



TEB

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SECTION 1 - PRESENTATION

AGENDA OF THE ORDINARY GENERAL ASSEMBLY MEETING ON 27 MARCH 2024

1. Opening and formation of the Presidential Board,
2. Granting authorization to the Presidential Board for signing the meeting minutes,
3. Reading, discussion and approval of the Board of Directors' Activity Report for the year 2023,
4. Reading, discussion and approval of the 2023 financial statements,
5. Decision regarding the approval of appointments for the replacement of members who had resigned from the Board of Directors, in accordance with Article 363 of the Turkish Commercial Code,
6. Release of the Board Members from their transactions in 2023,
7. Discussion about the Board of Directors proposal for profit distribution, its approval as is or with revisions, and deciding about the prior year's reserves,
8. Reading of the annual audit report prepared by the Independent Audit Firm, and passing resolution on the appointment of the Independent Audit Firm and the Group auditor proposed by the Board of Directors for the independent audit of our Bank for the year 2024,
9. Determination of number and term of office of the Board Members and election of the same,
10. Determination of benefit such as fees and remunerations to be paid to the Board of Directors,
11. Authorize the Board of Directors for a period of fifteen months in order to issue capital market instruments having the nature of a debt instrument.

TÜRK EKONOMİ BANKASI A.Ş. BOARD OF DIRECTORS

Dr. Akın AKBAYGİL

Ümit LEBLEBİCİ

Chairman of the Board of Directors

Executive Member and CEO

**STATEMENT OF RESPONSIBILITY FOR ANNUAL REPORT 2023 OF
TÜRK EKONOMİ BANKASI A.Ş.**

We have reviewed the annual report of Türk Ekonomi Bank A.Ş. prepared for the period 01.01.2023 - 31.12.2023 in accordance with the Capital Markets Board of Turkey Communiqué (no. II-14.1) on Principles of Financial Reporting in Capital Markets and the Regulation on Principles and Procedures Concerning the Preparation and Publishing of Annual Report by Banks published by the Banking Regulation and Supervision Agency (BRSA), and we hereby represent that, within the frame of our duty and responsibility at the Bank and to the best of our knowledge, the year-end Annual Report:

Does not contain any misrepresentations about material events, nor does it omit any information which might be misleading as of the date of the relevant declaration,

Presents a true and fair view of the progress and performance of the business, and the Bank's financial condition, as well as major risks and volatilities facing the Bank.

Dr.Akın AKBAYGİL

Chairman of the
Board of Directors

Patrick Philippe POUPON

Member of the Board of Directors
and Chairman of the Audit
Committee

Ayşe AŞARDAĞ

Member of the Board of Directors
and Deputy Chairman of the
Audit Committee

Ümit LEBLEBİCİ

Chief Executive Officer

Tolga GÜLER

Assistant General Manager
Responsible of Financial
Reporting

Kamer KIDIL

Director Responsible of Financial
Reporting

GENERAL INFORMATION

Reporting Period:	01.01.2023-31.12.2023
Title of the Bank:	Türk Ekonomi Bankası A.Ş.
Headquarters:	İnkılap Mah. Sokullu Cad. No:7A Ümraniye 34768 İstanbul
Telephone:	+90 216 635 35 35
Fax:	+90 216 636 36 36
Web site:	www.teb.com.tr
E-mail:	yatirimciiliskileri@teb.com.tr
Trade Registration Number:	189356
Central Registry Number (Mersis):	0876004342000105

SHAREHOLDING STRUCTURE OF TÜRK EKONOMİ BANKASI A.Ş. ("TEB")

The distribution of the Bank's TL 2,204,390,000.00 paid-in capital as of 31 December 2023

Shareholder's Name/Title	Within TL 2,204,390,000.00 Capital;	
	Amount	Share
TEB HOLDİNG A.Ş.	1,212,414,500.002	55.0000%
BNPP YATIRIMLAR HOLDİNG A.Ş.	518,342,498.520	23.5141%
BNP PARIBAS FORTIS YATIRIMLAR HOLDİNG A.Ş.	467,879,148.835	21.2249%
BNP PARIBAS SA	5,253,352.000	0.2383%
KOCAELİ TİCARET ODASI (KOCAELİ CHAMBER OF COMMERCE)	500,500.643	0.0227%
TOTAL	2,204,390,000.000	100.00%

There have not been any changes either in the ownership or capital structure in 2023.

Information on the Bank's Qualified Shareholders (*)

Shareholder's Name/Title	Within TL 2,204,390,000.00 Capital;	
	Amount	Share
TEB HOLDİNG A.Ş.	1,212,414,500.002	55.0000%
BNPP YATIRIMLAR HOLDİNG A.Ş.	518,342,498.520	23.5141%
BNP PARIBAS FORTIS YATIRIMLAR HOLDİNG A.Ş.	467,879,148.835	21.2249%

(*) The table names the direct shareholders.

TEB Holding A.Ş. is a member of the Çolakoğlu Group and BNP Paribas Group of Companies. A total of 50% of the shares in TEB Holding A.Ş. are controlled by BNP Paribas Fortis Yatırımlar Holding A.Ş., while the remaining 50% is controlled by the Çolakoğlu Group. BNP Paribas Fortis NV/SA holds 100% of the shares in BNP Paribas Fortis Yatırımlar Holding A.Ş., whereas BNP Paribas S.A. holds 100% of the shares in BNPP Yatırımlar Holding A.Ş.

Explanations Regarding the Shares Owned by the Bank's Chairman and Board Members, General Manager and Assistant General Managers

There are no Bank shares owned by the Bank's Chairman and Board Members, General Manager or Assistant General Managers.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

There were no amendments to the articles of association in 2023.

IMPORTANT EVENTS WHICH TOOK PLACE AFTER THE END OF THE YEAR OF OPERATION

In line with the BRSA's decision numbered 10825 dated 11 January 2024, banks and financial leasing, factoring, financing, savings financing and asset management companies will switch to inflation accounting from 1 January 2025.

Akil Özçay, the Assistant General Manager responsible for the Financial Markets Group, resigned from his position with effect from 1 January 2024, with Göker Orhan appointed in his place.

Following the issuance of the necessary permits from the Banking Regulation and Supervision Agency and the Capital Markets Board, Subordinated bonds (additional capital) were issued abroad with an issuance size of USD 400 million, a maturity date of 17 January 2034 and an early redemption option for 17 January 2029. The bonds provided a fixed interest rate, a 10-year maturity and twice-annual coupon payments with a coupon rate of 9.375%. The issuance process was completed on 17 January 2024, following the receipt of the Order Issuance Certificate from the Capital Markets Board.

After the international rating agency, Moody's, revised Turkey's long-term foreign currency credit rating outlook from "Stable" to "Positive" on 12 January 2024, the ratings agency also raised Türk Ekonomi Bankası A.Ş.'s Long-Term Foreign Currency Counterparty Risk rating and Long-Term Foreign Currency Deposit ratings from B3 to B2 on 17 January 2024, while revising the outlook for the Long-Term Foreign Currency and Turkish Lira Deposit ratings from "Stable" to "Positive".

Tuğrul Özbakan, the Assistant General Manager responsible for Asset Liability Management and the Treasury Group resigned from his position with effect from 31 January 2024, with Tolga Gürdem appointed in his place with effect from 1 February 2024.

The Assistant General Manager responsible for the Financial Affairs Group, Mustafa Aşkın Dolaştır resigned from his position at the end of day on 31 January 2024, with Tolga Güler appointed as his replacement, with effect from 1 February 2024.

Hakan Tıraşın, the Chairman of the Audit Board, resigned from his position with effect from the end of the day on 29 February 2024 with Hasan Onar appointed as his replacement with effect from 1 March 2024.

TEB: PAST AND PRESENT

TEB started out as Kocaeli Halk Bankası T.A.Ş. in 1927 a small local bank based in İzmit. Acquired by the Çolakoğlu Group in 1982, TEB's name was changed to Türk Ekonomi Bankası A.Ş. the same year, and its headquarters were relocated to İstanbul.

Having focused its attentions on the foreign trade finance and investment banking business lines in the 1980s, TEB undertook an initial public offering in February 2000 after which its shares began trading on Borsa İstanbul's national market and was simultaneously quoted on the London Stock Exchange's depositary receipt market.

On 10 February 2005, TEB entered into a partnership agreement with BNP Paribas, the largest bank in the Euro Zone with total assets worth EUR 2,591 billion that had operations in 65 countries as of end-2023.

By joining forces with the BNP Paribas Group, one of the world's leading financial institutions, TEB further expanded the scope of its global vision.

In 2009 the BNP Paribas Group acquired majority stakes in Fortis Bank Belgium and Fortis Bank Luxembourg, as a result of which purchases the group also became the principal shareholder in Fortis Bank's Turkish subsidiary.

Subsequently, the BNP Paribas Group, which now indirectly controlled a majority stake in TEB and the Çolakoğlu Group reached an agreement under which it was decided to merge Fortis Bank Turkey into TEB. The closing of the merger formally took place on 14 February 2011.

As a result of this merger, TEB Holding now controls a majority (55%) stake in TEB while the Çolakoğlu Group and BNP Paribas each control an equal (50%) stake in TEB Holding.

At a time when TEB's publicly-traded shares were listed on Borsa İstanbul National Market, on 14 November 2014, BNP Paribas Fortis Yatırımlar Holding A.Ş., acting on behalf of shareholders controlling a sufficient majority in TEB, applied to exercise their squeeze-out rights as provided for under current capital market regulations. With the completion of the delisting process on 25 June 2015, the shares in TEB were delisted from the stock exchange and TEB was excluded from the scope of Capital Market Law as a share issuer. Following an application from TEB, which is listed on the London Stock Exchange, depositary receipts were also closed to processing and delisted as of 31 March 2015. Furthermore, the depositary receipt program was terminated on 6 June 2015.

TEB carries out its activities drawing on the added value derived from the BNP Paribas Group's worldwide organization, superior know-how and experience.

Within this scope, TEB provides its customers with a complete array of corporate, small-business, treasury, capital market, retail and private banking financial products and services as well as an extensive line-up of investment, factoring and portfolio management products and services through its subsidiaries and TEB Group companies.

As of year-end 2023 TEB was offering its services to 8.8 million customers with,

- 8,333 employees,
- 444 branches,
- 1,577 ATMs,
- an online branch at www.teb.com.tr,
- a call center on 0850 200 0 666.

TEB gives its customers access to the benefits of BNP Paribas' far-reaching presence across 65 countries, its vision and operational capabilities within a synergetic collaboration and also makes it possible for them to keep a close and constant watch on the developments taking place in global markets as they unfold.

MESSAGE FROM THE CHAIRMAN OF THE BOARD

Dear stakeholders,

In 2023, the global economy struggled with the twin challenges of tight financial conditions and high inflation on the one hand and geopolitical risks built up by the war between Russia and Ukraine and conflicts in the Middle East on the other. While the European economy was deeply affected by the disruption in the supply chain and the energy crisis, the US economy and developing countries demonstrated greater resilience, contributing positively to the growth. According to the latest report prepared by the International Monetary Fund (IMF), the global economy, having grown by 3.5% in 2022, is expected to grow by 3.1% in 2023 and 2024.

During this period, the Turkish economy exceeded expectations, despite the massive earthquakes which struck in the first quarter of the year and the tightening financial conditions. The economy posted an annual rate of growth of 4% in the first quarter, 3.9% in the second quarter and 5.9% in the third quarter with the strong contribution of domestic demand. While the construction sector gained momentum on the back of the reconstruction efforts in the wake of the earthquakes, the services sector also emerged as one of the driving forces of economic growth. At a time when external demand stuttered amid the slowdown in the European economy, domestic demand provided a significant contribution to growth.

The elections held in May 2023 ushered in significant changes in monetary and fiscal policies. In order to mend the damage inflicted by the earthquake and cover the costs from the budget, an additional budget was drawn up in July. Additional taxes and savings measures started to be implemented to balance the budget deficit. The Central Bank of the Republic of Turkey (CBRT) started to raise interest rates in the second half of the year and gradually increased the policy rate from 8.5% to 45%. The CBRT's tight monetary policy and steps taken to ensure price stability supported investor confidence, reducing the country risk premium.

Having declined in the first half of 2023, inflation started to rise again in the second half of the year upon the depreciation of the Turkish Lira, the rise in the minimum wage and tax rises. The annual rate of CPI inflation, which stood at 38.2% in June 2023, soared to 64.8% by the end of the year. In its last inflation report, the CBRT projected an inflation rate of 36% for the end of 2024. While cautioning that inflation was expected to remain high in the near term, the report set out the prediction that the fall in inflation would begin in the second half of 2024.

The current account deficit widened in the first half of the year amid declining foreign demand before starting to balance out in the second half of the year with the contribution of tourism and service revenues and the tightening impact of higher interest rates on domestic demand. The current account deficit, which stood at USD 60.3 billion in May 2023, had narrowed to USD 45.2 billion by the end of December, with the current account balance expected to continue to improve throughout 2024.

The Medium Term Program (MTP) announced in September set out growth expectations of 4.4% for 2023 and 4% for 2024, with a current account deficit of USD 34.7 billion (3.1% of

GDP) for 2024. According to the MTP, a budget deficit of 6.4% of GDP is projected for 2024. This figure exceeds historical averages, indicating that the public contribution to growth is expected to increase in 2024.

Exports are expected to gain momentum in the coming period as the European economy enters a process of recovery. On the other hand, geopolitical risks and uncertainty surrounding oil and energy prices pose downside risks to growth. The course of monetary and fiscal policies after the local elections in March 2024 will have a decisive impact on growth.

In the second part of my message, I would like to share my views on Türk Ekonomi Bankası A.Ş.'s strategic positioning for 2023 and its achievements.

TEB rounded off the year 2023 with a sustainable performance.

In 2023, TEB continued to be the business partner of its customers in all circumstances with its strong value proposition in financial products, services and solutions. Throughout the year, our bank continued to transfer resources to real sector participants who contribute to the Turkish economy and its sustainable future, as well as mediating in exports and supporting entrepreneurs - in short, producing and sharing value for its stakeholders.

In 2023, TEB became one of the first choices of a wide customer base consisting of households and companies, and continued its work on a range of important projects aimed at differentiating and simplifying the customer experience.

The year 2023 was a successful operating period for our subsidiaries, with the strong results in terms of the number of customers served and transaction volumes providing a concrete contribution to shareholder value.

Our bank ended the year 2023 with an asset size approaching TL 407 billion and loan volume of TL 209.9 billion. TEB's loans - the most important indicator of the support it provides to the economy and its customers - constituted 51.58% of its total assets, and the Bank's capital adequacy ratio ended the year at 16.82%, well above the target ratio of 12% in the reporting period.

A focus on Innovation

TEB is committed to further expanding and strengthening its place in the market by continuing its work with determination in line with the vision and strategy of its parent, the BNP Paribas Group.

As a pioneer in innovation and digital banking, our work in this field continued unabated in 2023, with the results of our work continuing to be reflected to our business areas, especially the CEPTETEB digital banking platform.

As CEPTETEB goes from strength to strength with an expanding number of users, functions and transaction volume, a number of new payment transactions have been added that can be carried out through digital channels. The Open Banking app, which offers customers more financial flexibility, was included in CEPTETEB Mobile, the CEPTETEB Internet Branch,

CEPTETEB İŞTE Mobile and Corporate Internet Branch, allowing customers to view other bank accounts and perform money transfer transactions.

Digitalization, a process closely intertwined with banking and an indispensable part of our modern service delivery formats, will introduce a whole new playing field in the sector and continue to be one of the main determinants for our customers' preferences. Our bank will remain a determinants of competition in this race as a financial service provider that is strong, dynamic and equipped with the necessary capital elements.

Supporting Entrepreneurs

Contributing to the economy by supporting entrepreneurs is a cornerstone of TEB's mission. We deem the structuring efforts we carry out in the area of enterprise and our close cooperation with startups which offer development potential to be of strategic importance and value. Our work in this field continued in 2023.

With its Enterprise Banking structure, TEB works to bring innovative business ideas to the economy with an inclusive and supportive approach. Our TİM-TEB Enterprise House project, which we launched in 2013, is the most widespread and comprehensive enterprise initiative operating in this field in our country with the work it carries out and the various programs it offers. The TİM-TEB Enterprise House 2023 Demo Day event played a key role in laying the ground for important business meetings by bringing entrepreneurs together with investors.

TEB focuses on carrying its support for entrepreneurs to the future by taking a holistic approach. Our bank will continue to strengthen its presence in the entrepreneurial universe and create value within the scope of the lean strategy it has adopted with the focus of being the first bank that comes to mind when it comes to enterprise.

The growing importance of financial literacy

TEB continues to offer financial literacy training to individuals with the TEB Family Academy, which was founded in 2012. Providing training to over 15,000 employees of around 30 institutions from ten different sectors in 2023, our Bank has further expanded its sphere of influence. In the same vein, in cooperation with the Ministry of National Education, more than 20,000 teachers completed digital financial literacy training through the Teacher Training and Development Platform (ÖBA).

Our Bank, which places great importance on sustainability, further enriched the training scope of the TEB Family Academy in 2023 with "Environmental Law Literacy" and "Climate Literacy" training in cooperation with UNICEF. We aim to deliver these training programs, which we offer to new employees at TEB in the first phase, to wider segments of society, especially children and young people, in the coming period.

We believe that this and similar activities will provide a key contribution to the training of economically strong individuals who possess the financial knowledge and culture, have a developed tendency to save, manage their resources effectively and are financially strong.

TEB is focused on sustaining its contribution to the Turkish economy and creating value for everyone.

TEB continues to draw on the vast experience and knowledge it has built in the Turkish market in cooperation with the global network of its partner, BNP Paribas Group.

We are determined to use this synergy we have created on a global scale to respond to the contemporary banking product and service demands of our large and diverse customer base in Turkey and to play an active role in the construction of the economic future. Drawing on our resources, energy and motivation, we will support large corporate enterprises and SME customers, as well as women business owners and entrepreneurs, our stakeholders in the agricultural sector, especially farmers, and our exporters, who are vital to the development of our economy, and we will stand by them in all kinds of conjunctures.

As I conclude my message, I would like to present TEB's 2023 operating results and financial statements to the pursual of our valued stakeholders.

I would like to thank the TEB Management and all our employees who contributed to the 2023 performance for their hard work, and on behalf of our Board of Directors and myself, I would like to express my gratitude to you, our Shareholders, for your valuable and continuous support.

I hope 2024 will prove a successful, productive and efficient year for our country, our Bank and all our stakeholders.

Dr. AKIN AKBAYGİL

Chairman of the Board of Directors

ASSESSMENT OF THE CEO

Dear Stakeholders,

The tight financial conditions associated with the efforts to tackle inflation in the global economy were the main feature of 2023, along with the fallout of the geopolitical risks emerging as a result of the war between Russia and Ukraine and the ongoing conflicts in the Middle East. In our country, the economic and social impacts of the devastating earthquakes which struck in February and affected many provinces throughout the country continued throughout the rest of the year.

The Turkish economy exceeded expectations despite the earthquake which took place in the first quarter of the year and the tightening financial conditions. Our banking sector, which has supported this process with its successful activities, once again demonstrated the strength of its foundations.

At TEB, we stood by all our citizens with the belief that we will overcome the difficult days following the disaster which deeply affected our country with unity and solidarity. We rapidly took action to heal the wounds and contribute to the reconstruction efforts in the region. We managed to round off the year, which started with this disaster and continued with a myriad of economic, social and geopolitical challenges, in line with our Bank's goals.

According to the financial statements dated 31 December 2023, our Bank's total assets expanded by 47.89% to reach TL 406.9 billion. Loans, the most important indicator of the support we provide to the economy and our customers, constituted 51.58% of our total assets. Prioritizing risk management and asset quality as in every period, our Bank's total loans reached TL 209.9 billion with total deposits reaching TL 284.7 billion at the end of the year. As we maintained our stable growth with our strong capital structure, we also increased our profitability in a sustainable manner throughout the year. While our Bank's equity reached TL 35 billion, its capital adequacy ratio stood at 16.82%.

In 2023, we continued to support the real sector with the resources we provided from international institutions. As in the previous year, we supported foreign trade financing in the real sector, providing provided USD 330 million with the renewed syndicated loan within the framework of sustainability performance criteria.

In addition to offering innovative financial solutions in the field of sustainable finance, we have served as a solution partner in our customers' sustainability transformation processes with pioneering transactions, awareness activities and active communication. In line with the Net Zero commitments signed up to by Turkey and our global partner, BNP Paribas, we have focused our sustainable financing transactions on renewable energy and clean transportation. In addition, we contributed to the protection of natural resources and biodiversity by supporting our customers in areas such as waste management and the circular economy.

Throughout the year, we continued to expand our customer base with new products and services designed with a customer-centric approach. We achieved significant expansion in the use of products and services such as deposits, investments, loans and credit cards that we offer, providing services with a practical and solution-oriented approach through all of

our digital banking channels, especially CEPTETEB, our mobile banking platform, and CEPTETEB İŞTE, a basic service channel for our SME customers. In addition, we implemented a number of campaigns under the four main headings of "mobility", "circular economy", "the social", and "environment" in order to raise awareness of sustainability and minimize the environmental impacts of banking activities.

We continued to strengthen the entrepreneurship ecosystem and support entrepreneurs by focusing on enterprise and innovation, which are among the indispensable elements of sustainable economic growth. Celebrating the 10th anniversary of TEB Startup Banking in 2023, we supported our entrepreneurs with our services such as training, consultancy and mentoring in our capacity as one of the leading banks of the entrepreneurship ecosystem, in addition to providing financial support. We also expanded our sphere of influence by further developing our cooperation with other stakeholders in the ecosystem. With our Startup Houses, we offered services to meet the needs of entrepreneurs at different stages, opening new programs for women entrepreneurs and developing services for initiatives that contribute to sustainability for a better future.

We continued to work to strengthen the presence of women business owners and entrepreneurs in the business world and support their inclusion in the economy to promote sustainable economic growth. In addition to the financial support which we specifically offer women business owners, we supported them in areas such as reaching new markets, mentoring and training. Our Bank, which was one of the first participants of the USD 50 million TurWIB package offered by the EBRD to Turkish banks in 2015, also became a party to the EUR 25 million TurWIB II agreement, which will be available for women business owners in 2023. We started to provide the resources provided by this agreement to businesses run by women, primarily those in the areas affected by the earthquake.

As we round off 2023 in line with our goals, we continue to grow steadily in parallel with the strategy of diversifying our Bank's resource structure and increasing medium and long-term debt instruments. We got off to a strong start to 2024, issuing USD 400 million worth of bonds in international markets. The international bond issuance was more than seven times oversubscribed, attracting USD 2.9 billion in demand from over 150 international investors. The issuance, with a ten-year maturity and a call option in the fifth year, offered a yield of 9.375 percent. This issuance, the first transaction carried out by our bank in the international capital markets, attracted the highest level of demand among any conventional Turkish issuance since January 2020. The high level of international interest in the bond issuance also served as an indicator of investor confidence in the Turkish financial market and TEB.

The year 2024 is a period of strategic importance ahead of a period where we expect global competition to increase. With the spotlight returning to growth and productivity again this year, the productive growth strategy will also gain importance this year. We expect 2024 to be a year in which interest rates and inflation gradually decrease in the second half, with the country's economy achieving quality growth.

While supporting sustainable growth by contributing to the country's economy throughout 2023, we strived to add value to all of our stakeholders and create a positive impact in society with our approach of being a "good and exemplary bank". With our work to provide a positive impact for a sustainable future, we will continue to provide our customers with

the best service in the coming period. We believe that we will become stronger in this process with the support of our employees, customers and all of our stakeholders.

I would like to express my gratitude to our employees who contributed and worked so hard to bring about the successful performance which our Bank achieved in 2023, and to all of our stakeholders for the support and trust which they placed in us.

Ümit Leblebici

CEO

THE ECONOMIC ENVIRONMENT AND OVERVIEW OF THE SECTOR IN 2023

The global economy started to recover in 2023, overcoming the disruptions to the supply chain caused by the war between Russia and Ukraine and the negative effects of high food and energy inflation. While the US economy remained resilient in spite of its tight monetary policy and financial conditions, the property sector crisis in China disrupted growth. In Europe, experiencing its deepest energy crisis, economic growth slowed to its lowest level in recent years.

According to its latest report, the International Monetary Fund (IMF) estimated that the European economy, having grown by 3.3% in 2022, grew by 0.5% in 2023 and will grow by 0.9% in 2024, while projecting 2.1% growth for the US economy in 2024. Growth in the global economy is estimated to have stood at 3.1% in both 2023 and 2024, with the growth in 2024 mainly driven by China (4.6% growth) and India (6.5% growth).

In 2023, central banks of developed countries maintained their tight monetary policy to restrain inflation. The US Federal Reserve (Fed) increased the interest rate to a range of 5.25%-5.5%, while the European Central Bank (ECB) raised its refinancing rate to 4.5%. While US economy proved resilient in the face of the interest rate hikes during this period, the European economy proved sluggish. In Asia, China and Japan continued to implement expansionary monetary policies.

The Turkish economy quickly recovered from the effects of the earthquakes in the first quarter of the year and maintained its growth momentum throughout most of the year. Accompanied by restructuring activities, construction and buoyant tourism activity, the services sector was also the driving force of growth in this period. The Medium-Term Program set out growth projections of 4.4% for 2023 and 4% for 2024.

Supportive monetary and fiscal policies were in place until the elections in May 2023, and while government spending increased, the policy rate remained at 8.5%. Inflation remained high during this period. However, in June, the Central Bank of the Republic of Turkey (CBRT) switched to a tight monetary policy and gradually raised the policy rate from 8.5% to 45%. Tax hikes were introduced in July in a bid to step the growing budget deficit.

The Turkish lira started to lose value against the dollar in the second half of the year, from 18.70 at the end of 2022, to over 29.40 by December 2023. The rapid depreciation of the TL had a negative knock-on effect on inflation, sending the annual rate of inflation up to 64.8% in December 2023. The annual rate of inflation is expected to remain high in the first half of 2024 before declining in the second half of the year on the back of the tightening measures taken.

In 2024, geopolitical risks and uncertainties surrounding food, energy and commodity prices will continue to pose risks to inflation. However, a significant improvement is expected in the annual rate of inflation starting from the second half of the year. Foreign demand is expected to recover and support exports in this period, with domestic demand on course to soften, paving the way for a narrowing in the current account deficit.

Turkish Banking Sector Key Indicators		
	December 2023	December 2022
Assets	TL 23.52 trillion	TL 14.34 trillion
Active Loans	TL 12.06 trillion	TL 7.76 trillion
Marketable Securities	TL 3.97 trillion	TL 2.37 trillion
Deposits	TL 15.75 trillion	TL 9.32 trillion

TÜRK EKONOMİ BANK'S PERFORMANCE IN 2023

IN GENERAL

Presented below is a summary of TEB's shares of the banking industry's basic indicators as of 31 December 2022 and 31 December 2023 together with information about changes in those shares.

Looking at the highlights of the Bank's performance in 2023 as compared with that of 2022 we observe that:

- Total assets increased by 47.89% in 2023.
- Shareholders' equity reached TL 35,045 million.
- Total deposits accounted for a 70% share of the Bank's balance-sheet.
- Total loans, which is the most significant indicator of the Bank's support for its customers and the economy, has been TL 209.9 billion in 2023 which represents 51.58% of total assets.
- Loan-to-deposit ratio has been realized as 73.71%, capital adequacy as 16.82% and return on equity as 39.39%.

TEB'S POSITION IN THE INDUSTRY

(TL million)	31.12.2023		
	TEB	Industry	TEB's share (%)
Total Assets	406,919	23,519,337	1.73
Total Performing Loans	207,704	12,062,489	1.72
Total Deposits	284,746	15,754,123	1.81
Number of Branches	444	10,949	4.06
Number of Employees	8,333	208,623	3.99

Source (for industry figures): BRSA's December 2023 monthly bulletin

AWARDS

In 2023, TEB claimed numerous awards on the national and international arena for its projects and initiatives as it did in previous years.

AWARD	CATEGORY / RANKING	PRODUCT / SERVICE
RETAIL BANKING		
Türkiye Customer Experience Awards 2023	Customers at the Heart of Everything over 5000 Employees - Gold Medal	TEB Retail and Affluent Banking Marketing and Customer Experience
Contact Center World 2023	Best Contact Center	TEB Call Center
Contact Center World 2023	Best Innovation in Technology	TEB Call Center
Contact Center World 2023	Best Improvement Award-External Consulting/Training Service	TEB Call Center
PRIVATE BANKING		
Euromoney Private Banking and Wealth Management Awards 2023	Best International Private Bank 2023	TEB Private Banking
World Finance Awards 2023	Best Private Bank in Turkey	TEB Private Banking
International Finance Awards 2023	Most Innovative Private Banking	TEB Private Banking
SME BANKING		
Global Business Excellence Award	Outstanding Innovation	Atlas / E-Invoice Financing
CORPORATE AND CORPORATE INVESTMENT BANKING		
Global Finance / Best Treasury and Cash Management Award 2023	Best Cash Management Bank in Turkey	TEB Cash Management
2023 Euromoney Cash Management Non-Financial Institutions / Large Companies	Best Serving Bank of Turkey	TEB Cash Management
Global Finance Magazine Sub-Custodian Bank Award	Türkiye - Best Sub-Custodian Bank	TEB Securities Services
Global Custodian Agent Banks in Emerging Markets 2022 Survey	Global & Category Outperformer	TEB Securities Services
HUMAN RESOURCES		
Top Employer Europe / Top Employer Turkey	The Best Employer of Turkey and Europe	TEB

CORPORATE AND CORPORATE INVESTMENT BANKING GROUP

CORPORATE BANKING GROUP

TEB Corporate Banking Group offers high value-added products and high-quality services to medium- and large-scale domestic and international companies, conglomerates and holding companies with an annual turnover of TL 300 million and above.

The priority focus of TEB Corporate Banking Group for 2023 was shaped around the goal of digitalizing the services rendered to its clients.

TEB Corporate Banking products and services

- Trade finance
- Working capital and investment loans
- Cash management and risk management products
- Standard and derivative treasury products
- Corporate investment banking products
- Commodity finance
- Project finance

TEB delivers its privileged and high-quality services tailored in line with its long-term customer relations approach through a total of 11 corporate branches, 5 of which are located in İstanbul.

The Bank provides its services through its sales, cash management, foreign trade centers staffed with experienced specialists and an organization specifically designed for multinational companies. In its Corporate Banking business line, TEB is backed also by the synergy created with the global network of its shareholder, BNP Paribas.

In line with its goal of being “the first bank that comes to mind of customers” in the Corporate Banking business line, TEB will resolutely carry on with its new product and service solution developments.

Privileged services to multinationals

TEB is the first bank in Turkey to set up a Multinationals Desk. Since 2006, the Bank has been offering service to resident subsidiaries of multinational companies.

For these services, TEB makes use of the synergetic cooperation developed under the BNP Paribas “One Bank for Corporates” initiative, as well as its own extensive network of domestic branches in Turkey.

The Multinationals Desk services İstanbul-based companies backed with foreign capital out of its Multinational Companies Corporate Branch. Foreign companies based outside of

İstanbul, on the other hand, are furnished service by dedicated specialized teams at corporate branches and at the Head Office.

TEB seeks to be the main bank with which all multinationals with operations in Turkey prefer to work as almost 1,300 multinationals from 45 countries already do.

In all its activities, TEB matches the highest level of service quality and standard that global partners of foreign-capital companies receive from BNP Paribas at the maximum extent permissible under the applicable legislation in Turkey.

GLOBAL TRADE SOLUTIONS

TEB is a differentiated and specialized bank in foreign trade.

At over 100 locations, Trade Centers of BNP Paribas add to TEB's competitive strength in foreign trade and further strengthens its position as Turkey's international bank.

TEB not only offers solutions for rating needs of its clients required by their projects in foreign countries in cooperation with BNP for letters of guarantee but also furnishes end-to-end consultancy during the process via its specialized teams.

TEB maintains correspondent relationships with more than 1,000 banks located all over the world. Expanding its correspondent network in line with customer needs, the Bank also makes use of the strong correspondent network of BNP Paribas.

TEB supports its customers in import and export transactions with the support of BNP Paribas's strong and wide reaching presence, especially in Germany, the Netherlands, France, Italy, Belgium and the UK in Europe, as well as in America, China and North African countries, in particular Morocco and Algeria.

TEB's market share in non-cash foreign currency loan usage climbed from 4.70% in 2021 to 5.92% in 2022 and 6% in 2023.

Money transfer service via correspondents

Through its correspondent network, TEB facilitates money transfer services for its customers that require transferring money in local currencies of different countries owing to their investments in such countries.

Possessing the capability to make money transfers in different currencies to numerous different countries in the world in line with customer needs, TEB offers competitive prices to customers carrying out bulk money transfer through its strong correspondent network.

TEB Foreign Trade Centers

The first of its kind in foreign trade finance and foreign trade consultancy in the Turkish banking industry, TEB Trade Centers operate in Adana, İstanbul and Bursa provinces. The trade centers develop the foreign trade finance solutions best suited to customers' needs drawing on TEB's and BNP Paribas' trade finance expertise and extensive correspondent networks.

The first bank to offer structured commodity financing credit in Turkey

TEB initiated lending against electronic product certificate (ELÜS) via the infrastructure it has brought to completion in 2017, breaking new ground in Turkey.

Another solution TEB offers to exporters is rediscount loan opportunities the Central Bank of the Republic of Türkiye (CBRT) allocates to Turkish exporters.

Specialized consultancy services to foreign trade customers

TEB provides its customers with specialized consultancy services related to their foreign trade and investment activities.

In addition, TEB also works with sectoral and regional exporters' associations, chambers of commerce and industry, organized industrial zone directorates and similar organizations to provide practical foreign trade training and seminars on foreign trade issues that are designed to meet the particular needs of firms in different parts of the country.

Setting itself apart with its strong foreign trade services

With the advantages offered by BNP Paribas' global network and the contribution of its strong correspondent banking network, TEB offers importers investment financing for raw material supply and machinery at affordable terms and preferential costs. TEB's team of specialized foreign trade customer representatives ensure excellence in the quality of the service offered, while the investments and system improvements carried out by the IT unit reinforce the speed and continuity of the services offered to customers.

Within the scope of the loan protocol signed in September between the Turkish Exporters Assembly (TİM) and 11 banks, including TEB, a loan of EUR 59.8 million was rapidly disbursed with support provided to exporters which contribute to the Turkish economy. TEB maintains its cooperation with customers for new uses within the scope of the protocol.

Providing financing opportunities to its customers with appropriate maturities and preferential costs, TEB also effectively mediates in its customers' access to EXIM and CBRT-sourced loans. A total of TL 2 billion in CBRT rediscount loans were extended in 2023.

Work in digital banking reflected to foreign trade solutions

The new Foreign Trade Platform was offered to customers within the scope of the New Corporate Internet project. Improvements and innovations were carried out on the Corporate Website, taking into account changing habits in customer internet banking and the use of digital tools. With the online IBKB (Export Price Acceptance Certificate) service, customers could again quickly carry out their transactions through the internet banking channel.

SUSTAINABILITY MANAGEMENT

A solution partner aiming to inspire the transformation of its customers

TEB continued to support its customers in their sustainability journeys in 2023. In addition to offering innovative financial solutions, the bank organized various customer events focused

on inspiring its customers and contributing to their transformation with its expertise through pioneering transactions, awareness activities and active communication.

In 2023, TEB concentrated its sustainable financing transactions in the fields of renewable energy and clean transportation, in parallel with the Net Zero commitments set out by BNP Paribas and by Turkey at a national level. In addition, the Bank contributed to the protection of natural resources and biodiversity by supporting its customers in areas such as waste management and the circular economy.

In addition to offering sustainability-themed financing, TEB took on the role of "Green Loan Coordinator" in the green syndication loan which it carried out for a corporation in 2022 with the participation of five different banks. The resources provided from the syndication will be used to finance green projects, and are expected to have a positive impact on the environment.

TEB has also undertaken an important development that will develop its dialogue with its customers on sustainability. In 2023, a detailed study was carried out to create a sustainability profile of all major corporate customers. TEB, which determines its customers' strengths and areas open to development in accordance with international standards and the framework of rating agencies without any restrictions on the basis of transactions or amounts, aims to become a solution partner for its customers in their sustainability journey in the coming period, drawing strength from these activities.

As a part of the sustainable finance ecosystem in Turkey, TEB participated in various events in 2023 and contributed to the development of awareness. The Sustainability and Climate Summit and TAIDER North Star Sustainability Awards events, sponsored by TEB, brought thought leaders and corporations together.

Through such events addressing all its stakeholders, the Bank will continue to create the platforms for its stakeholders to consider their future needs associated with sustainability transformation.

CASH MANAGEMENT

Value-added services and digital solutions focused on financial needs

TEB Cash Management unit continues to meet customer needs with solutions supported by its ready-made and innovative technological infrastructure which geared towards the financial and technological transformation.

In 2023, the TEB Cash Management Unit developed and diversified its supplier financing models and offered integration with platforms providing serving fintechs.

The digital developments offered to TEB customers included the IBAN verification service, which takes customers' payment security one step further and provides a smooth money transfer experience, was offered to individual and legal customers.

Targeting to offer convenience for customers' short-term operating capital requirements that they require within their payment and collection cycles, TEB Cash Management will expand its product range with the addition of the Stock Finance product in 2024.

TEB's Cash Management unit reinforces its leading position in the field through collaborations with fintech organizations that offer innovative technologies in the competitive payment and electronic money services segment. The Bank therefore has the opportunity to expand its service ecosystem by providing cash management services to customers of the institutions and organizations which it is integrated with, in addition to its own customers.

2 different awards in the Best Cash Management Bank of the Year Category

In the World's Best Treasury and Cash Management Banks Survey 2023 conducted by Global Finance, one of the prestigious publications followed up closely by the finance community, TEB was named the "Best Cash Management Bank in Turkey".

The TEB Cash Management Unit also won the first prize in the "Best Serving Bank of Turkey" category in the large-scale companies category in the 2023 Cash Management survey organized by Euromoney.

PUBLIC BANKING

Cooperation focused on value generation

Since 2017, TEB has been carrying out its efforts to expand the scope of business with the public sector and to create new cooperation areas via its Public Banking Department.

The Bank fulfills the public institutions' needs in foreign trade, structured trade finance, cash management, and alternative funding facilities with longer term and lower-cost funding enabled by BNP Paribas' industry expertise and support.

The Public Banking Department offers other banking products to Public Economic Enterprises and local administrations besides providing them with low-cost and long-term funding.

In 2023, TEB Public Banking diversified its public institutions portfolio with new additions, and gave them access to alternative financing instruments such as bond issuances in accordance with their medium-and long-term strategies, primarily through capital markets.

Additionally, TEB provided medium- and long-term credit finance to "Green and Sustainable" investments of municipalities in particular.

MARKETING AND BUSINESS MANAGEMENT ACTIVITIES

Transformation projects backing strategy and goals

TEB Corporate Banking carries out marketing and business management activities in parallel with the sales and marketing strategies.

These activities include oversight of action plans devised, conducting transformation projects backing strategy and goals and detailed analyses in improvement areas, and management and reporting of improvement projects for identified processes.

In 2023, the processes were reviewed and “digitalization” was made the main focus in line with the principles of operational excellence and ensuring customer satisfaction by increasing the commercial time of employees.

CUSTOMER SUPPORT THROUGH VARIOUS CHANNELS ENABLED BY STRONG SYNERGY

Strategy: “Creating value for all stakeholders”

TEB Corporate Banking has adopted a customer-oriented approach in the product and service processes it offers to its customers. Accordingly, in 2023 the Bank further developed and persevered with its strategy of “creating value for all stakeholders” that promotes its target of flourishing the value proposal offered to its customers.

TEB continued to provide end-to-end solutions to corporates at all business lines, including their whole ecosystem with a holistic approach offering TEB Group’s range of financial and non-financial products and services as well.

Backed by the synergy with BNP Paribas

TEB Corporate Banking continued to further solidify the value offered to customers, including those needing investment banking products, by taking advantage of the strong international network and product line of BNP Paribas.

In this context, TEB provided the following high value-added services:

- support for commercial and investment activities
- local and international resources for the funding of foreign trade activities
- financial advisory
- M&A advisory
- project finance facilities
- intermediation of domestic and international borrowing instrument issuances or public offerings

Multiple synergy with business lines and subsidiaries

TEB conducts synergy-based business development activities involving the Bank’s other business lines, in order to create value for corporates in all areas of activity they are engaged in such as agricultural banking, consumer finance, payment systems with card and POS services, solutions for dealers, corporate finance and salary agreements.

TEB’s domestic and international product and service variety stands out in its services provided through its affiliates as well:

- TEB Arval offers its international experience to the fleet management sector as a solution partner for Corporate Banking customers' fleet management activities and provides fleet rental services to more than one million vehicles worldwide,
- BNP Paribas Leasing Solutions provides financial solutions to Corporate Banking customers for their investments in equipment and real estate,
- TEB Faktoring provides services in domestic and international factoring industry with an experience of more than 20 years and it has been awarded as the Best Export Factoring Company for the 7th time by the world's largest factoring chain Factors Chain International.
- TEB Investment carries out mediating activities for its customers' public offerings, debt instruments, domestic and international transactions and provides investment consultancy services,
- TEB Portfolio provides alternative fund management services for its Corporate Banking customers and many funds, in which it is the founder and director,
- BNP Paribas Cardif Pension offers a range of advantageous fast and high-quality services to its customers in meeting their group pension and insurance needs".

Amid the volatile market conditions of 2022, TEB carried on with product, service and solution developments for Corporate Banking customers through the Group companies.

In addition, training programs were continued to be planned and executed in coordination with the Human Resources Department, which are designed to contribute to the development of the Bank's employees, and to equip them with the knowledge and competencies that will help achieve the strategy and goals.

In addition to strategy and project management coordination, budget management and financial performance of Corporate Banking segment are monitored and reported, and in this context, support is provided for data supply in relation to sales, marketing and analysis activities of branches and related teams.

Activities are carried out under the Corporate Banking organization to achieve full compliance particularly with the national and international legislation for prevention of laundering proceeds from crime and with the TEB and BNP Paribas Group procedures. To this end, implementations, examinations and training activities are managed in coordination with branches and related teams.

CORPORATE INVESTMENT BANKING GROUP

International debt and capital markets products

Operating since 2011, TEB Corporate Investment Banking Group provides Turkish companies targeting strategic business opportunities at home or abroad with consultancy support that will cater to such pursuits. TEB Corporate Investment Banking Group business unit supports this service with loans and capital market transactions.

The Group carries out customer-oriented activities in the fields of Financial Markets, Financial Institutions, Large Corporate Groups and Firms Management, Large Corporate Groups Finance and Corporate Finance and Strategic Business Management.

The Corporate Investment Banking Group targets to deliver customized international solutions with high added value to customers in a fast and effective manner. To this end, international gains are achieved with the support derived from BNP Paribas' financial strength competency in global products.

In 2023, TEB Corporate Investment Banking Group successfully sustained its development despite the increasing competition and toughening market conditions. In borrowing and international market transactions realized by the targeted clients, BNP Paribas' wide range of products and geographical network has been efficiently utilized.

A gateway to overseas markets

In a year when corporate firms and financial institutions were inclined to diversify their resources, the Corporate Investment Banking Group continued to offer international debt instruments to its customers and brought them together with international investors.

Global Markets continued its operations in changing and developing global markets in a strong and sustainable growth trend in 2023.

Using domestic and foreign markets effectively, TEB Financial Markets business line kept generating original and tailored solutions for managing currency, interest and commodity risks, as well as for demands for transactions for deriving returns in a wide range of instruments such as spot, swap, options and structured derivative products. In addition, with its customer-oriented approach, it aims to provide fair, transparent and competitive pricing in all the solutions it offers.

In 2023, customer needs were met with strong cooperation with all business lines, and risks arising from dynamic market conditions were managed with a strong control framework. In addition, we focused on new generation digital solutions that would maximize the customer experience while providing a fast and effective service to customers through different channels.

Special financial solutions for large corporate customers

The Large Corporate Groups and Companies Unit manages all kinds of banking transactions for Turkey's leading large customer groups and companies, drawing on BNP Paribas' extensive global network, while creating appropriate financing conditions (such as bonds, public offerings, project financing, acquisition financing and sectoral specific financing solutions), providing the necessary support.

The bank aims to offer the maximum level of high value-added products and services to both TEB and BNP Paribas by improving high-level relationship management with its customers. The department also envisages strengthening the cash flows of its customers by producing different financing solutions, determining policies to become the cash flow banks of companies and managing these policies efficiently.

With the "Innovative Institutions" structure implemented in the recent period, companies which offer an innovative business model, focus on technology, grow rapidly with investment capital and go global are provided with both local and global financial and strategic solutions.

The structure of the Large Corporate Groups and Companies Unit reflects the model in place in the global organization of BNP Paribas and applied in different countries to Turkey.

A pioneer in sustainability as well

TEB remains focused to overrating financing needs associated with sustainability.

In 2023, TEB Corporate Investment Banking participated in the financing of numerous investments producing a sustainability impact such as clean transportation, circular economy, waste management and so on with a particular focus on renewable energy and energy efficiency.

In the reporting period, the Department has become idea partners with multinational companies with investments in Turkey and acted as an advisor to these companies in major projects thanks to the Bank's broad client network.

TEB owns a structure that meets all the customer needs in Investment Banking.

The Corporate Investment Banking Group is a structure that combines TEB's power in the local market with BNP Paribas' financial strength, position in global finance markets, expertise and experience in capital markets, structured finance and consulting.

Capable of single-handedly responding to a corporation's all requirements in these areas; the Corporate Investment Banking is integrated into TEB's client portfolio and BNP Paribas' product range. This allows the Group to benefit from both the growing network of TEB clients and the strong global product specialists at BNP Paribas.

Sustainability-linked syndicated loan

TEB continued to support the real sector in 2023 with the resources it accessed from international institutions.

The sustainability-themed syndicated loan, consisting of two tranches of EUR 236.5 million and USD 79.25 million, was rolled over in 2023 within the framework of sustainability performance criteria.

The loan, rolled over at a rate of 125%, was signed on 30 October 2023 with a maturity of 367 days.

The all-in cost of the facility that will be used towards the general financing of foreign trade is set as Euribor+3.25% for the Euro tranche and as Sofr+3.50% for the USD tranche.

Money transfer services at special costs

TEB provides money transfer service at competitive special costs to its customers its customers requiring transfers in the local currency of different countries due to having investments in these countries, thanks to its strong correspondent network.

TEB SECURITIES SERVICES AND TL CASH CLEARING

Significantly increased assets in custody services

TEB Securities Services and TL Cash Clearing is part of Corporate Investment Banking Division. The department offers post-trade solutions for capital markets related operations and new products to non-resident financial institutions, foreign custodians, institutional investors and issuers of capital market instruments, with a consultancy approach.

Having completed its 16th year in the industry in 2023, TEB has been providing local custody and settlement services in cooperation with BNP Paribas Securities Services, which is Europe's largest custodian bank, as a continuation of services that were originally established by BNP Paribas in Turkey back in the 1990s.

The department also offers post-trade services for its customers' needs pertaining to capital market instruments, which may arise subsequent to their investment and financing decisions.

In addition, TEB Securities Services and TL Cash Clearing also provides TL correspondent account service to non-Group banks and financial institutions.

In 2023, Securities Services Department preserved its second place among the banks offering interbank TL payment service.

Upon the win of the custody mandate of a large financial group and several corporate clients, the Department significantly augmented the assets in its custody and upped its market share in custody banking.

TEB Securities Services and TL Cash Clearing provides the following services;

- Settlement and custody services for equities, debt instruments and other capital market instruments,
- Account operator services for International Central Securities Depositories' omnibus accounts in Turkish market,
- Collateral and cash management services for derivatives,
- Securities borrowing/ lending transactions,
- Outsourcing services for brokers,
- Escrow and collateral management services,
- Debt instrument, certificate and warrant issue-related operations and payment services,
- Account operating services for issuers' central registry agency accounts,
- Individual custody, collective portfolio custody and funding services for portfolio management companies.
- TL Cash Clearing services to non-resident foreign bank groups.

Having the global perspective with a pioneering and client-focused approach TEB remains the choice of clients seeking more than a custodian bank for post-trade services in capital markets and TL Cash Clearing services.

Securities Services and TL Cash Clearing Department reproduced its previous successful performance in existing products and services in 2023, winning new customers and successfully handling its customers' transactions.

The department consistently ranked first in the surveys conducted by the market's leading institutions in 2023, which polled customers' opinions and scores. This success has been awarded by various institutions:

- Global Finance Magazine (Sub Custodian Bank Award)- Best Sub-Custodian Bank Award 2023
- Global Custodian Agent Banks in Emerging Markets 2022- Global & Category Outperformer

TEB Securities Services and TL Cash Clearing monitors all the developments realized by regulatory bodies, namely Capital Markets Board of Türkiye (CMB), Takas İstanbul (İstanbul Clearing, Settlement and Custody Bank Inc.), Borsa İstanbul (BIST), Merkezi Kayıt İstanbul (MKK - Central Securities Depository of Türkiye) and the Banking Regulation and Supervision Agency (BRSA) from legal, technological and operational aspects. The department provides solutions to client needs on the securities services business with investments in new products and technology.

Making use of these developments as an opportunity to cooperate with clients and developing joint projects with them, the department stands out from the competition with its investments aimed at achieving operational excellence with priority given to helping its clients expand their businesses.

As a pioneering post-trade services provider, the objective of the department is to implement innovative solutions that will contribute to the development of the capital markets and the Bank.

Within the scope of efforts to become a leading institution in the market and to develop capital markets, joint project development studies with BIST, Takas İstanbul, MKK and Turkish Capital Markets Association (TCMA) continued in 2023.

New product and cooperation development efforts

New product and cooperation development efforts were carried on throughout 2023 that saw major developments take place in the Turkish capital markets. The product approval for Issuance and Payment Services for Covered Warrants was received during 2022, and was introduced to customers in 2023.

In 2019, long-awaited omnibus account structure for International Central Securities Depositories (ICSD) was launched. Omnibus account structure is compatible with working principles of ICSDs. With the aim of developing the Turkish capital market, this account structure continues to be introduced to eligible customers.

In 2023, the department further expanded its customer portfolio by improving the correspondent banking service it provides to financial institutions.

Contacts with Takasbank (İstanbul Settlement and Custody Bank Inc.) and communications with customers regarding the market's operation continued also in 2023. General clearing membership both on the equity market and on the derivatives market, European Securities and Markets Authority (ESMA) application within the scope of CCP (Central Counterparty) status and services that can be rendered in association therewith continued to be discussed.

Competent collaboration with TEB affiliates

TEB Securities Services and TL Cash Clearing also works in close collaboration with other TEB affiliates active in capital markets.

In particular, the services related to BIST Futures and Options Market offered in partnership with TEB Investment has brought considerable success with increasing transaction volumes and number of customers in 2023.

SME BANKING GROUP

The "Consultant bank" of SMEs

TEB SME Banking continues to add value to SMEs with its non-financial products and services, as well as the effective financial support it provides with its "consultant bank" approach.

TEB SME Banking is focused on providing services tailored to meet the needs of customers of different sizes with different product and service needs. Operating in the fields of SME, Enterprise, Gold and Local Government Banking, the Group also provides information, training and cooperation support to its customers in addition to financial products.

Drawing on the synergy of BNP Paribas' global service network, TEB supports the investments undertaken by its export customers to increase employment and trade volumes. In cooperation with BNP Paribas, TEB provides long-term and cost-effective financing support to its customers, both for the letters of guarantee required for their international projects and for financing to be used in machinery investments.

Need analyses were performed for exporters that have a strategic importance for the Turkish industry and customized product and service models were designed accordingly. Advisory needs of foreign trade customers continued to be fulfilled by expert teams. SMEs were provided with the chance to penetrate foreign countries through Global Trade Solutions, while foreign trade customers were offered alternative financing solutions.

The TEB SME Banking unit supports the sustainability activities of SMEs by raising their environmental and social responsibility awareness. The TEB SME Banking unit supports projects that have a positive impact on the environment and society. Within the scope of sustainable finance, TEB SME Banking offers financing solutions for SMEs and municipalities in the financing of green projects such as renewable energy, energy efficiency, the circular economy, waste management and renovation projects aimed at reducing carbon emissions.

Increasing the share of sustainability-themed loans in total loans is one of the SME Banking Unit's priority goals for 2024.

TEB SME Banking entered a new collaboration with İhracatı Geliştirme A.Ş. (İGE) to provide financial support to SME exporters in 2023. The cooperation is aimed at mediating with SME exporters which need collateral for additional loans to benefit from the opportunity for loans backed by 80% HDI guarantee support.

The SME Banking Group serviced customers also with ELÜS (Electronic Product Certificate) loans, as well as credits entailing grace periods.

A special collaboration was established with TÜRİB in 2023 in regard to ELÜS services for Agricultural Banking customers.

TEB SME Banking was awarded Global Business Excellence Awards with the new projects it developed within the scope of Innovation.

MUNICIPALITY BANKING

TEB Municipality Banking Department kept taking place among the main banks of municipalities in 2023. Allowing municipalities to obtain financing more easily thanks to its custom-tailored business model, the department contributed to faster realization of substructure and superstructure investments of municipalities.

GOLD BANKING

TEB continues to add value to its customers with its expertise in the gold and jewelry sector, accessibility and products that make a difference in the sector.

TEB Gold Banking continued its activities in 2023, its 25th year of operation, with the aim of offering alternative investment tools to manufacturers, wholesalers, exporters and retailers in the Turkish jewelry sector and allowing them to expand their investment portfolios, generating the most cost-effective solutions in the long term.

START-UP BANKING

Unwaveringly expanding its support for innovative business ideas for 10 years

Celebrating its tenth year of operation in the field of Enterprise Banking, TEB has been providing significant contributions to the entrepreneurship ecosystem by supporting innovative business ideas throughout Turkey with its pioneering work since 2013.

Startup Banking continued to strengthen the ecosystem by working on future projects in cooperation with the Turkish Exporters Assembly. In order to strengthen its bond with entrepreneurs, the Bank continues to provide support in matters such as consultancy, mentoring, promotion and marketing, in addition to the financial support it provides to entrepreneurs.

Enterprise Houses, run in cooperation with the Turkish Exporters Assembly, operate in seven provinces - Istanbul, Ankara, Izmir, Bursa, Mersin, Denizli and Gaziantep.

TEB supported 200 startups with training, consultancy and networking through Step Up and six different acceleration programs run as a BiGG Implementing Organization, along with two newly opened vertical programs. In addition, more than 100 business ideas were provided with TL 16 million of support.

In addition to the Start Up Program for early stage startups, work on the Level Up Program, which supports the growth phase, as well as the Global Up Programs for startups with export potential, call periods for acceleration programs in the Women Up, Green Up and Fintech verticals were completed.

A total of 5,500 hours of training and 800 mentoring meetings were held at the Turkish Exporters Assembly-TEB Enterprise House during 2023. The 2,000 graduate enterprises attained turnover of TL 5.3 billion and export volumes of USD 200 million in 2023, attracting approximately TL 700 million of investment by the end of the year, with 13,000 jobs created. 19 corporate company representatives and 25 Enterprise House entrepreneurs supported within the scope of the cooperation with the Turkish Exporters Assembly came together under the S2C programs in Istanbul.

The training under the Advanced Entrepreneur Support Program, organized jointly in Ankara in cooperation with KOSGEB, were held at METU's Cozone campus. In addition, a joint event was organized with TEB's partner from the French startup ecosystem, La French Tech, and information and experience regarding startup visas and opportunities were shared with Enterprise House companies.

RETAIL AND PRIVATE BANKING GROUP

“To be the most recommended bank”

TEB’s Retail and Private Banking Group continued to expand its customer base in 2023 with the contribution of new projects, new products and services designed with a customer-centric approach.

While there was a significant expansion in the range of services, offers and communication through digital channels in this period as a result of all the work carried out, digital banking applications were rapidly developed, paving the way for a significant expansion in the use of products and services such as deposits, investments, loans and credit cards offered through digital channels.

Targeting to be the “most recommended bank”, TEB continued to listen to its customers through various channels and to measure the quality of experience.

In 2023, the quality of the customers’ experience with TEB, the degree of their satisfaction with products and services, and the level of their recommendation of the Bank were measured by independent research companies using the NPS (Net Promoter Score) methodology.

One of the top three banks for the sixth year

Since the beginning of the year, TEB has listened to the voice of nearly 200,000 customers through different channels - CEPTETEB, Call Center and Branches, analyzing customer needs in depth and closely following up on their journeys. To this end, TEB has carried out infrastructural and methodological improvements to provide a better customer experience, achieving solutions that will enable differentiation in the sector.

TEB also keeps investing in CRM, big data, analytics and real-time interaction technologies for gaining a better insight into customer needs and responding to expectations with correctly-timed personalized offers.

TEB will continue to offer products and services that provide an uninterrupted and better banking experience for new and existing customers by widely using digital channels in the coming period.

Priorities for 2023

TEB determined its priorities for the Retail and Private Banking business line in 2023 as follows;

- To offer the highest level of customer experience,
- To digitalize the products and services it offers its customers by developing digital transformation solutions,
- To increase the number of active customers in every segment,
- To offer products and services tailored to the needs of customers in each segment by

strengthening the Bank's marketing activities,

- To continue to provide services in the dealer network of strategic partners through the group company, TEB Cetelem,
- To encourage customers to invest their savings in TL deposit products by offering alternative deposit products,
- To deepen loan products in different channels and media by offering consumer loan products for both existing and new customers,
- To deepen cooperation with brands by offering the car loan product to new and existing customers both through the branches and the contracted authorized dealer channels.

A high value proposition for pensioners and salary customers who receive their payments through TEB

When it comes to pensioners or salary customers who receive their salary payments through the Bank, TEB further enriched its range of offers for needs of these individuals through the campaigns offered throughout the year for those who transferred their salaries to the Bank.

Engagement renewal process for pensioners was developed for CEPTETEB Mobile and CEPTETEB Internet Branch so that pension account customers can take advantage of the most recent promotional amount that is up-to-date.

The CEPTETEB Time Deposit campaign offering pensioners special interest rates continued in 2023. In addition to pension customers who receive their salary payments through TEB, a campaign was carried out to provide also salary customers with the opportunity to carry out commission-free stock transactions through TEB Investment, thus providing added value in share sale and purchase transactions.

TEB intermediates the salary payments of numerous large corporate and public sector companies with the target of being "one of the most preferred banks" for salary payments.

Salary customers, who receive their salary payments through TEB remain one of the most important pillars of TEB's customer base, with an 89% digital channel usage rate among active customers in this group in 2023.

Diversified opportunities in consumer loans, with increased ease of usage

In consumer loan financing, TEB is focused on offering special advantageous interest rates to new customers and becoming the first choice financing source for existing customers for their new needs. TEB has enhanced its effectiveness and collaborations, especially in the digital environment, in the "credit from the point of sale" (E-SNK) channel. We actively work with Turkey's leading e-commerce sites and marketplaces, and efforts on integration continue.

The Bank has prioritized new channels and collaborations in the car loan product. TEB, which had only offered loans through its branches in past years, has added a new car loan product to its portfolio by integrating the application and disbursement processes in contracted automotive authorized dealer channels into its existing loan products. TEB Auto Finance car loans are offered within the scope of cooperation agreements with brands operating in the Turkish automotive market, with the sale of new and second-hand car sales of contracted brands supported through authorized dealers spread throughout Turkey as part of the campaign.

The TEB Auto Finance product was structured by taking into account the digitalization targeted by TEB in all of its channels, and a significant range of digital application opportunities was provided to individual and legal customers in the dealer channels.

With its TEB Auto Finance product, the bank aims to be active in a total of 250 automotive sales points for four brands by the end of 2024.

An approach that adds value to customers' savings

The Currency Protected Deposit Account, which protect savings based in Turkish Lira from changes in exchange rates, was a key product during 2023.

To protect its individual and commercial customers residing in and out of the country, TEB quickly introduced "Currency-Protected TL Term Deposit Account", "FC Deposit Converted into TL Term Deposit Account", "Gold Account Converted into TL Term Deposit Account" and "YUVAM Account" products, which let customers earn interest while being unaffected by potential changes in exchange differences.

As a strategic approach, TEB protected its customers holding savings denominated in TL from exchange rate risk and encouraged those customers holding foreign currency deposits to save in TL.

TEB maintained its efforts to change the savings habits of its customers with the Marifetli Account, which is aimed at popularizing and expanding the habit of saving. The Marifetli Account not only allows customers with overnight term deposits to see their money grow day-by-day with special interest rates for savers, but also allows them to deposit or withdraw money at any time.

Marifetli Account offered advantageous interest rates to savers throughout 2023 with its attractive campaigns.

In order to instill a habit of saving among young people, the Global Young Account, a sub-product of Marifetli Account, offers customers the chance to earn interest at the lower limit of 100 TL, Euros, dollars or pounds. This has helped young people earn income with small balances they have saved, offering them the chance to gain an awareness of saving at an early age.

A differentiated value proposition for the middle-upper income group

TEB Affluent Banking aiming to differentiate the value proposition it offers its customers in the middle-upper income group at 2023, and Affluent Banking threshold was raised to TL 300,000, thus focusing on potential affluent customer groups under Affluent Banking. As of the end of 2023, there had been an increase of 74% in the number of TEB Affluent business line customers compared to the previous year.

With the target of being the customers' main bank, TEB Affluent Banking set a more investment-focused strategy that is in line with the view of customers' risk and return understanding.

In this context, the provision of service to TEB Affluent Banking customers with Affluent portfolio managers is aimed at providing an improved service experience for each customer.

Special training was provided to Affluent portfolio managers in this context with a centralized portfolio management team structured at the Head Office. With the contribution of a specialized team providing remote support, the aim is to prepare and offer detail responses provided to meet the needs of customers.

Furnishing renewed financial and non-financial privileges with a holistic banking concept, TEB reinforced customer loyalty in 2023.

TEB started to offer more investment-oriented services to Affluent Banking customers, focusing on products and services such as Investment Consultancy, funds created according to different risks and expectations, the FX platform and stocks.

The services and privileges offered within the scope of CEPTETEB played an important role in 82% of the activity carried out by Affluent Banking customers being carried out digitally.

Special products and services tailored for professional groups

TEB provided a monthly contribution advantage of up to TRL 400 to the "Lawyer Package", provided lawyer customers top up their bar association card or the relevant amounts are submitted to TEB through the UYAP system, which is the infrastructure for judicial processes. The total assets of customers with a Lawyer Package increased by approximately 2.5-fold compared to lawyers without such a package.

In line with its goal of becoming the main bank for lawyers, TEB reached an agreement with 54 bar associations in Turkey and encouraged the bar associations to refer lawyers to TEB.

The Bank targets to keep further enhancing the packages customized for lawyers and maintain its market leadership in 2024.

An approach that removes barriers to accessing services

Since 2014, TEB has been working to make its branches and other service outlets capable of offering service under “Accessible Banking”- concept. With its initiatives, the Bank has been eliminating the barriers to accessing banking services and letting its customers with disabilities to easily perform their banking transactions.

TEB offers service to its visually impaired customers out of 378 branches, via all the TEB ATMs and 41,813 POS devices, and to its orthopedically-handicapped customers out of 340 branches and via 803 ATMs. The Bank offers prioritized service to its customers with disabilities through its other channels as well.

The TEB difference in insurance products

Providing solutions to meet the need of customers, TEB continues to work within the scope of its long-term strategic cooperation with BNP Paribas Cardif in the life insurance and private pension branches and with Zürich Insurance in the non-life insurance branch.

In order to ensure fast and easy access to insurance products and services for TEB customers through all distribution channels, necessary business processes have been improved and digitalization projects have been prioritized.

In a bid to enable the development and growth of the insurance industry, the Bank transformed insurance offers and processes for legal and commercial customers, which had previously been carried out with wet signatures, into processes to enable the production of policies with digital approval within the current business processes. TEB completed systemic developments that enable customers to make their policy renewal preferences with digital confirmation.

By closely following trends in the insurance industry, market research was conducted to determine the new insurance needs of customers, and the coverage and content of credit-free insurance products in TEB's current product range were updated in line with the determined needs. In this vein, many new additional areas of coverage and assistance services, including earthquake coverage, were added to the products.

Credit Card Protection Life Insurance, which guarantees TEB customers' individual credit card debts against the risks of unemployment, death and permanent disability, and Joyful Paws insurance product developments, which guarantee the health of pets, were completed and made available to customers.

A special service model was developed, which started to be offered within the scope of meeting the needs of the corporate and commercial segment for non-life and group insurance, and this process of deepening continued with other insurance products that will add value to the institution and its employees, in addition to meeting the insurance needs of customers in this segment in the main branches.

TEB continues to invest in CEPTETEB in order to meet the insurance needs of its customers as quickly as possible through digital banking. In this vein, in order to offer its customers preferential insurance products, insurance KVKK (processing of personal data law) and communication permission started to be obtained within the scope of CEPTETEB insurance menu.

Customers changing their payment plans for their personal loans may perform addendum transactions for the credit-related life insurance product through CEPTETEB. In addition to the Supplementary Health Insurance product already sold through CEPTETEB, work on the offering and sales process for the car insurance product was also completed, with the product to be brought into service through the insurance menu shortly. Projects such as changing policy renewal preferences and the collection car will be implemented through CEPTETEB in the coming period.

In the 2024 operating period, TEB will continue to enhance the customer experience and satisfaction with digital transformation projects, diversification of alternative sales channels, and integration of products into all sales channels.

TEB Family Academy, reaching 21 million people in 11 years

TEB Family Academy financial literacy project, which started life in 2012 under the banner of "Economy Begins in the Family", has delivered education on basic financial literacy topics to approximately 21 million individuals through face-to-face or online training with content prepared in 7 different segments over 11 years. In 2023, TEB Family Academy trained around 30,000 employees from more than 50 institutions in over 10 sectors, as well as in excess of 20,000 teachers who completed the digital financial literacy training prepared within the scope of the cooperation initiated with the Ministry of National Education as of November 2022. The Academy provided digital education services to around 50,000 individuals. In line with the aim of leaving a beautiful world for future generations, TEB Family Academy started working on sustainability in 2022, with training content on the sustainable environment and sustainable economic growth prepared and made available to the public in 2023.

Within the scope of its cooperation with UNICEF, Climate Literacy content prepared by UNICEF by a staff of specialized academics started to be presented from September 2023, both for the training of TEB personnel and for the public, under the banner of "The Climate Crisis is a Children's Rights Crisis". Additionally, education on environmental law started to be offered simultaneously, with the aim of raising individuals who are environmentally conscious and aware of their rights and obligations.

TEB Family Academy continues to diversify its services with the aim of raising individuals who are aware of their financial, environmental and legal rights and obligations and who have achieved an awareness of sustainable economic growth.

Wide product portfolio in private banking and wealth management services

TEB has been offering private banking and wealth management services since 1989. TEB Private Banking operates out of 13 Private Banking Centers and 4 in-branch corners located in Turkey and the Turkish Republic of Northern Cyprus. The first to introduce Private Banking in Turkey, TEB Private Banking blends the knowledge and experiences of its global partner BNP

Paribas Wealth Management with its innovative service concept and offers service to its customers with a broad product portfolio.

Developed in line with the needs of Private Banking customers, CEPTETEB Mobile was enriched with campaigns adding privileges to every moment of customers' lives. The new content made available on the mobile application kept TEB Private Banking customers informed of discounts and campaigns in various fields such as lifestyle, supermarkets, travel, restaurants and well-being, and let them easily take advantage of these benefits.

CEPTETEB Mobile Application serves with differentiated content and visual arrangement in line with the needs of Private Banking customers. The reports added to Investment Strategy Reports offered to customers via CEPTETEB gave them easy access to "Company Reports", "Dual Trading Suggestions", "Technical Analysis Reports", "Model Portfolio" and "Equity Strategy Report".

In 2023, TEB Private Banking successfully carried on with the investment consultancy service offered via TEB Investment. TEB Investment experts offered portfolio management model options aligned with respective investor profiles to their customers.

The TEB Private Angel Investment Platform, launched by TEB Private Banking in 2013 to offer its customers alternative investment areas, organized a series of events in 2023 aimed at bringing entrepreneurs and investors together.

Aiming to support "Impact Investments" that will shape the future, the renewed "TEB Private Angel Investment Platform" gathers all of the activities carried out under one roof and brings together visionary individuals who seek to invest, are wealthy, innovative, open to evaluating different alternatives in the field of investment, and are visionary individuals with initiatives. The Angel Investment Platform project is positioned as one of TEB's efforts to add value to all stakeholders and create a positive impact on society in line with TEB's approach of being a "good and exemplary bank".

Life is easier in the enriching and diversified world of CEPTETEB

Offering convenient use and easy financial solutions through Digital Banking channels, TEB attracted 47% of its CEPTETEB customers through its digital remote customer acquisition process.

The Mutual Fund Menu on CEPTETEB Mobile was renewed in 2023 with users offered an enriched information and portfolio display. In addition, the new "My Fund Advisor" service allows customers to manage their investments of various amounts through model portfolios created according to current markets and personalized risk categories.

One of the new services is the Open Banking application, which allows customers to add other bank accounts to CEPTETEB Mobile, view other added bank accounts and carry out transactions. More than 39,000 other bank accounts had been added by the end of 2023.

"Digital Slip" and "Public Offering" menus were made available to CEPTETEB Mobile users, further enriching their financial experiences.

The scope of experience and advantages offered by CEPTETEB Super, included in CEPTETEB Mobile, has been expanded, with the number of customers logging into CEPTETEB Super increasing by 123% in 2023 when compared to the previous year.

As far as loans are concerned, nine in every ten loans were disbursed through CEPTETEB channels, and the shopping loan product, which can be quickly approved and used when needed, was implemented with Trendyol, its strategic business partner.

- The proportion of consumer loan applications submitted through digital channels increased by an average of 82% in 2022 to an average of 87% in 2023.

- In 2023, 89% of Overdraft Account opening applications were submitted through CEPTETEB Mobile.

All developments carried out in parallel with customer needs and developments in the sector throughout 2023 were transferred to digital channels in a manner which placed priority on the needs of customers and offered the greatest advantage, with 82% of customers actively using these channels by the end of the year. As of the end of 2023, the share of the total number of deposit accounts opened through digital channels had increased by 77%.

TEB carried out TV, radio and digital advertising communication activities throughout the year to promote its products and services and raise brand awareness. Prominent projects renewed and developed applications were announced to the public through press releases and interviews.

The Bank has implemented campaigns with various business partners under four main headings: Mobility, the Recycling Economy, the Environment and Social activities in a bid to raise awareness of sustainability and to minimize the environmental impacts of its banking activities.

A portion of the income obtained from the CEPTETEB Marifetli Account channel was transferred to organizations renowned around the world which carry out sustainability activities as a supporter of '1% For The Planet'. Within the scope of sustainability projects, "Very Good" commercials were shown on TV and digital media.

CEPTETEB, which offers its customers opportunities for advantageous and easy shopping on the CEPTETEB Super Marketplace platform with the power of API technology and strategic business partnerships, entered cooperation with Otelz.com and Yolcu360 after turna.com and Genpa.

TEB customers were able to benefit from special discounts for car rentals, electronic products, hotel reservations, bus tickets and flights with the CEPTETEB Super ecosystem – truly a world full of advantages.

TEB Digital Banking offers its customers the advantages and participation of credit cards with the Card World, added to the Campaigns menu in CEPTETEB Mobile.

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The new features added include borrowing and repaying revolving loans and spot loans, defining installment commercial credit card limit and company credit card limit for business segment customers, online commercial supplementary card creation, commercial virtual card generation and management, approval of insurance policies sold by branches on Mobile Banking, digitally approving documents for private companies, tracking and online payment of promissory notes for which the user is the debtor.

Continued work on innovation in 2023

At a time when sustainability is in the spotlight, one of the biggest reflections of the work on innovation outside the institution has been the “TEB Akıl Fikir” Competition, which celebrates its sixteenth anniversary in 2023. The competition, held under the banner of "Invent for a Better Future", collected ideas that would have a positive impact on university students, new graduates, customers and technological entrepreneurs.

Finalists participating in the competition mature their ideas in a special innovation and enterprise camp and present their projects to a jury consisting of leading names in their sectors. In addition to financial awards, winners are also given an MBA scholarship and priority access to the TEB Enterprise House.

A collaboration was entered into with the Köstebek initiative, founded by three young women entrepreneurs, one of the 2022 champions, and was integrated into CEPTETEB İŞTE in 2023 as the Köstebek campaign.

TEB employees leave their electronic waste in the electronic waste collection boxes placed in the Head Office buildings which are collected and sent for recycling by Köstebek.

The Entrepreneur Program, which has been ongoing since 2014 and aims to raise entrepreneurs who create innovative projects by developing an entrepreneurial culture within the institution, offers TEB employees an opportunity to project ideas that will create a positive impact.

Providing a joint working environment, the Program also provides the training programs that are required, along with mentoring and coaching support.

The “Startteb” project, developed in cooperation with the Innovation Management Department, Enterprise Banking and BNP Paribas EM, is a "matchmaking" platform which aims to enable collaborations between startups and corporations and SMEs.

The platform, whose development phase has been completed, is planned to be opened to user trials in the first quarter of 2024.

Strengthened customer experience in payment systems

TEB Payment Systems continued its efforts in 2023 to facilitate payments by individual and corporate customers, develop new payment alternatives and integrate into the digital world. TEB carried out activities to help customers perform their shopping transactions more easily, quickly and securely.

While security of card payments was further increased, additional product features were also enriched. TEB made available payment alternatives that will help merchants grow their turnovers.

As part of TEB's efforts for enhancing customer experience, functional enrichments that will enable customers to digitally perform all card-related transactions they may need increase day by day.

Broad campaign options and card privileges are offered to customers via CEPTETEB Mobile, which they can also use for participating in the campaigns. Particularly after the pandemic, new generation analytical solutions were developed within the frame of advancing and evolving digital technologies, which allowed customized proposition structure to be run on customer data.

TEB determines instant needs using real-time marketing system on customer touchpoints and offers the best value propositions. In 2023, the Bank continued to pursue activities successfully in the main headings of identification of customer needs, formulation of marketing activities accordingly and management of customer portfolio, effective management of the sales force, and advanced analytical business solutions focused on corporate strategies.

TEB is one of the several banks that have developed its own POS application in the area of Android POS with its internal IT resources.

