOCK			782,921,060	338,005,021
22	TOTAL NET CASH OUTFLOWS			395,637,481	93,682,414
23	LIQUIDITY COVERAGE RATIO (%)			198.62	372.17

(\*) Simple arithmetic average, calculated for the last three months, of the values calculated by taking weekly simple arithmetic average.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Liquidity Coverage Ratio	TL+FC		FC	
	DATE	RATIO (%)	DATE	RATIO (%)
The lowest value	December 30, 2022	163.33	December, 30, 2022	315.81
The highest value	November 11, 2022	219.77	October 7, 2022	556.99

Prior Period - December 31, 2022		Total unweighted value *		Total weighted value*	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	Total High Quality Liquid Assets (HQLA)			430,566,928	228,633,753
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:				
3	Stable deposits	413,860,821	212,049,452	37,760,415	21,204,945
4	Less stable deposits	72,513,345	-	3,625,667	-
5	Unsecured wholesale funding, of which:	341,347,476	212,049,452	34,134,748	21,204,945
6	Operational deposits	583,006,997	249,522,383	242,660,516	111,194,875
7	Non-operational deposits	399,574,351	158,357,065	99,555,344	39,589,266
8	Other Unsecured debts	112,497,449	55,394,767	72,305,901	35,957,932
9	Secured wholesale funding	70,935,197	35,770,551	70,799,271	35,647,677
10	Other cash outflows, of which;				
11	Outflows related to derivative exposures and other collateral requirements	89,902,908	42,251,766	89,902,908	42,251,766
12	Outflows related to loss of funding on debt products	89,804,600	42,251,766	89,804,600	42,251,766
13	Credit and liquidity facilities	98,308	-	98,308	-
14	Other contractual funding obligations	-	-	-	-
15	Other contingent funding obligations	116,052,378	97,208,582	5,802,619	4,860,429
16	TOTAL CASH OUTFLOWS	258,175,400	71,604,089	20,327,920	5,094,565
				396,454,378	184,606,580
CASH INFLOWS					
17	Secured lending				
18	Unsecured lending	1,748,624	-	-	-
19	Other cash inflows	107,897,995	62,005,805	87,600,300	55,947,862
20	TOTAL CASH INFLOWS	89,348,412	86,185,424	89,348,412	86,185,424
		198,995,031	148,191,229	176,948,712	142,133,286
Upper Limit Applied Amounts					
21	TOTAL HQLA STOCK			430,566,928	228,633,753
22	TOTAL NET CASH OUTFLOWS			219,505,666	46,151,645
23	LIQUIDITY COVERAGE RATIO (%)			197.76	450.66

(\*) Simple arithmetic average, calculated for the last three months, of the values calculated by taking weekly simple arithmetic average.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

With the “Liquidity Coverage Rate” which is prepared under the framework of “Regulations Regarding Banks’ Calculations of Liquidity Coverage Rate” published by BRSA, the balance between banks’ net cash outflows and high-quality liquid asset stock.

Bank’s high quality liquid asset stock consists of cash and debt instruments issued by CBRT and Ministry of Treasury and Finance of the Republic of Türkiye.

Whereas the Banks’ important fund sources are deposits, funds obtained from other financial institutions, marketable securities issued and funds obtained from repo transactions.

Derivatives transactions with 30 or less days to maturity are included into liquidity coverage calculation with cash outflows created by the transactions as of the calculated liquidity coverage rate. In case of a liability resulting from derivatives transactions and security fulfillment liability resulting from other liabilities, actions are taken accordingly to the related regulation.

Maturity analysis of assets and liabilities according to remaining maturities

Current Period – December 31, 2023	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed (*)	Total
<b>Assets:</b>								
Cash and balance with CBRT	384,403,361	1,300,339	-	-	-	-	-	385,703,700
Banks	43,630,173	-	7,208,526	-	261,891	-	-	51,100,590
Financial assets at fair value through profit/loss	2,852,492	-	19,865,805	10,634,042	-	-	902,318	34,254,657
Interbank money market placements	-	81,418,249	-	-	-	-	-	81,418,249
Financial assets at fair value through other comprehensive income	-	74,150	8,317,122	16,716,081	192,053,302	63,811,270	171,444	281,143,369
Loans and receivables	-	185,369,620	152,766,901	397,452,156	464,547,053	299,152,487	19,823,287	1,519,111,504
Financial assets measured at amortized cost	-	8,162,318	988,926	39,985,425	194,600,330	100,636,003	-	344,373,002
Other assets <sup>(3) (4)</sup>	11,419	15,737,148	9,118,345	3,837,671	12,023,637	9,936,393	48,864,448	99,529,061
<b>Total assets</b>	<b>430,897,445</b>	<b>292,061,824</b>	<b>198,265,625</b>	<b>468,625,375</b>	<b>863,486,213</b>	<b>473,536,153</b>	<b>69,761,497</b>	<b>2,796,634,132</b>
<b>Liabilities:</b>								
Bank deposits	5,079,581	40,147,590	16,965,226	409,195	-	-	-	62,601,592
Other deposits	424,607,032	1,105,567,046	225,156,410	142,510,399	1,318,096	542	-	1,899,159,525
Funds borrowed	-	2,064,554	4,018,657	91,338,912	89,603,122	34,652,345	-	221,677,590
Interbank money market takings	-	65,934,555	7,734,200	21,428,349	37,266,330	-	-	132,363,434
Securities issued <sup>(2)</sup>	-	1,052,051	33,042,487	30,570,038	77,371,824	10,730,093	-	152,766,493
Miscellaneous payables	-	46,111,804	-	-	-	-	24,471,679	70,583,483
Other liabilities	1,277,078	4,542,067	16,186,516	1,859,203	2,438,914	2,178,463	228,999,774	257,482,015
<b>Total liabilities</b>	<b>430,963,691</b>	<b>1,265,419,667</b>	<b>303,103,496</b>	<b>288,116,096</b>	<b>207,998,286</b>	<b>47,561,443</b>	<b>253,471,453</b>	<b>2,796,634,132</b>
<b>Liquidity gap</b>	<b>(66,246)</b>	<b>(973,357,843)</b>	<b>(104,837,871)</b>	<b>180,509,279</b>	<b>655,487,927</b>	<b>425,974,710</b>	<b>(183,709,956)</b>	<b>-</b>
<b>Net Off Balance Sheet Position</b>	<b>-</b>	<b>1,216,864</b>	<b>(4,943,684)</b>	<b>1,228,817</b>	<b>25,795,384</b>	<b>717,129</b>	<b>-</b>	<b>24,014,510</b>
Receivables from Derivative Financial Instruments	-	103,443,698	130,928,660	32,197,771	174,430,640	56,059,009	-	497,059,778
Payables from Derivative Financial Instruments	-	102,226,834	135,872,344	30,968,954	148,635,256	55,341,880	-	473,045,268
Non-cash Loans	206,871,176	24,591,715	56,521,925	122,040,970	68,958,372	10,407,663	-	489,391,821

Prior Period – December 31, 2022	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and over	Undistributed (*)	Total
<b>Total assets</b>	<b>274,342,295</b>	<b>131,195,781</b>	<b>104,110,078</b>	<b>319,795,913</b>	<b>474,209,528</b>	<b>339,716,223</b>	<b>37,690,805</b>	<b>1,681,060,623</b>
<b>Total liabilities</b>	<b>257,769,001</b>	<b>769,671,332</b>	<b>226,086,166</b>	<b>106,940,734</b>	<b>126,078,811</b>	<b>37,801,700</b>	<b>156,712,879</b>	<b>1,681,060,623</b>
<b>Liquidity gap</b>	<b>16,573,294</b>	<b>(638,475,551)</b>	<b>(121,976,088)</b>	<b>212,855,179</b>	<b>348,130,717</b>	<b>301,914,523</b>	<b>(119,022,074)</b>	<b>-</b>
<b>Net Off Balance Sheet Position</b>	<b>-</b>	<b>203,366</b>	<b>838,753</b>	<b>19,787</b>	<b>7,564,155</b>	<b>3,113,732</b>	<b>-</b>	<b>11,739,793</b>
Receivables from Derivative Financial Instruments	-	60,867,374	11,888,824	7,175,722	69,734,388	57,859,362	-	207,525,670
Payables from Derivative Financial Instruments	-	60,664,008	11,050,071	7,155,935	62,170,233	54,745,630	-	195,785,877
Non-cash Loans	88,561,836	48,818,805	28,134,743	64,111,397	40,888,699	3,733,046	-	274,248,526

(1) Subsidiaries, associates and tangible and intangible assets and deferred tax asset are stated in undistributed column.  
(2) Subordinated debts are shown under securities issued.  
(3) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed assets, associates and subsidiaries, stationery, pre-paid expenses and non-performing loans are shown in this column  
(4) Expected loss provisions for financial assets are shown under the undistributed column of Other Assets.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. LEVERAGE RATIO

Information on Issues that Cause Differences between Current Period and Previous Period Leverage Ratios

The Bank’s unconsolidated leverage rate which is calculated due to “Regulation on Banks’ Measurement and Evaluation of Leverage Level” actualised as 5.49%. Increase in balance sheet assets and Tier I Capital transactions resulted in change in comparison with previous period (December 31, 2022: 6.16%) leverage rate. The Regulation adjudicated minimum leverage rate as 3%.

Leverage ratio common disclosure template

	Current Period - December 31, 2023 <sup>(*)</sup>	Prior Period - December 31, 2022 <sup>(*)</sup>
<b>On-balance sheet exposures</b>		
1. On-balance sheet items (excluding derivatives and SFTs; including collateral)	2,655,136,006	1,553,093,715
2. Assets deducted in determining Basel III Tier 1 capital	(985,366)	(620,733)
3. Total on-balance sheet exposures (excluding derivatives and SFTs)	2,654,150,640	1,552,472,982
<b>Derivative exposures</b>		
4. Replacement cost	23,427,466	9,510,444
5. Add-on amount	6,655,032	1,683,481
6. Total derivative exposures	30,082,498	11,193,925
<b>Securities financing transaction exposures</b>		
7. Gross SFT assets (with no recognition of accounting netting)	36,280,654	10,651,636
8. Agent transaction exposures	-	-
9. Total securities financing transaction exposures	36,280,654	10,651,636
<b>Other off-balance sheet exposures</b>		
10. Off-balance sheet exposures with gross nominal amount	1,169,215,096	572,926,965
11. Adjustment amounts off-balance sheet exposures with credit conversion factor	(444,617,721)	(198,113,442)
12. Total off-balance sheet exposures	724,597,375	374,813,523
<b>Capital and total exposures</b>		
13. Tier 1 capital	189,096,241	119,914,989
14. Total exposures	3,445,111,167	1,949,132,066
<b>Leverage ratio</b>		
15. Leverage ratio	5.49	6.16

(\*) Calculated by using three month average of balances in Leverage Rate Notification table.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Current Period - December 31, 2023	Carrying Value	Fair Value
<b>Financial Assets:</b>		
Receivables from Interbank Money Markets	81,418,249	81,695,426
Banks	51,100,590	51,100,590
Financial assets at fair value through profit/loss	34,254,657	34,254,657
Financial Assets at Fair Value through Other		
Comprehensive Income	281,143,369	281,143,369
Assets Measured at Amortised Cost	344,373,002	361,118,755
Loans	1,519,111,504	1,436,034,094
<b>Financial Liabilities:</b>		
Bank Deposits	60,110,022	59,618,091
Other Deposits	1,901,651,095	1,898,565,422
Funds Borrowed	221,677,590	200,425,388
Marketable Securities	118,329,215	118,184,344
Subordinated Loans	34,437,278	33,166,498
<b>Prior Period - December 31, 2022</b>		
<b>Financial Assets:</b>		
Receivables from Interbank Money Markets	12,095,635	12,095,635
Banks	28,545,859	28,545,859
Financial assets at fair value through profit/loss	17,096,208	17,096,208
Financial Assets at Fair Value through Other		
Comprehensive Income	196,898,529	196,898,529
Assets Measured at Amortised Cost	158,592,852	180,340,363
Loans	953,725,318	945,874,126
<b>Financial Liabilities:</b>		
Bank Deposits	78,097,420	78,097,420
Other Deposits	1,049,604,555	1,046,585,826
Funds Borrowed	130,746,242	123,010,670
Marketable Securities	69,854,008	69,769,393
Subordinated Loans	24,043,286	23,921,171

Fair values of available-for-sale financial assets and held-to-maturity investments are derived from market prices or in case of absence of such prices they are derived from prices of other marketable securities, whose interest rate, maturity date and other conditions are similar to securities held.

Fair value of loans is calculated by discounting future cash flows with the use of current market interest rates.

Fair value of funds borrowed with fixed interest rate are calculated by discounting cash flows with current market interest rates. Fair value of funds borrowed with floating interest rate is calculated according to repricing period by discounting cash flows with current market rates.

Fair value of other assets and liabilities is calculated by adding accumulated acquisition costs and the sum of the interest accrual.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

Classification of Fair Value Measurement

TFRS 7 - Financial Instruments requires the classification of fair value measurements into a fair value hierarchy by reference to the observability and significance of the inputs used in measuring fair value of financial instruments measured at fair value to be disclosed. This classification basically relies on whether the relevant inputs are observable or not. Observable inputs refer to the use of market data obtained from independent sources, whereas unobservable inputs refer to the use of predictions and assumptions about the market made by the Bank. This distinction brings about a fair value measurement classification generally as follows:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3: Fair value measurements using inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Classification requires using observable market data if possible.

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

Current Period - December 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss:	3,754,810	30,499,847	-	34,254,657
Debt securities	-	30,499,847	-	30,499,847
Equity securities	902,695	-	-	902,695
Other financial assets	2,852,115	-	-	2,852,115
Financial assets at fair value through other comprehensive income:				
Government debt securities	279,324,963	1,646,962	171,444	281,143,369
Equity securities	277,692,891	1,632,071	-	279,324,962
Other financial assets	-	-	171,444	171,444
Derivative financial assets held for trading purpose	1,632,072	14,891	-	1,646,963
Investments in associates and subsidiaries	-	29,254,791	-	29,254,791
	7,244,715	-	12,694,869	19,939,584
<b>Total Financial Assets</b>	<b>290,324,488</b>	<b>61,401,600</b>	<b>12,866,313</b>	<b>364,592,401</b>
Financial liabilities at fair value through profit/loss:				
Derivative financial liabilities held for trading purpose	-	(5,766,388)	-	(5,766,388)
<b>Total Financial Liabilities</b>	<b>-</b>	<b>(5,766,388)</b>	<b>-</b>	<b>(5,766,388)</b>

(\*) Fair values of the subsidiaries with fair values that are observable and not based on market data is calculated by independent valuation institutions using various methods (discounted cash flows and dividend method, adjusted net asset value method, peer comparison, realized company acquisitions and mergers). Depending on the changes in the assumptions used by independent valuation institutions in determining the fair value, the carrying value of the subsidiaries and affiliates may change.



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VIII. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

Prior Period - December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit/loss:	617,409	16,478,799	-	17,096,208
Debt securities	-	16,478,799	-	16,478,799
Equity securities	483,706	-	-	483,706
Other financial assets	133,703	-	-	133,703
Financial assets at fair value through other comprehensive income	194,781,989	1,996,686	119,854	196,898,529
Government debt securities	192,561,917	1,623,250	-	194,185,167
Equity securities	-	-	119,854	119,854
Other financial assets	2,220,072	373,436	-	2,593,508
Derivative financial assets held for trading purpose	-	17,361,076	-	17,361,076
Investments in associates and subsidiaries	6,687,203	-	7,209,108	13,896,311
Total Financial Assets	202,086,601	35,836,561	7,328,962	245,252,124
Financial liabilities at fair value through profit/loss:				
Derivative financial liabilities held for trading purpose	-	(4,719,597)	-	(4,719,597)
Total Financial Liabilities	-	(4,719,597)	-	(4,719,597)

(\*) Fair values of the subsidiaries with fair values that are observable and not based on market data is calculated by independent valuation institutions using various methods (discounted cash flows and dividend method, adjusted net asset value method, peer comparison, realized company acquisitions and mergers). Depending on the changes in the assumptions used by independent valuation institutions in determining the fair value, the carrying value of the subsidiaries and affiliates may change.

The reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy as at and for the year ended December 31, 2023 is as follows:

Level 3	Current Period – December 31, 2023	Prior Period – December 31, 2022
Balance at the beginning of the year	7,328,962	4,760,396
Total gains or losses for the year recognized in profit or loss	-	-
Total gains or losses for the year recognized under equity	5,537,351	2,568,566
Balance at the end of the year	12,866,313	7,328,962

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

IX. TRANSACTIONS CARRIED OUT ON BEHALF OF CUSTOMERS, ITEMS HELD IN TRUST

The Bank provides buying, selling and custody services and management and advisory services in financial matters for its customers. The Bank is not involved in trust activities.

X. SEGMENT REPORTING

The Bank operates in corporate, commercial, small business, retail, treasury and investment banking. Accordingly, the banking products served to customers are; time and demand deposit, accumulating account, repos, debtors current loans, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, overdraft facilities, gold loans, foreign currency loans, Eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account, cheques, safety boxes, bill payments, tax collections, payment orders.

The Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network was built in order to serve customers’ needs effectively and efficiently.

Additionally, the Bank provides banking service to its personnel and enterprises which are active in retail and service sectors. Products include overdraft accounts, POS machines, credit cards, cheque books, TL and foreign currency deposits, investment accounts, internet banking and call-center, debit card, and bill payment.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers’ needs are met by diversified consumer banking products through branches and alternative delivery channels.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

X. SEGMENT REPORTING (Continued)

Major financial statement items according to business lines:

Current Period	Retail Banking	Corporate/ Commercial Banking	Treasury and Investment Operations	Other and Undistributed	Total Operations
OPERATING INCOME/ EXPENSES					
Interest Income	41,058,071	132,443,295	137,983,143	1,431,466	312,915,975
Interest Expense	85,690,167	135,683,223	39,349,486	238,025	260,960,901
Net Interest Income/Losses (Net)	(44,632,096)	(3,239,928)	98,633,657	1,193,441	51,955,074
Net Fees and Commissions Income	6,045,286	18,234,223	1,466,479	-	25,745,988
Dividend Income	-	-	199,740	-	199,740
Trading Income/ Losses (Net)	-	-	14,030,910	-	14,030,910
Other Income	-	-	-	40,288,762	40,288,762
Allowance for Expected Credit Losses	-	-	-	54,303,842	54,303,842
Other Expenses	-	-	-	52,504,954	52,504,954
Profit Before Taxes	(38,586,810)	14,994,295	114,330,786	(65,326,593)	25,411,678
Provision for taxes	-	-	-	-	(365,768)
Net Profit/ Loss	-	-	-	-	25,045,910

Segment Assets	284,714,333	988,994,244	1,369,367,968	133,192,655	2,776,269,200
Subsidiaries and Associates (Net)	-	-	20,364,932	-	20,364,932
TOTAL ASSETS	284,714,333	988,994,244	1,389,732,900	133,192,655	2,796,634,132

Segment Liabilities	767,561,262	1,167,560,349	539,216,416	150,868,491	2,625,206,518
Equity	-	-	-	171,427,614	171,427,614
TOTAL LIABILITIES	767,561,262	1,167,560,349	539,216,416	322,296,105	2,796,634,132

Prior Period	Retail Banking	Corporate/ Commercial Banking	Treasury and Investment Operations	Other and Undistributed	Total Operations
OPERATING INCOME/ EXPENSES					
Interest Income	21,084,776	51,783,465	85,366,067	335,156	158,569,464
Interest Expense	20,756,386	38,489,227	25,425,541	183,147	84,854,301
Net Interest Income/Losses (Net)	328,390	13,294,238	59,940,526	152,009	73,715,163
Net Fees and Commissions Income	2,263,542	7,804,010	725,183	-	10,792,735
Dividend Income	-	-	149,074	-	149,074
Trading Income/ Losses (Net)	-	-	4,990,170	-	4,990,170
Other Income	-	-	-	9,677,887	9,677,887
Allowance for Expected Credit Losses	-	-	-	44,149,647	44,149,647
Other Expenses	-	-	-	17,931,787	17,931,787
Profit Before Taxes	2,591,932	21,098,248	65,804,953	(52,251,538)	37,243,595
Provision for taxes	-	-	-	-	(13,226,363)
Net Profit/ Loss	-	-	-	-	24,017,232

Segment Assets	181,252,900	607,353,608	809,281,855	68,970,457	1,666,858,820
Subsidiaries and Associates (Net)	-	-	14,201,803	-	14,201,803
TOTAL ASSETS	181,252,900	607,353,608	823,483,658	68,970,457	1,681,060,623

Segment Liabilities	376,073,295	685,295,223	428,231,550	84,475,666	1,574,075,734
Equity	-	-	-	106,984,889	106,984,889
TOTAL LIABILITIES	376,073,295	685,295,223	428,231,550	191,460,555	1,681,060,623

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT

The footnotes and related explanations published in the Official Gazette No. 29511 dated October 23, 2015 and prepared in accordance with the “Explanations Communiqué on Explanations to the Public Regarding Banks Risk Management” entered into force as of March 31, 2016 are given in this section. Since the Bank uses a standardized approach to capital adequacy calculations, there is no disclosure within the scope of the internal rating-based approach.

In the face of sudden and unexpected changes that may arise regarding macroeconomic indicators and Bank-specific situations; Bank, reveals the risks that may be exposed such as income / expense effect, capital loss, economic value change, liquidity adequacy through various reports and stress tests conducted daily, weekly and monthly.