TEB was the first bank to offer its customers a solution in Android POS which was compliant with the Revenue Administration circular, allowing the fastest and most appropriate end-to-end sales, integration and operation services. In order to provide a better service to taxpayers and increase tax collections, the Revenue Administration launched a physical POS project in tax offices in 2023. TEB is one of the first five banks to be included in the Revenue Administration's project.

TEB was among the top three banks with in-flight sales applications, developing an in-flight POS application (In Flight POS).

TEB has also completed its developments in pioneering applications such as TR QR Code (QR Payment) in the field of payment technology. TEB also continues to develop Soft POS, where smartphones can be used as a POS.

The Demand Deposit POS product, which offers member businesses the opportunity to determine their own POS commissions in return for keeping their money in the deposit account, was launched in 2023.

Work on digitalization to bring ease to the lives of customers

TEB customers may submit their POS requests through CEPTETEB İŞTE mobile without needing to go to the branch, and complete the entire process right up to the installation step through the digital experience.

In 2023, TEB implemented the digital slip project as part of its sustainability targets and to reduce the costs of printed slips sent to workplaces.

Seeking to gain new customers and sell products through third parties over Open Banking

Within the scope of the regulations determining the operation of open banking and banking as a service published in December 2021, TEB established the Open Banking and Banking as a Service Department. The department completed the preparation of open banking services for sharing account information and initiating payments, primarily to allow customers access banking services through third parties and prepare them for sharing through ICC.

Sector dynamics and customer demands were evaluated within the scope of banking as a service and APIs were created for products that can start running through in-network third parties. In addition, developments were made which will enable digital onboarding from out of the Bank aimed at gaining non-customers for the Bank through these companies.

As of 2023 year-end;

- TEB keeps offering service to 2 million customers with 2.6 million credit cards.
- TEB was offering service at 116,418 locations on the basis of direct POS agreements.
- The Bank offers member merchants shopping opportunities with installment and Bonus point redemption capability with 35,219 POS devices incorporating Bonus feature,
- TEB supports payment organizations, the new players in the sector. Carrying on with virtual POS efforts with a number of payment institutions, the Bank possesses a comprehensive and reliable infrastructure regarding the recognition and management of sub-businesses. Approximately 499,018 additional businesses are being served within the scope of this working model.
- With nearly 65,336 agreements in the PRD (Payment Recorder Device) market, TEB has 3.06% share in the PRD-cash register POS market.
- With 106,585 contactless POS/PRDs, the Bank strongly supports contactless payments particularly through solutions and communication campaigns at chain stores.
- POS agreements were made with corporate customers and global chain stores.

A leading player in business banking

Throughout 2023, TEB Microbusiness Banking continued to offer products and services that will allow microbusinesses and tradesmen access the necessary financing and make their collections.

Approximately 100,000 Microbusiness Banking customers continued to securely use CEPTETEB İŞTE in 2023, the award-winning digital platform that lets them view their instant turnovers and past transactions for POS, the key product; allows them to apply for and take out loans; enables them to perform all their daily transactions effortlessly, and lets them control and monitor all their cash flows.

Many additional capabilities such as promissory note payment, digital approval of documents and so on were developed in the app and put into use for customers.

Through Digital Loan that enables digital approval of the necessary legal documents and responds to credit demands within seconds via CEPTETEB İŞTE, Microbusiness Banking customers were given the possibility to easily access the financing that they need.

In addition, non-customer SMEs and tradesmen that are in sole proprietorship status were able to become the Bank's customer thanks to the video chat feature available on CEPTETEB İŞTE and start benefiting from all products and services.

In line with the Bank's strategies, TEB Microbusiness Banking increased both the number of its customers and market share on the back of products and services devised according to specific working formats of qualified professionals such as pharmacists, veterinarians, opticians and so on.

TEB preserved its market share leadership in the pharmacists segment with 52% share in 2023. Under the special campaign devised for pharmacists, the Bank deposits TL 400 per month to private pension plans of pharmacists conditional upon depositing of Social Security Premium payments to TEB and active use of the Bank's POS device.

The privileges offered by the special services package designed for pharmacists include free EFT and money transfers via internet and mobile banking, free cheque book and POS device exemption and advantageous POS pricings. All pharmacists performing their legal collections via TEB can benefit from these advantages the Bank offers.

The goal of bringing women-owned businesses into the economy

Women-owned businesses are faced with problems in their incorporation and growth phases, particularly in terms of creating collateral and obtaining loans. For the solution of these problems, women need to be involved in the economy with their identity as producers at a higher extent.

TEB Women Banking supports women business owners in all their needs such as reaching new markets, mentoring and training, and acts as a financial solution partner.

As one of the first participants of the USD 50 million TurWIB package offered by the EBRD to Turkish banks in 2015, TEB has become a party to the EUR 25 million TurWIB II agreement, which will be available to women business owners in 2023. The bank started to provide the resources allocated to businesses run by women, primarily women business owners in the earthquake zone.

As a result of TEB's efforts to further integrate women into the economy as producers, the total loan volume provided to businesses run by women increased by 119% in 2023, with the total credit risk approaching TL 6.5 billion.

Resource savings and gains achieved with the branch service model

As part of its digital transformation process in the branch service model, TEB embraced a working system integrated with technology targeted at economical use of resources.

Branch service models and customer journeys were redesigned according to regional needs and characteristics, and improvements were made to ways of doing business, roles and responsibilities.

Branch processes were digitalized, and the number of documents were decreased thanks to fast advancing technology, which brought saving from time and paper consumption. This transformation helped create branches that are able to extend more support to customer needs and allocate more time for sales.

Within the framework of the new service model, the roles and titles of the transaction officers positioned under the umbrella of Mass Banking have been revised as Mass Customer Representative.

Upon revised roles and physical rearrangements, TEB Customer Service Representatives were able to build closer and warmer dialogue with customers, offer service faster and increase their sales thanks to the tablets allocated to them.

Special solutions for customers who receive service from branches as well as non-branch channels

Within the scope of Turbo®, TEB also produces solutions for its customers preferring to be serviced by branches, as well as non-branch channels. A product of the R&D efforts of TEB's IT Department, Turbo® devices can handle nearly 85% of the transactions executed at the counters.

Located in TEB branches, Turbo® devices allow performance of not only transactions involving a physical exchange such as cash withdrawal/deposit, payments, credit card delivery, etc. but also those requiring a wet signature, such as taking out a loan.

Customers who use the Turbo® device for performing their transactions choose to use it also on their next visit to the branch, and to handle their transactions themselves. On the other hand, TEB branch employees working on the sales side can now digitally perform customer transactions faster and more practically using their tablets.

As of 2023 year-end, 245 Turbo® devices are being used actively at 179 TEB branches. Functionally, Turbo® devices are able to execute 85% of transactions performed at counters and are able to lift 40% of the counter workload.

TEB initiated outsourcing of Call Center internal operations in April 2022. 52% of the call traffic of internal operations were handled by outsourced teams.

Comprised of two units, namely Affluent (Yıldız) and Microbusiness Banking, the Central Sales Department was set up in August 2022.

The Department furnishes remote customer representative service allocated to customers with 12 Microbusiness Banking Central Sales Operatives and 5 Affluent (Yıldız) Banking Central Sales Operatives.

In this scope, customers can directly reach the customer representatives who provide service under a fast and proactive sales format.

Digital Customer Acquisition (RKYC)

- Acquired an average of 23,900 new customers each month with its 40 employees, taking the total number of customer acquisitions for the year to 287,000.
- The monthly purchase rate averaged 68% in 2023.

Branchless Field Sales (Direct Sales)

- Gaining paying customers and increasing penetration with existing customers
- Acquisition of new customers
- Sale of 11 different products

A new POS Sales team was established at TEB in June 2022. The POS and Business Card sales team continued to sell POS and Business Cards to both micro and SME customers. As of the end of 2023, the team, consisting of 20 sales representatives, accounted for 18% of total micro POS sales.

CEPTETEB Onboarder

- CEPTETEB customer acquisition in the field
- Acquisition of 46,000 new customers by the end of 2023 (15% of TEB's digital customer acquisition).
- Cross selling

Highlights from Digital Branch Management achievements

The TEB Digital Branch recorded an average of 15,000 requests each month from the rapidly increasing number of CEPTETEB customers, with portfolio services provided in line with customer needs. Sales and operation services were separated by establishing a digital (XP) portfolio structure.

ASSET AND LIABILITY MANAGEMENT AND TREASURY GROUP

Management style based on sound, long-term strategies

TEB Asset and Liability Management and Treasury Group has managed interest rate, liquidity and structural exchange rate risks with the aim of maintaining a sustainable profit for the Bank. The Group has adopted a management style based on sound, prudent and long-term strategies with its competent and experienced staff and the technical know-how developed in cooperation with the BNP Paribas Group.

In 2023, the Asset-Liability Management and Treasury Group contributed to its subsidiaries to work efficiently in within the boundaries set by compliance.

Accurately built securities portfolio

During 2023 that was characterized by high economic and political risks, proactive hedging strategies implemented in interest rate and exchange rate risk management by the Asset and Liability Management and Treasury Group and the accurately built marketable securities portfolio mostly including CPI-linkers contributed significantly to the Bank's profitability.

Asset and Liability Management and Treasury Group very rapidly adapted to regulatory framework requiring long-term, fixed-return security purchases employing proactive strategies and incorporated the relevant assets with maximum returns in the portfolio.

The Group also carried out the necessary coordination with business lines for conversion from FC deposits to Turkish lira deposits in line with the liraization strategy.

Asset and Liability Management and Treasury Group quickly adjusted to macroprudential policies in 2023 and regulations extending therefrom, and closely worked with business lines, which made it one of the top teams that helped the Bank avoid extra costs set out in the regulations and achieve all its targets.

The Group continued to take actions to secure funding diversity and funding maturity extension with the aim of reaching solid and consistent liquidity targets. Thanks to these actions it was ensured that the liquidity ratios remained within the limits and that the bank's balance sheet was minimally affected by the high interest rate volatility.

Important role in decision-making processes

The Asset-Liability Management and Treasury Group monitors the local and international markets closely to foresee the potential volatility in the market and so as to mitigate the structural risks in interest rate, FX and liquidity positions in the Bank's balance sheet.

The expertise that is required to be able effectively manage those risks is another strength of the Group.

The Asset-Liability Management and Treasury Group is in close communication with all the business lines to ensure that the balance sheet is composed of assets and liabilities with the right cost structure and in line with the competition faced from the market.

The Group plays an important role in modeling interest and liquidity risks accurately, measuring the realizations and the decision-making processes of the Bank through reports prepared for matters under the Group's responsibility.

Cost of Deposits Management

Asset and Liability Management and Treasury Group successfully shifted a substantial portion of deposits to relatively lower-cost new products focusing on FX protected deposits in 2023. Furthermore, growing on core customer deposits helped secure stable and solid liquidity for the Bank. In this regard, the Marifetli Account deposit product was determined as a strategic target and a significant growth was achieved by providing supportive pricing.

In line with TEB's targets in digital banking, the Asset-Liability Management and Treasury Group maintained its supportive stance for the pricing made through the CEPTETEB channel.

Sharing technical expertise with BNP Paribas

Information flow between specialist teams to adapt BNP Paribas' know-how in modeling analyses to the requirements of Turkey by the Asset-Liability Management and Treasury Group continued efficiently in 2023.

Additionally, work was carried out to adapt the liquidity and risk management policies implemented by the BNP Paribas Group to the Bank, and experiences were shared for a more efficient liquidity and risk management. The Group continued to work on more effective liquidity and risk management, particularly on intraday liquidity management, and experiences were shared regarding effective liquidity management under stressful situations.

NEW PRODUCTS AND SERVICES

CORPORATE BANKING GROUP

TEB Cash Management continued to meet customer needs in 2023 with solutions supported by its ready-made and innovative technological infrastructure which is ready for the financial and technological transformation.

In 2023, TEB Cash Management developed and diversified its supplier financing models and enabled integration with platforms that provide fintech services. One of the digital services offered to TEB customers was the IBAN verification service, which takes the security of its customers' payments one step further, providing individual and legal customers with a smooth money transfer experience.

Targeting to provide ease for its customers' short-term operating capital needs that they will need within their payment and collection cycle, TEB Cash Management will expand its product range with Stock Finance product in 2024.

RETAIL AND PRIVATE BANKING GROUP

In 2023, TEB enriched its product and service range with new options in the light of changing customer expectations, market trends and the fast-moving developments particularly in digitalization. TEB kept improving its existing services with new modules.

TEB entered cooperation with UNICEF within the scope of TEB Family Academy project. Climate Literacy content prepared by UNICEF with the support of specialized academic staff started to be presented from September 2023, both for the training of the Bank's own staff and the public under the banner of "The Climate Crisis is a Children's Rights Crisis".

With the Open Banking application, which is one of TEB's new services, customers are given the opportunity to add other bank accounts to CEPTETEB Mobile, view and perform transactions on other added bank accounts.

Offering a customers a range of advantages and easy shopping opportunities on the CEPTETEB Super Marketplace platform, drawing on the power of API technology and strategic business partnerships, CEPTETEB established collaborations with Otelz.com and Yolcu360, after turna.com and Genpa.

Another year full of awards

Represented by the Customer Experience Department under the Retail and Private Banking Group, TEB won first place in the **"Customers at the Heart of Everything over 5,000 Employees"** category in the **"Turkey Customer Experience Awards 2023"** award program and was awarded the **"Gold"** award.

TEB Private Banking, the founder and first implementer of Private Banking in Turkey, received the **"Best International Private Banking Award in Turkey"** at the "2023 Private Banking Awards" organized by **Euromoney** magazine, as a result of its consistent efforts to provide a better service to its customers.

TEB Private Banking won the **"Best Private Banking in Turkey"** award at the **World Finance Banking Awards 2023**, which closely followed in the financial world. With this award, which has been won for 5 years in a row, TEB Private Banking once again reinforced its consistent performance on international platforms.

TEB Private Banking was deemed worthy of the **"Most Innovative Private Banking"** award within the scope of the **"International Finance Awards 2023"** organized by the International Finance Magazine, one of the UK's leading finance and business analysis publications. This prestigious award, which TEB won for sixth year in a row, marked the global recognition of TEB's competence in Private Banking.

The TEB Call Center won three gold medals in three different categories in the "Contact Center World 2023" competition organized by **"Contact Center World"** in the field of Contact Center and Customer Loyalty applications:

- **Best Contact Center**
- **Best Innovation in Technology**
- **Best Improvement Award-External Consulting/Training Service**

TEB FINANCIAL AND NON-FINANCIAL SERVICES GROUP COMPANIES

TEB FAKTORİNG A.Ş.

One of the most active players in its industry

One of the biggest and most active players in its industry, TEB Faktoring A.Ş. (TEB Faktoring) provides export, import and domestic factoring products and services to corporate and commercial customers and SMEs.

High financing costs and the difficulties in accessing finance brought about by the depreciation of the Turkish Lira and high rates of inflation in Turkey in parallel with global developments negatively affected the profitability and continuity of operations for many companies, especially SMEs. In this environment, the factoring sector continued to support the real sector, with business volume in the sector reaching TL 820 billion in parallel with the growth trend in 2023. In the same period, TEB Faktoring's business volume increased beyond its budget to reach TL 44.2 billion with the company's assets reaching TL 10.5 billion.

81% growth in net profit

Demand for factoring products grew in 2023 due to restrictions on access to financing in the domestic market, paving the way for an increase in domestic transaction volume and a decrease in export factoring volume, in parallel with the decline in demand, especially in the European market. In parallel with the developments in the sector, TEB Faktoring's factoring receivables has increased by 37% in 2023.

Shrewdly managed its assets and liabilities, TEB Faktoring has booked a net profit of 377.4 million TL as of the end of 2023 with 81% increase.

In 2023, the company's return on equity (ROE) was 55.6%, above the sectoral average.

In 2023, the factoring industry's non-performing loan ratio (NPL) and cost of risk ratio were 1.3% and 1.1%, respectively. Managing its risks successfully, TEB Faktoring's NPL ratio and cost of risk ratio were 1.1% and 0.9%, respectively.

As of 2023 year-end, the Company had 15 branches and 113 employees.

Market leader in Turkey, and among the leaders in the world

Being the market leader in export factoring in Turkey, TEB Faktoring continued to support Turkey's exports by ranking among the leading factoring companies in the world.

The only Turkish factoring company to be placed in the top three in FCI, TEB Faktoring is the one and the only company in the world to be named the "Best Export Factor" seven times

Supporting the healthy growth of companies, with priority given to SMEs

TEB Faktoring offers domestic and export factoring solutions to meet the needs of companies of all sizes from various different sectors. It has been contributing to the sustainable growth of our country's economy for 26 years with the support it has provided

both to domestic trade and export financing of the real sector. TEB Faktoring continues to be the sustainable and reliable solution partner for its customers with its experienced and specialized employees.

With Multi-Local, a unique approach, TEB Faktoring provides multinational groups with the opportunity to benefit from BNP Paribas' global network and access factoring services in the countries it operates abroad.

The company also finances its customers' receivables from public institutions based on their sales to public institutions and the services they provide.

TEB Faktoring is able to rapidly meet the demands of SMEs requiring financing as quickly as possible, within the same day.

Growing importance of the digital

Sustainable digital transformation and services get increasingly more important for the real economy and competitiveness in parallel with the needs of our age and the changes in customer habits resulting from the fast-developing technology. At the same time, the importance of digitalization in terms of sustainability is growing with each day.

As TEB Faktoring kept improving its digital channels in 2023 in line with its customer-oriented and innovative vision, the Company intensified its efforts focused on customer experience and digital transformation. In this context, a comprehensive transformation program has been initiated revolving around the main themes of customer experience, operational efficiency, people and culture, data and artificial intelligence, with a wide array of projects compatible with the periodic targets of the themes being managed by working groups with the contribution of company managers and employees.

In addition to investing in digital transformation projects, TEB Faktoring continues to provide an efficient customer experience by constantly supporting those customers who prefer conventional methods.

In 2023, company launched the new TEB Faktoring website, which includes regional contact information, current news and the online branch, where information about factoring services can be quickly accessed, including the new mobile app, TEB Faktoring CEPTE and the Quick Apply function, where applications can be sent with an invoiced check whenever and wherever needed, focusing on customer needs and feedback.

TEB Faktoring expanded the use of its online factoring branch, where existing customers may follow their factoring transactions, and the content of the online branch is planned to be developed in 2024.

TEB Faktoring invests in systems where its customers may carry out their transactions remotely, to the extent permitted by legislation. Moving the application process to a digital environment, TEB Faktoring strengthened its digital channels infrastructure and diversified its functions in 2023 by closely monitoring trends and developments in the pursuit of an improved and simple customer experience. The company will continue to carry out such activities in 2024 by focusing on customer feedback and technological developments.

It is crucial that the factoring sector in Turkey is regulated to include supplier financing as well as receivables financing, with developments in regulation, taking global conditions into account. In this vein, TEB Faktoring is creating collaborations with new players in the ecosystem that constitute the components of commerce with Fintech companies and digital platforms, which are important components of digital business models, in order to enrich its distribution channels to reach its customers and to effect improvements in its processes.

The Company implemented its developments in 2023 within the scope of digital transformation and process improvement projects that enable effective risk management, efficiency, automation and increasing service speed, closely monitoring the service time and performance of its processes.

These efforts will continue in 2024, further strengthening its position among the players which add value to customers and shape the market. All of the projects aim to enable customers to easily access the factoring service they need and obtain faster results with a better user experience.

TEB Faktoring presses ahead with its sustainability projects in line with the vision of BNP Paribas and TEB. In this context, it will continue its work on sustainable financing and digitalization in 2024.

TEB PORTFÖY YÖNETİMİ A.Ş.

10th largest company in the asset management sector

Established in 1999, TEB Portföy Yönetimi A.Ş. (TEB Asset Management) has been operating in asset management sector. As of year-end 2023, it is the 10th largest asset management company in Turkey, with TL 100.8 billion and 3.19% market share in the sector.

The best asset management company in Turkey

TEB Asset Management was named the “Best Asset Management Company in Turkey” for the third consecutive year at the International Finance Awards 2023 organized by the International Finance Magazine, one of the leading finance and business analysis publications of the U.K. The key factors that brought this award included the importance attached to sustainability, the sensitive approach to environmental, social and governance (ESG) matters, leadership in multi-asset investment, broad product range, role in robo advisory, and adoption of an innovative asset management concept.

In the elections held at the 23rd Annual General Meeting of the Turkish Institutional Investor Managers Association (TKYD), which represents the Collective Investment Institutions and Portfolio Management Sector, held on 22 March 2023, the General Manager of TEB Portföy was elected as the Chairman of the Board of Directors of the association. The General Manager also represents our sector as a member of the Board of Directors of the EFAMA (European Investment Funds and Asset Management Association), which TKYD is a permanent international member of.

A comprehensive field of activity

Authorized by the Capital Markets Board of Türkiye (CMB) to engage in asset management and investment advisory activities on 15 June 2015, TEB Asset Management has an authorization certificate numbered PYŞ/PY.22-YD.11/524.

The main activity of the company is to launch and manage mutual funds subject to the Capital Market Law and the provisions of applicable legislation.

In addition, TEB Asset Management, which also manages private pension funds, provides investment management services to institutional and retail clients in line with their risk profiles as a proxy under portfolio management agreements and investment advisory services to international funds.

Steps for increased diversity of assets

On 16 August 2019, TEB Asset Management reached a deal with ING and acquired all shares of ING Portföy Yönetimi. Thanks to the strategic collaboration with ING for the distribution of mutual funds launched by TEB Asset Management and with NN Hayat Emeklilik for the management of pension funds launched by NN Hayat Emeklilik, the company further increased its existing strength in the sector in 2023.

In 2022, TEB Asset Management signed an agreement for the management of three pension funds of MetLife Emeklilik ve Hayat A.Ş. and kept increasing the diversity of assets under its management.

As of 2023 year-end

TEB Asset Management possesses a broad external distribution channel. The Company's key performance indicators as of 2023 year-end are summarized below:

- a 3.46% market share in the mutual funds market, with a total of TL 59 billion of assets,
- a 2.05% market share in the money market mutual funds,
- a 3.63% market share in the actively-managed mutual funds,
- a total of TL 4.0 billion assets under management in its institutional wealth management and discretionary portfolio management business lines,
- a 4.89% market share in the pension funds market, with a total of TL 36.9 billion assets
- a total of TL 915 million assets under management in international investment funds.

One of Turkey's largest asset managers

The synergies that TEB Asset Management generates by collaborating with BNP Paribas Asset Management, one of Euro Zone's leading asset managers, are accelerating the company's progress in becoming a global force. Thanks to this collaboration, TEB Asset Management entered into strategic partnerships with many other international firms.

TEB Asset Management manages Parvest Turkey Fund, a leading Turkish equities based fund whose assets of TL 915 million are invested in the stocks of companies established in Turkey.

Based on the total assets of equity based international funds that are managed, TEB Asset Management is one of Turkey's largest asset managers working for international clients.

Six new investment funds were offered to the public in 2023, including thematic funds such as the TEB Portföy Women First Variable Fund, demonstrating the importance TEB Portföy attaches to environmental, social and technological issues.

Digitalization projects

Targeting to become Turkey's leading digital asset management company, TEB Asset Management a number of projects into life in 2023, the foundations of which it had laid as part of its digitalization efforts.

In line with the principle of the segregation of duties, the Company separated the Fund Management and Order Execution processes by establishing a separate Trading department, and implemented the Order Management System in line with the aim of fully automating the process.

The existing website has been made more user-friendly with the addition of an English version, while the project to connect manual data flow to the web service has been completed.

In 2023, the company set up social network accounts and initiated communication through digital channels. In an effort to diversify digital materials and to give a better account of our mutual funds to the target investor audience, fund videos were created and posted on digital channels. Agreements were made with various fintechs and the automation process was maximized.

“Mutual Fund” pages on “teb.com.tr” were updated and push notifications publicizing TEB Asset Management mutual funds were sent to clients via CEPTETEB Mobile App. CEPTETEB mutual funds pages were revised.

Within the scope of digitalization, consultancy was obtained in relation to content and technical infrastructure work for making TEB Asset Management brand name and products more visible in search engines.

Training programs continued to be given on distance learning platforms to the personnel taking place in TEB Retail Banking sales network about capital markets with a special emphasis on TEB Asset Management mutual funds through TEB Fund Academy.

2024 targets

TEB Portföy aims to continue its sensitivity in the area of sustainability and ESG (Environmental, Social and Governance) issues, and maintain its leadership in multi-asset management in 2024.

TEB Asset Management will carry on with its activities geared towards achieving a more active presence in digital and social network media; optimizing content management, media planning, agency management, event management and media/press relations. In addition, work will be carried out to develop the Order Management System, which was implemented in 2023, and develop it into a full-fledged Portfolio Management System.

TEB Asset Management steers its investors to the right investment alternatives at the right times and capitalizes on cooperation opportunities with the potential to increase its market share together with its domestic and international stakeholders. The company will continue to implement hedging strategies against potential volatilities in markets to protect its clients and itself.

TEB YATIRIM MENKUL DEĞERLER A.Ş.

26 years of experience in the capital markets

Having started its operations in 1996, TEB Investment conducts the investment services and operations of the TEB Group as a “Broadly Authorized Brokerage House” being an investment house licensed by the Capital Markets Board of Türkiye (CMB).

Backed by 26 years of experience, TEB Investment provides the following investment services:

- Introducing brokerage services
- Brokerage services (domestic and abroad)
- Portfolio intermediation services (domestic)
- Investment advisory services
- Issuance intermediation services
- Custody services (Limited custody services)

TEB Investment reaches its clients at home and abroad with an extensive array of products and services through a variety of product and service channels that address the particular needs of different investor profiles. Accordingly, the company provides investment advisory and intermediation services in capital market instruments such as equities and derivatives markets, debt instrument markets and mutual funds, along with corporate finance and research services.

In the field of corporate finance, TEB Investment offers high-quality advisory services in the areas of mergers and acquisitions in integration with intermediation of public offering and debt aimed particularly at fulfilling the financing needs of businesses.

In parallel with the developments in international markets, TEB Investment captured the technological innovations that gained speed especially in recent years in its own IT infrastructure, upon which it has developed major projects and upgraded its digital infrastructure covering both mobile and desktop applications in line with customer demands.

As well as developing its foreign stock services and Prime brokerage application, the Company also mediated in warrant issuances with BNP Paribas during 2023.

Research infrastructure supporting the marketing network

Another important advantage TEB Investment enjoys in the market is the research infrastructure at its disposal, which supports its extensive and efficient marketing network. TEB Investment has become an investment house appreciated particularly by investors with a number of awards earned in this area in recent years.

Specifically in the capital markets, TEB Investment is an investment house of choice by virtue of its competent human resource capable of effectively serving both individual and institutional investors, a team of experienced research experts, ability to combine its local market knowledge with the international experience of its global partner, BNP Paribas, and effective use of technology.

During this period, TEB Investment developed digital content and videos to support research activities and expanded the scope of this content to include foreign stocks and warrants. Following the restructuring of BNP Paribas and acquisition of Exane's research and brokerage activities, TEB Investment Research Group initiated the necessary preparation process to be included in this new research platform and structure.

Customer experience and marketing operational processes

During 2023, TEB Investment carried out additional work to improve the customer experience. A number of infrastructure improvements were carried out, primarily for the purpose of improving operational workflows and improving service access times by accelerating transactions. In particular, customer communication and acquisition processes were increasingly digitized with the aim of advancing the customer experience further.

Other marketing and communication activities

The year 2023 was a hectic period in terms of communication activities and campaigns. In addition to foreign stock brokerage and warrants, the renewed apps were promoted in both traditional and digital media.

Synergy and cooperation with BNP Paribas

TEB Investment carries out a number of activities with various business lines of TEB and BNP Paribas that increase the synergy within the group.

In conducting its activities, TEB Investment also capitalizes on the international experience of, and collaborates with the BNP Paribas Group.

A central example of this collaboration has been the research conducted in the area of financing resources entailing different products, addressing clients in the field of corporate finance, and introducing them to the clients. In addition to that, there is intense collaboration in institutional intermediary services, access to international markets, investment advisory in Retail and Private Banking business lines, digitalization and new customer acquisition.

Corporate finance activities including company acquisitions, with special emphasis on convertible bonds issue marketing and public offering activities, are carried out in cooperation with BNP Paribas. One of the largest public offerings in the relevant period was completed at the beginning of 2023, and a large public institution started work on the issuance of convertible bonds during the year.

While TEB Investment handles a substantial portion of debt issues for TEB’s subsidiaries and TEB itself, debt issue and corporate finance services are offered to TEB’s corporate customers, and commodity hedging transactions are intermediated in selected products.

Similarly, joint marketing activities are carried out with the Bank’s custody department with the purpose of offering brokerage services to foreign institutional investors.

The company collaborates with BNP Paribas in customer acquisition and creation of marketing strategies in the futures and equity markets. TEB Investment began intermediating the equity investments of global investors through the recently structured equity brokerage activities platform of BNP Paribas.

In this framework, work is undertaken to offer certain global markets’ products covered in the services portfolio of BNP Paribas jointly with TEB Investment to clients.

On another front, for investing retail customers’ assets in Borsa İstanbul, customer acquisition is carried out together with the Retail Banking Group digitally and through the branch network.

TEB Yatırım launched a warrant issuance program in cooperation with BNP Paribas and under the brand, TEB BNP Paribas Warants during 2023. The company acted as the intermediary and market maker of the issuance at the bell ceremony, which was held at the Borsa Istanbul.

Sustainability

In 2023, regulatory activities in the field of Climate Change and Carbon Emissions gained momentum in Turkey. While the draft law on Climate Change being debated in the Turkish Grand National Assembly, draft regulations for the establishment of a connected Carbon Emission Tracking System have started to be discussed.

In this vein, TEB Investment has shared its views on the operating process of the possible market to be established with the relevant authorities and market working groups, and has formed a working group to carry out the preparatory processes in the Bank’s structure in this field.

Accelerating Digitalization with technological trends

TEB Investment recognizes that digitalization, which has gained speed due to the trends in technology, is modifying the sector’s structure and business conduct in parallel with the changes in international markets and local regulatory framework. Aware of this fact, the company implemented the strategies it has formulated and concentrated on enriching the customer experience through service diversification in different segments.

As the first step of achieving these targets, digital transformation initiatives were continued in order to create a customer experience that puts effective employment of technology and research in the forefront, and to rebuild TEB Investment into a more efficient company with a higher level of digitalization.

Continuing to work towards offering innovative platforms to its clients in the area of digitalization, TEB Investment launched its new digital transaction channels, investment applications and websites.

Likewise, the company co-developed and put into use a new order transmission algorithm platform with suppliers which can also work in integration with the organization's systems with the aim of increasing transaction efficiency and order transmission speeds and improving pricing performance in institutional brokerage activities.

TEB Investment constantly reviews and revises its technical and organizational infrastructure as necessary in order to complete its efforts targeted at new services planned to be introduced in the coming period, particularly structured products and digital platforms, and to create added value for all its stakeholders amid the evolving market structure.

Continuous investment in the IT infrastructure

On the basis of domestic markets, on the other hand, recent global and local developments fueled household interest in the capital markets from the first quarter of 2022, and hence the number and composition of investors changed significantly.

To be able to respond to these developments, TEB Investment continually invested in its IT infrastructure and spent significant efforts to upgrade its systems.

Significant achievements in terms of many criteria

As a result of all these developments, TEB Investment successfully attained its budgeted targets for 2023 and authored significant achievements in terms of a number of criteria.

During 2023, the Company successfully increased the number of its own customers and market share in keeping with the growth in customers and trading volume that took place particularly on Borsa İstanbul.

At 2023 year-end, TEB Investment ranked 19th with a 1.75% share of the market for its trading volume worth TL 1,146,052 million. TEB Investment ranks 8th in Borsa İstanbul Derivatives Market with a 3.59% market share secured with a trading volume of TL 837,896 million.

TEB Investment revamped its website into a mobile-compatible touchpoint with enriched technological infrastructure for its visitors on the digital environment.

With its organizational and systemic infrastructure focused on domestic and international developments and changes, TEB Investment targets to increase its market share particularly through digital channels and investment advisory services, and to sustain its active and pioneering role in the development of our country's capital markets by offering high-quality and value-added services to investors in the coming year.

TEB ARF TEKNOLOJİ A.Ş.

The largest and most important software supplier

Operating since December 2020, TEB ARF Technology is TEB's largest and most important software supplier developing R&D and innovation projects in the field of financial technologies. The company started to provide services in the field of software and artificial intelligence projects to TEB A.Ş. in 2022 and to TEB Factoring in 2023.

Similar activities are planned with TEB Leasing in 2024.

R&D Activities in 2023

In 2023, TEB ARF developed a range of new features in CEPTETEB and CEPTETEB İŞTE as well as in the TEB Individual and TEB Corporate Internet apps in order to offer TEB's customers a more comprehensive digital experience;

- The new "Foreign Trade" module allows customers to benefit from TEB's deeply rooted foreign trade expertise through the Corporate Internet, while the "Accounts" module developed with the latest technology offers TEB Customers a more user-friendly interface, supporting the development of the customer experience and transaction volume.
- The new Fund Module was strengthened with graphic images, analysis and detailed information so TEB customers could better follow their fund performance through the CEPTETEB Mobile app. These efforts further reinforced CEPTETEB's competitive strategy within mobile apps.
- In all digital channel applications (CEPTETEB, CEPTETEB İŞTE, Individual and Corporate Internet Banking), open banking services allow customers to view their accounts in different banks through BKM services, place transfer orders to other banks, view their TEB accounts from other bank applications and enter transfer orders from there. Work was stepped up on meeting customer expectations.
- Within the scope of transformation projects initiated to improve and enrich the experiences of banking customers with payment systems;
 - With the functions related to submitting credit card, additional card and POS applications through CEPTETEB İŞTE, and the campaign module developed to enable card customers to benefit from loyalty programs, the needs of commercial customers regarding payment systems can be met through digital channels.
 - Enriching the virtual card limit setting options through CEPTETEB, offering an internet shopping limit for credit cards, a contactless payment option and a physical usage option abroad, digital viewing of card spending slips to serve sustainability and paperless banking, a digital version of credit cards and the debit card application providing these facilities has strengthened CEPTETEB's feature as a platform which is able to respond rapidly to customer needs.

- Acquisition targets in this segment were supported with the CEPTETEB Remote Customer Acquisition (RKYC) module, which allows real commercial customers to be acquired without them needing to come to the branch. Thanks to the CEPTETEB and CEPTETEB İŞTE RKYC module, TEB acquired 45% of its Individual and real person commercial business Customers through digital channels.
- TEB ARF continued to support TEB and its subsidiaries in Artificial Intelligence technologies and increased its competitive position in this field. As a result of these efforts, TEB ARF ranked third among all BNPP companies at the BNPP Global level in the AI Maturity Assessment Study conducted by Bain & Company, despite only having been established three years ago.

Within the scope of TEB Arf Artificial Intelligence projects;

For the use of business lines responsible for risk analytics, pricing, marketing, fraud detection, collection and follow-up management, TEB ARF has developed a total of 64 machine learning models, 51 of which are new and 13 of which are renewed. Thanks to the Artificial Intelligence models which it has developed, TEB ARF contributed approximately TL 142 million to TEB in 2023 alone.

TL 233 million sales volume

TEB ARF reached almost TL 233 million in sales volume and TL 26.7 million in pre-tax profit at the end of 2023, during which it concentrated on R&D activities on digital technologies, advanced data analytics and artificial intelligence (AI). In 2024, the company intends to augment its sales volume to TL 470 million and to grow its net profit by two folds of the previous year's value.

2024 target

In 2024, TEB ARF will sustain its operations with the mission of offering service in relation to digital technologies, machine learning and AI solutions primarily to TEB Group, to be followed by a large number of organizations awaiting fintech-based solutions.

In 2024, the Company plans to develop projects and establish the necessary infrastructure in the field of "Generative AI", a field which is rapidly gaining popularity all over the world. In addition, emphasis will be placed on infrastructure work for the automation of the monitoring and renewal processes of machine learning models that are currently available to various business lines, and in this context, the Company will aim bring data science solutions, which will be the intellectual property of TEB ARF, to the Company.

Work on the development of 26 different machine learning models will be completed to be made available to various business lines operating within the Bank.

The TELEPATİ chatbot application developed by the TEB ARF Artificial Intelligence team will expand the boundaries of the mobile screen customer experience by integrating with the CEPTETEB Mobile application, which is constantly being enriched with new functions.

The corporate internet banking application that is heavily used by SME and corporate customers will be revamped to allow faster and easier execution of daily and specific financial transactions in line with customer needs. In this context, the modules for cards, contacts, transfers/payments, loans, member businesses, cash management and investments will be redesigned.

TEB FINANSMAN A.Ş.

The most experienced player in the sector is now even stronger

TEB Finansman was established on 21 September, 1995, and started to provide loans to real and legal entities in August 1996. Since January 2009, the Company has started to serve the development and growth of the automotive industry by providing financing solely for vehicle loans and products offered with vehicle loans, and has focused on providing financial solutions to increase the sales of motor vehicle brands and their authorized dealer network.

Thanks to the "service from the point of sale" business model implemented by the Company, customers are offered the opportunity and convenience of using credit at the point of purchasing their vehicles. The company Carries out its activities through the authorized dealer network it has created by developing commercial business partnerships with various vehicle distributors and authorized dealers. Under the "service from the point of sale" business model and the advanced system infrastructure that supports it, loan applications are evaluated in less than 30 minutes on average.

As of December 31, 2023, Türk Ekonomi Bankası A.Ş. had direct control over the company's capital. The transfer of all of TEB Finansman's shares in BNP Paribas Personal Finance S.A. and TEB Holding A.Ş.to Türk Ekonomi Bankası A.Ş. was completed on 23 January 2023, and as of this date, Türk Ekonomi Bankası A.Ş. became sole shareholder of TEB Finansman.

The company's new shareholder, Türk Ekonomi Bank, consider the automotive sector strategically prioritized area. They aim to meet the demands of automotive distributors and authorized dealers, with whom they have had long-standing commercial agreements and hold significant market share in the automotive sector. To enhance service quality and provide more favorable financial conditions, a restructuring process have been implemented within TEB Finasman A.Ş., aligned with synergy project alongside the main partner bank. Company activities are being managed by the principles of customer-oriented, risk-aware strategic decision-making, employee-care and being a role-model in the context of compliance and ethics to the rules and regulations and social responsibilities.

In the period of January and December 2023, the company financed the sale of passenger and second-hand passenger cars and Light Commercial Vehicles with a total value of TL 3.4 billion through its contracted vehicle distributor and authorized dealer network, through a total of 10,414 unit of loans.

30% of the loans were given for 0km brand-new motor vehicles to individuals while 70% were given are for 0km brand-new motor vehicles to corporations. In addition to motor-vehicle loans, financing is also provided to Credit Protection Insurance (CPI)and similar complementary products for vehicle loans.

According to the 2023 full year figures, announced by the Association of Automotive Distributors ("ODD"); comparing to the previous year, Turkish automobile and light commercial vehicles' total market was increased by 57% and realized as 1.232.800 units sold. Total market was realized as 783.283 units sold in the same period of 2022 indicating the

significant opportunities regarding loan volumes in the sector and further underpinning the importance of TEB's synergy project.

Financial Indicators

At the end of 2023, TEB Finansman had assets of TL 3.3 billion, total equity of TL 724 million and total outstanding loans of TL 2.8 billion. Approximately TL 700 million (26%) of the outstanding loans consisted of individual loans, with TL 2.1 billion (74%) comprising commercial loans.

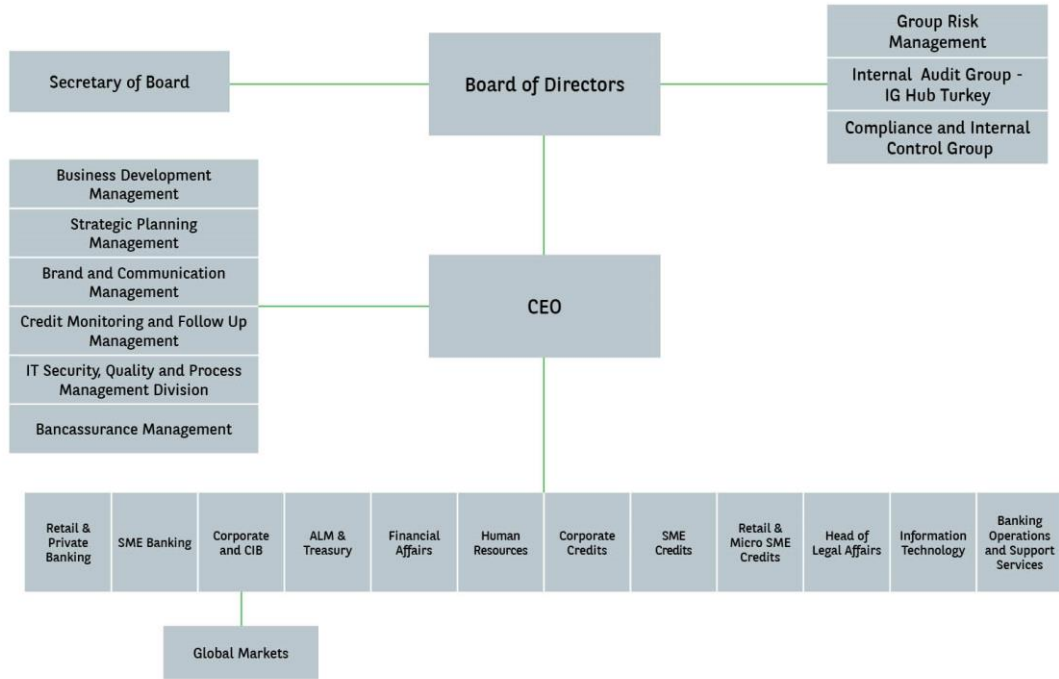
TEB Finansman increased its profitability by 155% in 2023 compared to the same period of the previous year, recording a net profit of TL 191.1 million.

In 2024, TEB Finansman will continue to maintain the synergy it has created with TEB, while continuing to focus on effective risk management. The Company will continue to improve its processes to increase efficiency, automation and service speed, and will improve its place among the players that add value to its customers and direct the market.

SECTION 2 - INFORMATION ABOUT MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

TÜRK EKONOMİ BANKASI A.Ş. ORGANIZATION CHART

Head Office Organization Chart



BOARD OF DIRECTORS

Chairman and Members of the Board of Directors

Name-Surname	Title
Dr. Akın Akbaygil	Chairman
François Andre Jesualdo Benaroya	Deputy Chairman
Patrick Philippe Poupon (**)	Board Member and Chairman of the Audit Committee
Ayşe Aşardağ	Board Member and Deputy Chairman of the Audit Committee
Yavuz Canevi	Board Member
Hans Wilfried J. Broucke	Board Member
Özden Odabaşı	Board Member
Jean-Charles Joseph Gabriel Aranda (*)	Board Member
Ayşe Meral Çimenbiçer	Board Member and Member of the Audit Committee
Metin Toğay	Board Member
Didier Albert N. Van Hecke	Board Member and Member of the Audit Committee
Ümit Leblebici	Executive Member and CEO

(*) Based on the resolutions adopted at our Bank's Ordinary General Assembly convened on 28 March 2023, effective the said date;

Term of office of Sandrine Ferdane as Board member expired.
Jean-Charles Joseph Gabriel Aranda has been appointed as Board member.

(**) As of 12 September 2023, Patrick Philippe Poupon was appointed as a Member of the Board of Directors of our Bank to replace Nicolas de Baudinet de Courcelles, who resigned from his position as of the same date.

As of 15 September 2023, Patrick Philippe Poupon was appointed as the Chairman of the Audit Committee, to replace Nicolas de Baudinet de Courcelles.

Dr. Akın Akbaygil, Chairman	
March 2022-present	TEB A.Ş. Chairman
January 2022 - March 2022	TEB Faktoring A.Ş. Board Member
February 1988 - March - 2022	TEB A.Ş. Deputy Chairman
1986-present	TEB A.Ş., Credit Committee Chairman
2017 -2019	Ekonomi Yatırımlar Ltd. Board Member
March 2011-present	TEB Holding A.Ş., CEO
April 2005-January 2022	TEB Faktoring A.Ş., Chairman
March 2011-March 2017	TEB Holding A.Ş. Board Member - CEO
February 2005- March 2017	TEB Mali Yatırımlar A.Ş. Board Member - CEO
April 2008 - March 2017	TEB A.Ş., Audit Committee Deputy Chairman
March 2013 - March 2016	TEB A.Ş., Independent Board Member

2011-April 2014	TEB N.V., Chairman
1999-2013	Ekonomi Bank IBU Ltd., Deputy Chairman
2011-2012	TEB Yatırım Menkul Değerler A.Ş., Chairman
2011-2011	Fortis Yatırım Menkul Değerler A.Ş., Board Member
1998-2011	TEB N.V., Deputy Chairman
October 2003- March 2011	TEB Mali Yatırımlar A.Ş. -CEO
2005-2010	TEB Finansal Kiralama A.Ş., Chairman
July 1998- February 2005	TEB Mali Yatırımlar A.Ş. Deputy Chairman
2004-2007	TEB Portföy Yönetimi A.Ş., Chairman
1997-2005	TEB Sigorta A.Ş., Chairman TEB Faktoring, Board Member
1996-2005	TEB Finansal Kiralama A.Ş., Board Member
February 1988- October 2003	TEB A.Ş. Deputy Chairman - CEO
2001-2002	Banks Association of Turkey, Deputy Chairman
1994-2001	Banks Association of Turkey, Board Member
April 1988- July 1988	İlkesan Yat. ve Gel. A.Ş., Deputy Chairman
March 1986- April 1988	İlkesan Yat. ve Gel. A.Ş., Board Member
June 1983- February 1988	TEB A.Ş., Board Member, CEO
May 1982- June 1983	TEB A.Ş., Board Member
1965-1982	Akbank T.A.Ş. Manager of Foreign Affairs
1969-1973	Istanbul University, Faculty of Economics, Ph.D.
1967-1968	Istanbul University, Faculty of Economics, MBA
1962-1967	Istanbul University, Faculty of Economics, Bachelor's Degree

François Andre Jesualdo Benaroya, Deputy Chairman	
January 2023-present	European Mediterranean Region - CEO
July 2021-present	TEB Holding A.Ş., Board Member
September 2021-present	TEB A.Ş. Deputy Chairman
January 2018-September 2021	TEB A.Ş., Board Member
January 2018 - present	BNPP BANK Polska Deputy Chairman
October 2021-present	BNP Paribas -IRB Vice President
October 2017-September 2021	BNP Paribas -IRB, Head of Central & Eastern Europe/Turkey
July 2014-September 2017	BGZ BNP Paribas (Poland), Deputy Chairman of the Board
November 2011-June 2014	BNP Paribas -IRB, Head of Retail
November 2007-October 2011	UKRSIBBANK BNP Paribas Ukraine, Deputy Chairman of the Board
September 2004 - November 2007	BNP Paribas, Senior Advisor to Corporate Development CEO
April 2002 - August 2004	French Ministry for Foreign Affairs, Deputy Director of the Cabinet of the Minister for European Affairs
October 1999 - April 2002	French Ministry of Economy, Department Director
September 1997 -	French Embassy in Moscow, Economic Advisor on the

September 1999	Commonwealth of Independent States
September 1994 - September 1997	French Ministry of Finance, Deputy Head of Department
August 1992-January 1994	Republic of France National Institute of Statistics and Economic Studies / National School of Statistics and Economic Administration
September 1989-July 1992	Republic of France Ecole Polytechnique/ Engineering

Patrick Philippe Poupon, Member and Chairman of the Audit Committee

September 2023-present	TEB A.Ş., Board Member and Chairman of the Audit Committee
September 2023-present	TEB Yatırım Menkul Değerler, A.Ş., Board Member
October 2023-present	BNPP Yatırımlar Holding A.Ş., Board Member
October 2023-present	BNPP Fortis Yatırımlar Holding A.Ş., Board Member
September 2016 -August 2023	BNP Paribas European Mediterranean Region Compliance Chairman
August 2012 - August 2016	UBCI CEO
September 2009 - October 2012	Bank Of The West (BNP Paribas) Cash Management Chairman
July 1999 - January 2009	BNP Paribas Corporate Business Center Chairman
April 1987 - August 1999	BNP Paribas France Corporate Management
October 1984 - April 1987	BRED - Branch Management
1987-1988	National Conservatory of Art and Vocation of the Republic of France Banking Technical Institute / Master's Degree in Economic Market and Banking
1982-1983	Paris IX-Dauphine University / Decision Making Methods in the Company and Company Economy - Strategy Planning Master's Degree
1979-1982	Paris Dauphine University / Bachelor of Applied Economics

Ayşe Aşardağ, Member and Deputy Chairman of the Audit Committee

May 2021-present	TEB Faktoring A.Ş., Board Member
January 2021 - present	TEB Sh. A. (Kosovo), Chairman
March 2020-January 2021	TEB Sh.A (Kosovo), Deputy Chairman
March 2017-present	TEB A.Ş., Deputy Chairman of the Audit Committee
March 2016-2021	TEB Faktoring A.Ş., Deputy Chairman
2016-2017	TEB ARVAL Araç Filo Kiralama A.Ş., Board Member
2012-2017	Ekonomi Yatırımlar Ltd., Board Member
2012-present	TEB Yatırım Menkul Değerler A.Ş., Deputy Chairman TEB Finansman A.Ş., Deputy Chairman
2011-2016	TEB Faktoring A.Ş., Board Member The Economy Bank N.V., Board Member
2011-December 2014	TEB Portföy Yönetimi A.Ş., Board Member
2010-present	TEB A.Ş., Board Member
2009-2020	TEB Sh.A (Kosovo), Board Member

2003-2013	Ekonomi Bank Offshore Ltd. Board Member
2001-present	TEB Holding A.Ş., Budget and Financial Control Coordinator
2010-2011	Fortis Bank A.Ş., Board Member
2009-2010	TEB ARVAL Araç Filo Kiralama A.Ş., Board Member
2008-2009	TEB ARVAL Araç Filo Kiralama A.Ş., Deputy Chairman, Etkin Temizlik Hizmetleri A.Ş. Chairman
2007-2010	TEB Tüketici Finansman A.Ş., Deputy Chairman
2007-2009	TEB Sh.A (Kosovo), Deputy Chairman
2007-2008	TEB Sigorta A.Ş. Chairman TEB İletişim ve Yayıncılık Hizmetleri A.Ş. Chairman Etkin Personel Taşımacılık Hizmetleri A.Ş. Chairman Etkin Temizlik Hizmetleri A.Ş. Chairman TEB Tüketici Finansman A.Ş. Board Member TEB ARVAL Araç Filo Kiralama A.Ş. Board Member
2007-2010	TEB UCB Konut Danışmanlık A.Ş., Chairman
2004-2010	Ege Turizm ve İnşaat A.Ş., Deputy Chairman
2001-2009	TEB Finansal Kiralama A.Ş. Auditor TEB Faktoring A.Ş. Auditor TEB Yatırım Menkul Değerler A.Ş. Auditor
2001-2010	TEB A.Ş., Auditor
2001-2007	TEB Sigorta A.Ş., Board Member TEB Portföy Yönetimi A.Ş., Auditor
1995-2001	TEB A.Ş., Budget and Financial Control Director
1994-1995	University of Glamorgan, Lecturer in Accounting
1987-1994	Price Waterhouse, Istanbul, London, Audit Unit
1992	Institute of Chartered Accountants in England and Wales, ACA
1982-1987	Boğaziçi University, Faculty of Administrative Sciences, Business Administration Department, BA

Yavuz Canevi, Board Member	
March 2022 - present	TEB A.Ş., Board Member
2015-2021	TSKB, Board Member
2012-2015	FERB Turkish - French Business Forum, Vice President
2010-2015	FERB Turkish - Holland Business Forum, Board Member
2009-present	Global Relations Forum / Auditor
2004-2010	NETAŞ, Board Member
July 1996-March 2022	TEB A.Ş., Chairman of the Board of Directors
1995-2019	İKV, Board Member
2001-2013	TEB Holding A.Ş., Board Member
2001-2010	Hedef Alliance A.Ş., Board Member
1993-2012	TSKB, Board Member
1989-present	FNSS Savunma Sistemleri A.Ş., Chairman of the Board
1991-1994	TÜSİAD, Board Member
1989-present	TÜSİAD, Member of High Advisory Council
1998-2011	TEB N.V. Holland, Chairman of the Board of Directors
1993-2005	Istanbul Stock Exchange, Deputy Chairman and Board Member

1989-2005	EUROTURK BANK Board Member
1987-1989	Turk Eximbank Chairman of the Board of Directors
1986-1989	Undersecretary of Treasury and Foreign Trade, Republic of Turkey Prime Ministry
1984-1986	Central Bank of Turkey, Governor
1980-1984	Central Bank of Turkey, Vice Governor
1979-1980	T. Garanti Bankası, Assistant General Manager in Charge of International Relations
1976-1979	Central Bank of Turkey, CEO of Foreign Exchange
1960-1975	Auditor, Ministry of Finance Georgia State University, USA, Faculty Member
1966-1969	University of Southern California (USC), USA, MA Economics
1956-1960	Ankara University, Faculty of Political Science, Department of Public Finance and Economics (Bachelor's Degree)

Hans Wilfried J. Broucke, Member

March 2023-present	TEB Faktoring A.Ş., Board Member
August 2020 -present	TEB A.Ş. Board Member
December 2017 - August 2020	Ukrsibbank Ukraine/Head of Corporate Banking
2012-2017	BNP Paribas Bulgaria CEO/Country Head
2010-2012	BNP Paribas Czech Republic/Country Head
2005-2010	BNP Paribas Czech Republic/General Manager
1985-1987	Applied Economics - Catholic University of Louvain - Belgium, Master's Degree
1983-1985	Economical, Political and Social Sciences - UFSAL - Brussels - Belgium, Bachelor's Degree

Özden Odabaşı, Member

March 2021-present	TEB Faktoring A.Ş., Deputy Chairman
March 2017-present	TEB A.Ş., Board Member
1998-2016	The Economy Bank N.V., CEO
1997-1998	FB Finansbank Suisse S.A., CEO
1994-1997	Finansbank Holland N.V.
1987-1993	Finansbank A.Ş., Marketing Director/Assistant General Manager
1986-1987	BNP-Akbank A.Ş., Marketing Manager
1984-1986	Citibank N.A. İstanbul, Customer Representative/Marketing Manager
1983-1984	Mobil Oil Türk A.Ş., Internal Control Assistant Manager
1981-1982	Northern Illinois University, MBA
1980-1981	Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration, Master's Degree
1976-1980	Middle East Technical University, Faculty of Administrative Sciences, Department of Business Administration, Bachelor's Degree

Jean-Charles Joseph Gabriel Aranda, Board Member	
March 2023-present	TEB A.Ş., Board Member
July 2023-present	BDSI, Board Member
August 2023-present	BNP Paribas Bank Polska, Audit Board Member
August 2023-present	BNP Paribas SA, Financial Affairs Director - European-Mediterranean
April 2017- July 2023	BNP Paribas Bank Polska - Chairman
August 2016- March 2017	BNP Paribas Bank Polska - Executive Director
June 2013- July 2016	BNP Paribas el Djazair COO
February 2009- December 2012	BNP Paribas el Djazair CFO
June 2004- January 2009	BNP Paribas SA General Inspection
June 2005- January 2006	Specialist Accounting Graduation
October 1999- June 2004	KPMG Auditing Manager
1998-1999	Credit Lyonnais Luxembourg, Internal Auditor-Voluntary National Service
1994 - 1997	Montesquieu Bordeaux University / Master's Degree in Management Control and Internal Audit
1992-1994	University of Poitiers Institute of Technology / Finance Accounting

Ayşe Meral Çimenbiçer, Board Member and Member of the Audit Committee	
April 2022 - present	TEB A.Ş., Member of the Audit Committee
March 2022 - present	TEB A.Ş., Board Member
January 2021 - April 2022	TEB ARF Teknoloji A.Ş., Board Member
January 2020 - January 2022	TEB Sh. A., Board Member
2013-2022	BANTAŞ Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. Board Member
2005-2013	Ege Turizm ve İnşaat A.Ş., Board Member
April 2004 - present	TEB Holding A.Ş., Coordinator
2003-2005	Porttakal TEB İletişim A.Ş., Board Member
2000-2022	Biltem Bilgisayar Hizmetleri A.Ş., Board Member
July 1997 - March 2004	TEB A.Ş., Assistant General Manager
September 1972 -August 1978	Middle East Technical University, Faculty of Business Administration

Metin Toğay, Board Member	
March 2022- present	TEB A.Ş., Board Member
March 2022 -present	TEB Arval A.Ş., Deputy Chairman
August 2020 - March 2022	TEB Arval A.Ş., Board Member
August 2020 - March 2022	TEB Portföy Yönetimi A.Ş., Board Member
March 2020 - March 2022	TEB A.Ş., Advisor to the CEO
January 2020 - present	BNP Paribas Fortis Yatırımlar Holding A.Ş., Board Member

January 2020 - present	BNPP Yatırımlar Holding A.Ş.
July 2019 - March 2021	TEB Faktoring A.Ş., Board Member
February 2005 - June 2011	TEB A.Ş., Board Member
1997-2020	BNP Paribas, Head of Representative Office Turkey
September 1980 -May 1982	University of Wisconsin, MBA
January 1976 - August 1980	Middle East Technical University, Faculty of Administrative Sciences, Department of Business Administration

Didier Albert Nicole Van Hecke, Board Member and Member of the Audit Committee	
March 2022 - present	TEB A.Ş., Board Member
April 2022 - present	TEB A.Ş., Member of the Audit Committee
February 2019 - January 2022	Bpost Bank, Director
August 2016 - present	BNP Paribas Fortis - Belgium, Head of Retail Banking Risk Management
September 2014 - July 2016	BNP Paribas, Head of Retail Banking Risk Management
February 2011 - August 2014	TEB A.Ş., Head of Group Risk Management
October 2008 - February 2011	Fortis Bank Turkey, Assistant General Manager
January 2005 - August 2008	Fortis Asia, Hong Kong, Head of Credit Risk
March 2003 - December 2004	Fortis Bank, Brussels, Head of Credit Derivatives Trading
October 2000 - February 2003	Fortis Bank, Brussels, Commercial Loans
July 1999 - September 2000	Fortis Bank, Brussels, Deputy Head of Credit Analysis in Central Loans Department
October 1996 - June 1999	General Bank, Brussels, Head of Credit Analysis in Corporate Loans Department
November 1993 - September 1996	General Bank, Brussels, Corporate Loans Credit Analyst
November 1992 -October 1993	General Bank, Brussels, Management Trainee Program
August 1991 - October 1991	ICI Teesside (Middlesbrough, UK)
September 1989 - July 1991	Catholic University of Leuven, Master of Business Economics
September 1987 -July 1989	Catholic University of Leuven, Bachelor of Business Engineering

Ümit Leblebici, Executive Member and CEO	
July 2020-present	TEB ARF Teknoloji A.Ş., Chairman
July 2017-present	FERB Board Member
May 2014-present	Banks Association of Turkey, Board Member
September 2013-present	TEB A.Ş., Executive Board Member and CEO
February 2013- September 2013	TEB A.Ş., Deputy CEO
2002-2013	TEB A.Ş. Assistant General Manager, ALM and Treasury Group
April 2013-September 2013	TEB Yatırım Menkul Değerler A.Ş., Chairman
2012-December 2014	TEB Portföy Yönetimi A.Ş., Chairman
2011-2012	TEB Portföy Yönetimi A.Ş., Board Member
1999-2002	TEB A.Ş. Director, Treasury Group
1997-1999	Osmanlı Bank, Treasury Manager
March 1997 -July 1997	Ulusal Bank, Treasury Manager
1991-1997	Midland Bank, Treasury Manager
1988-1994	Istanbul University, Master's degree at Finance Major
1984-1988	Istanbul University, Faculty of Business Administration

EXECUTIVE MANAGEMENT

General Manager, Assistant General Managers and Their Responsibilities in the Bank

Ümit Leblebici	Executive Member and CEO	
Gökhan Mendi	Senior Assistant General Manager	Retail and Private Banking
Mustafa Aşkın Dolacı	Assistant General Manager	Financial Affairs
Ali Gökhan Cengiz	Assistant General Manager	SME Banking
Gökhan Özdil	Assistant General Manager	Corporate Credits
Ali İhsan Arıdaşır	Assistant General Manager	SME Credits Group
Osman Durmuş	Assistant General Manager	Retail and Micro SME Credits
Melis Coşan Baban	Chief Legal Advisor, Secretary of the Board of Directors	Head of Legal Affairs
Mehmet Ali Cer	Assistant General Manager	Information Technologies
Ömer Abidin Yenidoğan	Assistant General Manager	Corporate and Corporate Investment Banking
Akil Özçay	Assistant General Manager	Global Markets
Tuğrul Özbakan	Assistant General Manager	Treasury & ALM
Orhan Hatipoğlu	Assistant General Manager	Banking Operations and Support Services
Çiğdem Ünsal	Assistant General Manager	Human Resources

Managers of Internal Systems

Hakan Tıraşın	Head of Internal Audit
Nimet Elif Kocaayan	Chief Risk Officer
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer

Ümit Leblebici, Executive Member and CEO	
July 2020-present	TEB ARF Teknoloji A.Ş., Chairman
July 2017-present	FERB Board Member
May 2014-present	Banks Association of Turkey, Board Member
September 2013-present	TEB A.Ş., Executive Board Member and CEO
February 2013-September 2013	TEB A.Ş., Deputy CEO
2002-2013	TEB A.Ş. Assistant General Manager, ALM and Treasury Group
April 2013-September 2013	TEB Yatırım Menkul Değerler A.Ş., Chairman
2012-December 2014	TEB Portföy Yönetimi A.Ş., Chairman
2011-2012	TEB Portföy Yönetimi A.Ş., Board Member
1999-2002	TEB A.Ş. Director, Treasury Group
1997-1999	Osmanlı Bank, Treasury Manager
March 1997 -July 1997	Ulusal Bank, Treasury Manager

1991-1997	Midland Bank, Treasury Manager
1988-1994	Istanbul University, Master's degree at Finance Major
1984-1988	Istanbul University, Faculty of Business Administration

Gökhan Mendi, Senior Assistant General Manager, Retail and Private Banking

March 2023-present	TEB Finansman A.Ş., Board Member
October 2016- October 2023	TEB Yatırım Menkul Değerler A.Ş., Board Member
October 2013-present	TEB A.Ş., Senior Assistant General Manager, Retail and Private Banking
June 2013-present	Interbank Card Center (BKM) Board Member
May 2012-present	Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Board Member Fortis Bank Personeli Güvenlik Vakfı, Board Member
2011-2013	TEB A.Ş., Assistant General Manager, Retail and Private Banking
2011-March 2016	TEB Yatırım Menkul Değerler A.Ş., Board Member
2011-2014	TEB Portföy Yönetimi A.Ş., Board Member
2011-2012	TEB Tüketici Finansmanı A.Ş., Deputy Chairman
2007-2011	Fortis Bank A.Ş., Head of Retail Banking & Bancassurance, Board Member
2003-2007	Finansbank, Retail Banking Assistant General Manager, Finans Sigorta A.Ş., Finans Portföy & Finans Yatırım, Board Member
2001-2003	Finansbank, NL, Consumer Banking, Assistant General Manager
1999-2001	Citibank Inc. Plc. London, Head of Business Development
1998-1999	Citibank N.A., Istanbul, Credit Cards Marketing Director
1996-1998	Citibank N.A., Istanbul, Sales & Marketing Manager
1996-1996	Beiersdorf Chemical, Sales & Marketing Manager
1992-1996	British Petroleum Istanbul, Marketing Services & Product Manager
1991-1992	British Petroleum Istanbul, Marketing Services Manager
1990-1991	British Petroleum Istanbul, Assistant of Engineering Manager
2000-2002	London Business School, Executive MBA
1989-1990	Georgia Institute of Technology Atlanta, USA
1987-1988	Istanbul University, MBA
1983-1987	Istanbul Technical University, Civil Engineering

Mustafa Aşkın Dolaştır, Assistant General Manager, Financial Affairs

March 2022-present	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. Board Member
December 2020-present	TEB ARF Teknoloji A.Ş., Board Member
March 2019-present	Ekonomi Yatırımlar Ltd., Board Member
March 2018-March 2022	TEB ARVAL Araç Filo Kiralama A.Ş., Board Member
December 2021 - present	BNP Paribas Cardif Sigorta A.Ş. Deputy Chairman
December 2021 - present	BNP Paribas Cardif Hayat Sigorta A.Ş. Deputy Chairman

December 2021 - present	BNP Paribas Cardif Emeklilik A.Ş., Deputy Chairman
April 2016-December 2021	BNP Paribas Cardif Emeklilik A.Ş., Board Member
April 2016-December 2021	BNP Paribas Cardif Sigorta A.Ş., Board Member
April 2016-December 2021	BNP Paribas Cardif Hayat Sigorta A.Ş., Board Member
2008-present	TEB A.Ş., CFO
February- November 2007	TEB Arval/Faktoring/Leasing, CFO
1998-2007	The Economy Bank N.V. Amsterdam, Deputy CEO and Member of the Execution Committee
1994-1998	Finansbank (Holland) N.V., CFO
1992-1994	Commercial Union Hayat Sigorta A.Ş., CFO
1990-1992	Finansbank A.Ş. Istanbul, Group Head, Subsidiaries
1986-1989	Arthur Andersen & Co. Istanbul, Lisbon, London and Cambridge Offices, Senior Auditor
1985-1986	The Central Bank of the Republic of Turkey, Specialist
1984-1985	Istanbul Technical University, Management Engineering Lecturer, Operational Research
1983-1986	Istanbul Technical University, Master Degree in Management Engineering
1979-1983	Istanbul Technical University, Management Engineering

Gökhan Özdil, Assistant General Manager, Corporate Credits Group

March 2022 - present	BNP Paribas Finansal Kiralama A.Ş. Board Member
September 2017-March 2022	TEB Faktoring A.Ş., Board Member
March 2016-March 2017	TEB Faktoring A.Ş., Board Member
February 2011-present	TEB A.Ş., Assistant General Manager, Corporate Credits Group
2005-2011	Fortis Bank A.Ş., Corporate and Commercial Banking Credits Assistant General Manager
May 2008-present	Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Executive Vice President Fortis Bank Personeli Güvenlik Vakfı, Executive Vice President
2007-2008	Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Board Member; Fortis Bank Personeli Güvenlik Vakfı, Board Member
2007-2008	Fortis Bank A.Ş., Retail Banking Credits Assistant General Manager
2005-2007	Fortis Bank A.Ş., Credits Group Assistant General Manager
2004-2005	Türk Dış Ticaret Bankası A.Ş., Credits Group Assistant General Manager
1996-2004	Türk Dış Ticaret Bankası A.Ş., Branch Manager
1992-1996	Türk Dış Ticaret Bankası A.Ş., Assistant Branch Manager
1989-1992	Türk Dış Ticaret Bankası A.Ş., Internal Audit Group, Inspector

1987-1989	Türkiye İş Bankası A.Ş., Head Office
1981-1986	Middle East Technical University, Economics

Ali İhsan Arıdaşır, Assistant General Manager - SME Credits Group	
March 2023-present	TEB Faktoring A.Ş., Board Member
March 2022 - March 2023	TEB Arval Araç Filo Kiralama A.Ş. Board Member
March 2019-March 2022	BNP Paribas Finansal Kiralama A.Ş., Board Member
December 2018-present	TEB A.Ş., Assistant General Manager - SME Credits Group
October 2018 - December 2018	TEB A.Ş., Credits Advisor
November 2016 - October 2018	Anadolu Bank A.Ş., Assistant General Manager, Credits Allocation
January 2008 - November 2016	TEB A.Ş., Credits Monitoring Director / Credits Director / SME Credits Allocation Director
August 2003- December 2007	TEB A.Ş., South Anatolia Commercial Credits and Credits Allocation Supervisor
August 2002- August 2003	TEB A.Ş. Gazipaşa Bulvarı Branch Corporate Banking Branch Manager
June 2002- August 2002	TEB A.Ş., Commercial Banking Marketing and Product Development Manager
June 1996 - June 2002	TEB A.Ş. Adana Branch Commercial Marketing Manager
August 1993- May 1996	Pamukbank A.Ş. Corporate Marketing Manager
1987 - 1992	Boğaziçi University Economics and Administrative Sciences Faculty, Department of Economics

Osman Durmuş, Assistant General Manager - Retail and Micro SME Credits Group	
March 2018 - present	TEB Yatırım Menkul Değerler A.Ş., Board Member
August 2017-present	TEB Sh. A. Board Member
2008-present	TEB A.Ş., Assistant General Manager, Retail and Small Business Credit Group
1998-2008	HSBC Bank A.Ş./Demirbank T.A.Ş., Head of Retail and Small Business Credit and Risk Group
1997-1998	Yapı Kredi Kart Hizmetleri A.Ş., Head of Credit Cards and Risk
1994-1996	Yapı Kredi Bankası A.Ş., Unit Manager, Retail Banking Accounting Department
1990-1993	Yapı Kredi Bankası A.Ş., Specialist, Retail Banking Accounting Department
1988-1990	Yapı Kredi Bankası A.Ş., Chief Assistant, Accounting Department
1986-1987	Yapı Kredi Bankası A.Ş., Rihtim Branch, Clerk
1982-1986	Marmara University, Faculty of Press and Media, Journalism and Public Relations Department, Bachelor's Degree

Melis Coşan Baban, Chief Legal Advisor, Board General Secretary, Assistant General Manager

February 2008-present	TEB A.Ş., Assistant General Manager, Legal Affairs
July 2005-present	TEB A.Ş., Chief Legal Advisor, Board General Secretary
2000-2005	Pekin & Pekin Law Firm, Partner
1998-2000	Pekin & Pekin Law Firm, Senior Lawyer
1993-1998	Postacioğlu Law Firm, Lawyer
1996-1997	Columbia University, New York, USA, Master of Law (LL.M.)
1989-1995	Istanbul University, Law School, Law Degree

Mehmet Ali Cer, Assistant General Manager, Information Technologies Group

July 2020-present	TEB ARF Teknoloji A.Ş., Deputy Chairman
May 2012-present	Fortis Bank A.Ş., Mensupları Emekli Sandığı Vakfı, Board Member Fortis Bank Personeli Güvenlik Vakfı, Board Member
November 2011-present	TEB A.Ş., Assistant General Manager, Information Technologies Group
February 2011-November 2011	TEB A.Ş., Infrastructure Management, Group Director
2010-2011	Fortis Bank A.Ş., Information Technologies, Director
2000-2010	TEB A.Ş., Infrastructure Management, Director
1997-2000	Demirbank A.Ş., Software Development, Manager
1995-1997	Metters Industries, Senior Software Engineer
1993-1995	Southern Illinois University, Graduate Assistant
1990-1992	Türkiye Kalkınma Bankası A.Ş., System Analyst
1993-1996	Southern Illinois University, Computer Engineering (Master Degree)
1985-1990	Hacettepe University, Department of Computer Engineering

Ömer Abidin Yenidoğan, Assistant General Manager, Corporate and Corporate Investment Banking

March 2021-present	TEB Yatırım Menkul Değerler A.Ş., Chairman
December 2020-March 2021	TEB Yatırım Menkul Değerler A.Ş., Board Member
January 2022 - present	TEB A.Ş. Assistant General Manager, Corporate and Corporate Investment Banking
October 2014-January 2022	TEB A.Ş., Assistant General Manager, Corporate Investment Banking
2014-2021	TEB Portföy Yönetimi A.Ş., Advisor to the Board
2003-2014	TEB Portföy Yönetimi, CEO
March 2011 - March 2018	TEB Yatırım Menkul Değerler A.Ş., Board Member
2013-2015	TKB BNPP IP JSC & LLC (Saint Petersburg - Russian Federation), Board Member
2010-2014	Corporate Governance Association of Turkey, Board Member
2001-2003	TEB Retail Banking, Marketing Director
2000-2001	TEB Portföy Yönetimi A.Ş., Marketing Assistant General Manager

1997-1999	TEB Yatırım Menkul Değerler A.Ş., International Capital Market Assistant Manager
1995-1996	Citibank Turkey, GCB
1994-1995	University of Nottingham, Business Management, Master's Degree
1989-1994	Marmara University, BA in Political Sciences (French)

Akil Özçay, Assistant General Manager, Global Markets

March 2022-present	TEB Yatırım Menkul Değerler A.Ş. Board Member
2015-2020	TEB Yatırım Menkul Değerler A.Ş., Board Member
2012-2013	TEB Yatırım Menkul Değerler A.Ş., Chairman of the Board
2012-2013	TEB Portföy Yönetimi A.Ş., Board Member
November 2011-present	TEB A.Ş., Assistant General Manager, Global Markets
2011-2012	TEB Portföy Yönetimi A.Ş., Chairman of the Board
2011-2012	TEB Yatırım Menkul Değerler A.Ş., Deputy Chairman
2011-2011	Fortis Portföy Yönetimi A.Ş., Chairman of the Board
2009-2013	TEB Sh.A., Board Member
2008-2011	TEB A.Ş., Chief Advisor to the CEO
2007-2008	CBRT Internal Audit, Chief Audit Executive
2005-2007	Rutgers, The State University of New Jersey, Master
2004-2007	CBRT New York Representative Office, Chief Representative
2001-2004	CBRT Markets Department, General Director
1998-2001	CBRT Markets Department, Assistant General Director
1996-1998	CBRT Open Markets Operations, Manager
1995-1996	CBRT Banking Supervision, Manager
1994-1995	CBRT Markets Department, Foreign Exchange Transactions, Manager
1977-1981	Ankara University, Faculty of Political Sciences, Bachelor's Degree

Tuğrul Özbakan, Assistant General Manager, ALM & Treasury

March 2023-present	TEB Arval Araç Filo Kiralama A.Ş., Board Member
June 2015-present	TEB A.Ş., Assistant General Manager, ALM & Treasury Group
2013-2015	TEB A.Ş., Group Director, ALM & Treasury Group
2008-2013	TEB A.Ş., Director, ALM
2007-2008	TEB Portföy Yönetimi A.Ş., Assistant General Manager, DPM and Fund Management
June 2007-July 2007	TEB A.Ş. Financial Markets Director
2005-2006	TEB Portföy Yönetimi A.Ş., Board Member
2005-2006	Varlık Yatırım Ortaklığı A.Ş., Board Member
1996-2006	TEB A.Ş. Director, Financial Markets
2004-2009	Istanbul Marmara University, Ph.D. in EU Economics
1999-2002	Istanbul Bilgi University, Business Administration, MBA
1991-1995	Stanford University, Palo Alto, USA, BA in Economics

Ali Gökhan Cengiz, Assistant General Manager, SME Banking	
March 2022 - March 2023	TEB Faktoring A.Ş. Board Member
March 2021-March 2022	BNPP Finansal Kiralama A.Ş. Board Member
March 2019-present	TEB A.Ş., Assistant General Manager, SME Banking
2016 - 2019	TEB A.Ş., Group Director, Corporate Banking Sales Management
2004 - 2016	Akbank T.A.Ş. Division Head
2003 - 2004	Dışbank TA.Ş. Branch Manager
2001 - 2003	Citibank A.Ş. Branch Manager
1995 - 2001	Interbank Branch Deputy Manager
1993	Oklahoma City University MBA
1986 - 1989	Hacettepe University, Department of Economics

Orhan Hatipoğlu, Assistant General Manager - Banking Operations and Support Services	
April 2022-present	TEB ARF Teknoloji A.Ş. Board Member
July 2021-present	TEB A.Ş. Assistant General Manager - Banking Operations and Support Services
May 2021-present	Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. Board Member
2020-2021	TEB A.Ş. Core Banking, ADC and Payment Systems Operations Management, Group Director
2017-2019	Fibabanka A.Ş., Assistant General Manager
2012-2016	TEB A.Ş. Core Banking, ADC and Payment Systems Operations Management, Director
February 2012-October 2012	Akbank A.Ş., Director
October 2010-January 2012	Credit Europe Bank Ukraine Kiev, Chief Operating Officer
1988-1992	Boğaziçi University Faculty of Engineering / Computer Engineering

Çiğdem Ünsal, Assistant General Manager - Human Resources	
October 2022 - present	TEB A.Ş., Assistant General Manager, Human Resources
February 2021 - September 2022	Şekerbank T.A.Ş., Executive Vice President, Human Resources
2020-2021	TEB Holding, Human Resources Coordinator
2015-2020	TEB, HR Strategy, Organizational Development and Compensation Management Executive Director
2007-2015	TEB, HR Strategy, Organizational Development and Compensation Management Director
August 1998 - 2007	TEB, HR Compensation, Performance and Communication Senior Manager
January 1995 - August 1998	Yapı ve Kredi Bankası A.Ş., Human Resources
1990-1995	Middle East Technical University, Faculty of Economics and

	Administrative Sciences, Department of Economics
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Hakan Tıraşın, Head of Internal Audit

2023-present	TEB Sh. A, Board Member
2006-present	TEB A.Ş., Head of Internal Audit
2004-2005	TEB A.Ş., Assistant General Manager, Organization, Banknote Markets and Support Services and Secretary General
1992-2004	TEB A.Ş., General Secretary
1989-1992	TEB A.Ş., Internal Audit, Inspector
1973-1989	Akbank, Branch Manager and Inspector
1972-1977	Istanbul Academy of Economics and Business Administration

Birol Deper, Head of Compliance and Internal Control, Consumer Relations Coordination Officer

March 2022- March 2023	BNP Paribas Finansal Kiralama A.Ş. Board Member
May 2021-present	TEB A.Ş. and TEB Financial Group Compliance Officer
March 2016-present	TEB Sh.A., Board Member
April 2015-May 2021	Banks Association of Turkey-Risk Center, Board Member
September 2013-present	TEB A.Ş., Consumer Relations Coordination Officer
2012-present	TEB A.Ş., Head of Compliance and Internal Control Group
2011-April 2013	TEB Portföy Yönetimi A.Ş., Auditor
2010-2012	TEB A.Ş., Compliance and Regulation Director
2008-2012	TEB A.Ş., Banking Regulation Director
2007-April 2013	TEB Cetelem Tüketici Finansmanı A.Ş., Auditor
2006-2008	TEB A.Ş., Banking Regulation Manager
2001-2006	Banking Regulation and Supervision Agency, Certified Bank Auditor
2007-2010	Galatasaray University Institute of Social Sciences-MBA
1996-2000	Ankara University, Faculty of Political Sciences, Department of Business Administration

Nimet Elif Kocaayan, Head of Group Risk Management

July 2021-present	TEB Sh.A., Board Member
July 2017-present	TEB A.Ş. Head of Group Risk Management
July 2017-present	TEB Yatırım Menkul Değerler A.Ş., Board Member
2010-2017	TEB A.Ş., Credit Risk Director
2003-2010	TEB A.Ş. Operational Risk-BASEL II and Credit Risk Supervisor/ Credit Risk Manager
2000-2003	TEB A.Ş. Credit Allocation Supervisor
1995-2000	TEB A.Ş. Internal Audit, Inspector /Assistant Inspector
1991-1995	İstanbul University, Faculty of Economics, Department of Economics

COMMITTEES OF TÜRK EKONOMİ BANKASI A.Ş.