The development of the risk culture by the Bank in parallel with the changes in economic conjuncture and risk perception is considered as an important factor, and it aims to provide risk awareness and sensitivity in the actions to be taken. In this direction, the training given to the personnel, risk measurements and reporting, risk reporting to the Board of Directors, Senior Management and committees, the risk appetite framework created by the Bank and the internal capital adequacy assessment process make a significant contribution to the dissemination of the risk culture.

1. Information on Risk Management and Overview of Risk Weighted Amounts

Risk Management Strategy

The bank manages assets and values which are entrusted to it effectively and efficiently in order to increase the constant contribution to customers, shareholders and the society. The bank adopted the forward-looking risk-based approach in all activities undertaken by creating assets in a high quality and managing obligations well. Generating the systems and processes of risk management and observation of its effectiveness are structured in the responsibility of Board of Directors. Current risk profile of the bank defines the all the internal and external important risks arises from the operating environment, the regulatory or economic environment. These risks defined on the console and non-console level are managed with policies and implementation procedures approved by the Bank's Board of Directors. To achieve this, Risk Management Department working under the Audit Committee, Inspection Board Department and Internal Control Department are working in coordination with all the departments at the same time.

Risk management strategy of the bank is basically to avoid legal risks and risks which are unlikely to occur but have a huge impact, to take measures to minimize the risks (to reduce risks) that may arise due to the nature of banking activities, to purchase protection, insurance or techniques such as credit derivatives in order to transfer risks to the third parties (transfer of risk) and the acceptance of risks that are unlikely to occur and have small impact.

Within the scope of the general principles and principles observed by the Bank in the context of risk management, the internal capital adequacy assessment process (İSEDES) is established in parallel with the budgeting process to determine the internal capital targets consistent with the risk profile and the activity environment and the effects of scenario outcomes on Bank projections is evaluated. In addition, within the scope of the “Regulation on Measures Plans to be Prepared by Systemically Important Banks”, the Bank contributes to the preparation of the Measures Plan.

As a part of risk appetite structure, risk limits are set and over-limit exemptions and early warning levels are observed/followed. The Bank's risk level is limited to the limits consistent with risk appetite. Risk limits are determined in accordance with the size and complexity of the Bank's risk levels, activities, products and services. The limits are reviewed regularly according to market conditions, the Bank's strategy and the risk appetite and updated when necessary. In addition to the limits, early warning levels indicating that the limits are approached are also determined. If the limit levels are approached or exceeded, the relevant units take the necessary actions.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT(Continued)

The risks may arise from the new products and services and effects of these risks are analyzed. For the quantification of quantifiable risks and the qualitative evaluation of non-quantifiable. Effective and applicable systems which are compatible with the Bank's product range and fields of activity are developed.

In response to the sudden and unexpected changes in the macroeconomic indicators and Bank’s specific circumstances, the risks the can be exposed to such as income/expenditure effect, capital loss, economic value change, liquidity adequacy are presented by various reports and stress tests conducted daily, weekly, monthly and annually. These reports and stress tests play an active role in the process of making decisions in the context of risk based approach. Risks subject to stress tests contains all the risks related to bank’s risk group (on the balance sheet- off the balance sheet). These risks are subject to stress test applications independently and can be subject to stress test applications in an integrated way taking into account interactions between them.

Risks which are subject to stress test applications can be evaluated on portfolio and activities basis, consolidated and non- consolidated basis, at specific and general levels. Specific stress test applications are performed with sensitivity and scenario analysis specific to particular portfolio and activity. General stress test applications are established to ensure that bank’s risks are seen in an integrated perspective. Relations between risks are taken into account by the correlation effect and relations between portfolios are considered with diversification effect. Furthermore, in addition to stress tests, reverse stress tests that enable us to evaluate which risk factors and which risk concentrations causes significant loss indicators designed from the outset are conducted.

The Risk Management Department uses the methods appropriate to national legislation and international practices to evaluate and monitor the developments in risks, to take necessary measures, to establish risk limits, to stay within the specified limits, and to perform the necessary analysis, measurement and reporting.

The development of risk culture in parallel with the changes in the economic conjuncture and risk perception is an important element of the Bank and aims to ensure risk awareness and sensitivity in the actions to be taken. In this respect, training programs, risk measurements and reports provided to the Board of Directors, Senior Management and risk reporting to the committees, the Bank's risk appetite framework and internal capital adequacy assessment process make a significant contribution to the dissemination of risk culture.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

Risk Weighted Amounts

	Risk Weighted Amount		Minimum Capital Requirements
	Current Period- December 31, 2023	Prior Period - December 31, 2022	Current Period- December 31, 2023
1 Credit Risk (excluding counterparty credit risk) <sup>(*)</sup>	1,349,376,936	880,096,643	107,950,155
2 Standardised approach	1,349,376,936	880,096,643	107,950,155
3 Internal rating-based approach	-	-	-
4 Counterparty Credit Risk	23,910,231	16,193,840	1,912,818
5 Standardised approach for counterparty credit risk	23,910,231	16,193,840	1,912,818
6 Internal model method	-	-	-
7 Equity position in banking book under basic risk weighting or internal rating based	-	-	-
8 Equity investments in funds – look-through approach	2,852,116	133,703	228,169
9 Equity investments in funds – mandate-based approach	-	-	-
10 Equity investments in funds – 1250% weighted risk approach	-	-	-
11 Settlement Risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 IRB ratings-based approach	-	-	-
14 IRB Supervisory formula approach	-	-	-
15 SA/simplified supervisory formula approach	-	-	-
16 Market risk	8,487,107	6,813,950	678,969
17 Standardised approach	8,487,107	6,813,950	678,969
18 Internal model approaches	-	-	-
19 Operational Risk	77,198,348	32,739,862	6,175,868
20 Basic Indicator Approach	77,198,348	32,739,862	6,175,868
21 Standardised approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amounts below the thresholds for deduction from capital (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	1,461,824,738	935,977,998	116,945,979

(\*) Except for the amount of the discount threshold under the equity

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

1. Linkages between Financial Statements and Regulatory Exposures

a) Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

Current Period - December 31, 2023	Carrying values as reported in published financial statements	Carrying values of items (according to TAS)				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	Subject to counterparty credit risk	Subject to the securitization	Subject to market risk	
Assets						
Cash and balances at central bank	385,703,700	385,703,700	-	-	-	-
Financial assets held for trading	51,100,590	51,100,590	-	-	255,357	-
Financial assets designated at fair value through profit or loss	81,418,249	81,418,249	-	-	-	-
Banks	34,254,657	3,754,810	-	-	144,925	-
Receivables from money markets	281,143,369	281,143,369	71,946,770	-	-	-
Available for sale financial assets (net)	344,373,002	344,373,002	89,103,421	-	-	-
Loans and receivables	29,254,791	-	29,254,791	-	661,609	-
Factoring receivables	19,823,287	19,823,287	-	-	-	-
Held to maturity investments (-)	(61,874,046)	(16,135,770)	-	-	-	(45,458,935)
Investments in associates (net)	1,499,288,217	1,499,320,468	-	-	-	(32,251)
Investments in subsidiaries (net)	213,007	213,007	-	-	-	-
Investments in joint ventures (net)	5,759,620	5,759,620	-	-	-	-
Leasing receivables	14,605,312	14,605,312	-	-	-	-
Derivative financial assets held for hedges	-	-	-	-	-	-
Tangible assets (net)	25,723,696	26,058,261	-	-	-	(334,565)
Intangible assets (net)	880,319	-	-	-	-	(880,319)
Investment properties (net)	2,928,725	-	-	-	-	-
Tax assets	-	-	-	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	10,891,261	10,891,261	-	-	-	-
Other assets	71,146,376	71,264,506	-	-	-	(118,130)
Total assets	2,796,634,132	2,779,293,672	190,304,982	-	1,061,891	(46,824,200)
Liabilities						
Deposits	1,961,761,117	-	-	-	4,903,825	1,956,857,292
Funds borrowed	221,677,590	-	-	-	-	221,677,590
Money market funds	132,363,434	-	132,363,434	-	-	-
Marketable Securities (net)	118,329,215	-	-	-	-	118,329,215
Funds	3,005	-	-	-	-	3,005
Financial Liabilities at fair value through profit or loss	-	-	-	-	-	-
Derivatives liabilities	5,766,388	-	5,766,388	-	663,535	-
Factoring liabilities	-	-	-	-	-	-
Lease liabilities	2,870,612	-	-	-	-	2,870,612
Provisions	22,091,601	-	-	-	-	22,091,601
Current tax liabilities	11,549,923	-	-	-	-	11,549,923
Deferred tax liabilities	-	-	-	-	-	-
Non-current liabilities or disposal groups "held for sale" and" from discontinued operations	-	-	-	-	-	-
Subordinated debts	34,437,278	-	-	-	-	34,437,278
Other liabilities	114,356,355	-	-	-	-	114,356,355
Equity	171,427,614	-	-	-	-	171,427,614
Total liabilities	2,796,634,132	-	138,129,822	-	5,567,360	2,653,600,485

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI.INFORMATION ON RISK MANAGEMENT (Continued)

1. Linkages between Financial Statements and Regulatory Exposures (Continued)

a) Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (Continued)

Prior Period - December 31, 2022	Carrying values as reported in published financial statements	Carrying values of items (according to TAS)				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	Subject to counterparty credit risk	Subject to the securitization	Subject to market risk	
Assets						
Cash and balances at central bank	268,935,221	268,935,221	-	-	-	-
Financial assets held for trading	28,545,859	28,545,859	-	-	2,171,648	-
Financial assets designated at fair value through profit or loss	12,095,635	12,095,635	-	-	-	-
Banks	17,096,208	617,408	-	-	100,375	-
Receivables from money markets	196,898,529	196,898,529	89,788,350	-	-	-
Available for sale financial assets (net)	158,592,852	158,592,852	37,480,964	-	-	-
Loans and receivables	17,361,076	-	17,361,076	-	484,946	-
Factoring receivables	20,274,348	20,274,348	-	-	-	-
Held to maturity investments (-)	(41,569,629)	(16,483,985)	-	-	-	(25,085,644)
Investments in associates (net)	933,450,970	933,428,368	-	-	-	22,602
Investments in subsidiaries (net)	282,278	282,278	-	-	-	-
Investments in joint ventures (net)	4,066,701	4,066,701	-	-	-	-
Leasing receivables	10,135,102	10,135,102	-	-	-	-
Derivative financial assets held for hedges	-	-	-	-	-	-
Tangible assets (net)	11,991,371	11,784,928	-	-	-	206,443
Intangible assets (net)	429,949	-	-	-	-	429,949
Investment properties (net)	-	-	-	-	-	-
Tax assets	-	-	-	-	-	-
Non-current assets and disposal groups classified as held for sale (net)	2,478,300	2,478,300	-	-	-	-
Other assets	39,995,853	40,052,990	-	-	-	(57,137)
Total assets	1,681,060,623	1,671,704,534	144,630,390	-	2,756,969	(24,483,787)
Liabilities						
Deposits	1,127,701,975	-	-	-	2,209,673	1,125,492,302
Derivative financial liabilities held for trading	130,746,242	-	-	-	-	130,746,242
Loans	132,531,955	-	132,113,364	-	-	418,591
Debt to money markets	69,854,008	-	-	-	-	69,854,008
Debt securities in issue	3,005	-	-	-	-	3,005
Funds	-	-	-	-	-	-
Various debts	4,719,597	-	4,719,597	-	487,226	-
Other liabilities	-	-	-	-	-	-
Factoring debts	1,021,403	-	-	-	-	1,021,403
Debts from leasing transactions	23,247,158	-	-	-	-	23,247,158
Derivative financial liabilities held for hedges	5,182,616	-	-	-	-	5,182,616
Provisions	-	-	-	-	-	-
Tax liability	-	-	-	-	-	-
Liabilities included in disposal groups classified as held for sale (net)	24,043,286	-	-	-	-	24,043,286
Subordinated debts	55,024,489	-	-	-	-	55,024,489
Equity	106,984,889	-	-	-	-	106,984,889
Total liabilities	1,681,060,623	-	136,832,961	-	2,696,899	1,542,017,989



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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI.INFORMATION ON RISK MANAGEMENT (Continued)

1. Linkages between Financial Statements and Regulatory Exposures (Continued)

b) Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	Current Period - December 31, 2023	Total	Items subject to credit risk	Items subject to securitisation	Items subject to counterparty credit risk	Items subject to market risk
1	Asset carrying value amount under scope of regulatory consolidation	2,843,458,332	2,779,293,672	-	190,304,982	1,061,891
2	Liabilities carrying value amount under regulatory scope of consolidation	143,033,647	-	-	138,129,822	5,567,360
3	Total net amount under regulatory scope of consolidation	2,700,424,685	2,779,293,672	-	52,175,160	(4,505,469)
4	Off-balance sheet amounts	-	-	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Differences due to risk reduction	-	-	-	115,554,945	-
10	Exposure amounts considered for regulatory	-	2,779,293,672	-	115,554,945	(4,505,469)

	Prior Period - December 31, 2022	Total	Items subject to credit risk	Items subject to securitisation	Items subject to counterparty credit risk	Items subject to market risk
1	Asset carrying value amount under scope of regulatory consolidation	1,705,544,410	1,671,704,534	-	144,630,390	2,756,969
2	Liabilities carrying value amount under regulatory scope of consolidation	139,042,634	-	-	136,832,961	2,696,899
3	Total net amount under regulatory scope of consolidation	1,566,501,776	1,671,704,534	-	7,797,429	60,070
4	Off-balance sheet amounts	-	-	-	8,686,518	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-
9	Differences due to risk reduction	-	-	-	99,301,976	-
10	Exposure amounts considered for regulatory	-	1,671,704,534	-	107,988,495	60,070

c) Explanations of differences between accounting and regulatory exposure amounts

There is no significant difference between the amounts assessed pursuant to TAS and the risk amounts used within the scope of capital adequacy reported on the financial statements.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations

a) General Information on Credit Risk

If the counterparty does not partially or completely fulfil its obligations in accordance with contract, the credit risk is exposed. Bank’s definition of credit risk contains the credit risk in all products and activities based on the credit definition of law of banking.

In accordance with the articles 51 and 54 of banking law and in compliance with legal legislation in order to restrict the credit risk in the crediting operations; branches, regional directorates, general directorate crediting units, deputy general manager responsible for credits, general manager, credit committee and board of directors determine the credit limits for counterparties within the framework of lending authority limits and provide credits within these limits.

Crediting activities are one of the basic and extensive fields of activities. The bank can provide all kind of crediting activities with its experience, competitiveness, variety of product and services. Parallel to this, it has a wide range of organization, regulation (legislation/documentation) and system infrastructure for the marketing, allocation and monitoring process of credit.

While establishing infrastructure, it is also supervised that all activities can be performed on a risk basis, in addition to providing the highest level of efficiency in the processes of the credits.

Credit management is not the single function within the Bank and it is not restricted to the only one unit and responsibility area. Credit management is a process carried out together with different units and employees with different roles, authorities and responsibilities.

Credit facility functions are mainly carried out by the consecration units and in addition to the transactions done by the business units announced by the head of the Credit Management Department, relevant policy, strategy and framework documents are constituted by taking account of the international implementations and domestic regulations in order to ensure the effective and healthy management of the credit risk. The basic principles and principles of the policy, strategy and framework documents and the identification, measurement, monitoring and reporting of risk within the scope of risk management are determined. In the management of the credit risk, it is essential to consider all risk categories that may lead to capital requirements. In this subjected process, allocation units, intelligence units and risk management units are playing an active role.

The Risk Management Department continues its activities to assess, analyze and report on the credit risk in line with the policy document and measurement results and to determine the effect of the Bank on the capital requirement.

Within the results of the studies made in this context, it is possible to establish better portfolios with lower potential asset classes (credit types and/or counterparties) by sharing them with the bank’s top management and the units managing the loan portfolios, trying to be a guide in these matters.

In order to identify the risks which are created by loan concentrations and to create a balanced loan portfolio, sectoral, large credit and country risk limits have been determined, and these limits are regularly reviewed and updated taking into account the Bank's credit policy, risk appetite and economic changes.

The eventual aim of the Bank is using credit risk inherent management methods in accordance with Basel III and best international implementations. In this context, studies of IRB (Internal Ratings Based Approach) are carried out. Within the scope of IRB studies, politics and procedures are updated as risk-focused. In addition, the work involves the correctness, precision and consistency of the models, which are used by the Bank, and the ratios of them in determining these criteria, measuring the general coherence of the other parts of the models, and basically, the work is continued in terms of qualitative and quantitative validation (verification) of the Bank’s inner credit rating systems

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

Credit quality of assets

Current Period- December 31, 2023		Gross carrying values of (according to TAS)		
		Defaulted Exposures	Defaulted Exposures	Allowances / Impairment
				Net Values
1	Loans	19,823,287	1,499,288,217	61,552,629
2	Debt Securities	-	631,319,992	2,048,811
3	Off-balance sheet exposure	851,721	1,011,602,114	68,887
4	Total	20,675,008	3,142,210,323	63,670,327

Prior Period - December 31, 2022		Gross carrying values of (according to TAS)		
		Defaulted Exposures	Defaulted Exposures	Allowances / Impairment
				Net Values
1	Loans	20,274,348	933,450,970	41,537,028
2	Debt Securities	-	357,701,788	1,592,998
3	Off-balance sheet exposure	583,361	488,712,876	50,421
4	Total	20,857,709	1,779,865,634	43,180,447

Changes in stock of defaulted loans and debt securities (\*)

		Current Period - December 31, 2023	Prior Period - December 31, 2022
1	Defaulted Loans and debt securities at end of the previous reporting period	20,274,348	18,309,561
2	Loans and debt securities that have defaulted since the last reporting period	6,884,740	9,443,277
3	Returned to non-defaulted status	1,875	47,396
4	Amounts written-off	1,599,845	3,186,885
5	Other Changes	(5,734,081)	(4,244,209)
6	Defaulted Loans and debt securities at end of the reporting period (1+2-3-4±5)	19,823,287	20,274,348

(\*) Provisions for non-cash loans that are not indemnified and not converted into cash are not included.

Additional disclosure related to the credit quality of assets:

As per the provisions of “Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Set Aside” published by BRSA, capital and interest payments, and loans unpaid within their maturity or on their due date are accepted to be overdue. Loans the collection of whose capital and interest payments are overdue more than 90 days and the loans whose debtors are decided by the Bank to have lost their credit ratings are deemed to be depreciated or loans for which provision is allocated.

The Bank calculates its expected loss provisions in scope of TFRS 9, as laid out in detail in Information on Expected Loss Provisions no. VIII in the Accounting Policies.

Restructuring that can be applied for performing or non-performing receivables is done by changing the terms of the loan contract or by partially or completely refinancing the loan due to the financial difficulties that the borrower is facing or is likely to encounter in the payments.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI.INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

Breakdown of receivables in terms of geographic regions, sectors and remaining maturities

	Credit receivables/risks December 31, 2023	Credit receivables/risks December 31, 2022
Domestic	1,398,264,454	866,179,012
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	12,156,583	6,465,241
Other	88,867,180	60,806,717
Total	1,499,288,217	933,450,970

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

Breakdown of loan receivables by sector

Current Period - December 31, 2023			
Breakdown of loan receivables by sector	Cash Loans	Impaired Loans	Provisions
Agricultural	17,033,799	111,705	101,774
Farming and raising livestock	16,475,665	105,274	95,653
Forestry	72,239	963	864
Fishing	485,895	5,468	5,257
Manufacturing	487,033,075	4,692,692	4,075,119
Mining and Quarrying	30,415,518	360,813	315,695
Production	380,429,022	2,457,985	2,170,117
Electricity, Gas, Water	76,188,535	1,873,894	1,589,307
Construction	105,274,919	4,369,508	3,921,963
Services	564,481,873	7,243,249	5,708,003
Wholesale and Retail Trade	204,806,202	2,673,145	2,412,357
Accommodation and Dining	48,650,400	161,056	141,890
Transportation and Telecommunication	166,825,290	1,878,925	1,419,376
Financial Institutions	62,641,597	196,017	148,379
Real Estate and Rental Services	51,969,950	155,813	147,216
Professional Services	20,779,232	2,021,394	1,295,822
Educational Services	3,764,478	45,258	41,968
Health and Social Services	5,044,724	111,641	100,995
Other	325,464,551	3,406,133	2,328,911
Total	1,499,288,217	19,823,287	16,135,770

Prior Period - December 31, 2022			
Breakdown of loan receivables by sector	Cash Loans	Impaired Loans	Provisions
Agricultural	9,549,628	150,584	132,553
Farming and raising livestock	9,256,880	142,622	125,565
Forestry	55,704	2,279	1,901
Fishing	237,044	5,683	5,087
Manufacturing	293,218,788	4,317,450	3,929,136
Mining and Quarrying	20,838,371	309,869	287,312
Production	212,305,303	2,631,593	2,395,321
Electricity, Gas, Water	60,075,114	1,375,988	1,246,503
Construction	89,989,521	4,603,702	4,177,145
Services	357,531,417	8,302,211	6,103,850
Wholesale and Retail Trade	127,322,343	3,552,489	3,143,957
Accommodation and Dining	32,783,806	233,798	194,980
Transportation and Telecommunication	102,347,392	2,117,741	1,182,366
Financial Institutions	43,690,291	188,418	102,571
Real Estate and Rental Services	35,727,333	165,698	162,538
Professional Services	10,000,823	1,860,277	1,152,641
Educational Services	2,195,992	79,089	74,329
Health and Social Services	3,463,437	104,701	90,468
Other	183,161,616	2,900,401	2,141,301
Total	933,450,970	20,274,348	16,483,985

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XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

Breakdown by outstanding maturity

Current Period - December 31, 2023					
Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
185,369,620	152,766,901	397,452,156	464,547,053	299,152,487	1,499,288,217
Prior Period - December 31, 2022					
Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
88,190,805	89,404,178	246,578,009	294,988,837	214,289,141	933,450,970

Amounts of provision allocated receivables (According to the definition used by the Bank in accounting) based on geographical area and sector and amounts deducted from the assets with the related provisions

Breakdown of the provision allocated receivables and related provisions by geographical regions

Current Period Sonu - December 31, 2023		
Geographical area	Loans Receivables (Risks)	Provisions
Domestic	19,613,259	15,925,742
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	209,723	209,723
Other	305	305
Total	19,823,287	16,135,770

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

Prior Period - December 31, 2022		
Geographical area	Loans Receivables (Risks)	Provisions
Domestic	20,140,552	16,397,403
European Union Countries	-	-
OECD Countries (*)	-	-
Off-Shore Banking Regions	-	-
USA, Canada	132,934	85,720
Other	862	862
Total	20,274,348	16,483,985

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

Aging analysis for overdue receivables

	Current Period - December 31, 2023	Prior Period - December 31, 2022
31-60 days overdue	3,237,928	2,217,068
61-90 days overdue	1,928,099	1,541,596

(\*) Loan receivables with overdue loans are taken into consideration.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

Breakdown of restructured receivables based on whether or not provisions are allocated

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Payment Plan Extensions		
Standard Loans	66,810	80,452
Loans Under Close Monitoring	56,231,562	44,480,460
Non-performing Loans	2,620,644	2,645,272

b) Credit Risk Mitigation

Qualitative disclosure on credit risk mitigation techniques

Credit risk mitigation techniques at the Bank are evaluated within the scope of the "Credit Risk Management Policy Document". In calculations regarding credit risk reduction, the Bank uses the simple financial guaranteed method for financial guarantees within the scope of the "Communiqué on Credit Risk Mitigation Techniques", which came into force after being published in the Official Gazette No. 29111 dated September 6, 2014. Cash or similar cash assets, Treasury-backed Credit Guarantee Fund guarantees and guarantees are used to reduce credit risk.