Information on Participation of Board Members and Committee Members in Respective Meetings:

As of 31 December 2023, the Board of Directors has accepted 176 resolutions. The Board Members and Committee Members have participated into respective meetings at sufficient levels.

SENIOR EXECUTIVE COMMITTEE

Responsibilities of the Committee: Monitoring and surveillance of TEB and TEB Group's operational performance on behalf of TEB's Board of Directors and in accordance with its directions.

Chairman

François Andre Jesualdo BENAROYA, Deputy Chairman of the Board of Directors

Deputy Chairman

Dr. Akin AKBAYGİL, Chairman of the Board of Directors

Members

General Manager

The Committee meets 5 times a year in parallel with the Board of Directors meeting calendar, or as required.

CREDIT COMMITTEE

Responsibilities of the Committee:

- To fulfill the duties assigned by the Board of Directors in regard to loans,
- To evaluate loan requests within the authority limits delegated to the Credit Committee by the Board of Directors and to approve loan allocation decisions and, where necessary, to evaluate the Bank's loan portfolio within the context of economic, financial, sectoral, cyclical, regional and similar risks.

Chairman

Dr. Akin AKBAYGİL, Deputy Chairman of the Board of Directors

Members

Özden ODABAŞI, Board Member

Hans Wilfried J. BROUCKE, Board Member

Ümit LEBLEBİCİ, General Manager

Metin TOĞAY, Board Member

Alternate Members

Ayşe AŞARDAĞ, Board Member

Patrick Philippe POUPON, Board Member

Committee meets as required.

RISK COMMITTEE

Responsibilities of the Committee:

To agree on risk management activities regarding Credit Risk, Market and Liquidity Risk and Operational Risk,

- To review and approve risk policies and implementation instructions and submitting them to the Board of Directors for approval where necessary,
- To review risk indicators with a forward-looking approach,
- To review and approve industry sector limits, and submit them to the approval of the Board of Directors,
- To review, approve and submit the "ICAAP" report and the "Problem Receivables Strategy and Operational Plan" report, shared with the BRSA, to the approval of the Board of Directors,
- To monitor credit portfolios and recommending risk strategies and actions to be taken regarding these portfolios,
- To provide sufficient information to the Board of Directors on matters within its area of responsibility and to issue decision recommendations.

Chairman

Hans Wilfried J. BROUCKE, Board Member

Deputy Chairman

Dr. Akin AKBAYGİL, Chairman of the Board of Directors

The Committee meets 5 times a year in parallel with the Board of Directors meeting calendar, or as required.

AUDIT COMMITTEE

Responsibilities of the Committee:

- On behalf of the Board of Directors to supervise the efficiency and adequacy of the Bank's internal systems,
- To supervise compliance with the provisions hereof concerning internal control and with the internal policies and implementation procedures approved by the Board of Directors and to make proposals to the Board of Directors in relation to measures which it is considered necessary to take,
- Together with the top-level management and the independent auditors, to evaluate the results of independent audit, the annual and quarterly financial statements and related documents and the independent audit report,
- To evaluate the independence of the rating institutions, the independent audit institutions, including those which carry out audits of information systems and the valuation institutions with which the Bank will sign contracts and of their presidents, directors, auditors, managers and employees, in their activities related with the Bank and the sufficiency of the resources that are allocated.

Chairman

Patrick Philippe POUPON, Board Member

Deputy Chairman

Ayşe AŞARDAĞ, Board Member

Members

Didier Albert N. VAN HECKE, Board Member

Ayşe Meral ÇİMENBİÇER, Board Member

The Committee meets 5 times a year in parallel with the Board of Directors meeting calendar, or as required.

SELECTION AND COMPENSATION COMMITTEE

Responsibilities of the Committee:

- Establishing a compensation policy that is aligned with the scope and structure of the Bank activities, its strategies, long-term goals and risk management structures, the BRSA's "Regulation Amending the Regulation on the Banks' Corporate Governance Principles" and "Guide on Best Compensation Practices in Banks" published in the Official Gazette issue 27959 dated 9 June 2011 that prevent taking excessive risks and that contribute to effective risk management,
- Determination, monitoring and supervision of remuneration implementations (including salaries, performance bonuses, premiums, awards, fringe benefits and social benefits),
- Annual submission to the Board of Directors the proposals with respect to the evaluation of remuneration policy and implementations under the risk management,
- Determination of the criteria for payments of performance bonuses based on performances of the employees and announcement of such criteria to the employees and regular review of such criteria according to the determined standards and special duties and responsibilities,
- Determination and approval of organizational structure, norms, job descriptions, appointment, promotion, salary and performance bonuses for Group Director and higher positions.

Chairman

François Andre Jesualdo BENAROYA, Deputy Chairman of the Board of Directors

Deputy Chairman

Dr. Akin AKBAYGİL, Chairman of the Board of Directors

Regular Attendant

General Manager

The Committee meets twice a year in parallel with the Board of Directors meeting calendar, or as required.

COMPLIANCE COMMITTEE

Responsibilities of the Committee:

- To supervise of compliance policies and practices.
- To monitor the changes in legislation.

Chairman

Patrick Philippe POUPON, Board Member

Deputy Chairman

Ayşe AŞARDAĞ, Board Member

Members

Ayşe Meral ÇİMENBİÇER, Board Member

Didier Albert N. VAN HECKE, Board Member

The Committee meets 5 times a year in parallel with the Board of Directors meeting calendar, or as required.

CORPORATE GOVERNANCE COMMITTEE

Responsibilities of the Committee:

- To conduct studies on issues requested by the Board of Directors that can be evaluated within the scope of the corporate governance committee.
- To monitor the implementation of the Corporate Governance Principles and identify any conflicts of interest in instances where the principles are not complied with, and set out recommendations to the Board of Directors to improve Corporate Governance Practices.
- To evaluate ongoing projects and presents those deemed appropriate to the Board of Directors.

Chairman

Dr. Akin AKBAYGİL, Chairman of the Board of Directors

Deputy Chairman

Patrick Philippe POUPON, Board Member

Members

Hans Wilfried J. BROUCKE, Board Member

Didier Albert N. VAN HECKE, Board Member

Ayşe AŞARDAĞ, Board Member

Ayşe Meral ÇİMENBİÇER, Board Member

The committee meets annually or as required.

INFORMATION DISCLOSURE COMMITTEE

Responsibilities of the Committee:

- To determine the general principles for disclosure of information that are in the nature of customer secrets and bank secrets with third parties,
- To undertake the overall coordination of such disclosures; to set the related responsibilities and general rules of operation,
- To evaluate whether demands received for information disclosure are appropriate; to enter these evaluations into record.

Chairman

For one-year terms of office (*);

- Head of Compliance Group and Internal Control Group
- Chief Legal Advisor, Secretary of the Board of Directors

() A new Committee Chairman will be assigned as and when the position of Secretary is handed over.*

Deputy Chairman

For one-year terms of office (*);

- Chief Legal Advisor, Secretary of the Board of Directors
- Head of Compliance Group and Internal Control Group

() A new Committee Deputy Chairman will be assigned as and when the position of Secretary is handed over.*

Members

Group Chief Risk Officer

Financial Affairs Assistant General Manager

Banking Operations and Support Services Assistant General Manager

Information Technologies Assistant General Manager

Information Security and Quality Director

The committee meets monthly or as required.

FINANCIAL STATEMENTS COMMITTEE

Committee Responsibilities:

The main purpose of the Committee is to oversee the process of preparation of the Financial Statements and to inform the Audit Committee and the Board of Directors accordingly. In this vein, the Committee is responsible for examining and analyzing the quarterly Financial Statements prior to their publication and obtaining detailed information regarding important issues when necessary. The committee is responsible for the monitoring of the basic accounting policies used, the choices made where the accounting standards include optional practices, the provisions allocated, the analytical evaluations of the results, the profitability ratios regarding the Financial Statements and the supporting accounts, as well as the monitoring of the financial statements which have methodological effects or pose a potential risk. The Committee is regularly informed of the decisions taken by the Financial Reporting Management Committee and the Provisioning Committee, their justifications and the assumptions used. The Committee expresses its views and recommendations in order to ensure the accuracy and truthfulness of the financial information to be published.

Chairman

Ayşe AŞARDAĞ, Board Member

Members

Jean-Charles ARANDA, Board Member

General Manager

Periodical

Committee meetings are held during the last month of the relevant three-month period before the completion of the financial statements prepared for the quarterly periods.

OPERATIONAL RISK COMMITTEE**Responsibilities of the Committee:**

- To make recommendations regarding the Operational Risk Management Policy approved by Board of Directors,
- Based on the outcomes of the measurement and management practices in accordance with the Operational Risk Management Policy;
 - To review processes and to make decisions whenever necessary by making general assessments on historical incidents or residual risks through management tools to measure and mitigate the operational risks,
 - To monitor the status and trend of the audit recommendations,
 - To monitor the progress of the key risk indicators determined by Group Risk Management, to evaluate risk mitigating actions and new indicators by considering the risk profile and trends,
 - To review and evaluate the risk assessment results of service providers within the scope of the Regulation on Procurement of Support Services by Banks and the Regulation on Information Systems of Banks and Electronic Banking Services.
 - Evaluating risks with process and application changes and taking decisions, when necessary, in the event of any significant increase in the operational risk profile, or where participation is required in decision making with additional checks,
 - Obtaining information regarding Business Impact Analyzes, business continuity plans and business continuity tests (such as contingency plans, loss of offices) to reduce operational risk and reaching decisions when necessary.

Chairman

Assistant General Manager, Banking Operations and Support Services

Deputy Chairman

Assistant General Manager, Financial Affairs

Members

Senior Assistant General Manager, Retail and Private Banking Group

Assistant General Manager, SME Banking Group

Assistant General Manager, Corporate and Corporate Investment Banking

Assistant General Manager, Information Technologies Group

Assistant General Manager, Human Resources Group

Chief Legal Advisor, Secretary of the Board of Directors

Committee meets monthly.

ASSETS AND LIABILITIES COMMITTEE**Responsibilities of the Committee:**

- Regarding TEB Group's Financial Markets activities; evaluation of industry developments and expectations, determination of strategies, evaluation of markets and the strategies to be adopted and the comparison of risk sizes to be taken,
- To review of financial indicator reports,
- To discuss expectations and developments in the domestic and international markets,
- To review of the general presentation of marketing groups,
- To review of ALM's presentation in terms of deposits and credit structure,
- To examine the funding cost and spread improvement for business segments,
- Evaluation of analysis of the Bank's weekly balance-sheet, income and expense, profit and loss statement.

Chairman

General Manager

Deputy Chairman

Assistant General Manager, Assets and Liabilities Management and Treasury

Members

Deputy Head of Corporate and Corporate Investment Banking

Senior Assistant General Manager, Retail and Private Banking Group

Senior Assistant General Manager, SME Banking Group and Deputy General Manager

Assistant General Manager, Financial Affairs

Assistant General Manager, Global Markets

Assets and Liabilities Management Director

Chief Economist

Chief Investment Advisor

Committee meets bi-weekly or as required.

NEW PRODUCT COMMITTEE

Responsibilities of the Committee:

Conducting comprehensive evaluations for the safe design of products, activities and organizations defined as being new within the scope of the New Product, Activity and Organization Regulation, thus ensuring the sound management of potential risks that may arise, determining the conditions under which the product, activity and organization in question may be applied and reaching decisions accordingly.

Chairman

Head of Compliance Group and Internal Control Group

Deputy Chairman

Assistant General Manager of Product Owner Segment

Members

Data Management Director

Core Banking Operations Director

Information Security and Quality Director

Business Process Director

Information Technologies Director (Related to Processes) Head of Legal Affairs, Secretary of the Board

Contracts, Legal Counseling and Projects Director

General Accounting Director

Group Chief Risk Officer (and relevant director)

Executive Tax Director

Security and Investigative Operations Director

Compliance Director (and relevant manager)

Customer Rights Coordination Manager

Legislation Director/Manager

Committee meets when the new products, activities and organizational change for customers are on the agenda.

MARKET AND LIQUIDITY RISK COMMITTEE

Responsibilities of the Committee:

- To monitor market risks and derivative risks,
- To review market and customer derivative risk policies and submit to the Board of Directors,
- To examine stress scenarios and if necessary, to make proposal to the Board of Directors for amendment,
- To review market risk limits and recommend to Board of Directors,
- Discussion of necessary topics by Financial Markets, / Treasury, Financial Affairs and Group Risk Management,
- To monitor the liquidity of the Bank; to analyze and follow-up borrowing capacity and other possible funding sources in order to avoid any default risk, following liquidity reporting to the BRSA,

- Monitoring the compliance of Asset Liability Management and Treasury transactions (derivative products, spot transactions, securities transactions, repo and securities lending transactions) with the French Banking Law and the Volcker Rule,
- Monitoring the compliance of transactions made by subsidiaries of TEB A.Ş. with the French Banking Law and the Volcker Rule
- Analysis and monitoring of the bank's operational foreign currency position risk,
- To analyze and monitor the interest rate exposure of the Bank,
- To review the limits regarding both interest and liquidity risks and recommend to Board of Directors,
- To prepare guidelines and policies for interest rate and liquidity risks and recommend to Risk Policies Committee,
- Recommendation of interest, liquidity, market and counterparty credit risk measurement methods to the Risk Policy Committee.

Chairman

General Manager

Deputy Chairman

Group Chief Risk Officer

Members

ALM & Treasury Assistant General Manager

Financial Affairs Assistant General Manager

Global Markets Assistant General Manager

Global Markets Trading Director

ALM Strategies Execution Director

Treasury Director

Market Risk and Operational Risk Director

Capital Markets Mid-Office Director

The committee meets monthly or as required.

INFORMATION ON TRANSACTIONS CONDUCTED WITH RELATED PARTIES

The Bank is involved in various transactions with the risk group to which TEB is included (related parties) and these are carried out for commercial purposes and at market prices. Loan transactions with related-parties and their share in the Bank's total credit risk as of 31 December 2023 and 31 December 2022 were as follows:

%	31.12.2023	31.12.2022
Share in total cash loans	0.57%	1.09%
Share in total non-cash loans	2.21%	2.20%
Share in total cash and non-cash loans	1.03%	1.40%

Detailed information about the risk group to which TEB is included has been prepared in accordance with the "Communiqué on Financial Statements and Related Explanations and Footnotes Announced to the Public by Banks" and published in Section 3, of the "Annual Report" and was also included in the financial statements as of 31 December 2023 and Section 5, Article VII.1 of the Independent Audit Report.

ACTIVITIES FOR WHICH SUPPORT SERVICES ARE RECEIVED AND SUPPLIERS

COMPANY TITLE	SCOPE OF SUPPORT SERVICES TAKEN	EXPLANATION OF THE SERVICE
FU GAYRİMENKUL YATIRIM DANIŞMANLIK ANONİM ŞİRKETİ	OPERATIONAL SERVICES	MORTGAGE TRANSACTIONS OPERATIONAL SUPPORT
PRONET GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	SECURITY	OFF SITE ATM ALARM SYSTEMS LEASING AND SERVICE AGREEMENT
E-KART ELEKTRONİK KART SİSTEMLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	CREDIT CARD PURCHASES	PURCHASING CREDIT CARD PLASTIC AND CHIP AGREEMENT
GENOM BİLİŞİM TEKNOLOJİLERİ DANIŞMANLIK VE TİC. A.Ş.	SOFTWARE (OTHER)	HUMAN RESOURCES UPDATE AND TELEPHONE SUPPORT SERVICE
ECZACIBAŞI BİLİŞİM SAN.VE TİC. A.Ş	SOFTWARE (BANKING)	ELECTRONIC FORECLOSURE MANAGEMENT SYSTEM SOFTWARE LICENCE AGREEMENT
ERETİM BİLGİSAYAR HİZMETLERİ VE DANIŞMANLIK LTD.ŞTİ.	SOFTWARE (BANKING)	CAMPAIGN MANAGEMENT TOOL LICENSE AND IMPLEMENTATION AGREEMENT
RİSK YAZILIM TEKNOLOJİLERİ DANIŞMANLIK EĞİT.TİC.LTD.	SOFTWARE	RİSKTURK SOFTWARE, PROCUREMENT, WARRANTY AND MAINTENANCE AGREEMENT
ECZACIBAŞI BİLİŞİM SAN.VE TİC.A.Ş.	SOFTWARE (BANKING)	EBIFLOW PAYMENT ORDER SYSTEM LICENCE AND SERVICE AGREEMENT
VERİFONE ELEKTRONİK VE DANIŞMANLIK LTD.ŞTİ.	OPERATIONAL SERVICES	POS REMOTE INSTALLATION AGREEMENT
PAYTEN TEKNOLOJİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CYBER POS SERVICES
IRON MOUNTAIN ARŞİVLEME HİZMETLERİ ANONİM ŞİRKETİ	ARCHIVE	ARCHIVES SERVICE AGREEMENT
GÜZEL SANATLAR ÇEK BASIM LTD.ŞTİ.	OPERATIONAL SERVICES	CHEQUE PRINTING SERVICES AGREEMENT
DİEBOLD NİXDORF TEKNOLOJİ ANONİM ŞİRKETİ	SOFTWARE (OTHER)	SOFTWARE MAINTENANCE AGREEMENT
ECZACIBAŞI BİLİŞİM SAN.VE TİC.A.Ş.	SOFTWARE (BANKING)	MOBILINK MAINTENANCE AGREEMENT
KYNDRYL GLOBAL SERVICES İŞ VE TEKNOLOJİ HİZMETLERİ VE TİCARET LİMİTED ŞİRKETİ	INFORMATION SYSTEMS	EMERGENCY SERVICES
SUPERONLINE İLETİŞİM HİZMETLERİ ANONİM ŞİRKETİ	INFORMATION SYSTEMS	ELECTRONIC COMMUNICATION SERVICE FRAMEWORK AGREEMENT
SİSTAŞ SAYISAL İLETİŞİM SAN TİC A.Ş.	SOFTWARE (SYSTEM)	GVP MAINTENANCE AGREEMENT
FİNEKSUS BİLİŞİM ÇÖZÜMLERİ TİCARET A.Ş	SOFTWARE (BANKING)	SWIFT ALLIANCE SYSTEM
PRONET GÜVENLİK HİZMETLERİ A.Ş.	SECURITY	ALARM MONITORING CENTER SUBSCRIPTION AGREEMENT
İPOTEKA GAYRİMENKUL YATIRIM DANIŞMANLIK ANONİM ŞİRKETİ	OPERATIONAL SERVICES	OPERATIONAL SERVICE RELATED TO MORTGAGE TRANSACTIONS
KEY YAZILIM ÇÖZÜMLERİ ANONİM ŞİRKETİ	SOFTWARE	APPRAISAL SOFTWARE AGREEMENT
PAYCORE ÖDEME HİZMETLERİ TAKAS VE MUTABAKAT SİSTEMLERİ A.Ş.	OPERATIONAL SERVICES	PRINTING AND ENVELOPING AGREEMENT
FORİNVEST YAZILIM VE TEKNOLOJİ HİZMETLERİ ANONİM ŞİRKETİ	SOFTWARE	SERVICE FACILITATION AGREEMENT
İNNOVA BİLİŞİM ÇÖZÜMLERİ A.Ş.	OPERATIONAL SERVICES	COMPANY OPERATION CENTER SERVICE AGREEMENT
RİSK YAZILIM TEKNOLOJİLERİ DANIŞMANLIK EĞİT.TİC.LTD.	SOFTWARE	SOFTWARE, MARKET RISK REPORTING MODULE AGREEMENT
TEPE SAVUNMA VE GÜVENLİK SİSTEMLERİ SAN.A.Ş.	SECURITY	PRIVATE SECURITY SERVICES AGREEMENT
SECURITAS GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	SECURITY	PRIVATE SECURITY SERVICES AGREEMENT
NCR BİLİŞİM SİSTEMLERİ LTD.ŞTİ.	OPERATIONAL SERVICES	ATM HARDWARE-SOFTWARE MAINTENANCE AND REPAIRING SERVICES AGREEMENT
MT BİLGİ TEKNOLOJİLERİ VE DIŞ TİCARET A.Ş.	OPERATIONAL SERVICES	CASH REGISTER POS AGREEMENT

KARBİL YAZILIM VE BİLİŞİM TEKNOLOJİLERİ TİC.A.Ş.	OPERATIONAL SERVICES	CASH REGISTER POS AGREEMENT
BNP PARIBAS S.A./FRANCE	SOFTWARE (OTHER)	SOFTWARE DEVELOPMENT, MAINTENANCE AND SUPPORT SERVICE
KARTNET BİLGİSAYAR SANAYİ VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CAPV 2.1 MAINTENANCE AND REPAIRING SERVICES AGREEMENT
VERİSOFT BİLGİ İŞLEM TİCARET VE SANAYİ ANONİM ŞİRKETİ	SOFTWARE	TEB POS APPLICATION ON CASH REGISTER MACHINES SOFTWARE AGREEMENT
HUGİN ÖDEME SİSTEMLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CASH REGISTER EQUIPMENT SERVICE AGREEMENT
R2 SERVİS ELEKTRİK ELEKTRONİK VE BİLGİSAYAR TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CASH REGISTER EQUIPMENT SERVICE AGREEMENT
POSTA VE TELGRAF TEŞKİLATI ANONİM ŞİRKETİ.	OPERATIONAL SERVICES	CREDIT APPLICATIONS AND REPAYMENTS FROM PTT BRANCHES
TOKEN FİNANSAL TEKNOLOJİLER ANONİM ŞİRKETİ	OPERATIONAL SERVICES	CASH REGISTER POS SLA FIELD SERVICES
D.T.P.BİLGİ İŞLEM İLETİŞİM VE TİCARET A.Ş.	SOFTWARE	E-INVOICE PROJECT
HOBİM ARŞİVLEME VE BASIM HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	PURCHASING CREDIT CARD STATEMENT PRINTING AND ENVELOPING SERVICE
KEYTORC TEKNOLOJİ HİZMETLERİ VE DANIŞMANLIK ANONİM ŞİRKETİ	OPERATIONAL SERVICES	TEST CONSULTANCY SERVICE AGREEMENT
ONUŞS ORTAK NOKTA ULUSLARARASI HABERLEŞME SİSTEM SERVİS BİLGİSAYAR YAZILIM DANIŞ.VE DİŞ TİC.LTD.ŞTİ.	SOFTWARE	SOFTWARE
İŞ ZEKAŞI YAZILIM DANIŞMANLIK HİZMETLERİ TİCARET ANONİM ŞİRKETİ	SOFTWARE	REAL TIME CAMPAIGN MANAGEMENT PROGRAM AGREEMENT
TÜRKKEP KAYITLI ELEKTRONİK POSTA HİZM.SAN.VE TİC.A.Ş.	SOFTWARE	REGISTERED E-MAIL LICENSING SERVICES
KURYE NET MOTORLU KURyecİLİK VE DAĞITIM HİZMETLERİ A.Ş.	OPERATIONAL SERVICES	COMMODITY DELIVERY AGREEMENT
AGT HIZLI KURYE HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	COMMODITY DELIVERY AGREEMENT
AUSTRIA CARD TURKEY KART OPERASYONLARI A.Ş.	OPERATIONAL SERVICES	PERSONALIZATION OF CARDS WITH CHIP AND MAGNETIC STRIPES
PLASTİKKART AKILLI KART İLETİŞİM SİSTEMLERİ SAN.VE TİC.A.Ş.	OPERATIONAL SERVICES	PERSONALIZATION OF CARDS WITH CHIP AND MAGNETIC STRIPES AND RAW CARD SUPPLY OUTSOURCING AGREEMENT
WORDLINE ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş.	OPERATIONAL SERVICES	APPLICATION DEVELOPMENT, TECHNICAL SUPPORT, UPDATE AND MAINTENANCE AGREEMENT
VERİFONE ELEKTRONİK VE DANIŞMANLIK LTD.ŞTİ.	OPERATIONAL SERVICES	APPLICATION DEVELOPMENT, TECHNICAL SUPPORT, UPDATE AND MAINTENANCE AGREEMENT
AGT HIZLI KURYE HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	COURIER SERVICES UNDER ROBIN PROJECT
3-D BİLİŞİM TEKNOLOJİLERİ DANIŞMANLIK VE TEKNİK SERVİS ANONİM ŞİRKETİ	SOFTWARE	NICE SOUND RECORDING MAINTENANCE AGREEMENT
SİSTAŞ SAYISAL İLETİŞİM SAN. TİC. A.Ş.	SOFTWARE (SYSTEM)	VOICE-SIGNATURE AND VOICE-GUIDE AGREEMENT FOR CALL CENTER
SESTEK SES VE İLETİŞİM BİLGİSAYAR TEK.SAN.TİC.A.Ş.	SOFTWARE (SYSTEM)	EXCHANGE TRADING PLATFORM
360 TRADING NETWORKS	SOFTWARE	CASH REGISTER MACHINES - FIELD SERVICES
WORDLINE ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş.	OPERATIONAL SERVICES	FINBASE MAIL INFLEX MODULE - MAINTENANCE
İNFİNA YAZILIM A.Ş.	SOFTWARE (BANKING)	E-ARCHIVE INTEGRATION
D.T.P.BİLGİ İŞLEM İLETİŞİM VE TİCARET A.Ş.	SOFTWARE	CONSULTANCY, APPRAISAL AND LABOR AGREEMENT
MARO ULUSLARARASI BİLGİ TEKNOLOJİLERİ DANIŞMANLIK GELİŞTİRME DESTEK HİZMETLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	SOFTWARE (OTHER)	HIRING STAFF FOR INFORMATION SYSTEMS

DATA MARKET BİLGİ HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	COURIER SERVICES UNDER ROBIN PROJECT
SESTEK SES VE İLETİŞİM BİLGİSAYAR TEK.SAN.TİC.A.Ş.	SOFTWARE	SPEECH ANALYTICS
SİSTAŞ SAYISAL İLETİŞİM SAN. TİC. A.Ş.	SOFTWARE	CALL ME LICENSE & MAINTENANCE PURCHASE
İNFİNA YAZILIM A.Ş.	SOFTWARE	FUND OPERATIONS AND COLLECTIVE CUSTODY AGREEMENT
32 BİT BİLG.HİZM.SN.VE TC.LTD.ŞTİ.	SOFTWARE	OTASS INTEGRATION SOFTWARE MAINTENANCE
PANAROMA BİLİŞİM TEKNOLOJİLERİ SANAYİ VE TİCARET A.Ş.	OPERATIONAL SERVICES	CASH REGISTER MACHINES INSTALLATION AND SERVICE AGREEMENT
ARUTE SOLUTIONS YAZILIM ANONİM ŞİRKETİ	SOFTWARE	CASH MANAGEMENT COSTS OPTIMIZATION
BANTAŞ NAKİT VE KIYMETLİ MAL TAŞIMA VE GÜVENLİK HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	SERVICE PROCUREMENT AGREEMENT
LİNK TERA BİLGİ TEKNOLOJİLERİ A.Ş.	OPERATIONAL SERVICES	HIRING STAFF FOR INFORMATION SYSTEMS
İŞ ZEKAŞI YAZILIM DANIŞMANLIK HİZMETLERİTİCARET A.Ş.	OPERATIONAL SERVICES	HIRING STAFF FOR INFORMATION SYSTEMS
PLANİST BİLİŞİM HİZMETLERİ VE DANIŞMANLIK TİC. LTD. ŞTİ.	OPERATIONAL SERVICES	HIRING STAFF FOR INFORMATION SYSTEMS
OBSS TEKNOLOJİ ANONİM ŞİRKETİ	SOFTWARE	SOFTWARE
BNP PARIBAS SECURITIES SERVICES	SOFTWARE	ACETP SOFTWARE AGREEMENT
METAMORFOZ BİLİŞİM TEKNOLOJİLERİ SANAYİ VE TİCARET ANONİM ŞİRKETİ	SOFTWARE	SMART WATCH APPLICATION SOFTWARE AND MAINTENANCE (HCE PHONE AND SMART WATCH)
CREDE DANIŞMANLIK VE DIŞ TİC. A.Ş.	OPERATIONAL SERVICES	LEGAL ENTITY INTELLIGENCE AUTOMATION
WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	CALL CENTER	CALL CENTER OUTGOING CALL SERVICE
MİKROSARAY MİKROBİLGİSAYAR PAZ. VE TİC. A.Ş.	OPERATIONAL SERVICES	CASH REGISTER MACHINES - FIELD SERVICES
RİSK YAZILIM TEKNOLOJİLERİ DAN. EĞ. TİC. LTD. ŞTİ	OPERATIONAL SERVICES	RISKTURK SOFTWARE, PROCUREMENT, WARRANTY AND MAINTENANCE AGREEMENT
WORDLINE ÖDEME SİSTEM ÇÖZÜMLERİ A.Ş.	OPERATIONAL SERVICES	SERVICE FOR REMOTE INSTALLING TO POS DEVICES.
IRON MOUNTAIN ARŞİVLEME HİZMETLERİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	DATA INPUT SCANNING OUTSOURCING
AMARİS TEKNOLOJİ İSTANBUL DANIŞMANLIK LTD. ŞTİ.	OPERATIONAL SERVICES	INFORMATION TECHNOLOGY SERVICES AGREEMENT
TEB ARF TEKNOLOJİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	INFORMATION TECHNOLOGY SERVICES AGREEMENT
TTBOOM DİJİTAL İNTERAKTİF MEDYA REKL.AJANSI VE BİLİŞİM HİMZ..A.Ş.	OPERATIONAL SERVICES	SOCIAL MEDIA PAGE FOLLOW-UP AND MANAGEMENT
ASSİSTT REHBERLİK VE MÜŞTERİ HİZMETLERİ A.Ş.	CALL CENTER	CALL CENTER OUTGOING CALL SERVICE AGREEMENT
SUPERONLINE İLETİŞİM HİZMETLERİ A.Ş.	OPERATIONAL SERVICES	DATA FLOW ACCESS SERVICE AGREEMENT
İNNOVA BİLİŞİM ÇÖZÜMLERİ A.Ş.	OPERATIONAL SERVICES	LEGA FOLLOW-UP SYSTEM
SERİ BİLGİ TEKNOLOJİLERİ DESTEK HİZ. VE TİC. LTD.ŞTİ.	OPERATIONAL SERVICES	JOINT POS FIELD SERVICES AGREEMENT
TEKNOSER BİLGİSAYAR TEKNİK HİZM.SAN.VE DIŞ TİC.A.Ş.	OPERATIONAL SERVICES	CASH REGISTER MACHINES - FIELD SERVICES
AGRA FİNTECH YAZILIM ÇÖZÜMLERİ A.Ş.	SOFTWARE	AGRA APPLICATION PURCHASE AGREEMENT
WEBHELP ÇAĞRI MERKEZİ VE MÜŞTERİ HİZMETLERİ A.Ş.	CALL CENTER	CALL CENTER SUPPORT SERVICE (INBOUND) AGREEMENT
ASSİSTT REHBERLİK VE MÜŞTERİ HİZMETLERİ A.Ş.	CALL CENTER	CALL CENTER SUPPORT SERVICE (INBOUND) AGREEMENT
6KARE BİLGİ TEKNOLOJİLERİ A.Ş.	SOFTWARE	SOFTWARE / LICENSE MAINTENANCE
DSM GRUP DANIŞMANLIK İLET.VE SATIŞ TİC.A.Ş.	SOFTWARE (BANKING)	PAYMENT SYSTEMS SUPPORT SERVICES AGREEMENT

BNP PARIBAS SECURITIES SERVICES	SOFTWARE	ACETP SOFTWARE AGREEMENT
PAYGO FİNANSAL TEKNOLOJİ HİZMETLERİ A.Ş.	OPERATIONAL SERVICES	CASH REGISTER MACHINES - FIELD SERVICES
MASLAK TEKNOLOJİ ANONİM ŞİRKETİ	OPERATIONAL SERVICES	SHOPPING CREDIT - COOPERATION SUPPORT SERVICES AGREEMENT
BNP PARIBAS SA	OPERATIONAL SERVICES	INFORMATION TECHNOLOGY SERVICES AGREEMENT
TUR MOTORLU ARAÇLAR İNŞAAT GIDA SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
FERHAT OTOMOTİV VE TURİZM TİCARET VE SANAYİ ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ÇAKIRLAR OTOMOTİV PAZARLAMA AHMET ÇAKIR VE ORTAKLARI KOLLEKTİF ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
GÖR-TAN OTOMOTİV TURİZM SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
UÇAR OTOMOTİV TURİZM SANAYİ VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
MIZRAK OTOMOTİV SANAYİ VE TİCARET A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
DEKAR AS OTOMOTİV İNŞAAT SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
TEK-KAR OTOMOTİV SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
YEŞİL BATMAN TİCARET İNŞAAT TAAHHÜT SANAYİ LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
SANDIKÇI KARDEŞLER OTOMOTİV SANAYİ VE TİCARET LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ANKARA OTOMOTİV SERVİS HİZMETLERİ İNŞ.SAN. VE TİC. A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ALDATMAZ MOTORLU ARAÇLAR SAN VE TİCLTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
AKÇAY KARDEŞLER OTOMOTİV AKARYAKIT MOBİLYA SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
GÜL-AL OTOMOTİV İTHALAT İHRACAT SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ERSU YURT OTOMOTİV İNŞAAT TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
HASANBAŞOĞLU OTOMOTİV GIDA İNŞAAT VE TURİZM LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
TEKNAK OTO TİCARET SANAYİ LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
MOTORCU OTOMOTİV TURİZM SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ŞAMPİYON AKARYAKIT MAD. İNŞAAT OTOMOTİV SANAYİ VE TİCARET LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ÖN-TUR TURİZM NAK.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ELMAS OTOMOTİV İNŞAAT SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
METELER OTOMOTİV İNŞ.VE MLZ.SAN.PAZ.NAK.VE DİŞ TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
KARŞEÇ OTOMOTİV İNŞAAT VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
AYINTAP OTOMOTİV TURİZM TAŞIMACILIK SAN VE TİC LTD ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
HB İNOTO TURİZM OTOMOTİV İNŞAAT SAN.TİC. LTD. ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
İNOTO OTOMOTİV İTHALAT İHRACAT SAN. VE TİC.LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
KAYNAK OTOMOTİV SANAYİ VE TİC.A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ALANSES OTOMOTİV PETROL TURİZM İNŞAAT TİCARET VE SANAYİ A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
EKCAN MİMARLIK MÜHENDİSLİK İNŞAAT OTOM.SAN.VE TİC.LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT

MASLAK OTOMOTİV SANAYİ VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
MAR OTO TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ILICAK OTOMOTİV TİCARET SAN.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
DENİZ OTOMOTİV İNŞAAT TEKSTİL SAN.TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ÇAĞ TAŞIT TİCARET VE SANAYİ ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
SİMGE MOTORLU ARAÇLAR İNŞ.NAKL.MET.TUR.ELKT.PETR.ÜRN.SAN.V ETİC.LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
İNCİROĞLU OTOMOTİV SAN. VE TİC. A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ODABAŞI MOTORLU ARAÇLAR TURİZM İNŞAAT SANAYİ VE TİCARET LİMİTED ŞİRKET	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ÖZTEK MOTORLU ARAÇLAR TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
DEĞER MOTORLU ARAÇLAR SAN.VE TİC. A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
BAŞDAŞ OTOMOTİV İNŞAAT PETROL SANAYİ TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ÖZTEK MOTORLU ARAÇLAR TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ARM PETROL OTOMOTİV SANAYİ TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ÇİMENLER OTOMOTİV TİC.SAN.A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ASAL MOTORLU ARAÇLAR SAN.VE TİCARET A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
T SOYSAL OTOMOTİV SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
GÖRAL OTOMOTİV TİCARET VE SANAYİ A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
MUTSAN OTOMOBİL PAZARLAMA TURİZM SANVE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
BAŞTUĞ OTO KİRALAMA TUR.MOT.ARAÇ İNŞ. GİD. TİC. SAN.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
MERSA OTO VE KİRALAMA SANAYİ TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
MARTUR OTOMOTİV SANAYİ TİCARET A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ERCAN OTO PAZARLAMA HAY ÜRT SAN VE TİC LTD ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
BÜL OTOMOTİV ARAÇ KİRALAMA İNŞAAT YATIRIM VE PAZARLAMA TİCARET LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
KIZILTEPE OTOMOTİV İNŞAAT SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
MEPA OTOMOTİV VE İNŞAAT SANAYİ TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
GÜLKAR OTOMOTİV İNŞAAT GIDA TEKSTİL SANAYİ TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
GÜREL TASARIM AKSESUAR OTOMOTİV SANAYİ TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ERDEMİR MOTORLU ARAÇLAR SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
PODYUM MOTORLU ARAÇLAR SATIŞ VE SERVİS HİZ. LTD ŞTİ -K.MARAŞ ŞUBESİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ERTUĞRUL İNŞAAT OTOMOTİV SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
DERYA OTOMOTİV AKARYAKIT TAŞIMACILIK SANAYİ VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ÇOŞKUNLAR OTOMOTİV GİYİM SANAYİ VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT

ÇAVUŞOĞLU İNŞ.AKAR. OTO.TARIM ÜRÜN.TUH.SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
GENERAL OTO SERVİS VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
HALİL ÖZTÜRK OTOMOTİV SAN.VE TİC.A.Ş.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
HAŞİM BALABAN OTOMOTİV VE TARIM ÜRÜNLERİ TİCARET SANAYİ LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ONURLU OTOMOTİV SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ARSLANOĞLU OTOMOTİV SANAYİ TİCARET LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
KAMER OTOMOTİV SANAYİ VE TİCARET ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
GENÇLER OTOMOTİV SAN. VE TİC.LMT.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
KASIM TUĞMANER NAKLİYAT İNŞAAT TURİZM OTOMOTİV İÇ VE DIŞ TİC.LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
BAYKAR MOTORLU ARAÇLAR ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ADIM OTOMOTİV SATIŞ VE SERVİS HİZMETLERİ TİCARET VE SANAYİ LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
BAYKARALAR OTOMOTİV SANAYİ VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ZABUNOĞLU OTOMOTİV SAN. VE TİC. A.Ş	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
İNAN SAĞLIK VE TURİZM LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ERDEMİR OTOMOTİV SANAYİ VE TİCARET LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
EKİN OTO TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
KERVAN OTOMOTİV PETROL ÜRÜNLERİ İNŞ.SAN.VE TİCARET LTD. ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
SEVİMLİ MOTORLU ARAÇLAR SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
BAKIRCILAR OTOMOTİV TURİZM İNŞAAT LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
SE-BA BAŞARAN OTOMOTİV AKARYAKIT TİCARETVE SAN.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
SARPEL OTOMOTİV İNŞAAT TAAHHÜT VE MÜH. HİZMETLERİ SAN.TİC. LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ÇETAŞ OTOMOTİV ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
METAL DAYANIKLI TÜKETİM MALL.SAN.VETİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
TURGUT MOTORLU TAŞITLAR SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
DEMİR İNŞ.MİM.AKAR.OTOM.SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
GAPEL OTOMOTİV SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
UĞUROTO MOTORLU ARAÇLAR TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
OFZ OTOMOTİV TİC.SAN.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ATA OTOMOTİV TİCARET A.S.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
COSKUN OTO ALIM-SATIM TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ATEŞ OTOMOTİV NAKLİYE SANAYİ VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ÖZENLER PAZARLAMA OTOMOTİV İTH. İHR.SAN.TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ANTOTO AKDENİZ OTOMOTİV ANONİM ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
AYSA TAŞIT MOT.AR.SER.BAKIM YED.PAR.İNŞ.SAN.VE TİC.LTD.ŞTİ.	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT

UŞAK ÇAĞDAŞ OTOMOTİV SANAYİ VE TİCARET LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
CİHAN PETROL ÜRÜNLERİ OTOMOTİV YURT İŞLETMECİLİĞİ İNŞAAT TAAHHÜT GIDA PAZARLAMA TİCARET SANAYİ LİMİTED ŞİRKETİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT
ATMAŞ MOTORLU ARAÇLAR BLG. SİS.DAY.TÜK.MAL.İNŞ.TUR.SAN. VE TİC.LTD.ŞTİ	OPERATIONAL SUPPORT	CREDIT AT POINT OF SALE - AUTHORIZED DEALER AGREEMENT

PERFORMANCE BONUSES AND SALES PREMIUMS

Annual bonus pool is set on the basis of the profitability of the Bank, the results generated by the activity and achievements and also the (local and/or professional) sector practices. Performance bonuses will only be paid if the 80% target actualization rate is achieved in a given year and subject to the decision made by SECOM (Selection and Compensation Committee) for that year.

TL 1.3 billion in total has been set aside in the Bank's 2023 financial statements as provision for performance bonuses and sales premiums. Slated for payment in 2024, the amount splits as TL 1.2 billion to be paid depending on the performances of the employees during the year and TL 118.5 million as sales premium in line with the sales realized by sales staff in 2023.

In addition, the deferred bonus amount, i.e. the bonus paid to employees in a later period than the period it is earned, is TL 108.4 million.

FINANCIAL RIGHTS PROVIDED TO THE MEMBERS OF BOARD OF DIRECTORS AND SENIOR EXECUTIVES

The Remuneration policy of the Bank has been prepared in accordance with Banking Regulation and Supervision Agency (BRSA) "Corporate Governance Principles" and "Guideline on Banks' Good Remuneration Practices" within the scope of proportionality principle, and in compliance with the content, structure and strategies of the Bank's activities, its long-term targets, risk management structures and in compliance with the local regulation. Remuneration policy aims to prevent extreme risk taking and evaluates the contributions to the effective risk management.

Our Remuneration Policy is intended to encourage TEB to manage risks within the principles and parameters defined and approved by its Board of Directors.

The purpose of our Remuneration Policy is also to ensure that TEB can attract and retain competent and expert employees both in business lines and control functions that will help to fulfill its strategic objectives.

SECOM (Selection and Compensation Committee) is responsible for the preparation of Remuneration Policy on behalf of the Board of Directors and for ensuring its compliance with local regulations and BNP Paribas Group compensation policies provided that they are not contradictory to the local rules and regulations and TEB Policies as approved by TEB Board of Directors. Analysis and establishment of the rules of the RP will be conducted by SECOM with the involvement of Human Resources (HR), Finance, Risk and Compliance Management.

After SECOM's full review and acceptance, Remuneration Policy will be submitted to the Board of Directors for approval. Remuneration Policy is reviewed annually.

The main duties and responsibilities are as follows:

- Formation of a written Remuneration Policy which is in compliance with the BRSA Regulation,
- Determination, monitoring and supervision of remuneration implementations (including salaries, performance bonuses, premiums, awards and fringe benefits),
- Approval of the remuneration principles and policy proposed by the Head Office for Material Risk Takers,
- Annual submission to the BoD the proposals with respect to the assessment of Remuneration Policy and implementations under the risk management,
- Determination of the criteria for the payments of performance bonuses to the employees based on the Bank's performance, business line's, and/or function's performance and their individual performances and announcement of such criteria to the employees and regular review of such criteria according to the determined standards and special duty and responsibilities,
- Review of remuneration criteria at least once a year to ensure that the Remuneration Policy does not encourage excessive risk taking nor create conflict of interest between management control systems,
- Preparation of SECOM organization chart, reporting levels, segregation of duties and remuneration policy in accordance with the risk policy and other policies of the Bank.

At the Ordinary General Assembly Meeting convened on 28 March 2023, a decision was taken not to pay an attendance fee to Board members in consideration of their roles.

During the period January-December 2023, any and all rights, interests and remunerations paid to our Board members and senior executives amounted to TL 202,327,808 and travel, accommodation and representation expenses amounted to TL 9,966,686.

Board members may be granted loans within the legally defined limits or may be remunerated depending on various criteria including the Bank's performance, the positions they hold and the time they allocate.

REMARKS ON INDEPENDENT AND PUBLIC AUDITS

In 2023 fiscal year, our Bank and its subsidiaries were externally audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. On the other hand, various audits were conducted at the Bank by regulatory public authorities such as the Banking Regulation and Supervision Agency (BRSA), the Ministry of Treasury and Finance/ Financial Crimes Investigation Board (MASAK), the Competition Authority and the Central Bank of the Republic of Türkiye (CBRT), the Ministry of Commerce.

INFORMATION ABOUT LAWSUITS FILED AGAINST THE BANK THAT MAY POTENTIALLY AFFECT THE COMPANY'S FINANCIAL POSITION AND OPERATIONS AND ABOUT THEIR POSSIBLE OUTCOMES

424 lawsuits worth TL 41,463,637 in total were brought against the Bank during 2023. A total of 3,893 lawsuits brought in 2023 and previous years are currently in litigation. A provision of TL 227,120,516 had been set aside for these lawsuits as of December 31, 2023.

ADMINISTRATIVE OR JUDICIAL SANCTIONS IMPOSED AGAINST THE COMPANY AND THE BOARD OF DIRECTORS MEMBERS ON ACCOUNT OF BREACH OF LEGISLATION

Administrative fines imposed against the Bank during the reporting period amounted to TL 20,895,391.

There are no administrative or judicial sanctions imposed against the Bank's Board members.

CHANGES IN EQUITY STAKE HELD IN SUBSIDIARIES

There were no changes in 2023.

INFORMATION ABOUT DEALINGS WITH THE CONTROLLING COMPANY

There were no legal transactions that would benefit the controlling companies, which were steered directly or indirectly by the controlling companies, during 2023. All legal transactions between controlling companies and TEB were carried out in accordance with market practices, the principles of commercial prudence and integrity and the arm's length principle. The Company did not incur any loss by reason of these transactions and therefore, no compensation was necessary.

In 2023 there were no legal transactions, which were carried out at the direction of the controlling companies so as to benefit the controlling companies' subsidiaries. All legal transactions between the controlling company's subsidiaries and our Company were carried out in accordance with market practices, the principles of commercial prudence and integrity and arm's length principle. The Company did not incur any loss by reason of these transactions and therefore no compensation was necessary.

No measures were taken or avoided to the benefit of our Company's direct or indirect controlling companies and therefore, no losses to the detriment of the Company arose.

No measures were taken or avoided to the benefit of the controlling company's subsidiaries and therefore, no losses to the detriment of the Company arose.

TEB HUMAN RESOURCES GROUP

TEB is a big family of 8,333 employees. Happiness of each member of this family is very valuable and important for TEB. Happy employees will bring happy customers and happy customers will bring sustainable success; hence, TEB positions its human resource at the heart of its strategy.

TEB's Strategic Priorities

Management approach

- We trust employees and value their ideas,
- We emphasize positive aspects through constant feedbacks and we appreciate and recognize their achievements,
- We offer them opportunities for continuous development,
- We espouse a management approach supportive of cooperation.
- Equipping our employees with the new competencies required by the business world and retaining them
- Implementing the new working models brought by the new world
- Increasing efficiency through digitalization and effective data usage
- Creating an agile culture
- Forming a human resource with a high level of risk awareness and risk management
- Making a positive impact for a better future
 - Listening to and understanding the expectations of our most important and key stakeholders, our employees, through various methods, enhancing their engagement and implementing the necessary policies and practices to be the “Top Employer”
 - Treating both external candidates and employees equally and fairly, protecting their rights, and encouraging diversity and inclusion,
 - Creating a dynamic working environment where all our employees are offered equal opportunities, continuous learning and development are supported, and innovation and cooperation are encouraged,
 - Encouraging our employees' involvement in volunteering programs

Key Principles

1. Trust, Respect & Transparency: We value each other and adopt a culture based on trust, respect and transparency.
2. Responsibility: We act responsibly towards all our stakeholders
3. Agility: We treat our Bank as our own work place and act with an agile mindset
4. Discipline: We comply with all rules and regulations and take our actions with a disciplined attitude
5. One Bank/ We Culture: We always think and act as One Bank

Positive Management Approach

We are working hand in hand to build a “Great Place to Work”

Embracing the “Positive Management” approach and putting into life practices that value the employees, TEB has been making efforts since 2012 to build a “Great Place to Work”. TEB succeeded in being the first and only bank to make the list of “Great Place to Work” in 2016.

Top Employers Institute, one of the most prestigious worldwide institutes that rates the HR policies and implementations of companies, has chosen TEB as one of the Top Employers of Europe and Turkey in 2023.

In 2023 TEB has succeeded in receiving the “Top Employer Turkey” and “Top Employer Europe” Certificates for 11 years in a row.

We put the employee experience at the heart of our activities and implement new working models

Right from the candidacy stage, we offer employees an efficient and effective recruitment and onboarding process in order to provide the 'best employee experience' up until the very end of their employment with us. In this vein, we take the employee experience to the next level by moving all processes that can be automated to digital channels, allowing our candidates to access all information they need quickly and easily with a self-service system, without the need for any support.

We constantly review our working models in accordance with the requirements of the developing and changing world. To ensure that our employees are able to work in the most effective and efficient way, we regularly review all tasks and determine the working model for all tasks. Since 2021, we continue to offer "office", "remote" and "hybrid (both office and remote)" working models to our employees at TEB.

Targeting organizational efficiency in performance management

TEB Performance Management System is intended to align individual targets and required business results with the Bank's goals and strategies, to provide accurate guidance to the employees, to ensure their development, thereby increasing organizational efficiency.

TEB conducts the performance evaluations based on objective criteria taking into consideration the extent at which individual business targets assigned to employees are attained and their achievement of their competence targets.

Overcoming difficult situations together and being prepared

After the devastating earthquake struck in February 2023, our bank hosted employees affected by the earthquake and their families at the Saklıköy TEB Formation Academy.

Training and seminars were held with clinical psychologists in order to provide emotional and psychological support to all our employees affected by this disaster, especially those in the earthquake zone.

Training to raise awareness so employees can be prepared for emergencies and natural disasters have been included in our training programs since the orientation period.

In order to be better prepared for disasters, our first Search and Rescue team consisting of TEB volunteers was established. Our Search and Rescue team participated in the AFAD training program in December.

A seminar aimed at raising disaster awareness and consciousness was also provided for the children of TEB employees.

Continual investment to employees' personal and professional development

TEB recognizes that "qualified and educated workforce" is the most significant differentiating element in the finance industry. The Bank continued to support employees' personal and professional development in the most effective way in 2023 as well.

The TEB Academy aims to provide our colleagues with the competencies they need by supporting all TEB employees with training and development at every stage of their careers, in line with the Bank's goals and strategies.

In addition to training support in areas where employees requested information or needed support, inspiring seminars on different topics were provided in 2023, which were open to all of our colleagues. A total of 1,600 TEB employees attended these seminars.

Approximately 8,500 of our employees participated in the in-class training sessions held in 2023. With the participation of these employees in more than one training program, there were around 63,000 participations in in-class training, 550 in on-the-job training and approximately 210,000 participations in distance learning training.

Continuously updated training and development programs

The TEB Academy closely follows the digital transformation, new working models, trends and approaches with training programs constantly updated and offered in line with the new competencies required by the business world.

In line with the changing dynamics of the era, the Bank continued to provide more personalized, agile and data-driven tailored training programs in 2023 as well. When designing training programs, in addition to the in-class training, the TEB Academy offers comprehensive training programs that include different methodologies such as digital content, individual and group coaching, and survey applications.

TEB Future Leaders Program

TEB offers the TEB Future Leaders Program in order to develop young talent who are just starting their careers as visionary bankers and to train each of them to become the leaders of the future.

The training and development programs implemented while training the leaders of the future are constantly developed with the contribution of our country's valuable universities in parallel with the new needs that arise.

In addition to technical training to prepare young talent for the world of finance, the TEB Future Leaders Program also includes visionary topics such as digitalization, data science, innovation, project management, data visualization, design-oriented thinking, agility and entry into corporate life. At the end of the programs carried out in cooperation with universities, candidates are awarded a certificate and take the first step towards their banking careers.

TEB Sustainability Academy

As an institution focused on sustainability in the way we do business, we aim to raise our awareness of sustainability to the highest level with the Sustainability Academy, and ensure that all our colleagues at our Bank understand their role and contribution in the field of sustainability.

Our colleagues are offered comprehensive training on sustainability and sustainable finance in environmental, economic and social fields through the Sustainability Academy.

The TEB Sustainability Academy platform has been made accessible for employees.

Training and Development Bulletin

The TEB Education Bulletin is shared on a monthly basis to support the development of TEB employees in areas of interest and requirement. In training bulletins, webinars, videos, seminars, articles and book recommendations are shared both inside and outside the bank in line with the theme determined for that month.

TEB Leadership Academy

Leadership programs are offered at every stage of leadership under the roof of TEB Leadership Academy, supporting competencies specific to that stage, in order to raise leaders who will carry TEB into the future.

The leadership skills that employees at the Bank should possess at every step of their careers were determined, along with appropriate development.

TEB Women Leaders Program

TEB launched the TEB Women Leaders Program on International Women's Day on 8 March, 2023, with the aim of supporting the career development of female employees and supporting their greater involvement in strategic roles.

A comprehensive career development program is provided to female talents, offering leadership and coaching training as well as strategy conversations, coaching sessions and continuous development opportunities where they can meet with senior management.

The Agile Transformation at TEB

In order to increase agility at TEB and quickly implement projects, the Agile Office was established under the IT Department in 2020. Development journeys in this field were designed and implemented in cooperation with Çevik Studio and the TEB Academy in 2022. Certain departments of our Bank switched to an agile working model as part of the Agile transformation activities in 2023. Our bank employs agile teams which offer the competencies to respond to customer needs most rapidly and accurately.

Technology in a Changing World

In 2023, training programs on digitalization, data and agility were provided for rapid adaptation to changing needs and technological developments. A total of 65,000 hours of training were provided through distance learning and in-class programs.

Advanced technical training is also offered in parallel with developing technologies for the development of our colleagues in the IT Group. In addition to in-class training where our employees can learn advanced technologies, the Bank also supported by international seminars and digital education platforms.

No limits when it comes to accessing information with TEB MOOC

MOOC (Massive Open Online Courses) platforms offer the easiest way to access information. The ***Learning Experience Platform***, which allows our colleagues to access all resources in a single environment on any subject they plan to develop, was opened this year. TEB members may strengthen their personal and professional competencies by choosing from over 100,000 online video courses, with new additions published every month.

“My TEB My World”

TEB provides a work environment where young talents can show their potential, develop themselves continuously and create added value.

Under the banner of "My TEB, My World", the Bank promises both its employees and young people who want to join TEB a world where they can be successful, innovative, benefit from continuous development opportunities and can create a positive impact for a healthy, enjoyable and better future.

Local and international career opportunities for employees

In line with TEB's principles of impartiality, open communication and equal opportunity for all, open positions in BNP Paribas and TEB Group are announced throughout the Bank and Group Companies, where all employees may apply. TEB employees therefore may benefit from both internal positions and international postings.

One of our basic principles is to fill appointments for management positions and higher positions through internal sources.

88% of the managerial appointments in our bank in 2023 were covered by internal sources. During the year, a total of 996 colleagues, 181 of whom were in management or higher positions, were promoted with 1,009 job changes and 1,633 appointments to different geographical regions carried out.

Recruitment and Development of Talent

In line with the Bank's goals and strategies, 500 new graduates, 62% of whom were women and 38% being men, joined the TEB family in 2023.

The University Internship Program continued to be offered to university students in 2023. Within the scope of the program, 24 university students were offered internships and introduced to the finance sector, with these students offered comprehensive training and development opportunities in the digital environment.

TEB aims to continue attracting young talent to the finance sector by continuing to offer these programs every year.

By increasing the knowledge, skills and competencies of its employees, our bank offers employees local and global career and development opportunities in a business environment where they can constantly improve.

In line with our principle of diversity and inclusion, 50% of our talent pool consists of women. The rate of women in our senior positions increased to 38% in 2023.

Our colleagues with high potential and successful performance are given the chance to meet TEB leaders through various events, introduce themselves, and share their ideas in an open and friendly environment. This year, more than 400 employees participated in seven of these meetings.

We carried out Careers Day events under the banner of "You Play the Leading Role in Your Career", with more than 1,000 TEB employees attending our Career Days events in

2023, where we aimed to encourage career mobility by raising awareness of the benefits of mobility within the Bank through activities such as inspiring career conversations, idea marathons, mobility stories, webinars and special bulletins, as well as providing information about career platforms.

As part of the backup activities carried out regularly each year to ensure continuity in bank management, the backup plans of N-1, N-2 and other critical roles were reviewed and renewed in 2023 with 100 of our colleagues included in the candidate pool for positions of manager and higher positions being included in the evaluation and development center In 2023.

Employee Voice Surveys

Pulse surveys are carried out to gather feedback on the working environment from all of our colleagues and to determine priorities in accordance with their expectations. Two local “Employee Voice” surveys were conducted in 2023 along with one global “Ethical and Virtuous Behavior, Diversity and Inclusion” survey. The results of these surveys form the basis of analysis on employee expectations within our Bank and direct our action plans. The surveys conducted in 2023 found an increase in the "Employee Recommendation Score" and "Employee Loyalty Score".

A human resource capable of managing the risks in the most effective manner

“First Level Control” project, aiming to enable employees at all levels to effectively manage risks related to their own tasks and responsibilities, has been launched.

TEB Volunteering Programs

TEGV – Educational Volunteers Program

Within the scope of the program, TEB Volunteers provide two hours of educational support for disadvantaged primary school children each week over a period of 10 weeks in areas such as Science, Mathematics, Art, Coding, Reading and Writing.

TEV - Mentoring Program

TEB Volunteers meet monthly to offer career mentoring to TEV scholar students attending a high school or university under the TEV - Mentoring Program. The aim of the program is to support university students to start their business life one step ahead.

Run for Kindness

Within the scope of Istanbul Marathon 2023, TEB Volunteers continued to run for good causes. On behalf of TEGV and TEV, our volunteers raised money to fund the education expenses of many students struggling to access education.

A more joyous family when together

TEB employees get together at events like “Leaders’ Cafe” where they can listen to senior managers’ knowledge and experiences, “TEB Talks” where experts share their inspiring

career and success stories and “Innovation Talks” where most recent technological developments and trends are shared. Activities continued in both digital and physical environments in 2023.

Employees can participate in various activities in their areas of interest and get together with colleagues outside work at TEB Band, Turkish Music Choir, TEB Photography Club, TEB Chess Club, TEB Theater and TEB Scuba Diving Club. The activities continued in 2023.

TEB Sports Academy

TEB organizes in-house events under the roof of the TEB Sports Academy with the aim of protecting employee health, strengthening the team spirit and an awareness of togetherness, while reinforcing the sense of corporate belonging among employees. The TEB Volleyball Tournament was organized this year with the participation of both field and Head Office teams. In line with this goal, the Bank also supports employee participation in sporting events outside the institution as well as the teams representing the Bank in tournaments. Throughout 2023, our Volleyball, Basketball and Tennis teams continued to participate in corporate tournaments and brought pride to our Bank with their success.

Employee Well-being

Distance and face-to-face seminars on healthy living, a dietician service, pilates and body fit classes are provided twice a week to support the well-being of TEB employees. In addition, all TEB employees, especially in the earthquake region, benefited from the Online Psychological Support Platform during 2023. Healthy and Good Life Week was held within the scope of raising awareness and mobilizing employees on healthy living, while activities continued in digital and physical environments throughout the week.

One of a kind village in the industry: SAKLIKÖY

TEB employees continued to use Saklıköy, our bank's training and development center, for social purposes with their teams and relatives, and to enjoy the unique natural environment of Saklıköy.

SUMMARY OF THE BOARD OF DIRECTORS' REPORT

Distinguished shareholders, customers and employees,

In 2023, the global economy was buffeted by the tight financial conditions and high inflation on the one hand, and the geopolitical risks created by the Russia-Ukraine war and conflicts in the Middle East on the other. While disruptions in the supply chain and energy crisis deeply affected the European economy, the US economy and developing countries exhibited greater resilience and contributed positively to growth. According to the International Monetary Fund's latest report, the global economy, which grew by 3.5% in 2022, is estimated to have grown by 3.1% in 2023 with the same rate of growth expected in 2024.

In the same period, the performance of the Turkish economy exceeded expectations despite the earthquake which struck in the first quarter of the year and the tightening financial conditions. The economy, which grew at an annual rate of 4% in the first quarter and 3.9% in the second quarter, recorded an annual growth of 5.9% in the third quarter with the strong contribution of domestic demand. While the construction sector gained momentum with the reconstruction efforts after the earthquakes, the services sector also became a driving force of the growth. As external demand declined due to the slowdown in the European economy, domestic demand provided a high contribution to growth.

While TEB contributes to the development of the country's economy with its banking activities, it also continues to support sustainable finance for a "better future". In this respect, it renewed its syndicated loan in 2023 and provided USD 330 million of support to the foreign trade financing of the real sector. The syndicated loan, which includes sustainability performance targets, was realized with the participation of 22 banks from 14 countries, and was renewed at a rate of 125% with an additional resource increase. This year, the Bank determined three new performance targets focused on social criteria with the renewed syndicated loan within the framework of the sustainability performance criteria. Accordingly, TEB will support micro and SME-sized enterprises in the earthquake zone, extend the volume of financing provided to micro and SMEs where women are the controlling partners and support investments to increase loans for renewable energy and energy efficiency projects.

TEB maintained its efforts to increase financial literacy in 2023 within the scope of contributing to our country's growth target and the sustainable development of society. Throughout the year, training on financial literacy was provided to more than 20,000 employees in nearly 50 institutions from 10 different sectors. Within the scope of cooperation with the Ministry of National Education (MEB), more than 20,000 teachers completed digital financial literacy training through the Teacher Training and Development Platform.

Focusing on enterprise and innovation, which are indispensable elements of sustainable economic growth, TEB maintained its efforts to strengthen the enterprise ecosystem and support entrepreneurs with Enterprise Banking. As one of the strategic partners of Turkey Innovation Week this year, TEB also sponsored the InnovaZone, which was designed as a special area which supports the enterprise ecosystem within the scope of the

organization, and carried out a variety of different programs which brought entrepreneurs and investors together.

Having carried on with its growth also in 2023, TEB registered TL 406.9 billion in total assets and booked TL 11.7 billion in net profit as of 31 December 2023. Loans, which represent the most important indicator of TEB's support to the economy and its customers, accounted for 51.58% of its total assets. Giving priority to risk management and asset quality as always, TEB's total lending amounted to TL 209.9 billion, with total deposits worth TL 284.7 billion. Having maintained its consistent growth on the back of its solid capital structure and having preserved its profitability sustainably in 2023, the Bank's shareholders' equity was worth TL 35.0 billion, and its capital adequacy ratio was 16.82%, well above the target ratio of 12%.

In 2023, TEB left its 96th year behind as one of the most prestigious and deep-rooted members in the sector. We hereby present the operating results and financial statements of TEB for 2023 for your comments and review. We, as the Board of Directors, would like to thank you, our valued shareholders, our team, our customers and our business partners for your continued support and confidence.

Sincerely,

Board of Directors

PROFIT DISTRIBUTION PROPOSAL (*)

TÜRK EKONOMİ BANKASI A.Ş. PROFIT DISTRIBUTION TABLE FOR THE YEAR 2023 (TL)		
1. Paid-in / Issued Capital		2,204,390,000.00
2. Total legal reserves (According to Legal Records)		718,689,582.39
Information regarding the privilege. if any privilege with respect to distribution of profit is stated in the articles of association		
		According to Legal Records
3	Profit for the period	14,913,192,492.07
4	Taxes to be paid (-)	(3,186,544,973.92)
5	Net profit for the period (=)	11,726,647,518.15
6	Losses related to the Previous Years (-)	0.00
7	Primary Legal Reserve (-)	0.00
8	NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	11,726,647,518.15
9	Donations made within the year (+)	
10	Net distributable profit (including donations)	
11	First Dividend to Shareholders	110,219,500.00
	- Cash	110,219,500.00
	- Share Dividend	0.00
	- Total	110,219,500.00
12	Dividend distributed to the holders of the privileged share	0.00
13	Dividend distributed to	
	- The Members of Board of Directors	
	- Employees	
	- Other than Shareholders	0.00
14	Dividend distributed to the holders of redeemed share certificates	9.96
15	Second dividend for the shareholders	1,062,445,251.82
16	Secondary Legal Reserves	118,049,472.42
17	Statutory Reserves	0.00
18	Special Reserves (75% of the subsidiary sales profit and 50% of the real estate sales profit, pursuant to Article 5.1/e of the Corporate Tax Law No. 5520)	0.00
19	EXTRAORDINARY RESERVES	10,435,933,283.95
20	Other resources planned to be distributed	

DIVIDEND DISTRIBUTION TABLE						
	GROUP	TOTAL DIVIDENDS		TOTAL DIVIDENDS / NET PROFIT FOR THE PERIOD	DIVIDEND TO THE SHARE WITH A NOMINAL VALUE OF TL 1	
		CASH (TL)	BONUS (TL)	RATIO (%)	AMOUNT (TL)	RATIO (%)
	A	1,172,664,761.78	0.00	10.00	0.53	53.20
	B	0.00	0.00	0.00	0.00	0.00
	TOTAL	1,172,664,761.78	0.00	10.00	0.53	53.20

(*) The General Assembly is authorized with respect to dividend distribution; however, the annual General Assembly meeting had not been convened as of the date of this writing.

SECTION 3 - ASSESSMENT OF FINANCIAL POSITION AND RISK MANAGEMENT

THE AUDIT COMMITTEE'S ASSESSMENT OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ACTIVITIES DURING THE REPORTING PERIOD

The organization set up for the operation of internal control, internal audit and risk management systems at TEB was structured in accordance with the provisions of the "Regulation on Banks' Internal Systems and Internal Capital Adequacy Evaluation" published in the Official Gazette dated 11 July 2014.

The mentioned structure is aligned with the scope and nature of the Bank's operations and possesses the quality and efficiency to respond to changing conditions.

Risk Management, Compliance and Internal Control and the Internal Audit Group report to the Board of Directors; independent of one another, these units worked in coordination and successfully completed their activities in 2023.

The Board of Directors has taken necessary action to approve important strategies and policies regarding control activities and to maintain an efficient internal audit system and risk management system.

The Audit System created encompasses all operations and units of the Bank and its subsidiaries. As of year-end, the Internal Audit Group was formed of 1 Group Head, 5 Assistant Group Heads, 9 Audit Managers, 2 Supervisor Auditors, 2 Specialist Auditors, 2 Senior Auditors, 1 Senior IT Auditor, 5 Auditors, 1 IT Auditor, 13 Authorized Assistant Auditors, 1 Authorized Assistant IT Auditor, 23 Assistant Auditors, 4 IT Assistant Auditors, 1 Data Analysis Manager, 1 Assistant Data Analysis Manager, 1 Internal Audit Group Support and Coordination Manager and 1 Executive Assistant.

The Board of Directors has taken all necessary action to make sure that the Internal Audit Group is able to audit all operations and units of the Bank and its consolidated subsidiaries without any restrictions.

In 2023 audits, 141 branches in total were audited within the scope of solo branch, 5 field processes and related head office audits.

In addition to branch audits, inspections were conducted in a total of 34 different areas: 21 at the Head Office, 9 at subsidiaries, 4 in IT. Besides these audits, Management Assessment was carried out, which covered banking and information technology processes.

The Compliance and Internal Control Group covers the Internal Control Division, Legislation Division, Compliance Division and IT Control Division, Subsidiaries Coordination Division and TRNC Compliance Division.

Internal control activities are arranged so as to cover basic control areas. According to the internal control organization, the Branches Control Department, Head Office Control Department, Finance and Treasury Transactions Control Department, Control Design and Support Department and IT and Support Department conduct the controls at branches and head office departments, respectively.

In accordance with Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks and MASAK regulations, regulatory and compliance functions are being conducted by Regulation and Compliance units under Compliance and Internal Control Group.

The activities of the Legislation Division are carried out in accordance with the requirements of applicable legislation and the Group's guidelines.

The aim of Risk Management system is to define, measure and monitor the Bank's risk exposure stemming from its operations and to make sure that these risks are controlled through the policies, guidelines and limits established.

Risk Management functions of the Bank and all subsidiaries are gathered under the Group Risk Management. Group Risk Management reports to TEB Group Boards of Directors via the Risk Committee and the Audit Committee at TEB A.Ş. and is responsible for carrying out the general monitoring, warning and recommendation functions on behalf of the Boards of Directors in line with the principles stipulated in this regulation.

The Bank's Group Risk Management is organized as

- Credit Risk Management Division,
- Rating Models Development Division,
- Market Risk and Operational Risk Division and,
- Environmental and Social Credit Policies Department and Group Risk Analysis Department

At the Bank's Board of Directors meeting held on 08 November 2005, a decision was passed to set up an Audit Committee responsible for the entire TEB Group companies in view of the provisions of Article 24 of the Banking Law no. 5411.

During 2023, the Audit Committee passed 56 decisions. The Committee works committedly to monitor the risks on a consolidated basis across the entire Group, to create control points, to review documented procedures on the basis of activities, to provide the coordination among the Internal Audit Group, Risk Management, Compliance and Internal Control groups, to set up the internal control system of the same scope between the Bank and Group companies and to fulfil other liabilities in accordance with the Banking Regulation.

The Bank closely monitors and implements international best practices, as well as the new regulatory requirements regarding internal audit and risk management systems.

EVALUATION OF FINANCIAL STATUS, PROFITABILITY AND SOLVENCY

A review of TEB's financial statements that are drawn up in accordance with the regulations of the Banking Regulation and Supervision Agency (BRSA) reveals as follows:

TEB's after-tax profit for 2023 reached TL 11.7 billion and the Bank posted a RoE of 39.39% in line with its strategies focused on profitability and productivity. Sustaining a consistent growth with its strong capital structure, TEB's equity was TL 35.0 billion and its capital adequacy ratio was realized as 16.82%, considerably higher than target ratio of 12%.

The Bank increased its total assets by 47.9% to reach TL 406,919 million in 2023 while credits which are the most important indicator of TEB's contribution to the economy and its customers became TL 209.9 billion constituting 51.58% of total assets.

While time deposits volume which meets a great portion of the Bank's funding requirement, total deposits as a percentage of liabilities became 70%. On the other hand, demand deposits also increased to reach TL 105.5 billion and had a great contribution to the Bank in terms of funding costs.

While TEB contributes to the development of the country's economy with its banking activities, it continues to support sustainable finance for a "better future". In this regard, TEB renewed its syndicated loan in 2023 and provided USD 330 million (EUR 236,500,000 and USD 79,250,000) of support to the foreign trade financing of the real sector. The syndication loan, which includes sustainability performance targets, was realized with the participation of a total of 22 banks from 14 countries, and rolled over at a rate of 125% with an additional resource increase. This year, the Bank determined three new performance targets focused on environmental and social criteria with the rolled over syndicated loan within the framework of sustainability performance criteria. Accordingly, TEB will support micro and SME enterprises in the earthquake zone, extend the amount of financing provided to micro and SMEs whose controlling partners are women and support investments to increase loans for renewable energy and energy efficiency projects. The total cost of the 367-day syndication loan was Sofr+3.50% for the dollar part and EURIBOR +3.25% for the euro part of the loan with a 75 basis point cost reduction achieved compared to the previous loan transaction.

RISK MANAGEMENT POLICIES ACCORDING TO VARIOUS TYPES OF RISKS

Credit Risk

Credit risk is the risk of a contracting party's defaulting in the performance of its contractual obligations and thus causing the other party to incur a financial loss. The TEB Group is exposed to credit risk basically through trading, trade finance, treasury and leasing activities but credit risk may also arise in other circumstances and due to other reasons.

One of the most prominent characteristics of the Bank is its conservative lending policy and solid asset structure that go hand in hand with a consistent growth strategy.

The authority to extend limits and allocate loans basically lies with the Board of Directors, which has delegated part of this authority to the Credit Committee and the General Manager in line with the principles and procedures set out by the BRSA. In turn, the General Manager has delegated part of his authority to Credit Groups and Business Lines jointly on the basis of rules approved by the Board of Directors.

Loans are extended within the limits defined for each debtor and each group of debtors. Every customer that performs a transaction on credit must have a credit limit allocated by the relevant authorities and customers are systematically prevented from exceeding those credit risk limits.

Credit decisions are taken after loan proposals are first approved by a credit analyst together with the credit department and the related business line.

Credit limits are allocated to borrowers identified as having the ability to generate cash flow, the ability to make repayments with the income generated on their business operations, reliable financial data, strong shareholder's equity and an administration and shareholding structure made up of people having high morality and business experience.

Credit risk concentration arises when customers are of a nature that would cause their ability to fulfill contractual obligations to be similarly affected by changes in economic, political or other conditions. Customers engaged in similar business activities or pursuing activities in the same geographical region are monitored with respect to credit concentration.

In general, the TEB Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, continually assessing the credibility and creditworthiness of counterparties, diversifying its lending activities to avoid undue concentrations of risks with individuals or groups of customers or industries and by obtaining necessary collateral when appropriate. The credit limits to be allocated are determined in accordance with the related counterparty's financial structure, certain qualitative criteria and the quality of any collateral to be provided.

Pursuant to the prudent policies the Bank adopts, the maximum credit limit that can be allocated to a customer is kept below legal limits, thus minimizing the risk of loan concentration.

Limits set by the Board of Directors are regularly monitored and reported.

After a loan facility is offered, the Credit Monitoring Department monitors the customer's repayment capability and the sufficiency and adequacy of the collateral. In this way, any problematic loan is identified at an early stage.

The Bank uses several in-house credit rating models for corporate and SME customers engaged in the production, service, factoring, construction, municipality and precious metal sectors.

The ratings are used for the purposes of credit allocation and delegation, assessing TFRS 9 (Turkish Financial Reporting Standards) collective provisions, credit reporting, portfolio management and stress testing.

The Group Risk Management reports to the Risk Committee, the Audit Committee, the Risk Policies Committee and the Board of Directors and on a regular basis presenting the Bank's risk concentrations, a breakdown of the Bank's loan portfolio by ratings, specific segments of the loan portfolio, large exposures, large non-performing accounts and impairment allowances as well as default and recovery rates.

The credit risks and limits related to financial institutions are determined by the Financial Institutions and Country Risk Committee, which is a sub-committee of the Credit Committee. The limits and exposures set are monitored daily by the Group Risk Management.

Where a loan is granted subject to collateral being given, the Bank's policy is to require the collateral to be perfected before funds are advanced and to avoid currency and maturity mismatches. All collateral should be given in a legally valid manner and should be liquid in nature. In this context, real estate should be of a fast-moving nature.

The Bank classifies overdue (non-performing) loans in view of the current regulatory rules.

Both collective and specific provisions are made with methodologies that are compliant with both TFRS 9 standards and BNP Paribas methodologies.

Interest Rate Risk

Interest rate risk involves possible losses that may be incurred due to fluctuations and volatilities in interest rates depending on maturity mismatches or the structures of interest rate-sensitive products in the balance sheet.

Protection against fluctuations in interest rates is the topmost priority for TEB. Interest rate risk is managed by the Assets and Liabilities Committee (ALCO). Decisions taken by ALCO are executed by the Assets and Liabilities Management Department under the Asset and Liability Management and Treasury Group.

Interest rate risk is determined by measuring the rate of sensitivity of assets, liabilities and off-balance sheet items to interest rates. The Board of Directors has set risk tolerance limits for the net interest income sensitivity and market value of equity sensitivity. TEB runs simulations of interest income according to estimated macroeconomic indicators. Duration,

gap and sensitivity analyses are conducted and these calculations are conveyed to ALCO and to Market and Liquidity Risk Committee.

Possible negative effects of interest rate fluctuations on financial position and cash flow are minimized by means of prompt decisions. The management monitors the interest rate movements in the market on a daily basis and can make changes whenever necessary in deposit and loan rates.

When determining short, medium and long- term pricing strategies, TEB's Assets and Liabilities Committee manages maturity mismatch and adopts the principle of working with positive balance sheet margins as its pricing policy.

Market Risk

Market risk involves possible losses a bank may incur as a result of the exposure of its balance sheet and off-balance sheet accounts to interest rate risk, exchange rate risk, commodity risk and equity position risk resulting from fluctuations in the financial markets, in interest rates, exchange rates, commodity or stock prices.

TEB's Board of Directors ensures that the Group Risk Management and senior management take the necessary steps to properly measure, control and manage the Bank's exposure to market risk.

The Board of Directors determines market risk limits and periodically revises these limits in accordance with market conditions and the strategies of TEB. All assessments regarding market risks are also evaluated by the Market and Liquidity Risk Committee that meets on a monthly basis. With regard to TEB's daily transactions, stop-loss and transaction limits, PV01 (base points sensitivity) and VaR limits are applied on the basis of each product. The Board of Directors assigns limits for positions in derivatives and similar contracts. Transactions are carried out within these limits and the limits are monitored and reported daily.

The market risk of the Bank is calculated using a standard method and reported to legal authorities.

The market risk can influence the Value-at- Risk (VaR) figure, which is also calculated using financial models. VaR figure is calculated using historical simulation method on the basis of a 250-business-day market data and a one-day holding period in a 99% confidence interval. Daily VaR figures are used for internal reporting and risk monitoring of the Bank. Back testing is periodically performed to validate the accuracy of calculations and the methods used.

The VaR figures calculated by internal models to predict losses in the event of a crisis are also verified by scenario analyses and stress tests and are then reported to senior management and the Board of Directors.

Scenario analyses and stress tests involve the reapplication of past crises to existing portfolios or the observation of likely losses due to interest and foreign exchange shocks.

Liquidity Risk

Liquidity risk is defined as the risk resulting from lack of sufficient cash holdings or cash inflow to fully meet cash obligations in due time, because of imbalanced cash flow.

Liquidity risk also includes the risk of loss that may arise when it is not possible for a bank to adequately close positions at favorable prices and at sufficient amounts or as rapidly as required, or when a bank is unable to exit the positions held, due to inability to enter the market as needed, to shallow market structure in certain products or to obstacles arising in the markets.

TEB's policies focus on maintaining the quality of its asset structure, so that liquid assets can meet all obligations. Striving to be one of the most liquid banks in the sector is of utmost importance to TEB. The Board of Directors regularly monitors and determines liquidity ratios and the relevant standards for maintaining high liquidity at all times.

TEB has in place an effective management reporting system for timely reporting of the liquidity position to the Board of Directors, senior management and all related units. Cash flow analyses are carried out for different maturity structures and currency units. Maturity mismatches are monitored and concentrations in funding sources are closely monitored. All related analyses are evaluated in detail by the Market and Liquidity Risk Committee that meets at least once a month.

As a matter of general policy, consistency in maturities and interest rates of assets and liabilities is maintained at all times in line with Assets and Liabilities Management strategies. The difference arising from the return and cost of TL and foreign currency asset-liability items in the balance sheet is constantly managed by targeting positive margin.

With regard to the sources of funding and liquidity, it is observed that while the greater part of the liquidity requirement of TEB is met by deposits bonds issue, syndicated loans and pre-financing products are also used at times to obtain funds in addition to deposits.

Operational Risk

Operational risk refers the possibility of loss resulting from inadequate or failed internal processes, people, and systems or ordinary or extraordinary external incidents,

Operational risk management principles are set out in the Operational Risk Management Policy approved by the Board of Directors.

Advanced measurement approach tools are used to measure operational risk. It is targeted to measure operational risk through historical incident analyses, risk indicators, process analyses, scenario analyses, stress tests and risk self-assessment studies.

Risk exposure is constantly monitored to determine whether it is within the Bank's risk appetite and is overseen by the Board of Directors via the Audit Committee. Remedial actions for identified weaknesses are assessed and put into account by the Bank's related management committees.

Counterparty Credit Risk

Counterparty credit risk is defined as the risk of each party arising from contract, that neither can deny liability for.

The Bank aims to manage counterparty credit risk in a manner presenting a true and fair view, using predefined methods.

Implementation procedures regarding counterparty credit risk are defined in the policy document approved by the Board of Directors.

The tasks mentioned below are included in counterparty credit risk management:

- Clearly determine open positions of counterparty credit risk
- Recognize the tools forming the systemic infrastructure in the measurement and management of risk (risk management)
- Define each counterparty, group, country and risk limits
- Report open positions and projected size of risk
- Reduce risk through framework agreements (ISDA, CSA, GMRA, etc.), receiving collateral and margin completion within the scope of counterparty credit risk measurement

Strategy, policy and implementation procedures for counterparty credit risk are defined in the policy document approved by the Board of Directors.

CREDIT RATINGS ASSIGNED BY RATING AGENCIES AND INFORMATION ON THEIR CONTENTS

The current ratings of the Bank are as follows:

Fitch Ratings :	
<i>Foreign Currency Commitments</i>	
Long Term	B-
Short Term	B
Outlook	Stable
<i>Turkish Lira Commitments</i>	
Long Term	B
Short Term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Financial Capacity Rating	b-
Shareholder Support Rating	b-
Moody's Investor Services	
Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term Foreign Currency Deposit Rate:	B3
Short Term Foreign Currency Deposit Rate:	NP
Long Term Turkish Lira Deposit Rate	B1
Short Term Turkish Lira Deposit Rate:	NP
Outlook	Stable

DONATIONS

Scope of Donations and Aids	Amount (TL)
Donations to Foundations and Associations Working for Public Interest	15,183
Donations to Schools	731
Donations in Kind to Public Institutions	199
Scholarships to Students	403
Aid to the Earthquake Region	282
Total	16,798

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

(TL thousand)	31.12.2019	2019-2018 change	31.12.2020	2020-2019 change	31.12.2021	2021-2020 change	31.12.2022	2022-2021 change	31.12.2023	2023-2022 change
Liquid Assets	21,336,601	7.47%	30,973,934	45.17%	47,341,927	52.84%	60,371,384	27.52%	123,859,938	105.16%
Securities	11,740,554	75.25%	22,802,391	94.22%	29,516,172	29.44%	52,294,716	77.17%	58,118,378	11.14%
Loans	65,577,143	2.47%	78,884,319	20.29%	103,783,001	31.56%	144,287,445	39.03%	203,166,602	40.81%
Other Assets	8,695,870	34.90%	7,387,398	-15.05%	13,415,922	81.61%	18,193,871	35.61%	21,774,101	19.68%
Total Assets	107,350,168	10.67%	140,048,042	30.46%	194,057,022	38.56%	275,147,416	41.79%	406,919,019	47.89%
Demand Deposits	16,786,665	44.16%	32,754,131	95.12%	58,517,838	78.66%	73,413,270	25.45%	105,465,658	43.66%
Time Deposits	55,407,662	5.39%	61,019,347	10.13%	73,321,412	20.16%	126,977,781	73.18%	179,280,178	41.19%
Funds Borrowed	13,412,150	-8.59%	20,490,810	52.78%	31,678,510	54.60%	27,672,292	-12.65%	59,687,406	115.69%
Other Liabilities	12,023,117	43.65%	14,373,903	19.55%	16,921,444	17.72%	21,742,901	28.49%	27,441,087	26.21%
Equity (excl. profit)	8,650,220	-0.99%	10,232,537	18.29%	11,704,921	14.39%	14,150,568	20.89%	23,318,042	64.79%
Net Income	1,070,354	6.85%	1,177,314	9.99%	1,912,898	62.48%	11,190,604	485.01%	11,726,648	4.79%
Total Liabilities	107,350,168	10.67%	140,048,042	30.46%	194,057,022	38.56%	275,147,416	41.79%	406,919,019	47.89%
Return on Equity	5.99%	1.84%	4.22%	-1.77%	3.08%	-1.14%	1.76%	-1.33%	1.04%	-0.72%
Return on Assets	11.50%	0.32%	11.61%	0.11%	15.82%	4.21%	58.72%	42.90%	39.39%	-19.33%
Capital Adequacy Ratio	1.05%	-0.05%	0.95%	-0.10%	1.15%	0.19%	4.77%	3.62%	3.44%	-1.33%
Return on Equity	16.95%	0.02%	18.51%	1.56%	18.05%	-0.46%	18.60%	0.55%	16.82%	-1.78%

BRANCHES

BRANCH	ADDRESS	COUNTY	PROVINCE	TELEPHONE
4. Levent Branch	Emniyet Evleri Mahallesi Eski Büyükdere Caddesi No:11/A Kağıthane 34415	KAĞITHANE	İSTANBUL	+ 90 850 204 00 49
4. Sanayi Branch	129 Sokak, No: 1/E 4. Sanayi Sitesi	BORNOVA	İZMİR	+ 90 850 204 03 45
A.O.S.B. İzmir Branch	M. Kemal Atatürk Bulvarı No:42 / 19 Çiğli 35620	ÇİĞLİ	İZMİR	+ 90 850 204 00 67
Acıbadem Branch	Acıbadem Caddesi, No:164/4 Üsküdar 34660	ÜSKÜDAR	İSTANBUL	+ 90 850 204 01 83
Adana AtikopBranch	Yeşiloba Mahallesi Turhan Cemal Beriker Bulvarı Adana İş Merkezi A Blok No:443/E Seyhan 01100	SEYHAN	ADANA	+ 90 850 204 05 35
Adana Çarşı Branch	Karasoku Mahallesi, Kızılay Cad.No:14 01010 Seyhan -	SEYHAN	ADANA	+ 90 850 204 04 45
Adana Çukurova Branch	Çınarlı Mah. Atatürk Caddesi No: 15 Seyhan 01120	SEYHAN	ADANA	+ 90 850 204 05 24
Adana Mobilyacılar Branch	Güzelevler Mah. Mobilyacılar Sitesi Meşe Cad. No:18 A Kısım Yüreğir 01310	YÜREĞİR	ADANA	+ 90 850 204 02 69
Adana Toros Branch	Toros Mah. Şehitler Blv. No:11/C Okumuşlar Apt. Çukurova 01170	ÇUKUROVA	ADANA	+ 90 850 204 04 46
Adapazarı Çarşı Branch	Orta Mah. Soğan Pazarı Cad. No:8 Adapazarı 54040	ADAPAZARI	SAKARYA	+ 90 850 204 05 05
Adapazarı Branch	Tıgıcılar Mahallesi, Atatürk Bulvarı, No:27	MERKEZ	SAKARYA	+ 90 850 204 01 13
Adıyaman Branch	Yenipınar Mahallesi, Atatürk Caddesi, No:31 A/A Merkez 02100	MERKEZ	ADİYAMAN	+ 90 850 204 02 81
Afyon Branch	Dumlupınar Mahallesi Kadınana Caddesi Davulcuoğlu İş Merkezi No:5A Merkez 03200	MERKEZ	AFYONKARAHİSAR	+ 90 850 204 01 16
Akdeniz Sanayi Branch	Şafak Mah. 5009 Sokak Akdeniz Sanayi Sitesi 36. Blok No:114 Kepez 07224	KEPEZ	ANTALYA	+ 90 850 204 02 04
Akdeniz Üniversitesi Branch	Akdeniz Üniversitesi Dumlupınar Bulvarı Olbia Çarşısı Kampüs Konyaaltı 07058	KONYAALTI	ANTALYA	+90 850 204 07 32
Akdeniz Üniversitesi Tıp Fakültesi Branch	Dumlupınar Bulvarı Akdeniz Üniversitesi Tıp Fak. Hastanesi H Blok Giriş Katı Konyaaltı 07070	KONYAALTI	ANTALYA	+ 90 850 204 07 72
Akhisar Branch	Şehit Teğmen Ün Cad. Paşa Mahallesi No:78 Akhisar 45200	AKHİSAR	MANİSA	+ 90 850 204 02 59
Aksaray İstanbul Branch	Kemalpaşa Mah. Ordu Caddesi No:66A Kat: 1 Fatih 34134	FATİH	İSTANBUL	+ 90 850 204 00 72
Aksaray Branch	Hamidiye Mahallesi 761/Şehit Ali Mutlu Sokak No:1/1 Merkez 68100	MERKEZ	AKSARAY	+ 90 850 204 03 54
AksazBranch	Aksaz Deniz Üs Komutanlığı, Aksaz	MARMARİS	MUĞLA	+ 90 850 204 02 40
Akşehir Branch	Meydan Mahallesi İnönü Cad. No:64 Akşehir 42550	AKŞEHİR	KONYA	+ 90 850 204 02 86
Alanya Mahmutlar Branch	Mahmutlar Mahallesi Barbaros Caddesi No:98B/A Alanya 07450	ALANYA	ANTALYA	+ 90 850 204 01 73
Alanya Sanayi Branch	Cumhuriyet Mahallesi Keykubat Blv. No:218 Alanya 07400	ALANYA	ANTALYA	+ 90 850 204 06 04
Alanya Branch	Atatürk Cad. 42/A Alanya 07400	ALANYA	ANTALYA	+ 90 850 204 01 08
Alaşehir Branch	Soğuksu Mahallesi Sekine Evren Caddesi No:87 Alaşehir 45600	ALAŞEHİR	MANİSA	+90 850 204 06 64
Alemdar Branch	Alemdar Caddesi, Ömerağa Mahallesi, No:19	İZMİT	KOCAELİ	+ 90 850 204 03 48
Aliğa Branch	İstiklal Cad.No:35/B	ALİAĞA	İZMİR	+ 90 850 204 02 11
Alibeyköy Branch	Alibeyköy Mahallesi Namık	EYÜP	İSTANBUL	+ 90 850 204 05 61

	Kemal Caddesi 30/A Eyüp 34060			
Alsancak Branch	1382 Sk. 33/A Bodrum Kat Alsancak Konak 35220	KONAK	İZMİR	+ 90 850 204 04 55
AltıyolBranch	Osmanağa Mah. Söğütlüçeşme Cad. No:124A Kadıköy 34714	KADIKÖY	İSTANBUL	+ 90 850 204 00 87
Altunizade Branch	Kısıklı Cad. No:19 Altunizade	ÜSKÜDAR	İSTANBUL	+ 90 850 204 00 95
Amasya Branch	Yüzevler Mahallesi Mustafa Kemal Paşa Caddesi No:76/A-B-1 Merkez 05100	MERKEZ	AMASYA	+90 850 204 06 87
Anamur Branch	Esentepe Mahallesi, Atatürk Bulvarı, No: 8/B	ANAMUR	MERSİN	+ 90 850 204 03 04
Ankara 4. Kolordu Branch	4. Kolordu Komutanlığı, Samsun Yolu Üzeri, Mamak 06265	MAMAK	ANKARA	+ 90 850 204 02 85
Ankara Branch	Mustafa Kemal Mah. Şehit Öğretmen Şenay Aybuke Yalçın Cad. No:4A Çankaya 06530	ÇANKAYA	ANKARA	+ 90 850 204 00 06
Antakya Mustafa Kemal Branch	KuzeytepeMah.Uğur Mumcu Bul.No:233 İç Kapı No:1 Antakya 31030	ANTAKYA	HATAY	+90 850 204 07 82
Antakya Branch	Çekmece Mah. Çevre Yolu Cad. No:11D Defne 31160	DEFNE	HATAY	+ 90 850 204 00 73
Antalya Etiler Branch	Etiler Mahallesi 851 Sokak No:2 Muratpaşa 07010	MURATPAŞA	ANTALYA	+ 90 850 204 01 88
Antalya Muratpaşa Branch	Tahıl pazarı Mah. Şarmpol Cad. Ömer Melli İş Hanı No:86A Muratpaşa 07040	MURATPAŞA	ANTALYA	+ 90 850 204 03 87
Antalya Sanayi Branch	Yükseliş Mahallesi Gazi Bulvarı No:123/1 Kepez 07025	KEPEZ	ANTALYA	+ 90 850 204 05 60
Antalya Branch	Etiler Mahallesi Adnan Menderes Bulvarı Birlik Apartmanı No:53/A-B Muratpaşa 07010	MURATPAŞA	ANTALYA	+ 90 850 204 00 25
Antalya Toptancı Hali Branch	Güneş Mahallesi Yeni Toptancı Hal Kompleksi B2/1 Blok No:1 Kepez 07260	KEPEZ	ANTALYA	+ 90 850 204 03 18
Aspendos Kurumsal Branch	Etiler Mahallesi Adnan Menderes Bulvarı Birlik Apartmanı No:53/A-B Asma Kat Muratpaşa 07010	MURATPAŞA	ANTALYA	+ 90 850 204 02 82
Atakum Branch	Mimar Sinan Mahallesi 162 Sok. No:17/E Atakum 55200	ATAKUM	SAMSUN	+ 90 850 204 01 98
Ataşehir Branch	Atatürk Mahallesi Ataşehir Bulvarı No:14/F Özel İşyeri:1 Ataşehir 34758	ATAŞEHİR	İSTANBUL	+ 90 850 204 04 35
Atatürk Caddesi Adana Branch	Kurtuluş Mahallesi Atatürk Caddesi Meryem Gizer Apartmanı No:63/A Seyhan 01130	SEYHAN	ADANA	+ 90 850 204 01 17
Atrium Branch	Ataköy 7-8-9-10. Kısım Mahallesi Karanfil Sk Atrium AVM Apt. No: 2/61 Bakırköy 34158	BAKIRKÖY	İSTANBUL	+ 90 850 204 04 72
Avcılar Çarşı Branch	Merkez Mahallesi, Reşitpaşa Caddesi, No:41 Avcılar 34310	AVCILAR	İSTANBUL	+ 90 850 204 02 41
Avcılar Branch	Mustafa Kemal Paşa Mahallesi Firuzköy Bulvarı No:115A Avcılar 34320	AVCILAR	İSTANBUL	+ 90 850 204 00 74
Aydın Çarşı Branch	Hasan Efendi - Ramazan Paşa Mah. Hükümet Bulvarı No: 19A Efeler 09110	EFELER	AYDIN	+ 90 850 204 05 12
Aydın Branch	Kurtuluş Mah. Adnan Menderes Bul.No:42B Efeler 09020	EFELER	AYDIN	+ 90 850 204 00 75
Ayvalık Branch	İsmetpaşa Mahallesi Atatürk Bulvarı Caddesi No:109 Ayvalık 10400	AYVALIK	BALIKESİR	+90 850 204 07 14
Bafra Branch	Hacınabi Mahallesi, Tekel Caddesi, No:40 Bafra 55400	BAFRA	SAMSUN	+ 90 850 204 03 33
Bağcılar Branch	İstanbul Cad. No:12/B	BAĞCILAR	İSTANBUL	+ 90 850 204 01 76
Bahçelievler İstanbul Branch	İzzettin Çalışlar Caddesi, No:40	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 02 34

Bahçeşehir Branch	Bahçeşehir 2. Kısım Mahallesi Süzer Bulvarı No:13 Başakşehir 34488	BAŞAKŞEHİR	İSTANBUL	+ 90 850 204 00 76
Bakırköy Meydan Branch	Kartaltepe Mahallesi İncirli Caddesi No:12/14 Bakırköy 34145	BAKIRKÖY	İSTANBUL	+ 90 850 204 03 93
Bakırköy Branch	Cevizlik Mahallesi Hallaç Hüseyin Sokak No:5B Bakırköy 34142	BAKIRKÖY	İSTANBUL	+ 90 850 204 00 14
Balçova Branch	Onur Mah. Ata Cad. No:48/A Balçova 35330	BALÇOVA	İZMİR	+ 90 850 204 02 16
Balgat Branch	Ceyhun Atıf Karsu Cad. No:80 Balgat	ÇANKAYA	ANKARA	+ 90 850 204 01 50
Balıkesir Çarşı Branch	Altıeylül Mahallesi, Anafartalar Caddesi No:25/B Altıeylül 10100	ALTİEYLÜL	BALIKESİR	+ 90 850 204 04 98
Balıkesir Branch	Hisarici Mahallesi Örucüler Caddesi No:14B Karesi 10010	KARESI	BALIKESİR	+ 90 850 204 00 77
Bandırma Branch	İnönü Caddesi, No:68/A	BANDIRMA	BALIKESİR	+ 90 850 204 03 51
Balmumcu Branch	Gayrettepe Mah. Yener Sok. Türk Ekonomi Bankası Blok No:1A Beşiktaş 34349	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 07 89
Bartın Branch	Kırtepe Mahallesi Hamam Caddesi No: 5 Merkez 74100	MERKEZ	BARTIN	+ 90 850 204 06 77
Başkent Kurumsal Branch	Simon Bolivar Cad. No:17Kat:1-2 ÇANKAYA 06680	ÇANKAYA	ANKARA	+ 90 850 204 04 56
Batı Ataşehir Branch	Barbaros Mahallesi Halk Caddesi No:47/1 Ataşehir 34746	ATAŞEHİR	İSTANBUL	+90 850 204 06 74
Batman Branch	Gap Mahallesi, Turgut Özal Bulvarı Babil Plaza No: 90 C Merkez 72070	MERKEZ	BATMAN	+ 90 850 204 03 28
Bayındır Branch	Mithatpaşa Mah. Fevzi Paşa Cad. No:23A Bayındır 35840	BAYINDIR	İZMİR	+90 850 204 07 25
Bayramiç Branch	Camicedit Mahallesi Atatürk Caddesi no:22 A Bayramiç 17700	BAYRAMIÇ	ÇANAKKALE	+90 850 204 07 27
Bayrampaşa Branch	Yenidoğan Mah. Abdi İpekçi Cad. No:4D Bayrampaşa 34030	BAYRAMPAŞA	İSTANBUL	+ 90 850 204 00 22
Bayramyeri Branch	Saraylar Mahallesi Enverpaşa Caddesi Katrancı İşh. No:26/1 Merkezefendi 20010	MERKEZEFENDİ	DENİZLİ	+ 90 850 204 00 98
Bebek Branch	Cevdet Paşa Caddesi, No:55 Bebek	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 48
BekirpaşaBranch	28 Haziran Mahallesi Turan Güneş Caddesi No:301 A İzmit 41060	İZMİT	KOCAELİ	+ 90 850 204 03 13
Bergama Branch	Ertuğrul Mahallesi Park Otel Sokak No:10 Bergama 35700	BERGAMA	İZMİR	+90 850 204 06 97
Beşevler Sanayi Branch	Üçevler Mahallesi Nilüfer Cad 4 Nilüfer 16130	NİLÜFER	BURSA	+ 90 850 204 01 20
Beşiktaş Çarşı Branch	Cihannuma Mahallesi Salih Efendi Sok. No:7 Beşiktaş 34353	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 05 42
Beşiktaş Branch	OrtabahçeCad.No :2	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 78
BeşyüzevlerBranch	Barbaros Hayrettin Paşa Mah. Eski Edirne Asfaltı Cad. No:224B Gaziosmanpaşa 34520	GAZİOSMANPAŞA	İSTANBUL	+ 90 850 204 00 79
Beyazıt Branch	Mimar Hayrettin Mah. Yeniçeriler Caddesi No:29 Bayazıt Fatih 34126	FATİH	İSTANBUL	+ 90 850 204 01 23
Beykent Branch	Cumhuriyet Mah.Gürpınar Yolu Beylikdüzü San.SitesiB2 Blok No:325-326-327-328-355- 356B.Çekmece 34500-	BÜYÜKÇEKMECE	İSTANBUL	+ 90 850 204 06 37
Beykent Üniversitesi Branch	T.C Beykent Üniversitesi Ayazağa Kampüsü, Ayazağa Mahallesi, Hadımkoru Caddesi, No:19A Sarıyer 34485	SARIYER	İSTANBUL	+90 850 204 06 63
Beylikdüzü E-5 Branch	Barbaros Hayrettin Paşa Mah. Şehitler Cad. BaymahallResidenceNo:5E	ESENYURT	İSTANBUL	+ 90 850 204 04 07

	Esenyurt 34522			
Beylikdüzü Branch	Beylikdüzü OSB Mah. Açıya Cad. No:1/8 Beylikdüzü 34524	BEYLİKDÜZÜ	İSTANBUL	+ 90 850 204 00 47
Beyoğlu Branch	Hüseyinağa Mahallesi Hamalbaşı Caddesi No:6/A Beyoğlu 34435	BEYOĞLU	İSTANBUL	+ 90 850 204 04 51
Biga Branch	İstiklal Mahallesi İstiklal Caddesi No:106-108 İç Kapı No:1 Biga 17200	BİGA	ÇANAKKALE	+ 90 850 204 02 77
Bodrum BitezBranch	Merkez Mahallesi, Atatürk Bulvarı No: 203/A1-A3Konaklı - Bodrum 48480	BODRUM	MUĞLA	+ 90 850 204 03 14
Bodrum Branch	Türk Kuyusu Mahallesi, Kıbrıs Şehitleri Caddesi, No:65/A-65/B Bodrum 48400	BODRUM	MUĞLA	+ 90 850 204 01 06
Boğazlıyan Branch	Çarşı Mahallesi Mescit Caddesi No:17 Boğazlıyan 66400 YOZGAT	BOĞAZLIYAN	YOZGAT	+90 850 204 07 38
Bolu Branch	Aktaş Mahallesi İzzet Baysal Caddesi No:118 E Merkez 14200	MERKEZ	BOLU	+ 90 850 204 01 42
Bornova Çarşı Branch	Mustafa Kemal Cad. No:11-A/B Bornova 35040	BORNOVA	İZMİR	+ 90 850 204 03 98
Bornova Branch	Manavkuyu Mahallesi Mustafa Kemal Caddesi 132/1A Bayraklı 35535	BAYRAKLI	İZMİR	+ 90 850 204 01 00
Bostancı E5Branch	İçerenköy Mah. Değirmen Yolu Cad. No:31/1A Ataşehir 34752	ATAŞEHİR	İSTANBUL	+ 90 850 204 04 31
Bostanlı Branch	Bostanlı Mahallesi Cemal Gürsel Caddesi No: 526/B Karşıyaka 35590	KARŞIYAKA	İZMİR	+ 90 850 204 02 31
Bozüyük Branch	Yeni Mahalle İsmet İnönü Caddesi No:67 Bozüyük 11300	BOZÜYÜK	BİLECİK	+90 850 204 06 86
Buca Branch	Kozağaç Mahallesi Uğur Mumcu Caddesi No:96 Buca 35390	BUCA	İZMİR	+90 850 204 06 96
Burdur Branch	Özgür Mahallesi, Gazi Caddesi, No:79A Merkez 15200	MERKEZ	BURDUR	+ 90 850 204 02 73
Bursa Cumhuriyet Caddesi Branch	Tuzpazarı Mah. Cumhuriyet Caddesi No:114 Osmangazi 16020	OSMANGAZİ	BURSA	+ 90 850 204 05 87
Bursa Balat Branch	Ahmet Yesevi Mah. Sanayi Cad. Üründül Plaza Sitesi Üründül Plaza Blok No: 517 A Nilüfer 16225	NİLÜFER	BURSA	+ 90 850 204 04 65
Bursa Organize Sanayi Branch	Organize San.Bölgesi, Ali Osman Sönmez Bulv. Bankalar Cad. 16159 Nilüfer	NİLÜFER	BURSA	+ 90 850 204 03 84
Bursa Serbest Bölge Branch	Ata Mah. Serbest Bölge Orkide Cad. No:13/1 Gemlik 16600	GEMLİK	BURSA	+ 90 850 204 00 65
Bursa Branch	Doğanbey Mahallesi Fevzi Çakmak Caddesi, No:52/B Osmangazi 16220	OSMANGAZİ	BURSA	+ 90 850 204 00 17
Büsan Sanayi Sitesi Branch	Fevzi Çakmak Mah. KOSGEB Caddesi No:1/1 Karatay 42050	KARATAY	KONYA	+ 90 850 204 01 18
Büyükçekmece Branch	19 Mayıs Mahallesi Nutuk Caddesi No:48A/1 Büyükçekmece 34500	BÜYÜKÇEKMECE	İSTANBUL	+ 90 850 204 01 89
Caddebostan Branch	Caddebostan Mahallesi Bağdat Caddesi No:265A/1 Kadıköy 34728	KADIKÖY	İSTANBUL	+ 90 850 204 01 10
Cevizli Branch	Orhantepe Mah. Üsküdar Cad. BreezeTower Apt. No:155 A Kartal 34865	KARTAL	İSTANBUL	+ 90 850 204 05 62
Ceyhan Branch	Türlübaş Mahallesi Atatürk Caddesi No:260 Ceyhan 01960	CEYHAN	ADANA	+ 90 850 204 06 56
Çağlayan Branch	Çağlayan Mahallesi Kağıthane Cad. No:141 C Kağıthane 34403	KAĞITHANE	İSTANBUL	+ 90 850 204 01 57
Çanakkale Branch	Kemalpaşa Mahallesi, Değirmenlik Sokak No:49 /1 Merkez 17010	MERKEZ	ÇANAKKALE	+ 90 850 204 01 85
Çankaya Ankara Branch	Simon Bolivar Cad. No: 17 06680 Çankaya	ÇANKAYA	ANKARA	+ 90 850 204 03 82
Çankırı Branch	Yunus AVM Buğday Pazarı	MERKEZ	ÇANKIRI	+90 850 204 06 73

	Mahallesi Çarşamba Pazarı Caddesi No:4/B116-Z118-Z119 Merkez			
Çarşamba Branch	Dr.Tevfik Türker Caddesi No:13	ÇARŞAMBA	SAMSUN	+ 90 850 204 01 58
Çarşı İzmir Branch	1203/1 Sokak, No: 7 Yenişehir, Konak	KONAK	İZMİR	+ 90 850 204 00 66
Çarşı İzmit Branch	Karabaş Mahallesi Leyla Atakan Cad. No: 27 A/0 İzmit 41040	İZMİT	KOCAELİ	+ 90 850 204 04 16
Çayyolu Branch	Prof. Dr. Ahmet Taner Kışlalı Mah. S. Saltoğlu Bulvarı No:35/9 Çankaya 06810	ÇANKAYA	ANKARA	+ 90 850 204 01 05
Çekmeköy Branch	Madenler Mahallesi Serencebey Cad. No:58A Ümraniye 34776	ÜMRANİYE	İSTANBUL	+ 90 850 204 01 43
Çengelköy Branch	Çengelköy Mah. Çengelköy Caddesi Teb Bankası Blok No:57 İç Kapı No:1 Üsküdar 34680	ÜSKÜDAR	İSTANBUL	+ 90 850 204 03 41
Çerkezköy Branch	Gazi Osman Paşa Mahallesi, Atatürk Caddesi, No:5	ÇERKEZKÖY	TEKİRDAĞ	+ 90 850 204 02 84
Çeşme Branch	İsmet İnönü Mahallesi 2001 Sokak No:74/A Çeşme 35930	ÇEŞME	İZMİR	+ 90 850 204 02 48
Ankara Mustafa Kemal Branch	Mustafa Kemal Mah. 2159 Cadde No:2A Çankaya 06530	ÇANKAYA	ANKARA	+ 90 850 204 03 42
Çınar Branch	15 Mayıs Mahallesi Gazi Mustafa Kemal Bulvarı No:145/B Pamukkale 20150	PAMUKKALE	DENİZLİ	+ 90 850 204 01 99
Çiftehavuzlar Branch	Bağdat Cad. Aziz Kaya İş Merkezi No: 193/A Zemin Kat A Kısım Çiftehavuzlar Kadıköy 34730	KADIKÖY	İSTANBUL	+ 90 850 204 01 34
Çiğli Branch	Şirintepe Mah. Anadolu Cad. No:778/3A Çiğli 35620	ÇİĞLİ	İZMİR	+ 90 850 204 05 55
Çine Branch	Hamitabat Mah. Mehmet Yavaş Cad. No:83A Çine 09500	ÇİNE	AYDIN	+90 850 204 07 35
Çok Uluslu Firmalar Kurumsal Branch	Kozyatağı Mahallesi Değirmen Sokak Nida Kule A Blok No:18 İç Kapı No: 11 Kadıköy 34742	KADIKÖY	İSTANBUL	+ 90 850 204 00 18
Çorlu Çarşı Branch	Cemaliye Mahallesi Saray Caddesi No:2 Çorlu 59860	ÇORLU	TEKİRDAĞ	+90 850 204 02 89
Çorlu Branch	Kazimiye Mahallesi, Salih Omurtak Caddesi, No:22/B	ÇORLU	TEKİRDAĞ	+ 90 850 204 01 09
Çorum Branch	Çepni Mah. İnönü Cad. No:4 Merkez 19040	MERKEZ	ÇORUM	+ 90 850 204 01 44
Çubuk Branch	Yıldırım Beyazıt Mahallesi Ankara (1.Kısım) Bulvarı, B Blok Özdemirler Apartmanı No:29 G- H Çubuk 06760	ÇUBUK	ANKARA	+90 850 204 07 61
Çukurambar Branch	Kızılırmak Mah. Ufuk Üniversitesi Caddesi No: 1/A Çankaya 06530	ÇANKAYA	ANKARA	+ 90 850 204 05 17
Çukurova Kurumsal Branch	Çınarlı Mahallesi Atatürk Caddesi No: 15 Kat: 1 A Kısım 01120 Seyhan	SEYHAN	ADANA	+ 90 850 204 03 59
Çumra Branch	İzzetbey Mahalle 72444 Sokak No:3ADaire:1 Çumra 42500	ÇUMRA	KONYA	+90 850 204 07 28
Darıca Branch	Kazımkarabekir Mahallesi, İstasyon Caddesi, No:467/A Darıca 41700	DARICA	KOCAELİ	+90 850 204 07 22
Davutpaşa Branch	Maltepe Mah. Davutpaşa Cad. No:101DK:230-231-232-352 Topkapı Zeytinburnu 34010	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 00 96
Değirmendere Trabzon Branch	Sanayi Mahallesi Devlet Karayolu Caddesi No:85A Ortahisar 61030	ORTAHIŞAR	TRABZON	+ 90 850 204 02 42
Demetevler Branch	Demetgöl Mahallesi 408 Cadde No 11 A Yenimahalle 06200	YENİMAHALLE	ANKARA	+90 850 204 06 70
Demirciler Sitesi Branch	Seyitnizam Mahallesi Demirciler Sitesi 2. Cadde No:81 Zeytinburnu 34015	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 02 21
Demirtaş Organize Sanayi Branch	Demirtaş Organize Sanayi Bölgesi Mustafa Karaer Cad. No:18 Osmangazi 16245	OSMANGAZİ	BURSA	+ 90 850 204 04 57

Demirtaş Branch	Panayır Mahallesi, Yeni Yalova Yolu Caddesi, No:455/F	OSMANGAZİ	BURSA	+ 90 850 204 02 98
Denizli Çivril Branch	Çatlar Mahallesi Cumhuriyet 6 Cad. TEB Blok No:264/1 Çivril 20600	ÇİVRİL	DENİZLİ	+90 850 204 06 84
Pamukkale Branch	Saraylar Mahallesi İzmir Bul. TEB Sitesi TEB Blok No:57Merkezefendi 20010	MERKEZEFENDİ	DENİZLİ	+ 90 850 204 07 87
Denizli Saraylar Branch	Saraylar Mahallesi 459 Sokak No:3/1 Merkezefendi 20010	MERKEZEFENDİ	DENİZLİ	+ 90 850 204 03 88
Denizli Branch	Saraylar Mahallesi İzmir Blv. TEB Sit. No:57Merkezefendi 20010	MERKEZEFENDİ	DENİZLİ	+ 90 850 204 00 19
Develi Branch	İbrahimağa Mahallesi Cumhuriyet Caddesi Belediye İş Merkezi No: 4E Develi 38400	DEVELİ	KAYSERİ	+90 850 204 07 63
Didim Branch	Efeler Mah. Atatürk Bul. No:111 A Didim 09270	DİDİM	AYDIN	+ 90 850 204 01 54
Dikmen Branch	Ş.Mevlüt Meriç Mahallesi Dikmen Cad. No: 260/15 06460 Dikmen Çankaya -	ÇANKAYA	ANKARA	+ 90 850 204 06 27
Diyarbakır Kayapınar Branch	Selahattin Eyyubi Mahallesi Turgut Özal Bul. No:80BB Bağlar 21080	BAĞLAR	DİYARBAKIR	+ 90 850 204 05 99
Diyarbakır Sur Branch	Bağcılar Mahallesi, Urfa Bulvarı, Baran Plaza No:217/1 Bağlar 21050	BAĞLAR	DİYARBAKIR	+ 90 850 204 04 80
Diyarbakır Branch	Fırat Mah. Mahabad Bulvarı Mega Arslan Cadde-75 Sitesi B Blok No:77BA Kayapınar 21070	KAYAPINAR	DİYARBAKIR	+ 90 850 204 01 28
Dokuz Eylül Üniversitesi Branch	Korutürk Mahallesi Mithatpaşa Caddesi No:285/1E Balçova 35330	BALÇOVA	İZMİR	+ 90 850 204 07 53
Dudullu Branch	Necip Fazıl Bulvarı No:7-9 Ümraniye 34773	ÜMRANİYE	İSTANBUL	+90 850 204 07 21
Düzce Branch	Camikebir Mahallesi, 659.Bulvar, No:8A Merkez 81010	MERKEZ	DÜZCE	+ 90 850 204 02 87
Edirne Branch	Mithatpaşa Mah. Atatürk Bulvarı TEB Bankası Blok No:347 İç Kapı No:0 Merkez 22100	MERKEZ	EDİRNE	+ 90 850 204 02 13
Edremit Branch	Camivasat Mahallesi Menderes Bulvarı No:11/2 Edremit 10300	EDREMİT	BALIKESİR	+ 90 850 204 01 90
Ege Kurumsal Branch	Cumhuriyet Bulvarı 66 Kat:2	KONAK	İZMİR	+ 90 850 204 00 68
Ege Üniversitesi Kampüsü Branch	Erzene Mah. Ankara Cad. Ege Üniversitesi D-Ziraat Fakültesi Blok No:172/112A Bornova 35040	BORNOVA	İZMİR	+90 850 204 07 74
Ege Üniversitesi Branch	Kazımdirik Mahallesi Üniversite Caddesi Ege Üniversitesi No:9-47A Bornova 35100	BORNOVA	İZMİR	+90 850 204 07 54
Elazığ Hürriyet Caddesi Branch	Nailbey Mahallesi Vali Fahribey Caddesi No:37B İç Kapı No:0 Merkez 23100	MERKEZ	ELAZIĞ	+ 90 850 204 06 02
Elazığ Branch	Hürriyet Cad. Mehmet Arslan İş Merkezi No:35/A Merkez 23200	MERKEZ	ELAZIĞ	+ 90 850 204 01 61
Eminönü Branch	Hobyar Mahallesi, Vakıf Hanı Sokak, No:8 Fatih 34112	FATİH	İSTANBUL	+ 90 850 204 00 29
Emirdağ Branch	Yenidoğan Mahallesi Şehit Er Yüksel Yeşildağ Caddesi No:4/1-2 Emirdağ 03600	EMİRDAĞ	AFYONKARAHİSAR	+90 850 204 07 55
Erdemli Branch	Merkez Mahallesi, Alparslan Türkeş Bulvarı, No: 561A Erdemli 33730	ERDEMLİ	MERSİN	+ 90 850 204 07 02
Erenköy Branch	Caddebostan Mahallesi, Ethem Efendi Caddesi, No:13/1 Kadıköy 34728	KADIKÖY	İSTANBUL	+ 90 850 204 0389
Erenler Sanayi Branch	Erenler Mahallesi, Sakarya Caddesi, No:306/A	ERENLER	SAKARYA	+ 90 850 204 02 88
Erzincan Branch	Atatürk Mahallesi, Nerim Tombul Caddesi, No:12/Z2-Z3 Merkez 24002	MERKEZ	ERZİNCAN	+90 850 204 03 16

Erzurum Branch	Kazım Karabekir Paşa Mahallesi, Orhan Şerifsoy Cad. Türk Ekonomi Bankası A.Ş. Apt. No:52 Yakutiye 25100	YAKÜTİYE	ERZURUM	+ 90 850 204 01 48
Esenler Branch	Menderes Mahallesi Atışalanı Caddesi No:15 Esenler 34225	ESENLER	İSTANBUL	+ 90 850 204 06 09
Esenyurt Branch	Sultaniye Mah. Doğan Araslı Bul. Şelale Plaza Blok No:124C Esenyurt 34510	ESENYURT	İSTANBUL	+ 90 850 204 03 36
Eskişehir Anadolu Üniversitesi Branch	Yeşiltepe Mahallesi İsmet İnönü 2 Bulvar No:2/31E Tepebaşı 26210	TEPEBAŞI	ESKİŞEHİR	+ 90 850 204 05 67
Eskişehir İki Eylül Caddesi Branch	İstiklal Mah. İki Eylül Cad.No: 50/B Odunpazarı 26010	ODUNPAZARI	ESKİŞEHİR	+ 90 850 204 04 13
Eskişehir Branch	İstiklal Mahallesi, İki Eylül Cad. No:2/1 Odunpazarı 26010	ODUNPAZARI	ESKİŞEHİR	+ 90 850 204 00 41
Etiler Branch	Etiler Mahallesi Nispetiye Cad. No:97Kat:1 Beşiktaş 34337	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 16
Etimesgut Branch	İstasyon Mahallesi İstasyon Caddesi Tüzün Sokak No:8/7	ETİMESGUT	ANKARA	+ 90 850 204 02 52
Fatih Branch	Ali Kuşçu Mah. Macar Kardeşler Cad. No:34 Fatih 34083	FATİH	İSTANBUL	+ 90 850 204 03 35
Fatsa Branch	Mustafa Kemal Paşa Mahallesi Reşadiye Cad. No:14/A Fatsa 52400	FATSA	ORDU	+ 90 850 204 01 53
Fener Branch	Çağlayan Mahallesi Barınaklar Bulvarı A. Atmaca Apt. B Blok No:3/A-B Muratpaşa 07230	MURATPAŞA	ANTALYA	+ 90 850 204 02 93
Fethiye Likya Branch	Taşyaka Mahallesi İnönü Bulvarı No:4 4/A 4/B Fethiye 48300	FETHİYE	MUĞLA	+ 90 850 204 04 96
Fethiye SeydikemerBranch	Cumhuriyet Mahallesi İnönü Caddesi No:40 İç Kapı No:1Seydikemer 48850	SEYDİKEMER	MUĞLA	+90 850 204 07 09
Fethiye Branch	Cumhuriyet Mahallesi, Çarşı Caddesi, No:25 Fethiye 48300	FETHİYE	MUĞLA	+ 90 850 204 01 33
Fındıkzade Branch	Haseki Sultan Mahallesi Kızılcama Caddesi No:15 Fatih 34096	FATİH	İSTANBUL	+ 90 850 204 04 30
Florya Branch	Şenlik Mah. Florya Asfaltı No:86 Zemin Kat Kısım A Florya Bakırköy 34153	BAKIRKÖY	İSTANBUL	+ 90 850 204 02 02
Gayrettepe Branch	Gayrettepe Mah., Yener Sok., No:1 BEŞİKTAŞ 34349	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 03 92
Gaziantep Branch	Değirmicem Mahallesi Kıbrıs Caddesi Zeugma İş Merkezi No:2A Şehitkamil 27090	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 00 28
Gaziemir Branch	Akçay Caddesi, No:169/A	GAZİEMİR	İZMİR	+ 90 850 204 02 79
Gazimağusa Branch	İsmet İnönü Bulvarı, No:43 Sakarya	-	GAZİMAĞUSA / KKTC	+ 90 392 365 59 20
Gaziosmanpaşa Ankara Branch	Uğur Mumcu Cad. 76/A	ÇANKAYA	ANKARA	+ 90 850 204 01 01
Gaziosmanpaşa İstanbul Branch	Merkez Mahallesi Eyüp Yolu No:4 Gaziosmanpaşa 34245	GAZİOSMANPAŞA	İSTANBUL	+ 90 850 204 01 86
Gebze Çarşı Branch	Hacı Halil Mah. Cumhuriyet Meydanı No:3/2 Gebze 41400	GEBZE	KOCAELİ	+ 90 850 204 04 11
Gebze E5Branch	Osman Yılmaz Mahallesi, İstanbul Caddesi, No:74/A	GEBZE	KOCAELİ	+ 90 850 204 02 44
Gebze Organize Sanayi Bölgesi Branch	Gebze Organize Sanayi Bölgesi, Bankalar ve Çarşı Merkezi, 1600 Sokak, No:1601-7 Gebze 41480	GEBZE	KOCAELİ	+ 90 850 204 07 34
Gebze Branch	Hacı Halil Mah.Zübeyde Hanım Cad. No:33/B	GEBZE	KOCAELİ	+ 90 850 204 00 35
Gemlik Branch	Hamidiye Mahallesi, İstiklal Caddesi, No: 31 GEMLİK 16600	GEMLİK	BURSA	+ 90 850 204 01 93
Gezgin Branch	Dudullu OSB Mahallesi 1. Cad. TEB Blok No:17 34775 Ümraniye	ÜMRANİYE	İSTANBUL	
GimatBranch	Mehmet Emin Erdoğan İş Merkezi Macun Mahallesi Bağdat Cad. No:93/25-26-27-28	YENİMAHALLE	ANKARA	+ 90 850 204 02 30
Giresun Branch	Şeyhkerametlin Mahallesi Gazi	MERKEZ	GİRESUN	+ 90 850 204 02 70

	Caddesi No:2 Merkez 28200			
Girne Bulvarı Branch	Bahriye Üçok Mahallesi Atatürk Bulvarı No:56/B Karşıyaka 35580	KARŞIYAKA	İZMİR	+ 90 850 204 00 86
Girne Branch	Bedrettin Demirel Caddesi, No:12/12B	-	GİRNE / KKTC	+ 90 392 815 85 10
Göktürk Branch	Göktürk Merkez Mahallesi, İstanbul Caddesi, No:30-32 Göktürk, Eyüp 34050	EYÜP	İSTANBUL	+90 850 204 06 99
Gölcük Branch	Amiral Sağlam Caddesi No:12/B	GÖLCÜK	KOCAELİ	+ 90 850 204 02 17
Gönen Branch	Akçaali Mahallesi Atatürk Caddesi No: 27 Gönen 10900	GÖNEN	BALIKESİR	+ 90 850 204 06 60
Göztepe İstanbul Branch	Göztepe Mahallesi Tütüncü Mehmet Efendi Caddesi No:93/A Göztepe Kadıköy 34730	KADIKÖY	İSTANBUL	+ 90 850 204 01 46
Gündoğdu Branch	Kültür Mahallesi Plevne Bulvarı Dr. Rifat Bey Apartmanı Zemin Kat No:14A ve 14 /1 Konak 35220	KONAK	İZMİR	+ 90 850 204 00 69
Güneşli Çarşı Branch	Hürriyet Mahallesi Atatürk Cad. No: 3-5C Bağcılar 34212	BAĞCILAR	İSTANBUL	+ 90 850 204 04 04
Güneşli Branch	15 Temmuz Mahallesi Koçman Caddesi No:36B Bağcılar 34212	BAĞCILAR	İSTANBUL	+ 90 850 204 00 39
Güneydoğu Anadolu Kurumsal Branch	Zeytinli Mahallesi 79006 Sokak Koluman Apt. No:3/35 Şehitkamil 27500	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 03 58
Güngören Sanayi Branch	Sanayi Mahallesi Atatürk Cad. Real Merter Sit. No:51 /3/42 Güngören 34165	GÜNGÖREN	İSTANBUL	+ 90 850 204 04 08
Gürsu Branch	Zafer Mah. Şehit Cüneyt Yıldız Cad. No:11/A Gürsu 16580	GÜRSU	BURSA	+ 90 850 204 03 63
Hadımköy Branch	Akçaburgaz Mahallesi, Hadımköy Yolu Caddesi No:184 A/3 Esenyurt 34538	ESENYURT	İSTANBUL	+ 90 850 204 01 19
Harbiye Branch	Cumhuriyet Cad. No:123 B Harbiye Şişli 34373	ŞİŞLİ	İSTANBUL	+90 850 204 03 80
Hasanpaşa Branch	Kurbağalıdere Caddesi No:25 34722 Söğütlüçeşme, Kadıköy	KADIKÖY	İSTANBUL	+ 90 850 204 05 23
Hatay İzmir Branch	İnönü Caddesi, No:229/B Karabağlar 35361	KARABAĞLAR	İZMİR	+ 90 850 204 03 22
Haznedar Bahçelievler Branch	Bahçelievler Mahallesi Naci Kasım Sokak No:2/1A Bahçelievler 34180	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 04 34
Heykel Branch	Hocaalızade Mah. Ressam Şefik Bursalı Cad. Türk Ekonomi Bankası Heykel Şubesi No:7 Osmangazi 16010	OSMANGAZİ	BURSA	+ 90 850 204 01 51
Hopa Branch	Merkez Kuledibi Mahallesi Cumhuriyet Meydanı No:1/A Hopa 08600	HOPA	ARTVİN	+ 90 850 204 02 90
Hürriyet Branch	Soğukkuyu Mahallesi 1. Hürriyet Caddesi No:24-26B Osmangazi 16160	OSMANGAZİ	BURSA	+ 90 850 204 02 97
Iğdır Branch	Bağlar Mahallesi, İbrahim Bozyel Caddesi, No: 4/A Merkez 76103	MERKEZ	IĞDIR	+90 850 204 06 78
IhlamurkuyuBranch	Ihlamurkuyu Mahallesi, Alemdağ Caddesi No:249A Ümraniye 34771	ÜMRANIYE	İSTANBUL	+ 90 850 204 04 68
Isparta DemiralayBranch	Davraz Mah. 104. Cadde No:74 / 1 İç Kapı No:1 Merkez 32300	MERKEZ	ISPARTA	+90 850 204 07 84
Isparta Branch	Kutlubey Mahallesi 106 Cadde Halısarayı Apartmanı G Blok Dış Kapı No:2-G İç Kapı No:1	MERKEZ	ISPARTA	+ 90 850 204 02 43
İbrahimli Branch	Emek Mahallesi Abdülkadir Aksu Bulvarı Lotus Sitesi B Blok No:109/A Şehitkamil 27060	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 04 09
İçerenköy Branch	İçerenköy Mah. Çayır Cad. Özce Center İş Merkezi No:3A/1 Ataşehir 34752	ATAŞEHİR	İSTANBUL	+ 90 850 204 01 52
İkitelli Organize Sanayi Branch	İkitelli OSB Mahallesi Bağcılar-Güngören Metro AVM B Blok	BAŞAKŞEHİR	İSTANBUL	+ 90 850 204 04 60

	Sokak Dış Kapı No:1/B İç Kapı No:13 Başakşehir 34490			
İkitelli Branch	İkitelli OSB Mahallesi, Atatürk Bulvarı, Dış Kapı No: 52, İç Kapı No: 1 Başakşehir 34490	BAŞAKŞEHİR	İSTANBUL	+ 90 850 204 00 60
İmes Sanayi Sitesi Branch	İmes Sanayi Sitesi C Blok 301/3 Yukarı Dudullu	ÜMRANIYE	İSTANBUL	+ 90 850 204 00 61
İmsanBranch	İkitelli Caddesi İmsan Küçük Sanayi Sitesi E - Blok No :10 İkitelli Küçükçekmece 34303	KÜÇÜKÇEKMECE	İSTANBUL	+ 90 850 204 02 28
İnegöl Branch	Sinanbey Mahallesi, Nuri Doğrul Caddesi, No:19 İnegöl 16400	İNEGÖL	BURSA	+ 90 850 204 02 66
İnönü Caddesi Malatya Branch	İnönü Mah. Çevre Sk. Malatya Life Sitesi G No:4/9 İç Kapı No:Z3 Yeşilyurt 44070	YEŞİLYURT	MALATYA	+ 90 850 204 02 45
İskenderun Branch	Çay Mahallesi Ulu Camii Caddesi No:108 İskenderun 31300	İSKENDERUN	HATAY	+ 90 850 204 00 85
İstanbul Anadolu Kurumsal Branch	Esentepe Mahallesi Cevizli D-100 Güney Yanyol Caddesi Dumankaya Vizyon D Blok No:13 D / 76 Kartal 34870	KARTAL	İSTANBUL	+ 90 850 204 05 36
İstanbul Kurumsal Branch	Gayrettepe Mahallesi Yener Sokak No:1Kat:1/A Beşiktaş 34349	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 12
İstanbul Ulus Branch	Nispetiye Mahallesi Ahmet Adnan Saygun Caddesi No:22D Beşiktaş 34340	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 02 20
İstoçBranch	Mahmut Bey Mah. 2434. Sk. Aslan Plaza Blok No:132A Bağcılar 34218	BAĞCILAR	İSTANBUL	+ 90 850 204 01 97
İvedik Branch	İvedik Organize Sanayi Sit. Melih Gökçek Bulvarı Halk Yapı Koop.No :17/22 Ostim Yenimahalle 06370	YENİMAHALLE	ANKARA	+ 90 850 204 01 67
İzmir 1. Sanayi Branch	Mersinli Mahallesi, 2822 Sokak No: 63 Konak 35170	KONAK	İZMİR	+ 90 850 204 02 08
İzmir Çankaya Branch	Fevzipaşa Bulvarı No:59 / A-B Çankaya Konak 35210	KONAK	İZMİR	+ 90 850 204 02 00
İzmir Göztepe Branch	Göztepe Mahallesi Mithatpaşa Caddesi No:984A Konak 35290	KONAK	İZMİR	+90 850 204 01 60
İzmir Branch	Akdeniz Mahallesi, Cumhuriyet Bulvarı, No 86/A, Konak 35210	KONAK	İZMİR	+ 90 850 204 0040
İzmit Branch	Körfez Mahallesi, Ankara Karayolu, No:123/3	MERKEZ (İZMİT)	KOCAELİ	+ 90 850 204 00 20
Kadıköy Çarşı Branch	Caferağa Mah. Mühürdar Cad. No:22 Kadıköy 34710	KADIKÖY	İSTANBUL	+ 90 850 204 04 52
Kadirli Branch	Savrun Mahallesi Atatürk Caddesi No: 46 Kadirli 80760	KADIRLI	OSMANİYE	+ 90 850 204 06 89
Kağıthane Branch	Merkez Mahallesi Bağlar Cad. No:2D 34406 Kağıthane	KAĞITHANE	İSTANBUL	+ 90 850 204 04 76
Kahramanmaraş Çarşı Branch	Menderes Mahallesi Trabzon Bulvarı No:53/D Dulkadiroğlu 46100	DULKADİROĞLU	KAHRAMANMARAŞ	+ 90 850 204 04 86
Kahramanmaraş Branch	Hayrullah Mahallesi Azerbaycan BlvAğdaş Plaza Sit. No:12 A Onikişubat 46040	ONİKİŞUBAT	KAHRAMANMARAŞ	+ 90 850 204 00 31
Kalamış Branch	Faruk Ayanoğlu Cad.Barış Apt. 19/1-2 Fenerbahçe	KADIKÖY	İSTANBUL	+ 90 850 204 00 42
Kalkan Branch	Kalkan Mahallesi Milli Egemenlik Caddesi No:1/1 Kaş 07960	KAŞ	ANTALYA	+90 850 204 07 44
Karabağlar Branch	Aşık Veysel Mahallesi Yeşillik Caddesi No: 437-441/B Karabağlar 35110	KARABAĞLAR	İZMİR	+ 90 850 204 00 53
Karabük Branch	Bayır Mahallesi Menderes Caddesi No:2/B Merkez 78100	MERKEZ	KARABÜK	+ 90 850 204 02 83
Karacabey Branch	Taşvanlı Mahallesi Bursa Caddesi Necmi Akkuş Sitesi No:31 A/5 Karacabey 16700	KARACABEY	BURSA	+ 90 850 204 02 91
Karadeniz Ereğli Branch	Orhanlar Mahallesi Yalı Cad. No:38 Ereğli 67300	EREĞLİ	ZONGULDAK	+ 90 850 204 00 88

Karaköy Branch	Kemankeş Karamustafapaşa Mahallesi, Necatibey Caddesi, Hacı Mahmut İş Merkezi, No:72/A Beyoğlu	BEYOĞLU	İSTANBUL	+ 90 850 204 01 39
Karaman Branch	Mansurdede Mahallesi Atatürk Bulvarı No:24 D-E-F Merkez 70200	MERKEZ	KARAMAN	+90 850 204 06 72
Kars Branch	Merkez Mah. Kazım Paşa Cad. Teb Blok No:66 Merkez 36100	MERKEZ	KARS	+ 90 850 204 03 78
Karşıyaka Branch	Cemal Gürsel Caddesi No:200/A Karşıyaka 35600	KARŞIYAKA	İZMİR	+ 90 850 204 03 94
Kartal Çarşı Branch	Ankara Cad. Şimşek Han No: 82 Zemin Kat	KARTAL	İSTANBUL	+ 90 850 204 01 40
Karya Bodrum Branch	Kıbrıs Şehitleri Cad. Emniyet Müdürlüğü Yanı Ataman İş Mrk. C Blk. Bodrum 48400	BODRUM	MUĞLA	+ 90 850 204 04 19
Kastamonu Branch	Cebrail Mahallesi Plevne Caddesi No:52 A-B Merkez 37200	MERKEZ	KASTAMONU	+ 90 850 204 02 68
Kavacık Branch	Rüzgarlıbahçe Mahallesi Cumhuriyet Cad. No: 12 Beykoz 34805	BEYKOZ	İSTANBUL	+ 90 850 204 01 55
Kaynarca Branch	Fevzi Çakmak Mah. Tevfik İleri Cad. No:111 Pendik 34899	PENDİK	İSTANBUL	+ 90 850 204 02 78
Kayseri Eski Sanayi Branch	Sanayi Mahallesi Osman Kavuncu Blv. No:90 Kocasinan 38010	KOCASINAN	KAYSERİ	+ 90 850 204 05 72
Kayseri Sanayi Branch	Anbar Mahallesi 14. Cadde No:20 Zemin Kat	MELİKGAZİ	KAYSERİ	+ 90 850 204 01 70
Kayseri Branch	Cumhuriyet Mahallesi Turan Cad. No:3 Melikgazi 38110	MELİKGAZİ	KAYSERİ	+ 90 850 204 00 23
Kazasker Branch	Şemsettin Günaltay Cad. No:109/A Erenköy	KADIKÖY	İSTANBUL	+ 90 850 204 01 11
Keçiören Branch	Güçlükaya Mahallesi, Kızlar Pınarı Caddesi, Dr. Nedim Gülkaya Apt. TEB (Ofis işi yeri) Blok No:47B Keçiören 06310	KEÇİÖREN	ANKARA	+ 90 850 204 03 08
Kemalpaşa Branch	Mehmet Akif Ersoy Mahallesi, Atatürk Blv. No:51/1A Kemalpaşa 35730	KEMALPAŞA	İZMİR	+ 90 850 204 00 51
Kemer Branch	Yeni Mahalle Dört Yol Bulvarı No:25/B	KEMER	ANTALYA	+ 90 850 204 01 74
Kepez Branch	Teomanpaşa Mahallesi Yeşilırmak Caddesi 34/2 Kepez 07260	KEPEZ	ANTALYA	+ 90 850 204 07 04
Kestel Branch	Ahmet Vefik Paşa Mahallesi, Gazi Caddesi, No:6/A	KESTEL	BURSA	+ 90 850 204 03 15
Keşan Branch	Büyük Cami Mahallesi, Cumhuriyet Meydanı, No:8 Keşan 22800	KEŞAN	EDİRNE	+ 90 850 204 02 94
Kıraç Branch	Çakmaklı Mahallesi Hadımköy Yolu Caddesi Ufuk Plaza No:57B Büyükçekmece 34500	BÜYÜKÇEKMECE	İSTANBUL	+90 850 204 06 54
Kırıkkale Branch	Yenidoğan Mahallesi, Cumhuriyet Cad. No: 8/A	MERKEZ	KIRIKKALE	+ 90 850 204 03 79
Kırklareli Branch	Karakaş Mah. 100. Yıl Cad. Necdet Şeylan Apt No:10/Z03 Merkez 39010	MERKEZ	KIRKLARELİ	+ 90 850 204 03 39
Kırşehir Branch	Medrese Mahallesi, M. Kemal Hotamaroğlu Sokak No:2 Merkez 40200	MERKEZ	KIRŞEHİR	+90 850 204 06 68
Kızılay Branch	Gazi Mustafa Kemal Bulvarı No:7/A Kızılay Çankaya 06420	ÇANKAYA	ANKARA	+ 90 850 204 01 38
Kocasinan Kayseri Branch	Sahabiye Mah. Ahmet Paşa Cad. No: 31-B, 31-C, 31-D, 31-E Kocasinan 38010	KOCASINAN	KAYSERİ	+90 850 204 07 13
Konya Ereğli Branch	Selçuklu Mahallesi Atatürk Caddesi Necip Pala Apt. Sit. No:44D Ereğli 42310	EREĞLİ	KONYA	+ 90 850 204 02 60

Konya Branch	Musalla Bağları Mahallesi Ahmet Hilmi Nalçacı Caddesi Cengizhan No:130/1 Selçuklu 42060	SELÇUKLU	KONYA	+ 90 850 204 00 30
Konyaaltı Branch	Bahçelievler Mahallesi Konyaaltı Caddesi Sıtkı Göksoy Apt No:40 / Z1 Muratpaşa 07050	MURATPAŞA	ANTALYA	+ 90 850 204 01 72
Koşuyolu Branch	Koşuyolu Mahallesi, Koşuyolu Caddesi, No:72 A Kadıköy 34718	KADIKÖY	İSTANBUL	+ 90 850 204 05 63
Kozyatağı Branch	Sahrayıcedit Mah. Atatürk Cad. No:67A Kadıköy 34734	KADIKÖY	İSTANBUL	+ 90 850 204 00 56
Körfez Branch	Kuzey Mahallesi, Cahit Zarifoğlu Caddesi, No: 53/B	KÖRFEZ	KOCAELİ	+ 90 850 204 03 26
Kumluca Branch	Merkez Mahallesi Gödene Cad. No:18 Kumluca 07350	KUMLUCA	ANTALYA	+ 90 850 204 03 31
Kurtköy Branch	Şeyhli Mahallesi Ankara Caddesi No:217 A Pendik 34890	PENDİK	İSTANBUL	+ 90 850 204 01 87
Kuşadası Branch	Türkmen Mah. İsmet İnönü Bulvarı TEBNo:37 Kuşadası 09400	KUŞADASI	AYDIN	+ 90 850 204 04 77
KuyubaşıBranch	Fahrettin Kerim Gökay Cad. No.122/1 Zemin Kat A Kısım Göztepe Kadıköy 34722	KADIKÖY	İSTANBUL	+ 90 850 204 03 02
KuyumcukentBranch	29 Ekim Caddesi, No:1, Kuyumcukent, Atölye Bloğu, Zemin/1.Kat, 5.Sokak, No:19	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 02 71
Küçükbakkalköy Branch	Küçükbakkalköy Mah. Serdar Sok. No:1 D:3 Ataşehir 34750	ATAŞEHİR	İSTANBUL	+ 90 850 204 05 58
Küçüksu Branch	Saray Mah. Küçüksu Cad. Oryapark Sitesi C Blok No:60/1B Ümraniye 34768	ÜMRANIYE	İSTANBUL	+ 90 850 204 03 77
Kütahya Branch	Gazi Kemal Mahallesi Cumhuriyet Caddesi No:77/B Merkez 43050	MERKEZ	KÜTAHYA	+ 90 850 204 06 43
Laleli Branch	Mimar Kemalettin Mahallesi Mesih Paşa Cad. No:54 Daire 1, Laleli Fatih 34130	FATİH	İSTANBUL	+ 90 850 204 02 10
Lara Branch	Yeşilbahçe Mahallesi Metin Kasapoğlu Caddesi Armada Apt. Sit. No:44 D Muratpaşa 07160	MURATPAŞA	ANTALYA	+ 90 850 204 01 15
Lefkoşa Kaymaklı Branch	Küçük Kaymaklı Mahallesi Şht. Mustafa Ahmet Ruso Caddesi (Adres No:3 ve 4)	-	LEFKOŞA / KKTC	+90 392 228 02 55
Lefkoşa Branch	Ortaköy Mahallesi Kumsal Mevkii Mehmet Akif Caddesi Koçan D303 ve D304	-	LEFKOŞA / KKTC	+ 90 392 229 20 40
Levent Çarşı Branch	Çarşı Caddesi No:22 1. Levent	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 01 12
Lüleburgaz Branch	Kocasinan Mahallesi İstanbul Caddesi No: 12/ Z01 Lüleburgaz 39750	LÜLEBURGAZ	KIRKLARELİ	+ 90 850 204 02 05
Maçka Branch	Harbiye Mah. Kadırgalar Cad. No:13A Şişli 34367	ŞİŞLİ	İSTANBUL	+ 90 850 204 00 45
Malatya Çarşı Branch	Büyük Hüseyinbey Mahallesi, Atatürk Caddesi, No:63A Battalgazi 44210	BATTALGAZİ	MALATYA	+90 850 204 06 90
Malatya Branch	Niyazi Mahallesi Çevre Yolu Sokak (Buhara Bulvarı) Caddesi No:195 Merkez 44100	MERKEZ	MALATYA	+ 90 850 204 00 89
Malkara Branch	Cami Atik Mahallesi Hürriyet Caddesi No:23A Malkara 59300	MALKARA	TEKİRDAĞ	+90 850 204 07 30
Ataşehir Finans Merkezi Branch	Barbaros Mahallesi Halk Caddesi TEB Blok No:47 İç kapı No: 1 Ataşehir 34746	ATAŞEHİR	İSTANBUL	+ 90 850 204 07 88
Maltepe E-5 Branch	Altayçeşme Mahallesi Çam Sokak No:25A Maltepe 34843	MALTEPE	İSTANBUL	+ 90 850 204 04 41
Maltepe İstanbul Branch	Bağlarbaşı Mah. İnönü Cad. Halil Yılmaz İş Merkezi No:11A Maltepe 34844	MALTEPE	İSTANBUL	+ 90 850 204 01 21
Manavgat Sanayi Branch	Aşağı Pazarcı Mahallesi, Zübeyde Hanım Caddesi, No: 19/Z01 Manavgat 07600	MANAVGAT	ANTALYA	+ 90 850 204 04 78