Policies regarding the valuation of financial collateral and the appraisal of the valuations and policies and procedures for the valuation of real estate established for the collateral of mortgage-backed loans, which are an asset class, have been established. These policies and procedures have been prepared in accordance with the "Communiqué on Credit Risk Mitigation" and cover the minimum requirements for collateral valuation and management.

The Bank receives collaterals such as mortgages, sureties/guarantees and financial collaterals for the loans given.

Credit risk mitigation techniques

		Exposures unsecured: carrying amount	Exposures secured by collaterals	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
Current Period - December 31, 2023							
1	Loans	1,086,473,003	371,080,126	274,335,589	71,269,236	57,945,749	-
2	Debt Securities	629,271,181	-	-	-	-	-
3	Total	1,715,744,184	371,080,126	274,335,589	71,269,236	57,945,749	-
4	Of which Defaulted	19,823,287	-	-	-	-	-

		Exposures unsecured: carrying amount	Exposures secured by collaterals	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
Prior Period – December 31, 2022							
1	Loans	677,658,878	234,529,412	167,428,336	49,216,390	40,318,184	-
2	Debt Securities	356,108,790	-	-	-	-	-
3	Total	1,033,767,668	234,529,412	167,428,336	49,216,390	40,318,184	-
4	Of which Defaulted	20,274,348	-	-	-	-	-

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

2. Credit Risk Explanations (Continued)

c) Credit risk under standardized approach

Qualitative disclosures on banks’ use of external credit ratings under the standardized approach for credit risk

The rating grades determined by the Islamic International Rating Agency, Fitch Ratings, and JCR Eurasia Rating are used in deciding the risk weights of the risk classes specified in article 6 of the Regulation on the Measurement and Evaluation of Banks' Capital Adequacy.

The Islamic International Rating Agency (IIRA) ratings are taken into account for country ratings in the capital adequacy calculations for the risk class of receivables from central governments or central banks. For central government and central banks that are not rated by the IIRA rating agency, the country risk classification published by the Organization for Economic Cooperation and Development (OECD) is taken as the basis.

In addition, with the BRSA's decision numbered 8875 dated 21.02.2020, the regulation regarding which asset category can be used and which credit quality level corresponds to the rating grades given by JCR Eurasia Rating has been implemented. In capital adequacy calculations, JCR Eurasia Ratings are used as a credit rating agency. The credit scores of the Islamic International Rating Agency and Fitch Ratings continue to be used in the aforementioned calculations.

The table below shows which of the credit quality levels specified in the annex of the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks corresponds to the rating of the credit rating agency.

Ratings Matched	Credit Quality	Fitch	IIRA	JCR Eurasia Rating	
	Rank			Banks TL	Institutional TL
Long Term Credit Ratings	1	AAA and AA-	AAA/AA-	AAA/AA-	AAA/AA-
	2	A+ and A-	A+/A-	A+/A-	A+/A-
	3	BBB+ and BBB-	BBB+/BBB-	BBB+/BBB-	BBB+/BB-
	4	BB+ and BB-	BB+/BB-	BB+/BB-	
	5	B+ and B-	B+/B-	B+/B-	
	6	CCC+ and below	B- below	B- below	B- below

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI.INFORMATION ON RISK MANAGEMENT (Continued)

Credit risk exposure and credit risk mitigation effects

	Current Period – December 31, 2023				Exposures before Credit Conversion Factors and CRM				Exposures post- Credit Conversion Factors and CRM				RWA and RWA density	
	Asset classes				On-balance sheet amount				Off-balance sheet amount				RWA	
1	Exposures to central governments or central banks	985,356,036	564,710	325,852	1,006,026,303	664,732	4,488,509	-	1,006,026,303	664,732	4,488,509	-	49.75%	49.75%
2	Exposures to regional governments or local authorities	8,356,732	1,352,938	664,732	8,356,732	1,352,938	664,732	-	8,356,732	1,352,938	664,732	-	97.14%	97.14%
3	Exposures to public sector entities	6,905,154	1,937,351	532,040	6,905,154	1,937,351	532,040	-	6,905,154	1,937,351	532,040	-	-	-
4	Exposures to multilateral development banks	-	83,803	83,803	-	83,803	-	-	-	83,803	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	59,686,148	21,445,030	12,079,376	59,686,148	21,445,030	12,079,376	-	59,686,148	21,445,030	12,079,376	-	39.92%	39.92%
7	Exposures to corporates	615,881,015	515,545,632	222,589,513	615,881,015	515,545,632	222,589,513	-	615,881,015	515,545,632	222,589,513	-	78.81%	78.81%
8	Retail exposures	284,653,536	343,883,853	31,037,284	284,653,536	343,883,853	31,037,284	-	284,653,536	343,883,853	31,037,284	-	73.24%	73.24%
9	Exposures secured by residential property	86,165,212	8,004,191	4,087,072	86,165,212	8,004,191	4,087,072	-	86,165,212	8,004,191	4,087,072	-	35.00%	35.00%
10	Exposures secured by commercial real estate	129,102,282	31,041,183	19,420,017	129,102,282	31,041,183	19,420,017	-	129,102,282	31,041,183	19,420,017	-	63.44%	63.44%
11	Past-due loans	3,685,268	-	350,945	3,685,268	-	350,945	-	3,685,268	-	350,945	-	65.15%	65.15%
12	Higher-risk categories by the Agency Board	140,363,918	659,580	-	140,363,918	659,580	-	-	140,363,918	659,580	-	-	169.25%	169.25%
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	2,852,116	-	-	2,852,116	-	-	-	2,852,116	-	-	-	100.00%	100.00%
15	Exposures to institutions and corporates in collective investment undertakings (CIUs)	66,046,960	-	-	66,046,960	-	-	-	66,046,960	-	-	-	71.18%	71.18%
16	Other assets	19,952,954	-	-	19,952,954	-	-	-	19,952,954	-	-	-	100.00%	100.00%
17	Investment in equities	2,409,007,331	924,518,271	291,170,634	2,409,007,331	924,518,271	291,170,634	-	2,409,007,331	924,518,271	291,170,634	-	50.88%	50.88%
18	Total	985,356,036	564,710	325,852	1,006,026,303	664,732	4,488,509	-	1,006,026,303	664,732	4,488,509	-	-	-
	Prior Period - December 31, 2022				Exposures before Credit Conversion Factors and CRM				Exposures post- Credit Conversion Factors and CRM				RWA and RWA density	
	Asset classes				On-balance sheet amount				Off-balance sheet amount				RWA	
1	Exposures to central governments or central banks	561,458,653	768,779	550,492	561,458,653	768,779	550,492	-	561,458,653	768,779	550,492	-	-	-
2	Exposures to regional governments or local authorities	6,232,224	1,556,289	170,394	6,232,224	1,556,289	170,394	-	6,232,224	1,556,289	170,394	-	49.61%	49.61%
3	Exposures to public sector entities	754,550	407,335	-	754,550	407,335	-	-	754,550	407,335	-	-	95.38%	95.38%
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions and banks	30,222,786	9,394,320	5,503,471	30,222,786	9,394,320	5,503,471	-	30,222,786	9,394,320	5,503,471	-	34.29%	34.29%
7	Retail exposures	399,254,199	322,940,906	135,589,917	399,254,199	322,940,906	135,589,917	-	399,254,199	322,940,906	135,589,917	-	81.48%	81.48%
8	Exposures secured by residential property	167,584,659	137,919,165	16,881,354	167,584,659	137,919,165	16,881,354	-	167,584,659	137,919,165	16,881,354	-	75.77%	75.77%
9	Exposures secured by commercial real estate	70,024,092	3,955,445	1,956,017	70,024,092	3,955,445	1,956,017	-	70,024,092	3,955,445	1,956,017	-	35.00%	35.00%
10	Past-due loans	79,268,087	15,507,602	10,325,178	79,268,087	15,507,602	10,325,178	-	79,268,087	15,507,602	10,325,178	-	65.07%	65.07%
11	Higher-risk categories by the Agency Board	3,790,165	301,641	149,779	3,790,165	301,641	149,779	-	3,790,165	301,641	149,779	-	71.65%	71.65%
12	Exposures in the form of covered bonds	95,485,180	-	-	95,485,180	-	-	-	95,485,180	-	-	-	176.34%	176.34%
13	Exposures to institutions and corporates with a short-term credit assessment	74,700	-	-	74,700	-	-	-	74,700	-	-	-	10.00%	10.00%
14	Exposures to institutions and corporates in collective investment undertakings	133,703	-	-	133,703	-	-	-	133,703	-	-	-	100.00%	100.00%
15	Other receivables	56,847,644	-	-	56,847,644	-	-	-	56,847,644	-	-	-	58.61%	58.61%
16	Investments in equities	14,140,005	-	-	14,140,005	-	-	-	14,140,005	-	-	-	100.00%	100.00%
17	Investment in equities	1,485,270,647	492,751,482	171,897,732	1,485,270,647	492,751,482	171,897,732	-	1,485,270,647	492,751,482	171,897,732	-	53.12%	53.12%
18	Total	985,356,036	564,710	325,852	1,006,026,303	664,732	4,488,509	-	1,006,026,303	664,732	4,488,509	-	-	-



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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI.INFORMATION ON RISK MANAGEMENT (Continued)

Exposures by asset classes and risk weights

Current Period - December 31, 2023	Asset Classes/ Risk Weight*	0%	10%	20%	35% (secured by real estate)	50%	75%	100%	Other Risk Weights	Total credit risk exposure amount (After CCF and CRM)
1	Exposures to central governments or central banks	1,006,352,155	-	-	-	-	-	-	-	1,006,352,155
2	Exposures to regional governments or local authorities	44,226	-	368	-	8,976,870	-	-	-	9,021,464
3	Exposures to public sector entities	204,331	-	10,780	-	-	-	7,222,083	-	7,437,194
4	Exposures to multilateral development banks	83,803	-	-	-	-	-	-	-	83,803
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	265,691	-	32,742,726	-	33,312,323	-	5,444,784	-	71,765,524
7	Exposures to corporates	39,027,122	-	107,288,565	-	96,942,765	-	574,541,809	-	817,800,261
8	Retail exposures	10,330,064	-	1,948,942	-	-	290,358,226	13,053,588	-	315,690,820
9	Exposures secured by residential property	-	-	-	90,252,284	-	-	-	-	90,252,284
10	Exposures secured by commercial real estate	-	-	-	-	108,600,350	-	39,921,949	-	148,522,299
11	Pass-due loans	-	-	-	-	2,644,225	-	965,406	-	3,685,268
12	Higher Risk categories by the Agency Board	-	-	3,352	-	-	-	-	75,637	140,714,863
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	140,687,918	-
14	Exposures to institutions and corporates with a short-term credit assessments	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-
16	Other assets	-	-	-	-	-	-	-	-	-
17	Investments in equities	16,283,846	-	3,439,932	-	-	-	2,852,116	-	19,952,954
18	Total	1,072,614,651	-	145,434,665	90,252,284	258,476,533	290,358,226	710,277,871	140,763,555	2,700,177,965

Prior Period - December 31, 2022	Asset Classes/ Risk Weight*	0%	10%	20%	35% (secured by real estate)	50%	75%	100%	Other Risk Weights	Total credit risk exposure amount (After CCF and CRM)
1	Exposures to central governments or central banks	579,649,826	-	-	-	-	-	-	-	579,649,826
2	Exposures to regional governments or local authorities	54,406	-	970	-	6,947,778	-	-	-	7,003,354
3	Exposures to public sector entities	10,807	-	39,856	-	-	-	874,281	-	924,944
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	658,894	-	20,229,142	-	13,265,753	-	1,572,468	-	35,726,257
7	Exposures to corporates	10,522,237	-	71,026,561	-	56,908,833	-	378,745,804	-	517,208,435
8	Retail exposures	3,547,511	-	1,260,168	-	-	160,544,354	19,113,980	-	184,466,013
9	Exposures secured by residential property	-	-	-	71,980,109	-	-	-	-	71,980,109
10	Exposures secured by commercial real estate	-	-	-	-	62,595,091	-	26,998,174	-	89,593,265
11	Pass-due loans	-	-	-	-	2,244,192	-	1,451,100	-	3,790,165
12	Higher Risk categories by the Agency Board	35,294	-	21,372	-	-	-	-	94,873	95,634,959
13	Exposures in the form of covered bonds	-	74,700	-	-	-	-	-	95,578,293	74,700
14	Exposures to institutions and corporates with a short-term credit assessments	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-
16	Other assets	-	-	-	-	-	-	-	-	-
17	Investments in equities	11,308,980	-	437,174	-	-	-	-	-	133,703
18	Total	605,788,155	74,700	93,015,243	71,980,109	141,961,647	160,544,354	476,019,527	107,784,644	1,657,168,379

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI.INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations

Qualitative disclosure on counterparty credit risk

The counterparty credit risk that may be incurred by the counterparty that is a party to a transaction that is liable to both parties due to default before the final payment in the cash flow is managed within the Bank's "Counterparty Credit Risk Management Policy Document". The counterparty credit risk amounts calculated using the "Fair Value Valuation Method" within the scope of the "Communiqué on Credit Risk Mitigation" are calculated on the basis of the portfolios in the trading accounts and banking accounts, and these amounts are used within the scope of capital adequacy calculations. Various scenarios and stress tests are applied to the counterparty credit risk.

Processes related to counterparty credit risk management activities have been written down. In the direction of the policy document and measurement results, activities of evaluating, analyzing and reporting the counterparty credit risk and determining the effect of the capital requirement of the bank are being continued.

In addition to the measurement activities, sensitivity and scenario analysis are used to evaluate the resistance of the Bank to the changes that may be experienced in risk factors against economic developments. Monthly stress test reports include analyzes of counterparty credit risk. The distributions of positions subject to counterparty credit risk calculation, the ratings of these counterparties from independent rating agencies and transaction concentration are regularly monitored by the Risk Management Department. The Risk Management Department monitors the level of concentration in terms of the counterparty of derivative transactions. The collateral process of derivative transactions, repo, marketable securities transactions etc. with foreign banks is covered with ISDA and ISMA contracts and the collateral agreements regarding the mutual rights and obligations for the transactions between the two parties.

Treasury transactions are valued on a daily basis over the market prices taking into account these contracts and rules from the beginning to the closing of the transaction and the difference between the favorable and unfavorable values of the transactions against the market prices cause the settlement call movements by agreeing with the related banks. In compliance with the limitations of the bank which exposed to counterparty risk, the Bank follows the limit follow up system. Limits, which are defined as loan limits and compromise limits in the system, are monitored instantaneously.

The Bank has fulfilled its statutory obligations under EMIR (European Markets Infrastructure Regulation). The clearing member of the bank has been transmitted to the "counterparty" via a bank and transactions that provide conditions within the existing transactions in the portfolio have started to be cleared under the conditions of EMIR. In this context, the IRS transactions made by the Treasury offices are controlled and cleared over the system, and the transaction becomes official by the central counterparty LCH. Besides the derivative transactions it carries out through LCH (central counterparty), the Bank continues to receive central counterparty service through Takasbank for overnight index swap (OIS) transactions between domestic banks.

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XI.INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Counterparty credit risk (CCR) approach analysis

Current Period - December 31, 2023		Renewal Cost	Potentially the amount of credit risk	EBPRT	Legal risk Alpha used for the calculation of the amount of	The amount of risk after credit risk mitigation	Risk-weighted amounts
1	Fair value method - KKR (for derivatives)						
2	Standard approach - KKR (for derivatives)	7,402,437	1,838,639		1.4	12,937,505	8,588,525
3	Internal Model Method (for derivative financial instruments, repurchase agreement, securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)			-	-	-	-
4	Simple methods that can be used to mitigate credit risk (for derivative financial instruments, securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)					115,554,945	11,637,331
5	A comprehensive method for credit risk reduction (for derivative financial instruments, securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)					-	-
6	Repurchase transactions, securities or commodities lending or borrowing transactions, trade credit transactions in securities value at risk for processes with long time					-	-
7	Total						20,225,856

Prior Period - December 31, 2022		Renewal Cost	Potentially the amount of credit risk	EBPRT	Legal risk Alpha used for the calculation of the amount of	The amount of risk after credit risk mitigation	Risk-weighted amounts
1	Fair value method - KKR (for derivatives)						
2	Standard approach - KKR (for derivatives)	5,315,771	888,885		1.4	8,686,518	4,227,199
3	Internal Model Method (for derivative financial instruments, repurchase agreement, securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)			-	-	-	-
4	Simple methods that can be used to mitigate credit risk (for derivative financial instruments, securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)					99,301,976	8,710,195
5	A comprehensive method for credit risk reduction (for derivative financial instruments, securities or commodities lending or borrowing transactions, long duration credit transactions with securities transactions of the swap)					-	-
6	Repurchase transactions, securities or commodities lending or borrowing transactions, trade credit transactions in securities value at risk for processes with long time					-	-
6	Total						12,937,394

Capital requirement for credit valuation adjustment (CVA)

Current Period - December 31, 2023		EAD post CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation		-	-
1	(i) VaR component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital obligation	12,937,505	3,365,064
4	Total subject to the CVA capital obligation	12,937,505	3,365,064

Prior Period - December 31, 2022		EAD post CRM	RWA
Total portfolios subject to the Advanced CVA capital obligation		-	-
1	(i) VaR component (including the 3×multiplier)		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-
3	All portfolios subject to the Standardised CVA capital obligation	8,686,518	2,949,839
4	Total subject to the CVA capital obligation	8,686,518	2,949,839

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XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Standardized approach CCR exposures by risk class and risk weights

Current Period - December 31, 2023

Risk Classes / Risk Weights	35% Secured by real estate					100%	150%	Other	Total Credit Exposures (*)
	0%	10%	20%	50%	75%				
Claims from central governments and central banks	426,248	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	4,570	-	-	-	-	-	-	457
Claims from administration and non-commercial entity	-	-	-	-	-	-	-	-	-
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	17,449,231	-	1,804,953	-	11,660,240	13,652,423
Corporates	77,255,871	8,713,331	14,448,248	-	-	5,834,280	-	4,106,725	6,787,748
Retail portfolios	1,617,418	-	-	-	-	-	-	100,183	102,570
Claims on landed real estate	37,926	884,175	-	-	16,199	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-
Other Assets (**)	-	-	-	-	-	-	-	-	-
Total	79,337,463	9,602,076	14,448,248	17,449,231	16,199	7,639,233	-	15,867,148	20,543,198

(\*) Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.