Manavgat Branch	Eski Hisar Mahallesi Demokrasi Bulvarı Öğrekçi Plaza No: 73/Z02-Z03 Manavgat 07600	MANAVGAT	ANTALYA	+ 90 850 204 01 07
ManavkuyuBranch	Adalet Mahallesi Manas Bulvarı No: 20/A Bayraklı 35530	BAYRAKLI	İZMİR	+ 90 850 204 06 25
Manisa Sanayi Branch	75. Yıl Mahallesi Bahri Sarıtepe Caddesi No:53/A Yunussemre 45030	YUNUSEMRE	MANİSA	+ 90 850 204 02 03
Manisa Branch	1. Anafartalar Mahallesi Mustafa Kemal Paşa Caddesi No:40/A Şehzadeler 45020	ŞEHZADELER	MANİSA	+ 90 850 204 01 14
Mardin Branch	13 Mart Mahallesi, Vali Ozan Caddesi, 82/B Artuklu 47200	ARTUKLU	MARDİN	+ 90 850 204 03 27
Marmara Kurumsal Branch	23 Nisan Mahallesi, 75. Yıl Caddesi, No:5A/15 Durmazlar İş Merkezi Nilüfer 16120	NİLÜFER	BURSA	+ 90 850 204 00 58
Marmaris Branch	Tepe Mahallesi Ulusal Egemenlik Caddesi No:24 Marmaris 48700	MARMARİS	MUĞLA	+ 90 850 204 01 02
Maslak Sanayi Branch	Maslak Mah. Büyükdere Cad. Nurol Plaza Sitesi No:255 İç Kapı No:Z08 Sarıyer 34467	SARIYER	İSTANBUL	+ 90 850 204 04 06
Maslak Branch	Reşitpaşa Mahallesi Büyükdere Caddesi Park Plaza Blok No:223 Sarıyer 34467	SARIYER	İSTANBUL	+ 90 850 204 01 29
Mecidiyeköy Branch	Büyükdere Cad. 103/1 Mecidiyeköy	ŞİŞLİ	İSTANBUL	+ 90 850 204 00 64
Mega Center Branch	Kocatepe Mahallesi Yağ İskelesi Caddesi Mega Center C.51 Blok No:25/A Bayrampaşa 34045	BAYRAMPAŞA	İSTANBUL	+ 90 850 204 01 80
Menemen Branch	Mermerli Mahallesi Mithatpaşa Caddesi No:55 Menemen 35661	MENEMEN	İZMİR	+ 90 850 204 02 29
Mersin Çamlıbel Branch	Kültür Mah. Atatürk 8 Cad. TEB Çamlıbel Şubesi Blok No:62A Akdeniz 33010	Akdeniz	MERSİN	+ 90 850 204 03 85
Mersin Çarşı Branch	Camişerif Mahallesi, İstiklal Caddesi, No:40/D Akdeniz 33060	AKDENİZ	MERSİN	+ 90 850 204 04 44
Mersin Pozcu Branch	İnönü Mah. Gazi Mustafa Kemal Bul. Emel Sitesi C Blk. Blok No:403A Yenisehir 33130	YENİŞEHİR	MERSİN	+ 90 850 204 05 84
Mersin Branch	Camişerif Mahallesi İsmet İnönü Bulvarı No:94A Akdeniz 33010	AKDENİZ	MERSİN	+ 90 850 204 00 38
Mersin Töptancılar Sitesi Branch	Mersin Töptancılar Sitesi (Mertoç) Hal Mahallesi Turgut Özal Bulvarı E Blok No: 92 Akdeniz 33020	AKDENİZ	MERSİN	+ 90 850 204 06 52
Merter Branch	Mehmet Nesih Özmen Mahallesi Fatih Cad. No:21 A Güngören 34173	GÜNGÖREN	İSTANBUL	+ 90 850 204 00 32
Merzifon Branch	Hocasüleyman Mahallesi, Yokuşbaşı Caddesi No:13 Merzifon 05300	MERZİFON	AMASYA	+ 90 850 204 03 23
Metropol Mersin Branch	Mesudiye Mahallesi Kuvayi Milliye Caddesi No: 84/B Akdeniz 33060	AKDENİZ	MERSİN	+ 90 850 204 03 52
Mevlana Branch	Aziziye Mahallesi, Mevlana Caddesi, No:63 D:1	KARATAY	KONYA	+ 90 850 204 02 57
Mezitli Branch	Menderes Mahallesi Gazi Mustafa Kemal Blv. Doğaner Yapı Koop. Sit. A Blok Apt. No:709 AA Mezitli 33340	MEZİTLİ	MERSİN	+ 90 850 204 02 55
Milas Branch	Hacıilyas Mahallesi Menteşe Caddesi Özler İş Hanı Karşısı No:91 Milas 48200	MİLAS	MUĞLA	+ 90 850 204 06 65
Montrö Branch	Şair Eşref Bulvarı No:23/A 35210 Çankaya KONAK /	KONAK	İZMİR	+ 90 850 204 03 81
Muğla Branch	Şeyh Mahallesi İsmet İnönü Caddesi Dış Kapı No:17 Menteşe 48050	MENTEŞE	MUĞLA	+ 90 850 204 02 58
Mut Branch	Doğancı Mahallesi Atatürk Bulvarı No:48/A-B Mut 33600	MUT	MERSİN	+90 850 204 07 46

Narlidere Branch	Çamtepe Mah. Mithatpaşa Cad. No: 277-279 Narlıdere 35320	NARLİDERE	İZMİR	+90 850 204 07 03
Nato Yolu Branch	Tuzluca Yır Mahallesi Nato Yolu Caddesi 294. Sokak No:1/A Mamak 06620	MAMAK	ANKARA	+90 850 204 07 16
Nazilli Branch	Altıntaş Mahallesi, 129 Sokak, No:2	NAZİLLİ	AYDIN	+ 90 850 204 03 21
Necatibey Branch	Kızılay Mahallesi Necatibey Cad. Günay Apt. No:25 B Çankaya 06420	ÇANKAYA	ANKARA	+ 90 850 204 01 36
Nevşehir Branch	Karasoku Mahallesi Atatürk Caddesi No:16/B Merkez 50100	MERKEZ	NEVŞEHİR	+ 90 850 204 06 94
Niğde Branch	Yenice Mah. Ayhan Şahenk Bulvarı No:15/A Merkez 51200	MERKEZ	NİĞDE	+ 90 850 204 01 66
Nilüfer Branch	İhsaniye Mahallesi İzmir Yolu Caddesi No:118 A Nilüfer 16130	NİLÜFER	BURSA	+ 90 850 204 01 03
Nuruosmaniye Branch	Alemdar Mah. Nuruosmaniye Cad. No:12/1 Fatih 34110	FATİH	İSTANBUL	+ 90 850 204 02 54
Ofis Branch	Selahattin Eyyubi Mahallesi Turgut Özal Bul. Yıldem Sitesi B Blok No:80BB Bağlar 21080	BAĞLAR	DİYARBAKIR	+ 90 850 204 03 03
Ordu Branch	Şarkıye Mah. Süleyman Felek Cad.No:93C Altınordu 52000	ALTINORDU	ORDU	+ 90 850 204 01 82
Ortaklar Caddesi Branch	Büyükdere Cad. 60/A Mecidiyeköy Şişli 34387	ŞİŞLİ	İSTANBUL	+ 90 850 204 01 25
Ortaköy Branch	Yıldız Mahallesi, Çırağan Caddesi, No:97	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 01 30
Osmanbey Branch	Cumhuriyet Mah. Halaskargazi Cad. No:103B Şişli 34380	ŞİŞLİ	İSTANBUL	+ 90 850 204 00 13
Osmaniye Branch	Alibeyli Mahallesi Dr Ahmet Alkan Caddesi No:17/A Merkez 80010	MERKEZ	OSMANİYE	+ 90 850 204 06 42
Ostim Branch	Ostim Sanayi Sitesi 100.yıl Bulvarı No:9 Yenimahalle 06370	YENİMAHALLE	ANKARA	+ 90 850 204 01 24
Ödemiş Branch	Akıncılar Mahallesi, Gazi Caddesi, No: 32/1 Ödemiş 35750	ÖDEMiŞ	İZMİR	+ 90 850 204 02 49
Özel Bankacılık Merkezi Branch	Nispetiye Cad. Dilhayat Sok. No:8 Zemin Kat Etiler	BEŞİKTAŞ	İSTANBUL	+ 90 850 204 00 70
Özlüce Branch	Altınşehir Mahallesi, Ahmet Taner Kışlalı Blv. No:36A/A Nilüfer 16230	NİLÜFER	BURSA	+ 90 850 204 05 79
Pendik E-5 Branch	Yeşilbağlar Mahallesi Kaptan Sokak No:17/1 İç Kapı No:7 Pendik 34893	PENDİK	İSTANBUL	+ 90 850 204 00 37
Pendik Branch	Batı Mah. Erol Kaya Cad. TEB Blok No:102 İç Kapı No:1 Pendik 34890	PENDİK	İSTANBUL	+ 90 850 204 01 31
Perpa Branch	Halil Rifat Paşa Mah. Yüzer Havuz Sok. No: 1/922 Şişli 34384	ŞİŞLİ	İSTANBUL	+ 90 850 204 01 27
Pınarbaşı Branch	Ümit Mah. Kemalpaşa Cad. No:333 B Pınarbaşı Bornova 35060	BORNOVA	İZMİR	+90 850 204 00 50
Polatlı Branch	Cumhuriyet Mahallesi Ankara Caddesi No: 5 Polatlı 06900	POLATLI	ANKARA	+ 90 850 204 06 57
Polatlı Topçu ve Füze Okulu Komutanlığı Branch	İstiklal Mahallesi Refik Cesur Caddesi No:1 Polatlı 06900	POLATLI	ANKARA	+90 850 204 07 01
Rize Branch	Yeniköy Mah.Tevfik İleri Cad. No : 18	MERKEZ	RİZE	+ 90 850 204 01 95
Sakarya Caddesi Branch	Cumhuriye Mahallesi, Sakarya-1 Caddesi, No:37/A Tepebaşı 26130	TEPEBAŞI	ESKİŞEHİR	+ 90 850 204 02 27
Salihli Branch	Atatürk Mahallesi Belediye Caddesi No:93-95	SALİHLİ	MANİSA	+ 90 850 204 01 92
Samsun Mecidiye Branch	Hançerli Mahallesi Çifte Hamam Caddesi No:2İlkadım 55020	İLKADIM	SAMSUN	+ 90 850 204 04 94
Samsun Sanayi Branch	Yenimahalle Mahallesi 28. Sokak No:23/1 Canik 55080	CANIK	SAMSUN	+ 90 850 204 01 81
Samsun Branch	Kale Mahallesi Kaptanağa Sok. No: 4/B İlkadım 55030	MERKEZ	SAMSUN	+ 90 850 204 00 90

Santral Ümraniye Branch	Atatürk Mahallesi Sütçü imam Caddesi Kardeşler Apartmanı No:51A Dükkan No:1-2 Ümraniye 34764	ÜMRANIYE	İSTANBUL	+ 90 850 204 04 02
Sancaktepe Branch	İnönü Mah. Ankara Cad. No:63/A Sancaktepe	SANCAKTEPE	İSTANBUL	+ 90 850 204 03 43
Sarıgöl Branch	Cumhuriyet Mahallesi Aşağı Koçaklar Caddesi No:6/Z01 Sarıgöl 45470	SARIGÖL	MANİSA	+90 850 204 07 23
Sarıyer Branch	Sarıyer Merkez Mahallesi, Yeni Mahalle Cad. No:19 Sarıyer 34450	SARIYER	İSTANBUL	+ 90 850 204 02 01
Saruhanlı Branch	Saruhan Mah. Cumhuriyet Meydanı No:9/2-3 Saruhanlı 45800	SARUHANLI	MANİSA	+90 850 204 07 24
Sefaköy Branch	Kartaltepe Mahallesi, Halkalı Caddesi No:62A/1 Küçükçekmece 34295	KÜÇÜKÇEKMECE	İSTANBUL	+ 90 850 204 01 22
Serik Branch	Yeni Mah. Hürriyet Cad. Mehmet İltar Apt. Blok No:8C Serik 07500	SERİK	ANTALYA	+ 90 850 204 03 30
Seyrantepe Branch	Seyrantepe Mahallesi İbrahim Karaoğlu Cad. No:111A/1 Kağıthane 34418	KAĞITHANE	İSTANBUL	+ 90 850 204 06 18
Siirt Branch	Bahçelievler Mahallesi Hükümet Bulvarı No:26 Merkez 56100	MERKEZ	SİİRT	+90 850 204 06 71
Silifke Branch	Mukaddem Mahallesi İnönü Bulvarı No:20 A Silifke 33940	SİLİFKE	MERSİN	+ 90 850 204 06 88
Silivri Branch	Piri Mehmet Paşa Mah. Başkomutan Cad. No:4 Silivri 34570	SİLİVRİ	İSTANBUL	+ 90 850 204 02 61
Sincan Branch	Atatürk Mahallesi, Ankara Caddesi, No: 44/A Sincan 06930	SİNCAN	ANKARA	+ 90 850 204 01 91
Sinop Branch	Meydankapı Mahallesi Kibris Caddesi No:4 Merkez 57000	MERKEZ	SİNOP	+90 850 204 06 91
Siteler Branch	Ulubey Mahallesi Demirhenderek Caddesi No:69 Altındağ 06360	ALTINDAĞ	ANKARA	+ 90 850 204 04 74
Sivas Branch	Atatürk Caddesi No:15	MERKEZ	SİVAS	+ 90 850 204 02 47
Soğanlık Branch	Atatürk Caddesi No : 119 34880 Soğanlık - Kartal -	KARTAL	İSTANBUL	+ 90 850 204 05 96
Soma Branch	Kurtuluş Mahallesi, Fatih Caddesi, No:10	SOMA	MANİSA	+ 90 850 204 03 40
Sorgun Branch	Çay Mahallesi Cumhuriyet Caddesi No:71 A Sorgun 66700	SORGUN	YOZGAT	+90 850 204 07 31
Söğütözü Branch	Platin Tower Söğütözü Mahallesi Dumlupınar Bulvarı (Eskişehir yolu Üzeri) No:94/G Çankaya 06510	ÇANKAYA	ANKARA	+90 850 204 06 82
Söke Branch	Konak Mah. Aydın Cad. No:13 A Söke 09200	SÖKE	AYDIN	+ 90 850 204 06 59
Suadiye Branch	Bağdat Cad. German Apt. 456	KADIKÖY	İSTANBUL	+ 90 850 204 00 15
SuburcuBranch	Çukur Mahallesi Suburcu Caddesi No: 11/A Şahinbey 27400	ŞAHİNBEY	GAZİANTEP	+ 90 850 204 01 96
Sultanbeyli Branch	Mehmet Akif Mahallesi Fatih Bulvarı No:244/B Sultanbeyli 34920	SULTANBEYLİ	İSTANBUL	+ 90 850 204 01 94
Sultangazi Branch	Cebeci Mahallesi ,Eski Edirne Asfaltı No: 748 34270 Sultancıbaşı 34270 Sultangazi	SULTANGAZİ	İSTANBUL	+ 90 850 204 06 06
Şanlıurfa Sarayönü Caddesi Branch	Atatürk Mahallesi Bul. Teb Bankası Blok No:82Haliliye 63100	HALİLİYE	ŞANLIURFA	+ 90 850 204 04 23
Şanlıurfa Branch	Atatürk Bulvarı Numune Pasajı No:16/2-3 Haliliye 63100	HALİLİYE	ŞANLIURFA	+ 90 850 204 01 35
Şaşmaz Branch	Bahçekapı Mahallesi, 2488. Cadde. No:4-A	ETİMESGUT	ANKARA	+ 90 850 204 02 39
Şehitkamil Gaziantep Branch	Budak Mahallesi Gazi Muhtarpaşa Bulvarı No:44/D Şehitkamil 27090	ŞEHİTKAMİL	GAZİANTEP	+ 90 850 204 00 97

ŞenesenevlerBranch	Bostancı Mahallesi, Emin Ali Paşa Caddesi, No:116 A/14, Kadıköy 34744	KADIKÖY	İSTANBUL	+ 90 850 204 04 87
ŞirehanıBranch	İsmetpaşa Mahallesi, İnönü Caddesi, No:217/7 Şahinbey 27010	ŞAHİNBEY	GAZİANTEP	+ 90 850 204 03 37
Şirinevler Branch	Meriç Sokak Ünal İş Merkezi No:13/3 Zemin Kat Şirinevler Bahçelievler 34188	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 02 33
ŞirinyalıBranch	Şirinyalı Mahallesi İsmet Gökşen Caddesi No:80/1 Muratpaşa 07160	MURATPAŞA	ANTALYA	+ 90 850 204 04 62
Şirinyer Branch	Güven Mahallesi, Menderes Caddesi, No: 318 Buca 35370	BUCA	İZMİR	+ 90 850 204 02 76
Şişli Branch	Merkez Mahallesi Büyükdere Caddesi C.E.M. İş Merkezi Blok No:23B Şişli 34384	ŞİŞLİ	İSTANBUL	+ 90 850 204 03 83
Tahtakale Branch	Süleymaniye Mahallesi Şahende Sokak Keleşler İş Hanı No:7A Fatih 34116	FATİH	İSTANBUL	+ 90 850 204 01 47
Mersin Liman Branch	Cami Şerif Mahallesi, İsmet İnönü Bulvarı, Anadolu Hayat Sigorta Binası Sitesi, No: 94A Akdeniz 33010	AKDENİZ	MERSİN	+ 90 850 204 07 93
Tarsus Branch	ŞehitMustafa Mah. Muvaffak Uygur Bulvarı No:3A Tarsus 33440	TARSUS	MERSİN	+ 90 850 204 02 37
Tatvan Branch	Tuğ Mahallesi Cumhuriyet Bul. Şimşek Center Blok No:226A Tatvan 13200	TATVAN	BİTLİS	+90 850 204 06 81
Tekirdağ Branch	Aydoğdu Mahallesi Hükümet Caddesi No:94 Süleymanpaşa 59200	SÜLEYMANPAŞA	TEKİRDAĞ	+ 90 850 204 02 24
TeksanBranch	75. Yıl (Sultandere) Mah. 1.Cadde (Küçük Org. Sanayi) Cad. No:9A Odunpazarı 26250	ODUNPAZARI	ESKİŞEHİR	+ 90 850 204 01 84
Tire Branch	Cumhuriyet Meydanı, No:05	TİRE	İZMİR	+ 90 850 204 02 53
Tokat Branch	Kabe-i Mescid Mahallesi Gaziosmanpaşa Bulvarı No:168/A Merkez 60030	MERKEZ	TOKAT	+ 90 850 204 06 51
Topçular Branch	Rami Kışla Cad.Koçbay İş Merkezi No:25/B 7-8 Topçular	EYÜP	İSTANBUL	+ 90 850 204 01 78
Topkapı Maltepe Branch	Maltepe Mah. Gümüşsuyu Cad. No:53Dk:21-22 Zeytinburnu 34010	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 05 28
Torbalı Branch	Tepeköy Mahallesi Ağalar Caddesi No:16 A-B TORBALI 3586	TORBALI	İZMİR	+ 90 850 204 03 56
Trabzon Branch	Kemerkaya Mah. Kahramanmaraş Caddesi No:35A Ortahisar 61030	ORTAHİSAR	TRABZON	+ 90 850 204 00 91
Trakya Kurumsal Branch	Nur Yıldız Plaza 15 Temmuz Mahallesi Gülbahar Caddesi No:7AKat:5 Güneşli/Bağcılar 34212	BAĞCILAR	İSTANBUL	+ 90 850 204 00 55
Trakya Üniversitesi Branch	Kocasinan Mahallesi E5 Karayolu Caddesi No:76/13 İç Kapı : 2 Merkez 22030	MERKEZ	EDİRNE	+90 850 204 07 45
Tunalı Hilmi Branch	Remzi Oğuz Mahallesi, Tunalı Hilmi Caddesi, No:68/A Kavaklıdere	ÇANKAYA	ANKARA	+ 90 850 204 03 11 13
Turgutlu Branch	Altay Mahallesi, Atatürk Bulvarı, No:163	TURGUTLU	MANİSA	+ 90 850 204 02 92
Tuzla OSB Branch	Aydınlı-İstanbul AYOSBMh. 5. Sk. İst. Ana. Yak. OSB Sit. No:2 Tuzla 34953	TUZLA	İSTANBUL	+ 90 850 204 02 18
Tuzla Branch	İçmeler Mahallesi, Mazhar Sokak No:21A Tuzla 34947	TUZLA	İSTANBUL	+ 90 850 204 02 36
Ulus Ankara Branch	Anafartalar Mah. Sanayi Cad. No:15/1-2-3-4-5-6-7 Altındağ	ALTINDAĞ	ANKARA	+ 90 850 204 00 34

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UncalıBranch	Uncalı Mahallesi Uncalı Caddesi No:63 Konyaaltı 07070	UNCALI	ANTALYA	+ 90 850 204 02 75
Uşak Çarşı Branch	İslice Mahallesi, İslicce Sokak, No:12/A Merkez 64200	MERKEZ	UŞAK	+ 90 850 204 05 18
Uşak Branch	İslicce Mah. İsmetpaşa Cad. No:67/B Merkez 64100	MERKEZ	UŞAK	+ 90 850 204 00 92
ÜçevlerBranch	ÜçevlerMh Ahıska CadNo:10/1 Nilüfer 16270 BURSA	NİLÜFER	BURSA	+ 90 850 204 01 62
Ümitköy Branch	Çay Yolu Mahallesi 8. Cadde No :45 Çankaya 06530	ÇANKAYA	ANKARA	+ 90 850 204 02 26
Ümraniye Sanayi Branch	Çakmak Mahallesi Alemdağ Caddesi No:422 Ümraniye 34775	ÜMRANIYE	İSTANBUL	+ 90 850 204 06 10
Ümraniye Branch	Alemdağ Cad. 194/2	ÜMRANIYE	İSTANBUL	+ 90 850 204 00 43
Ünye Branch	Kaledere Mahallesi Akkuş Niksar Caddesi No:6/A Ünye 52300	ÜNYE	ORDU	+90 850 204 06 98
Üsküdar Branch	Aziz Mahmut Hüdayi Mah. Hakimiyeti Milliye Cad. No: 50 Kat : 1 Üsküdar 34672	ÜSKÜDAR	İSTANBUL	+ 90 850 204 01 32
Valikonağı Branch	Teşvikiye Mahallesi, Valikonağı Caddesi, No:66 ŞİŞLİ 34365	ŞİŞLİ	İSTANBUL	+ 90 850 204 02 19
Van Branch	Şerefiye Mahallesi M. Fevzi Çakmak Cad. Lütfü Savur İş Merkezi Sit. No:14 İpekyolu 65100	İPEKYOLU	VAN	+ 90 850 204 02 15
Van Yüzüncü Yıl Üniversitesi Branch	Bardakçı Mahallesi, Araştırma Sokak B Blok Sitesi No:10 BD Tuşba 65040 VAN	TUŞBA	VAN	+90 850 204 07 10
Yalıkavak Branch	İnönü Caddesi No:101/A-E Yalıkavak Bodrum 48990	BODRUM	MUĞLA	+90 850 204 06 92
Yalova İskele Branch	Süleyman Bey Mahallesi Cengiz Koçal Caddesi No:24/1 Merkez 77200	MERKEZ	YALOVA	+ 90 850 204 05 59
Yalova Branch	Rüstempaşa Mahallesi, Çeşme Sokak, No:2/1 Merkez 77200	MERKEZ	YALOVA	+ 90 850 204 03 10
Yeditepe Kurumsal Branch	Saray Mahallesi Sokullu Cad. No: 7 A/1 Ümraniye 34768	ÜMRANIYE	İSTANBUL	+ 90 850 204 05 38
Yeni Adana Branch	Güzelyalı Mah. Uğur Mumcu Bul. No:13/1E Çukurova 01170	ÇUKUROVA	ADANA	+ 90 850 204 05 73
Yenibosna Branch	Yenibosna Merkez Mahallesi Yıldırım Beyazıt Caddesi No: 210A Bahçelievler 34197	BAHÇELİEVLER	İSTANBUL	+ 90 850 204 03 29
Yeniköy Antalya Branch	Yeniköy Mahallesi, Atatürk Caddesi, No:476 Döşemealtı	DÖŞEMEALTI	ANTALYA	+ 90 850 204 03 53
Yeniköy Branch	Yeniköy Mahallesi Köybaşı Caddesi No:51 Yeniköy Sarıyer 34464	SARIYER	İSTANBUL	+ 90 850 204 02 51
Yeşilköy Branch	İstasyon Caddesi Orhan Gazi Sok. No:1 Zemin Kat Kısım A Yeşilköy Bakırköy 34801	BAKIRKÖY	İSTANBUL	+ 90 850 204 00 54
Yıldırım Branch	Duaçınarı Mahallesi Ankarayolu Cad. B Blok Apt. No:171-173B Yıldırım 16370	YILDIRIM	BURSA	+ 90 850 204 02 80
Yıldız Branch	Turan Güneş Bulvarı No:17	ÇANKAYA	ANKARA	+ 90 850 204 01 63
Yozgat Branch	Medrese Mahallesi, Şeyhzade Caddesi, No:11/B Merkez 66100	MERKEZ	YOZGAT	+90 850 204 07 00
Yüreğir Branch	Cumhuriyet Mah.770Sok.No:11/A Yüreğir 01280	YÜREĞİR	ADANA	+ 90 850 204 01 56
Zekeriyaköy Branch	Zekeriyaköy Mahallesi 4. Cad. Kültür Merkezi Apt. No:4/1/2 Sarıyer 34450	SARIYER	İSTANBUL	+ 90 850 204 03 70
Zeytinburnu Bulvar Branch	Gökalt Mah. Prof. Muammer Aksoy Cad. No:85A Zeytinburnu 34020	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 05 21
Zeytinburnu Branch	Prof. Muammer Aksoy Cad. No:85 Zeytinburnu 34020	ZEYTİNBURNU	İSTANBUL	+ 90 850 204 00 93
Zonguldak Branch	Meşrutiyet Mah. Gazipaşa Cad. No:31 Merkez 67030	MERKEZ	ZONGULDAK	+ 90 850 204 06 34

Eskişehir Osmangazi Üniversitesi Branch	Büyükdere Mh Prof. Dr Nabi Avcı Bulvarı No:4/5/A Odunpazarı 26040 ESKİŞEHİR	ODUNPAZARI	ESKİŞEHİR	+ 90 850 204 07 91
Uludağ Üniversitesi Branch	Görükle Mahallesi Üniversite 1.CaddeNo:326/2A Nilüfer 16059	NİLÜFER	BURSA	+ 90 850 204 07 90
Gezgin 2 Branch	Dudullu OSB Mahallesi 1. Cad. TEB Blok No:17 34775 Ümraniye	ÜMRANİYE	İSTANBUL	
Bayraklı Branch	Çınarlı Mahallesi Ankara Asfaltı Caddesi No:15 İç Kapı No: 213 Konak 35170	KONAK	İZMİR	+90 850 204 07 92

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

**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT
ORIGINALLY ISSUED IN TURKISH)**

INDEPENDENT AUDITOR'S REPORT ON THE MANAGEMENT'S ANNUAL REPORT

To the General Assembly of Türk Ekonomi Bankası A.Ş.

1) Qualified Opinion

As we have audited the full set consolidated and unconsolidated financial statements of Türk Ekonomi Bankası A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") for the period between 01/01/2023–31/12/2023, we have also audited the annual report for the same period.

In our opinion, the consolidated and unconsolidated financial information provided in the Management's annual report and the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit and give a true and fair view except for the effects of the matter mentioned in the Basis for the qualified opinion paragraph in the Independent Auditor's Report dated 31 January 2024.

2) Basis for Qualified Opinion

As of 31 December 2023, the unconsolidated and consolidated financial statements include free provision amounting to TL 2,050,000 thousand, TL 400,000 thousand of which had been recognized as an other provision expense in the prior period and TL 1,650,000 thousand of which had been recognized as an other provision expense in the current period, provided by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. If the mentioned free provision was not provided, the other provisions would decrease by TL 2,050,000 thousand and prior periods' profit would increase by TL 400,000 thousand and the current period profit would increase by TL 1,650,000 thousand for the year ended 31 December 2023.

2) Basis for Qualified Opinion (cont'd)

We conducted our audit in accordance with the “Regulation on Independent Auditing of Banks” published in the Official Gazette dated 2 April 2015 with No. 29314 and the Standards on Independent Auditing (“SIA”) which is a part of Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibility is disclosed under *Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report* in detail. We declare that we are independent from the Bank in accordance with the *Code of Ethics for Independent Auditors* (“Code of Ethics”) issued by POA and ethical provisions stated in the regulation of audit. We have fulfilled other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3) Auditor’s Opinion for the Full Set Consolidated and Unconsolidated Financial Statements

We have presented unqualified opinion for the Bank’s full set consolidated and unconsolidated financial statements for the period between 01/01/2023–31/12/2023 in our Auditor’s Report dated 31 January 2024.

4) Management’s Responsibility for the Annual Report

The Bank Management is responsible for the following in accordance with Article 514 and 516 of the Turkish Commercial Code No. 6102 (“TCC”) and the regulation on “Preparing and Publishing the Annual Report by Banks” published in the Official Gazette dated 1 November 2006 and No. 26333 (“the Communiqué”):

- a) Preparing the annual report within the three months following the reporting date and presenting it to the General Assembly,
- b) Preparing the annual report with the all respects of the Bank’s flow of operations for that year and the Bank’s financial performance accurately, completely, directly and fairly. In this report, the financial position is assessed in accordance with the financial statements. The Bank’s development and risks that the Bank may probably face are also pointed out in this report. The Board of Director’s evaluation on those matters are also stated in this report.
- c) The annual report also includes the matters stated below:
 - The significant events occurred in the Bank’s activities subsequent to the financial year ends,
 - The Bank’s research and development activities,
 - The compensation paid to key management personnel and members of Board of Directors including financial benefits such as salaries, bonuses and premiums, allowances, travelling, accommodation and representation expenses, in cash and kind facilities, insurances and other similar guarantees.

The Board of Directors also considers the secondary regulations prepared by the Banking Regulation and Supervision Agency and the Ministry of Trade and related institutions while preparing the annual report.

5) Responsibilities of the Independent Auditor on the Independent Audit of the Annual Report

Our aim is to express an opinion and prepare a report about whether the Management's discussions and consolidated and unconsolidated financial information in the annual report within the scope of the provisions of the TCC and the Communiqué are fairly presented and consistent with the information obtained from our audit.

We conducted our audit in accordance with the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the SIA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Management's discussions on the Group's financial performance, are fairly presented in all material respects, and are consistent with the full set audited consolidated and unconsolidated financial statements and the information obtained from our audit.

The engagement partner on the audit resulting in this independent auditor's report is Yaman Polat.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Yaman Polat
Partner

Istanbul, 11 March 2024

SECTION 4- UNCONSOLIDATED FINANCIAL STATEMENTS

PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

*(CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND AUDITOR REPORT
ORIGINALLY ISSUED IN TURKISH)*

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND RELATED DISCLOSURES
FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2023
WITH INDEPENDENT AUDITOR'S REPORT**

(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türk Ekonomi Bankası A.Ş.

A) Report on the Audit of the Financial Statements

1) Qualified Opinion

We have audited the financial statements of Türk Ekonomi Bankası A.Ş (the “Bank”), which comprise the balance sheet as at 31 December 2023, and the statement of income, statement of income and expense items accounted for under shareholders’ equity, statement of changes in shareholders’ equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report,, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as of 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No.26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by BRSA and Turkish Financial Reporting Standards for the matters not legislated by the aforementioned regulations.

2) Basis for Qualified Opinion

As of 31 December 2023, the unconsolidated financial statements include free provision amounting to TL 2,050,000 thousand, TL 400,000 thousand of which had been recognized as an other provision expense in the prior period and TL 1,650,000 thousand of which had been recognized as an other provision expense in the unconsolidated financial statements in the current period, provided by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. If the mentioned free provision was not provided, the other provisions would decrease by TL 2,050,000 thousand and prior periods’ profit would increase by TL 400,000 thousand and the current period profit would increase by TL 1,650,000 thousand for the year ended 31 December 2023.

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

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p><i>Impairment of loans in accordance with TFRS 9 Financial Instruments Standard (“TFRS 9”)</i></p> <p>Impairment of loans is an important area of jurisdiction for management. The Bank has the total loans and receivables amounting to TL 209,885,478 thousand, which comprise 52% of the Bank’s total assets in its unconsolidated financial statements and the total provision for impairment amounting to TL 6,718,876 as at 31 December 2023.</p> <p>As of 1 January 2018, the Bank has started to recognize provisions for impairment of loans at amortised cost in accordance with TFRS 9 and “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 22 June 2016 numbered 29750.</p> <p>In accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies, the expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p>The Bank exercises significant decisions using judgment, interpretation and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models.</p> <p>Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans and receivables is considered as a key audit matter.</p> <p>Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.6.</p>	<p>As part of our audit work, the following procedures were performed:</p> <p>We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Bank with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p>We have assessed and analysed the relevant contract terms to assess the management’s accounting policy and classification of the instrument for selected samples.</p> <p>We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p>We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p>We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p>We have tested whether the model is applied to appropriate segments of assets which share credit risk characteristics and whether the historical loss rates were incurred under economic conditions representative of those that may exist during the assets’ exposure periods.</p> <p>We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p>Based on our discussions with the Bank management, we evaluated whether the key assumptions and other</p>

	<p>judgements underlying the estimations of impairments were reasonable.</p> <p>We assessed expected credit losses determined based on individual assessment per the Bank’s policy by means of supporting data, and evaluated appropriateness via communications with the Bank’s management.</p> <p>Our specialists are involved in all procedures related to models and assumptions.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the financial statements of the Bank with respect to loans and receivables and related impairment provisions.</p>
<p><i>Pension fund obligations</i></p> <p>Defined benefit pension plan that the Bank provides to its employees is managed by Fortis Bank AŞ Mensupları Emekli Sandığı (“Plan”) which is established by the 20th provisional article of the Social Security Law numbered 506 (the “Law”).</p> <p>As disclosed in the Section III Note XVII to the unconsolidated financial statements, the Plan is composed of benefits which are subject to transfer to the Social Security Foundation (“SSF”) as per the Social Security Law no.5510 provisional article 20, and other social rights and pension benefits provided by the Bank that are not transferable to the SSF. The Council of Ministers has been authorized to determine the transfer date. Following the transfer, the funds and the institutions that employ the funds’ members will cover the non-transferable social rights and pension benefits provided under the Plan even if it is included in foundation voucher.</p> <p>As of 31 December 2023 the Bank’s transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by the Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and No.26377. The valuation of the Plan liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, inflation levels, demographic assumptions, and the impact of changes in the Plan. Management uses expert opinion of the independent actuary in assessing uncertainties related to these underlying assumptions and estimates.</p> <p>As described in Section V Note II.8.c2 considering the subjectivity of key judgments and assumptions, plus the uncertainty around the transfer date and basis of the transfer calculation given the fact that the technical interest rate is prescribed under the Law, we considered this as a key audit matter.</p>	<p>Our audit work included the following procedures:</p> <p>We involved internal experts (actuary) in our audit team to evaluate the assumptions used in the calculation of the pension obligations and the appropriateness of the estimates.</p> <p>It has been tested whether the plan assets meet plan obligations in accordance with the methods and assumptions used.</p> <p>In addition, reconciliations and tests were carried out through sampling of the accuracy of the data provided to the Bank’s actuary.</p> <p>We have assessed whether there is a significant change in the actuarial assumptions, methods, legal regulations and legislation used in the calculations and whether the assumptions are reasonable.</p>

Information technologies audit

The Bank and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Bank and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Bank means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk-based scoping.

Procedures within the context of our information technology audit work:

- We identified and tested the Banks' controls over information systems as part of our audit procedures.
- Information generation comprise all layers of information systems (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas:
 - Security Management
 - Change Management
 - Data Center and Network Operations
- We selected high-risk areas as, database logging and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner.
- We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation.
- Automated controls and integration controls were tested to underly and detect changes and accesses in the process of financial data generation.
- We also tested the appropriateness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components.
- Finally, we understood and tested the controls over database, network, application and operating system layers of applications.

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

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

In preparing the 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.

5) Auditor's Responsibilities for the Audit of the Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

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 the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the SIA 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 the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

5) Auditor’s Responsibilities for the Audit of the Financial Statements (cont’d)

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Other Responsibilities Arising from Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 (“TCC”), nothing has come to our attention that may cause us to believe that the Bank’s set of accounts for the period 1 January - 31 December 2023 does not comply with TCC and the provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Yaman Polat.

Additional paragraph for convenience translation to English

BRSA Accounting and Reporting Regulations explained in detail in Section 3 differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Yaman Polat
Partner

İstanbul, 31 January 2024

**UNCONSOLIDATED FINANCIAL REPORT OF TRK EKONOMİ BANKASI A.Ş.
AS OF FOR THE YEAR ENDED 31 DECEMBER 2023**

Address : Saray Mahallesi Sokullu Caddesi No: 7/A – 7/B
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The unconsolidated financial report for the year-end period prepared in accordance with “Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced” as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below:

- General Information about the Bank
- Unconsolidated Financial Statements of the Bank
- Explanations on the Accounting Policies Applied in the Related Period
- Information on Financial Structure and Risk Management of the Bank
- Disclosures and Footnotes on Unconsolidated Financial Statements
- Other Explanations
- Independent Auditor’s Report

The accompanying audited unconsolidated financial statements, related disclosures and footnotes which are presented in this report 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 stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Dr. Akın Akbaygil	Patrick Philippe Poupon	Ayşe Aşardağ	mit Leblebici	M. Aşkın Dolaştır	Kamer Kıdıl
Chairman of the Board of Directors	Chairman of the Audit Committee	Vice Chairman of the Audit Committee	Chief Executive Officer	Assistant General Manager Responsible of Financial Reporting	Director Responsible of Financial Reporting

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname/Title : Aslıhan Kaya / External Reporting Senior Manager
Telephone Number : (0216) 635 24 51
Fax Number : (0216) 636 36 36

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TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION ONE

GENERAL INFORMATION

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

Türk Ekonomi Bankası Anonim Şirketi ("The Bank" or "TEB"), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş. was acquired by the Çolakoğlu Group in 1982. Its title was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to İstanbul. On 10 February 2005, BNP Paribas took over 50% of shares of TEB Holding A.Ş. Consequently, BNP Paribas ("BNPP") became indirect shareholder of TEB with 42.125% ownership. In 2009, BNP Paribas Group successively acquired 75% of Fortis Bank Belgium and 66% of Fortis Bank Luxembourg and became the shareholder holding the majority of the shares of Fortis Bank Turkey. The indirect majority shareholders of TEB which are BNP Paribas and Çolakoğlu Group has agreed on the merger of TEB and Fortis Bank under the trademark of TEB and following the authorizations obtained from the regulatory authorities on 14 February 2011 the legal merge of two banks has been performed. As a result of the merger of TEB Holding, TEB has a majority stake of 55% and on the other hand Çolakoğlu Group and BNP Paribas have the share of 50%.

II. Explanation on the Bank's Capital Structure, Shareholders of the Bank who are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in these Matters (if any), and the Group the Bank Belongs to

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

Shareholder's Name	31 December 2023		31 December 2022	
	Paid-in Capital	%	Paid-in Capital	%
TEB Holding A.Ş.	1,212,415	55.00	1,212,415	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	518,342	23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23	467,879	21.23
BNP Paribas SA	5,253	0.24	5,253	0.24
Kocaeli Chamber of Commerce	501	0.02	501	0.02
	2,204,390	100.00	2,204,390	100.00

As of 31 December 2023, the Bank's paid-in-capital consists of 2,204,390,000 shares of TL 1.00 (Full TL) nominal each.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Bank They Possess

<u>Name</u>	<u>Title</u>	<u>Education</u>
Board of Directors;		
Dr. Akın Akbaygil	Chairman of the Board of Directors	PhD
François Andre Jesualdo Benaroya	Deputy Chairman of the Board of Directors	University
Patrick Philippe Poupon	Member of the Board of Directors and Chairman of the Audit Committee	Master
Ayşe Aşardağ	Member of the Board of Directors and Vice Chairman of the Audit Committee	University
Yavuz Canevi	Member of the Board of Directors	Master
Hans Wilfried J. Broucke	Member of the Board of Directors	Master
Özden Odabaşı	Member of the Board of Directors	Master
Jean-Charles Joseph Gabriel Aranda	Member of the Board of Directors	Master
Ayşe Meral Çimenbiçer	Member of the Board of Directors, Member of the Audit Committee	University
Metin Toğay	Member of the Board of Directors	Master
Didier Albert N. Van Hecke	Member of the Board of Directors, Member of the Audit Committee	Master
Ümit Leblebici	Chief Executive Officer and the Executive Member	Master
Assistant General Managers;		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking Group	Master
Ali İhsan Arıdaşır	Assistant General Manager Responsible from SME Loans	University
Melis Coşan Baban	Chief Legal Advisor and Secretary of the Board of Directors	Master
Ali Gökhan Cengiz	Assistant General Manager Responsible from SME Banking	Master
Mehmet Ali Cer	Assistant General Manager Responsible from Information Technologies	Master
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Affairs Group	Master
Osman Durmuş	Assistant General Manager Responsible from Retail and Small Business Credit Group	University
Orhan Hatipoğlu	Assistant General Manager of Banking Operations and Support Services Group	University
Çiğdem Ünsal	Assistant General Manager Responsible from Human Resources	University
Dr. Tuğrul Özbakan	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	PhD
Akil Özçay (*)	Assistant General Manager Responsible from Financial Markets	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Ömer Abidin Yenidoğan	Assistant General Manager Responsible from Corporate Investment Banking Group	Master
Group Heads (**);		
Nimet Elif Kocaayan	Head of Group Risk Management	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
Internal Audit (**);		
Hakan Tıraşın	Head of Internal Audit	University

(*) Deputy General Manager responsible for the Financial Markets Group, Akil Özçay, resigned from his position effective as of 1 January 2024, and Gökler Orhan was appointed in his place.

(**) Group Heads and Head of Internal Audit have the status of Assistant General Manager.

There are no Bank shares owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Information on the Bank's Qualified Shareholders

Name / Commercial Name	Share Amount	Share Ratio	Paid-in Shares	Unpaid Shares
TEB Holding A.Ş.	1,212,415	55.00%	1,212,415	-
BNPP Yatırımlar Holding A.Ş.	518,342	23.51%	518,342	-
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23%	467,879	-

TEB Holding A.Ş. is a member of both Çolakoğlu and BNP Paribas groups. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas, Fortis Yatırımlar Holding A.Ş., while the remaining 50% is controlled by Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by BNP Paribas Fortis Bank NV/SA whose shareholders are BNP Paribas Fortis NV/SA by 100% shares, respectively. 100% of the shares of BNPP Yatırımlar Holding A.Ş. are controlled by BNP Paribas SA.

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

The Bank's operating areas include, corporate, commercial, SME, retail and private banking as well as project finance and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of TEB Portföy Yönetimi A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 31 December 2023, the Bank has 440 local branches and 4 foreign branches (31 December 2022: 444 local branches, 4 foreign branches). As of 31 December 2023, the number of employees of the Bank is 8,333 (31 December 2022: 8,723).

VI. Differences between the Communiqué on Preparation of Financial Statements of Banks and Turkish Accounting Standards and Short Explanation about the Entities Subject to Full Consolidation or Proportional Consolidation and Entities which are Deducted from Equity or Entities which are not Included in These Three Methods

There is no difference for the Bank, except for the non-financial subsidiary, between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Financial Statements of Banks in Turkey.

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., it is presented as joint venture in financial statements however, and it is carried by cost value since necessary requirements for consolidation is not met.

TEB ARF Teknoloji A.Ş., a non-financial subsidiary owned 100% and by the Bank, was registered in the Trade Registry Gazette on 16 July 2020. The Bank presents TEB ARF Teknoloji A.Ş. in the subsidiaries line in its financial statements.

VII. 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

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

BALANCE SHEET AS OF 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Section 5 Notes	Audited Current Period 31.12.2023			Audited Prior Period 31.12.2022		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		62,556,957	74,152,574	136,709,531	30,672,003	47,346,068	78,018,071
1.1 Cash and Cash Equivalents		54,430,193	69,429,745	123,859,938	17,602,149	42,769,235	60,371,384
1.1.1 Cash and Balances with Central Bank	(I-1)	40,590,024	63,894,514	104,484,538	7,210,359	36,629,352	43,839,711
1.1.2 Banks	(I-4)	1,607,670	5,586,915	7,194,585	2,801,354	6,162,933	8,964,287
1.1.3 Money Market Placement		12,243,739	-	12,243,739	7,604,278	-	7,604,278
1.1.4 Expected Loss Provisions (-)		11,240	51,684	62,924	13,842	23,050	36,892
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-2)	352,244	660,327	1,012,571	2,886,940	541,639	3,428,579
1.2.1 Government Debt Securities		242,988	345,477	588,465	2,809,744	202,058	3,011,802
1.2.2 Equity Securities		109,256	164,734	273,990	77,196	263,295	340,491
1.2.3 Other Financial Assets		-	150,116	150,116	-	76,286	76,286
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-5)	5,103,118	2,722,321	7,825,439	5,356,819	3,062,485	8,419,304
1.3.1 Government Debt Securities		5,020,783	2,722,321	7,743,104	5,307,506	3,062,485	8,369,991
1.3.2 Equity Securities		82,335	-	82,335	49,313	-	49,313
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets		2,671,402	1,340,181	4,011,583	4,826,095	972,709	5,798,804
1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	1,935,635	1,037,427	2,973,062	4,400,167	664,545	5,064,712
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	735,767	302,754	1,038,521	425,928	308,164	734,092
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		180,572,861	71,874,109	252,446,970	140,604,566	44,129,712	184,734,278
2.1 Loans	(I-6)	150,617,852	59,267,626	209,885,478	113,448,548	35,884,378	149,332,926
2.2 Lease Receivables	(I-11)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(I-7)	34,609,839	14,681,619	49,291,458	30,844,021	9,611,915	40,455,936
2.4.1 Government Debt Securities		34,609,839	14,681,619	49,291,458	30,844,021	9,611,915	40,455,936
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)		4,654,830	2,075,136	6,729,966	3,688,003	1,366,581	5,054,584
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-17)	82,060	-	82,060	100,370	-	100,370
3.1 Held for Sale Purpose		82,060	-	82,060	100,370	-	100,370
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		279,026	-	279,026	116,041	-	116,041
4.1 Associates (Net)	(I-8)	-	-	-	-	-	-
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(I-9)	279,021	-	279,021	116,036	-	116,036
4.2.1 Unconsolidated Financial Subsidiaries		278,971	-	278,971	115,986	-	115,986
4.2.2 Unconsolidated Non-Financial Subsidiaries		50	-	50	50	-	50
4.3 Joint Ventures (Net)	(I-10)	5	-	5	5	-	5
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		5	-	5	5	-	5
V. TANGIBLE ASSETS (Net)	(I-13)	1,933,104	-	1,933,104	1,251,721	-	1,251,721
VI. INTANGIBLE ASSETS (Net)	(I-14)	1,269,693	-	1,269,693	882,517	-	882,517
6.1 Goodwill		421,124	-	421,124	421,124	-	421,124
6.2 Other		848,569	-	848,569	461,393	-	461,393
VII. INVESTMENT PROPERTIES (Net)	(I-15)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		220,897	-	220,897	28,388	-	28,388
IX. DEFERRED TAX ASSET		2,410,400	-	2,410,400	1,599,145	-	1,599,145
X. OTHER ASSETS (Net)		10,973,389	593,949	11,567,338	8,191,572	225,313	8,416,885
TOTAL ASSETS		260,298,387	146,620,632	406,919,019	183,446,323	91,701,093	275,147,416

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

BALANCE SHEET AS OF 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

LIABILITIES		Audited Current Period 31.12.2023			Audited Prior Period 31.12.2022			
		Section 5 Notes	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(II-1)	185,454,941	99,290,895	284,745,836	128,684,391	71,706,660	200,391,051
II.	FUNDS BORROWED	(II-3)	112,235	19,827,362	19,939,597	637,353	10,536,061	11,173,414
III.	MONEY MARKET FUNDS	(II-4)	-	28,109,842	28,109,842	-	6,790,660	6,790,660
IV.	SECURITIES ISSUED (Net)	(II-3)	-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		1,834,898	800,400	2,635,298	2,971,255	595,978	3,567,233
7.1	Derivative Financial Liabilities at Fair Value Through Profit and Loss	(II-2)	1,752,443	800,400	2,552,843	2,901,642	595,978	3,497,620
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-7)	82,455	-	82,455	69,613	-	69,613
VIII.	FACTORING LIABILITIES		-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	(II-6)	965,961	25,188	991,149	669,388	26,506	695,894
X.	PROVISIONS	(II-8)	5,580,312	781,515	6,361,827	2,897,871	470,060	3,367,931
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		2,777,948	108,441	2,886,389	2,016,376	64,378	2,080,754
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		2,802,364	673,074	3,475,438	881,495	405,682	1,287,177
XI.	CURRENT TAX LIABILITY	(II-9)	1,282,111	3	1,282,114	1,964,235	-	1,964,235
XII.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(II-10)	-	-	-	-	-	-
13.1	Held for Sale		-	-	-	-	-	-
13.2	Held from Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS	(II-11)	-	11,637,967	11,637,967	-	9,708,218	9,708,218
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	11,637,967	11,637,967	-	9,708,218	9,708,218
XV.	OTHER LIABILITIES	(II-5)	13,722,859	2,447,840	16,170,699	9,577,228	2,570,380	12,147,608
XVI.	SHAREHOLDERS' EQUITY	(II-12)	34,911,647	133,043	35,044,690	25,218,074	123,098	25,341,172
16.1	Paid-in Capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2	Capital Reserves		389,769	-	389,769	389,769	-	389,769
16.2.1	Share Premiums		2,565	-	2,565	2,565	-	2,565
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		387,204	-	387,204	387,204	-	387,204
16.3	Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit or Loss		(344,917)	-	(344,917)	(400,948)	-	(400,948)
16.4	Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss		(26,971)	133,043	106,072	850,597	123,098	973,695
16.5	Profit Reserves		20,962,728	-	20,962,728	10,983,662	-	10,983,662
16.5.1	Legal Reserves		718,690	-	718,690	606,596	-	606,596
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		15,627,134	-	15,627,134	10,489,526	-	10,489,526
16.5.4	Other Profit Reserves		4,616,904	-	4,616,904	(112,460)	-	(112,460)
16.6	Profit or Loss		11,726,648	-	11,726,648	11,190,604	-	11,190,604
16.6.1	Prior Periods' Profit / Loss		-	-	-	-	-	-
16.6.2	Current Periods' Profit / Loss		11,726,648	-	11,726,648	11,190,604	-	11,190,604
TOTAL LIABILITIES			243,864,964	163,054,055	406,919,019	172,619,795	102,527,621	275,147,416

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

OFF BALANCE SHEETS AS OF 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

		Audited Current Period 31.12.2023			Audited Prior Period 31.12.2022			
		Section 5						
		Notes	TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET COMMITMENTS (I+II+III)		219,914,666	342,246,423	562,161,089	194,689,424	235,219,732	429,909,156
I.	GUARANTEES AND WARRANTIES	(III-1)	19,654,698	62,281,912	81,936,610	13,952,106	41,315,264	55,267,370
1.1	Letters of Guarantee		13,366,519	31,813,601	45,180,120	9,436,845	20,598,041	30,034,886
1.1.1	Guarantees Subject to State Tender Law		104,520	205,134	309,654	152,535	205,253	357,788
1.1.2	Guarantees Given for Foreign Trade Operations		862,611	1,207,038	2,069,649	658,658	771,147	1,429,805
1.1.3	Other Letters of Guarantee		12,399,388	30,401,429	42,800,817	8,625,652	19,621,641	28,247,293
1.2	Bank Acceptances		-	70,513	70,513	-	23,623	23,623
1.2.1	Import Letter of Acceptance		-	70,513	70,513	-	23,623	23,623
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	22,935,305	22,935,305	-	15,650,244	15,650,244
1.3.1	Documentary Letters of Credit		-	5,661,471	5,661,471	-	2,596,937	2,596,937
1.3.2	Other Letters of Credit		-	17,273,834	17,273,834	-	13,053,307	13,053,307
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		3,246,496	7,446,704	10,693,200	2,495,355	4,855,637	7,350,992
1.9	Other Collaterals		3,041,683	15,789	3,057,472	2,019,906	187,719	2,207,625
II.	COMMITMENTS	(III-1)	72,370,428	9,642,055	82,012,483	38,750,601	5,487,840	44,238,441
2.1	Irrevocable Commitments		71,516,146	9,642,055	81,158,201	38,750,601	5,487,840	44,238,441
2.1.1	Asset Purchase Commitments		1,651,971	8,591,528	10,243,499	2,181,948	5,049,902	7,231,850
2.1.2	Deposit Purchase and Sale Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		13,465,372	111,782	13,577,154	11,589,114	68,589	11,657,703
2.1.5	Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		4,044,146	-	4,044,146	2,776,761	-	2,776,761
2.1.8	Tax and Fund Liabilities from Export Commitments		302,721	-	302,721	127,411	-	127,411
2.1.9	Commitments for Credit Card Limits		52,048,755	-	52,048,755	22,073,226	-	22,073,226
2.1.10	Commitments for Credit Cards and Banking Services Promotions		3,181	-	3,181	2,141	-	2,141
2.1.11	Receivables from Short Sale Commitments on Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments on Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		-	938,745	938,745	-	369,349	369,349
2.2	Revocable Commitments		854,282	-	854,282	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		854,282	-	854,282	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(III-2)	127,889,540	270,322,456	398,211,996	141,986,717	188,416,628	330,403,345
3.1	Derivative Financial Instruments for Hedging Purposes		1,665,300	24,498,209	26,163,509	965,300	18,524,343	19,489,643
3.1.1	Fair Value Hedge		-	-	-	-	-	-
3.1.2	Cash Flow Hedge		1,665,300	24,498,209	26,163,509	965,300	18,524,343	19,489,643
3.1.3	Foreign Net Investment Hedges		-	-	-	-	-	-
3.2	Held for Trading Transactions		126,224,240	245,824,247	372,048,487	141,021,417	169,892,285	310,913,702
3.2.1	Forward Foreign Currency Buy/Sell Transactions		14,836,229	21,682,347	36,518,576	20,240,521	22,818,260	43,058,781
3.2.1.1	Forward Foreign Currency Transactions-Buy		13,697,429	5,264,009	18,961,438	19,213,785	3,165,415	22,379,200
3.2.1.2	Forward Foreign Currency Transactions-Sell		1,138,800	16,418,338	17,557,138	1,026,736	19,652,845	20,679,581
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		86,388,981	131,816,100	218,205,081	98,861,030	100,640,060	199,501,090
3.2.2.1	Foreign Currency Swap-Buy		869,068	59,729,356	60,598,424	7,819,762	55,239,445	63,059,207
3.2.2.2	Foreign Currency Swap-Sell		32,587,503	33,978,278	66,565,781	42,400,268	21,434,565	63,834,833
3.2.2.3	Interest Rate Swaps-buy		26,466,205	19,054,233	45,520,438	24,320,500	11,983,025	36,303,525
3.2.2.4	Interest Rate Swaps-Sell		26,466,205	19,054,233	45,520,438	24,320,500	11,983,025	36,303,525
3.2.3	Foreign Currency, Interest Rate and Securities Options		24,999,030	88,493,331	113,492,361	19,676,969	43,135,835	62,812,804
3.2.3.1	Foreign Currency Options-Buy		13,714,144	37,016,644	50,730,788	15,275,312	11,998,466	27,273,778
3.2.3.2	Foreign Currency Options-Sell		11,284,886	40,045,729	51,330,615	4,401,657	23,201,409	27,603,066
3.2.3.3	Interest Rate Options-Buy		-	5,715,479	5,715,479	-	3,967,980	3,967,980
3.2.3.4	Interest Rate Options-Sell		-	5,715,479	5,715,479	-	3,967,980	3,967,980
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	2,242,897	1,902,399	4,145,296
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	2,242,897	-	2,242,897
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	1,902,399	1,902,399
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	3,832,469	3,832,469	-	1,395,731	1,395,731
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		303,612,583	145,764,338	449,376,921	214,548,922	99,667,403	314,216,325
IV.	ITEMS HELD IN CUSTODY		70,628,072	27,007,273	97,635,345	36,050,128	17,580,575	53,630,703
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		13,670,212	25,264,456	38,934,668	6,989,470	16,227,035	23,216,505
4.3	Cheques Received for Collection		44,899,493	256,367	45,155,860	28,198,484	524,707	28,723,191
4.4	Commercial Notes Received for Collection		1,259,605	130,698	1,390,303	765,573	89,929	855,502
4.5	Other assets Received for Collection		125	1,355,752	1,355,877	125	738,904	739,029
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items under Custody		10,798,637	-	10,798,637	96,476	-	96,476
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		231,628,157	118,400,989	350,029,146	176,693,321	81,547,579	258,240,900
5.1	Marketable Securities		537,996	1,056,614	1,594,610	1,756,158	1,100,377	2,856,535
5.2	Guarantee Notes		77,513,244	83,066,063	160,579,307	65,804,173	54,399,581	120,203,754
5.3	Commodity		664,315	604,663	1,268,978	220,087	364,691	584,778
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		114,279,639	27,356,588	141,636,227	90,488,447	19,546,647	110,035,094
5.6	Other Pledged Items		38,632,963	6,317,061	44,950,024	18,424,456	6,136,283	24,560,739
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES		1,356,354	356,076	1,712,430	1,805,473	539,249	2,344,722
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			523,527,249	488,010,761	1,011,538,010	409,238,346	334,887,135	744,125,481

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023 AND 2022 (Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSE ITEMS		Section 5 Notes	Audited Current Period 01.01-31.12.2023	Audited Prior Period 01.01-31.12.2022
I.	INTEREST INCOME	(IV-1)	51,551,718	35,430,003
1.1	Interest Income on Loans		34,217,467	22,447,381
1.2	Interest Income on Reserve Requirements		171,551	106,992
1.3	Interest Income on Banks		1,131,746	194,798
1.4	Interest Income on Money Market Transactions		3,424,194	399,142
1.5	Interest Income on Securities Portfolio		12,329,136	12,210,806
1.5.1	Financial Assets at Fair Value Through Profit or Loss		207,377	397,218
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		1,810,360	1,716,148
1.5.3	Financial Assets Measured at Amortised Cost		10,311,399	10,097,440
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		277,624	70,884
II.	INTEREST EXPENSE (-)	(IV-2)	34,795,766	15,242,650
2.1	Interest Expense on Deposits		30,954,894	13,301,004
2.2	Interest Expense on Funds Borrowed		2,636,714	1,194,918
2.3	Interest Expense on Money Market Transactions		702,798	209,177
2.4	Interest Expense on Securities Issued		-	200,253
2.5	Interest Expense on Leases		283,878	170,503
2.6	Other Interest Expenses		217,482	166,795
III.	NET INTEREST INCOME/EXPENSE (I - II)		16,755,952	20,187,353
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		4,918,039	2,251,416
4.1	Fees and Commissions Received		9,218,960	4,172,275
4.1.1	Non-cash Loans		982,151	590,256
4.1.2	Other	(IV-12)	8,236,809	3,582,019
4.2	Fees and Commissions Paid (-)		4,300,921	1,920,859
4.2.1	Non-cash Loans		7,633	6,637
4.2.2	Other	(IV-12)	4,293,288	1,914,222
V.	DIVIDEND INCOME	(IV-3)	25,869	15,843
VI.	TRADING INCOME / LOSS (Net)	(IV-4)	10,184,631	1,941,563
6.1	Securities Trading Gains / Losses		1,506,928	(60,603)
6.2	Gains / Losses on Derivative Financial Instruments		(3,563,885)	(3,235,269)
6.3	Foreign Exchange Gains / Losses		12,241,588	5,237,435
VII.	OTHER OPERATING INCOME	(IV-5)	501,754	301,647
VIII.	GROSS OPERATING PROFIT (III+IV+V+VI+VII)		32,386,245	24,697,822
IX.	EXPECTED CREDIT LOSS (-)	(IV-6)	1,577,839	1,782,264
X.	OTHER PROVISION EXPENSES (-)	(IV-6)	1,805,505	399,926
XI.	PERSONNEL EXPENSES (-)		7,047,857	3,963,920
XII.	OTHER OPERATING EXPENSES (-)	(IV-7)	7,041,851	3,670,754
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)		14,913,193	14,880,958
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES		-	-
	CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS			
	(XIII+...+XVI)	(IV-8)	14,913,193	14,880,958
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-9)	3,186,545	3,690,354
18.1	Current Tax Provision		3,647,896	5,323,264
18.2	Deferred Tax Expense Effect (+)		2,414,458	3,331,536
18.3	Deferred Tax Income Effect (-)		(2,875,809)	(4,964,446)
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(IV-10)	11,726,648	11,190,604
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses from Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	(IV-8)	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	(IV-10)	-	-
XXV.	NET INCOME/LOSS (XIX+XXIV)	(IV-11)	11,726,648	11,190,604
	Earnings per Share		5.3197	5.0765

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited Current Period 01.01-31.12.2023	Audited Prior Period 01.01-31.12.2022
I. CURRENT PERIOD INCOME/LOSS	11,726,648	11,190,604
II. OTHER COMPREHENSIVE INCOME	(904,070)	532,749
2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss	(36,447)	(347,784)
2.1.1 Gains/losses on Revaluation of Property, Plant and Equipment	-	-
2.1.2 Gains/losses on Revaluation of Intangible Assets	-	-
2.1.3 Gains/losses on Remeasurement of Defined Benefit Plans	(140,268)	(480,424)
2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	33,023	5,643
2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	70,798	126,997
2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss	(867,623)	880,533
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value Through Other Comprehensive Income	(1,080,669)	1,172,875
2.2.3 Income/Loss related with Cash Flow Hedges	(66,060)	1,743
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 through Other Profit or Loss	-	-
2.2.6 Taxes Relating to Components of Other Comprehensive Income that will be Reclassified through Profit or Loss	279,106	(294,085)
III. TOTAL COMPREHENSIVE INCOME (I+II)	10,822,578	11,723,353

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 1 JANUARY - 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss						
Audited	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Current Period Profit or Loss	Total Equity
I. Prior Period – 01.01-31.12.2022														
II. Prior Period End Balance	2,204,390	2,565	-	387,204	56,230	(116,875)	7,481	-	(199,636)	292,798	9,070,764	1,912,898	-	13,617,819
III. Corrections According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. New Balance (I+II)	2,204,390	2,565	-	387,204	56,230	(116,875)	7,481	-	(199,636)	292,798	9,070,764	1,912,898	-	13,617,819
V. Total Comprehensive Income	-	-	-	-	-	(353,014)	5,230	-	890,887	(10,354)	-	-	11,190,604	11,723,353
VI. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	1,912,898	(1,912,898)	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	1,912,898	(1,912,898)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 31.12.2022 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,204	56,230	(469,889)	12,711	-	691,251	282,444	10,983,662	-	11,190,604	25,341,172
I. Current Period – 01.01-31.12.2023														
II. Prior Period End Balance	2,204,390	2,565	-	387,204	56,230	(469,889)	12,711	-	691,251	282,444	10,983,662	11,190,604	-	25,341,172
III. Corrections According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. New Balance (I+II)	2,204,390	2,565	-	387,204	56,230	(469,889)	12,711	-	691,251	282,444	10,983,662	11,190,604	-	25,341,172
V. Total Comprehensive Income	-	-	-	-	-	(66,862)	30,415	-	(802,551)	(65,072)	-	-	11,726,648	10,822,578
VI. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Increase/Decrease by Other Changes	-	-	-	-	92,478	-	-	-	-	-	(92,478)	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	10,071,544	(11,190,604)	-	(1,119,060)
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(1,119,060)	-	(1,119,060)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	10,071,544	(10,071,544)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 31.12.2023 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,204	148,708	(536,751)	43,126	-	(111,300)	217,372	20,962,728	-	11,726,648	35,044,690

1. Increase/decrease from tangible assets accumulated revaluation reserve,

2. Accumulated gains / losses on remeasurements of defined benefit plans,

3. Other (Other comprehensive income of associates and joint ventures accounted with equity method that will not be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will not be reclassified at profit or loss),

4. Foreign currency translation differences,

5. Accumulated revaluation and / or classification gains / losses of financial assets at fair value through other comprehensive income,

6. Other (Cash flow hedge gains / losses, other comprehensive income of associates and joint ventures accounted with equity method that will be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will be reclassified at profit or loss).

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF CASH FLOWS FOR THE YEAR 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. STATEMENT OF CASH FLOWS

	Section 5 Notes	Audited Current Period 01.01-31.12.2023	Audited Prior Period 01.01-31.12.2022
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Banking Operations Assets and Liabilities		18,103,272	12,408,504
1.1.1 Interest Received		51,831,908	23,650,225
1.1.2 Interest Paid		(31,221,753)	(13,471,609)
1.1.3 Dividend Received		25,869	15,843
1.1.4 Fees and Commissions Received		8,867,956	3,828,072
1.1.5 Other Income		15,379,195	7,048,644
1.1.6 Collections from Previously Written-Off Loans		1,586,742	1,480,497
1.1.7 Payments to Personnel and Service Suppliers		(6,869,099)	(3,648,682)
1.1.8 Taxes Paid		(7,279,454)	(4,085,715)
1.1.9 Other	(VI-1)	(14,218,092)	(2,408,771)
1.2 Changes in Banking Operations Assets and Liabilities		38,460,780	4,742,986
1.2.1 Net Decrease / (Increase) in Financial Asset at Fair Value Through Profit or Loss		2,361,365	(570,636)
1.2.2 Net Decrease / (Increase) in Due from Banks		22,759	(23,093)
1.2.3 Net (Increase) in Loans		(36,773,086)	(31,794,568)
1.2.4 Net (Increase) in Other Assets	(VI-1)	(9,894,272)	(7,262,911)
1.2.5 Net Increase / (Decrease) in Bank Deposits		22,060,309	(2,291,208)
1.2.6 Net Increase in Other Deposits		48,100,694	48,086,596
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		8,530,991	(4,534,831)
1.2.9 Net Increase / (Decrease) in Matured Payables		-	-
1.2.10 Net Increase in Other Liabilities	(VI-1)	4,052,020	3,133,637
I. Net Cash Flows Provided from Banking Operations		56,564,052	17,151,490
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flow Provided from Investing Activities		(4,485,727)	(8,693,791)
2.1 Purchase of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)		(162,985)	-
2.2 Sale of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)		-	-
2.3 Purchase of Tangible Assets		(654,060)	(358,864)
2.4 Sale of Tangible Assets		5,076	37,268
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(4,776,041)	(1,837,191)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		7,742,659	4,392,264
2.7 Purchase of Financial Assets Measured at Amortised Cost		(15,451,927)	(12,931,495)
2.8 Sale of Financial Assets Measured at Amortised Cost		9,541,486	2,428,011
2.9 Other	(VI-1)	(729,935)	(423,784)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(4,129,788)	(1,522,577)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	5,333,859
3.2 Cash Outflow from Repayment of Funds Borrowed and Securities Issued		(2,479,988)	(6,501,860)
3.3 Equity Instruments Issued		-	-
3.4 Dividends Paid		(1,119,060)	-
3.5 Payments For Leases		(530,740)	(354,576)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(VI-1)	6,438,331	3,764,592
V. Net Increase in Cash and Cash Equivalents		54,386,868	10,699,714
VI. Cash and Cash Equivalents at Beginning of the Period	(VI-2)	42,026,935	31,327,221
VII. Cash and Cash Equivalents at End of the Period	(VI-2)	96,413,803	42,026,935

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

STATEMENT OF PROFIT DISTRIBUTION FOR THE YEAR 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. STATEMENT OF PROFIT DISTRIBUTION

	Audited Current Period 31.12.2023(*)	Audited Prior Period 31.12.2022
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	14,913,193	14,880,958
1.2 TAXES AND DUTIES PAYABLE (-)	3,186,545	3,690,354
1.2.1 Corporate Tax (Income Tax)	3,647,896	5,323,264
1.2.2 Income Withholding Tax	-	-
1.2.3 Other Taxes and Duties (**)	(461,351)	(1,632,910)
A. NET INCOME FOR THE YEAR (1.1-1.2)	11,726,648	11,190,604
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]	11,726,648	11,190,604
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	110,220
1.6.1 To Owners of Ordinary Shares	-	110,220
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 To Owners of Preferred Shares (Pre-emptive Rights)	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	1,008,841
1.9.1 To Owners of Ordinary Shares	-	1,008,841
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 To Owners of Preferred Shares (Pre-emptive Rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	112,093
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	9,821,074
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	138,376
II. DISTRIBUTION OF RESERVES	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Preferred Shares	-	-
2.3.3 To Owners of Preferred Shares (Pre-emptive Rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit and Loss Sharing Certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES	5.3197	5.0765
3.2 TO OWNERS OF ORDINARY SHARES (%)	531.97	507.65
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) The authorized body of the Bank regarding profit distribution is the General Assembly, and as of the preparation date of these financial statements, the annual ordinary General Assembly meeting has not been held yet. Since the profit distribution proposal for 2023 has not yet been prepared by the Board of Directors, only the distributable profit amount is indicated in the profit distribution table.

(**) Deferred tax income shown in other tax and legal liabilities (31 December 2022: Deferred tax income).

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION THREE ACCOUNTING PRINCIPLES

I. Basis of Presentation

a. Financial statements and related explanations and preparation of notes in compliance with Turkish Accounting Standards ("TAS") and Regulation on Accounting Applications for Banks and Safeguarding of Documents:

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 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to reporting principles on accounting records of Banks published by the Banking Regulation and Supervision Agency ("BRSA") and Turkish Financial Reporting Standards ("TFRS") put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") for those matters not regulated by the aforementioned regulations. 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. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

b. The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements:

The accounting policies and valuation principles used in the preparation of the financial statements are subject to the regulations, communiqués, annotations and circulars issued by BRSA on accounting and financial reporting principles and the TFRS ("BRSA Accounting and Financial Reporting Legislation") which has been put into force by the POA on issues not regulated by the BRSA determined according to the principles.

The amendments to TAS/TFRS, effective from 1 January 2023, do not have a significant impact on the Bank's accounting policies, financial position and performance. The amendments to TAS and TFRS, which have been published but not yet entered into force as of the finalization date of the financial statements, will not have a significant impact on the Bank's accounting policies, financial position and performance.

TAS 29 Financial Reporting in Hyperinflationary Economies requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. TAS 29 defines the characteristics which may indicate that an economy is a hyperinflationary economy.

In addition, TAS 29 requires all entities reporting in the currency of a hyperinflationary economy to adopt this Standard from the same date. Therefore, as stated in TAS 29, it is expected that all entities will start to apply TAS 29 at the same time with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority to ensure consistency in practice across the country. POA, on 23 November 2023, published an announcement regarding that companies that apply Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (FRS for LME) should present their financial statements for the annual reporting period ending on or after 31 December 2023 in accordance with the relevant accounting principles in "Turkish Accounting Standard 29 Financial Reporting in Economies with High Inflation" and "FRS for LME Chapter 25 Financial Reporting in Economies with High Inflation", adjusted for the effect of inflation. However, institutions or organizations authorized to regulate and supervise their own fields may determine transition dates different from those foreseen above for the implementation of the provisions in TAS 29 or FRS for LME. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In this context, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements dated 31 December 2023.

The accounting policies and valuation principles for the current period are explained in Note II and Note XXV below.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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

The Bank aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and small individual investors in line with Banking Legislation. The primary objective of the Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Bank, risk bearing short term positions of currency, interest or price movements is performed only by the Asset-Liability Management and Treasury Group using the limits defined by the Board of Directors. The Asset-Liability Committee manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors allows a purchase risk in treasury operations and individual limits are defined by the Board of Directors for each product.

The Bank’s foreign currency asset and liability balances are valued with the Bank’s exchange buying rate at the reporting date and recognized as “Foreign exchange gains / losses” within statement of income.

The Bank’s hedging activities for the currency risk due to foreign currency available for sale equity instruments are described under the currency risk section; and the Bank’s hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are described in detail under interest rate risk section.

The Bank’s Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards and similar derivatives to hedge interest and currency exchange risks in line with the balance sheet structure.

III. Explanations on Investments in Associates, Subsidiaries and Joint Ventures

In accordance with “TAS 27”, investments in associates, subsidiaries and joint ventures are accounted with cost values and are reflected on the financial statements after deducting the provision for impairment, if any.

The dividends received from investments in associates, subsidiaries and joint ventures are reflected to income statements at the date of the right to receive dividend.

IV. Explanations on Forward and Option Contracts and Derivative Instruments

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 and sale contracts.

Pursuant to “TFRS 9 Financial Instruments” (“TFRS 9”), derivative financial instruments of the Bank are classified as “Derivative Financial Assets at Fair Value Through Profit or Loss” or “Derivative Financial Assets at Fair Value Through Other Comprehensive Income”.

The portion of derivative financial assets at fair value through profit or loss

Receivables and liabilities arising from derivative transactions are recorded in off-balance sheet accounts over contract amounts. Derivative transactions are valued at their fair values in the periods following their recording. Derivative financial instruments are initially recognized at fair value and attributable transaction costs are recognized in profit or loss on the date they are incurred. In the periods following the recording of derivative transactions, according to whether the fair value is positive or negative, the fair value difference of derivative financial assets at fair value through profit and loss or the fair value difference of derivative financial liabilities at fair value through profit or loss are shown in the balance sheet. Differences in fair value as a result of the valuation are reflected in the profit or loss statement from derivative financial transactions.

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IV. Explanations on Forward and Option Contracts and Derivative Instruments (continued)

The portion of derivative financial assets at fair value through profit or loss (continued)

Derivative financial instruments are booked under off-balance sheet items. Derivative financial instruments where the underlying asset is money or commodity, are booked based on the amounts to be received/paid at the maturity date. Derivative financial instruments based on interest rate are booked with the principal amount on which the interest rate is calculated.

All derivative financial instruments are valued using the fair value method. The fair value of derivative financial instruments traded in organized markets is their price in the organized market. Within the scope of TFRS 13 Fair Value Measurement standard; The Bank considers that (i) the fair value of the asset or liability (or similar asset or liability) has significantly decreased in its volume or level of activity relative to normal market volume, (ii) when a transaction price or quoted price does not reflect fair value and/or (iii) when a material adjustment is required so that the price of a similar asset is comparable to the subject asset, or (iv) when the price is no longer valid, it adjusts the transaction price or the quoted price and reflects this adjustment in the fair value measurement. In this context, the Bank determines the point in the range that best reflects the fair value in the current market conditions.

The cash flows of forward, currency swap, interest rate swap, and cross currency swap transactions should be determined firstly in order to measure with fair value method. Expected cash flows due to the floating interest rate for these products are defined according to market interest rate at the valuation date. The valuation is calculated by discounting the cash flows with the market interest rate and foreign currencies are converted into Turkish Lira with exchange rates at the valuation date.

Derivative transactions based on interest are valued according to the fair value method as well as the effective interest rate method. While the sum of the valuation amount made for such derivative transactions is shown in a single valuation account in the balance sheet, the amount calculated according to the effective interest method on the income/expense side and the difference amounts calculated according to the fair value method are shown in separate accounts.

Black and Scholes Model is used to measure the fair value of options. Options premiums are accrued on the start date of maturity. The valuation amount is composed of premiums valued at each valuation date. Premium to be paid calculated within this model is recorded as income, and the premium to be collected as expense.

Explanations on derivatives for hedging purposes

In the admission of the accounting policies, TFRS 9 presents the option of postponing the adoption of TFRS 9 hedge accounting and continuing to apply the hedge accounting provisions of TAS 39. Within this context, the Bank continues to apply the hedge accounting provisions of TAS 39.

The Bank applies fair value hedge and cash flow hedge accounting. Hedging accounting is applied to prevent the fluctuations that may arise in the income statement in the short term as a result of the differences in the assets and resources in the balance sheet that are subject to interest rate risk and the valuation methods of derivative instruments that protect them from risk.

Some of the Parent Bank's fixed-rate foreign currency securities and Turkish Lira loans can be subject to fair value hedge accounting. The fair value risk of the related fixed rate financial assets is hedged with currency swaps and cross currency swaps. The difference in the fair values of derivative transactions for fair value hedging purposes is followed in the “Profit/loss from derivative financial transactions” account. For fixed rate loans, the change in the fair value of the hedged item is shown together with the related asset in the statement of financial position as long as the hedge is effective.