(\*\*) Other assets: The counterparty reported in the counter counterparty risks includes amounts not included in the credit risk.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Standardized approach CCR exposures by risk class and risk weights (Continued)

Prior Period - December 31, 2022

Risk Classes / Risk Weights	0%	10%	20%	35% Secured by real estate	50%	75%	100%	150%	Other	Total Credit Exposures(²)
Claims from central governments and central banks	31,423,616	-	-	-	-	-	-	-	-	-
Claims from regional and local governments	-	427	2	-	-	-	-	-	-	43
Claims from administration and non-commercial entity	-	530	-	-	-	-	327	-	-	380
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-
Claims from institutions	29,796,635	-	8,642,904	-	8,808,810	-	895,205	-	3,190,344	7,091,997
Corporates	871,011	11,108,010	9,551,382	-	-	-	1,081,558	-	22,923	4,103,094
Retail portfolios	148,831	15,634,608	2,031,224	-	-	104,892	-	-	32	2,048,375
Claims on landed real estate	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-	-
Claims which are determined as high risk by the board of BRSA	-	-	-	-	-	-	-	-	-	-
Mortgage securities	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Claims from corporates, banks and financial intermediaries which have short term credit rating	-	-	-	-	-	-	-	-	-	-
Investments which are qualified as collective investment institutions	-	-	-	-	-	-	-	-	-	-
Stock investment	-	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-	-
Other assets (*)	-	-	-	-	-	-	-	-	-	-
Total	62,240,093	26,743,575	20,225,512	-	8,808,810	104,892	1,977,090	-	3,213,299	13,243,889

(²) Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.  
(\*) Other assets: The counterparty reported in the counter counterparty risks includes amounts not included in the credit risk.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Collaterals for counterparty credit risk

Current Period - December 31, 2023	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	58,858,701	-
Cash-foreign currency	-	-	-	-	46,445,063	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	105,303,764	-

Prior Period – December 31, 2022	Collateral for derivative transactions				Collateral for other transactions	
	Fair value of collateral received		Fair value of collateral given		Fair value of collateral received	Fair value of collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	55,456,694	-
Cash-foreign currency	-	-	-	-	55,896,137	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	111,352,831	-

Loan Derivatives

Current Period - December 31, 2023	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	1,169,754	11,968,822
Index credit default swaps	-	-
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
Total Notionals	1,169,754	11,968,822
Fair Values	35,749	1,800,646
Positive fair values (asset)	35,749	-
Negative fair values (liability)	-	1,800,646

Prior Period - December 31, 2022	Protection bought	Protection sold
Notionals		
Single-name credit default swaps	1,169,754	8,531,919
Index credit default swaps	-	-
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
Total Notionals	1,169,754	8,531,919
Fair Values	82,104	2,386,474
Positive fair values (asset)	82,104	-
Negative fair values (liability)	-	2,386,474

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

3. Counterparty Credit Risk Explanations (Continued)

Central counterparty risks

Current Period - December 31, 2023		Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs) (total)		319,311
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	15,867,148	317,343
3	(i) OTC Derivatives	3,858,914	77,178
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	12,008,234	240,165
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	98,392	1,968
10	Unfunded default fund contributions	-	-
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 netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Prior Period - December 31, 2022		Exposure at default (post-CRM)	RWA
1	Exposure to Qualified Central Counterparties (QCCPs) (total)		306,606
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	15,324,777	306,495
3	(i) OTC Derivatives	3,115,170	62,303
4	(ii) Exchange-traded Derivatives	-	-
5	(iii) Securities financing transactions	12,209,607	244,192
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Pre-funded default fund contributions	5,390	111
10	Unfunded default fund contributions	-	-
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 netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Pre-funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

4. Explanations on Market Risk

Qualitative disclosure requirements related to market risk

As a result of fluctuations in the financial market, the Bank is exposed to market risk, depending on the exchange rates, interest rates and changes in the market prices of the shares.

In order to evaluate the market risk, liquidity risk, interest risk or condensation risk that Bank is facing or could face, with the policies and limitations that are lineup for to control the risks there is “Market Risk Management Directorate” and it carries out the market risk management. In this extent, this Directorate design the risk measurement models, measurement results and getting regular reports from the other analyzes and give notices from the report of the analyzes to the necessary departments.

Market risks get measured and monitored with the internal models that are parallel to international applications. This market risk management process continues by including buying and selling balance sheet both internally and externally, meeting the legal necessities, being able to analyze the all risks that can be caused from buying-selling activities and by identifying the market risk that can be caused by all portfolios.

Risk management of the Bank is important in order to be understood by the all management stages and be able to get an opportunity to manage risk. In addition to that, it is similarly important to handle the loss that might cause when a risk occurs. Therefore, measurements must cover the evaluations for the fund needs near the size of the risk and evaluations of the conditions that caused it. By using the methods of scenario and stress test, it is possible to see risk levels and needs of funds that can be generated from different circumstances and risky conditions.

In addition to the results of market risk measurements using standard method, which calculated in monthly periods, other daily risk dependencies can be also calculated by using internal model. Only by using the 99% of trust range, other measurements that are subject to risk can be daily calculated by using the historical stimulation and Monte Carlo stimulation. There are daily back testings occurred in order to examine the trustworthiness and performance of the model results. Besides, there are also scenario analyzes and stress tests are happening in order to backing up the standard method and internal models. In addition to this, in order to limit the market risks, daily limit implementation and limit implementation in accordance with the early warning system can be monitored on daily basis.

Market Risk- Standardized approach

		Current Period – December 31, 2023	Prior Period – December 31, 2022
		RAT	RAT
Outright products			
1	Interest rate risk (general and specific)	4,410,175	2,102,662
2	Stock risk (general and specific)	289,850	200,749
3	Foreign exchange risk	1,741,111	3,607,543
4	Commodity risk	1,927,841	896,925
Options			
5	Simplified approach	-	-
6	Delta-plus method	118,130	6,071
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	8,487,107	6,813,950



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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

XI. INFORMATION ON RISK MANAGEMENT (Continued)

5. Explanations on Operational Risk

The “Basic Indicator Method” that is mentioned in "Regulation on Measurement and Assessment of Capital Adequacy of Banks" Communiqué published in the Official Gazette no. 29511 on 23 October 2015 is used in the operational risk calculation of the Bank. Under the scope of the calculation, the value found by multiplying the average of the fifteen percent of the year-end gross income amounts realized by the Bank over the last three years by twelve and half is considered as the operational risk.

Annual gross revenue is calculated by deducting profit/loss derived from the sale of available-for-sale assets and held-to-maturity securities, extraordinary income and indemnity insurance gains from the total of net interest income and non-interest income.

All staff of the Bank is responsible within the scope of their own roles and work processes of controlling and decreasing operational risks. All units of the Bank are responsible of taking risk-reducing measures through insurance or other risk transfer mechanisms to reduce operational risks that may arise in their own business activities.

				Total/Positive	Ratio (%)	Total
Current Period - December 31, 2023	2PP	1PP	CP Amount	GI year number		
Gross income	19,420,283	18,876,056	85,221,018	41,172,452	15	6,175,868
Amount subject to Operational Risk (Amount*12,5)	-	-	-	-	-	77,198,348

				Total/Positive	Ratio (%)	Total
Prior Period - December 31, 2022	2PP	1PP	CP Amount	GI year number		
Gross income	14,087,440	19,420,283	18,876,056	17,461,260	15	2,619,189
Amount subject to Operational Risk (Amount*12,5)	-	-	-	-	-	32,739,862

6. Interest Rate Risk Related to Banking Book

Bank has evaluated to Interest rate risk arising from on-balance sheet and off-balance sheet positions in banking accounts in accordance with “Regulation on Measurement and Evaluation of Interest Rate Risk in Banking Accounts with Standard Shock Method” performs and reports on these measurement based results and analyzes on weekly and monthly periods. In addition, in the Asset-Liability Management Committee meetings, the sensitivity of the active, passive and off-balance sheet items to the interest rate is evaluated taking into consideration the market developments.

In line with the management of interest rate risk arising from banking accounts; Scenario analysis, gap analysis to date of re-pricing, behavioral analysis, core demand deposit level, duration and maturity mismatch metrics, option risk, base risk and yield curve risk components are followed together.

		Applied Shock	Gains/Losses	Gains / Shareholders’
Current Period - December 31, 2023	Currency	(+/- x basis points)*		Equity Losses/ Shareholders’ Equity
1	TRY	500/(400)	(16,557,232)/15,886,801	(7.52%) / 7.22%
2	EURO	200/(200)	(2,816,447)/3,588,270	(1.28%) / 1.63%
3	USD	200/(200)	(4,778,087)/5,837,680	(2.17%) / 2.65%
Total (for negative shocks)		-	25,312,751	11.50%
Total (for positive shocks)		-	(24,151,766)	(10.97) %

		Applied Shock	Gains/Losses	Gains / Shareholders’
Prior Period - December 31, 2022	Currency	(+/- x basis points)*		Equity Losses/ Shareholders’ Equity
1	TRY	500/(400)	(5,232,312)/4,816,205	(3.72%) / 3.42%
2	EURO	200/(200)	(3,009,531)/3,705,360	(2.14%) / 2.63%
3	USD	200/(200)	(2,606,590)/3,198,781	(1.85%) / 2.27%
Total (for negative shocks)		-	11,720,345	8.33%
Total (for positive shocks)		-	(10,848,434)	(7.71) %

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SECTION FIVE

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS

1. Cash and balances with Central Bank

	Current Period – December 31, 2023		Prior Period – December 31, 2022	
	TL	FC	TL	FC
Cash	5,400,602	16,050,495	4,766,482	8,759,199
Central Bank of the Republic of Turkey (*)	150,796,555	213,066,137	43,544,012	211,076,405
Other	112,804	277,107	84,808	704,315
Total	156,309,961	229,393,739	48,395,302	220,539,919

(\*) TL 122,170,962 (December 31, 2022: TL 82,537,852) of the foreign currency deposit at Central Bank of the Republic of Türkiye consists of foreign currency reserve deposits.

As per Communiqué on Required Reserve of CBRT, required reserve may be kept in TL, USD, EUR and standard gold.

In accordance with “Announcement on Reserve Deposits” of CBRT numbered 2013/15, all banks operating in Türkiye shall provide a reserve rate ranging from 0% to 30% (December 31, 2022: ranging from 3% to 8%). For foreign currency liabilities, all banks shall provide a reserve rate ranging from 5% to 30% in US Dollar or Euro (December 31, 2022: ranging from 5% to 26%).

Effective October 27, 2023, the CBRT decided to apply an additional reserve requirement of 4 percent for foreign currency deposits (excluding deposits with banks abroad and precious metal deposit accounts) to be held in Turkish lira at all maturities.

Balances with the Central Bank of Republic of Türkiye

	Current Period – December 31, 2023		Prior Period - December 31, 2022	
	TL	FC	TL	FC
Unrestricted demand deposits	129,262,330	90,895,175	42,937,215	50,293,731
Restricted demand deposits	1,048,988	-	606,797	-
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	78,244,822
Reserve Deposits	20,485,237	122,170,962	-	82,537,852
Total	150,796,555	213,066,137	43,544,012	211,076,405

2. Further information on financial assets at fair value through profit/loss

In the current period, there are no financial assets subject to repo transactions and given as collateral/blocked financial assets at fair value through profit or loss. (December 31, 2022: None)

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Positive differences on derivative financial assets held for trading purpose

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	TL	FC	TL	FC
Forward transactions	79,421	19,521	134,695	443
Swap transactions	23,646,614	5,419,207	14,094,488	3,078,373
Futures	-	-	-	-
Options	-	90,028	474	52,603
Other	-	-	-	-
<b>Total</b>	<b>23,726,035</b>	<b>5,528,756</b>	<b>14,229,657</b>	<b>3,131,419</b>

The Bank has performed cross currency and interest rate swap transactions that can be cancelled. Thus, swap transactions, in the event of certain conditions related to the loan (such as not making a payment) regarding the Bank, may be terminated by not realizing the amount to be paid and paid by any party according to the contract. As of December 31, 2023 the fair value of this transaction is TL 2,951,873, with a nominal amount of 120 million USD and an average maturity of 0.54 years. (As of December 31, 2022, the fair value of this transaction was TL 1,722,403, with a nominal amount of USD 120 million, and an average maturity of 1.54 years).

3. Information on banks

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	TL	FC	TL	FC
Banks				
Domestic	651	1,730	53	16,845
Foreign	-	51,098,209	-	28,528,961
Foreign Head Offices and Branches	-	-	-	-
<b>Total</b>	<b>651</b>	<b>51,099,939</b>	<b>53</b>	<b>28,545,806</b>

Due from foreign banks

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	Unrestricted Balance	Restricted Balances (**)	Unrestricted Balance	Restricted Balances (**)
EU Countries	1,010,404	3,278,209	4,010,416	719,061
USA, Canada	14,719,482	3,551,649	4,961,928	2,504,957
OECD Countries (*)	912,518	23,160,893	2,587,473	12,741,608
Off-shore Banking Regions	1,279	-	69,185	-
Others	2,574,508	1,889,267	934,333	-
<b>Total</b>	<b>19,218,191</b>	<b>31,880,018</b>	<b>12,563,335</b>	<b>15,965,626</b>

(\*)OECD countries except from EU countries, USA, Canada.

(\*\*)Restricted balances that occur from securization loans and other common banking activities

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

Financial assets at fair value through other comprehensive income given as collateral or blocked

	Current Period – December 31, 2023		Prior Period - December 31, 2022	
	TL	FC	TL	FP
Equity shares	-	-	-	-
Bonds, treasury bills and similar marketable securities	12,935,255	26,064,046	6,024,871	13,831,275
Other	-	-	-	-
<b>Total</b>	<b>12,935,255</b>	<b>26,064,046</b>	<b>6,024,871</b>	<b>13,831,275</b>

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Financial assets at fair value through other comprehensive income subject to repurchase agreements

	Current Period – December 31, 2023		Prior Period – December 31, 2022	
	TL	FC	TL	FC
Government bonds	369,850	-	26,356,794	48,817,628
Treasury bills	-	-	-	-
Other debt securities	-	71,576,920	-	14,613,928
Bonds issued or guaranteed by banks	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>369,850</b>	<b>71,576,920</b>	<b>26,356,794</b>	<b>63,431,556</b>

Information on financial assets at fair value through other comprehensive income

	Current Period – December 31, 2023	Prior Period - December 31, 2022
<b>Debt securities</b>	<b>282,978,160</b>	<b>198,351,294</b>
Quoted on a Stock Exchange	281,331,191	196,350,850
Unquoted	1,646,969	2,000,444
<b>Equity securities</b>	<b>171,444</b>	<b>119,854</b>
Quoted on a Stock Exchange	-	-
Unquoted	171,444	119,854
<b>Provisions for impairment losses (-)</b>	<b>2,006,235</b>	<b>1,572,619</b>
<b>Total</b>	<b>281,143,369</b>	<b>196,898,529</b>

5. Information on loans

Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period – December 31, 2023		Prior Period – December 31, 2022	
	Cash	Non-Cash	Cash	Non-Cash
<b>Direct loans provided to the shareholders</b>	<b>-</b>	<b>929</b>	<b>-</b>	<b>1,187</b>
Legal entities	-	929	-	1,187
Real persons	-	-	-	-
<b>Indirect loans provided to the shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Loans provided to the employees</b>	<b>949,392</b>	<b>-</b>	<b>602,165</b>	<b>-</b>
<b>Total</b>	<b>949,392</b>	<b>929</b>	<b>602,165</b>	<b>1,187</b>

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on loans classified as standard loans and under close monitoring loans that have been restructured

Current Period - December 31, 2023				
	Loans and other receivables under close monitoring			
	Standard loans	Loans not Subject to Restructuring	Agreement conditions modified	
			Loans with Revised Contract Terms	Refinance
Cash Loans				
Non-specialized loans	1,382,882,848	60,173,807	1,331,024	54,900,538
Loans given to enterprises	325,849,125	29,489,073	956,355	52,871,209
Export loans	182,492,612	1,057,135	-	-
Import loans	-	-	-	-
Loans given to financial sector	61,086,664	41,791	-	-
Consumer loans	178,263,595	2,656,319	3,175	789,671
Credit cards	134,693,840	2,790,051	371,276	-
Other	500,497,012	24,139,438	218	1,239,658
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	1,382,882,848	60,173,807	1,331,024	54,900,538

Agreement has been reached between all lenders, including the Bank, to restructure the debts provided to Ojer Telecommunications INC (OTAS), the main shareholder of Turkish Telecommunications INC (Türk Telekom), and is owned by OTAS, Of the 192,500,000,000 Group A shares that account for 55% of Türk Telekom's issued capital and are pledged to the guarantee of existing loans, all lenders must be direct or indirect party of LYY Telecommunication INC, which was established as a special purpose company in the Republic of Türkiye, was completed on December 21, 2018. The Bank participated in LYY Telecommunication INC. by 4.2559%. At LYY's Ordinary General Assembly Meeting on September 23, 2019, it was decided to convert part of the loan into capital and add it to LYY's capital, and in this context, the fiat value of the Bank's shares in LYY increased from TL 2 to TL 169,483. This amount is shown in the financial statements under the item " Fair Value Through Profit and Loss". In the statements made on the Public Disclosure Platform on March 10, 2022; It has been announced that a Share Transfer Agreement has been signed between the parties for the sale of all shares written on behalf of group A to the Turkish Asset Fund, equivalent to 55% of Türk Telekom capital owned by LYY. Accordingly, on March 31, 2022, the relevant company was transferred to the Türkiye Wealth Fund. A 100% provision has been made for the portion remaining after the collection from the sales and followed as a loan in the financial statements and for the shares followed under the “Financial Assets at Fair Value Through Profit and Loss” item, and the portion followed up as a loan has been classified as non-performing loans as of June 30, 2022. Since there is no reasonable expectation regarding its recovery, it has been deducted from the records together with the specific provision amount within the scope of TFRS 9.

Prior Period - December 31, 2022				
	Loans and other receivables under close monitoring			
	Standard loans	Loans not Subject to Restructuring	Agreement conditions modified	
			Loans with Revised Contract Terms	Refinance
Cash Loans				
Non-specialized loans	856,326,634	32,643,876	1,998,708	42,481,752
Loans given to enterprises	216,834,290	17,720,893	1,835,446	37,960,849
Export loans	73,853,772	693,501	-	-
Import loans	-	-	-	-
Loans given to financial sector	36,869,220	8,685	-	-
Consumer loans	133,448,141	1,261,311	9,224	598,439
Credit cards	55,684,826	575,878	153,735	-
Other	339,636,385	12,383,608	303	3,922,464
Specialized lending	-	-	-	-
Other receivables	-	-	-	-
Total	856,326,634	32,643,876	1,998,708	42,481,752

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Current Period - December 31, 2023	Standard Loans	Loans under close monitoring
12-Month expected credit losses	17,603,766	-
Significant Increase in Credit Risk	-	27,813,093

Prior Period - December 31, 2022	Standard Loans	Loans under close monitoring
12-Month expected credit losses	6,238,000	-
Significant Increase in Credit Risk	-	18,815,043

Maturity analysis of cash loans

	Loans under close monitoring		
	Standard Loans	Loans not Subject to Restructuring	Loans Restructured
Current Period - December 31, 2023			
Short-term Loans	593,802,006	19,097,229	3,228,886
Medium, Long-term Loans	789,080,842	41,076,578	53,002,676

	Loans under close monitoring		
	Standard Loans	Loans not Subject to Restructuring	Loans Restructured
Prior Period - December 31, 2022			
Short-term Loans	360,890,035	18,885,437	12,153,333
Medium, Long-term Loans	495,436,599	13,758,439	32,327,127

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Consumer loans, retail credit cards, personnel loans and personnel credit cards

Current Period - December 31, 2023	Short-Term	Medium and Long-Term	Total
Consumer loans – TL	29,925,047	115,624,141	145,549,188
Housing loans	9,365	57,467,601	57,476,966
Automobile loans	184,185	7,689,591	7,873,776
General purpose loans	29,731,497	50,466,949	80,198,446
Other	-	-	-
Consumer loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Retail credit cards – TL	99,095,851	47,282	99,143,133
With instalment	43,295,743	43,764	43,339,507
Without instalment	55,800,108	3,518	55,803,626
Retail credit cards – FC	192,094	-	192,094
With instalment	-	-	-
Without instalment	192,094	-	192,094
Personnel loans – TL	33	78,889	78,922
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	33	78,889	78,922
Other	-	-	-
Personnel loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel credit cards – TL	865,265	186	865,451
With instalment	368,559	168	368,727
Without instalment	496,706	18	496,724
Personnel credit cards – FC	5,019	-	5,019
With instalment	-	-	-
Without instalment	5,019	-	5,019
Overdraft Checking Accounts – TL (Real person)	36,080,776	-	36,080,776
Overdraft Checking Accounts – FC (Real person)	3,874	-	3,874
Total	166,167,959	115,750,498	281,918,457

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I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Consumer loans, retail credit cards, personnel loans and personnel credit cards (Continued)

Prior Period - December 31, 2022	Short-Term	Medium and Long-Term	Total
Consumer loans – TL	7,935,009	108,752,182	116,687,191
Housing loans	4,218	54,022,879	54,027,097
Automobile loans	24,328	3,370,937	3,395,265
General purpose loans	7,906,463	51,358,366	59,264,829
Other	-	-	-
Consumer loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Consumer loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Retail credit cards – TL	42,288,736	101,703	42,390,439
With instalment	20,734,917	100,707	20,835,624
Without instalment	21,553,819	996	21,554,815
Retail credit cards – FC	140,198	-	140,198
With instalment	-	-	-
Without instalment	140,198	-	140,198
Personnel loans – TL	1,018	176,041	177,059
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	1,018	176,041	177,059
Other	-	-	-
Personnel loans – FC indexed	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel loans – FC	-	-	-
Housing loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	-	-
Other	-	-	-
Personnel credit cards – TL	422,146	136	422,282
With instalment	194,148	131	194,279
Without instalment	227,998	5	228,003
Personnel credit cards – FC	2,824	-	2,824
With instalment	-	-	-
Without instalment	2,824	-	2,824
Overdraft Checking Accounts – TL (Real person)	18,450,844	-	18,450,844
Overdraft Checking Accounts – FC (Real person)	2,021	-	2,021
Total	69,242,796	109,030,062	178,272,858