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IV. Explanations on Forward and Option Contracts and Derivative Instruments (continued)

The portion of derivative financial assets at fair value through other comprehensive income

The Bank is also hedged from the cash flow risk arising from its financial debts with interest rate swaps and cross currency swaps. In cash flow hedge accounting, the effective part of the fair value change of the hedging instrument is recognized in the “accumulated other comprehensive income or expense to be reclassified in profit or loss” account under equity, and the ineffective part is recognized in the statement of profit or loss. In periods when the cash flows related to the hedged item affect the profit or loss, the profit/loss of the related hedging instrument is also recycled from the equity and reflected in the profit or loss statement.

The assessment that derivative transactions used for hedging purposes can effectively offset changes in the fair value of the hedged item is measured regularly and the measurement results are documented. In cases where the hedge does not meet the hedge accounting requirements, hedge accounting is discontinued.

While the Parent Bank accounts the changes in the fair values of the hedged items in the “Other Interest Income” and “Other Interest Expense” accounts, the fair value changes of the hedging instruments corresponding to the same period are accounted for in the “Gains/Losses from Derivative Financial Transactions” account.

However, the differences between the fair values of the hedged items at the starting date of the hedge accounting and their book values are amortized in line with the maturities of the said items and accounted for in the “Other Interest Income” and “Other Interest Expense” accounts.

V. Explanations on Interest Income and Expenses

Interest income, when purchased or used according to the effective interest method specified in TFRS 9 (the ratio that equates to the present net value of the future cash flows of the financial asset or liability), credit-impaired financial assets and when purchased or granted, except for financial assets that are not credit-impaired financial assets but later become credit-impaired financial assets, is recognized by applying an effective interest rate to the gross book value of the financial asset. While applying the effective interest rate method, the Bank determines the fees that are an integral part of the effective interest rate of the financial instrument. Fees, which are an integral part of the effective interest rate of the financial instrument, are considered as adjustments to the effective interest rate, unless the financial instrument is measured at fair value through profit or loss. In such cases, these fees are recognized as income or expense during the initial recognition of the financial instrument.

The Bank, when applying the effective interest method, amortizes the fees, transaction costs and other premiums or discounts included in the calculation of the effective interest rate over the expected life of the financial instrument.

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V. Explanations on Interest Income and Expenses (continued)

If there is an unpaid interest accrual prior to the acquisition of an interest-bearing security; subsequently collected interest is divided into pre-acquisition and post-acquisition periods and only the post-acquisition portion is reflected in the financial statements as interest income. If the expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the change is reflected in the carrying value of the asset and the related income statement item and amortized over the estimated life of the financial instrument.

Interest income and expenses are recorded on accrual basis. As the interest income and expense is accrued, all tax liabilities are fulfilled.

Accrued but not collected interests and discounts of loans, those classified as non-performing loans (Stage 3) are not reversed and included in interest income.

The interest amount representing the time value of the future collections of the non-performing loans is recognized under interest income and fully provisioned. The income effect arising from the discount of the estimates of expected collection as getting closer to the estimated date of collection, is recorded under interest income.

VI. Explanations on Fees and Commission Income and Expenses

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

Income on banking services which are not related to periodic services are recorded as income when they are collected. In order to classify the fees and commissions collected from customers as income on banking services or as other non-interest income, they should not be related with a credit transaction.

All type of fees and commissions collected from customers regarding cash loans are deferred in commissions on cash loans account and are recognized as income over the period of the loan by discounting with effective interest rate.

The Bank receives commissions on the basis of collections from insurance companies regarding the insurance transactions it carries out as an insurance agency and records these commissions as income on an accrual basis.

The commissions related with non-cash loans or periodic banking services, are deferred and recorded as income over the period according to the cut-off principle. Credit fee and commission expenses which are paid to other companies and institutions regarding financial liabilities and which create operational costs are discounted by effective interest rate and are recorded as expense in the relevant period according to the cut-off principle.

VII. Explanations on Financial Assets

The Bank classifies and recognizes its financial assets as “Financial Assets at Fair Value Through Profit or Loss”, “Financial Assets Measured at Fair Value Through Other Comprehensive Income” or “Financial Assets Measured at Amortized Cost”. The financial assets are recognized or derecognized in accordance with the “Recognition and Derecognition” principles defined in Section 3 related to the classification and measurement of financial instruments of the “TFRS 9 Financial Instruments” standard published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). At initial recognition, financial assets are measured at fair value. In the case of financial assets are not measured “at Fair Value Through Profit or Loss”, transaction costs are added or deducted to/from their fair value.

The Bank recognizes a financial asset in the financial statement when, and only when, the Bank becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognized on the settlement date. When the Bank first recognizes a financial asset, the business model and the characteristics of contractual cash flows of the financial asset are considered by management.

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VII. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Profit/Loss

Financial assets at fair value through profit or loss are financial assets that are managed by business model other than the business model that aims to “hold to collect” and “hold & sell” the contractual cash flows; acquired for the purpose of generating profit from short-term fluctuations in price, or regardless of this purpose, the financial assets that are a part of a portfolio with evidence of short-time profit-taking; and the financial assets, whose terms do not give rise to cash flows that are solely payments of principal of interest at certain dates. Financial assets at fair value through profit/loss are initially recognized at fair value and are subsequently measured at fair value. Gain and losses upon their valuation are accounted under the profit/loss accounts.

Equity securities classified as financial assets at fair value through profit or loss are recognized at fair value.

Accounting policies related to derivative financial instruments at fair value through profit or loss are explained in Section III. note IV.

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are classified as financial assets at fair value through other comprehensive income where the business models aim to hold financial assets in order to collect the contractual cash flows and selling assets and the terms of financial asset give rise to cash flows that are solely payments of principal of interest at certain dates.

Financial assets at fair value through other comprehensive income are recognized at acquisition costs that reflect their fair value by adding transaction costs. Financial assets at fair value through other comprehensive income are subsequently measured at their fair value. The interest income of financial assets at fair value through other comprehensive income that are calculated by effective interest rate method are reflected in the statement of profit or loss. The difference between the fair value of the financial assets at fair value through other comprehensive income and the amortized cost of the financial assets, i.e. “Unrealized gains and losses”, is not recognized in the statement of profit or loss until the realization of the financial asset, the sale of the asset, the disposal of the asset or being impaired of the asset are accounted under “Other Accumulated Comprehensive Income or Expenses that will be reclassified at Profit or Loss” under shareholders' equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

The Bank may elect at initial recognition to irrevocably designate an equity investment at fair value other comprehensive income where those investments are hold for purposes other than to generate investments returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss. Dividends continue to be recognized in profit or loss in the financial statements.

All equity instruments classified as financial assets at fair value through other comprehensive income are measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. In case of disposal of the equity investment, the accumulated total gain or loss is followed in the “Other Accumulated Comprehensive Income or Expense that cannot be reclassified to Profit or Loss”.

In addition, the Bank's securities portfolio includes financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and consumer price (“CPI”) indexed government bonds classified as financial assets measured at amortized cost. These securities are valued and accounted for using the effective interest method, based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. As stated in the CPI-Indexed Bonds Investor's Guide of the Undersecretariat of Treasury, the reference indices used in calculating the actual coupon payment amounts of these securities are based on the CPI of two months prior. The Bank determines the estimated inflation rate in parallel with this. The estimated inflation rate, taking into account the Central Bank of the Republic of Turkey and the Bank's expectations, is updated during the year when deemed necessary. At the end of the year, the actual inflation rate is used.

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VII. Explanations on Financial Assets (continued)

Financial Assets Measured at Amortized Cost

Financial investments measured at amortized cost:

A financial asset is classified as a financial asset measured at amortized cost when the Bank’s policy within a business model is to hold the asset to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal of interest at certain dates.

Financial asset measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at “Amortized cost” by using the “Effective interest (IRR) rate method”. Interest income related to the financial asset measured at amortized cost is recognized in the statement of profit or loss.

Loans:

Loans are financial assets with fixed or determinable payment terms which are not traded on an active market and measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortized cost by using the “Effective interest (IRR) rate method”.

VIII. Explanations on Impairment of Financial Assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, all financial assets, which are not measured at fair value through profit or loss, loan commitments and financial guarantee contracts in accordance with TFRS 9 principles and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans” which came into force starting 1 January 2018. Equity instruments are not subject to impairment assessment as they are measured at fair value.

Measurement of the expected credit losses reflects:

- Time value of money
- Reasonable and supportable information on past events, current conditions and forecasts of future economic conditions at the reporting date

The Bank has changed its credit calculation method with the expected credit loss model as of 1 January 2018. Expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions and the time value of money. The financial assets are divided into “3 stage” depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

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

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument’s lifetime expected credit losses. Following criteria have been taken into account in classification a financial asset as Stage 2:

- Loans having past due more than 30 days and less than 90 days
- Restructuring loans
- Concordatum events
- Significant deterioration in probability of default

In the case of the occurrence of any of the first three items above, it is classified under Stage 2 loans regardless of the comparison between probability of default.

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VIII. Explanations on Impairment of Financial Assets (continued)

Stage 2: (continued)

Significant deterioration in probability of default is considered as significant increase in credit risk and the financial asset is classified under Stage 2 loans. In this regard, it is assumed that the probability of default deteriorates, if the probability of default exceeds the thresholds defined by the Bank's internal rating based credit rating models.

Stage 3:

Stage 3 includes financial assets that have objective evidence that they are impaired as of the reporting date. For these assets, lifetime expected credit losses are recorded. For the related financial assets, the probability of default is taken into account as 100%.

Expected Credit Loss Calculation

Expected credit loss calculation refers to the calculation to estimate the loss of the financial instrument in case of default and it is based on 3-stage impairment model based on the change in credit quality. The Bank uses two different calculations considering 12-month and lifetime probability of default of the financial instruments.

If there is a significant increase in credit risk between the origination date and the reporting date of the loan, the lifetime probability of default is used and if there is no significant increase in credit risk the 12 month probability of default is used.

There are three loan portfolios as Commercial portfolios, Retail portfolios and Public portfolios.

While the Bank uses the internal credit ratings for commercial portfolios, the internal behavioural scores is used for the retail portfolios. It is determined significant increase in credit risk by comparing the credit ratings/behavioural scores at the origination date and reporting date for both portfolios.

Default Definition: Debts having past due more than 90 days; in addition, the fact that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

The Bank considers different scenarios in the calculation of expected credit loss by evaluating current economic conditions and expert opinions. Accordingly, the macroeconomic value estimates taken into account in the expected loss provision calculation are presented below.

	2023				2024				2025				2026			
Period(*)	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
GDP	3.90	3.80	3.60	3.10	5.10	2.70	3.00	3.40	4.70	3.00	3.20	3.30	4.60	3.20	3.30	3.30

(*) Represents 3-month periods.

The Bank does not have any financial asset as purchased or originated credit-impaired.

Probability of Default (PD): PD represents the likelihood of default over a specified time period. Based on the historical data, 1-year PD of a customer is calculated for each portfolio on the basis of credit ratings and behavioural scores. PDs and LGDs used in the ECL calculation are point in time ("PIT") based on key portfolios and consider both current conditions and expected cyclical changes. Two types of probability of default are calculated.

- 12-Month PD: as the estimated probability of default occurring within the next 12 months

- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument

Internal rating systems are used to measure the risk of both commercial and retail portfolios. The internal rating models used in the commercial portfolio include the customer's financial information and the answers to the qualitative question set. Behavioural score cards used in the retail portfolio include the behavioural data of the customer and the product in the Bank, the demographic information of the customer and the behavioural data of the customer in the sector.

The probability of default is calculated based on historical data, current conditions and forward-looking macroeconomic expectations.

Loss Given Default (LGD): If a loan defaults, it represents the economic loss incurred on the loan. It is expressed as a percentage.

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VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

LGD estimates for commercial segments are calculated with statistical models that take into account historical collection and direct cost items and explain the realized LGD rates based on risk factors. Historical collection rates by collateral type for the corporate segment and by product class for the retail segment are calculated by taking into account the time value of money, and these rates are used in the calculation of LGD estimates. For the corporate segment, collaterals are included in the calculation by taking into account the expected cash conversion rate order.

Exposure at Default (EAD): The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument. The expected default amount is calculated by discounting the principal and interest repayments for cash loans and income accruals by effective interest method while it refers to the value calculated through using credit conversion factors for non-cash loans and commitments. It shows the risk of the borrower at the date of default.

Effective interest rate: the discount factor which reflects the time value of money.

Lifetime ECL is calculated by taking into account the period during which the Bank will be exposed to credit risk. The maturity information defined for all cash and non-cash loans is used in the calculation of the expected credit loss along with their maturity and payment plans. The maturity refers to the contractual life of a financial instruments unless there is the legal right to call it earlier. The maturity analysis and credit risk mitigation processes such as cancellation/revision of the limits have been developed for the definition of behavioural maturity for loans that do not have maturity information and revolving loans.

When expected credit losses are estimated, it is considered that three different macroeconomic scenarios as “Base”, “Adverse” and “Favourable” and the weighted average of the results of these scenarios is taken into account. Forward-looking PDs based on the weighted average of these three scenarios are calculated on segment basis. The fundamental macroeconomic variable in the macroeconomic models is the estimated annual growth rate in gross national product. The Bank periodically reviews the parameters included in the calculation and updates them when necessary.

Expected Credit Loss Calculation of Stage 1 Loans: It is calculated by considering 12 month (1 year) PDs for the financial assets measured at amortized cost, which do not reflect a significant increase in credit risk. Therefore, it is a part of the lifetime expected credit losses. Such expected 12 month PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In the case of the current default rate is below a defined threshold without comparison with the origination date, the related loans are classified under Stage 1 loans by considering their credit qualities. Treasury Bills, Government Bonds and CBRT balances are classified under Stage 1 loans. In addition, the institutions related to risk group of the Bank and other banks’ placements are classified under Stage 1 loans.

Expected Credit Loss Calculation of Stage 2 Loans: It is calculated by considering lifetime PDs for the loans which has shown a significant increase in credit risk since origination. Such expected lifetime PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In determining of the significant increase in credit risk, qualitative and quantitative assessments are performed.

Qualitative assessments:

The loans with a delay on repayment more than 30 days are classified under Stage 2 loans. In addition, the restructured loans are classified under this stage. Also, all the customers declaring concordatum are classified under this stage.

The Bank periodically reviews the parameters included in the calculation and updates them when necessary.

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VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

Quantitative assessments:

“Significant increase in credit risk” is quantitatively based on the comparison the risk of default at the reporting date with the risk of default at the date of initial recognition. Where the change is above the defined threshold it is considered as significant increase in the credit risk, meaning that the credit is classified under Stage 2 loans.

In the case of the internal credit rating of the loan is above a defined threshold, “high risk portfolio”, without comparison with the origination date, the related loans are classified under Stage 2 loans.

Expected Credit Loss Calculation of Stage 3 Loans: Lifetime expected credit losses are booked for the loans considered as impaired. When calculating the provisions by discounting the individual cash flow expectations for financial instruments which are above a defined threshold, loss given default rates are taken into account in case of default for financial instruments which are below the defined threshold.

IX. Explanations on Offsetting of Financial Assets and Liabilities

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

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Treasury bills and government bonds within the scope of repurchase agreements are classified in financial statements as financial assets carried at amortized costs, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income according to the classification of marketable securities subject to repurchase agreement and are valued according to the measurement rules of the relevant category. Funds obtained through repurchase agreements are booked in a separate liability account, namely funds provided under repurchase agreements under money market balances. Income and expenses arisen from these transactions are booked in “Interest Income on Marketable Securities Portfolio” and “Interest Expense on Money Market Borrowings” in income statement.

Securities purchased under repurchase agreements (“reverse repo”) are accounted under “Money Market Placements” in the balance sheet. The difference between the purchase and resell price of the repurchase agreements is accrued over the life of repurchase agreements. As of 31 December 2023, the Bank has TL 12,243,734 amount of reverse repo transaction (31 December 2022: TL 7,604,278).

As of 31 December 2023, the Bank does not have any marketable securities lending transaction (31 December 2022: None).

XI. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

Non-current assets held for sale consists of property, plant and equipment acquired for impairment and accounted in financial statements convenient with “IFRS 5 Assets Held for Sale and Discontinued Operations”. An asset (or disposal group) classified as held for sale in accordance with IFRS 5 is measured at the lower of its carrying amount and fair value less costs to sell. For an asset to be held for sale, the asset (or disposal group) must be available for immediate sale under the conditions common and customary for the sale of such assets, and the sale must be highly probable. In order to have a high probability of sale; A plan for the sale of the asset must have been made by an appropriate level of management and an active program of identification of buyers and completion of the plan must have been initiated. In addition, the asset must be actively marketed at a price consistent with its fair value.

As of 31 December 2023, assets held for sale and discontinued operations of the Bank are TL 82,060 (31 December 2022: TL 100,370). As per the appraisals performed for the real estates held for sale included “Assets Held for Sale” in the financial statements, TL 3,806 (31 December 2022: TL 3,158) has been reserved as provision for impairment losses.

As of 31 December 2023, the Bank has no discontinued operations.

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XII. Explanations on Goodwill and Other Intangible Assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the merger transaction where acquirer and acquiree exchange equity instruments, it is taken into account the fair value of equity shares exchanged and the difference between such amount and fair value of the acquiree's identifiable net asset value is accounted as goodwill. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have reflected in the recognition of those assets and liabilities as of that date. The measurement period shall not exceed one year from the acquisition date.

As explained in footnote 1 of Section 1, under the Banking Regulation and Supervision Agency decision dated 10 February 2011 and the release of decision in Official Gazette 12 February 2011 dated and numbered as 27844, all rights, receivables, (assets and liabilities) of Fortis Bank A.Ş. as a whole as stated in Istanbul Commerce Trade dated 14 February 2011.

Within the framework of TFRS 3 Business Combination, identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. In this context, the Bank has measured the identifiable assets acquired and the identifiable liabilities acquired in the date of the merger of Fortis Bank A.Ş. at fair value and presented in the financial statements as related items. The resulting difference of TL 48,783 is shown in related assets and liability section, the equity impact is shown under other shareholder's equity section. The amount of TL 421,124, which is the difference between TL 2,385,482, the fair value of transferred amount and TL 1,964,358, the identifiable net asset value is accounted as goodwill in the financial statements of the Bank and the equity impact is shown under other shareholder's equity section.

Goodwill arising on an acquisition of a business or a merger is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Bank's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than it is carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets are accounted for at restated cost until 31 December 2004 in accordance with inflation accounting and are amortized with straight-line method, after 31 December 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and are amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Bank comprise mainly software. The useful lives of such assets acquired are determined as 3-5 years by taking into consideration the expected utilization period, technical, technological or any other impairment and maintenance expenses necessary for the economic use of such assets. Software used are mainly developed within the Bank by the Bank's personnel and the related expenses are not capitalized.

There are no anticipated changes in the accounting estimates about the amortization rate and amortization method and residual values that would have a significant impact in the current and future periods.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

XIII. Explanations on Tangible Assets

Tangible assets of the Bank are accounted for at their restated cost until 31 December 2004 and afterwards, the acquisition cost and any other cost incurred to prepare the asset ready for use are reflected, less reserve for impairment, if any.

Depreciation rates are defined according to the economic life of the relevant assets.

Depreciation is calculated using the straight line method, without taking residual values into consideration, based on the number of months that the asset is used. No amendment has been made to the depreciation method in the current period. The economic useful lives of the tangible assets are as follows:

Buildings	50 years
Furniture, Fixtures and Office Equipment and Others	5-15 years

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

Maintenance costs of tangible assets are capitalized if they extend the economic useful life of the related asset and other maintenance costs are expensed. Leasehold improvements amount is subject to depreciation during leasing period. This period is taken into consideration maximum five years. For the branches, this period is considered as three years in parallel with the Bank's business plans.

The Bank employs independent appraisers in determining the current fair values of its real estate's when there is any indication of impairment in value of real estates.

XIV. Explanations on Leasing Transactions

“TFRS 16 Leases” was promulgated in the Official Gazette dated 16 April 2018 and numbered 30393, effective from 1 January 2019. This Standard specifies the principles for the leasing, presentation and disclosure of leases. The purpose of the standard is to provide tenants and lessees with appropriate information and faithful representation. This information is the basis for evaluating the impact of the leases on the entity's financial position, financial performance and cash flows by users of financial statements. The Bank has started to apply the related standard for the first time on 1 January 2019 by reflecting the application effects to the equity accounts.

Lease obligations under the contract in the amount of liabilities on the balance sheet equal to the sum of all cash payments and offset with the form shown gross interest expense arising from the contract. The right of use arising from the leasing transactions, at the date of commencement, the present value of the lease payments which have not been paid at that date is measured. In this measurement, if the interest can be easily determined, the implied interest rate in the lease is used. If this ratio is not easily determined, the Bank's alternative borrowing interest rate announced by the Asset and Liability Management Department is used.

With the “TFRS 16 Leases” standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under “Tangible Assets” as an asset (tenure) and under “Lease Payables” as a liability.

XV. Explanations on Provisions and Contingent Liabilities

Provisions are provided for liabilities of uncertain timing or amount arising from past events have the probability to result in an expense or loss in the future and when it can be measured reliably.

Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation as of the balance sheet date and discounted to present value if material. Provisions and contingent liabilities, excluding specific and general provisions for loans and other receivables, are recognized in accordance with the Turkish Accounting Standards (TAS 37) regarding Provisions, Contingent Liabilities and Contingent Assets.

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XVI. Explanations on Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to 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 disclosed in the financial statements’ notes where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. In case 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.

XVII. Explanations on Liabilities Regarding Employee Benefits

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over 1 year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. According to the Turkish Accounting Standard on Employee Benefits No. 19, the total benefit is calculated for employees who have completed one year of employment and whose working period has expired due to retirement, or who are left voluntarily or dismissed.

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

Employees transferred to the Bank following the business combination defined in the Section One “General Information” of the Bank and Fortis Bank A.Ş. are the members of “Fortis Bank A.Ş. Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are audited by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 December 2023, the Pension Fund has 891 employees and 2,031 pensioners (as of 31 December 2022, 1,351 employees and 1,302 pensioners).

Provisional Article 23 (1) of Banking Law No: 5411 (the “Banking Law”) published in the Official Gazette repeated no: 25983 on 1 November 2005 requires the transfer of bank funds to the Social Security Institution (the “SSI”) within 3 years after the effective date of the Banking Law and the related paragraph also sets out the basis for the related transfer. However, Article 23 (1) of Banking Law No: 5411 was annulled based on the Constitutional Court’s ruling issued on 22 March 2007 and ruled for the stay of execution as of 31 March 2007. The related Court ruling and its basis were published in the Official Gazette No: 26731 on 15 December 2007.

Following the publication of the mentioned decree of the Constitutional Court, the Grand National Assembly of Türkiye (the “GNAT”) initiated its studies on the development of new regulations in regards to the transfer of bank pension participations to the SSI and the related articles of the Social Security Law that are set out to determine the basis of fund transfers and new regulations became effective with its publication in the Official Gazette No: 26870 on 8 May 2008 and the completion of the transfer within 3 years starting from 1 January 2008. Upon the Council of Ministers’ resolution issued in the Official Gazette, the transfer period has been extended for 2 years as of 14 March 2011. According to amendment on the social security and general health insurance law published in the Official Gazette dated 8 March 2012 numbered 6283, mentioned 2-year transfer period has been increased to 4 years. Upon the Council of Ministers’ resolution dated 24 February 2014 issued in the Official Gazette No:28987 on 30 April 2014, mentioned transfer period has been extended for one more year while it has been extended for one year upon the Council of Ministers’ resolution dated 8 April 2013 issued in the Official Gazette No:28636 on 3 May 2013. 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 23 April 2015 numbered 29335. According to paragraph (I) of Article 203 of Law no. 703 which published on the Official Gazette no. 30473 dated 9 July 2018, the phrase, placed in 20th provisional article of Social Insurance and General Health Insurance Law no.5510, “Council of Ministers” is authorized to determine the date of transfer to the Social Security Institution has been replaced with “President”.

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XVII. Explanations on Liabilities Regarding Employee Benefits (continued)

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2023. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

Since the Bank management anticipates that any potential liability that may be incurred during or after the transfer within the above-mentioned limits will be likely recoverable by the assets of the Pension Fund, they believe such liabilities will not bring any additional liability to the Bank.

XVIII. Explanations on Taxation

Corporate Tax

In Turkey, corporate tax rate of 20% for corporate income was applied at 25% for the corporate income for the taxation period of 2021 and 23% for the corporate income for the taxation period of 2022 in accordance with the regulation introduced by the Law No. 7316 "Law on the Amendment of the Law on the Procedure for Collection of Public Receivables and Certain Laws", and pursuant to the regulation numbered 7394 "Law on the Amendment of Certain Laws and Decree Laws with the Law on the Evaluation of Immovable Properties Belonging to the Treasury and Amendment to the Value Added Tax Law", this rate has been determined as 25% to be applied to the corporate income 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 for the taxation period starting from 2022. In addition, with the Law No. 7417 "Law on the Amendment of the Law on Civil Servants and Certain Laws and the Decree Law No. 375", the effective date of aforementioned article regarding 25% corporate income rate within the scope of Law No. 7394 has been amended, and thus, the relevant regulation has been made that 25% corporate tax will be calculated on the corporate income of the above-mentioned banks and financial institutions for the taxation period of 2023 and the following periods. With the latest regulation on corporate tax rates, the general corporate tax rate was increased from 20% to 25% and the corporate tax rate for financial institutions was increased from 25% to 30% within the scope of the "Law No. 7456 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375". The aforementioned article enters into force on the date of its publication, starting from the declarations to be submitted as of 1 October 2023 (3rd Provisional Tax Period).

The tax legislation requires advance tax to be calculated and paid based on earnings generated for each quarter, the amounts calculated and paid are offset from the final tax computed over the earnings of the year. With the Law No. 7338 Amending the Tax Procedure Law and Certain Laws published in the Official Gazette dated 26 October 2021 and numbered 31640, the 4th period provisional tax return to be implemented in 2022 was abolished. In the new application, a total of 3 temporary tax returns will be submitted in quarterly periods for the first 9 months of the year. On the other hand, corporate tax and any related taxes paid to foreign tax offices for the income obtained from foreign branches are taken into account as exemption in the Tax Statement according to Article 22 of the Avoidance of Double Taxation Treaty signed between Northern Cyprus and the Turkish Republic.

50% portion of the gains derived from the sale of immovable (from 5 December 2017) which have been acquired due to loans from the Bank under the scope of legal proceedings and 75% portion of participation shares, founder's shares, dividend right shares and pre-emption rights is tax exempt. In the scope of Article 5/1-e of Corporate Income Tax Law, 75% portion of the capital gains derived from the sale of participation shares held for at least two years are exempt from corporate taxation, providing that such gains are added to paid-in capital or held in a special fund account under liability for 5 years. In addition, within the scope of the "Law No. 7456 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375", the Corporate Tax exemption (Corporate Tax Law 5/1-e) on the sales gains of immovable properties held in assets for at least 2 years has been repealed. However, for the immovables acquired before the publication date of the Law (for the registered immovables in the assets of the institutions before 15 July 2023), the exemption rate will be applied as 25% for the gains obtained.

Tax returns are required to be declared and paid between the first and last day of the fourth month following the accounting period.

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

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XVIII. Explanations on Taxation (continued)

Corporate Tax (continued)

In accordance with the repeated Article 298 of the Tax Procedure Law, if the increase in the producer price index is more than 100% in the last 3 accounting periods including the current period and more than 10% in the current period, the financial statements will be subject to inflation adjustment and these conditions have been met as of 31 December 2021. However, with the "Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law" numbered 7352 published in the Official Gazette dated 29 January 2022 and numbered 31734, temporary article 33 was added to the Tax Procedure Law numbered 213 and regardless of whether the conditions for the inflation adjustment within the scope of article 298 are met in the 2021 and 2022 accounting periods (for those designated as special accounting periods, as of the accounting periods ending in 2022 and 2023), including the provisional tax periods, and in the provisional tax periods of the 2023 accounting period, that, financial statements will not be adjusted for inflation, it is stated that the financial statements as of 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, that the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years' profit/loss account, the previous year's profit determined in this way will not be subject to tax, and the previous year's loss will not be considered as a loss. In addition, the "Law on Amendments to Certain Laws and Decree Laws" numbered 7491 was published in the Official Gazette dated 28 December 2023 and Article 17 of this law regulates that banks, companies within the scope of Law No. 6361, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies shall not take into account the profit and loss arising from the inflation adjustment of 2024 and 2025 accounting periods (including temporary tax periods) in the corporate tax base.

On the other hand, with the Temporary Article 32 and repeated article 298/ç which were added to the Tax Procedure Law by the Law No. 7338, taxpayers within the scope of aforementioned articles were allowed to revalue their real estate and depreciable economic assets recorded in their balance sheets. In addition, with the Communiqué Amending the Tax Procedure Law General Communiqué (seriesno. 537) with series no. 547 published in the Official Gazette dated 14 January 2023 and numbered 32073, additional explanations have been introduced in the procedures and principles regarding the revaluation of real estate and economic assets subject to depreciation for taxpayers who, despite keeping books on the balance sheet basis, have to use different accounting techniques in terms of their fields of activity. Accordingly, the Bank made a revaluation of the immovable in its balance sheet and its depreciable economic assets, provided that the conditions in the Tax Procedure Law Temporary Article 32 and Repeated Article 298/ç are met. Thus, corporate tax will be paid according to the new depreciation expenses determined after revaluation of real estate and depreciable economic assets.

With the Law No. 7440 on the Restructuring of Certain Receivables and Amending Certain Laws published in the Official Gazette dated 12 March 2023 and numbered 32130, by the corporate taxpayers, by being shown in their corporate tax return for the year 2022, in accordance with the Law No. 5520 and the regulations in other laws, the exemption and discount amounts subject to deduction from corporate income and the bases subject to reduced corporate tax within the scope of Article 32/A of the same Law, an additional tax is calculated at the rate of 10% without being associated with the income for the period, and at the rate of 5% over the exempted earnings obtained from abroad with the exception regulated in subparagraph (a) of the first paragraph of Article 5 of the Law No. 5520 and proven to have at least 15% tax burden and the first instalment of this tax is paid within the payment period of the corporate tax, and the second instalment is paid in the fourth month following this period. However, there are detailed explanations regarding the application of additional tax in the General Communiqué of Law No. 7440 on Restructuring of Taxes and Some Other Receivables Serial No. 3 and explanations that the donations and aids that can be deducted from the corporate income within the scope of the aforementioned regulation are exempted in cases where Turkey is not entitled to tax within the scope of Avoidance of Double Tax Treaties or the mentioned earnings should be exempted in Turkey, the valuation differences between the Turkish Accounting Standards/Turkish Financial Reporting Standards and the provisions of the Tax Procedure Law, and the cancellation of the severance pay provision will not be included in the calculation of additional tax.

Deferred Tax Asset/Liability

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

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

XVIII. Explanations on Taxation (continued)

Deferred Tax Asset/Liability (continued)

In the scope of TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid. As of 31 December 2023, the deferred tax is calculated over 30% in accordance with the tax legislation in effect.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Deferred tax asset is calculated over temporary differences arisen from expected credit loss provision in line with TFRS 9 principles from 1 January 2018.

Deferred tax income balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

Transfer Pricing

Article 13 of the Corporate Tax Law contains detailed explanations on “concealed gain profit distribution through transfer pricing” and in this context, if the corporations purchase or sell goods or services with related parties at a price or price determined in violation of the arm's length principle, the profit is deemed to be distributed in whole or in part as disguised through transfer pricing. In the application of Corporate Tax laws, the earnings distributed in a disguised manner through transfer pricing in whole or in part are taken into consideration as the dividend distributed as of the last day of the accounting period in which the conditions in this article are met, or the amount transferred to the head office for limited taxpayers, and the earnings distributed in a disguised manner cannot be deducted in the determination of corporate income.

The “arm's length principle”, which forms the basis of the regulation on transfer pricing, means that the price or price applied in the purchase or sale of goods or services with related parties is in accordance with the price or price that would occur in the absence of such a relationship between them. In this sense, important issues such as related person, arm's length principle, arm's length price determination methods, which are handled within the scope of transfer pricing application, are included in detail in the Transfer Pricing communiqués published on the subject.

Corporate taxpayers are required to fill in the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization Form” for the purchase or sale of goods or services with related parties within an accounting period and submit it to the tax office in the annex of the corporate tax return.

XIX. Additional Explanations on Borrowings

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

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

XX. Explanations on Issued Equity Securities

There is no share issued in 2023.

XXI. Explanations on Bill Guarantees and Acceptances

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

XXII. Explanations on Government Incentives

There is no government incentive utilized by the Bank.

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XXIII. Explanations on Reporting According to Segmentation

The operating segments of the Bank include retail and private banking, SME banking, corporate banking, treasury and asset-liability management.

Retail and private banking lines of the Bank provide consumer loans, personal financing, housing, workplace and vehicle loans for customer needs related to general consumption, purchase of durable goods, and real estate. The Bank also provides account products like Marifetli, Fırsat and CEPTETEB along with the standard time deposit products to enable advantageous savings in different currencies and maturities. In regard to investment needs for customers, retail and private banking offers brokerage services for treasury bill transactions, government bonds, Eurobonds, foreign exchange purchases/sales, a wide range of investment funds, private pension funds and equity securities transactions. It also provides practical account, credit deposit account, automatic bill/regular payment options, safe-deposit boxes and insurance services beside credit and debit cards offering advantages in shopping and banking transactions. These products and services are provided to customers through widespread physical branches and ATM network and also via a 24/7 call center, internet and mobile banking.

Corporate banking provides financial solutions and banking services to large-scale local firms, holdings and their group companies, and multinational companies operating in Turkey. In addition to the bank deposit services provided to corporate customers, corporate banking also develops tailored solutions and products for standard cash and non-cash loans, investment loans, cash management services in line with customer needs and demands and foreign trade financing. Foreign exchange purchase and sale transactions, corporate financing services, derivative products and solutions to manage foreign exchange and interest rate risk and commodity financing are other services provided by the Bank. The Bank provides these services and products for its corporate customers via teams, located in its corporate branches and Head Office, who are specialized in foreign trade, cash management, structured finance and multinational companies. It also benefits from the global business network and expertise of BNP Paribas Group.

SME banking provides small and medium-sized enterprises with financial solutions and exclusive services for non-financial matters. The Bank, which specifically designed its services for different segments in the field of SME Banking, has developed solutions that are tailored to the needs of these segments. In addition to solutions developed for small and medium-sized enterprises, solutions were developed for agricultural producers, jewellers, female leaders and entrepreneurship segments and for SME Banking, Enterprise Banking, Agriculture Banking, Gold Banking, Women’s Banking and Entrepreneurship Banking. These solutions are provided on a larger scale based on the types of financial problems encountered by customers, and they are supported in non-financial matters via offering access to information, training and networks. At this point, the Bank does not only provide financial support to the SMEs but also provides the training and expertise they need to grow their business, strengthen their competitiveness and use their financing properly.

When determining the short, medium and long-term pricing strategy, Asset-Liability Management and the Treasury Group also manage the maturity mismatch, by adopting a principle foreseeing to work with a positive balance sheet margin. Spot and forward TL and foreign exchange purchase-sale transactions, treasury bill, government bond, and Eurobond purchase-sale transactions, and derivative product purchase/sale transactions are carried out under defined authorizations. The Bank also carries out activities related to providing medium and long-term funding, enabling funding at a price below the price reflecting the country risk price, diversifying funding resources, and creating an international investor base in this field.

The Financial Markets Group provides structured financial solutions to hedge foreign exchange/interest rate risks of customers and provides the most appropriate price for the market instruments offered to customers by monitoring market conditions.

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XXIII. Explanations on Reporting According to Segmentation (continued)

The details of the income statement and the balance sheet which the Bank operates as a business line:

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	25,869	25,869
Profit Before Tax	1,878,890	5,044,146	964,741	7,025,416	14,913,193
Tax Provision (-)	-	-	-	3,186,545	3,186,545
Net Profit for the Period	1,878,890	5,044,146	964,741	3,838,871	11,726,648
Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Segment Assets	68,214,361	88,506,389	45,401,615	204,517,628	406,639,993
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	279,026	279,026
Total Assets	68,214,361	88,506,389	45,401,615	204,796,654	406,919,019
Segment Liabilities	192,800,817	65,240,726	22,216,126	91,616,660	371,874,329
Shareholders' Equity	-	-	-	35,044,690	35,044,690
Total Liabilities	192,800,817	65,240,726	22,216,126	126,661,350	406,919,019
Prior Period (31.12.2022)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	15,843	15,843
Profit Before Tax	326,733	2,586,867	813,904	11,153,454	14,880,958
Tax Provision (-)	-	-	-	3,690,354	3,690,354
Net Profit for the Period	326,733	2,586,867	813,904	7,463,100	11,190,604
Prior Period (31.12.2022)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Segment Assets	48,234,746	64,166,177	31,186,936	131,443,516	275,031,375
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	116,041	116,041
Total Assets	48,234,746	64,166,177	31,186,936	131,559,557	275,147,416
Segment Liabilities	133,566,378	44,392,175	20,788,852	51,058,839	249,806,244
Shareholders' Equity	-	-	-	25,341,172	25,341,172
Total Liabilities	133,566,378	44,392,175	20,788,852	76,400,011	275,147,416

XXIV. Explanations on Other Matters

According to the decision taken at the Ordinary General Assembly Meeting of the Bank held on 28 March 2023, out of the net balance sheet profit for the year 2022 amounting to TL 11,190,604, TL 112,093 was allocated to Legal Reserves, TL 138,376 to Special Reserves, TL 1,119,060 to shareholders and TL 9,50 (full TL) was allocated to Extraordinary Reserves as recommended by the Board of Directors.

XXV. Reclassifications

Reclassifications have been made on the income statement and cash flow statement as of 31 December 2023 in order to comply with the presentation of 31 December 2022 financial statements. The related reclassification has no impact on the Bank performance.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Shareholders’ Equity

Equity amount and capital adequacy standard ratio has been calculated in accordance with the “Regulation on Banks’ Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to these, the BRSA’s regulations, dated 1 July 2021 and numbered 9645, dated 21 December 2021 and numbered 9996, 28 April 2022 and numbered 10188, 23 June 2022 and numbered 10248, dated 7 July 2022 and numbered 10265, dated 31 January 2023 and numbered 10496, dated 14 February 2023 and numbered 10508, dated 31 July 2023 and numbered 10630, and dated 24 August 2023 and numbered 10655. According to the latest regulation changes;

In the calculation of the amount subject to credit risk, the Central Bank’s foreign currency buying rates as of 30 December 2022 were used in accordance with the BRSA Board decision dated 31 January 2023 and numbered 10496, while calculating the valued amounts in foreign currency.

Within the scope of the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks published in the Official Gazette dated 23 October 2015 and numbered 29511, for the receivables of banks from the Central Government of the Republic of Turkey and issued in FC, 0% risk weight was applied in the calculation of the amount subject to credit risk in accordance with the Standard Approach.

In accordance with the BRSA Board Decision dated 1 July 2021 and numbered 9645, the risk weights of individual credit cards and consumer loans were changed. In consumer loans extended after the decision was taken, the risk weight was applied 100% instead of 75% for those with a remaining maturity of 1-12 months, and 150% instead of 75% for those with more than 1 year. Likewise, after the date of the decision, in individual credit cards; the risk weight was applied to 100% instead of 75% for those with 1-6 months to maturity, and 150% instead of 75% for those with 6 months or more.

With the Board decision dated 31 July 2023 and numbered 10630, the risk weights of general purpose loans (including overdraft accounts), personal credit cards (including credit card expenditures and cash withdrawals), vehicle loans for the acquisition of passenger cars to be extended to consumers and vehicle secured loans extended after 31 July 2023 were applied as 150%. (For overdraft accounts and credit cards, 150% was applied to the increase amount if there was an increase by looking at the end of the previous month.)

On the other hand, with respect to the decision dated 31 July 2023 and numbered 10630, it is stated that the Board Decision dated 1 July 2021 and numbered 9645 is abrogated for the loans extended as of 31 July 2023, and therefore, the decision dated 1 July 2021 and numbered 9645 remains valid for the loans extended before this date.

In accordance with the Board decision dated 21 December 2021 and numbered 9996, in case of the net valuation differences of the financial assets included in the portfolio of “Securities at Fair Value through Other Comprehensive Income” as of the decision date are negative, these differences have been calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756 and have not been taken into account in the amount of equity to be used for the capital adequacy ratio.

In accordance with the BRSA Board Decision dated 28 April 2022 and numbered 10188, two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision).

With the BRSA Board Decision of 23 June 2022 and numbered 10248, five hundred percent risk weight has been applied to commercial cash loans in TL and FC that will be extended to non-residents, excluding banks and financial institutions, after the date of the said Decision.

In addition, some regulations have been introduced regarding the use of loan by companies subject to independent auditing.

In case the companies fail to notify the bank of their documents in accordance with the board decision or give information contrary to the statement, pursuant to the decision numbered 10265 dated 7 July 2022, new cash commercial loans in TL should not be extended to the related companies and a risk weight of 500% should be applied to all TL-denominated cash commercial loans extended on or after 30 June 2022.

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FOR THE YEAR ENDED 31 DECEMBER 2023**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. I. Explanations Related to Components of Shareholders’ Equity (continued)

With the Board Decision dated 14 February 2023 and numbered 10508, credit disbursements of residents living in provinces in the earthquake/disaster zone after 6 February 2023 are exempted from the high risk application dated 28 April 2022, numbered 10188, and dated 1 July 2021 and numbered 9645, until 1 January 2024.

With the Board decision dated 24 August 2023 and numbered 10655, a risk weight of 150% was applied to loans collateralised by mortgages on residential real estate to be extended to consumers after the date of the decision for the purpose of housing them if they own at least one residence owned by themselves, their spouse or their children under the age of 18.

The Bank's current period equity amount calculated as of 31 December 2023 is TL 46,702,047 (31 December 2022: TL 35,975,066), and the capital adequacy standard ratio is 16.82% (31 December 2022: 18.60%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. Credit risk “standard approach” for banking accounts, market risk “standard method” for trading accounts, counterparty credit risk “fair value valuation method” for derivatives and repo transactions, credit valuation adjustment capital load “standard method” for over-the-counter derivative transactions method and operational risk were calculated using the “basic indicator method”.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity:

	Current Period 31.12.2023	Prior Period 31.12.2022
Common Equity Tier 1 Capital		
Paid-in capital to be entitled for compensation after all creditors	2,404,652	2,404,652
Share issued premiums	2,565	2,565
Reserves	20,756,668	10,750,554
Gains recognized in equity as per Turkish Accounting Standards (TAS)	177,939	783,777
Profit	11,726,648	11,190,604
Current Period's Profit	11,726,648	11,190,604
Prior Years' Profit	-	-
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	-	-
Common Equity Tier 1 Capital Before Deductions	35,068,472	25,132,152
Deductions from Common Equity Tier 1 Capital		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank Capital	-	-
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	245,320	-
Leasehold improvements on operational leases	71,433	44,823
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	798,777	433,685
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 value of Bank's liabilities	-	-
Net amount of defined-benefit plan assets	-	-
Direct and indirect investments of the Bank in its own Tier 1 Capital	-	-
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 in accordance with the second paragraph of the Provisional Article 2 of the Regulation on Banks' Equity)	-	-
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	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier 1 Capital	1,536,654	899,632
Total Common Equity Tier 1 Capital	33,531,818	24,232,520

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity: (continued)

	Current Period 31.12.2023	Prior Period 31.12.2022
ADDITIONAL TIER 1 CAPITAL		
Preferred stock not included in common equity and the related share premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (In the scope of Provisional Article 4)	-	-
Additional Tier 1 Capital Before Deductions	-	-
Deductions from Additional Tier 1 Capital		
Bank's direct or indirect investment on its own Tier 1 Capital	-	-
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of Common Equity Tier 1 Capital	-	-
The total of net long position of the direct or indirect investments in Additional Tier 1 Capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital	-	-
Other Items Determined by BRSA	-	-
Items to be deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
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 Bank Capital (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	-	-
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	33,531,818	24,232,520
TIER 2 CAPITAL		
Debt instruments and related issuance premiums defined by the BRSA	10,096,945	9,560,582
Debt instruments and related issuance premiums defined by the BRSA (Provisional Article 4)	-	-
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	3,082,754	2,204,969
Tier 2 Capital Before Deductions	13,179,699	11,765,551
Deductions From Tier 2 Capital		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of 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	-	-
Total Tier 2 Capital	13,179,699	11,765,551
Total Capital (The sum of Tier 1 and Tier 2 Capital)	46,711,517	35,998,071

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity: (continued)

	Current Period 31.12.2023	Prior Period 31.12.2022
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	330	886
Net book values of immovables exceeding 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 items to be defined by the BRSA	9,140	22,119
Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period		
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		
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	46,702,047	35,975,066
Total Risk Weighted Amounts	277,638,792	193,419,797
CAPITAL ADEQUACY RATIOS		
Common Equity Tier 1 Capital Adequacy Ratio (%)	12.08	12.53
Tier 1 Capital Adequacy Ratio (%)	12.08	12.53
Capital Adequacy Ratio (%)	16.82	18.60
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2.50	2.51
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%) (*)	0.00	0.01
c) Systemic significant bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	3.57	4.02
Amounts below the Excess Limits as per the Deduction Principles		
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	423,280	416,271
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)	2,410,400	1,599,145
Limits related to provisions considered in Tier Calculation		
General provisions for standard based receivables ((before ten thousand twenty-five limitation)	6,007,999	3,753,968
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3,082,754	2,204,969
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	-	-

(*) The cyclical capital buffer rate is written as 0.00 due to the two digits being shown in the note, our rate is full digit 0.0049 (31 December 2022: 0.0061).

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. Explanations Related to Components of Shareholders’ Equity (continued)

Explanations on Reconciliation of Capital Items to Balance Sheet:

	Current Period	Prior Period
Total capital per balance sheet	35,044,690	25,341,172
Hedging funds (effective portion)	(217,372)	(282,444)
Deductions made under regulation	(1,299,164)	(908,893)
Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income	3,664	82,685
Common Equity Tier 1 Capital	33,531,818	24,232,520
Additional Tier 1 Capital	-	-
Tier 1 Capital	33,531,818	24,232,520
Expected loss provision (Stage 1 and 2)	3,082,754	2,204,969
Debt Instruments Defined by the BRSA	10,096,945	9,560,582
Deductions made under regulation	(9,470)	(23,005)
Total Equity	46,702,047	35,975,066

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations Related to Components of Shareholders' Equity (continued)

Information Related to Debt Instruments Included in Equity Calculation:

All of the debt instruments included in equity calculation are issued by the Bank.

Issuer	TEB	TEB	TEB
Unique identifier of the debt instrument (e.g. CUSIP, ISIN)	XS1895575071(**)	XS2023308278	XS1973559484
Governing law(s) of the debt instrument	Turkey	Turkey	Turkey
Consideration in Equity Calculation			
Subject to 10% deduction as of 1/1/2015	No	No	No
Eligible at unconsolidated/consolidated/consolidated and unconsolidated	Available	Available	Available
Type of the debt instrument	Borrowing instrument	Borrowing instrument	Borrowing instrument
Amount recognized in regulatory capital (TL Currency in mil, as of most recent reporting date)	4,919.39	3,235.97	1,941.58
Par value of debt instrument (TL Currency in mil)	6,149.24	3,235.97	1,941.58
Accounting classification of the debt instrument	34701100	34701100	34701100
Original date of issuance	5.11.2018	22.07.2019	14.05.2019
Perpetual or dated (Demand/Time)	Time	Time	Time
Original maturity date	5.11.2028	23.07.2029	14.05.2029
Issuer call subject to prior supervisory approval	Available	Available	Available
Optional call date, contingent call dates and redemption amount	6.05.2024	22.07.2024	14.05.2024
Subsequent call dates, if applicable	-	-	-
Interest / dividend payments			
Fixed or floating dividend/coupon	Fixed	Floating	Floating
Coupon rate and any related index	SOFR +7.32%	6mEuribor+7.10%	6mEuribor+7.10%
Existence of a dividend stopper	None	None	None
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	None	None	None
Noncumulative or cumulative	None	None	None
Convertibility of equity shares			
If convertible, conversion trigger(s)	-	-	-
If convertible, fully or partially	-	-	-
If convertible, conversion rate	-	-	-
If convertible, mandatory or optional conversion	-	-	-
If convertible, specify instrument type convertible into	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-
Write-down feature			
If write-down, write-down trigger(s)	-	-	-
If write-down, full or partial	-	-	-
If write-down, permanent or temporary	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to the debt instrument)	deposit and other receivables	deposit and other receivables	deposit and other receivables
Whether conditions which stands in Article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess	Possess	Possess
According to Article 7 and 8 of Banks' shareholders equity law that are not possessed (*)	-	-	-

(*) Under Article 8/2 in subsection (ğ) mechanism of write-down or conversion to common shares are stated.

(**) Since the remaining maturity is less than five years, it has been reduced by 20% and included in Tier II capital.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk

Credit risk is the risk and financial loss that the Bank is a party in a contract whereby the counterparty fails to meet its obligation partially or on time and causes to incur a financial loss.

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

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

As prescribed in the Communiqué numbered 29750 dated 22 June 2016 on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves", the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statements of accounts for the loans are derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

A restructuring is defined as the privilege due to the borrower's encountered or likely to encountered financial difficulties. The privileges granted to the borrower assumed to be in financial difficulty are;

- A change in the terms and conditions of the loan or
- Partially or completely refinancing of the loan in favour of the debtor.

In order to be subject to restructuring, the firm must be confronted with the difficulty of payment. The difficulty should be supported by concrete developments or findings. Each restructuring request is evaluated on transaction basis by the authorized credit allocation unit according to the activity of the firm, the income generation structure by the sectoral operation.

Restructuring of the loans supported by Credit Guarantee Fund ("CGF loans") is evaluated in accordance with the current legislation. The principles regarding to restructuring of Treasury-Back CGF loans in the scope of 11 October 2018 dated Presidential Decree are taken into account.

In accounting practice, loans whose collection of principal or interest payments is delayed for more than 30 days from their due dates or due dates for various reasons, but which do not meet the delay period requirement for classification as a Group III loan as specified in the "Regulation on Procedures and Principles for Classification of Loans and the Provisions to be Set Aside" published in the Official Gazette dated 22 June 2016 and numbered 29750, are considered as "past-due loan", all receivables specified in the groups III, IV and V specified in the same Regulation are considered as "impaired" loans in the application of this Regulation, regardless of whether the accrued interest and interest-like burdens on the borrower are added to the principal or refinanced.

The Bank provides specific reserves to Group III, IV and V loans in accordance with "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside".

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk (continued)

In the calculation of the amount subject to credit risk, the Central Bank's foreign currency buying rates as of 31 December 2023 were used in accordance with the BRSA Board decision dated 30 December 2022 and numbered 10496, while calculating the valued amounts in foreign currency.

In accordance with the Standard Approach, 0% risk weight is used in the calculation of the amount subject to credit risk for FC receivables of Banks which are from Republic of Turkey Central Management within the scope of Regulation on Measurement and Assessment of Capital Adequacy of Banks published on the Official Gazette dated 23 October 2015 and numbered 29511.

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

Exposure Classifications	Current Period Risk Amount (*)	Average Risk Amount (*, **)
Conditional and unconditional receivables from central governments or central banks	1,753,945	1,750,918
Conditional and unconditional receivables from regional or local governments	188,950	290,084
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	7,715,780	7,887,743
Conditional and unconditional corporate receivables	92,350,237	87,570,883
Conditional and unconditional retail receivables	52,043,768	47,775,967
Conditional and unconditional secured mortgage receivables	8,704,832	7,859,562
Past due receivables	433,930	517,831
Receivables defined in high-risk category by BRSA	78,023,654	53,867,622
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	7,473,986	7,308,308
Investments in equities	392,622	347,018

(*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(**) Average risk amount is calculated by taking the arithmetic average of balances on quarterly prepared to the end of the month.

Exposure Classifications	Prior Period Risk Amount (*)	Average Risk Amount (*, **)
Conditional and unconditional receivables from central governments or central banks	1,463,903	1,170,303
Conditional and unconditional receivables from regional or local governments	439,202	646,905
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	5,345,679	5,572,903
Conditional and unconditional corporate receivables	79,242,939	80,162,767
Conditional and unconditional retail receivables	37,135,258	39,135,056
Conditional and unconditional secured mortgage receivables	7,191,704	7,236,452
Past due receivables	592,650	819,267
Receivables defined in high-risk category by BRSA	42,023,046	19,599,650
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	5,706,231	2,984,584
Investments in equities	369,867	309,389

(*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(**) Average risk amount is calculated by taking the arithmetic average of balances prepared to the end of the month.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk (continued)

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

The fulfillment of the benefits and proceeds related to forward transactions can be realized at maturity. However, in order to minimize the risk, back-to-back positions of existing risks are entered into the market due to necessity.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the loans and other receivables, which are restructured from loans and rescheduled, are not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are considered to be not material to the financial structure of the Bank.

The Bank does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of 31 December 2023, the receivables of the Bank from its top 100 and top 200 cash loan share in total cash loans are respectively 29.43% and 38.34% (31 December 2022: 29.80% and 38.85%).

As of 31 December 2023, the receivables of the Bank from its top 100 and top 200 non-cash loan share are 73.70% and 82.48% respectively in the total non-cash loans (31 December 2022: 72.37% and 81.70%).

As of 31 December 2023, the share of cash and non-cash receivables of the Bank from its top 100 and top 200 loan customers in total balance sheet and off-balance sheet assets is 10.42% and 13.27%, respectively (31 December 2022: 9.75% and 12.70%).

As of 31 December 2023, the general loan loss provision related with the credit risk taken by the Bank is TL 6,007,999 (31 December 2022: TL 3,753,968).

Credit Rating System

Credit risk is evaluated according to the internal rating system of the Bank, which is linked to the rating scale, and loans are classified from the best rating to the lowest rating according to the probability of default. As of 31 December 2023, Retail, Business and Agricultural Banking loans are excluded from the internal rating system of the Bank and these loans constitute 25.75% of the total cash and non-cash loan portfolio (31 December 2022: 25.53%). Application and behavioral scorecards are used for the Individual and Business segments, however behavioral scorecard is used for the Agricultural segment.

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

Category	Description of Category	Share in the Total % 31.12.2023	Share in the Total % 31.12.2022
1 st Category	The borrower has a very strong financial structure	53.78	55.20
2 nd Category	The borrower has a good financial structure	37.27	34.28
3 rd Category	The borrower has an intermediate level of financial structure	6.66	7.77
4 th Category	The financial structure of the borrower must be closely monitored in the medium term	2.29	2.75
Total		100.00	100.00

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Profile of Significant Exposures in Major Regions:

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Current Period																		
Domestic	186,676	187,352	-	-	-	5,683,687	65,450,631	45,425,337	7,610,960	391,256	77,733,528	-	-	-	-	7,168,540	392,622	210,230,589
European Union																		
Countries	-	-	-	-	-	339,115	757	17,595	399	164	1,305	-	-	-	-	3,334	-	362,669
OECD Countries (*)	-	-	-	-	-	66,432	-	1,864	-	52	318	-	-	-	-	-	-	68,666
Off-Shore Banking																		
Regions	-	-	-	-	-	20	-	291	4	-	-	-	-	-	-	-	-	315
USA, Canada	-	-	-	-	-	149,601	-	1,537	46	37	319	-	-	-	-	-	-	151,540
Other Countries	1,567,269	-	-	-	-	28,467	408,103	106,381	28,458	4,512	288,184	-	-	-	-	23,082	-	2,454,456
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	279,026	-	279,026
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities (**)	-	1,598	-	-	-	1,448,458	26,490,746	6,490,763	1,064,965	37,909	-	-	-	-	-	4	-	35,534,443
Total	1,753,945	188,950	-	-	-	7,715,780	92,350,237	52,043,768	8,704,832	433,930	78,023,654	-	-	-	-	7,473,986	392,622	249,081,704

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

(**) Includes assets and liability items that cannot be allocated on a consistent basis.

(***) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Profile of Significant Exposures in Major Regions: (continued)

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Prior Period																		
Domestic	149,252	437,399	-	-	-	3,468,819	57,855,226	32,392,034	6,414,530	555,695	41,901,462	-	-	-	-	5,562,367	369,867	149,106,651
European Union Countries	-	-	-	-	-	267,714	161	11,669	1,130	28	1,381	-	-	-	-	278	-	282,361
OECD Countries(*)	-	-	-	-	-	149,828	-	1,500	19	29	618	-	-	-	-	1,155	-	153,149
Off-Shore Banking Regions	-	-	-	-	-	14	-	39	12	-	-	-	-	-	-	-	-	65
USA, Canada	-	-	-	-	-	388,804	175	1,470	103	45	118	-	-	-	-	-	-	390,715
Other Countries	1,314,651	-	-	-	-	50,349	482,102	84,377	71,466	3,565	119,467	-	-	-	-	25,315	-	2,151,292
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,041	-	116,041
Unallocated Assets																		
Liabilities (**)	-	1,803	-	-	-	1,020,151	20,905,275	4,644,169	704,444	33,288	-	-	-	-	-	1,075	-	27,310,205
Total	1,463,903	439,202	-	-	-	5,345,679	79,242,939	37,135,258	7,191,704	592,650	42,023,046	-	-	-	-	5,706,231	369,867	179,510,479

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

(**) Includes assets and liability items that cannot be allocated on a consistent basis.

(***) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Risk profile by Sectors or Counterparties:

Exposure Categories (**)																				
Current Period	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	TL (*)	FC	Total
Agriculture	-	-	-	-	-	-	997,534	1,475,196	367,190	19,748	87,665	-	-	-	-	-	-	2,429,445	517,888	2,947,333
Farming and Stockbreeding	-	-	-	-	-	-	560,456	1,471,976	365,653	19,503	87,665	-	-	-	-	-	-	2,423,989	81,264	2,505,253
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	437,078	3,220	1,537	245	-	-	-	-	-	-	-	5,456	436,624	442,080
Manufacturing	-	-	-	-	-	-	55,896,876	11,671,280	3,232,091	71,589	21,427,906	-	-	-	-	44	-	60,687,349	31,612,437	92,299,786
Mining and Quarrying	-	-	-	-	-	-	2,927,840	571,420	91,015	2,389	15,414	-	-	-	-	-	-	1,916,284	1,691,794	3,608,078
Production	-	-	-	-	-	-	51,518,360	11,055,829	2,748,581	66,839	19,880,517	-	-	-	-	44	-	56,399,403	28,870,767	85,270,170
Electricity, Gas and Water	-	-	-	-	-	-	1,450,676	44,031	392,495	2,361	1,531,975	-	-	-	-	-	-	2,371,662	1,049,876	3,421,538
Construction	-	-	-	-	-	-	5,830,496	1,235,517	407,283	42,885	83,016	-	-	-	-	-	-	2,790,638	4,808,559	7,599,197
Services	1,753,945	188,950	-	-	-	7,715,780	28,929,245	12,710,268	4,238,059	141,213	14,157,675	-	-	-	-	7,473,722	392,622	54,082,520	23,618,959	77,701,479
Wholesale and Retail Trade	-	10,265	-	-	-	-	11,829,886	6,844,161	1,384,596	45,618	2,711,900	-	-	-	-	74	2,786	19,212,392	3,616,894	22,829,286
Accommodation and Dining	-	-	-	-	-	-	394,451	796,756	570,704	43,811	31,448	-	-	-	-	-	-	1,200,327	636,843	1,837,170
Transportation and Telecom.	-	-	-	-	-	-	5,388,797	2,772,961	1,121,491	14,352	1,088,176	-	-	-	-	9	-	6,029,605	4,356,181	10,385,786
Financial Institutions	1,753,945	-	-	-	-	7,715,780	4,602,221	106,208	122,146	136	6,210	-	-	-	-	7,473,355	389,836	12,620,911	9,548,926	22,169,837
Real Estate and Rental Services	-	-	-	-	-	-	5,371,743	1,369,144	829,579	28,976	350,675	-	-	-	-	90	-	3,300,969	4,649,238	7,950,207
Self-Employment Services	-	-	-	-	-	-	1,301,186	766,290	205,190	8,230	1,248,629	-	-	-	-	-	-	2,724,301	805,224	3,529,525
Educational Services	-	-	-	-	-	-	17,756	52,238	4,353	90	32,297	-	-	-	-	173	-	101,254	5,653	106,907
Health and Social Services	-	178,685	-	-	-	-	23,205	2,510	-	-	8,688,340	-	-	-	-	21	-	8,892,761	-	8,892,761
Other	-	-	-	-	-	-	696,086	24,951,507	460,209	158,495	42,267,392	-	-	-	-	220	-	68,182,952	350,957	68,533,909
Total	1,753,945	188,950	-	-	-	7,715,780	92,350,237	52,043,768	8,704,832	433,930	78,023,654	-	-	-	-	7,473,986	392,622	188,172,904	60,908,800	249,081,704

(*) Foreign Currency indexed credits are shown in TL column.

(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Risk profile by Sectors or Counterparties: (continued)

Prior Period	Exposure Categories (**)																
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities
																TL (*)	FC
Agriculture	-	-	-	-	-	-	588,419	712,023	235,033	43,252	771,794	-	-	-	-	-	2,028,385
Farming and Stockbreeding	-	-	-	-	-	-	311,164	704,202	234,720	42,785	771,794	-	-	-	-	-	322,136
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,350,521
Fishery	-	-	-	-	-	-	277,255	7,821	313	467	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	51,355,135	7,590,674	2,704,201	82,805	10,488,896	-	-	-	-	5	13,314
Mining and Quarrying	-	-	-	-	-	-	2,928,684	317,748	75,173	4,292	75,347	-	-	-	-	-	272,542
Production	-	-	-	-	-	-	46,509,141	7,235,659	2,351,492	75,737	10,251,137	-	-	-	-	-	285,856
Electricity, Gas and Water	-	-	-	-	-	-	1,917,310	37,267	277,536	2,776	162,412	-	-	-	-	-	48,349,606
Construction	-	-	-	-	-	-	4,070,989	918,640	300,473	112,081	92,325	-	-	-	-	-	23,872,110
Services	1,463,903	439,202	-	-	-	5,345,679	21,097,604	8,832,669	3,172,913	195,614	4,578,822	-	-	-	-	5,706,005	72,221,716
Wholesale and Retail Trade	-	15,060	-	-	-	-	7,479,109	4,609,448	975,323	68,956	2,454,168	-	-	-	-	12	3,401,244
Accommodation and Dining	-	-	-	-	-	-	378,111	552,655	842,516	45,254	14,720	-	-	-	-	9	3,602,076
Transportation and Telecom.	-	-	-	-	-	-	4,465,411	1,957,587	487,661	24,488	596,686	-	-	-	-	2	1,833,265
Financial Institutions	1,463,903	-	-	-	-	5,345,679	2,711,604	79,051	113,337	801	5,299	-	-	-	-	5,705,724	7,531,835
Real Estate and Rental Services	-	-	-	-	-	-	4,821,785	1,121,257	536,455	46,786	443,946	-	-	-	-	87	4,755,445
Self-Employment Services	-	-	-	-	-	-	1,158,229	459,194	214,123	9,241	35,003	-	-	-	-	-	3,301,898
Educational Services	-	-	-	-	-	-	6,605	49,594	3,438	85	146	-	-	-	-	150	3,668,418
Health and Social Services	-	424,142	-	-	-	-	76,750	3,883	60	3	1,028,854	-	-	-	-	21	6,970,316
Other	-	-	-	-	-	-	2,130,792	19,081,252	779,084	158,898	26,091,209	-	-	-	-	221	1,875,790
Total	1,463,903	439,202	-	-	-	5,345,679	79,242,939	37,135,258	7,191,704	592,650	42,023,046	-	-	-	-	5,706,231	44,633,685

(*) Foreign Currency indexed credits are shown in TL column.

(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk (continued)

Analysis of Maturity-Bearing Exposures According to Remaining Maturities:

Current Period	Term to Maturity				
Exposure Categories	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and unconditional exposures to central governments or central banks	1,753,945	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	1,198	6,223	5,654	31,100	143,120
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	702,949	120,606	75,930	544,690	3,184,661
Conditional and unconditional exposures to corporates	6,568,643	16,246,476	3,164,450	26,204,602	13,652,727
Conditional and unconditional retail exposures	20,773,427	2,530,172	5,978,551	7,765,916	8,487,186
Conditional and unconditional exposures secured by real estate property	384,927	669,624	1,038,145	1,979,825	3,612,718
Past due receivables	-	-	-	-	-
Receivables defined in high-risk category by BRSA	1,906,812	6,826,609	7,065,567	24,523,443	37,701,224
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporate	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	49,659	-	-	-	-
Investments in equities	353,806	-	-	-	38,816
Total	32,495,366	26,399,710	17,328,297	61,049,576	66,820,452

Prior Period	Term to Maturity				
Exposure classifications	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Conditional and unconditional exposures to central governments or central banks	1,463,903	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	1,596	5,745	4,175	112,250	313,539
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	1,571,861	779,678	567,668	160,873	238,563
Conditional and unconditional exposures to corporates	5,585,285	14,972,902	6,919,415	17,449,533	13,397,568
Conditional and unconditional retail exposures	12,780,116	1,529,201	3,377,050	7,638,805	7,157,759
Conditional and unconditional exposures secured by real estate property	227,276	602,021	793,502	1,562,971	3,330,044
Past due receivables	-	-	-	-	-
Receivables defined in high-risk category by BRSA	-	-	-	2,770,687	39,252,358
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	19,336	-	-	-	-
Investments in equities	331,051	-	-	38,816	-
Total	21,980,424	17,889,547	11,661,810	29,733,935	63,689,831

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to Credit Risk (continued)

Information About the Risk Exposure Categories:

The credit rating of Fitch Ratings International Rating Agency is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and 50% risk weight is used for receivables with a maturity period of more than 3 months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

Credit Quality Level	Fitch Ratings Long-Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables(*)
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA to AA-	0%	20%	50%	100%
2	A+ to A-	20%	20%	50%	100%
3	BBB+ to BBB-	50%	50%	50%	100%
4	BB+ to BB-	100%	100%	100%	100%
5	B+ to B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

(*) In accordance with the Board Decisions numbered 10188 dated 28 April 2022 and numbered 10265 dated 7 July 2022, 200% and 500% risk weights are applied to Corporate Receivables.

Exposures by risk weights:

Current Period

Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	500%	Deductions from Equity
Exposures before Credit Risk Mitigation	133,481,088	-	6,193,055	-	5,284,264	18,416,646	61,091,586	107,132,766	27,220,272	17,569,671	-	427,156	1,300,804
Exposures after Credit Risk Mitigation	134,201,090	-	6,491,716	-	5,284,264	19,292,759	59,199,966	104,276,851	27,228,661	17,569,671	-	427,156	1,300,804

Prior Period

Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	500%	Deductions from Equity
Exposures before Credit Risk Mitigation	81,064,875	-	8,980,653	-	4,308,592	15,055,848	40,235,889	91,905,546	17,187,471	7,783,236	-	148,740	922,636
Exposures after Credit Risk Mitigation	82,566,973	-	9,150,093	-	4,308,592	15,477,553	38,455,876	89,042,075	17,191,354	7,783,236	-	148,740	922,636

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Credit Risk (continued)

Information in Terms of Major Sectors and Type of Counterparties:

Current Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provision (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors / Counterparties			
Agriculture	236,546	62,244	44,741
Farming and Stockbreeding	236,524	59,195	42,190
Forestry	-	750	666
Fishery	22	2,299	1,885
Manufacturing	3,163,555	227,563	624,715
Mining and Quarrying	297,157	5,115	8,598
Production	2,864,782	215,579	611,802
Electricity, Gas and Water	1,616	6,869	4,315
Services	3,003,158	790,362	1,170,647
Wholesale and Retail Trade	915,354	382,255	303,664
Accommodation and Dining	1,008,457	98,946	375,746
Transportation and Telecom.	272,364	21,580	26,364
Financial Institutions	409,763	1,556	248,087
Real Estate and Rental Services	318,001	241,178	181,861
Self Employed Services	60,608	29,045	20,765
Educational Services	2,530	2,458	2,404
Health and Social Services	16,081	13,344	11,756
Other	8,590,367	1,101,036	4,191,643
Total	14,993,626	2,181,205	6,031,746

Prior Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provision (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors / Counterparties			
Agriculture	51,954	93,494	59,406
Farming and Stockbreeding	51,828	89,091	56,490
Forestry	-	1,832	1,158
Fishery	126	2,571	1,758
Manufacturing	2,054,591	287,362	544,148
Mining and Quarrying	33,962	8,303	8,572
Production	2,018,226	270,548	530,003
Electricity, Gas and Water	2,403	8,511	5,573
Services	2,529,638	1,118,310	1,333,865
Wholesale and Retail Trade	591,197	588,531	458,638
Accommodation and Dining	1,055,013	109,604	322,890
Transportation and Telecom.	262,237	42,098	76,362
Financial Institutions	235,113	6,141	177,101
Real Estate and Rental Services	353,689	272,980	214,551
Self Employed Services	25,573	40,345	34,779
Educational Services	4,833	8,583	6,040
Health and Social Services	1,983	50,028	43,504
Other	6,716,459	1,126,726	2,373,526
Total	11,352,642	2,625,892	4,310,945

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II. Explanations Related to Credit Risk (continued)

Information about Value Adjustment and Change in Provisions

	31.12.2022 Balance	Provision for Period	Provision Reversals	Written off from Asset	Other Adjustments (*)	31.12.2023 Balance
Default (Stage III)	2,025,975	640,244	(372,584)	(627,391)	31,407	1,697,651
Expected Credit Loss (Stage I-II)	3,753,968	4,185,709	(2,875,530)	-	943,852	6,007,999

(*) Determined according to currency differences, business merger, acquisition, and disposition of affiliate company.

	31.12.2021 Balance	Provision for the Period	Provision Reversal	Written off from Asset	Other Adjustments (*)	31.12.2022 Balance
Default (Stage III)	2,303,806	1,101,583	(641,285)	(757,322)	19,193	2,025,975
Expected Credit Loss (Stage I-II)	2,117,698	2,058,272	(736,307)	-	314,305	3,753,968

(*) Determined according to currency differences, business merger, acquisition, and disposition of affiliate company.

III. Risks Involved in Counter-Cyclical Capital Buffer Calculation

Current Period

Countries where the risk ultimately taken	Private sector loans in banking accounts	Risk weighted amounts calculated in trading accounts	Total
Turkey	232,395,309	1,908,950	234,304,259
TRNC	886,361	-	886,361
Switzerland	48,510	-	48,510
United Kingdom	8,667	-	8,667
Germany	6,128	-	6,128
Netherlands	2,633	-	2,633
Other	23,032	-	23,032
	233,370,640	1,908,950	235,279,590

Prior Period

Countries where the risk ultimately taken	Private sector loans in banking accounts	Risk weighted amounts calculated in trading accounts	Total
Turkey	164,406,619	2,898,511	167,305,130
TRNC	648,735	-	648,735
Egypt	156,927	-	156,927
Switzerland	7,549	-	7,549
Germany	5,085	-	5,085
United Kingdom	3,600	-	3,600
United Arab Emirates	2,532	-	2,532
Other	19,963	-	19,963
	165,251,010	2,898,511	168,149,521

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IV. Explanations Related to Currency Risk

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

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

As an element of the Bank's risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

Asset Liability Management and Treasury Department of the Bank is responsible for the management of Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Bank's Asset-Liability Committee on a weekly basis.

As of 31 December 2023, the Bank's balance sheet short position is TL 16,277,619 (31 December 2022: TL 10,826,155 short position) off-balance sheet long position is TL 19,027,263 (31 December 2022: TL 6,325,402 long position) and as a result net foreign currency short position is TL 2,749,644 (31 December 2022: net TL 4,500,753 short position).

The announced current foreign exchange buying rates of the Bank at 31 December 2023 and the previous five working days in full TL are as follows:

	25.12.2023	26.12.2023	27.12.2023	28.12.2023	29.12.2023	31.12.2023
USD	29.0700	29.1704	29.2199	29.2927	29.2821	29.2821
EURO	32.0148	32.1428	32.3522	32.4769	32.3597	32.3597

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

	Monthly Average Foreign Buying Rate
USD	28.9392
EURO	31.5752

Information on the foreign currency risk of the Bank:

The Bank is exposed to foreign currency risk in large amounts in EURO and USD.

The table below shows the Bank's sensitivity to a 10% change in USD and EURO rates. The rate of 10% used is the rate used to report the currency risk to the senior management within the Bank, and this rate represents the possible change expected by the management in exchange rates. 10% depreciation of USD and EURO against TL affects profit and equity amounts positively in the case of a short position and negatively in the case of a long position.

Change in FX Rate (%)		Effect on Profit / Loss	Effect on Equity (*)
		31 December 2023	31 December 2023
USD	10 increase	176,643	(364)
USD	10 decrease	(176,643)	364
EURO	10 increase	1,471	7,889
EURO	10 decrease	(1,471)	(7,889)
Change in FX Rate (%)		Effect on Profit / Loss	Effect on Equity (*)
		31 December 2022	31 December 2022
USD	10 increase	107,311	(2,504)
USD	10 decrease	(107,311)	2,504
EURO	10 increase	(14,020)	6,272
EURO	10 decrease	14,020	(6,272)

(*) The effect on equity does not include the effect of the change in exchange rates on the income statement.

The sensitivity of the Bank to the changes in the exchange rates did not change significantly in the current period. Opening or closing positions in line with market expectations may increase the sensitivity to changes in the period's exchange rates.