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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Installment based commercial loans and corporate credit cards

Current Period - December 31, 2023	Short-Term	Medium and Long-Term	Total
Instalment-based commercial loans – TL	39,126,931	192,400,394	231,527,325
Real estate loans	69,577	1,601,429	1,671,006
Automobile loans	2,696,782	12,551,627	15,248,409
General purpose loans	36,360,572	178,247,338	214,607,910
Other	-	-	-
Instalment-based commercial loans – FC indexed	-	336,079	336,079
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	336,079	336,079
Other	-	-	-
Instalment-based commercial loans – FC	165,825	110,118,135	110,283,960
Real estate loans	-	-	-
Automobile loans	-	4,895	4,895
General purpose loans	165,825	110,113,240	110,279,065
Other	-	-	-
Corporate credit cards – TL	34,241,978	3,347,838	37,589,816
With instalment	11,980,717	3,054,323	15,035,040
Without instalment	22,261,261	293,515	22,554,776
Corporate credit cards – FC	59,654	-	59,654
With instalment	-	-	-
Without instalment	59,654	-	59,654
Overdraft Checking Accounts – TL (Corporate)	29,920,735	-	29,920,735
Overdraft Checking Accounts – FC (Corporate)	-	-	-
Total	103,515,123	306,202,446	409,717,569

Prior Period - December 31, 2022	Short-Term	Medium and Long-Term	Total
Instalment-based commercial loans – TL	59,277,979	115,454,012	174,731,991
Real estate loans	19,295	1,267,176	1,286,471
Automobile loans	1,230,353	5,759,446	6,989,799
General purpose loans	58,028,331	108,427,390	166,455,721
Other	-	-	-
Instalment-based commercial loans – FC indexed	-	367,517	367,517
Real estate loans	-	-	-
Automobile loans	-	-	-
General purpose loans	-	367,517	367,517
Other	-	-	-
Instalment-based commercial loans – FC	62,090	68,022,514	68,084,604
Real estate loans	-	-	-
Automobile loans	-	22,549	22,549
General purpose loans	62,090	67,999,965	68,062,055
Other	-	-	-
Corporate credit cards – TL	13,219,153	212,008	13,431,161
With instalment	5,434,928	194,897	5,629,825
Without instalment	7,784,225	17,111	7,801,336
Corporate credit cards – FC	27,535	-	27,535
With instalment	-	-	-
Without instalment	27,535	-	27,535
Overdraft Checking Accounts – TL (Corporate)	20,170,978	-	20,170,978
Overdraft Checking Accounts – FC (Corporate)	-	-	-
Total	92,757,735	184,056,051	276,813,786

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Allocation of loan customers <sup>(\*)</sup>

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Public Sector	62,615,937	49,841,648
Private Sector	1,436,672,280	883,609,322
Total	1,499,288,217	933,450,970

(\*)Non-performing loans are not included.

Allocation of domestic and overseas loans <sup>(\*)</sup>

	Current Period- December 31, 2023	Prior Period - December 31, 2022
Domestic loans	1,496,792,888	931,970,423
Foreign loans	2,495,329	1,480,547
Total	1,499,288,217	933,450,970

(\*)Non-performing loans are not included.

Loans to associates and subsidiaries

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Direct loans to associates and subsidiaries	35,207,658	21,599,570
Indirect loans to associates and subsidiaries	-	-
Total	35,207,658	21,599,570

Specific provisions accounted for loans (Stage 3)

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Loans and receivables with limited collectability	1,031,681	1,087,553
Loans and receivables with doubtful collectability	1,326,981	1,280,720
Uncollectible loans and receivables	13,777,108	14,115,712
Total	16,135,770	16,483,985

Information on non-performing loans (Net)

Information on non-performing loans and other receivables restructured

	Group III	Group IV	Group V
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current period - December 31, 2023			
Gross Amounts Before The Reserves	234,719	274,138	2,111,787
Loans Which Are Restructured	234,719	274,138	2,111,787
Prior Period - December 31, 2022			
Gross Amounts Before The Reserves	117,559	397,661	2,130,052
Loans Which Are Restructured	117,559	397,661	2,130,052

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Movements in non-performing loan groups

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period – December 31, 2023			
Balance at the beginning of the period	2,367,433	2,102,853	15,804,062
Additions (+)	6,559,267	67,887	257,586
Transfers from other categories of loans under follow-up (+)	-	5,896,920	4,010,157
Transfers to other categories of loans under follow-up (-)	5,896,920	4,010,157	-
Collections (-) (*)	933,578	1,684,436	3,117,942
Write-offs (-) (**)	-	-	1,599,845
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the end of the period	2,096,202	2,373,067	15,354,018
Provision (-)	1,031,681	1,326,981	13,777,108
Net balance	1,064,521	1,046,086	1,576,910

(\*) Loans that are transferred from non-performing loans to restructured loans are presented in Transfers from and to other categories of loans under follow-up.

(\*\*) As of December 31, 2023, the Bank has TL 1,599,845 out of non-performing loans, which are followed in the fifth group, have no collateral, no reasonable expectations for recovery, and 100% provision has been made, in accordance with the amendment to the Provisions Regulation published by the BRSA in the Official Gazette dated November 27, 2019, and numbered 30961. The amount of loans corresponding to the first part of the loan and the provisions set aside for these have been deducted from the records. After the loans are written off, the Bank's NPL ratio decreased from 1.41% to 1.30%.

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Prior Period - December 31, 2022			
Balance at the beginning of the period	1,093,465	1,811,703	15,404,393
Additions (+)	6,904,635	359,467	2,179,175
Transfers from other categories of loans under follow-up (+)	-	4,890,359	4,144,129
Transfers to other categories of loans under follow-up (-)	4,890,359	4,144,129	-
Collections (-) (*)	740,308	814,547	2,736,750
Write-offs (-)	-	-	3,186,885
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the end of the period	2,367,433	2,102,853	15,804,062
Provision (-)	1,087,553	1,280,720	14,115,712
Net balance	1,279,880	822,133	1,688,350

(\*) Loans that are transferred from non-performing loans to restructured loans are presented in Transfers from and to other categories of loans under follow-up.

(\*\*) As of December 31, 2022, the Bank has TL 3,186,885 out of non-performing loans, which are followed in the fifth group, have no collateral, no reasonable expectations for recovery, and 100% provision has been made, in accordance with the amendment to the Provisions Regulation published by the BRSA in the Official Gazette dated November 27, 2019 and numbered 30961. The amount of loans corresponding to the first part of the loan and the provisions set aside for these have been deducted from the records. After the loans are written off, the Bank's NPL ratio decreased from 2.45% to 2.13%.

Uncollectible loans and receivables are collected by liquidation of collaterals and legal follow-up.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

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

	Group III	Group IV	Group V
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period - December 31, 2023			
Balance at the end of the period	383,156	786,079	6,254,125
Provision (-)	226,330	461,326	5,746,817
Net balance on balance sheet	156,826	324,753	507,308
Prior Period - December 31, 2022			
Balance at the end of the period	1,354,336	448,669	5,330,242
Provision (-)	615,527	321,134	5,060,343
Net balance on balance sheet	738,809	127,535	269,899

Non-performing foreign currency denominated loans are followed in TL accounts.

Loan customer concentration of gross and net amounts of non-performing loans

	Group III	Group IV	Group V
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period - December 31, 2023			
Current Period (Net)	1,064,521	1,046,086	1,576,910
Consumer and Commercial Loans (Gross)	2,096,114	2,372,942	15,334,112
Provision (-)	1,031,595	1,326,856	13,757,224
Consumer and Commercial Loans (Net)	1,064,519	1,046,086	1,576,888
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	88	125	19,906
Provision (-)	86	125	19,884
Other Loans and Receivables (Net)	2	-	22

	Group III	Group IV	Group V
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Prior Period - December 31, 2022			
Current Period (Net)	1,279,880	822,133	1,688,350
Consumer and Commercial Loans (Gross)	2,364,851	2,102,831	15,784,036
Provision (-)	1,084,976	1,280,705	14,095,700
Consumer and Commercial Loans (Net)	1,279,875	822,126	1,688,336
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	2,582	22	20,026
Provision (-)	2,577	15	20,012
Other Loans and Receivables (Net)	5	7	14

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on interest accruals, rediscounts and valuation differences calculated for non-performing loans by banks allocating expected credit losses according to TFRS 9 and their provisions.

	Group III	Group IV	Group V
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period (Net) - December 31, 2023	94,176	86,855	175,802
Interest accruals and valuation differences	172,199	189,756	2,188,624
Provision (-)	78,023	102,901	2,012,822
Prior Period (Net) - December 31, 2022	26,275	76,700	256,464
Interest accruals and valuation differences	47,049	185,656	2,312,090
Provision (-)	20,774	108,956	2,055,626

6. Information on other financial assets measured at amortized cost

Information on measured at amortized cost government debt securities

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	TL	FC	TL	FC
Government bonds	289,285,980	35,748,113	124,497,259	22,217,950
Treasury bills	-	-	-	-
Other securities issued by the governments	-	18,950,774	-	11,611,721
Total	289,285,980	54,698,887	124,497,259	33,829,671

Information on financial assets measured at amortized cost

	Current Period – December 31, 2023	Prior Period – December 31, 2022
Debt Securities	344,373,002	158,592,852
Quoted at stock exchanges	343,984,867	158,385,880
Unquoted at stock exchanges	388,135	206,972
Impairment losses (-)	-	-
Total	344,373,002	158,592,852

The movement table of other financial assets measured at amortized cost

	Current Period – December 31, 2023	Prior Period- December 31, 2022
Balances at the beginning of the period	158,592,852	73,861,983
Foreign currency differences on monetary assets	18,635,334	8,334,895
Purchases during the period	126,283,530	41,636,940
Disposals through sales/redemptions	(15,067,844)	(3,320,778)
Change in Impairment losses	-	-
Change in amortized costs of the securities (*)	55,929,130	38,079,812
Balances at the end of the period	344,373,002	158,592,852

(\*) Changes in amortized costs of the marketable securities also include rediscount differences in marketable securities.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Information on accounts related to other financial assets measured at amortized cost

	Cost		Carrying Value	
Current Period – December 31, 2023	TL	FC	TL	FC
Collateralized/blocked investment securities	93,463,937	7,199,394	100,874,756	7,365,620
Investments subject to repurchase agreements	34,082,205	18,545,493	70,152,648	18,950,774
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other (*)	56,412,079	23,397,719	118,258,576	28,770,628
Total	183,958,221	49,142,606	289,285,980	55,087,022

(\*) The securities held as free that are not subject to collateral/blockage or other transactions are presented in the “Other” line.

	Cost		Carrying Value	
Prior Period - December 31, 2022	TL	FC	TL	FC
Collateralized/blocked investment securities	26,093,414	4,521,743	27,542,748	4,621,392
Investments subject to repurchase agreements	9,141,716	13,487,932	23,258,481	14,222,483
Held for structural position	-	-	-	-
Receivable from security borrowing markets	-	-	-	-
Collateral for security borrowing markets	-	-	-	-
Other (*)	36,801,278	13,203,724	73,754,980	15,192,768
Total	72,036,408	31,213,399	124,556,209	34,036,643

(\*) The securities held as free that are not subject to collateral/blockage or other transactions are presented in the “Other” line.

7. Information on investments in associates

Information on investments in associates

	Title	Address (City/ Country)	Parent Bank’s Share – If Different, Voting Rights (%)	Bank Risk Group’s Share (%)
1	Kıbrıs Vakıflar Bankası Ltd. (*)	Lefkoşa/KKTC	15.00	15.00
2	Türkiye Sınai Kalkınma Bankası AŞ	İstanbul/Türkiye	8.38	8.38
3	Roketsan Roket Sanayi ve Ticaret AŞ (*)	Ankara/Türkiye	9.93	9.93
4	Bankalararası Kart Merkezi AŞ (*)	İstanbul/Türkiye	4.75	4.75
5	KKB Kredi Kayıt Bürosu AŞ (*)	İstanbul/Türkiye	9.09	9.09
6	Güçbirliği Holding AŞ (*)	İzmir/Türkiye	0.07	0.07
7	İzmir Enternasyonel Otelcilik AŞ (*)	İstanbul/Türkiye	5.00	5.00
8	İstanbul Takas ve Saklama Bankası AŞ (*)	İstanbul/Türkiye	4.37	4.37
9	Kredi Garanti Fonu AŞ (*)	Ankara/Türkiye	1.49	1.49
10	Türkiye Ürün İhtisas Borsası AŞ (*)	Ankara/Türkiye	3.00	3.00
11	Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ (*)	İstanbul/Türkiye	33.33	33.33
12	JCR Avrasya Derecelendirme AŞ (*)	İstanbul/Türkiye	2.86	2.86
13	Birleşik İpotek Finansmanı AŞ (*)	İstanbul/Türkiye	8.33	8.33
14	Birleşim Varlık Yönetim AŞ (*)	İstanbul/Türkiye	16.00	16.00
15	Tasfiye Halinde World Vakıf UBB Ltd. (**)	Lefkoşa/KKTC	83.00	83.62

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year’s Profit/(Loss)	Prior Period’s Profit/Loss	Fair Value
1	5,373,138	252,481	20,462	333,712	14,410	70,994	23,669	-
2	180,913,852	21,825,052	6,615,631	13,781,012	5,031,501	6,965,044	3,980,412	18,242,000
3	44,341,592	11,595,437	7,434,859	155,020	1,825	1,134,830	2,667,040	28,450,000
4	3,880,800	3,344,720	402,054	511,366	-	2,659,647	207,418	-
5	1,201,571	242,443	456,320	29,452	890	128,363	29,975	-
6	142,748	(356,746)	92,387	2	-	(109,833)	(139,204)	-
7	78,641	(1,064,627)	68,385	-	-	(383,780)	(226,086)	-
8	121,142,599	5,900,474	443,445	2,914,614	215,397	2,260,614	1,071,449	-
9	3,780,277	1,754,797	44,906	229,287	-	463,127	205,844	-
10	391,444	349,569	122,990	45,002	-	111,752	146,841	-
11	501,530	329,311	161,651	35,510	-	(9,743)	(22,715)	-
12	277,410	242,691	19,571	43,198	-	107,429	78,817	-
13	96,152	89,837	1,130	14,532	14,994	19,383	16,684	-
14	896,324	754,449	27,815	239,351	-	99,803	136,096	-
15	1,131	(220,178)	-	167	-	(24,010)	(18,232)	-

(\*) The financial statement information provided for these associates is taken from the financial statements dated September 30, 2023.  
(\*\*) The financial statement information provided for these associates is taken from the financial statements dated December 31, 2019.

Movement table of investments in associates

	Current Period – December 31, 2023	Prior Period – December 31, 2022
Balance at the beginning of the period	4,066,701	2,047,712
Movements during the period	1,692,919	2,018,989
Transfers	-	-
Acquisitions	119,285	92,566
Bonus shares received	571	63,745
Share of current year profit	-	-
Sales/liquidations	-	(1,750)
Fair value changes	1,573,063	1,864,428
Impairment losses	-	-
Balance at the end of the period	5,759,620	4,066,701
Capital commitments	-	-
Share percentage at the end of period (%)	-	-

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Acquisitions row in the movement table for subsidiaries.

Current Period Transaction Details Referring to Bank Share

	Current Period December 31, 2023			Prior Period December 31, 2022		
	Acquisitions	Bonus shares received	Sales and liquidations	Acquisitions	Bonus shares received	Sales and liquidations
Kıbrıs Vakıflar Bankası LTD	-	-	-	-	4,500	-
Roketsan Roket Sanayii ve Ticaret AŞ	-	-	-	26,872	58,417	-
JCR Avrasya Derecelendirme AŞ	-	571	-	-	828	-
Platform Ortak Karlı Sistemler AŞ	-	-	-	700	-	1,750
Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ	-	-	-	64,994	-	-
Birleşim Varlık Yönetim AŞ	119,285	-	-	-	-	-
Total	119,285	571	-	92,566	63,745	1,750

Sectoral distribution of investments in financial associates

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Banks	1,573,241	1,073,842
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial associates	131,110	11,825
Total	1,704,351	1,085,667

Quoted associates

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Quoted at domestic stock exchanges	1,528,221	1,028,822
Quoted at international stock exchanges	-	-
Total	1,528,221	1,028,822

Investments in associates disposed during the period

There is not any associate disposed by the Parent Bank in the current period.

Investments in associates acquired during the period

In the current period, the Bank acquired Birleşim Varlık Yönetim A.Ş. with a capital of TL 75,000 on March 1, 2023, as a shareholder. Shares amounting to TL 119,285 are recognized in the Acquisitions row in the movement table of investments in subsidiaries. The Bank's share in the Company is 16.00%.



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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

8. Investments in subsidiaries

Information on financial subsidiaries

Current Period – December 31, 2023	Vakıfbank International AG	Vakıf Finansal Kiralama AŞ	Vakıf Yatırım Menkul Değerler AŞ	Vakıf Faktoring AŞ	Gayrimenkul Yat. Ort. AŞ	Vakıf Menkul Kıymet Yat. Ort. AŞ
Paid in Capital	311,248	600,000	450,000	850,000	2,950,000	30,000
Share Premium	-	1,866	137	-	18,327	121
Equity shares premiums	-	1,366	-	-	18,327	28
Share cancellation profits	-	-	-	-	-	-
Other capital reserves	-	500	137	-	-	93
Other accumulated comprehensive income that will not be reclassified in profit or loss	-	97,053	723	22,501	(609)	(267)
Other accumulated comprehensive income that will be reclassified in profit or loss	3,805,835	-	-	-	-	-
Profit Reserves	28,297	101,188	178,734	281,799	100,321	6,187
Legal Reserves	28,297	20,737	85,672	56,341	62,270	761
Statutory reserves	-	-	-	-	-	-
Extraordinary Reserves	-	71,946	18,012	225,458	37,504	5,426
Other Profit Reserves	-	8,505	75,050	-	547	-
Profit/Loss	65,992	1,495,460	659,168	1,027,110	321,292	7,909
Prior Period's Profit/Loss	43,848	415,432	12,714	(51,878)	30,790	(3)
Current Period's Profit/Loss	22,144	1,080,028	646,454	1,078,988	290,502	7,912
Minority Rights	-	-	-	-	-	-
Total Core Capital	4,211,372	2,295,567	1,288,762	2,181,410	3,389,331	43,950
SUPPLEMENTARY CAPITAL	-	-	-	-	-	-
NET AVAILABLE EQUITY	4,211,372	2,295,567	1,288,762	2,181,410	3,389,331	43,950

(\*) Reviewed BRSA financial statements as of September 30, 2023, are considered.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

8. Investments in subsidiaries (Continued)

Prior Period - December 31, 2022	Vakıfbank International AG	Vakıf Finansal Kiralama AŞ	Vakıf Yatırım Menkul Değerler AŞ	Vakıf Faktoring AŞ	Gayrimenkul Yat. Ort. AŞ	Vakıf Menkul Kıymet Yat. Ort. AŞ
Paid in Capital	311,248	600,000	250,000	450,000	1,145,000	30,000
Share Premium	-	1,662	137	-	322,717	121
Equity shares premiums	-	1,366	-	-	301,118	28
Share cancellation profits	-	-	-	-	-	-
Other capital reserves	-	296	137	-	21,599	93
Other accumulated comprehensive income that will not be reclassified in profit or loss	-	97,494	6,500	22,501	(665)	(43)
Other accumulated comprehensive income that will be reclassified in profit or loss	2,512,228	-	-	-	-	-
Profit Reserves	26,550	92,683	152,736	135,080	155,104	1,645
Legal Reserves	26,550	20,737	53,122	29,006	19,520	478
Statutory reserves	-	-	-	-	-	-
Extraordinary Reserves	-	71,946	24,564	106,074	135,037	1,167
Other Profit Reserves	-	-	75,050	-	547	-
Profit/Loss	190,572	415,435	388,711	494,842	885,790	5,644
Prior Period's Profit/Loss	148,344	(52,549)	5,058	(31,857)	5,221	(3)
Current Period's Profit/Loss	42,228	467,984	383,653	526,699	880,569	5,647
Minority Rights	-	-	-	-	-	-
Total Core Capital	3,040,598	1,207,274	798,084	1,102,423	2,507,946	37,367
SUPPLEMENTARY CAPITAL	-	-	-	-	-	-
NET AVAILABLE EQUITY	3,040,598	1,207,274	798,084	1,102,423	2,507,946	37,367

(\*) Reviewed BRSA financial statements as of December 31, 2022, are considered.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Vakıf Yatırım Menkul Değerler AŞ, a subsidiary, measures the capital sufficiency status every six months as an independent audit, in line with the “Communiqué on the Principles of the Capital and Capital Adequacy of Intermediary Agencies” Serial: V, No:34 of the Capital Markets Board.