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IV. Explanations Related to Currency Risk (continued)

Information on the Bank's currency risk:

Current Period	EURO	USD	Other FC	Total
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽¹⁾	30,844,064	27,985,165	5,053,556	63,882,785
Banks ⁽²⁾	1,050,538	823,590	3,672,832	5,546,960
Financial Assets at Fair Value Through Profit or Loss	8,477	651,850	-	660,327
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	2,507,612	142,031	72,678	2,722,321
Loans ⁽³⁾	41,738,914	12,646,047	2,858,389	57,243,350
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Financial Assets Measured at Amortised Cost ⁽⁴⁾	5,859,133	8,819,183	-	14,678,316
Derivative Financial Assets for Hedging Purposes ⁽⁵⁾	153,805	148,949	-	302,754
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽⁶⁾	365,870	610,447	84,221	1,060,538
Total Assets	82,528,413	51,827,262	11,741,676	146,097,351
Liabilities				
Bank Deposits	4,037	-	1,950	5,987
Foreign Currency Deposits ⁽⁷⁾	36,712,469	44,689,703	17,882,736	99,284,908
Money Market Funds	13,679,995	14,429,847	-	28,109,842
Funds Provided from Other Financial Institutions	15,298,857	16,166,472	-	31,465,329
Securities Issued	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities ⁽⁸⁾	2,357,317	1,031,525	120,062	3,508,904
Total Liabilities	68,052,675	76,317,547	18,004,748	162,374,970
Net Balance Sheet Position				
Net Off-Balance Sheet Position ⁽¹¹⁾	14,475,738	(24,490,285)	(6,263,072)	(16,277,619)
Financial Derivative Assets ⁽⁹⁾	(14,152,998)	26,957,755	6,222,506	19,027,263
Financial Derivative Liabilities ⁽⁹⁾	41,407,709	69,038,258	10,300,564	120,746,531
Non-Cash Loans ⁽¹⁰⁾	55,560,707	42,080,503	4,078,058	101,719,268
	27,122,681	25,955,219	9,204,012	62,281,912
Prior Period				
Total Assets				
Total Liabilities	46,543,447	33,702,860	10,802,162	91,048,469
Net Balance Sheet Position	42,318,412	46,012,002	13,544,210	101,874,624
Net Off-Balance Sheet Position	4,225,035	(12,309,142)	(2,742,048)	(10,826,155)
Financial Derivative Assets ⁽⁹⁾	(5,220,634)	9,769,785	1,776,251	6,325,402
Financial Derivative Liabilities ⁽⁹⁾	32,515,163	58,915,548	8,465,255	99,895,966
Non-Cash Loans ⁽¹⁰⁾	37,735,797	49,145,763	6,689,004	93,570,564
Bank Deposits	17,515,996	19,249,329	4,549,939	41,315,264

(1) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye TL 11,729 (31 December 2022: TL 5,950) includes the balances of expected credit losses.

(2) The banks include TL 39,955 (31 December 2022: TL 17,100) of expected credit loss provisions.

(3) Foreign currency indexed loans amounting to TL 47,557 (31 December 2022: TL 59,195) are included in the loan portfolio. It includes TL 2,071,833 (31 December 2022: TL 1,364,418) amounting to expected credit loss.

(4) Financial assets at amortized cost includes expected credit loss amounting to TL 3,303 (31 December 2022: TL 2,163).

(5) There is no derivative financial instruments rediscount income deducted from derivative financial assets line for hedging purposes (31 December 2022: None).

(6) TL 574,412 (31 December 2022: TL 711,819) income accruals from derivative financial instruments are deducted from other assets.

(7) Precious metal accounts amounting to TL 12,519,232 (31 December 2022: TL 9,500,243) are included in the foreign currency deposits.

(8) TL 546,042 (31 December 2022: TL 529,899) expense accruals from derivative financial instruments are deducted from other liabilities.

(9) Forward asset and marketable securities purchase-sale commitments of TL 4,655,233 (31 December 2022: TL 2,836,459) are added to derivative financial assets and TL 3,776,883 (31 December 2022: TL 2,213,443) has been added to derivative financial assets.

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

(11) As of 10 December 2022, with the amendment made in the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis" with the decision numbered 32039; As of 9 January 2023, delta equivalents have been taken into account by multiplying the nominal value of the currency option with the delta value in the calculation of the net foreign currency position.

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V. Explanations Related to Interest Rate Risk

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

The priority of the risk management department is to protect from interest rate volatility. Duration, maturity and sensitivity analysis performed within this context are calculated by the risk management department and reported to the Liquidity Risk and Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted macroeconomic indicators used in the budget of the Bank.

The Bank management monitors the market interest rates on a daily basis and revises the interest rates of the Bank when necessary.

The Bank carries interest rate risk within the legal and internal limits and manages the interest rate risk in accordance with the bank's risk appetite.

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Current Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	17,283,685	-	-	-	-	87,184,067	104,467,752
Banks ⁽³⁾	3,896,162	-	-	-	-	3,253,083	7,149,245
Financial Assets at Fair Value Through Profit or Loss	7,375	4,538	134,884	293,162	148,506	424,106	1,012,571
Money Market Placements ⁽⁴⁾	12,243,739	-	-	-	-	(798)	12,242,941
Financial Assets at Fair Value Through Other Comprehensive Income	2,936,500	539,223	800,806	3,466,575	-	82,335	7,825,439
Loans ⁽⁵⁾	36,498,266	33,858,878	83,178,669	53,049,601	1,118,859	(4,537,671)	203,166,602
Financial Assets Measured at Amortised Cost ⁽⁶⁾	6,603,672	12,999,218	7,003,976	12,130,606	10,553,986	(11,090)	49,280,368
Other Assets	95,871	766,283	478,556	967,730	248,749	19,216,912	21,774,101
Total Assets	79,565,270	48,168,140	91,596,891	69,907,674	12,070,100	105,610,944	406,919,019
Liabilities							
Bank Deposits	2,248,143	-	-	-	-	329,106	2,577,249
Other Deposits	136,883,142	25,173,681	14,920,246	54,965	-	105,136,553	282,168,587
Money Market Funds	21,312,539	6,797,303	-	-	-	-	28,109,842
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	4,180,414	11,488,641	8,813,053	7,095,456	-	-	31,577,564
Other Liabilities	12,777	72,552	202,499	900,067	155,868	61,142,014	62,485,777
Total Liabilities	164,637,015	43,532,177	23,935,798	8,050,488	155,868	166,607,673	406,919,019
Balance Sheet Long Position	-	4,635,963	67,661,093	61,857,186	11,914,232	-	146,068,474
Balance Sheet Short Position	(85,071,745)	-	-	-	-	(60,996,729)	(146,068,474)
Off-Balance Sheet Long Position	1,617,985	563,163	137,881	-	-	-	2,319,029
Off-Balance Sheet Short Position	-	-	-	(1,903,500)	-	-	(1,903,500)
Total Position	(83,453,760)	5,199,126	67,798,974	59,953,686	11,914,232	(60,996,729)	415,529

(1) The expected loss provisions are presented under the "Non-Interest Bearing" column.

(2) Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye include expected loss provisions amounting of TL 16,786.

(3) The banks include TL 45,340 of expected loss provisions.

(4) Money Market Placement includes expected credit losses amounting to TL 798.

(5) The revolving loans amounting to TL 22,812,905 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 6,718,876.

(6) Financial assets at amortized cost includes expected credit loss amounting to TL 11,090.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL 1,933,104 intangible assets amounting to TL 1,269,693, assets held for sale amounting to TL 82,060, subsidiaries amounting to TL 279,021 and entities under common control joint venture amounting to TL 5, while other liabilities line includes the shareholders' equity of TL 35,044,690.

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V. Explanations Related to Interest Rate Risk (continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Prior Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	-	-	-	-	-	43,832,308	43,832,308
Banks ⁽³⁾	4,370,957	-	-	-	-	4,564,430	8,935,387
Financial Assets at Fair Value Through Profit or Loss	1,866,362	817,219	126,562	152,208	49,451	416,777	3,428,579
Money Market Placements	7,604,278	-	-	-	-	(589)	7,603,689
Financial Assets at Fair Value Through Other Comprehensive Income	2,220,139	2,111,220	1,749,845	2,288,787	-	49,313	8,419,304
Loans ⁽⁴⁾	21,194,070	23,869,279	60,396,829	40,236,470	1,010,386	(2,419,589)	144,287,445
Financial Assets Measured at Amortised Cost ⁽⁵⁾	1,483,985	4,986,368	16,807,897	11,498,454	5,679,232	(9,103)	40,446,833
Other Assets	489,699	20,932	1,241,866	1,347,759	473,153	14,620,462	18,193,871
Total Assets	39,229,490	31,805,018	80,322,999	55,523,678	7,212,222	61,054,009	275,147,416
Liabilities							
Bank Deposits	1,597,800	-	-	-	-	185,513	1,783,313
Other Deposits	83,467,701	34,885,992	6,979,900	46,388	-	73,227,757	198,607,738
Money Market Funds	2,500,718	3,198,340	1,091,602	-	-	-	6,790,660
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	2,561,406	7,301,949	7,051,082	-	3,967,195	-	20,881,632
Other Liabilities	77,357	500,838	1,625,088	484,261	55,727	44,340,802	47,084,073
Total Liabilities	90,204,982	45,887,119	16,747,672	530,649	4,022,922	117,754,072	275,147,416
Balance Sheet Long Position	-	-	63,575,327	54,993,029	3,189,300	-	121,757,656
Balance Sheet Short Position	(50,975,492)	(14,082,101)	-	-	-	(56,700,063)	(121,757,656)
Off-Balance Sheet Long Position	5,489,816	8,170,094	-	-	32,304	-	13,692,214
Off-Balance Sheet Short Position	-	-	(8,668,203)	(4,384,572)	-	-	(13,052,775)
Total Position	(45,485,676)	(5,912,007)	54,907,124	50,608,457	3,221,604	(56,700,063)	639,439

(1) The expected loss provisions are presented under the "Non-Interest Bearing" column.

(2) Cash Balances (Cash, Effective Deposit, Money in transit, Cheques Purchased) and the Central Bank of Türkiye include expected loss provisions amounting of TL 7,403.

(3) The banks include TL 28,900 of expected loss provisions.

(4) Receivables from Money Markets includes expected credit losses amounting to TL 589.

(5) The revolving loans amounting to TL 11,454,165 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 5,045,481.

(6) Financial assets at amortised cost includes expected credit loss amounting to TL 9,103.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL 1,251,721, intangible assets amounting to TL 882,517, assets held for resale amounting to TL 100,370, subsidiaries amounting to TL 116,036 and non-financial jointly controlled entities under common control joint venture amounting to TL 5 and the other liabilities line includes the shareholders' equity of TL 25,341,172.

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V. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TL %
Current Period				
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye	-	-	-	42.10
Banks	-	-	-	42.70
Financial Assets at Fair Value Through Profit or Loss	3.90	2.94	-	21.24
Money Market Placements	-	-	-	43.64
Financial Assets at Fair Value Through Other Comprehensive Income	2.69	4.40	-	41.23
Loans	7.13	8.85	5.73	41.37
Financial Assets Measured at Amortised Cost	3.14	5.18	-	28.17
Liabilities				
Bank Deposits	3.30	-	-	28.14
Other Deposits	3.08	3.21	-	37.94
Money Market Funds	4.78	7.00	-	-
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	8.47	9.50	-	42.14
Prior Period				
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye	-	-	-	-
Banks	1.75	4.25	-	10.05
Financial Assets at Fair Value Through Profit or Loss	5.01	7.71	-	11.41
Money Market Placements	-	-	-	10.27
Financial Assets at Fair Value Through Other Comprehensive Income	2.71	3.50	-	36.20
Loans	4.60	7.75	5.65	19.76
Financial Assets Measured at Amortised Cost	3.16	5.18	-	42.86
Liabilities				
Bank Deposits	-	-	-	3.74
Other Deposits	0.70	3.02	-	17.96
Money Market Funds	1.88	3.00	-	-
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	6.75	7.65	-	19.39

Interest rate risk arising from banking accounts:

- a) Significant assumptions and frequency of measurement of interest rate risk, including the nature of interest rate risk arising from banking accounts and those related to the movement of deposits other than loan early repayments and time deposits:

Interest rate risk arising from banking accounts is monitored through different scenarios, and the interest risk exposed by presenting the results to the relevant committees is evaluated from different perspectives. There is a limit determined by the Board of Directors regarding the risk amount. It is taken care to ensure a certain harmony between assets and liabilities on the basis of currency, taking into account the market expectations of the bank.

Early repayment rates of loans were determined by examining the historic reaction of housing loans to interest movements in the previous periods. By analysing the movements of demand deposits on the basis of branches and accounts, it has been determined the duration of demand deposits that remain in the Bank on account basis. Assumptions accepted in parallel with the results reached are reflected in the above-mentioned products in interest rate sensitivity calculations.

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V. Explanations Related to Interest Rate Risk (continued)

Interest rate risk arising from banking accounts: (continued)

- b) Economic value differences arising from fluctuations in interest rates in accordance with the "Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts by Standard Shock Method:

Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains /Equity– (Losses)/ Equity
TL	(400)	2,993,000	6.41%
TL	500	(3,162,780)	(6.77)%
EURO	(200)	70,031	0.15%
EURO	200	(69,756)	(0.15)%
USD	(200)	(166,375)	(0.36)%
USD	200	160,067	0.34%
Total (Of negative shocks)	(800)	2,896,656	6.20%
Total (Of positive shocks)	900	(3,072,469)	(6.58)%

VI. Explanations Related to Certificates Share Position Risk from Banking Book:

Equity securities which are not publicly traded in the Bank's financial statements are booked as their fair value, or otherwise booked as their cost value whereby fair value cannot be calculated properly.

The Bank has no shares traded on Borsa Istanbul.

VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio

- a) Information on liquidity risk management, such as the Bank's risk capacity, responsibilities and the structure of liquidity risk management, Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application:

The Asset-Liability Management and Treasury Group is responsible for following up the Bank's current liquidity position and for complying with liquidity limits approved by the Board of Directors. After evaluating the liquidity position, the Asset-Liability Management and Treasury Group use authorized products to provide sufficient liquidity based on liquidity position.

Responsibilities for liquidity management are described in the Liquidity Risk Policy which is reviewed and approved by the Board of Directors annually. The various responsibilities have been shared among the appropriate departments and committees as outlined in duty descriptions. While the Asset-Liability Management and Treasury Group alone is responsible for managing liquidity and for developing short-term liquidity estimates, the Asset-Liability Management and Treasury Group works with the Asset-Liability Management Committee to jointly developing/setting short-term liquidity strategies and middle and long-term liquidity estimates. The Asset-Liability Management Committee is responsible for preparing middle and long-term liquidity strategies.

The Risk Management Group monitors daily all set liquidity risk limits, and periodically reports internal and legal liquidity rates and changes to the Risk Committee and Board of Directors, in addition to providing daily reports to senior management. Information about the Bank's liquidity structure and policies is provided to the relevant business lines at an Assets-Liabilities Committee meeting which is held every couple of weeks and at a Market and Liquidity Risk Committee meeting which is held monthly.

- b) Information on the centralization degree of liquidity management and funding strategy, and on operations between Bank and its partnerships:

The Asset-Liability Management and the Treasury Group manage the Bank's liquidity risk and performs this role only for the bank. Liquidity gap values are monitored within the limits set by the Board of Directors, and for compliance with these limits, the necessary debt instruments are used, while considering price and maturity structure. Our subsidiaries manage their own liquidity, and we provide them borrowing facilities within market conditions and legal limits.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

- c) Information about the Bank's funding strategy including policies on funding types and variety of maturities:

While the Bank tries to diversify its funding resources, it also tries to extend its payment terms. Customer deposits are the bank's main funding resource. Our main strategy for deposit management is to be inclusive while extending the average maturity. In addition to borrowings from money markets and collecting deposit, the Bank uses instruments such as long-term syndicated loans, securities issued in TL and foreign currency to diversify funding resources.

- d) Information on liquidity management based on currency which constituting at least five percent of the Bank's total liabilities:

Excluding TL, USD and EUR, there is no foreign currency which exceeds 5% of total liabilities. For these currencies, liquidity gaps are reported on a monthly basis and the Liquidity Coverage Ratio is calculated daily for Total and Foreign Currency. The Asset-Liability Management and Treasury Group is responsible for taking the necessary steps to keep ratios within the limits determined by the Board of Directors. Trend of these ratios are monitored on a monthly basis by the Market and Liquidity Risk Committee which includes the General Manager, Assistant General Manager responsible from Financial Affairs Group, Group Risk Chief Officer, and the Assistant General Manager in charge of the Asset-Liability Management and Treasury Group. Furthermore, senior management is periodically informed about the relevant ratios.

- e) Information on liquidity risk mitigation techniques:

The Bank's main liquidity management strategy is to diversify funding resources and extend the maturity structure. The Bank's balance sheet liquidity risk is periodically measured by Assets-Liabilities Management and closely monitored with the Treasury. In accordance with market expectations, the Assets-Liabilities Management and Treasury Group carries out the actions necessary to minimize risk.

Within this framework, the Bank's liquidity risk is attempted to manage efficiently by long-term structural changes (such as diversifying funding sources, extending maturity structure etc.) and short and mid-term money market and derivative transactions.

In the short term, liquidity risk is minimized with FX swaps, interbank borrowings and repurchase agreements, while cross currency swap transactions are used to minimize these risks in the long term.

- f) Explanation on the usage of the stress test:

The aim of the liquidity stress test is to analyse how liquidity squeeze affects bank liquidity. Cash inflows and outflows which may arise in cases of stress event are analysed based on products with different maturities. Stress events which may arise as a result of the liquidity squeeze, both in the Bank and in the whole banking system, in cases of stress event are analysed. Also, situations where the two scenarios might coincide are considered. The analysis addresses how much of the net cash outflows of different maturities would be covered by the current liquid stock during all relevant stress events.

- g) General information on liquidity emergency and contingency plans:

The extraordinary liquidity situation is evaluated to determine.

- Whether the liquidity problem is specific to the bank or applies to the whole banking system and
- Whether there is a permanent or temporary problem.

Profitability has second degree importance in extraordinary liquidity conditions. In cases of cash shortage or cash withdrawal, the branches are responsible for informing the Asset-Liability Management and Treasury Group about withdrawn liabilities. The Asset-Liability Management and Treasury Group takes the necessary actions to cover the cash outflow which may occur in the accounts and informs the Asset-Liability Committee of any related delays.

In a liquidity crisis, the Asset-Liability Management and Treasury Group, the Asset-Liability Committee, the Liquidity Risk Committee, senior management, and the Board of Directors are responsible for solving the liquidity problem. It is predicted that, in a liquidity crisis, in order to create additional liquidity, written actions (considering the cost) must be taken within current market conditions.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Liquidity Coverage Ratio:

		Rate of Percentage to Be Taken into Account not Implemented Total Value (*)		Rate of Percentage to Be Taken into Account Implemented Total Value (*)	
Current Period – 31 December 2023		TL+FC	FC	TL+FC	FC
High Quality Liquid Assets					
1	High Quality Liquid Assets			110,341,265	53,236,655
Cash Outflows					
2	Real Person and Retail Deposits	195,799,316	66,529,998	17,442,172	6,653,000
3	Stable Deposits	42,755,195	-	2,137,760	-
4	Less Stable Deposits	153,044,121	66,529,998	15,304,412	6,653,000
5	Unsecured Debts Other than Real person and Retail Deposits	79,490,394	35,310,873	47,538,486	18,260,651
6	Operational Deposits	2,910,749	291,039	727,687	72,760
7	Non-operational Deposits	62,122,689	29,525,658	33,890,011	12,850,233
8	Other Unsecured Funding	14,456,956	5,494,176	12,920,788	5,337,658
9	Secured Funding	-	-	-	-
10	Other Cash Outflows	1,780,968	5,898,993	1,780,968	5,898,993
11	Outflows Related to Derivative Exposures	1,780,968	5,898,993	1,780,968	5,898,993
12	Outflows Related to Restructured Financial Instruments	-	-	-	-
13	Payment Commitments and Other Off-balance Sheet Commitments Granted for Debts to Financial Markets	-	-	-	-
14	Other Revocable Off-balance Sheet Commitments and Contractual Obligations	-	-	-	-
15	Other Irrevocable or Conditionally Revocable Off-balance Sheet Obligations	130,905,699	52,408,416	11,154,973	6,097,801
16	Total Cash Outflows			77,916,599	36,910,445
Cash Inflows					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	41,718,293	13,365,580	32,207,211	11,277,871
19	Other Cash Inflows	1,802	14,137,293	1,802	14,137,293
20	Total Cash Inflows	41,720,095	27,502,873	32,209,013	25,415,164
				Upper Limit Applied Values	
21	Total High Quality Liquid Assets			110,341,265	53,236,655
22	Total Net Cash Outflows			45,707,586	11,495,282
23	Liquidity Coverage Ratio (%)			241.41	463.12

(*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

		Rate of Percentage to Be Taken into Account not Implemented Total Value(*)		Rate of Percentage to Be Taken into Account Implemented Total Value(*)	
Prior Period – 31 December 2022		TL+FC	FC	TL+FC	FC
High Quality Liquid Assets					
1	High quality liquid assets			85,094,656	40,305,054
Cash Outflows					
2	Real Person and Retail Deposits	137,419,843	59,142,355	12,546,042	5,914,235
3	Stable Deposits	23,918,844	-	1,195,942	-
4	Less Stable Deposits	113,500,999	59,142,355	11,350,100	5,914,235
5	Unsecured Debts Other than Real Person and Retail Deposits	63,920,679	29,122,940	36,871,281	14,593,965
6	Operational Deposits	1,589,348	338,183	397,337	84,546
7	Non-operational Deposits	53,250,938	24,788,342	28,433,796	10,814,353
8	Other Unsecured Funding	9,080,393	3,996,415	8,040,148	3,695,066
9	Secured Funding	-	-	-	-
10	Other Cash Outflows	2,258,023	10,237,534	2,258,023	10,237,534
11	Outflows Related to Derivative Exposures	2,258,023	10,237,534	2,258,023	10,237,534
12	Outflows Related to Restructured Financial Instruments	-	-	-	-
13	Payment Commitments and Other Off-balance Sheet Commitments Granted for Debts to Financial Markets	-	-	-	-
14	Other Revocable Off-balance Sheet Commitments and Contractual Obligations	-	-	-	-
15	Other Irrevocable or Conditionally Revocable Off-balance Sheet Obligations	83,340,258	34,809,972	7,085,241	3,780,806
16	Total Cash Outflows			58,760,587	34,526,540
Cash Inflows					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	24,235,910	13,198,677	18,136,700	11,960,697
19	Other Cash Inflows	302,282	29,318,691	302,282	29,318,691
20	Total Cash Inflows	24,538,192	42,517,368	18,438,982	41,279,388
				Upper Limit Applied Values	
21	Total High Quality Liquid Assets Inventory			85,094,656	40,305,054
22	Total Net Cash Outflows			40,321,605	8,631,635
23	Liquidity Coverage Ratio (%)			211.04	466.95

(*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Liquidity Coverage Ratio: (continued)

The amount of high-quality liquid assets, distribution of deposits based on segment, maturity types of borrowings and the share of revolving loans in loan portfolio can be considered as the most important factors affecting Liquidity Coverage Ratio.

High quality liquid assets in order to their priority consist of the time accounts, bond portfolio, required reserve, cash and effective deposit. Funding sources consists of corporate customer deposits, real person deposits, borrowings and SME deposit accounts which are weighted by ratios used in Liquidity Coverage Ratio reporting considering their maturity types. Due to amount differences between buy and sell transactions, derivative products effect more FC Liquidity Coverage Ratio rather than the total. Besides, cash outflows due to withdrawal of the collaterals securing derivatives and market valuation changes on derivative transactions are considered in calculations.

There are concentration limits on funding sources approved by Board of Directors. Proportional limits on product type are reported in relation to how much of the funding can be obtained from deposits, group funding, borrowings from banks and repo and other long-term sources.

Liquidity management of the subsidiaries subject to consolidation is carried out by the companies themselves. Although there is a consolidated reporting for the Liquidity Coverage Ratio, there is no centralized liquidity management. Finally, there is no significant cash inflow and cash outflow related to the liquidity profile of the Bank, which is included in the calculation of liquidity coverage ratio, but which is not included in the public disclosure template in the second paragraph of the related communiqué.

The weeks with lowest and highest liquidity coverage ratio for the last three months calculated by using weekly simple arithmetic averages are presented below:

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
Lowest	203.65%	280.77%	191.09%	391.37%
Week	12.11.2023	24.12.2023	04.11.2022	28.10.2022
Highest	289.21%	691.74%	241.34%	538.11%
Week	08.10.2023	19.11.2023	16.12.2022	18.11.2022

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed ⁽¹⁾	Total
Assets								
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	31,785,919	72,698,619	-	-	-	-	(16,786)	104,467,752
Banks ⁽³⁾	5,889,962	1,304,623	-	-	-	-	(45,340)	7,149,245
Financial Assets at Fair Value Through Profit and Loss	-	6,174	4,537	40,323	388,925	148,506	424,106	1,012,571
Money Market Placements ⁽⁴⁾	-	12,243,739	-	-	-	-	(798)	12,242,941
Financial Assets at Fair Value Through Other Comprehensive Income	82,335	118,202	-	-	7,274,616	350,286	-	7,825,439
Loans Given ⁽⁵⁾	-	34,414,486	33,947,885	83,794,130	54,428,913	1,118,859	(4,537,671)	203,166,602
Financial Assets Measured at Amortised Cost ⁽⁶⁾	-	443,692	2,603,450	4,636,177	20,120,338	21,487,801	(11,090)	49,280,368
Other Assets	-	4,546,394	1,036,969	1,034,306	1,478,919	248,749	13,428,764	21,774,101
Total Assets	37,758,216	125,775,929	37,592,841	89,504,936	83,691,711	23,354,201	9,241,185	406,919,019
Liabilities								
Bank Deposits	329,106	2,248,143	-	-	-	-	-	2,577,249
Other Deposit	105,136,553	136,883,142	25,173,681	14,920,246	54,965	-	-	282,168,587
Funds Provided from Other Financial Institutions	-	777,443	1,330,003	17,009,327	7,095,456	5,365,335	-	31,577,564
Money Market Funds	-	21,312,539	6,797,303	-	-	-	-	28,109,842
Securities Issued	-	-	-	-	-	-	-	-
Other Liabilities	-	17,420,297	527,063	703,291	2,030,301	398,308	41,406,517	62,485,777
Total Liabilities	105,465,659	178,641,564	33,828,050	32,632,864	9,180,722	5,763,643	41,406,517	406,919,019
Liquidity Gap	(67,707,443)	(52,865,635)	3,764,791	56,872,072	74,510,989	17,590,558	(32,165,332)	-
Net Off-Balance Sheet Position	-	(947,460)	(802,540)	1,485,484	(574,582)	-	-	(839,098)
Financial Derivative Assets	-	43,490,520	52,123,934	54,483,720	37,117,365	11,470,910	-	198,686,449
Financial Derivative Liabilities	-	44,437,980	52,926,474	52,998,236	37,691,947	11,470,910	-	199,525,547
Non-Cash Loans	16,929,591	6,595,718	12,268,123	25,401,747	20,741,431	-	-	81,936,610
Prior Period								
Total Assets	24,056,943	60,034,904	25,797,873	78,468,747	63,903,264	14,609,492	8,276,193	275,147,416
Total Liabilities	73,413,270	100,902,014	40,387,751	20,358,216	1,250,152	10,136,090	28,699,923	275,147,416
Liquidity Gap	(49,356,327)	(40,867,110)	(14,589,878)	58,110,531	62,653,112	4,473,402	(20,423,730)	-
Net Off-Balance Sheet Position	-	(591,987)	393,817	1,196,457	954,774	307,126	-	2,260,187
Financial Derivative Assets	-	44,409,942	57,618,886	39,771,836	20,496,290	4,034,812	-	166,331,766
Financial Derivative Liabilities	-	45,001,929	57,225,069	38,575,379	19,541,516	3,727,686	-	164,071,579
Non-Cash Loans	13,124,512	3,497,894	7,413,856	18,952,925	12,278,183	-	-	55,267,370

⁽¹⁾ The assets which are necessary to provide banking services and could not be liquidated in a short-term, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses and loans under follow up, are classified as under undistributed.

⁽²⁾ Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye include expected loss provisions amounting of TL 16,786.

⁽³⁾ The banks include TL 45,340 of expected loss provisions.

⁽⁴⁾ Receivables from Money Markets includes expected loss provisions balance amounting to TL 798.

⁽⁵⁾ The revolving loans amounting to TL 22,812,905 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 6,718,876.

⁽⁶⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 11,090.

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VII. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Analysis of financial liabilities by remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Adjustments	Total
31 December 2023								
Money Market Funds	-	21,561,820	-	6,797,303	-	-	(249,281)	28,109,842
Other Deposits	105,136,553	138,094,868	26,297,595	16,626,192	63,476	-	(4,050,097)	282,168,587
Banks Deposits	329,106	2,251,537	-	-	-	-	(3,394)	2,577,249
Funds Provided from Other Financial Institutions	-	7,555,556	1,512,827	18,997,839	12,820,808	5,520,108	(14,829,574)	31,577,564
Issued Securities	-	-	-	-	-	-	-	-
Total	105,465,659	169,463,781	27,810,422	42,421,334	12,884,284	5,520,108	(19,132,346)	344,433,242
31 December 2022								
Money Market Funds	-	1,084,154	60,598	3,058,871	2,626,629	-	(39,592)	6,790,660
Other Deposits	73,227,757	83,891,817	35,584,573	7,524,987	52,135	-	(1,673,531)	198,607,738
Banks Deposits	185,513	1,598,124	-	-	-	-	(324)	1,783,313
Funds Provided from Other Financial Institutions	-	3,940,073	1,978,712	9,941,981	3,480,698	10,665,376	(9,125,208)	20,881,632
Issued Securities	-	-	-	-	-	-	-	-
Total	73,413,270	90,514,168	37,623,883	20,525,839	6,159,462	10,665,376	(10,838,655)	228,063,343

The contract-based maturity analysis of the Bank's derivative instruments is as follows:

	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Years and Over	Total
31 December 2023						
Derivative Financial Instruments for Hedging Purposes						
Fair Value Hedge	-	-	-	-	-	-
Cash Flow Hedge	3,333	1,244,057	9,645,024	-	-	10,892,414
Trading Transactions						
Foreign Exchange Forward	3,694,137	4,687,336	8,935,906	239,759	-	17,557,138
Swap Money Selling Agreement	19,893,260	25,846,057	4,059,549	37,907,079	-	87,705,945
Interest Rate Swaps-Sell	-	-	-	-	-	-
Futures Monetary Agreement	-	-	-	-	-	-
Money Exchange Options Contract	10,978,116	20,760,722	18,974,374	617,403	-	51,330,615
Total	34,568,846	52,538,172	41,614,853	38,764,241	-	167,486,112
31 December 2022						
Derivative Financial Instruments for Hedging Purposes						
Fair Value Hedge	-	-	-	-	-	-
Cash Flow Hedge	2,043	35,935	8,885,847	6,909,227	-	15,833,052
Trading Transactions						
Foreign Exchange Forward	5,584,195	5,621,390	9,271,270	202,726	-	20,679,581
Swap Money Selling Agreement	28,853,242	28,436,597	5,729,997	9,044,195	340,851	72,404,882
Interest Rate Swaps-Sell	-	-	-	-	-	-
Futures Monetary Agreement	-	1,614,567	287,832	-	-	1,902,399
Money Exchange Options Contract	5,681,660	16,474,998	4,214,429	1,231,979	-	27,603,066
Total	40,121,140	52,183,487	28,389,375	17,388,127	340,851	138,422,980

Cash outflows of derivative instruments are shown in the tables above.

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VIII. Explanations Related to Leverage Ratio

a) Information on issues that cause differences between current period and previous period leverage ratios:

Leverage ratio increased due to the increase in Tier 1 capital.

b) Leverage ratio:

Assets on the balance sheet		Current Period (*)	Prior Period (*)
1	Assets on the balance sheet (Excluding derivative financial instruments and loan derivatives, including collaterals)	386,479,339	272,122,148
2	(Assets deducted from core capital)	(1,200,116)	(837,102)
3	Total risk amount for assets on the balance sheet	385,279,223	271,285,046
Derivative financial instruments and credit derivatives			
4	Renewal cost of derivative financial instruments and loan derivatives	4,238,669	3,233,772
5	Potential credit risk amount of derivative financial instruments and loan derivatives	1,484,227	1,205,781
6	Total risk amount of derivative financial instruments and loan derivatives	5,722,896	4,439,553
Financing transactions with securities or goods warranties			
7	Risk amount of financial transactions with securities or goods warranties (Excluding those in the balance sheet)	4,581,750	2,727,317
8	Risk amount arising from intermediated transactions	-	-
9	Total risk amount of financing transactions with securities or goods warranties	4,581,750	2,727,317
Off-the-balance sheet transactions			
10	Gross nominal amount of the off-balance sheet transactions	158,382,111	102,937,518
11	(Adjustment amount arising from multiplying by the credit conversion rate)	-	-
12	Total risk amount for off-balance sheet transactions	158,382,111	102,937,518
Capital and total risk			
13	Tier 1 Capital	33,598,560	23,809,553
14	Total risk amount	553,965,980	381,389,434
Leverage ratio			
15	Leverage ratio	6.07%	6.24%

(*) The amounts in the table are calculated by using the 3 months average amounts.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	279,664,595	209,692,658	272,564,337	214,605,162
Money Market Placement	12,242,941	7,603,689	12,242,941	7,603,689
Banks	7,149,245	8,935,387	7,149,245	8,935,387
Financial Assets at Fair Value Through Other Comprehensive Income	7,825,439	8,419,304	7,825,439	8,419,304
Financial Assets Valued Over Amortised Cost	49,280,368	40,446,833	42,218,736	45,255,331
Loans	203,166,602	144,287,445	203,127,976	144,391,451
Financial Liabilities	360,603,941	240,210,951	361,683,725	241,409,466
Banks Deposits	2,577,249	1,783,313	2,577,249	1,783,313
Other Deposits	282,168,587	198,607,738	282,987,203	199,631,714
Funds Received from Other Financial Institutions (*)	59,687,406	27,672,292	59,948,574	27,846,831
Securities Issued	-	-	-	-
Other Liabilities	16,170,699	12,147,608	16,170,699	12,147,608

(*) Money market funds and subordinated loans are included in the line of funds from other financial institutions.

Investment securities in the current period include financial assets valued at their amortised cost and at fair value through other comprehensive income. The fair value of assets held to maturity assets are determined based on market prices or quoted market prices of other securities subject to redemption in terms of interest, maturity and other similar circumstances, where their prices cannot be determined.

Due to the fact that demand deposits, variable rate placements and overnight deposits are short-term, hence their carrying value reflects their fair value. Estimated fair value of fixed interest deposits and funds provided from other financial institutions, is calculated with the presence of discounted cash flow using the current interest rates used for other debts of similar quality and similar maturity structure; by finding the discounted cash flow using the fair value of loans and the current interest rates used for receivables with similar and similar maturities. As the miscellaneous debts are short term, their carrying value approximately reflects their fair value.

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.
- Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability directly or indirectly, which can be observed in the market other than the stock exchange price specified in the first level.
- Third level: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used to find the fair value of the asset or liability.

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IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values (continued)

The following table contains the analysis of the fair values of the financial instruments carried at fair values, including the stock market prices, valuation techniques, all model data of which can be measured in the market, or using valuation techniques whose data cannot be measured in the market:

31 December 2023	Level 1	Level 2	Level 3	Total
Financial Assets	8,409,007	4,248,168	192,418	12,849,593
Financial Assets at Fair Value Through Profit or Loss	738,581	3,136,969	110,083	3,985,633
Government Debt Securities	588,465	-	-	588,465
Derivative Financial Assets at Fair Value Through Profit or Loss	-	2,973,062	-	2,973,062
Other Financial Assets at Fair Value Through Profit or Loss	150,116	163,907	110,083	424,106
Derivative Financial Assets for Hedging Purposes	-	1,038,521	-	1,038,521
Financial Assets at Fair Value Through Other Comprehensive Income	7,670,426	72,678	82,335	7,825,439
Government Debt Securities	7,670,426	72,678	-	7,743,104
Other Financial Assets at Fair Value Through Other Comprehensive Income	-	-	82,335	82,335
Financial Liabilities	-	2,635,298	-	2,635,298
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	2,552,843	-	2,552,843
Derivative Financial Liabilities for Hedging Purposes	-	82,455	-	82,455
31 December 2022	Level 1	Level 2	Level 3	Total
Financial Assets	11,408,744	6,110,927	127,016	17,646,687
Financial Assets at Fair Value Through Profit or Loss	3,088,088	5,327,500	77,703	8,493,291
Government Debt Securities	3,011,802	-	-	3,011,802
Derivative Financial Assets at Fair Value Through Profit or Loss	-	5,064,712	-	5,064,712
Other Financial Assets at Fair Value Through Profit or Loss	76,286	262,788	77,703	416,777
Derivative Financial Assets for Hedging Purposes	-	734,092	-	734,092
Financial Assets at Fair Value Through Other Comprehensive Income	8,320,656	49,335	49,313	8,419,304
Government Debt Securities	8,320,656	49,335	-	8,369,991
Other Financial Assets at Fair Value Through Other Comprehensive Income	-	-	49,313	49,313
Financial Liabilities	-	3,567,233	-	3,567,233
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	3,497,620	-	3,497,620
Derivative Financial Liabilities for Hedging Purposes	-	69,613	-	69,613

There is no transition between levels in the current year.

The table below shows the movement table of financial assets at Level 3:

	Current Period	Prior Period
Balance at the Beginning of the Period	127,016	73,025
Purchases	-	30,420
Redemption or Sale	-	-
Valuation Difference	65,402	23,571
Transfers	-	-
Balance at the End of the Period	192,418	127,016

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X. Explanations Related to Transactions Carried Out on Behalf of Other Parties and Fiduciary Assets

The Bank performs trading transactions on behalf of customers, and gives custody, administration and consultancy services.

The Bank does not deal with fiduciary transactions.

XI. Explanations Related to Risk Management

Notes and explanations prepared in accordance with “the Communiqué on Disclosures about Risk Management to be Announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section. The notes to be presented within the scope of Internal Rating-Based Approach have not been presented due to use of standard approach for the calculation of capital adequacy ratio by the Bank.

1. Risk management approach and risk weighted amounts

1.1 Bank’s risk management approach

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Risk Management functions of the Bank and all of its subsidiaries have been gathered under the Group Risk Management. Group Risk Management reports to the Boards of Directors of TEB Group through the Risk Committee and Audit Committee within the TEB A.Ş. and is responsible for fulfilling its duties of general supervision, notification and recommendation on behalf of the Boards of Directors in line with the principles laid down in this Regulation.

With Risk Policies, the Bank aims to,

- i) Identify the main risks to which bank is exposed and identified risks are within the controlled range,
- ii) Define roles and responsibilities to identify, analyse, measure, monitor, and control the main risks bank faces and other risks which may arise as a consequence of changes in activity structure and economic conditions,
- iii) Identify the volume of transactions which may cause non-controllable risks by considering equity strength or decrease the activities affected by such risks.

Risk policies and the procedures related there to contain written standards set by the Board of Directors and the “Senior Management” consisting of General Manager, Assistant General Managers and Chief Risk Officer.

Risk policies and related procedures are prepared in compliance with the Banking Law, external legislation and general banking practices and presented to the Senior Management / Board of Directors for approval.

It is the principal duty of all managers of the Bank to provide compliance with risk policies containing the criteria required for each unit.

Risk Management Operations consist of;

- i) risk measurement,
- ii) monitoring of risks,
- iii) control of risk and reporting operations

Risk management operations are conducted by Group Risk Management and personnel.

Group Risk Management applies second order controls for quantifiable risks as part of continuous control system.

Head of Group Risk Management reports to the Board of Directors via Risk Committee and Audit Committee.

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XI. Explanations Related to Risk Management (continued)

1. Risk management approach and risk weighted amounts (continued)

1.2 Overview of Risk Weighted Amounts

	Risk Weighted Amounts		Minimum Capital Requirement
	Current Period	Prior Period	Current Period
1 Credit Risk (Excluding Counterparty Credit Risk) (CCR)	239,589,155	171,057,988	19,167,133
2 Of which Standardized Approach (SA)	239,589,155	171,057,988	19,167,133
3 Of which Internal Rating-Based (IRB) Approach	-	-	-
4 Counterparty Credit risk	7,031,153	5,339,572	562,492
5 Of which Standardized Approach for Counterparty Credit Risk (SA-CCR)	7,031,153	5,339,572	562,492
6 Of which Internal Model Method (IMM)	-	-	-
7 Equity positions in banking accounts under market-based approach	-	-	-
8 Equity Investment in Funds - Look-Through Approach	-	-	-
9 Equity Investment in Funds - Mandate-Based Approach	-	-	-
10 Equity Investment in Funds - 1250% Weighted Risk Approach	-	-	-
11 Settlement Risk	-	-	-
12 Securitization Positions in banking accounts	-	-	-
13 Of which IRB ratings-based approach (RBA)	-	-	-
14 Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15 Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	8,105,978	5,790,594	648,478
17 Standardized approach (SA)	8,105,978	5,790,594	648,478
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	22,912,506	11,231,643	1,833,000
20 Of which Basic Indicator Approach	22,912,506	11,231,643	1,833,000
21 Of which Standard Approach	-	-	-
22 Of which Advanced Measurement Approach	-	-	-
23 Amounts Below the Thresholds for Deduction (Subject to a 250% Risk Weight)	-	-	-
24 Floor Adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	277,638,792	193,419,797	22,211,103

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XI. Explanations Related to Risk Management (continued)

2. Linkages between financial statements and regulatory exposures

2.1. Differences and mapping between the scope of accounting and legal consolidation

Current Period	Amount valued in accordance with TAS within the scope of legal consolidation (*)	Valued amount of items in accordance with TAS					Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk framework	Subject to counterparty credit risk framework	Securitization positions	Subject to the market risk framework		
Assets							
Cash Balances and the Central Bank	104,484,538	104,484,538	-	-	-	-	-
Banks	7,194,585	7,194,585	-	-	-	-	-
Money Market Placement	12,243,739	-	12,243,739	-	-	-	-
Financial Assets at Fair Value through Profit Loss	1,012,571	424,106	-	-	588,465	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	7,825,439	7,827,217	-	-	-	-	-
Financial Assets Measured at Amortised Cost	49,291,458	49,291,458	-	-	-	-	-
Derivative Financial Assets at Fair Value Through Profit and Loss	2,973,062	-	2,973,062	-	2,973,062	-	-
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	1,038,521	-	1,038,521	-	1,038,521	-	-
Non-Performing Financial Assets	-	-	-	-	-	-	-
Expected credit loss (-)	(6,792,890)	(1,565,971)	-	-	-	-	-
Loans (*)	209,885,478	209,885,478	-	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Non-Current Assets Held For Sale and Discontinued Operations (Net)	82,060	82,060	-	-	-	-	-
Affiliates (Net)	-	-	-	-	-	-	-
Subsidiaries (Net)	279,021	279,021	-	-	-	-	-
Joint Ventures (Joint Ventures) (Net)	5	5	-	-	-	-	-
Tangible Assets (Net)	1,933,104	1,861,672	-	-	-	-	71,432
Intangible Assets (Net)	1,269,693	-	-	-	-	-	1,269,693
Investment Properties (Net)	-	-	-	-	-	-	-
Current Tax Asset	220,897	220,897	-	-	-	-	-
Deferred Tax Asset	2,410,400	2,410,400	-	-	-	-	-
Other Assets	11,567,338	10,443,190	1,124,148	-	-	-	-
Total assets	406,919,019	392,838,656	17,379,470	-	4,600,048	-	1,341,125
Liabilities							
Deposit	284,745,836	-	-	-	-	-	-
Loans Received	19,939,597	-	-	-	-	-	-
Money Market Funds	28,109,842	-	28,109,842	-	-	-	-
Issued securities	-	-	-	-	-	-	-
Financial Liabilities with Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	2,635,298	-	607,669	-	-	-	-
Factoring debts	-	-	-	-	-	-	-
Lease Liabilities	991,149	-	-	-	-	-	-
Provisions	6,361,827	-	-	-	-	-	-
Current Tax Liability	1,282,114	-	-	-	-	-	-
Deferred Tax Liability	-	-	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-	-	-
Subordinated loans	11,637,967	-	-	-	-	-	-
Other Liabilities	16,170,699	-	1,766,837	-	-	-	-
Equity	35,044,690	-	-	-	-	-	-
Total liabilities	406,919,019	-	30,484,348	-	-	-	-

(*) Refers to the Bank's unconsolidated financial statement.

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XI. Explanations Related to Risk Management (continued)

2. Linkages between financial statements and regulatory exposures (continued)

2.1. Differences and mapping between the scope of accounting and legal consolidation (continued)

Prior Period	Amount valued in accordance with TAS within the scope of legal consolidation (*)	Subject to credit risk framework	Valued amount of items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
			Subject to counterparty credit risk framework	Securitization positions	Subject to the market risk framework		
Assets							
Cash Balances and the Central Bank	43,839,711	43,839,711	-	-	-	-	-
Banks	8,964,287	8,964,302	-	-	-	-	-
Money Market Placement	7,604,278	-	7,604,278	-	-	-	-
Financial Assets at Fair Value through Profit Loss	3,428,579	416,777	-	-	3,011,802	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	8,419,304	8,420,980	-	-	-	-	-
Financial Assets Measured at Amortised Cost	40,455,936	40,455,936	-	-	-	-	-
Derivative Financial Assets at Fair Value Through Profit and Loss	5,064,712	-	5,064,712	-	5,064,712	-	-
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	734,092	-	734,092	-	734,092	-	-
Non-Performing Financial Assets	-	-	-	-	-	-	-
Expected credit loss (-)	(5,091,476)	(1,892,354)	-	-	-	-	-
Loans (*)	149,332,926	149,332,926	-	-	-	-	-
Factoring Receivables	-	-	-	-	-	-	-
Non-Current Assets Held For Sale and Discontinued Operations (Net)	100,370	100,370	-	-	-	-	-
Affiliates (Net)	-	-	-	-	-	-	-
Subsidiaries (Net)	116,036	116,036	-	-	-	-	-
Joint Ventures (Joint Ventures) (Net)	5	5	-	-	-	-	-
Tangible Assets (Net)	1,251,721	1,206,899	-	-	-	-	44,822
Intangible Assets (Net)	882,517	-	-	-	-	-	882,517
Investment Properties (Net)	-	-	-	-	-	-	-
Current Tax Asset	28,388	28,388	-	-	-	-	-
Deferred Tax Asset	1,599,145	1,599,145	-	-	-	-	-
Other Assets	8,416,885	7,858,727	558,158	-	-	-	-
Total assets	275,147,416	260,447,848	13,961,240	-	8,810,606	-	927,339
Liabilities							
Deposit	200,391,051	-	-	-	-	-	-
Loans Received	11,173,414	-	-	-	-	-	-
Money Market Funds	6,790,660	-	6,790,660	-	-	-	-
Issued securities	-	-	-	-	-	-	-
Financial Liabilities with Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	3,567,233	-	2,296,084	-	-	-	-
Factoring debts	-	-	-	-	-	-	-
Lease Liabilities	695,894	-	-	-	-	-	-
Provisions	3,367,931	-	-	-	-	-	-
Current Tax Liability	1,964,235	-	-	-	-	-	-
Deferred Tax Liability	-	-	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-	-	-
Subordinated loans	9,708,218	-	-	-	-	-	-
Other Liabilities	12,147,608	-	1,864,451	-	-	-	-
Equity	25,341,172	-	-	-	-	-	-
Total liabilities	275,147,416	-	10,951,195	-	-	-	-

(*) Represents the unconsolidated financial statements of Bank.

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XI. Explanations Related to Risk Management (continued)

2. Linkages between financial statements and regulatory exposures (continued)

2.2 Main sources of differences between the risk amounts and the amounts measured in accordance with TAS in the financial statements

Current Period		Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1	Valued amounts of assets within the scope of legal consolidation in accordance with TAS	406,919,019	392,838,656	17,379,470	4,600,048
2	Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS	30,484,348	-	30,484,348	-
3	Total net amount under legal consolidation	376,434,671	392,838,656	(13,104,878)	4,600,048
4	Off-balance sheet amounts	165,354,442	52,394,469	1,405,350	-
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	Exposure amounts	541,789,113	445,233,125	(11,699,528)	4,600,048
Prior Period		Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1	Valued amounts of assets within the scope of legal consolidation in accordance with TAS	275,147,416	260,447,848	13,961,240	8,810,606
2	Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS	10,951,195	-	10,951,195	-
3	Total net amount under legal consolidation	264,196,221	260,447,848	3,010,045	8,810,606
4	Off-balance sheet amounts	100,844,262	36,043,145	1,338,450	-
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	Exposure amounts	365,040,483	296,490,993	4,348,495	8,810,606

2.3. Explanations of differences between accounting and regulatory exposure amounts in accordance with TAS

The market value approach is used to make valuation of the positions in the Bank portfolios. The market data sources used for valuations are identified, defined in the Market Risk Policy, and reviewed annually. The relevant action is taken immediately when it is determined that the data does not reflect the market condition other than annual data source evaluation. Product valuations are checked by using sources such as Reuters and Bloomberg.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure

3.1. General information about credit risk

3.1.1. General qualitative information about credit risk

The objective of the Risk Management system is to provide that the risks that are derived from the bank's activities are defined, measured, monitored and controlled through policies, procedures and limits established.

Credit Risk Management reports aim to supply risk level trends and risk expectations for the future. Details and content vary depending on the requirements of meetings and are presented in graphs and figures for ease of explanation and taking decisions.

The main report presented to Senior Management is the Credit Risk General Overview report, which is prepared monthly and discussed by the Risk Policies Committee. This report is also presented to the Board of Directors, Risk Committee and to the Audit Committee. Additionally, Group Risk Management prepares reports with special titles less frequently. Most of these reports are presented to the Risk Policies Committee. These reports may also be used in irregular meetings where emergent subjects are discussed or in meetings where the attendance of Senior Management is not required.

Credit risk policies are prepared in line with the Banking Law, external regulations, and general banking practices, and are approved by the Risk Policies Committee, Risk Committee, and Board of Directors.

The Bank's credit activities are managed according to the General Credit Policy that is approved by the Risk Policies Committee, Risk Committee and the Board of Directors.

The Risk Appetite Declaration is approved by the Board of Directors and audited once a year. The Bank combines existing risk management tools, processes, principles, and policies, using a consistent approach with risk appetite declaration, and ensures that risks taken are within the agreed upon limits. In this way, the consistency of risk practices is improved across the Bank.

The Bank controls the credit risk by monitoring loan receivables, limiting certain transactions with counter parties, evaluating the creditworthiness of the counter party regularly, diversifying loan types and products separately based on customer groups and industry to prevent the concentration of deferred payments and receiving guarantees when appropriate.

3.1.2. Credit quality of assets

Current Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Allowances/depreciation/ and impairment	Net Value
	Defaulted exposures	Non-defaulted exposures		
Loans	2,181,205	207,704,273	6,718,876	203,166,602
Debt Securities	-	57,034,562	11,090	57,023,472
Off-balance sheet exposures	-	163,949,093	910,591	163,038,502
Total	2,181,205	428,687,928	7,640,557	423,228,576

Prior Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Allowances/depreciation/ and impairment	Net Value
	Defaulted exposures	Non-defaulted exposures		
Loans	2,625,892	146,707,034	5,045,481	144,287,445
Debt Securities	-	48,825,927	9,103	48,816,824
Off-balance sheet exposures	-	99,505,811	686,515	98,819,296
Total	2,625,892	295,038,772	5,741,099	291,923,565

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.3. Changes in stock of defaulted loans and debt securities

1 Defaulted loans and debt securities at end of the 31 December 2022	2,625,892
2 Loans and debt securities that have defaulted since the last reporting period	1,783,803
3 Returned to non-defaulted status	-
4 Amounts written off (*)	(995,717)
5 Other changes (**)	(1,232,773)
6 Defaulted loans and debt securities at end of 31 December 2023 (1+2-3-4-5)	2,181,205

(*) The Bank wrote off TL 99,443 of its non-performing loans. Additionally, the portion of the Bank's non-performing loan portfolio amounting to TL 896,274 for which a provision of TL 747,165 was provided, was sold in 2023 with a price of TL 367,959 and after following the completion of the necessary procedures, non-performing loans were written off from the records.

(**) Includes collections during the period.

1 Defaulted loans and debt securities at end of the 31 December 2021	3,325,382
2 Loans and debt securities that have defaulted since the last reporting period	1,535,199
3 Returned to non-defaulted status	-
4 Amounts written off (*)	(873,816)
5 Other changes (**)	(1,360,873)
6 Defaulted loans and debt securities at end of 31 December 2022 (1+2-3-4-5)	2,625,892

(*) The Bank wrote off TL 454,825 of its non-performing loans. Additionally, the portion of the Bank's non-performing loan portfolio amounting to TL 418,991 for which a provision of TL 390,257 was provided, was sold in 2022 with a price of TL 115,221 and after following the completion of the necessary procedures, non-performing loans were written off from the records.

(**) Includes collections during the period.

3.1.4. Additional disclosure related to the credit quality

- a) The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of "past due" and "impaired" for accounting purposes

According to the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves", non-required delay time loans that is not classified as Stage III Loans, whose principal and interest payment collection delayed more than 30 days are considered as "non-performing loan" in the Accounting Practice.

Receivables past due more than 90 days are considered as "impaired receivables", and they are classified as group III, IV, and V in accordance with Communiqué. A specific reserve is allocated for such receivables.

- b) The extent of past due exposures (more than 90 days) that are not considered to be "impaired" and the reasons for this

A specific provision is allocated for receivables which are overdue for more than 90 days in accordance with the Communiqué.

- c) Description of methods used for determining impairments

Provision amount is determined in accordance with the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves".

- d) The definition of the restructured exposure

If the borrower fails to make payment to the Bank due to a temporary lack of liquidity, loans and other receivables including deferred interest payments may be restructured to provide the borrower with additional liquidity to enable the Bank to collect its receivables, or a new repayment schedule may be arranged.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.4. Additional disclosure related to the credit quality (continued)

e) Breakdown of exposures by geographical areas, industry and residual maturity:

Breakdown of Loans and Receivables by sector:

	Current Period			
	TL	(%)	FC	(%)
Agriculture	2,787,835	1.87	845,221	1.43
Farming and Stockbreeding	2,784,308	1.87	137,291	0.23
Forestry	-	-	-	-
Fishery	3,527	-	707,930	1.20
Manufacturing	46,298,157	31.17	38,919,594	65.79
Mining and Quarrying	2,142,938	1.44	2,881,943	4.87
Production	42,565,712	28.66	34,347,476	58.06
Electricity, Gas and Water	1,589,507	1.07	1,690,175	2.86
Construction	2,155,939	1.45	337,944	0.57
Services	35,751,181	24.07	18,791,373	31.76
Wholesale and Retail Trade	14,911,692	10.04	3,341,267	5.65
Accommodation and Dining	1,095,541	0.74	1,642,967	2.78
Transportation and Telecom.	5,494,243	3.70	6,001,139	10.14
Financial Institutions	4,623,588	3.11	3,990,127	6.74
Real Estate and Rental Services	2,875,986	1.94	3,698,838	6.25
Self-Employment Services	1,955,076	1.32	117,035	0.20
Educational Services	73,397	0.05	-	-
Health and Social Services	4,721,658	3.18	-	-
Other	61,552,632	41.44	264,397	0.45
Total	148,545,744	100.00	59,158,529	100.00

	Prior Period			
	TL	(%)	FC	(%)
Agriculture	1,734,311	1.57	401,403	1.12
Farming and Stockbreeding	1,724,972	1.56	42,995	0.12
Forestry	-	-	-	-
Fishery	9,339	0.01	358,408	1.00
Manufacturing	39,545,252	35.65	22,814,075	63.74
Mining and Quarrying	1,675,445	1.51	2,412,570	6.74
Production	36,653,369	33.05	19,105,887	53.38
Electricity, Gas and Water	1,216,438	1.10	1,295,618	3.62
Construction	1,697,024	1.53	143,420	0.40
Services	23,749,547	21.41	11,590,315	32.38
Wholesale and Retail Trade	9,180,121	8.28	2,893,897	8.09
Accommodation and Dining	990,077	0.89	1,386,086	3.87
Transportation and Telecom.	3,288,272	2.97	4,153,772	11.61
Financial Institutions	5,030,541	4.54	1,066,312	2.98
Real Estate and Rental Services	2,826,998	2.55	1,979,518	5.53
Self-Employment Services	946,049	0.85	110,730	0.31
Educational Services	51,177	0.05	-	-
Health and Social Services	1,436,312	1.30	-	-
Other	44,190,229	39.83	841,458	2.36
Total	110,916,363	100.00	35,790,671	100.00

Breakdown of loans and receivables according to remaining maturities is provided in the note VII. of section four under the “Presentation of assets and liabilities according to their remaining maturities”.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.4. Additional disclosure related to the credit quality (continued)

- f) Amounts of impaired exposures on geographical areas and industry basis (according to the definition used by the Bank for accounting purposes) and write-offs with related allowances.

All of the Bank's loans under follow up is in Turkey. Amounts of provision allocated receivables based on sector are presented in the note II of section 4 under "Information in terms of major sectors and type of counterparties".

- g) Aging analysis of loans under close monitoring

31 December 2023	1-30 Day	31-60 Day	61-90 Day	Total
Loans and Receivables				
Commercial Loans	100,292	19,299	137,509	257,100
Consumer Loans	1,099,934	229,895	541,569	1,871,398
Credit Cards	370,971	268,744	218,052	857,767
Total	1,571,197	517,938	897,130	2,986,265

31 December 2022	1-30 Day	31-60 Day	61-90 Day	Total
Loans and Receivables				
Commercial Loans	122,898	40,277	141,447	304,622
Consumer Loans	772,248	194,074	355,270	1,321,592
Credit Cards	271,136	121,307	71,418	463,861
Total	1,166,282	355,658	568,135	2,090,075

- h) Breakdown of restructured exposures between impaired and not impaired exposures

Not impaired loans:

Current Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	920,030	599,674	320,356
Consumer Loans	105,211	9,684	95,527
Credit Cards	51,297	11,831	39,466
Total	1,076,538	621,189	455,349

Prior Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	949,303	488,458	460,845
Consumer Loans	129,903	10,678	119,225
Credit Cards	37,549	6,004	31,545
Total	1,116,755	505,140	611,615

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.4. Additional disclosure related to the credit quality (continued)

Impaired loans:

Current Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	11,217	5,311	5,906
Consumer Loans	97,573	70,583	26,990
Credit Cards	15,990	13,092	2,898
Total	124,780	88,986	35,794

Prior Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	24,320	16,277	8,043
Consumer Loans	87,437	62,413	25,024
Credit Cards	13,028	10,452	2,576
Total	124,785	89,142	35,643

3.2. Credit Risk Mitigation

3.2.1. Qualitative disclosure requirements related to credit risk mitigation techniques

a) Core features of policies and processes for which the Bank makes on and off-balance sheet netting

The Bank does not perform on and off-balance sheet offsetting to decrease credit risk, and credit derivatives are not used.

b) Core features of policies and processes for collateral evaluation and management

Financial collaterals are measured at fair value as of reporting date and are included in the risk mitigation process. When allocating the collateral amount to loans provided, the Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The legal validity of the mortgage is ensured by duly registering the mortgage in a timely manner, and significant changes in market conditions are monitored.

In terms of credit risk mitigation, the Bank uses cash, government and treasury bonds, fund, gold, bank guarantee, stock and derivatives as main collateral type. Mortgages on residential and commercial real estate reported under different risk class are other main types of collaterals.

c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e. by guarantor type, collateral and credit derivative providers)

Guarantor entity's credit risk value is to be considered in credit risk mitigation process in cases where Bank credit customers obtained guarantee from other entities.

The Bank mostly prefers cash, securities such as government and treasury bond for collateral which have low market and credit risk concentration risk.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.2. Credit risk mitigation (continued)

3.2.2. Credit risk mitigation techniques – Overview

Current Period	Exposures unsecured: valued amount in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
1 Loans (*)	186,579,517	14,672,845	13,201,392	7,146,212	4,546,415	-	-
2 Debt securities (*)	57,036,340	-	-	-	-	-	-
3 Total	243,615,857	14,672,845	13,201,392	7,146,212	4,546,415	-	-
4 Of which defaulted (*)	2,129,015	41,635	27,011	10,555	117	-	-

(*) In the calculation of the amount subject to credit risk, the Central Bank's foreign currency buying rates of 30 December 2022 were used in accordance with the Board decision dated 31 January 2023 and numbered 10496, while calculating the valued amounts in foreign currency.

Prior Period	Exposures unsecured: valued amount in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
1 Loans (*)	130,177,495	11,267,710	9,965,616	6,011,170	4,083,693	-	-
2 Debt securities (*)	48,827,603	-	-	-	-	-	-
3 Total	179,005,098	11,267,710	9,965,616	6,011,170	4,083,693	-	-
4 Of which defaulted (*)	2,583,180	25,935	16,749	16,777	78	-	-

(*) In the calculation of the amount subject to credit risk, the Central Bank's foreign currency buying rates of 31 December 2021 were used in accordance with the Board decision dated 28 April 2022 and numbered 10188, while calculating the valued amounts in foreign currency.

3.3. Credit risk under standardized approach

3.3.1. Disclosures on banks' use of credit ratings under the standard approach for credit risk

For portfolios that are risk-weighted under the standardized approach for credit risk, banks must disclose the following information:

- Names of the External Credit Assessment Institutions (ECAIs) and Export Credit Agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period

The Bank uses Fitch Ratings International Rating Agency's external ratings.

- The risk classes for which each ECAI or ECA is used

The credit rating of Fitch International Rating is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight on is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and 50% risk weight is used for receivables with a maturity period of more than three months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

- A description of the process used to apply the issuer to issue credit ratings onto other issuer comparable assets in the banking book

20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and a 50% risk weight is used for receivables with a maturity period of more than 3 months. According to the regulation on capital adequacy, corporates where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.1. Disclosures on banks’ use of credit ratings under the standard approach for credit risk (continued)

- d) The alignment of the alphanumerical scale of each agency used with risk buckets. (except where Agency (BRSA) publishes a standard mapping with which the bank has to comply)

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)’s are presented below:

Credit Quality Level	Fitch Ratings Long- Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables (*)
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA to AA-	0%	20%	50%	100%
2	A+ to A-	20%	20%	50%	100%
3	BBB+ to BBB-	50%	50%	50%	100%
4	BB+ to BB-	100%	100%	100%	100%
5	B+ to B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

(*) In accordance with the Board Decisions No. 10188 dated 28 April 2022 and No 10265 dated 07 July 2022, 200% and 500% risk weights are applied to Corporate Receivables.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

Current Period		Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amounts and Risk Weighted Amounts density	
Risk classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted amounts	Risk Weighted amounts density
1	Exposures to central governments or central banks	126,925,090	-	127,645,090	-	1,753,945	1%
2	Exposures to regional governments or local authorities	374,705	6,557	340,904	3,190	172,052	50%
3	Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and brokerage firms	8,478,242	5,360,939	8,478,241	4,025,743	4,464,571	36%
7	Exposures to corporates	66,774,692	48,637,682	65,577,790	25,205,169	87,958,321	97%
8	Retail exposures	58,643,242	70,745,307	57,010,439	8,349,726	50,547,051	77%
9	Exposures secured by residential property	4,930,336	787,370	4,930,337	353,927	1,849,492	35%
10	Exposures secured by commercial real estate	9,068,901	2,823,826	8,799,003	1,230,380	6,568,460	65%
11	Past-due loans	603,476	115,949	603,382	32,999	415,467	65%
12	Higher-risk categories by the Agency Board	45,162,514	-	45,142,217	-	77,993,207	173%
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16	Other Receivables	15,850,988	8,555,673	15,850,971	4	7,473,967	47%
17	Investments in equities	392,622	-	392,622	-	392,622	100%
18	Total	337,204,808	137,033,303	334,770,996	39,201,138	239,589,155	64%

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects (continued)

Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amounts and Risk Weighted Amounts density	
	On-balance sheet Amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted Amounts	Risk Weighted Amounts density
Risk classes						
1 Exposures to central governments or central banks	74,064,538	-	75,566,634	-	1,463,903	2%
2 Exposures to regional governments or local authorities	874,800	7,308	839,040	3,597	421,323	50%
3 Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-
4 Exposures to multilateral development Banks	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-
6 Exposures to banks and brokerage firms	10,261,599	3,713,730	10,261,597	2,698,877	4,182,684	32%
7 Exposures to corporates	58,515,404	38,532,529	57,071,654	19,932,259	74,113,755	96%
8 Retail exposures	40,786,805	36,431,162	39,053,434	6,026,144	35,465,106	79%
9 Exposures secured by residential Property	4,096,063	508,048	4,096,063	212,529	1,508,007	35%
10 Exposures secured by commercial real Estate	7,595,359	1,816,699	7,322,006	758,038	5,377,786	67%
11 Past-due loans	712,121	116,612	712,043	30,346	579,951	78%
12 Higher-risk categories by the Agency Board	25,073,892	-	24,971,452	-	41,869,386	168%
13 Exposures in the form of covered bonds	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16 Other Receivables	14,197,846	6,248,310	14,197,834	1,075	5,706,217	40%
17 Investments in equities	369,867	-	369,870	-	369,870	100%
18 Total	236,548,294	87,374,398	234,461,627	29,662,865	171,057,988	65%

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.3. Receivables by risk classes and risk weights

Current Period													Total credit risk exposure amount (after CCF and CRM)	
Risk Classes / Risk Weights		0%	10%	20%	25%	35%	50% secured by real estate (*)	75%	100%	150%	250%	500%	Others (**)	
1	Exposures to regional governments or local authorities	125,891,145	-	-	-	-	-	-	1,753,945	-	-	-	-	127,645,090
2	Exposures to regional governments or local authorities	-	-	-	-	-	344,084	-	10	-	-	-	-	344,094
3	Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	6,287,266	-	-	6,092,490	-	50,939	73,289	-	-	-	12,503,984
7	Exposures to corporates	-	-	113,553	-	-	5,467,593	-	85,201,813	-	-	-	-	90,782,959
8	Retail exposures	-	-	7,071	-	-	14,934	59,199,962	6,138,198	-	-	-	-	65,360,165
9	Exposures secured by residential property	-	-	-	-	5,284,264	-	-	-	-	-	-	-	5,284,264
10	Exposures secured by commercial real estate	-	-	-	-	-	6,921,847	-	3,107,536	-	-	-	-	10,029,383
11	Past-due loans	-	-	-	-	-	451,811	-	174,588	9,982	-	-	-	636,381
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	27,145,390	-	427,156	17,569,671	45,142,217
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	392,622	-	-	-	-	392,622
17	Other Receivables	8,309,945	-	83,826	-	-	-	4	7,457,200	-	-	-	-	15,850,975
18	Total	134,201,090	-	6,491,716	-	5,284,264	19,292,759	59,199,966	104,276,851	27,228,661	-	427,156	17,569,671	373,972,134

(*) The amount shown in the line "Receivables collateralized by mortgages on commercial real estate" is "Collateralized by mortgages on real estate" and the other amounts in this column represent the receivables subject to 50% risk weight.

(**) In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision) and shown in the "Others" column.

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XI. Explanations Related to Risk Management (continued)

3. Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.3. Receivables by risk classes and risk weights (continued)

Prior Period												Total credit risk exposure amount (after CCF and CRM)	Total credit risk exposure amount (after CCF and CRM)
Risk Classes / Risk Weights		0%	10%	20%	25%	35%	50% secured by real estate (*)	75%	100%	150%	250%	Others	
1	Exposures to regional governments or local authorities	74,102,731	-	-	-	-	-	-	1,463,903	-	-	-	-
2	Exposures to regional governments or local authorities	-	-	-	-	-	842,628	-	9	-	-	-	-
3	Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	8,225,778	-	-	4,533,765	-	61,504	139,427	-	-	-
7	Exposures to corporates	-	-	888,733	-	-	4,358,344	-	71,756,836	-	-	-	-
8	Retail exposures	-	-	21	-	-	972	38,455,876	6,622,709	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	4,308,592	-	-	-	-	-	-	-
10	Exposures secured by commercial real estate	-	-	-	-	-	5,404,516	-	2,675,528	-	-	-	-
11	Past-due loans	-	-	-	-	-	337,328	-	392,610	12,451	-	-	-
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	17,039,476	-	148,740	7,783,236
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	369,870	-	-	-	-
17	Other Receivables	8,464,242	-	35,561	-	-	-	-	5,699,106	-	-	-	-
18	Total	82,566,973	-	9,150,093	-	4,308,592	15,477,553	38,455,876	89,042,075	17,191,354	-	148,740	7,783,236
													264,124,492

(*) The amount shown in the line "Receivables collateralised by mortgages on commercial real estate" is "Collateralised by mortgages on real estate" and the other amounts in this column represent the receivables subject to 50% risk weight.

(**) In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision) and shown in the "Others" column.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk

4.1. Qualitative disclosure related to counterparty credit risk

Limit requests of clients demanding derivative transactions are evaluated based on the related line of business in different credit committees. Limit amounts approved by credit committee are risk weighted limits. In calculation of risk amount that traced to risk weighted limits is multiplied by ratios based on each factor’s historical movement that varies according to transaction’s nominal amount, transaction’s maturity, type, currency and purpose. Updates are generally conducted on a yearly basis except for the times of strict market fluctuations. In other words, if current tables do not cover risk calculations efficiently in case of strict market volatility, all tables are reviewed without waiting for annual period.

In table calculations, different time periods are considered while making analyses. If there is a period in data set with strictly fluctuating period, historical period after this period might be crucial. Also, in historical fluctuations, similar work meant for a data is organized separately. References provided by BNPP are also considered in the process. Eventually, all results are discussed firstly among line of business and then in the Market Risk Committee. Final decision is made by Risk Policy Committee and one of the alternatives is chosen. Approval of the Board of Directors members is obtained if the Risk Policy Committee members deem necessary.

Customers demanding derivative transactions are separated into two based on the purpose of the transaction. Decision of allocating the client to a group is given with taking into consideration client’s all transactions. Related Credit Department decides on the evaluation of client either in trading derivative transaction limit or in hedging derivative transaction limit.

In principle, all individual customers are evaluated as in trading portfolio, and the Bank works with 100% cash and cash equivalent collaterals. Commercial and corporate customers are evaluated different for each firm and based on the decision given, are subject to different collateral conditions. Risks are monitored daily based on the collateral conditions set with the client, and additional collaterals are demanded when a necessity arises according to internally set principles.

For derivative transactions made with banks, ISDA, CSA, VM and GMRA agreements are requested from counterparties in principle, derivative transactions are not made with banks that do not sign these agreements. Collateral management is made on a daily basis with banks considering agreement conditions so that counterparty risk is minimized.

All open derivative transactions are evaluated daily by using market data and resulting evaluation amount is installed to system. As a new transaction is made, risk amount calculated with risk weights is reflected automatically to the system. In other words, counterparty risk regarding all derivative transactions is monitored on banking system. Collateral amount required for customer transactions, transaction evaluation amount and risk weighted nominal amount is monitored daily by considering collateral condition and limit monitoring principles set up by the Bank.

Simulations of transactions are conducted in order to be able to see the level of capital consumption on transaction basis. Ratings and Basel risk classes of derivative customers and banks are reviewed and updated monthly. These are considered in the calculation of capital requirement and evaluation of collateral conditions.

As of 1 July 2022, the “Standard Approach” method has been used in the calculation of counterparty credit risk.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

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

Current Period	Replacement cost	Potential future exposure	EEPE(*)	Alpha used for computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Amounts
Standardized Approach - CCR (For Derivatives)	1,350,406	1,376,928		1.4	2,710,248	2,064,377
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					7,263,300	3,631,653
Total						5,696,030

(*) Effective Expected Positive Exposure

Prior Period	Replacement Cost	Potential future exposure	EEPE(*)	Alpha used for computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Amounts
Standardized Approach - CCR (For Derivatives)	3,213,569	1,338,450		1.4	4,335,874	3,151,291
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					2,416,681	1,175,625
Total						4,326,916

(*) Effective Expected Positive Exposure

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.3. Credit valuation adjustment (CVA) capital charge

Current Period	Exposure at Default post-Credit Risk Mitigation	Risk Weighted Amounts
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (including the 3*multiplier)		-
(ii) Stressed Value at Risk component (including the 3*multiplier)		-
All portfolios subject to the Standardized CVA capital charge	2,710,248	1,315,620
Total subject to the CVA capital charge	2,710,248	1,315,620
Prior Period	Exposure at Default post-Credit Risk Mitigation	Risk Weighted Amounts
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (including the 3*multiplier)		-
(ii) Stressed Value at Risk component (including the 3*multiplier)		-
All portfolios subject to the Standardized CVA capital charge	4,335,874	1,012,656
Total subject to the CVA capital charge	4,335,874	1,012,656

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.4. Counterparty credit risk by risk classes and risk weights

Current Period Risk Weight / Regulatory portfolio	0%	2%	10%	20%	50%	75%	100%	150%	500%	Others	Total credit exposure (*)
Receivables from central governments and central banks	466,650	-	-	-	-	-	-	-	-	-	466,650
Receivables from regional and local governments	-	-	-	-	-	-	-	-	-	-	-
Receivables from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and financial intermediaries	-	855,980	-	23,075	7,564,930	-	-	-	-	-	8,443,985
Corporate receivables	-	-	-	1,860	-	-	1,883,211	-	-	-	1,885,071
Retail receivables	-	-	-	-	-	33,822	-	-	-	-	33,822
Other receivables	-	-	-	-	-	-	-	-	-	-	-
Total	466,650	855,980	-	24,935	7,564,930	33,822	1,883,211	-	-	-	10,829,528

(*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.4. Counterparty credit risk by risk classes and risk weights (continued)

Prior Period												Total
Risk Weight / Regulatory portfolio	0%	2%	10%	20%	50%	75%	100%	150%	500%	Others	credit exposure (*)	
Receivables from central governments and central banks	604,505	-	-	-	-	-	-	-	-	-	-	604,505
Receivables from regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and financial intermediaries	-	-	-	188,417	3,102,217	-	-	-	-	-	-	3,290,634
Corporate receivables	-	-	-	10,495	154,955	-	2,558,292	-	-	-	-	2,723,742
Retail receivables	-	-	-	-	-	133,674	-	-	-	-	-	133,674
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Total	604,505	-	-	198,912	3,257,172	133,674	2,558,292	-	-	-	-	6,752,555

(*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.5. Composition of collateral for counterparty credit risk exposure

Current Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral received		Posted collateral		Collateral received	Posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	1,618,392	-	-	-	689,592
Cash – other currencies	-	105,433	-	250,698	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	1,723,825	-	250,698	-	689,592

Prior Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral received		Posted collateral		Collateral received	Posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	205,815	-	-	-	-
Cash – other currencies	-	5,786	-	-	-	-
Domestic sovereign debt	-	4,544	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	216,145	-	-	-	-

4.6. Credit Derivatives

None.