Information on investments in subsidiaries

	Title	Address (City / Country)	Bank’s Share –If Different, Voting Rights (%)	Bank’s Risk Group Share (%)
1	Vakıf Faktoring AŞ	İstanbul/Türkiye	92.10	94.45
2	Vakıf Finansal Kiralama AŞ	İstanbul/Türkiye	62.05	62.05
3	Vakıf Yatırım Menkul Değerler AŞ (*)	İstanbul/Türkiye	99.50	99.66
4	VakıfBank International AG (*)	Viyana/Avusturya	100.00	100.00
5	Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ (*)	İstanbul/Türkiye	33.77	33.77
6	Vakıf Gayrimenkul Yatırım Ortaklığı AŞ (*)	İstanbul/Türkiye	53.77	53.77
7	Vakıf Enerji ve Madencilik AŞ (*)	Ankara/Türkiye	67.27	84.82
8	Taksim Otelcilik AŞ (*)	İstanbul/Türkiye	52.43	52.43
9	Vakıf Pazarlama Sanayi ve Ticaret AŞ (*)	İstanbul/Türkiye	96.73	98.76
10	Vakıf Gayrimenkul Değerleme AŞ (*)	İstanbul/Türkiye	97.14	97.14
11	Vakıf Elektronik Para ve Ödeme Hizmetleri AŞ (*)	İstanbul/Türkiye	100.00	100.00

	Total Assets	Equity	Tangible Assets	Interest Income	Income on Securities Portfolio	Current Year’s Profit/Loss	Prior Period’s Profit/Loss	Fair Value
1	38,235,991	2,673,463	9,495	7,607,897	-	1,504,736	546,720	2,149,151
2	26,232,572	2,862,941	209,595	4,435,381	18,555	1,443,089	518,566	4,256,000
3	8,643,846	1,288,759	65,709	-	15,687	646,454	210,615	689,000
4	27,024,400	4,810,376	16,723	696,084	15,755	188,677	4,328	2,674,750
5	46,419	43,952	251	865	12,326	7,910	3,538	741,780
6	9,359,736	6,069,591	4,132,565	255,451	-	705,820	818,303	7,375,000
7	286,163	286,086	365	8,977	-	71,055	64,879	140,984
8	1,051,631	986,645	106,024	133,766	-	229,429	81,938	816,136
9	618,168	374,076	158,579	36,545	358	16,167	8,733	380,670
10	58,885	43,080	929	12,157	-	(13,275)	5,194	61,154
11	132,849	131,968	8,832	26,475	-	22,154	8,760	100,000

(\*) The financial statement information provided for these associates is taken from the financial statements dated September 30, 2023.

Movement table of investments in subsidiaries

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Balance at the beginning of the period	10,135,102	4,650,121
Movements during the period	4,470,210	5,484,981
Transfers	-	-
Acquisitions	722,323	378,945
Bonus shares received	1,478,297	307,337
Share of current year profit	(149,622)	(99,397)
Sales and liquidations	-	-
Fair value changes	4,799,874	4,913,528
Impairment losses	(2,380,662)	(15,432)
Balance at the end of the period	14,605,312	10,135,102
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

Current Period Transaction Details Referring to Bank Share

	Current Period December 31, 2023			Prior Period December 31, 2022		
	Acquisitions	Bonus shares received	Sales and liquidations	Acquisitions	Bonus shares received	Sales and liquidations
Vakıf Pazarlama Sanayi ve Ticaret AŞ	193,466	-	-	78,306	-	-
Vakıf Faktoring AŞ	-	368,393	-	140,069	78,393	-
Vakıf Yatırım Menkul Değerler AŞ	-	199,000	-	2,098	99,250	-
Vakıf Gayrimenkul Yatırım Ortaklığı AŞ	490,000	662,720	-	40,150	70,982	-
Vakıf Gayrimenkul Değerleme AŞ	38,857	-	-	29,143	-	-
Vakıf Finansal Kiralama AŞ	-	248,184	-	49,000	58,712	-
Vakıf Menkul Kıymet Yatırım Ortaklığı AŞ	-	-	-	25,990	-	-
Vakıf Enerji ve Madencilik AŞ	-	-	-	2,494	-	-
Taksim Otelcilik AŞ	-	-	-	11,695	-	-
Total	722,323	1,478,297	-	378,945	307,337	-

Methods to measure investments in subsidiaries

	Current Period –December 31, 2023	Prior Period – December 31, 2022
Measured at cost	-	-
Measured at fair value	14,605,312	10,135,102
Equity method of accounting	-	-
Total	14,605,312	10,135,102

(\*) Valuation amounts of December 31, 2023 have been taken for the unquoted subsidiaries.

Sectoral distribution of investments in financial subsidiaries

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Banks	2,702,730	1,843,727
Factoring companies	1,979,330	941,244
Leasing companies	2,640,662	1,993,897
Financing companies	-	-
Other financial subsidiaries	5,403,749	4,499,288
Total	12,726,471	9,278,156

Quoted subsidiaries

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Quoted at domestic stock exchanges	5,716,493	5,658,381
Quoted at international stock exchanges	-	-
Total	5,716,493	5,658,381

Investments in subsidiaries disposed during the period

The Bank has no subsidiaries that were disposed in the current period.

Investments in subsidiaries acquired during the period

The Bank has no subsidiaries that were purchased in the current period.

9. Investments in joint-ventures

None.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

10.Information on finance lease receivables (net)

None.

11.Information on hedging purpose derivatives

Positive differences on derivative financial instruments held for risk management purposes

None.

12. Information on tangible assets

	Real Estates	Right of Use Assets	Vehicles	Other Tangible Assets	Total
Balance at the end of the prior year:					
Cost	10,096,597	1,762,979	221,935	2,677,344	14,758,855
Accumulated depreciation (-)	58,361	860,490	136,112	1,693,655	2,748,618
Impairment (-)	18,852	-	-	14	18,866
Net book value	10,019,384	902,489	85,823	983,675	11,991,371
Net book value at the beginning of the current year	10,019,384	902,489	85,823	983,675	11,991,371
Additions	17,458,146	2,934,214	1,183,426	1,135,653	22,711,439
Transferred cost	933,224	-	-	-	933,224
Transferred amortisation	2,204	-	-	-	2,204
Cost of the disposals	8,539,756	575,996	6,509	130,881	9,253,142
Depreciation of the disposals (-)	106,415	80,412	4,688	(8,346)	183,169
Depreciation of the current year	52,337	504,210	43,895	323,354	923,796
Impairment (-)	16,370	-	-	-	16,370
Exchange differences related to foreign associates	-	-	928	61,929	62,857
Cost at the end of the current year	19,948,211	4,121,197	1,399,780	3,744,045	29,213,233
Accumulated depreciation at the end of the year (-)	2,079	1,284,288	175,319	2,025,355	3,487,041
Impairment (-)	2,482	-	-	14	2,496
Net book value at the end of the current year	19,943,650	2,836,909	1,224,461	1,718,676	25,723,696

(\*) The Bank revalued the real estate recorded in the intangible assets on December 31,2023, and the revaluation increase of value amounting to TL 11, 225,183 is included in the acquisitions.

13.Information on intangible assets

Bank’s intangible assets consist of computer softwares and licences. The estimated useful life of intangible assets is five years. Intangible assets are amortized on a straight-line basis over the estimated useful lifes. The Bank divides the extinction share of intangible assets according to inflation adjusted values.

There is not any intangible asset that is important for fullest extend of financial statements.

Bank does not have any intangible asset that is collateral or acquired by government promotion and has a limitation on usage.

The Bank did not declared a commitment to purchase intangible assets.

14.Information on investment properties

As of December 31, 2023, the amount of investment properties is 2,928,725 TL (December 31,2022: None).

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION AND DISCLOSURES RELATED TO ASSETS (Continued)

15.Information on deferred tax assets

The deferred tax asset of the Bank as of December 31, 2023 is TL 4,444,528. (December 31, 2022: TL 2,478,300) Accounting policies applied for deferred tax assets and deferred tax liabilities are shown in the financial statements by being netted. Information on deferred tax liability V. Section II. Section 8 is shown in footnote.

The deferred tax asset / liability schedule as of December 31, 2023 and December 31, 2022 is as follows:

	Current Period December 31, 2023	Prior Period December 31, 2022
As of January 1	2,478,300	(46,378)
Deferred tax income/(loss)	8,415,660	6,462,173
Deferred tax that is accounted under		
Equity	61,514	(3,911,523)
Other	(64,213)	(25,972)
Deferred tax asset/(Liability)	10,891,261	2,478,300

16.Information on assets held for sale and assets related to the discontinued operations

As of December 31, 2023, the cost of property and equipment held for sale purpose and related to discontinued operations are TL 213,238 (December 31, 2022: TL 283,264) and the provision for impairment is TL 231 (December 31, 2022: TL 986).

17.Information on other assets

As at December 31, 2023 and December 31, 2022 “Other Asset” item does not exceed 10% of the balance sheet total, excluding off-balance sheet commitments.

18. Information on expected loss provisions for financial assets and financial assets measured at amortized cost financial assets measured at amortized cost

	Current Period – December 31, 2023	Prior Period – December 31, 2023
Balances with the Central Bank	4,094	2,865
Banks	275,247	9,728
Total	279,341	12,593
Financial Assets Measured at Amortized Cost	42,076	20,008
Total	321,417	32,601

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

DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

1. Information on maturity profile of deposits

Current Period December 31, 2023	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	38,576,389	-	22,236,870	218,874,098	113,424,286	30,676,763	51,278,445	9,303	475,076,154
Foreign currency deposits	196,847,311	-	139,832,334	208,435,015	18,261,355	11,250,887	13,864,121	1,545	588,492,568
Residents in Turkey	182,327,984	-	136,877,891	199,417,035	15,929,141	8,473,764	6,946,966	1,545	549,974,326
Residents in abroad	14,519,327	-	2,954,443	9,017,980	2,332,214	2,777,123	6,917,155	-	38,518,242
Public sector deposits	38,487,350	-	88,690,178	37,895,081	1,356,598	177,575	119,624	-	166,726,406
Commercial deposits	46,545,212	-	167,019,656	122,789,508	79,719,104	38,646,252	27,116,281	-	481,836,013
Other	26,937,517	-	9,811,495	47,606,075	19,521,823	438,790	97,173	-	104,412,873
Precious metal deposits	77,213,253	-	-	38,381	423,403	4,530,702	409,772	-	82,615,511
Bank deposits	5,079,581	-	32,391,154	23,631,152	557,753	-	941,952	-	62,601,592
Central Bank	37,810	-	-	-	-	-	-	-	37,810
Domestic banks	2,434,004	-	29,644,007	2,258,955	-	-	-	-	34,336,966
Foreign banks	2,298,586	-	2,747,147	21,372,197	557,753	-	941,952	-	27,917,635
Participation banks	309,181	-	-	-	-	-	-	-	309,181
Other	-	-	-	-	-	-	-	-	-
Total	429,686,613	-	459,981,687	659,269,310	233,264,322	85,720,969	93,827,368	10,848	1,961,761,117

As of December 31, 2023, TL 15,185,839 (December 31 2022: TL 48,199,010) “Turkish Lira Time Deposits with Currency Protection” deposit instrument opened in the Bank's deposit accounts within the scope of the announcement of the Ministry of Treasury and Finance dated December 24, 2021, dated December 21, 2021 and no. 31696 There is a TL 210,308,964 (December 31, 2022: TL 84,005,929) “Turkish Lira Time Deposits with Currency Conversion Protection” published in the Official Gazette by the CBRT.

Prior Period December 31, 2022	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving deposits	27,937,402	-	19,530,716	60,001,773	69,622,445	6,537,786	10,715,796	9,674	194,355,592
Foreign currency deposits	107,102,018	-	93,723,037	132,504,374	24,906,168	5,389,553	12,480,471	-	376,105,621
Residents in Turkey	100,665,294	-	90,489,725	127,598,756	23,317,946	3,711,618	6,880,831	-	352,664,170
Residents in abroad	6,436,724	-	3,233,312	4,905,618	1,588,222	1,677,935	5,599,640	-	23,441,451
Public sector deposits	20,775,383	-	65,983,069	13,731,218	1,170,824	298,194	44,116	-	102,002,804
Commercial deposits	43,276,621	-	97,535,694	85,355,414	35,316,784	12,282,762	6,594,846	-	280,362,121
Other	17,637,497	-	7,431,844	24,727,603	5,072,995	228,525	129,071	-	55,227,535
Precious metal deposits	37,899,180	-	-	66,407	236,087	3,040,501	308,707	-	41,550,882
Bank deposits	3,039,009	-	58,729,296	15,617,303	110,198	49,181	552,433	-	78,097,420
Central Bank	4,247	-	-	-	-	-	-	-	4,247
Domestic banks	1,339,633	-	57,597,022	3,335,949	-	49,181	-	-	62,321,785
Foreign banks	941,525	-	1,132,274	12,281,354	110,198	-	552,433	-	15,017,784
Participation banks	753,604	-	-	-	-	-	-	-	753,604
Other	-	-	-	-	-	-	-	-	-
Total	257,667,110	-	342,933,656	332,004,092	136,435,501	27,826,502	30,825,440	9,674	1,127,701,975

Information on saving deposits insured by Saving Deposit Insurance Fund and the total amounts of the deposits exceeding the insurance coverage limit

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit
Saving deposits	135,382,191	339,693,963	67,118,488	127,237,104
Foreign currency saving deposits	94,475,397	198,009,711	47,027,029	134,690,674
Other saving deposits	-	-	-	-
Foreign branches' deposits under foreign insurance coverage	-	-	-	-
Off-Shore deposits under foreign insurance coverage	-	-	-	-
Total	229,857,588	537,703,674	114,145,517	261,927,778

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Saving deposits out of insurance coverage limits

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Deposits and other accounts at foreign branches	38,244	187,327
Deposits and other accounts, which belong to controlling shareholders, their parents, wives/husbands, and children	-	-
Deposits and other accounts, which belong to Board of Director members, chairman, general manager, his/her assistants, their parents, wives/husbands, and children	137,706	31,444
Deposits and other accounts under scope of TCC law 5237 article no 282, dated 26/9/2004	-	-
Deposits in Deposit Banks of Turkey, which are solely established for off-shore banking	-	-

2. Information on derivative financial liabilities held for trading purpose

Negative differences related to the derivative financial liabilities held for trading purpose

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	TL	FC	TL	FC
Forwards	55,388	17,565	5,120	79
Swaps	26,291	5,569,533	202,661	4,458,210
Futures	-	-	-	-
Options	-	97,611	-	53,527
Other	-	-	-	-
Total	81,679	5,684,709	207,781	4,511,816

3. Information on funds borrowed

a) Information on banks and other financial institutions

	Current Period – December 31, 2023		Prior Period – December 31, 2022	
	TL	FC	TL	FC
Central Bank of the Republic of Turkey	32,189,132	29,566	9,000,667	1,116,440
Domestic banks and institutions	368,174	5,045,097	371,242	7,598,260
Foreign banks, institutions and funds	166,807	183,878,814	32,946	112,626,687
Total	32,724,113	188,953,477	9,404,855	121,341,387

b) Maturity information of funds borrowed

	Current Period – December 31, 2023		Prior Period – December 31, 2022	
	TL	FC	TL	FC
Short-term <sup>(*)</sup>	12,426,015	3,166,971	4,648,420	3,464,551
Medium and Long-term <sup>(*)</sup>	20,298,098	185,786,506	4,756,435	117,876,836
Total	32,724,113	188,953,477	9,404,855	121,341,387

(\*)Maturity profile of funds borrowed is prepared in accordance to their original maturities.



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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Funds borrowed comprise syndication and securitization loans bearing various interest rates and maturities and account for 8.44% (December 31, 2022: 8.90%) of the Bank’s liabilities. There is no risk concentration on funding sources of the Bank.

On December 21, 2021, the Bank signed a contract to obtain a 3-year loan worth CNY 3.5 million from the Development Bank of China, to be used within the framework of general financing needs along with the financing of foreign trade.

Syndicated Loans Received

Beginning From	Maturity (Days)	Currency	Amount (Millions)	Interest rate	Coordinator Bank	Agent Bank
May 15, 2023	367	USD	189,5	SOFR+4.25%	Abu Dhabi Commercial Bank Emirates NBD Bank (P.J.S.C) Mashreqbank (P.S.C.))	Emirates NBD Bank (P.J.S.C).
	367	EUR	575,5	Euribor+4%	Abu Dhabi Commercial Bank Emirates NBD Bank (P.J.S.C) Mashreqbank (P.S.C.))	Emirates NBD Bank (P.J.S.C)
November 30, 2023	367	USD	323	SOFR+3.50%	Abu Dhabi Commercial Bank Emirates NBD Bank (P.J.S.C) Mashreqbank (P.S.C.))	Abu Dhabi Commercial Bank
	367	EUR	303	E+3,25%	Abu Dhabi Commercial Bank Emirates NBD Bank (P.J.S.C) Mashreqbank (P.S.C.))	Abu Dhabi Commercial Bank

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Securitisation Loans Received

Beginning From	Due date	Currency	Amount <sup>(*)</sup> (USDMillions)	Loan Type
October 5, 2018	September 15, 2028	USD	300	Based on international remittance flows / Based on treasury financing transactions
October 15, 2019	December 15 ,2026	USD	417	Based on international remittance flows / Based on treasury financing transactions
March 22, 2021	March 15, 2027	USD	461.5	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2028	USD	200	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2026	USD	508	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2026	EUR	200	Based on international remittance flows / Based on treasury financing transactions
	September 15, 2026	USD	154	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2026	EUR	50	Based on international remittance flows
	March 15, 2026	USD	115.4	Based on international remittance flows / Based on treasury financing transactions
February 21, 2023	March 15, 2028	USD	416.4	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2027	USD	350	Based on international remittance flows / Based on treasury financing transactions
	December 15, 2027	USD	182	Based on international remittance flows / Based on treasury financing transactions
	December 15, 2027	USD	540	Based on international remittance flows / Based on treasury financing transactions
	March 15, 2028	USD	205	Based on international remittance flows / Based on treasury financing transactions
	December 15, 2026	EUR	50	Based on international remittance flows
	March 15, 2027	EUR	25	Based on international remittance flows / Based on treasury financing transactions
March 13, 2023	March 15, 2028	USD	120	Based on international remittance flows / Based on treasury financing transactions
	December 15, 2027	USD	100	Based on international remittance flows / Based on treasury financing transactions

(\*) In the table, the amounts in the relevant credit tranches are given in USD.

As of December 31, 2023, the total securitization balance is equivalent of USD 2,283 million and EUR 241 million. (December 31, 2022: USD 1,616 million and EUR 252 million).

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on securities issued

On 5 February 2020, the Bank issued a new bond amounting to USD 750 million with a maturity of 5 years, a coupon rate of 5.25% and a final yield of 5.375%. The issuance was oversubscribed by USD 4.3 billion worldwide, making it the highest Eurobond issuance in the Bank's history. On 8 December 2020, the Bank issued USD 750 million Sustainable Bonds with a maturity of 5 years, a coupon rate of 6.50% and a final yield of 6.625%, the first Sustainable Bond issued by a deposit bank in Turkey.

The Bank completed the second Sustainable Bond issue within the sustainable financing programme on 16 September 2021. The transaction was carried out for USD 500 million with a maturity of 5 years, a coupon rate of 5.50 per cent and a final yield rate of 5.625 per cent. On 12 September 2023, the Bank issued the third sustainable bond with a nominal amount of USD 750 million under the GMTN Programme. With a maturity of 5 years and 1 month and a redemption date of 12 October 2028, the coupon rate was 9.0% and the final yield rate was 9.125%.

Within the scope of the program, a total of 282 private placement transactions have been carried out with 20 different banks as of June 2013. Transactions are carried out in various currencies (US Dollar, EUR, GBP, Swiss Franc and Japanese Yen) with maturities of 3 months, 6 months, 1 year and 2 years. On February 21, 2023, one securitization-guaranteed bond with a maturity of 1849 days was issued, amounting to USD 116 million. As of December 31, 2023, the total balance of allocated sales transactions was equivalent to USD 522.6 million.

	TL		FC	
	Short Term	Medium-Long Term	Short Term	Medium-Long Term
Current Period - December 31, 2023				
Nominal	1,173,653	-	-	115,061,887
Cost	1,081,498	-	-	114,598,973
Net Book Value	1,163,579	-	-	117,165,636

	TL		FC	
	Short Term	Medium-Long Term	Short Term	Medium-Long Term
Prior Period - December 31, 2022				
Nominal	4,577,831	1,478,000	1,396,773	61,190,763
Cost	4,344,317	1,478,000	1,396,125	60,920,066
Net Book Value	4,465,332	1,560,098	1,411,042	62,417,536

4. Components of “other external resources payable” in the financials that comprise at least 20% of the account, if the account exceeds 10% of total liabilities and equity excluding off-balance sheet commitments

Other external resources payable in the financials do not exceed 10% of total liabilities and equity.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

5. Information on lease payables (net)

Obligations under financial leasing

The amounts recognized under TFRS 16 as of December 31, 2023 and December 31, 2022 are presented below.

Current Period - December 31, 2023	Service Buildings	Vehicles	Total
Lease payables	6,125,663	76,634	6,202,297
Deferred rental expenses	3,315,876	15,809	3,331,685
Lease payables (Net)	2,809,787	60,825	2,870,612
Right of use assets	2,774,696	62,213	2,836,909

Prior Period - December 31, 2022	Service Buildings	Vehicles	Total
Lease payables	2,039,148	118,060	2,157,208
Deferred rental expenses	1,074,684	61,121	1,135,805
Lease payables (Net)	964,464	56,939	1,021,403
Right of use assets	854,229	48,260	902,489

Short term lease contracts with a duration of 12 months or less and lease contracts for ATMs that are determined to be of low value by the Bank have been evaluated within the scope of the exemption recognized by the standard, and payments for these contracts are recorded as expense in the period they occur. In this context, TL 160,342 of lease payments were made in the related period. (December 31, 2022: TL 114,543)

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	Gross	Net	Gross	Net
Under 1 year	6,198,226	2,866,665	836,477	369,457
1-4 Years	4,071	3,947	567,756	276,665
Over 4 years	-	-	752,975	375,281
Total	6,202,297	2,870,612	2,157,208	1,021,403

With the “TFRS 16 Leases” standard, effective as of January 1, 2019, the difference between operational lease and financial lease has been eliminated, and leasing transactions have started to be disclosed under the “liabilities from leasing transactions” line.

6. Information on derivative financial liabilities held for risk management purpose

Negative fair values of hedging purpose derivatives

None.

7. Information on Provision

Information on employee rights

According to the TAS-19- Judgments of benefits that are provided to employees, bank accounts and calculate provision to obligations of severance pay and allowance rights.

As of December 31, 2023, TL 3,829,984 (December 31, 2022: TL 1,958,653) provision for severance pay and TL 386,622 (December 31, 2022 TL 180,576) provision for unused vacation are stated in financial statements under employee rights provision.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Movement of severance pay provision in the period:

	Current Period – December 31, 2023	Prior Period - December 31, 2022
Opening balance	1,958,653	979,244
Current service cost	179,947	95,605
Previous service cost	96,771	226
Interest cost	348,302	174,860
Paid compensation	(479,270)	(64,627)
Payment/Reduction of benefits/Layoff accordingly composed		
loss/(gain)	6,692	5,409
Actuary loss/(gain)	1,718,889	767,936
Closing balance	3,829,984	1,958,653

Information on pension rights

The technical financial statements of the Fund are audited by an actuary registered in the actuarial registry in accordance with Article 21 of the Insurance Law No. 5684 registered to "Actuarial Regulation" issued pursuant to this article. Based on current period the actuarial report, neither technical nor actual deficit has been identified that requires provisioning.

Transferable retirement and health liabilities	Current Period - December 31, 2023	Prior Period - December 31, 2022
Net Present Value of Transferable Retirement Liabilities	(41,121,297)	(22,011,351)
Net Present Value of Transferable Retirement and Health Contributions	48,583,647	20,122,767
General Administration Expenses	(411,213)	(220,114)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	-	(2,108,698)
Fair Value of Plan Assets (2)	15,510,074	11,482,979
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	15,510,074	9,374,281

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Information on pension rights (Continued)

Actuarial assumptions used in valuation of Non-Transferable Benefits are as follows:

Discount Rates	Current Period – December 31, 2023	Prior Period – December 31, 2022
Benefits Transferable to SSI	9.80%	9.80%
Non Transferable Benefits	2.50%	2.50%

Distribution of total assets of the Retirement Fund as of December 31, 2023 and December 31, 2022 is presented below:

	Current Period – December 31, 2023	Prior Period - December 31, 2022
Bank placements	4,687,882	2,862,885
Government Bonds and Treasury Bill, Fund and Accrual		
Interest Income	4,899,592	3,279,039
Tangible assets*	5,242,981	5,011,158
Other	679,619	329,897
Total	15,510,074	11,482,979

(\*) As of December 31, 2023, the value of the fixed assets are shown considering the fair value of the properties owned instead of the balance sheet value.

Provision for currency exchange loss on foreign currency indexed loans

None as of December 31, 2023 and December 31, 2022.

Provisions for non-cash loans that are not indemnified and not converted into cash

As of December 31, 2023, Bank has recorded TL 68,887 (December 31, 2022: TL 50,421) as provisions for non-cash loans that are not indemnified or converted into cash.

Information on provision for probable risks

As of December 31, 2023 TL 12,250,000 free provision was reversed in the current period and then TL 4,250,000 free provision was provided in the current year from TL 19,000,000 free provision which was provided in prior years in the financial statements. As of December 31, 2023, free provision is amounting to TL 11,000,000 in the other provision account in the balance sheet (December 31, 2022: 19,000,000). Reversal of free provision amounting to TL 12,250,000 was accounted under other operating income and additional free provision expense amounting to TL 4,250,000 was accounted under other provision expense in the unconsolidated profit or loss statement.

8. Taxation

Current taxes

Tax provision

As of December 31, 2023, the Bank's corporate tax payable is TL 7,671,637 (December 31, 2022: TL 3,866,582).

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

8. Taxation (Continued)

Information on taxes payable

	Current Period – December 31, 2023	Prior Period – December 31, 2022
Corporate taxes payable	7,671,637	3,866,582
Taxation on securities	1,324,147	464,843
Capital gains tax on property	13,327	5,540
Banking and Insurance Transaction Tax (BITT)	2,104,711	610,791
Taxes on foreign exchange transactions	28,177	22,623
Value added tax payable	65,466	30,428
Other	312,916	167,906
<b>Total</b>	<b>11,520,381</b>	<b>5,168,713</b>

Information on premiums payable

	Current Period – December 31, 2023	Prior Period - December 31, 2022
Social security premiums- employee share	-	-
Social security premiums- employer share	-	-
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	9,847	4,634
Unemployment insurance- employer share	19,694	9,267
Other	1	2
<b>Total</b>	<b>29,542</b>	<b>13,903</b>

Information on deferred tax liabilities

As of December 31, 2023, the Bank has no deferred tax liabilities. (December 31, 2022: None). Deferred tax asset and deferred tax liability items are shown in the financial statements by netting in accordance with the applied accounting policies. Information on the deferred tax asset is presented in Note 15 of Section I, Section V.

As of December 31, 2022 and December 31, 2023 the reconciliation of the deferred tax on the assets directly related to the equity is as follows:

	Current Period December 31, 2023	Prior Period December 31, 2022
Securities available for sale	1,069,854	(3,328,217)
Associates and subsidiaries	568,241	(421,076)
Tangible assets	(2,145,076)	(368,646)
Assets held for sale	-	-
Actuarial gains and losses	568,495	206,416
<b>Total</b>	<b>61,514</b>	<b>(3,911,523)</b>

9. Information on payables for assets held for resale and tangible assets related to discounted activities

None.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

10. Information on subordinated debts

Stated bonds’ total balance sheet value is TL 34,437,278 as of December 31, 2023 (December 31, 2022: TL 24,043,286).

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	TL	FC	TL	FC
<b>Debt instruments to be included in the additional capital calculation</b>	<b>5,145,696</b>	<b>23,707,184</b>	<b>5,145,157</b>	<b>14,475,926</b>
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	5,145,696	23,707,184	5,145,157	14,475,926
<b>Debt instruments to be included in the secondary capital calculation</b>	<b>5,584,398</b>	<b>-</b>	<b>4,422,203</b>	<b>-</b>
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	5,584,398	-	4,422,203	-
<b>Total</b>	<b>10,730,094</b>	<b>23,707,184</b>	<b>9,567,360</b>	<b>14,475,926</b>

(\*) Detailed explanations on subordinated debts are given in the Section IV - "Information on Instruments to be Included in Equity Calculation".

11. Information on equity

Paid-in capital

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Common Stock	9,915,922	7,111,364
Preferred Stock	-	-

Paid-in capital of the Bank amounted to TL 9,915,922 TL is divided into groups comprised of 10.84% Group (A), 3.94% Group (B), 4.08% Group (C) and 81.15% Group (D).

Board of Directors’ members; three members representing Group (A), one member representing Group (B), and two members representing Group (C); among the nominees shown by the majority of each group, and one member among the nominees offered by the shareholders at the General Assembly are selected. Preference of Group (D) is primarily taken into account in the selection of the last-mentioned member

*Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital*

Capital System	Paid-in Capital	Ceiling per Registered Share Capital
Registered capital system	9,915,922	25,000,000

*Information on share capital increases and their sources; other information on any increase in capital shares during the current period*

Current period, the Bank increased its paid-in capital from TL 7,111,364 to TL 9,915,922, provided that it is within the registered capital ceiling, based on the decision taken at the Board of Directors meeting dated March 21, 2023. Accordingly, the amendment made in the related article of the Articles of Association was registered on April 20, 2023.

*Information on share capital increases from revaluation funds*

None.

*Capital commitments for current financial year and following period and the general purpose of these commitments and the estimated resources required for these commitments*

None.

*Prior period indicators of the Bank’s income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators*

None.

*Information on the privileges given to stocks representing the capital*

None.



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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION AND DISCLOSURES RELATED TO LIABILITIES (Continued)

Valuation differences of the marketable securities

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	12,307,271	(657,341)	8,742,381	(194,979)
Financial assets at fair value through other comprehensive income	1,717,502	4,485,972	11,534,896	(349,442)
Foreign exchange differences	80,727	-	80,727	-
<b>Total</b>	<b>14,105,500</b>	<b>3,828,631</b>	<b>20,358,004</b>	<b>(544,421)</b>

III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS

1. Disclosures related to other contingent liabilities

Type and amount of irrevocable commitments

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Commitments for credit card limits	239,679,180	81,979,697
Loan granting commitments	119,165,714	60,802,246
Commitments for cheque payments	10,121,928	6,916,438
Asset purchase sale commitments	141,784,478	56,192,549
Other	12,310,714	9,156,781
<b>Total</b>	<b>523,062,014</b>	<b>215,047,711</b>

Type and amounts of possible losses from off-balance sheet items including those referred to below

Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

The Bank provided specific provision amounting to TL 851,721 (December 31, 2022: TL 583,361) for unliquidated non-cash loans recorded under off-balance sheet items, amounting to TL 68,887 (December 31, 2022: TL 50,421).

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS (Continued)

Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period – December 31, 2023	Prior Period – December 31, 2022
Provisional letters of guarantee	9,861,230	5,312,468
Final letters of guarantee	139,960,135	79,435,509
Letters of guarantee for advances	50,721,986	28,688,031
Letters of guarantee given to custom offices	12,911,007	5,938,641
Other letters of guarantee	183,707,444	100,115,220
<b>Total</b>	<b>397,161,802</b>	<b>219,489,869</b>

2. Non-cash loans

	Current Period – December 31, 2023	Prior Period – December 31, 2022
Non-cash loans given for cash loan risks	91,319,731	54,770,548
<i>With original maturity of 1 year or less</i>	<i>10,462,322</i>	<i>7,674,681</i>
<i>With original maturity of more than 1 year</i>	<i>80,857,409</i>	<i>47,095,867</i>
Other non-cash loans	398,072,090	219,477,978
<b>Total</b>	<b>489,391,821</b>	<b>274,248,526</b>

3. Sectoral risk concentrations of non-cash loans

	Current Period - December 31, 2023			Prior Period - December 31, 2022		
	TL	%	FC	TL	%	FC
<b>Agricultural</b>	<b>651,827</b>	<b>0.27</b>	<b>932,450</b>	<b>0.38</b>	<b>244,348</b>	<b>0.20</b>
Farming and Cattle	553,708	0.23	613,191	0.25	224,411	0.18
Forestry	20,596	0.01	-	-	8,032	0.01
Fishing	77,523	0.03	319,259	0.13	11,905	0.01
<b>Manufacturing</b>	<b>85,187,750</b>	<b>35.22</b>	<b>128,074,906</b>	<b>51.75</b>	<b>49,401,506</b>	<b>39.86</b>
Mining	1,640,145	0.68	2,377,099	0.96	1,038,377	0.84
Production	69,768,742	28.84	114,816,435	46.39	38,985,823	31.46
Electric, gas and water	13,778,863	5.70	10,881,372	4.40	9,377,306	7.56
<b>Construction</b>	<b>49,076,762</b>	<b>20.29</b>	<b>41,011,790</b>	<b>16.57</b>	<b>23,530,449</b>	<b>18.99</b>
<b>Services</b>	<b>104,606,261</b>	<b>43.24</b>	<b>63,503,786</b>	<b>25.66</b>	<b>49,155,854</b>	<b>39.67</b>
Wholesale and retail trade	44,318,577	18.32	22,470,675	9.08	22,972,726	18.54
Hotel, food and beverage Services	3,148,727	1.30	715,069	0.29	1,520,860	1.23
Transportation and telecommunication	13,448,969	5.56	33,033,492	13.35	8,373,286	6.76
Financial institutions	32,264,786	13.34	608,614	0.25	8,802,446	7.10
Real estate and renting Services	4,691,655	1.94	5,369,152	2.17	3,022,793	2.44
Self-employment services	5,253,771	2.17	913,667	0.37	3,634,382	2.93
Education services	676,589	0.28	3,239	0.00	423,681	0.34
Health and social services	803,187	0.33	389,878	0.16	405,680	0.32
<b>Other</b>	<b>2,374,579</b>	<b>0.98</b>	<b>13,971,710</b>	<b>5.65</b>	<b>1,593,861</b>	<b>1.28</b>
<b>Total</b>	<b>241,897,179</b>	<b>100.00</b>	<b>247,494,642</b>	<b>100.00</b>	<b>123,926,018</b>	<b>100.00</b>

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS (Continued)

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

Current Period - December 31, 2023	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	233,795,411	146,577,328	5,710,047	10,227,295
Confirmed Bills of Exchange and Acceptances	4,258	4,398,076	-	-
Letters of Credit	2,110,919	78,895,525	10,997	3,676,849
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	3,133,395	-	-
Non-Cash Loans	235,910,588	233,004,324	5,721,044	13,904,144

Prior Period - December 31, 2022	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	118,953,159	94,085,967	2,982,982	2,884,400
Confirmed Bills of Exchange and Acceptances	49,258	3,630,388	-	-
Letters of Credit	1,714,806	47,218,307	-	375,809
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Sureties	-	1,770,089	-	-
Non-Cash Loans	120,717,223	146,704,751	2,982,982	3,260,209

5. Information on derivative transactions

	Current Period – December 31, 2023	Prior Period – December 31, 2022
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	547,189,364	185,239,680
Currency Forwards	31,707,473	2,185,436
Currency Swaps	498,326,337	159,083,184
Currency Futures	-	1,476,432
Currency Options	17,155,554	22,494,628
Interest Rate Derivative Transactions (II)	235,695,783	145,399,273
Interest Rate Forwards	-	-
Interest Rate Swaps	235,695,783	145,399,273
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivatives (III)	187,219,899	72,672,594
A. Total Trading Derivatives (I+II+III)	970,105,046	403,311,547
Hedging Derivatives	-	-
Fair Value Hedges	-	-
Cash Flow Hedges	-	-
Hedges for Foreign Currency Investments	-	-
B. Total Hedging Derivatives	-	-
Derivative Transactions (A+B)	970,105,046	403,311,547

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III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS (Continued)

Current Period - December 31, 2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Currency swaps:						
Purchase	60,965,904	103,059,007	8,137,705	-	-	172,162,616
Sale	93,671,343	118,668,956	8,117,820	-	-	220,458,119
Currency forwards:						
Purchase	1,867,287	9,874,478	2,784,568	1,341,884	-	15,868,217
Sale	1,861,504	9,860,171	2,777,250	1,340,331	-	15,839,256
Cross currency interest rate swaps:						
Purchase	-	295,660	17,499,677	35,215,516	9,313,290	62,324,143
Sale	-	53,100	15,158,051	26,298,023	1,872,285	43,381,459
Interest rate swaps:						
Purchase	-	10,000	1,738,041	69,873,926	46,225,924	117,847,891
Sale	-	10,000	1,738,041	69,873,926	46,225,925	117,847,892
Options:						
Purchase	4,058,588	2,978,026	1,776,674	-	-	8,813,288
Sale	3,935,891	2,826,689	1,579,686	-	-	8,342,266
Securities trading transactions						
Purchase	-	-	-	-	-	-
Sale	-	-	-	-	-	-
Trading securities:						
Purchase	-	-	-	-	-	-
Sale	-	-	-	-	-	-
Other trading derivatives:						
Purchase	36,551,919	14,711,489	261,106	67,999,314	519,795	120,043,623
Sale	2,758,096	4,453,428	1,598,106	51,122,976	7,243,670	67,176,276
Total purchases	103,443,698	130,928,660	32,197,771	174,430,640	56,059,009	497,059,778
Total sales	102,226,834	135,872,344	30,968,954	148,635,256	55,341,880	473,045,268
Total	205,670,532	266,801,004	63,166,725	323,065,896	111,400,889	970,105,046

Current Period - December 31, 2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Currency swaps:						
Purchase	50,296,725	151,148	4,712,643	-	-	55,160,516
Sale	57,249,909	1,175,378	4,705,819	-	-	63,131,106
Currency forwards:						
Purchase	2,441	835,112	345,732	-	-	1,183,285
Sale	2,427	656,412	343,312	-	-	1,002,151
Cross currency interest rate swaps:						
Purchase	-	749,200	625,975	16,357,478	8,298,023	26,030,676
Sale	-	153,710	625,975	11,456,304	2,524,897	14,760,886
Interest rate swaps:						
Purchase	-	30,000	1,017,109	32,225,018	39,427,510	72,699,637
Sale	-	30,000	1,017,108	32,225,018	39,427,510	72,699,636
Options:						
Purchase	2,849,346	8,340,850	174,657	-	-	11,364,853
Sale	2,855,666	8,109,992	164,117	-	-	11,129,775
Trading Securities:						
Purchase	-	-	-	-	-	-
Sale	-	-	-	-	-	-
Futures:						
Purchase	-	655,550	-	-	-	655,550
Sale	-	820,882	-	-	-	820,882
Other trading derivatives:						
Purchase	7,718,862	1,126,964	299,606	21,151,892	10,133,829	40,431,153
Sale	556,006	103,697	299,604	18,488,911	12,793,223	32,241,441
Total purchases	60,867,374	11,888,824	7,175,722	69,734,388	57,859,362	207,525,670
Total sales	60,664,008	11,050,071	7,155,935	62,170,233	54,745,630	195,785,877
Total	121,531,382	22,938,895	14,331,657	131,904,621	112,604,992	403,311,547

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III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEET ITEMS (Continued)

6. Contingent assets and liabilities

Bank allocates TL 34,381 as provision for lawsuits against the Bank (December 31, 2022: TL 34,381).

7. Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts. The Bank’s custody services and banking transactions on behalf of individuals and corporate customers does not present a material portion.

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFİT OR LOSS

1. Interest income

Information on interest income received from loans

	Current Period – December 31, 2023		Prior Period – December 31, 2022	
	TL	FC	TL	FC
Short-term Loans	90,692,998	4,630,450	30,244,287	1,818,221
Medium and Long-Term Loans	74,827,981	27,474,078	38,393,469	13,948,696
Non-performing Loans	917,420	-	907,019	-
Fund	-	-	-	-
<b>Total</b>	<b>166,438,399</b>	<b>32,104,528</b>	<b>69,544,775</b>	<b>15,766,917</b>

Information on interest income received from banks

	Current Period – December 31, 2023		Prior Period – December 31, 2022	
	TL	FC	TL	FC
Central Bank of Republic of Turkey	-	111,923	-	276,567
Domestic Banks	200,172	5,083	27,940	20,626
Foreign Banks	-	962,570	-	311,903
Foreign Head Office and Branches	-	-	-	-
<b>Total</b>	<b>200,172</b>	<b>1,079,576</b>	<b>27,940</b>	<b>609,096</b>

Information on interest income received from marketable securities portfolio

	Current Period - December 31, 2023		Prior Period - December 31, 2022	
	TL	FC	TL	FC
Financial assets at fair value through profit or loss	-	590,576	-	358,840
Financial assets at fair value through other comprehensive income	26,636,575	8,455,142	21,639,349	4,676,567
Financial assets measured at amortized cost	70,923,332	2,613,598	43,664,117	1,613,903
<b>Total</b>	<b>97,559,907</b>	<b>11,659,316</b>	<b>65,303,466</b>	<b>6,649,310</b>

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IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT STATEMENT OF PROFIT OR LOSS (Continued)

Information on interest income received from associates and subsidiaries

	Current Period - December 31, 2023	Prior Period – December 31, 2022
Interest Received from Associates and Subsidiaries	4,735,420	1,370,972

2. Interest expense

Interest expense on funds borrowed

	Current Period – December 31, 2023		Prior Period – December 31, 2022	
	TL	FC	TL	FC
<b>Banks</b>	<b>2,478,773</b>	<b>10,437,216</b>	<b>406,899</b>	<b>3,431,503</b>
Central Bank of Republic of Turkey	2,420,069	3,889	329,049	7,441
Domestic Banks	58,704	402,606	64,429	158,760
Foreign Banks	-	10,030,721	13,421	3,265,302
Foreign Head Offices and Branches	-	-	-	-
<b>Other Institutions</b>	<b>-</b>	<b>660,013</b>	<b>-</b>	<b>195,875</b>
<b>Total</b>	<b>2,478,773</b>	<b>11,097,229</b>	<b>406,899</b>	<b>3,627,378</b>

Interest expense paid to associates and subsidiaries

	Current Period – December 31, 2023	Prior Period – December 31, 2022
Interest Paid to Associates and Subsidiaries	2,281,742	635,507

Interest expense on securities issued

Interest paid to securities issued as at for the period ended December 31, 2023 is TL 9,866,653 (TL 2,810,241 and 7,056,412 FC). (December 31, 2022: TL 7,744,330 (TL 2,426,357 and 5,317,973 FC)).

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF STATEMENT OF PROFIT OR LOSS (Continued)

Maturity structure of the interest expense on deposits

Current Period December 31, 2023	Demand Deposits	Time Deposits					Cumulative deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TL								
Interbank deposits	-	1,630,606	3,931,602	-	-	-	-	5,562,208
Saving deposits	80,015	5,364,547	34,932,988	36,032,830	2,717,975	4,059,411	951	83,188,717
Public sector deposits	95,958	11,876,094	5,011,602	134,235	19,940	11,095	-	17,148,924
Commercial deposits	209,358	40,800,677	35,702,649	11,475,310	5,043,841	3,449,915	-	96,681,750
Other deposits	35,207	2,144,841	10,162,767	1,498,874	53,902	7,056	-	13,902,647
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	420,538	61,816,765	89,741,608	49,141,249	7,835,658	7,527,477	951	216,484,246
FC								
Foreign currency deposits	512,970	1,679,691	4,062,536	328,152	144,808	213,938	-	6,942,095
Interbank deposits	59,239	473,466	1,141,588	-	-	-	-	1,674,293
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	4,144	2,209	12,598	2,105	-	21,056
Total	572,209	2,153,157	5,208,268	330,361	157,406	216,043	-	8,637,444
Grand Total	992,747	63,969,922	94,949,876	49,471,610	7,993,064	7,743,520	951	225,121,690

Prior Period – December 31, 2022	Demand Deposits	Time Deposits					Cumulative deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TL								
Interbank deposits	-	145,535	1,764,828	6,530	58,155	-	-	1,975,048
Saving deposits	6,205	1,664,246	5,126,119	10,209,289	717,754	774,401	960	18,498,974
Public sector deposits	47,643	4,955,873	1,341,796	116,469	46,303	6,006	-	6,514,090
Commercial deposits	27,079	8,213,402	7,505,769	2,292,371	4,123,138	455,655	-	22,617,414
Other deposits	4,079	862,303	3,543,151	482,692	75,085	30,787	-	4,998,097
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	85,006	15,841,359	19,281,663	13,107,351	5,020,435	1,266,849	960	54,603,623
FC								
Foreign currency deposits	245,946	1,008,713	3,585,554	787,035	97,974	93,502	-	5,818,724
Interbank deposits	10,050	41,413	502,190	1,858	16,548	-	-	572,059
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	716	2,225	11,817	1,182	-	15,940
Total	255,996	1,050,126	4,088,460	791,118	126,339	94,684	-	6,406,723
Grand Total	341,002	16,891,485	23,370,123	13,898,469	5,146,774	1,361,533	960	61,010,346

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFIT OR LOSS (Continued)

3. Dividend Income

	Current Period- December 31, 2023	Prior Period- December 31, 2022
Financial assets at fair value through profit or loss	3,500	3,536
Subsidiaries and associates	196,240	145,538
Total	199,740	149,074

4. Information on trading income/loss

	Current Period – December 31, 2023	Prior Period – December 31, 2022
Profit	396,242,202	79,760,888
Income from capital market operations	6,320,188	2,369,282
Income from derivative financial instruments	277,309,461	53,190,852
Foreign exchange gains	112,612,553	24,200,754
Losses	(382,211,292)	(74,770,718)
Loss from capital market operations	(1,537,361)	(627,895)
Loss from derivative financial instruments	(281,292,004)	(53,944,817)
Foreign exchange loss	(99,381,927)	(20,198,006)
Net trading profit/loss	14,030,910	4,990,170

For the last period ending on December 31, 2023, the Bank's net profit on currency derivative financial transactions arising from currency changes is TL 7,136,682 net loss. (December 31, 2022: TL 1,603,219 net loss).

5.Information on other operating income

	Current Period - December 31, 2023	Prior Period - December 31, 2022
Income from reversal of the specific provisions for loans from prior periods	24,432,168	7,902,432
Communication income	32,710	24,095
Gain on sale of assets	770,737	1,083,824
Rent income	31,036	11,984
Other income	15,022,111	655,552
Total	40,288,762	9,677,887

(\*) The related balance includes TL 12,250,000 free provision reversed in the current period.



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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFIT OR LOSS (Continued)

6. Expected Credit Loss and Other Provision Expenses

	Current Period - December 31, 2023	Prior Period – December 31, 2022
Expected Credit Loss	49,961,062	26,865,264
12 month expected credit loss (stage 1)	19,364,440	6,031,168
Significant increase in credit risk (stage 2)	25,004,610	14,710,691
Non-performing loans (stage 3)	5,592,012	6,123,405
Marketable Securities Impairment Expense	92,780	12,425
Financial Assets at Fair Value through Profit or Loss	53,617	244
Financial Assets at Fair Value Through Other Comprehensive Income	39,163	12,181
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other <sup>(*)</sup>	4,250,000	17,271,958
Total	54,303,842	44,149,647

(\*) The current period of free provision amount is TL 4,250,000 (31 December 2022: TL 17,228,000).

7. Information on other operating expenses

	Current Period - December 31, 2023	Prior Period – December 31, 2022
Reserve for Employee Termination Benefits	152,442	211,473
Deficit Provision for Pension Funds	-	-
Impairment Losses on Tangible Assets	2,300	17,754
Depreciation Expenses on Tangible Assets	930,134	563,150
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortization Expenses on Intangible Assets	81,583	51,195
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses on Assets to be Disposed	-	-
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	17,397,623	6,852,484
Leasing expenses related to TFRS 16 exceptions	160,342	114,543
Repair and maintenance expenses	420,323	196,380
Advertisement expenses	771,712	479,371
Other expenses	16,045,246	6,062,190
Loss on sale of assets	1,154	1,188
Other <sup>(*)</sup>	18,800,378	3,004,186
Total	37,365,614	10,701,430

(\*) Other operating expenses amounted TL 18,800,378 (December 31,2022: TL 3,004,186); AFAD donation amounting to TL 12,000,000 Dividend provision expenses to be paid to staff amounted TL 2,046,425 (December 31,2022: TL 948,282), 1,678,577 (December 31, 2022: TL 636,153) taxes, duties, fees and funds, TL 1,959,884 (December 31, 2022: TL 848,641) SDIF expenses and TL 1,115,492 (December 31, 2022: TL 571,110) consists of other expenses.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFIT OR LOSS (Continued)

8. Information on income/loss from discontinued and continuing operations

The Bank has no discontinued operations. Information and detailed tables on profit before tax from continuing operations are presented in disclosures 1-6 in this section.

9. Information on tax provision from discontinued and continuing operations

The Bank has no discontinued operations. Information on provision for taxes on income from continuing operations is presented in disclosure 11 in this section.

10.Information on net profit/loss from discontinued and continuing operations

The Bank has no discontinued operations. Information on net profit/loss from continuing operations is presented in disclosures 1-12 in this section.

11.Provision for taxes

Current period taxation benefit or charge and deferred tax benefit or charge

In the current period, the Bank has recorded a tax charge of TL 8,781,428 (December 31, 2022: TL 19,688,536) from the net taxable profit calculated in accordance the laws and regulations in effect.

In the Bank's profit or loss statement as of December 31, 2023, deferred tax income of TL 12,286,956 (December 31, 2022: TL 6,170,444) from the formation/(Closing) of of deductible temporary differences, (TL 3,871,296) from the formation/(Closing) TL (3,871,296) (December 31 There is a deferred tax expense (2022: TL 291,729) has deferred tax expense.

12.Information on net profit and loss

The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank’s performance for the period

The Bank has earned TL 312,915,975 interest income, TL 260,960,901 interest expenses, TL 25,745,988 net fees and commissions income, from ordinary banking transactions (December 31, 2022: TL 158,569,464 interest income, TL 84,854,301 interest expenses, TL 10,792,735 net fees and commissions income).

Any changes in estimations that might have a material effect on current and subsequent period results

None.

13.Information related to the 20% of the sub-accounts belonging to components of other items in the statement of income exceeding 10% of the group total

Banks’ other commissions income mainly consists of credit card fee and commissions, insurance commissions and intelligence commissions.

Banks’ other commissions expense mainly consists of credit card fee and commissions and commissions given for foreign banks credits.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION ON DISCLOSURES RELATED TO THE STATEMENT OF PROFIT OR LOSS (Continued)

14. Fees for services received from independent audit

In accordance with the decision of the KGK dated March 26, 2021, the fees for the reporting period concerning the services acquired by the Bank from the independent auditor or independent audit firm are given in the table below, excluding VAT.

	Current Period – December 31, 2023	Prior Period – December 31, 2022
Independent audit fee for the reporting period	12,393	4,105
Fees for other assurance services	8,419	1,621
Fee for other services other than independent audit	73	-
<b>Total</b>	<b>20,885</b>	<b>5,726</b>

V. INFORMATION AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1. Information on increases of revaluation of available-for-sale investments

Movement tables related to revaluation differences of available-for-sale investments where valuation differences arising from the fair value measurement of fair value through other comprehensive income assets, subsidiaries and affiliates are recorded are as follows:

Valuation Differences of Marketable Securities	Current Period - December 31, 2023	Prior Period - December 31, 2022
Valuation differences at the beginning of the year	11,205,827	1,605,746
Fair value changes in the current year	(8,614,564)	13,142,226
Valuation differences transferred to the statement of income	2,342,939	8,993
Effect of deferred	1,302,813	(3,551,138)
<b>Valuation differences at the end of the year</b>	<b>6,237,015</b>	<b>11,205,827</b>

Valuation Difference of the Subsidiaries and Affiliates	Current Period - December 31, 2023	Prior Period - December 31, 2022
Valuation differences at the beginning of the year	8,628,129	2,900,635
Fair value changes in the current year	2,534,287	6,148,570
Valuation differences transferred to the statement of income	-	-
Effect of deferred	568,241	(421,076)
<b>Valuation differences at the end of the year</b>	<b>11,730,657</b>	<b>8,628,129</b>

2. Information on increases in cash flow hedges

None.

3. Reconciliation of the beginning and end of the year balances of foreign exchange differences

None.

4. Information on differences in shareholders' equity accounts due to inflation accounting

In compliance with BRSA's Circular on April 28, 2005, on ceasing the inflation accounting application, the balances resulted from the inflation accounting application as at December 31, 2004 and booked according to the Uniform Chart of Accounts and the related Articles, are transferred to the main accounts that were subject to the inflation accounting adjustments except for "capital reserves from inflation adjustments". The balance of "capital reserves from inflation adjustments" account is transferred to "other capital reserves" account. In 2006, the Bank has increased its paid in capital through "other capital reserves" by TL 605,763.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. INFORMATION AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

5. Information on profit distribution

During the bank's 69th Shareholder's General Assembly Meeting on August 2, 2023, the Bank decided to distribute TL 2,401,723 of the distributable net period profit of totaling TL 24,017,232 to shareholders as legal reserves, TL 21,473,562 of it as extraordinary reserves, TL 141,947 of it as special fund and TL - of it as first dividend.

6. Information on decreases of revaluation of available-for-sale investments

Revaluation differences of available-for-sale investments has resulted with decrease in the current year. Detailed information about the decreases is explained above in Note 1.

VI. INFORMATION AND DISCLOSURES ON STATEMENT OF CASH FLOWS

1. Disclosures for "other" items in statement of cash flows and effect of change in foreign currency rates cash and cash equivalents

"Other" item under the "operating profit before changes in operating assets and liabilities" amounting to TL 27,106,647 (December 31, 2022: TL 9,023,922) is comprised of income from capital market transactions and derivative financial instruments and foreign exchange gains for the year ended.

"Net increase/decrease in other liabilities" amounting to TL 42,925,433 (December 31, 2022: TL 14,250,403) under "changes in operating assets and liabilities" is mainly comprised of cash inflows from miscellaneous payables and rcrepuhase agreements.

"Other" item under "net cash flow from investing activities" amounting to TL (530,924) (December 31, 2022: TL (203,518)) is comprised of purchases of intangible assets.

When calculating exchange rate effect on cash and cash equivalents, related assets' high turnover rate is taken into consideration. Each exchange rate's arithmetic average of the last five days before the report date and provision of average TL that is calculated from the difference from current period's exchange rate are reflected as an effect of exchange rate change on the cash flow statement. Except for the above-mentioned, banks that have less than three months to maturity are accepted as cash equivalents and average TL provision is calculated by difference between related operation' s per term exchange rate and current period's exchange rate. As of December 31, 2023, impact of the exchange rate change on cash and cash equivalents is TL 367,899 (December 31, 2022: TL 256,513).

2. Cash outflows from acquisition of associates, subsidiaries and joint-ventures

It is explained in footnotes 7 and 8 of subsidiaries and affiliates in the Section V.

3. Cash flows from the disposal of associates, subsidiaries and joint-ventures

It is explained in footnotes 7 and 8 of subsidiaries and affiliates in the Section VI.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. INFORMATION AND DISCLOSURES ON STATEMENT OF CASH FLOWS(Continued)

4. Information on cash and cash equivalents

Information on cash and cash equivalents at the beginning of the year

	Prior Period December 31, 2022	Prior Period December 31, 2021
Cash on hand	13,525,681	3,947,949
Cash in TL	4,766,482	1,930,251
Cash in foreign currency	8,759,199	2,017,698
Cash equivalents	115,910,587	94,693,591
CBRT	254,620,417	136,196,563
Banks	28,545,859	21,306,338
Receivables from money markets	12,095,635	6,914,400
Other (*)	789,123	4,004,475
Loans and advances to banks having maturity of more than 3 months	(329,666)	(425,803)
Restricted cash and cash equivalents	(179,783,311)	(73,299,265)
Unrealized foreign exchange rate differences on cash equivalents	(27,470)	(3,117)
Total	129,436,268	98,641,540

(\*) As of 31 December 2022, TL 789,123 (31 December 2021: TL 4,004,475) and TL 3,164,175 (31 December 2022: TL 565,894) out of TL 840,300 (31 December 2022: TL 223,229) that were classified under “Other” was cash in transit and precious metals, respectively.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. INFORMATION AND DISCLOSURES ON STATEMENT OF CASH FLOWS (Continued)

Information on cash and cash equivalents (Continued)

Information on cash and cash equivalents at the end of the year

	Current Period – December 31, 2023	Prior Period- December 31, 2022
Cash on hand	21,451,097	13,525,681
Cash in TL	5,400,602	4,766,482
Cash in foreign currency	16,050,495	8,759,199
Cash equivalents	312,617,754	115,910,587
CBRT	343,390,691	254,620,417
Banks	51,100,590	28,545,859
Receivables from money markets	80,869,216	12,095,635
Other (*)	389,911	789,123
Loans and advances to banks having maturity of more than 3 months	(261,766)	(329,666)
Restricted cash and cash equivalents	(162,304,802)	(179,783,311)
Unrealized foreign exchange rate differences on cash equivalents	(566,086)	(27,470)
Total	334,068,851	129,436,268

(\*) As of 31 December 2023, TL 389,911 (31 December 2022: TL 789,123) and TL 124,629 (31 December 2022: TL 565,894) out of TL 265,282 (31 December 2022:TL 223,229) that were classified under “Other” was cash in transit and precious metals, respectively.

5. Management comment on restricted cash and cash equivalents due to legal requirements or other reasons taking materiality principle into account

Reserve requirements at CBRT amounting to TL 122,184,198 as at December 31, 2023 (December 31, 2022: TL 160,782,674) has not been included in cash and cash equivalents.

Foreign currency bank deposits amounting to TL 40,120,604 (December 31, 2022: TL 19,000,637) is blocked and has not been included in cash and cash equivalents due to securitization loans and other ordinary banking operations of the Bank.

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. INFORMATION AND DISCLOSURES RELATED TO THE BANK’S RISK GROUP

1. Information on the volume of transactions with the Bank’s risk group, lending and deposits outstanding at period end and income and expenses in the current period

Information on loans and other receivables held by the Bank’s risk group

Current Period - December 31, 2023	Associates and Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the year	21,599,570	184,738	-	1,187	264,014	55,935
Balance at the end of the year	35,207,658	309,650	-	929	177,141	26,837
Interest and commission income	4,735,420	4,851	-	-	23,413	636

Prior Period - December 31, 2022	Associates and Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the year	3,978,742	208,949	-	8,344	228,644	22,489
Balance at the end of the year	21,599,570	184,738	-	1,187	264,014	55,935
Interest and commission income	1,370,972	4,555	-	-	11,166	932

Information on deposits held by the Bank’s risk group

	Associates and Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the year	13,514,572	2,729,465	2,398,302	3,908,130	195,275	82,435
Balance at the end of the year	13,797,505	13,514,572	4,497,416	2,398,302	480,310	195,275
Interest on deposits	2,281,742	635,507	1,229,830	668,436	79,572	26,196

Information on forwards and option agreements and other similar agreements made with the Bank’s risk group

Bank’s Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss	-	-	-	-	-	-
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total profit/loss	405	-	-	-	-	-
Transactions for Hedging Purposes	-	-	-	-	-	-
Beginning of the Period	-	-	-	-	-	-
Balance at the End of the Period	-	-	-	-	-	-
Total income/loss	-	-	-	-	-	-

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DISCLOSURE AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VII. INFORMATION AND DISCLOSURES RELATED TO THE BANK’S RISK GROUP (Continued)

2. Disclosures of transactions with the Bank’s risk group

Relations with entities in the risk group of/ or controlled by the Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

Information on Benefits Provided to Directors

In the accounting period ending on December 31, 2023, a total amount of TL 159,730 was paid to the Bank's top management. (December 31, 2022: 74,080 TL).

VIII. INFORMATION ON DOMESTIC, FOREIGN AND OFF-SHORE BRANCHES OR INVESTMENTS AND FOREIGN REPRESENTATIVE OFFICES

Domestic and foreign branches and representative offices

	Number of Branches	Number of Employees			
			Country		
Domestic Branches <sup>(*)</sup>	940	17,228			
Foreign Representative Offices	-	-			
	1	19	USA	23,042,566	487,839
Foreign Branches	1	9	Iraq	1,664,597	1,478,300
	1	2	Qatar	28,655	-
Off-shore Branches	1	5	Bahrain	204,232,853	-

(\*) Free zone branches in Türkiye is included to domestic branches.

Opening or closing of domestic and foreign branches and representative offices and significant changes in organizational structure

During 2023, 9 new domestic branches (2022: 14 domestic branches) have been opened and 14 braches have been closed (2022: 5).



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SECTION SIX

OTHER DISCLOSURES

I. OTHER DISCLOSURES ON THE BANK’S ACTIVITY

As per the resolution of 69<sup>th</sup> Annual General Assembly held on August 2, 2023, the net profit of year 2022 has been decided to be distributed as follows:

Profit Distribution Table of Year 2022	
Bank’s unconsolidated profit in its statutory financial statements	24,017,232
Deferred tax credits	-
Net profit of the year subject to distribution	24,017,232
Legal reserves	2,401,723
First Legal Reserves	1,200,862
Reserves allocated according to banking law and articles of association.	1,200,861
Net profit of the year subject to distribution	21,615,509
Gain on sale of immovable and shares of associates and subsidiaries	141,947
Extraordinary reserves	21,473,562
Dividends to shareholders	-

II. INFORMATION ON THE BANK’S RATING GIVEN BY INTERNATIONAL CREDIT RATING INSTITUTIONS

July 2022*	Fitch Ratings
Long Term Foreign Currency	B-
Short Term Foreign Currency	B
Foreign Currency Outlook	Stable
Long Term Local Currency	B
Short Term Local Currency	B
Local Currency Outlook	Stable
National Long Term	AA (tur)
National Outlook	Stable
Support	ns
Support Rating Floor	b-
August 2022*	Moody’s Investors Service
Baseline Credit Assessment	caa2
Local Currency Deposit Rating	B3
Local Currency Outlook	Stable
Foreign Currency Deposit Rating	B3
Foreign Currency Outlook	Stable
June 2023*	JCR Eurasia
Long Term International FC	BB (Negative)
Long Term International TL	BB (Negative)
Long Term NSR	AAA (tr) (Stable)

(\*) The dates indicate the last grade change dates.

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OTHER DISCLOSURES (Continued)

III. SIGNIFICANT EVENTS AND MATTERS SUBSEQUENT TO BALANCE SHEET DATE THAT ARE NOT RESULTED

BRSA announced that banks, financial leasing, factoring, financing, savings financing and asset management companies will start applying inflation accounting starting from January 1, 2025, in accordance with BRSA Board decision on January 11, 2024.

January 30, 2024, in the Communiqué on the Amendment to the Communiqué on Required Reserves (number: 2013/15) published in the Official Gazette, it was decided to reduce the reserve requirement ratios for accounts with exchange rate protection from 30 percent to 25 percent for maturities up to 6 months, and to increase the additional reserve requirement ratios established in TL from 4 percent to 8 percent for foreign currency deposits/participation funds (excluding deposits/participation funds in foreign banks and precious metal deposit accounts) at all maturities.

SECTION SEVEN  
INDEPENDENT AUDITORS’ REPORT

I. INFORMATION ON INDEPENDENT AUDITORS’ REPORT

The Bank's unconsolidated financial statements as at December 31, 2023 and notes to these financial statements which will be disclosed to the public have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) and the independent auditors' report dated February 6, 2024 is presented before the accompanying financial statements.

II. EXPLANATIONS AND FOOTNOTES PREPARED BY INDEPENDENT AUDITOR

None.