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XI. Explanations Related to Risk Management (continued)

4. Counterparty Credit Risk (continued)

4.7. Exposures to central counterparties

	Current Period		Prior Period	
	Risk Amount After CRA	RAT	Risk Amount After CRA	RAT
Total risks arising from transactions with qualified CCPs		5,711		-
Regarding the risks arising from transactions in the CCP (excluding initial margin and guarantee fund amount)	-	-	-	-
(i) OTC derivative financial instruments	166,388	3,328	-	-
(ii) Other derivative financial instruments	-	-	-	-
(iii) Repo-reverse repo transactions, securities on credit transactions and securities or commodity lending or borrowing transactions	-	-	-	-
(iv) Netting groups to which cross product netting is applied	-	-	-	-
Reserved initial margin	-		-	
Unallocated initial margin	-	-	-	-
Paid guarantee fund amount	99,300	2,383	-	-
Unpaid guarantee fund commitment	-	-	-	-
Total risks arising from transactions with non-qualified CCPs		-		-
Regarding the risks arising from transactions in the CCP (excluding initial margin and guarantee fund amount)	-	-	-	-
(i) OTC derivative financial instruments	-	-	-	-
(ii) Other derivative financial instruments	-	-	-	-
(iii) Repo-reverse repo transactions, securities on credit transactions and securities or commodity lending or borrowing transactions	-	-	-	-
(iv) Netting groups to which cross product netting is applied	-	-	-	-
Reserved initial margin	-	-	-	-
Unallocated initial margin	-		-	
Paid guarantee fund amount	-	-	-	-
Unpaid guarantee fund commitment	-	-	-	-

5. Securitization Disclosures

Since the Bank does not hold securitization position, the notes to be presented according to the ‘Communiqué on Disclosures about Risk Management to be announced to Public by Banks’ have not been presented.

6. Market Risk Disclosures

The market risk section includes the market risk capital requirements calculated for trading book and banking book exposures that are subject to a market risk charge. It also includes capital requirements for securitization positions held in the trading book. However, it excludes the counterparty credit risk capital charges that apply to the same exposures, which are reported in Section 5 – Counterparty credit risk.

Notes and explanations prepared in accordance with the “Communiqué on Disclosures about Risk Management to be announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this note.

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XI. Explanations Related to Risk Management (continued)

6. Market Risk Disclosures (continued)

6.1. Qualitative disclosure requirements related to market risk

Interest rate and foreign exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to Value at Risk (VAR), as summarized below, is taken into consideration by the standard method. Beside the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by historic simulation. These results are also reported daily to the management.

For FX position, limits in different breakdowns are determined by Board of Directors and option operations are considered with delta conjugates.

In regular analysis, net interest income effects originating from interest rates changes are calculated for all interest rates sensitive products and the results are followed up in limits determined by Board of Directors. The shocks which are given to interest rates are changes by each currency and in linear scenario analysis, not only linear but also sudden shocks are evaluated. These analyses may be performed for both current and targeted financial figures.

According to economic cost approach, changes in market interest rates may affect the Bank’s assets, liabilities and off-balance sheet items values. The Bank’s economic value’s sensitivity to interest rate is an important issue for stockholders, management and auditors.

Economic value of a product is net present value that is calculated by discounting expected cash flow.

Economic value of the Bank is the net present value of the cash flows that is subtracting expected cash flows of liabilities from net present value of assets and adding off balance sheet items expected cash flows. Economic value approach represents value of the Bank’s sensitivity to interest rate fluctuations.

Market value of equity is defined as the difference between the market value of assets and liabilities. The Board of Directors predefines a limit for market value of equity; shock method is applied to all items to be able to see equity’s influence on market value. Shocks applied may vary based on currencies.

As Economical Value approach considers effects of interest rate changes on all future cash flows, it enables to comprehensively understand effects of interest rate changes in the long run.

In addition to these analyses, Group Risk Management, based on current position, conducts stress testing to be able to predict possible losses as a consequence of exceptional fluctuations. Stress testings are prepared by BNP Paribas and TEB Group Risk Management measure the sensitivity created as a result of market price changes based on scenarios. Scenario analysis both on historical and hypothetical basis are conducted. Both historical and hypothetical scenario analyzes are performed.

Scenario analysis is applied both to currency and interest rates to be able to understand the effects on current portfolio.

Other than scenario analysis, various stress testings are applied to current portfolio; in order to see the effects of prior events on current position.

Nominal amount limits defined for bond portfolio, Value at Risk (“VAR”) limit for trading portfolio, and PV01 limits set for tracking interest rate risk are calculated daily, tracked, and reported to the management. Both interest rate and liquidity gap calculations are made for each item of the balance sheet. For both calculations, as product-based cash flows are formed, repricing, maturity and product-based acceptances are also considered.

Monthly reports are prepared for Market and Liquidity Risk Committees. Reports include end of the day positions, monthly/annual cumulative profit/loss balances and some positions taken in that month.

All Limit and risk positions are represented to Risk Policies Committee, Risk Committee and to The Board of Directors.

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XI. Explanations Related to Risk Management (continued)

6. Market Risk Disclosures (continued)

6.2. Standardized Approach

Current Period		Risk Weighted Amounts
Outright products		
1	Interest rate risk (general and specific)	2,554,246
2	Equity risk (general and specific)	-
3	Foreign exchange risk	2,935,826
4	Commodity risk	1,866,568
Options		
5	Simplified approach	-
6	Delta-plus method	749,338
7	Scenario approach	-
8	Securitization	-
9	Total	8,105,978

Prior Period		Risk Weighted Amounts
Outright products		
1	Interest rate risk (general and specific)	1,559,644
2	Equity risk (general and specific)	-
3	Foreign exchange risk	1,752,580
4	Commodity risk	1,778,832
Options		
5	Simplified approach	-
6	Delta-plus method	699,538
7	Scenario approach	-
8	Securitization	-
9	Total	5,790,594

7. Explanations Related to Operational Risk

- a) Operational risk has been calculated using the basic indicator approach. Market risk measurements are performed annually.
- b) In case of Basic Indicator Approach the following:

	31.12.2020	31.12.2021	31.12.2022	Total/Number of positive gross income years	Rate (%)	Total
Gross Income	5,663,120	6,334,586	24,662,302	12,220,003	15	1,833,000
Operational Risk Capital Requirement (Total*12.5)						22,912,506

	31.12.2019	31.12.2020	31.12.2021	Total/Number of positive gross income years	Rate (%)	Total
Gross Income	5,972,922	5,663,120	6,334,586	5,990,210	15	898,531
Operational Risk Capital Requirement (Total*12.5)						11,231,643

- c) The Bank does not use the standard method.
- d) The Bank does not use any alternative approach in standard method.
- e) The Bank does not use advanced measurement approach.

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XI. Explanations Related to Risk Management (continued)

8. Explanations Related to Remuneration Policy in Banks:

TEB pays net salaries on the last working day of each month, after the required legal deductions are made. In addition to receiving a monthly salary, all TEB employees are assessed based on meeting their qualitative and quantitative targets, and the Bank may pay performance-based success and sales premiums or annual performance bonuses to reward employees’ collective and individual success.

An annual performance bonus is determined based on the Bank’s profitability, the results of Bank activities, and the realization of targets in line with market practices (local and/or professional). A performance bonus is only paid when the target realized in a particular year is at least 80%. Employees included in the success and sales premium scheme are paid success and sales premiums based to the targets realized during the year.

The remuneration policy of the Bank was prepared in line with the BRSA’s “Communiqué on Corporate Management of Banks” and “Guidance on Good Remuneration Practices in Banks”, and within the scope of the principle of proportionality, the content, structure, and strategies of the Bank’s activities, long-term targets, the risk management structure of the Bank and local regulations. These regulations aim to prevent taking excessive risks and evaluate actual contributions to the risk management.

The remuneration policy supports the Bank in managing risks in line with the principles and parameters determined and approved by the Board of Directors. The remuneration policy aims to attract and retain expert employees who will contribute to the Bank reaching its strategic targets in both business line and support functions.

SECOM (Selection and Compensation Committee) is responsible, on behalf of the Board of Directors, for ensuring that the remuneration policy is prepared in line with local and BNP Paribas regulations. SECOM manages the principles of the remuneration policy, taking opinions from the Human Resources, Financial Affairs, Risk, Compliance, and Internal Control Groups. The remuneration policy is reviewed and approved by SECOM and submitted to the Board of Directors. The remuneration policy is reviewed annually.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,034,157	11,238,000	752,200	10,004,814
Balances with the Central Bank of Türkiye	39,555,867	52,128,885	6,458,159	26,063,697
Other	-	527,629	-	560,841
Total	40,590,024	63,894,514	7,210,359	36,629,352

b) Information related to the account of the Central Bank of Türkiye:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	18,986,133	-	6,458,159	-
Unrestricted Time Deposit	17,283,685	28,228,037	-	7,868,041
Restricted Time Deposit	3,286,049	23,900,848	-	18,195,656
Total	39,555,867	52,128,885	6,458,159	26,063,697

As of 31 December 2023, the applicable rates for reserve deposits held at the Central Bank of Türkiye are between 0% and 30% (31 December 2022: between 3% and 8%) for Turkish Lira and between 5% and 30% (31 December 2022: between 5% and 26%) for foreign currency. The ratio of Turkish currency held for foreign currency is 4%.

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

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

Net book value of unrestricted financial assets at fair value through profit or loss is TL 588,465 (31 December 2022: TL 3,011,802).

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Debt Securities	242,988	345,477	2,809,744	202,058
Securities Representing Share in Capital	109,256	164,734	77,196	263,295
Other Financial Assets	-	150,116	-	76,286
Total	352,244	660,327	2,886,940	541,639

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

3. Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	213,972	94,335	1,089,391	47,443
Swap Transactions	1,237,871	524,285	2,953,184	228,144
Futures Transactions	-	-	-	-
Options	483,792	418,807	357,592	388,958
Other	-	-	-	-
Total	1,935,635	1,037,427	4,400,167	664,545

4. Information on banks

a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	1,305,465	795	2,102,878	505
Foreign	302,205	5,586,120	698,476	6,162,428
Foreign Head Offices and Branches	-	-	-	-
Total	1,607,670	5,586,915	2,801,354	6,162,933

An expected loss provision of TL 45,340 (31 December 2022: TL 28,900) has been set aside for receivables from banks.

b) Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	1,351,333	985,011	239,507	-
USA, Canada	1,305,097	2,765,267	-	-
OECD Countries (*)	357,404	878,376	-	-
Off-Shore Banking Regions	31	20	-	-
Other	2,361,153	1,578,685	273,800	653,545
Total	5,375,018	6,207,359	513,307	653,545

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

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

a.1) Information on financial assets at fair value through other comprehensive income given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury Bill and Similar Investment Securities	3,751,191	-	1,411,005	-
Other	-	-	-	-
Total	3,751,191	-	1,411,005	-

a.2) Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	996,753	2,649,642	-	3,013,150
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	996,753	2,649,642	-	3,013,150

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 427,853 (31 December 2022: TL 3,995,149).

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

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

b.1) Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt Securities	7,743,104	8,369,991
Quoted on a Stock Exchange	7,670,426	8,320,656
Unquoted on a Stock Exchange	72,678	49,335
Equity Securities	82,335	49,313
Quoted on a Stock Exchange	-	-
Unquoted on a Stock Exchange	82,335	49,313
Impairment Provision (-)	-	-
Total	7,825,439	8,419,304

An expected loss provision of TL 1,778 (31 December 2022: TL 1,676) has been reserved for financial assets at fair value through other comprehensive income.

6. Information on loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	1,607,169	-	1,118,603
Corporate Shareholders	-	1,607,169	-	1,118,603
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	341,242	-	212,298	-
Total	341,242	1,607,169	212,298	1,118,603

b) Information on the standard loans and loans under close monitoring and restructured loans under close monitoring:

Current Period:

		Loans under Close Monitoring		
		Not Under the Scope of Restructuring	Loans with Revised Contract Terms	Loans Under Restructuring
Cash Loans	Standard Loans			Refinancing
Non-Specialized Loans	192,710,647	13,917,088	82,658	993,880
Working Capital Loans	18,799,021	3,316,949	-	843,000
Export Loans	45,631,545	189,599	-	772
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,595,877	8,401	-	-
Consumer Loans	32,135,421	5,307,828	28,012	77,199
Credit Cards	21,143,243	2,896,900	51,297	-
Other	69,405,540	2,197,411	3,349	72,909
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	192,710,647	13,917,088	82,658	993,880

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

6. Information on loans: (continued)

b) Information on the standard loans and loans under close monitoring and restructured loans under close monitoring: (continued)

Prior Period:

Cash Loans	Standard Loans	Loans under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Restructuring	
			Loans with Revised Contract Terms	Refinancing
Non-specialized Loans	135,354,392	10,235,887	49,531	1,067,224
Working Capital Loans	12,825,030	1,920,186	-	772,445
Export Loans	30,414,865	296,549	-	2,366
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,290,513	-	-	-
Consumer Loans	24,973,760	4,727,764	7,431	122,472
Credit Cards	12,700,358	1,669,035	37,549	-
Other	49,149,866	1,622,353	4,551	169,941
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	135,354,392	10,235,887	49,531	1,067,224

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	687,130	-	734,536	-
Significant Increase in Credit Risk	-	4,465,775	-	2,418,591
Total	687,130	4,465,775	734,536	2,418,591

c) Distribution of cash loans by maturity structure:

Current Period	Loans under Close Monitoring		
	Standard Loans	Not under the Scope of Restructuring	Restructured
Short Term Loans	126,940,789	5,838,182	29,365
Medium- and Long-Term Loans	65,769,858	8,078,906	1,047,173
Total	192,710,647	13,917,088	1,076,538

Prior Period	Loans under Close Monitoring		
	Standard Loans	Not under the Scope of Restructuring	Restructured
Short Term Loans	81,111,891	3,329,771	21,414
Medium- and Long-Term Loans	54,242,501	6,906,116	1,095,341
Total	135,354,392	10,235,887	1,116,755

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

6. Information on loans: (continued)

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	8,681,383	26,373,938	35,055,321
Housing Loans	2,514	2,839,333	2,841,847
Vehicle Loans	508,394	959,933	1,468,327
General Purpose Loans	8,170,475	22,574,672	30,745,147
Other	-	-	-
Consumer Loans -Indexed to FC	-	6,330	6,330
Housing Loans	-	6,330	6,330
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	14,982	14,982
Housing Loans	-	2,543	2,543
Vehicle Loans	-	-	-
General Purpose Loans	-	12,439	12,439
Other	-	-	-
Individual Credit Cards-TL	19,129,345	41,355	19,170,700
With Instalments	7,138,988	41,355	7,180,343
Without Instalments	11,990,357	-	11,990,357
Individual Credit Cards-FC	60,541	-	60,541
With Instalments	-	-	-
Without Instalments	60,541	-	60,541
Personnel Loans-TL	87,228	135,071	222,299
Housing Loans	-	143	143
Vehicle Loans	-	-	-
General Purpose Loans	87,228	134,928	222,156
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	108,846	16	108,862
With Instalments	45,205	16	45,221
Without Instalments	63,641	-	63,641
Personnel Credit Cards-FC	917	-	917
With Instalments	-	-	-
Without Instalments	917	-	917
Overdraft Accounts-TL (Real Persons) (*)	2,249,528	-	2,249,528
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	30,317,788	26,571,692	56,889,480

(*) Overdraft accounts include personnel loans amounting to TL 9,164.

(**) Loans granted via branches abroad.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

6. Information on loans: (continued)

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (continued):

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	3,035,284	24,646,725	27,682,009
Housing Loans	13,586	3,421,072	3,434,658
Vehicle Loans	38,477	356,529	395,006
General Purpose Loans	2,983,221	20,869,124	23,852,345
Other	-	-	-
Consumer Loans –Indexed to FC	-	5,243	5,243
Housing Loans	-	5,243	5,243
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	12,322	12,322
Housing Loans	-	3,612	3,612
Vehicle Loans	-	-	-
General Purpose Loans	-	8,710	8,710
Other	-	-	-
Individual Credit Cards-TL	9,899,605	33,500	9,933,105
With Instalments	3,773,824	33,500	3,807,324
Without Instalments	6,125,781	-	6,125,781
Individual Credit Cards-FC	33,398	-	33,398
With Instalments	-	-	-
Without Instalments	33,398	-	33,398
Personnel Loans-TL	37,523	98,869	136,392
Housing Loans	-	326	326
Vehicle Loans	-	-	-
General Purpose Loans	37,523	98,543	136,066
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	68,406	18	68,424
With Instalments	27,336	18	27,354
Without Instalments	41,070	-	41,070
Personnel Credit Cards-FC	652	-	652
With Instalments	-	-	-
Without Instalments	652	-	652
Overdraft Accounts-TL (Real Persons) (*)	1,995,461	-	1,995,461
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	15,070,329	24,796,677	39,867,006

(*) Overdraft accounts include personnel loans amounting to TL 6,830.

(**) Loans granted via branches abroad.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

6. Information on loans: (continued)

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

Current Period	Short Term	Medium and Long Term	Total
Commercial loans with instalment – TL	6,285,919	16,466,506	22,752,425
Business Loans	-	74,389	74,389
Vehicle Loans	457,510	3,219,119	3,676,629
General Purpose Loans	5,828,409	13,172,998	19,001,407
Other	-	-	-
Commercial loans with instalment - Indexed to FC	-	9,576	9,576
Business Loans	-	3,387	3,387
Vehicle Loans	-	-	-
General Purpose Loans	-	6,189	6,189
Other	-	-	-
Commercial loans with instalment – FC	566	-	566
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	566	-	566
Other	-	-	-
Corporate Credit Cards-TL	4,714,470	24,480	4,738,950
With Instalments	1,169,402	24,480	1,193,882
Without Instalments	3,545,068	-	3,545,068
Corporate Credit Cards-FC	11,470	-	11,470
With Instalments	-	-	-
Without Instalments	11,470	-	11,470
Overdraft Accounts-TL (Legal Entities)	941,417	-	941,417
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	11,953,842	16,500,562	28,454,404

Prior Period	Short Term	Medium and Long Term	Total
Commercial loans with instalment – TL	2,378,337	10,547,993	12,926,330
Business Loans	4,639	160,686	165,325
Vehicle Loans	344,111	2,564,430	2,908,541
General Purpose Loans	2,029,587	7,822,877	9,852,464
Other	-	-	-
Commercial loans with instalment - Indexed to FC	-	20,114	20,114
Business Loans	-	6,082	6,082
Vehicle Loans	-	-	-
General Purpose Loans	-	14,032	14,032
Other	-	-	-
Commercial loans with instalment – FC	939	-	939
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	939	-	939
Other	-	-	-
Corporate Credit Cards-TL	4,364,826	36	4,364,862
With Instalments	1,655,525	36	1,655,561
Without Instalments	2,709,301	-	2,709,301
Corporate Credit Cards-FC	6,501	-	6,501
With Instalments	-	-	-
Without Instalments	6,501	-	6,501
Overdraft Accounts-TL (Legal Entities)	985,557	-	985,557
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	7,736,160	10,568,143	18,304,303

f) Distribution of loans by users:

	Current Period	Prior Period
Public	5,207,828	1,686,191
Private	202,496,445	145,020,843
Total	207,704,273	146,707,034

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

6. Information on loans: (continued)

g) Distribution of domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	206,871,036	145,849,516
Foreign Loans	833,237	857,518
Total	207,704,273	146,707,034

h) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans Given to Subsidiaries and Associates	277,413	437,163
Indirect Loans Given to Subsidiaries and Associates	-	-
Total	277,413	437,163

i) Specific or non-performing loan (Stage 3) provisions for loans:

	Current Period	Prior Period
Loans with Limited Collectability	332,737	197,372
Loans with Doubtful Collectability	289,351	359,210
Uncollectible Loans	943,883	1,335,772
Total	1,565,971	1,892,354

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

j.1) Information on non-performing loans and restructured loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period			
Gross Amounts before Provisions	61,062	36,088	27,630
Restructured Loans	61,062	36,088	27,630
Prior Period			
Gross Amounts before Provisions	51,719	38,533	34,533
Restructured Loans	51,719	38,533	34,533

j.2) Movement of non-performing loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Prior period end balance	315,766	504,833	1,805,293
Additions (+)	1,714,621	20,252	48,930
Transfers from other accounts of Non-performing (+)	-	1,206,650	857,038
Transfers to other accounts of Non-performing (-)	1,206,650	857,038	-
Collections (-)	327,298	215,193	676,292
Write-Offs (-)	-	-	99,443
Sold Portfolio (-) (*)	341	217,772	678,161
Corporate and Commercial Loans	159	3,691	39,291
Retail Loans	2	155,734	483,803
Credit Cards	180	58,347	155,067
Other	(228)	(6,347)	(7,415)
Current Period End Balance	495,870	435,385	1,249,950
Provision (-)	332,737	289,351	943,883
Net Balance on Balance Sheet	163,133	146,034	306,067

(*) The portion of the Bank's non-performing receivables portfolio amounting to TL 896,274 with a provision of TL 747,165 was sold in 2023 for TL 367,959 and the sale proceeds were collected after the completion of the necessary procedures and the related non-performing receivables were derecognized.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

6. Information on loans: (continued)

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

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

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectable Loans and Receivables
31 December 2023			
Current Period End Balance	95,542	6,216	75,789
Provision Amount (-)	78,190	2,508	56,563
Net Balance on Balance Sheet	17,352	3,708	19,226
31 December 2022			
Current Period End Balance	92,224	3,070	99,092
Provision Amount (-)	64,461	1,354	72,617
Net Balance on Balance Sheet	27,763	1,716	26,475

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

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectable Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	495,870	435,385	1,249,950
Provision (-)	332,737	289,351	943,883
Loans to Real Persons and Legal Entities (Net)	163,133	146,034	306,067
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	315,766	504,833	1,805,293
Provision Amount (-)	197,372	359,210	1,335,772
Loans to Real Persons and Legal Entities (Net)	118,394	145,623	469,521
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectable Loans
Current Period (Net)	1,901	1,011	187
Interest Accruals, Rediscounts and Valuation Differences	58,525	57,600	352,139
Provision Amount (-)	56,624	56,589	351,952
Prior Period (Net)	699	83	7,659
Interest Accruals, Rediscounts and Valuation Differences	28,808	58,354	457,827
Provision Amount (-)	28,109	58,271	450,168

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

6. Information on loans: (continued)

k) Disclosures regarding the unregistered policy:

Loans that will be subject to write-off are applied for loans that are classified as 5 Group - Loans classified as Bad Debt and provided with life-long expected credit loss provision due to the debtor's default and there is no reasonable expectation of their recovery within the scope of TFRS 9 standard Write-off is an accounting practice and does not result in giving up the right on the receivable. Loans which are written-off do not affect the legal follow-up of the Parent Bank. Indicators are utilized concerning the absence of reasonable expectations regarding the recovery of loans. The write-off is examined on an incident basis with predefined criteria's and the following write-off criteria's are considered:

- The possibility of recovery is limited: Loans with low collateralization, limited collateral capability, limited assets that provide foreclosure collection, and less than expected cost income for collection are evaluated.
- Financial indicators: Financial indicators that show that the entire loan does not have the ability to recover, or that the monetary cost to be incurred due to lawsuit/prosecution to be filed is higher than the collection to be made, are evaluated.
- Long-term follow-up: Those who do not have reasonable collection expectations are evaluated in order to recover the loans that have been pursuing for a long time.

The following practices for the loans bank monitors, although the loans have been written-off by the Bank, cannot be different from its registered loans.

- a) The methods applied for legal collection of loans from debtors,
- b) Decisions to be subjected to the sale of non-performing loans,
- c) Decisions to waive the credit by waiving the loans.

Within the scope of TFRS 9, the deducted amount during the period is TL 99,443 (31 December 2022: TL 454,825) and its effect on NPL ratio is 0.05% (31 December 2022: 0.30%). The follow-up conversion rate, after deductions, is 1.04% (31 December 2022: 1.76%) in the current period non-performing loan figures, while the calculated rate including the loans deducted during the year is 1.09% (31 December 2022: 2.06%).

l) Other explanations and disclosures:

Current Period	Commercial	Consumer	Credit Cards	Total
Standard Loans	139,431,983	32,135,421	21,143,243	192,710,647
Loans Under Close Monitoring	6,632,390	5,413,039	2,948,197	14,993,626
Loans Under Follow Up	703,721	1,218,540	258,944	2,181,205
Total	146,768,094	38,767,000	24,350,384	209,885,478
12 Month Expected Credit Loss (Stage I) (-)	291,501	231,388	164,241	687,130
Significant Increase in Credit Risk (Stage II) (-)	2,762,281	993,612	709,882	4,465,775
Default (Stage III) (-)	489,172	887,329	189,470	1,565,971
Total	3,542,954	2,112,329	1,063,593	6,718,876
Net Credit Balance on Balance Sheet	143,225,140	36,654,671	23,286,791	203,166,602
Prior Period	Commercial	Consumer	Credit Cards	Total
Standard Loans	97,680,274	24,973,760	12,700,358	135,354,392
Loans Under Close Monitoring	4,788,391	4,857,667	1,706,584	11,352,642
Loans Under Follow Up	856,916	1,606,859	162,117	2,625,892
Total	103,325,581	31,438,286	14,569,059	149,332,926
12 Month Expected Credit Loss (Stage I) (-)	365,454	231,139	137,943	734,536
Significant Increase in Credit Risk (Stage II) (-)	1,775,605	385,520	257,466	2,418,591
Default (Stage III) (-)	590,043	1,173,192	129,119	1,892,354
Total	2,731,102	1,789,851	524,528	5,045,481
Net Credit Balance on Balance Sheet	100,594,479	29,648,435	14,044,531	144,287,445

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

The following is a reclassification of provision for impairment on loans by stage;

Current Period

	Loans Under Close			
Commercial	Standard Loans (Stage 1)	Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
31 December 2022	365,454	1,775,605	590,043	2,731,102
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(21,170)	47,017	-	25,847
- Stage 1 to Stage 3	(661)	-	27,380	26,719
- Stage 2 to Stage 3	-	(2,859)	8,182	5,323
- Stage 2 to Stage 1	1,185	(30,935)	-	(29,750)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	145,986	423,746	201,931	771,663
Collections	(235,592)	(135,862)	(256,214)	(627,668)
Sold Portfolio	-	-	(26,596)	(26,596)
Write-offs	-	-	(86,961)	(86,961)
Currency differences	36,299	685,569	31,407	753,275
Total Expected Loss Provision - 31 December 2023	291,501	2,762,281	489,172	3,542,954

Prior Period

	Loans Under Close			
Commercial	Standard Loans (Stage 1)	Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
31 December 2021	203,624	1,091,318	849,940	2,144,882
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(8,312)	38,492	-	30,180
- Stage 1 to Stage 3	(1,438)	-	59,763	58,325
- Stage 2 to Stage 3	-	(26,383)	80,297	53,914
- Stage 2 to Stage 1	1,105	(7,514)	-	(6,409)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	283,428	606,714	629,176	1,519,318
Collections	(135,016)	(131,055)	(548,378)	(814,449)
Sold Portfolio	-	-	(47,297)	(47,297)
Write-offs	-	-	(452,651)	(452,651)
Currency differences	22,063	204,033	19,193	245,289
Total Expected Loss Provision - 31 December 2022	365,454	1,775,605	590,043	2,731,102

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

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

Current Period

		Loans Under Close Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
Consumer	Standard Loans (Stage 1)			
31 December 2022	231,139	385,520	1,173,192	1,789,851
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(16,157)	62,410	-	46,253
- Stage 1 to Stage 3	(4,488)	-	140,516	136,028
- Stage 2 to Stage 3	-	(23,921)	107,116	83,195
- Stage 2 to Stage 1	6,384	(56,848)	-	(50,464)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	91,915	706,861	(71,281)	727,495
Collections	(77,405)	(80,410)	(77,712)	(235,527)
Sold Portfolio	-	-	(372,020)	(372,020)
Write-offs	-	-	(12,482)	(12,482)
Currency differences	-	-	-	-
Total Expected Loss Provision - 31 December 2023	231,388	993,612	887,329	2,112,329

Prior Period

		Loans Under Close Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
Consumer	Standard Loans (Stage 1)			
31 December 2021	160,661	209,746	1,221,062	1,591,469
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(10,183)	58,020	-	47,837
- Stage 1 to Stage 3	(6,038)	-	272,728	266,690
- Stage 2 to Stage 3	-	(42,527)	285,430	242,903
- Stage 2 to Stage 1	7,548	(47,903)	-	(40,355)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	120,047	258,623	(377,532)	1,138
Collections	(40,896)	(50,439)	(36,569)	(127,904)
Sold Portfolio	-	-	(189,753)	(189,753)
Write-offs	-	-	(2,174)	(2,174)
Currency differences	-	-	-	-
Total Expected Loss Provision - 31 December 2022	231,139	385,520	1,173,192	1,789,851

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

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

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

Current Period

	Standard Loans (Stage 1)	Loans Under Close Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
Credit Cards				
31 December 2022	137,943	257,466	129,119	524,528
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(10,904)	166,690	-	155,786
- Stage 1 to Stage 3	(2,293)	-	79,260	76,967
- Stage 2 to Stage 3	-	(13,557)	38,340	24,783
- Stage 2 to Stage 1	17,271	(99,622)	-	(82,351)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	43,448	442,857	90,930	577,235
Collections	(21,224)	(43,952)	(18,847)	(84,023)
Sold Portfolio	-	-	(129,332)	(129,332)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total Expected Loss Provision - 31 December 2023	164,241	709,882	189,470	1,063,593

Prior Period

	Standard Loans (Stage 1)	Loans Under Close Monitoring (Stage 2)	Loans Under Follow Up (Stage 3)	Total
Credit Cards				
31 December 2021	64,441	50,833	188,370	303,644
Transfers;	-	-	-	-
- Stage 1 to Stage 2	(5,435)	104,931	-	99,496
- Stage 1 to Stage 3	(1,659)	-	62,282	60,623
- Stage 2 to Stage 3	-	(9,503)	48,019	38,516
- Stage 2 to Stage 1	13,394	(21,936)	-	(8,542)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	74,569	146,765	(53,220)	168,114
Collections	(7,367)	(13,624)	(50,885)	(71,876)
Sold Portfolio	-	-	(65,447)	(65,447)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total Expected Loss Provision - 31 December 2022	137,943	257,466	129,119	524,528

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

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

The fair value of collaterals of non-performing loans, capped with the respective outstanding loan balance as of 31 December 2023 is TL 639,046 (31 December 2022: TL 842,665).

The fair value of the collateral of non-performing loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	557,394	668,114
Vehicle	48,162	63,499
Cash	238	113
Other (*)	33,252	110,939
Total	639,046	842,665

(*) Other amount includes Treasury backed and Portfolio guaranteed CGF guarantee amounting to TL 33,252 (31 December 2022: TL 110,939).

As of 31 December 2023, the fair value of the collaterals of the customers' total principal risk related to the loans under close monitoring that do not exceed the risk is TL 3,881,224 (31 December 2022: TL 3,767,830).

Fair value of the part of the collaterals of the closely monitored loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	3,232,685	3,182,343
Vehicle	541,478	466,367
Cash, Government Bonds	106,561	116,555
Other	500	2,565
Total	3,881,224	3,767,830

As of 31 December 2023 and 31 December 2022, the details of the commodities and real estates that the bank has acquired for disposal of credit receivables are as follows:

31 December 2023	Commercial	Consumer	Total
Residential, commercial or industrial properties	81,771	289	82,060
Other	-	-	-
Total	81,771	289	82,060

31 December 2022	Commercial	Consumer	Total
Residential, commercial or industrial properties	99,958	412	100,370
Other	-	-	-
Total	99,958	412	100,370

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

7. Information on financial assets measured at amortised cost:

- a) a.1) Information on financial assets measured at amortised cost and subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	14,269,209	14,639,935	-	7,460,842
Total	14,269,209	14,639,935	-	7,460,842

Information on financial assets measured at amortised cost and given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
F				
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	17,933,295	-	19,897,126	-
Other	-	-	-	-
Total	17,933,295	-	19,897,126	-

Financial assets valued over their amortized cost classified as free warehouse TL 2,449,019 (31 December 2022: TL 13,097,968).

- a.3) Information on government debt securities measured at amortized cost:

	Current Period	Prior Period
Government Bonds	49,291,458	40,455,936
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	49,291,458	40,455,936

An expected loss provision of TL 11,090 (31 December 2022: TL 9,103) is reserved for government debt securities valued at amortized cost.

- a.4) Information on financial assets measured at amortised cost:

	Current Period	Prior Period
Debt securities	49,291,458	40,455,936
Quoted on a Stock Exchange	49,291,458	40,455,936
Unquoted on a Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	49,291,458	40,455,936

- a.5) Movement of financial assets measured at amortised cost:

	Current Period	Prior Period
Balance at the Beginning of the Period	40,455,936	19,551,700
Foreign Currency Differences on Monetary Assets	5,539,588	2,524,108
Purchases During the Year	15,451,927	12,931,495
Disposals Through Sales and Redemptions	(9,541,486)	(2,428,011)
Impairment Provision	-	-
Revaluation Effect(*)	(2,614,507)	7,876,644
Closing Balance	49,291,458	40,455,936

(*) Includes rediscount amounts.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

8. Information on associates (Net):

- a.1) Information on unconsolidated associates according to Communiqué on Preparing Banks' Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2022: None).
- a.2) Information on the unconsolidated associates: None (31 December 2022: None).
- a.3) Information on the consolidated associates: None (31 December 2022: None).
- a.4) Information on sector information on consolidated associates: None (31 December 2022: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2022: None).

9. Information on subsidiaries (Net):

- a) Information on shareholders' equity of significant subsidiaries:

Subsidiaries do not use internal capital adequacy assessment approach.

	TEB Faktoring A.Ş.	TEB Yatırım Menkul Değerler A.Ş.	TEB Portföy Yönetimi A.Ş.	TEB Finansman A.Ş.
Paid-in capital to be entitled for compensation after all creditors	50,000	28,794	30,000	71,626
Reserves	383,935	33,843	1,091	498,991
Net income for the period and prior period income	388,434	752,601	134,680	174,718
Income/loss recognized under equity in accordance with TAS	-	-	(102)	-
Leasehold improvements on operational leases (-)	6,223	345	2,638	668
Goodwill and intangible asset and the related deferred tax liability (-)	11,743	15,754	3,356	3,673
Total common equity tier 1 capital	804,403	799,139	159,675	740,994
Provisions	23,996	-	-	4,180
Equity	828,399	799,139	159,675	745,174

- b) If there is any unconsolidated subsidiary, total equity amount that is lack of subjection to the reasonable justifications of non-consolidate and minimum capital requirement: None (31 December 2022: None).
- c) Information on the unconsolidated subsidiaries: None (31 December 2022: None).
- d) Information on the consolidated financial subsidiaries:
 - d.1) Information on the consolidated financial subsidiaries:

Title	Address (City / Country)	The Bank's share percentage-If different voting percentage (%)	Other shareholders' share percentage (%)
1 TEB Faktoring A.Ş.	İstanbul/Turkey	100.00	-
2 TEB Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	96.62	3.38
3 TEB Portföy Yönetimi A.Ş.	İstanbul/Turkey	25.60	29.14
4 TEB Finansman A.Ş.	İstanbul/Turkey	100.00	-

Explanations on the consolidated subsidiaries with the order as presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (*)	Fair Value
1	10,537,078	822,369	21,941	2,149,352	-	377,396	208,685	-
2	1,632,782	815,238	12,484	692,073	-	409,317	153,417	-
3	219,626	165,669	7,588	5,776	82	103,636	38,853	-
4	3,069,217	745,335	5,199	1,145,396	-	175,146	98,236	-

(*) These figures are shown per BRSA financial statements as of 31 December 2022.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

9. Information on subsidiaries (Net): (continued)

d.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	115,986	115,986
Movements During the Period	162,985	-
Purchases (*)	162,985	-
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Provision for Impairment	-	-
Balance at the End of the Period	278,971	115,986
Capital Commitments	-	-
Share Percentage at The End of The Period (%)	-	-

(*) On 4 November 2022, a Share Transfer Agreement was signed between BNP Paribas Personal Finance S.A., TEB Holding A.Ş. and Türk Ekonomi Bankası A.Ş. for the acquisition by B of (i) 61,300,800 shares owned by BNP Paribas Personal Finance S.A. and (ii) 10,325,200 shares owned by TEB Holding A.Ş. out of 71,626,000 registered shares in the capital of TEB Finansman A.Ş. It was also announced with the material event disclosure dated 16 January 2023 that the transaction was within the scope of intra-group restructuring; applications/information regarding the share transfer were made to the Banking Regulation and Supervision Agency and the Competition Authority and the necessary approvals were obtained. In this context, the acquisition of all (100%) of the shares of TEB Finansman A.Ş. by Türk Ekonomi Bankası A.Ş. and the share transfer transaction was completed on 23 January 2023 and Türk Ekonomi Bankası A.Ş. became the sole shareholder of TEB Finansman A.Ş.

d.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	43,417	43,417
Leasing Companies	-	-
Finance Companies	162,985	-
Other Financial Subsidiaries	72,569	72,569
Total	278,971	115,986

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2022: None).

e) Information on non-financial subsidiaries that are not consolidated:

TEB ARF Teknoloji A.Ş. was established by the Bank with TL 50,000 paid-in capital and 100% ownership; was registered in the Trade Registry Gazette on 16 July 2020.

10. Explanations on entities under common control (joint ventures):

a) Information on entities under common control (joint ventures):

Entities under common control (joint ventures)						Share of the Bank (%)	Share of the Group (%)
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.(*)						0.1	33.3
Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (*)	Fair Value
372,227	165,267	177,040	-	-	9,680	56,460	-

(*) Current period information is based on the financial statements as of 30 November 2023.

b) Accounting method of the reasonable justification of unconsolidated in Joint Ventures that booked on the unconsolidated the Parent Bank's financial statements:

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., it is presented as joint venture in financial statements however, it is carried by cost value since necessary requirements for consolidation is not met.

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

11. Information on financial lease receivables (Net): None (31 December 2022: None).

12. Positive differences related to derivative financial assets for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	735,767	302,754	425,928	308,164
Foreign Net Investment Hedge	-	-	-	-
Total	735,767	302,754	425,928	308,164

In case of termination of the fair value hedge accounting, any adjustment to the book value of the hedging instrument calculated using the effective interest method under fair value hedge accounting is amortized through profit or loss to the financial asset price until the maturity of the asset.

According to cash flow hedges terminated by the Bank, accumulated valuation differences amounted TL 39,591 (31 December 2022: TL 49,903) is recorded under equity as of 31 December 2023. These amounts are transferred into income statement by considering maturity date of hedged items.

13. Information on tangible assets:

	31 December 2022	Purchases	Sales	Other	31 December 2023
Cost:					
Real estate	116,525	1,157	-	49	117,731
Right of Use	1,172,530	659,083	(340,434)	-	1,491,179
Furniture, Furnishings, Office Machines and Other Securities	1,480,381	652,903	(36,662)	4,899	2,101,521
Total Cost	2,769,436	1,313,143	(377,096)	4,948	3,710,431
	31 December 2022	Charge for the Period	Sales	Other	31 December 2023
Accumulated Depreciation:					
Real estate	60,903	3,430	-	49	64,382
Right of Use Depreciation	607,120	269,652	(196,428)	-	680,344
Furniture, Furnishings, Office Machines and Other Securities	849,692	215,247	(32,343)	5	1,032,601
Total Accumulated Depreciation	1,517,715	488,329	(228,771)	54	1,777,327
Net Book Value	1,251,721				1,933,104

- The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- Pledges, mortgages and other restrictions on the tangible assets, expenses arising from the construction for tangible assets, commitments given for the purchases of tangible assets: None.

14. Information on intangible assets:

	31 December 2022	Purchases	Sales	Other	31 December 2023
Cost:					
Other Intangible Assets	1,051,272	729,935	(154,605)	-	1,626,602
Total Cost	1,051,272	729,935	(154,605)	-	1,626,602
	31 December 2022	Charge for the Period	Sales	Other	31 December 2023
Accumulated Depreciation:					
Other Intangible Assets	589,879	188,154	-	-	778,033
Total Accumulated Depreciation	589,879	188,154	-	-	778,033
Net Book Value	461,393				848,569

- Disclosures for book value, description and remaining useful life for a specific intangible asset that is material to the financial statements: None.
- Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition: None.

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

14. Information on intangible assets: (continued)

- c) The method of subsequent measurement for intangible assets that are acquired through government incentives and recorded at fair value at the initial recognition: None.
- d) Book value of intangible assets that are restricted or pledged in use: None.
- e) Amount of purchase commitments for intangible assets: None.
- f) Information on revalued intangible assets according to their types: None.
- g) Amount of total research and development expenses recorded in income statement within the period if any: None.
- h) Positive or negative consolidation goodwill on entity basis: Not applicable for unconsolidated financial statements.
- i) Information on goodwill:

Following the publication of the BRSA's permission dated 10 February 2011 in the Official Gazette dated 12 February 2011 and numbered 27844, all rights by the termination of the legal personality of Fortis Bank A.Ş. The merger of two banks was realized through the transfer of receivables, liabilities and liabilities to the Bank in the form of ashes. The shareholders of Fortis Bank A.Ş., which was dismissed due to the merger, were given 1.0518 registered TEB shares for each share with a nominal value of TL 1 to be replaced with their existing shares. Since the enterprises subject to this merger are not controlled by the same person or persons before and after the business merger, the transaction has been evaluated within the scope of TFRS 3. In the merger, Fortis Bank A.Ş. has been identified as an acquired business and the fair value of the equity shares subject to the change because of the merger, as of 14 February 2011, is taken into account as the transferred price, and the difference between this value and the fair value of the identifiable net assets of Fortis Bank A.Ş. is recognized as goodwill.

- j) Beginning and ending balance of the goodwill and movement on goodwill in the current period:

	Current Period	Prior Period
Beginning of the period	421,124	421,124
Foreign currency differences	-	-
Acquisitions	-	-
Period End Balance	421,124	421,124

15. Information on investment properties: None (31 December 2022: None).

16. Information on deferred tax asset:

- a) As of 31 December 2023, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL 2,410,400 (31 December 2022: TL 1,599,145). There are no tax exemptions or deductions over which deferred tax asset is computed.
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.
- d) Movement of deferred tax:

	Current Period	Prior Period
As of 1 January	1,599,145	133,323
Deferred Tax Income / (Expense)	461,351	1,632,910
Deferred Tax Accounted Under Equity	349,904	(167,088)
Deferred Tax Asset	2,410,400	1,599,145

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

16. Information on deferred tax assets: (continued)

After net off the net deferred tax asset is presented as deferred tax asset on the balance sheet and net deferred tax liability presented as deferred tax liability on balance sheet. The deferred tax income of TL 461,351 is stated under the tax provision in the income statement (31 December 2022: TL 1,632,910 income). The portion of the deferred tax that is directly attributable to equity which is presented in the table below has been netted within the relevant accounts in the statement of shareholders' equity.

	Current Period	Prior Period
Financial Assets Fair Value Through Other Comprehensive Income	275,510	(282,402)
From hedge accounting	988	(12,097)
Actuarial gains and losses	73,406	127,411
Total	349,904	(167,088)

17. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Beginning of the Period Cost	100,370	65,933
Accumulated Depreciation at the Beginning of the Period (-)	-	-
Net Book Value	100,370	65,933
Opening Balance	100,370	65,933
Acquired	49,380	129,422
Disposed (-)	67,042	94,115
Impairment (-)	648	870
Depreciation Value (-)	-	-
Period End Cost	82,060	100,370
Period End Accumulated Depreciation (-)	-	-
Closing Net Book Value	82,060	100,370

As of 31 December 2023, the Bank has no assets related to discontinued operations (31 December 2022: None).

18. Information on other assets:

Other assets of the balance sheet amount to TL 11,567,338 (31 December 2022: TL 8,416,885) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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II. Explanations and Disclosures Related to the Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current Period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and over	Accumulated Deposits	Total
Saving Deposits	11,434,614	-	30,955,848	65,389,026	2,876,936	9,874,584	3,204,116	-	123,735,124
Foreign Currency Deposits	62,450,456	-	11,279,340	12,705,976	231,984	50,731	47,189	-	86,765,676
Residents in Turkey	59,084,682	-	10,540,158	12,196,472	211,226	47,602	42,603	-	82,122,743
Residents Abroad	3,365,774	-	739,182	509,504	20,758	3,129	4,586	-	4,642,933
Public Sector Deposits	1,838,949	-	14,044	205,711	1,547,150	-	-	-	3,605,854
Commercial Deposits	16,022,870	-	12,734,684	20,143,834	1,154,047	1,998,176	1,399,329	-	53,452,940
Other Institutions Deposits	1,007,541	-	183,111	833,605	65,215	11	278	-	2,089,761
Precious Metals Deposits	12,382,123	-	20,326	85,192	10,527	20,771	293	-	12,519,232
Bank Deposits	329,106	-	2,248,143	-	-	-	-	-	2,577,249
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	5	-	-	-	-	-	-	-	5
Foreign Banks	329,101	-	2,248,143	-	-	-	-	-	2,577,244
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	105,465,659	-	57,435,496	99,363,344	5,885,859	11,944,273	4,651,205	-	284,745,836

Currency-protected deposit product, the operating rules of which is determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 31 December 2023, TL deposit amount includes TL 44,388,822 (31 December 2022: TL 37,257,017) deposits within this scope.

a.2) Prior Period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month- 1 Year	1 Year and over	Accumulated Deposits	Total
Saving Deposits	8,171,822	-	14,087,065	51,169,720	2,161,080	37,848	2,076,773	-	77,704,308
Foreign Currency Deposits	41,618,064	-	9,563,959	10,687,797	158,722	62,260	114,862	-	62,205,664
Residents in Turkey	39,578,012	-	9,079,292	10,025,022	145,626	58,115	108,559	-	58,994,626
Residents Abroad	2,040,052	-	484,667	662,775	13,096	4,145	6,303	-	3,211,038
Public Sector Deposits	1,022,181	-	8,529	568,611	-	-	-	-	1,599,321
Commercial Deposits	12,649,720	-	11,502,658	16,113,341	2,246,338	102,882	3,409,323	-	46,024,262
Other Institutions Deposits	599,846	-	126,746	756,087	90,788	22	451	-	1,573,940
Precious Metals Deposits	9,166,124	-	21,852	277,988	18,928	13,856	1,495	-	9,500,243
Bank Deposits	185,513	-	1,597,800	-	-	-	-	-	1,783,313
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	8	-	-	-	-	-	-	-	8
Foreign Banks	185,505	-	1,597,800	-	-	-	-	-	1,783,305
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	73,413,270	-	36,908,609	79,573,544	4,675,856	216,868	5,602,904	-	200,391,051

b) Information on saving deposits under the guarantee of saving deposit insurance:

b.1) Saving deposits exceeding the limit of insurance:

i) Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance (*):

Saving Deposits	Under the Guarantee of Insurance (**)		Exceeding the Limit of Insurance (**)	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	49,743,453	26,516,373	72,203,333	48,478,289
Foreign Currency Saving Deposits	18,884,543	11,272,053	26,773,509	25,728,396
Other Deposits in the Form of Saving Deposits	4,671,518	2,818,412	6,054,464	5,428,436
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
Total	73,299,514	40,606,838	105,031,306	79,635,121

(*) Pursuant to the "Regulation Amending the Regulation on the Insured Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposits and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions, started to be insured. In this context, commercial deposits covered by the insurance amount to TL 8,720,452 (31 December 2022: TL 5,370,596) and the relevant amount is not included in the note.

(**) According to the BRSA's circular no 1584 dated on 23 February 2005, accruals are included in the saving deposit amounts.

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

b) Information on saving deposits under the guarantee of saving deposit insurance: (continued)

b.1) Saving deposits exceeding the limit of insurance: (continued)

ii) Deposit of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Foreign Branches' Deposits and Other Accounts	2,040,846	1,336,331
Deposits of Controlling Shareholders and Their Close Families	3,159,145	4,182,430
Deposits of Chairman and Members of the Board of Directors and Their Close Families	186,514	91,901
Deposits Obtained Through Illegal Acts Defined in the 282 nd Article of the 5237 Numbered Turkish Criminal Code Dated 26 September 2004.	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Off-shore Banking Activities	-	-

2. Information on derivative financial liabilities:

a) Negative differences related to derivative financial liabilities held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	344,298	14,767	93,782	34,238
Swap Transactions	1,020,999	347,925	2,665,390	156,043
Futures Transactions	-	-	-	-
Options	387,146	437,708	142,470	405,697
Other	-	-	-	-
Total	1,752,443	800,400	2,901,642	595,978

3. Information on funds borrowed and debt securities issued:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds Borrowed from Central Bank of Türkiye	-	-	-	-
From Domestic Banks and Institutions	112,235	12,801	637,353	74,613
From Foreign Banks, Institutions and Funds	-	19,814,561	-	10,461,448
Total	112,235	19,827,362	637,353	10,536,061

As of 31 December 2023, the Bank has no loans from the risk group it is included in (31 December 2022: None).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	112,235	1,824,002	594,357	1,759,038
Medium and long-term	-	18,003,360	42,996	8,777,023
Total	112,235	19,827,362	637,353	10,536,061

c) Information on debt securities issued: None. (31 December 2022: None)

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

4. Information on money market funds:

Information on funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	-	21,558,125	-	1,084,154
Financial Institutions and Organizations	-	21,558,125	-	1,084,154
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
From Foreign Transactions	-	6,551,717	-	5,706,506
Financial Institutions and Organizations	-	6,551,717	-	5,706,506
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
Total	-	28,109,842	-	6,790,660

5. Other external funding payables which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

Other foreign sources item of the balance sheet is TL 16,170,699 (31 December 2022: TL 12,147,608) and does not exceed 10% of the total balance sheet.

6. Explanation on financial lease obligations (Net):

With the “IFRS 16 Leases” standard which became effective as of 1 January 2020, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under “Tangible Assets” as an asset (tenure) and under “Liabilities from Leasing” as a liability. As of 31 December 2023, the Bank has TL 991,149 (31 December 2022: TL 695,894) liabilities from Leasing amount.

7. Negative differences table of derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	82,455	-	69,613	-
Foreign Net Investment Hedge	-	-	-	-
Total	82,455	-	69,613	-

In case the fair value hedge accounting is terminated, any adjustment made to the book value of the hedged financial instrument determined by using the effective interest method within the scope of fair value hedge accounting is amortized through profit or loss until the maturity of the financial instrument.

As of 31 December 2023, there are accumulated valuation differences of TL 39,591 (31 December 2022: TL 49,903) under equity. This amount is spread over the remaining terms of the hedged items by the Bank and transferred to the income statement.

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

8. Information on provisions:

- a) Foreign exchange provision on the foreign currency indexed loans and financial lease receivables: There are no provision on the foreign currency indexed loans that is offset from the loans on the balance sheet (31 December 2022: None).
- b) The specific provisions provided for indemnifies non-cash loans or expected credit loss for non-cash loans:

	Current Period	Prior Period
Stage 1	167,442	163,475
Stage 2	611,469	389,419
Stage 3	131,680	133,621
Total	910,591	686,515

- c) Liabilities on unused vacation, bonus, health, employee termination benefits:

As of 31 December 2023, the Bank received TL 46,844 (31 December 2022: TL 27,856) allowance for unused vacation, TL 1,410,470 (31 December 2022: TL 1,252,858) employee termination benefits and TL 1,427,188 (31 December 2022: TL 798,153) related to the premiums to be paid to bank personnel and TL 1,887 (31 December 2022: TL 1,887) provision of other personnel expenses reflected the to the “Provisions for Employee Rights” account in the financial statements.

c.1) Termination benefits:

In determining the liability, the Bank makes use of independent actuaries and makes assumptions on issues such as discount rate, employee turnover rate and future salary increases. These assumptions are reviewed annually:

	31 December 2023	31 December 2022
Discount rate (%)	23.13	10.60
Estimated inflation rate (%)	17.77	7.48
Salary increase rate over inflation rate (%)	1.00	1.00

Movement of employee termination benefits

	Current Period	Prior Period
As of 1 January	1,252,858	483,683
Current service cost	84,387	211,585
Interest cost	86,256	94,016
Reductions and payments	8,115	9,637
Actuarial loss / (gain)	350,144	505,183
Compensations paid	(371,290)	(51,246)
Total	1,410,470	1,252,858

c.2) Retirement Benefits:

The employees who have joined the Bank as a consequence of the merger of the Parent Bank and Fortis Bank are members of the “Pension Fund Foundation” established in accordance with the Social Security Law No.506, provisional Article No.20.

The liabilities described in the Retirement Fund Section 3 No. XVI “Explanations on Liabilities related to Rights of Employees” which may arise during the transfer have been calculated by the actuary based on the principles of the related regulation, whereas the liabilities in connection with other social rights and benefits which will not be undertaken by the SSI after the transfer have been calculated by the actuary based on TAS 19 principles. The Bank is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2023 and 31 December 2022. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

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

8. Information on provisions: (continued)

c) Liabilities on unused vacation, bonus, health, employee termination benefits: (continued)

c.2) Retirement Benefits: (continued)

Within the frame of the assumptions determined;

Period Based Pension and Health Obligations:	31 December 2023	31 December 2022
Net Present Value of Transferrable Retirement Liabilities	(6,317,234)	(2,265,564)
Net Present Value of Transferrable Retirement and Health Contributions	851,710	653,404
General Administration Expenses	(63,172)	(22,656)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(5,528,696)	(1,634,816)
Fair Value of Plan Assets (2)	8,399,806	5,915,152
Asset Surplus over Transferable Benefits ((2)-(1)-(3))	2,871,110	4,280,336
Non-Transferable Benefits (4)	(2,148,410)	(1,138,155)
Asset Surplus over Total Benefits ((3)-(4))	722,700	3,142,181

As of 31 December 2023 and 31 December 2022, the distribution of the fair value of the total assets of the Pension Fund is as follows:

	31 December 2023	31 December 2022
Bank placements	1,730,850	1,792,939
Tangible assets	465,925	199,608
Government Bonds and Treasury Bills, Funds and Rediscount Interest Income	5,697,020	3,483,749
Other	506,011	438,856
Total	8,399,806	5,915,152

Actuarial assumptions used in the calculation of liabilities excluding the period-based liabilities according to TAS 19 are as follows:

	31 December 2023	31 December 2022
Discount rates	23.13%	10.60%
Inflation expectations	17.77%	7.48%

As of 31 December 2023, health inflation is assumed to be in line with inflation. Long-term inflation assumption is assumed to be 17.77% on 31 December 2023 (31 December 2022: 19% in the first year and 7.48% in the following years). It is assumed that general salary increases will be 1% above inflation and SSI ceiling increase will be at the same rate as inflation (31/12/2022: 20% in the first year and 8.48% in the following years for salary increase, 19% in the first year and 7.48% in the following years for SSI ceiling increase). CSO 2001 (31 December 2022: CSO 2001) Female/Male mortality table is used to represent expected mortality rates both before and after retirement.

d) Information on other provisions:

	Current Period	Prior Period
Provision for Non-Cash Loans	910,591	686,515
Provision for Legal Cases	227,121	133,257
Provision for Promotions of Credit Cards and Banking Services	16,718	10,677
Other (*)	2,321,008	456,728
Total	3,475,438	1,287,177

(*) As of 31 December 2023, it includes free provisions amounting to TL 2,050,000 (31 December 2022: TL 400,000). This free provision has been allocated by the Bank management outside the requirements of BRSA Accounting and Financial Reporting Legislation.

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

8. Information on provisions: (continued)

d) Information on other provisions: (continued)

The following table is represented reconciliation on the provision for impairment of non-cash loans;

Current Period	Standard Loans (Stage I)	Loans Under Close Monitoring (Stage II)	Loans Under Follow Up (Stage III)	Total
31 December 2022	163,475	389,419	133,621	686,515
Transfers;				
- Stage 1 to Stage 2	(688)	4,024	-	3,336
- Stage 1 to Stage 3	(112)	-	5,422	5,310
- Stage 2 to Stage 3	-	(6,942)	120,364	113,422
- Stage 2 to Stage 1	-	-	-	-
- Stage 3 to Stage 2	425	(4,346)	-	(3,921)
Transferred within the period	15,447	139,730	(107,916)	47,261
Collections	(29,853)	(95,662)	(19,811)	(145,326)
Exchange differences	18,748	185,246	-	203,994
Total Expected Loss Provision -31 December 2023	167,442	611,469	131,680	910,591

Prior Period	Standard Loans (Stage I)	Loans Under Close Monitoring (Stage II)	Loans Under Follow Up (Stage III)	Total
31 December 2021	67,930	233,196	44,434	345,560
Transfers;				
- Stage 1 to Stage 2	(5,046)	29,766	-	24,720
- Stage 1 to Stage 3	(307)	-	217,440	217,133
- Stage 2 to Stage 3	-	(655)	173,847	173,192
- Stage 2 to Stage 1	-	-	-	-
- Stage 3 to Stage 2	223	(5,819)	-	(5,596)
Transferred within the period	109,436	81,401	(296,647)	(105,810)
Collections	(17,885)	(18,611)	(5,453)	(41,949)
Exchange differences	9,124	70,141	-	79,265
Total Expected Loss Provision -31 December 2022	163,475	389,419	133,621	686,515

9. Explanations on taxes payable:

a) Information on tax provision:

The Bank's corporate tax liability is TL 250,538 as of 31 December 2023 (31 December 2022: TL 1,528,149). As of 31 December 2023, the Bank's total tax and premium debt is TL 1,282,114 (31 December 2022: TL 1,964,235).

b) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	250,538	1,528,149
Taxation on Securities	194,666	69,692
Property Tax	5,891	3,907
Banking Insurance Transaction Tax (BITT)	433,185	142,813
Foreign Exchange Transaction Tax	8,508	10,779
Value Added Tax Payable	60,258	33,915
Other (*)	112,821	66,307
Total	1,065,867	1,855,562

(*) TL 99,174 (31 December 2022: TL 53,943) of the other item is income tax deducted from wages and TL 5,757 (31 December 2022: TL 6,784) is stamp tax payable

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

9. Explanations on taxes payable: (continued)

c) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	153,650	77,659
Social Security Premiums-Employer	52,207	25,786
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	3,761	1,949
Unemployment Insurance-Employer	6,629	3,279
Other	-	-
Total	216,247	108,673

d) Explanations on deferred tax liabilities, if any: The Group does not have any deferred tax liability as of 31 December 2023 (31 December 2022: None).

10. Information on fixed assets payables related to activities held and discontinued for sale: None (31 December 2022: None).

11. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

The Bank was issued Subordinated debt instrument on 5 November 2018, which has two Call Dates: falling on the fifth anniversary notes and the Interest Payment Date falling thereafter amounting USD 210 million with the final maturity of 10 years. The interest rate of the issuance is 10.40% per annum and will be continued at the end of the 5th year with an annual interest rate of SOFR + 7.32% after the first early redemption date. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

On 14 May 2019, the Bank has issued subordinated debt securities amounting to EUR 60 million with a maturity of 10 years and 2 early redemption rights at the end of the 5th year and the first interest payment period following the 5th year, provided that it is not earlier than 5 years. The interest rate of the issue is 6-month Euribor + 7.10% per annum. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

On 20 July 2012, the Bank had issued a debt instrument of EUR 100 million as T2 capital and the debt instrument was redeemed on 22 July 2019 after the decision of the relevant Board of Directors and the approval of the BRSA. On 22 July 2019, the Bank issued a subordinated debt security with amount of 100 million EURO, with the final maturity of 10 years, with no call till 5th anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling thereafter. The interest rate of the issuance is 6-months Euribor + 7.10% annually. The “Tier 2 capital” was provided by BNP Paribas Fortis SA / NV.

The Bank issued subordinated debt instrument, which has early redemption right on 27 June 2023, with the final maturity of 10 years in the amount of EUR 125 million in 27 June 2018. The interest rate of the issuance is 6-month Euribor + 5.10% per annum. The “Tier 2 capital” was provided by BNP Paribas Fortis SA/NV. Following BRSA approval, early redemption was carried out on 27 December 2023.

The above mentioned four subordinated loans are utilized in-line with the “loan capital” definition of BRSA and will positively affect the capital adequacy ratio of the Bank as well as utilizing long term funding.

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

11. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any: (continued)

Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments to be Included in Additional Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	11,637,967	-	9,708,218
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	11,637,967	-	9,708,218
Total	-	11,637,967	-	9,708,218

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Domestic Other Institutions	-	-	-	-
From Foreign Banks	-	11,637,967	-	9,708,218
From Other Foreign Institutions	-	-	-	-
Total	-	11,637,967	-	9,708,218

12. Information on shareholders' equity:

a) Presentation of paid-in capital:

	Current Period	Prior Period
Common Stock	2,204,390	2,204,390
Preferred Stock	-	-

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank if so amount of registered share capital ceiling:

Capital System	Paid-in Capital	Ceiling
Registered Capital System	2,204,390	-

c) Information on share capital increases, their sources and other information on increased capital shares in current period: None.

d) Information on share capital increases from revaluation funds: None.

e) Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments: None.

f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The income diversified with various business line and related channels/products/sectors, supported with different projects result a sustainable and relatively non-volatile profitability. Besides, interest rate, currency rate and liquidity risk under control are testing with various simulation and this test prevents the risks of effect. The profitability of the Bank is followed up and estimated by the Bank's Planning and Performance Management in short, medium and long term. It is also reported to Asset-Liability Committee and other related organs. As result, current and future negative effect on equity is not occurred and expected.

g) Information on privileges given to stocks representing the capital: None.

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

12. Information on shareholders’ equity: (continued)

h) Information on marketable securities valuation differences:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	(81,628)	(29,672)	773,937	(82,686)
Foreign Exchange Difference	-	-	-	-
Total	(81,628)	(29,672)	773,937	(82,686)

13. Information on minority interests: None (31 December 2022: None).

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III. Explanations and Disclosures Related to the Off-Balance Sheet Items

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Credit Card Expenditure Limits	52,048,755	22,073,226
Used Guarantee Loan Allocation Commitments	13,577,154	11,657,703
Forward Assets Trading Commitments	10,243,499	7,231,850
Payment Commitment for Cheques	4,044,146	2,776,761
Tax and Fund Liabilities from Export Commitments	302,721	127,411
Commitments for Promotions Related with Credit Cards and Banking Activities	3,181	2,141
Other Revocable Commitments	854,282	-
Other Irrevocable Commitments	938,745	369,349
Total	82,012,483	44,238,441

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

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

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

	Current Period	Prior Period
Letters of Credit	22,935,305	15,650,244
Bank Acceptances	70,513	23,623
Other Commitments	10,693,200	7,350,992
Other Contingencies	3,057,472	2,207,625
Total	36,756,490	25,232,484

b.2) Guarantees, surety ships, and similar transactions:

	Current Period	Prior Period
Guarantee Letters	28,949,303	17,249,510
Advance Guarantee Letters	8,472,141	6,944,286
Guarantee Letters Given for Customs	1,321,518	961,508
Temporary Guarantee Letters	659,207	1,517,892
Other Guarantee Letters	5,777,951	3,361,690
Total	45,180,120	30,034,886

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

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	5,609,748	3,362,152
With Maturity of One Year or Less Than One Year	821,496	469,739
With Maturity of More Than One Year	4,788,252	2,892,413
Other Non-Cash Loans	76,326,862	51,905,218
Total	81,936,610	55,267,370

For non-cash loans amounting to TL 250,521 (31 December 2022: TL 253,300) followed in off-balance sheet accounts, which are not compensated and turned into cash, TL 131,680 (31 December 2022: TL 133,621) third stage expected loss provision has been made. In addition, TL 167,442 (31 December 2022: TL 163,475) Stage 1, TL 611,469 (31 December 2022: TL 389,419) Stage 2 TFRS 9 expected loss provision have been made.

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III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

1. Information on off-balance sheet liabilities: (continued)

c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	82,951	0.42	3,953	0.01	119,802	0.86	52,460	0.13
Farming and raising livestock	81,156	0.41	3,953	0.01	114,335	0.82	52,460	0.13
Forestry	-	-	-	-	-	-	-	-
Fishery	1,795	0.01	-	-	5,467	0.04	-	-
Manufacturing	8,836,468	44.96	23,981,409	38.50	6,237,580	44.71	19,941,531	48.27
Mining and Quarry	438,967	2.23	783,719	1.26	335,419	2.40	782,573	1.89
Production	8,262,778	42.04	23,165,480	37.19	5,692,150	40.80	19,137,263	46.32
Electricity, Gas and Water	134,723	0.69	32,210	0.05	210,011	1.51	21,695	0.05
Construction	1,992,328	10.14	14,932,457	23.98	1,862,922	13.35	7,618,827	18.44
Services	8,444,984	42.97	20,834,283	33.45	5,571,367	39.93	12,033,878	29.13
Wholesale and Retail Trade	5,305,720	26.99	6,786,838	10.90	3,209,837	23.01	3,599,235	8.71
Hotel and Restaurant Services	284,066	1.45	19,444	0.03	229,190	1.64	121,394	0.29
Transportation and								
Communication	1,140,776	5.80	1,563,540	2.51	864,851	6.20	1,064,592	2.58
Financial Institutions	428,284	2.18	3,889,322	6.24	419,562	3.01	1,521,563	3.68
Real Estate and Renting	647,865	3.30	5,517,421	8.86	422,995	3.03	3,717,166	9.00
Self-employment Services	620,375	3.16	3,045,051	4.89	405,832	2.91	2,009,031	4.86
Education Services	7,942	0.04	12,667	0.02	5,975	0.04	745	-
Health and Social Services	9,956	0.05	-	-	13,125	0.09	152	-
Other	297,967	1.51	2,529,810	4.06	160,435	1.15	1,668,568	4.04
Total	19,654,698	100.00	62,281,912	100.00	13,952,106	100.00	41,315,264	100.00

c.3) Information on Stage I and Stage II non-cash loans:

Current Period	Stage I		Stage II	
	TL	FC	TL	FC
Non-Cash Loans				
Letters of Guarantee	12,782,959	28,525,278	583,560	3,288,323
Bank Acceptances	-	70,513	-	-
Letters of Credit	-	22,788,090	-	147,215
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Commitments	-	-	-	-
Other Commitments and Contingencies	6,146,454	7,462,493	141,725	-
Total	18,929,413	58,846,374	725,285	3,435,538

Prior Period	Stage I		Stage II	
	TL	FC	TL	FC
Non-Cash Loans				
Letters of Guarantee	9,027,387	18,132,753	409,458	2,465,288
Bank Acceptances	-	23,623	-	-
Letters of Credit	-	15,632,222	-	18,022
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Commitments	-	-	-	-
Other Commitments and Contingencies	4,326,186	5,043,356	189,075	-
Total	13,353,573	38,831,954	598,533	2,483,310

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III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

2. Information related to derivative financial instruments:

	Derivative Transactions According to Purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of Trading Transactions				
Foreign Currency Related Derivative Transactions (I):	265,744,184	228,974,961	-	-
Forward Transactions	36,518,576	43,058,781	-	-
Swap Transactions	127,164,205	126,894,040	-	-
Futures Transactions	-	4,145,296	-	-
Option Transactions	102,061,403	54,876,844	-	-
Interest Related Derivative Transactions (II):	102,471,834	80,543,010	-	-
Forward Rate Transactions	-	-	-	-
Interest Rate Swap Transactions	91,040,876	72,607,050	-	-
Interest Option Transactions	11,430,958	7,935,960	-	-
Futures Interest Transactions	-	-	-	-
Marketable Securities Call-Put Options (III)	-	-	-	-
Other Trading Derivative Transactions (IV)	3,832,469	1,395,731	-	-
A. Total Trading Derivative Transactions (I+II+III+IV)	372,048,487	310,913,702	-	-
Types of Hedging Transactions	-	-	-	-
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	-	26,163,509	19,489,643
Net Investment Hedges	-	-	-	-
B. Total Hedging Related Derivatives	-	-	26,163,509	19,489,643
Total Derivative Transactions (A+B)	372,048,487	310,913,702	26,163,509	19,489,643

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the Bank's financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value.

i) Derivative Instruments for Fair Value Hedging Purposes:

As of 31 December 2023, the Bank has no derivative instruments for hedging purposes.

ii) Derivative instruments for cash flow hedge purposes

The Bank has designated swap transactions with a total notional amount of TL 26,163,509 (31 December 2022: TL 19,489,643) as cash flow hedges by matching with the deposit portfolio and selected loans portfolio with maturities between 1-90 days. The amount of the portion accounted under equity is TL 310,532 (31 December 2022: TL 376,592 receivable) receivable and TL 93,160 (31 December 2022: TL 94,148 payable) payable in the financial statements, net of deferred tax effect.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross currency swaps	7,449,520	776,565	82,455	10,604,665	533,642	68,920
Interest rate swaps	18,713,989	261,956	-	8,884,978	200,450	693
Total	26,163,509	1,038,521	82,455	19,489,643	734,092	69,613

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III. Explanations and Disclosures Related to the Off-Balance Sheet Items (continued)

3. Credit derivatives and risk exposures on credit derivatives: None.

4. Explanations on contingent liabilities and assets:

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other ventures in entities under common control (joint ventures): None.

b) Accounting and presentation of contingent assets and liabilities in the financial statements:

- b.1) Contingent assets are accounted for if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of 31 December 2023, there are no contingent assets that need to be explained (31 December 2022: None).
- b.2) A provision is made for contingent liabilities if realization is probable, and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes. The Bank has provided provision amounting to TL 227,121 (31 December 2022: TL 133,257) for various lawsuits filed by various individuals and institutions with high probability of occurrence and cash outflow. This amount is presented under "Other Provisions" in the financial statements.

5. Custodian and intermediary services:

The Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of Off-Balance Accounts.

6. The information on the Bank's rating by the international rating introductions (*):

TEB maintained its position as one of the most highly rated banks in Turkey. As of 31 December 2023, TEB's ratings were as follows:

Fitch Ratings:

<i>Foreign Currency</i>	
Long-term	B-
Short-term	B
Outlook	Stable
<i>Turkish Lira</i>	
Long-term	B
Short-term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Financial Strength	b-
Shareholder Support Note	b-

Moody's Investor Services:

Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term FC Deposits	B3
Short Term FC Deposits	NP
Long Term TL Deposits	B1
Short Term TL Deposits	NP
Outlook	Stable

(*) Ratings above are not performed based on the "Communiqué for Authorization and Activities of Rating Institutions" published by the Capital Markets Board.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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IV. Explanations and Disclosures Related to the Statement of Income

1. Explanations on Interest Income

a) Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short Term Loans	18,922,708	2,534,133	11,846,684	935,198
Medium- and Long-Term Loans	11,340,925	1,179,081	8,710,805	715,586
Interest on Loans Under Follow-Up	232,116	8,504	237,239	1,869
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	30,495,749	3,721,718	20,794,728	1,652,653

(*) Includes fees and commissions obtained from cash loans amounting to TL 981,443 (31 December 2022: TL 594,372).

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Türkiye	116,389	11,464	-	2,728
Domestic Banks	681,756	546	104,125	1,102
Foreign Banks	74,207	247,384	18,736	68,107
Branches and Head Office Abroad	-	-	-	-
Total	872,352	259,394	122,861	71,937

c) Information on interest income on marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	176,700	30,677	355,260	41,958
Financial Assets at Fair Value Through Other Comprehensive Income	1,681,130	129,230	1,572,493	143,655
Financial Assets at Amortised Cost	9,857,644	453,755	9,685,167	412,273
Total	11,715,474	613,662	11,612,920	597,886

As stated in note VII of Section Three, there are CPI indexed bonds in the securities portfolios of the Bank, whose fair value difference is reflected in other comprehensive income and measured at amortized cost. These securities are valued and accounted for using the effective interest method based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months prior. The Bank determines the estimated inflation rate in parallel with this. The estimated inflation rate used is updated during the year when deemed necessary. At the end of the year, the actual inflation rate is used.

d) Information on interest income on associates and subsidiaries:

	Current Period	Prior Period
Interest Received from Subsidiaries and Associates	106,511	96,363

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Explanations and Disclosures Related to the Statement of Income (continued)

2. Explanations on Interest Expense

a) Information on interest expense on funds borrowed (*):

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
The Central Bank of Türkiye	-	-	-	-
Domestic Banks	47,438	4,291	123,329	2,598
Foreign Banks	-	2,584,985	-	1,068,991
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	47,438	2,589,276	123,329	1,071,589

(*) Includes fees and commission expenses related to cash loans amounting to TL 89,791 (31 December 2022: TL 29,270).

b) Information on interest expense on associates and subsidiaries:

	Current Period	Prior Period
Interest Expenses to Associates and Subsidiaries	32,167	8,102

c) Information on interest expenses on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on securities issued	-	-	200,253	-
Total	-	-	200,253	-

d) Distribution of interest expenses on deposits based on maturity of deposits:

Current Period		Time Deposits						Accumulated Deposits	Total
Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year			
TL									
Bank Deposits	-	379,800	-	-	-	-	-	-	379,800
Saving Deposits	-	5,687,282	15,887,181	413,388	660,675	469,031	-	-	23,117,557
Public Sector Deposits	-	19,021	270,538	90,468	-	-	-	-	380,027
Commercial Deposits	-	1,892,939	3,843,032	237,443	134,245	362,915	-	-	6,470,574
Other Deposits	-	17,585	191,245	7,613	1	1,223	-	-	217,667
7 Days Call Accounts	-	-	-	-	-	-	-	-	-
Total	-	7,996,627	20,191,996	748,912	794,921	833,169	-	-	30,565,625
FC									
Foreign Currency Deposits	-	29,569	337,053	15,733	1,918	728	-	-	385,001
Bank Deposits	-	393	-	-	-	-	-	-	393
7 Days Call Accounts	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	23	3,634	218	-	-	-	-	3,875
Total	-	29,985	340,687	15,951	1,918	728	-	-	389,269
Grand Total	-	8,026,612	20,532,683	764,863	796,839	833,897	-	-	30,954,894

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Explanations and Disclosures Related to the Statement of Income (continued)

2. Explanations on Interest Expense (continued)

d) Distribution of interest expenses on deposits based on maturity of deposits: (continued)

Prior Period	Time Deposits						Accumulated Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
Account Name								
TL								
Bank Deposits	-	196,667	-	-	-	-	-	196,667
Saving Deposits	3	2,459,509	4,821,061	202,314	6,839	142,374	-	7,632,100
Public Sector Deposits	-	11,264	99,366	-	-	-	-	110,630
Commercial Deposits	-	1,292,034	2,407,712	378,873	2,625	217,654	-	4,298,898
Other Deposits	-	25,129	322,756	36,027	5	67	-	383,984
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	3,984,603	7,650,895	617,214	9,469	360,095	-	12,622,279
FC								
Foreign Currency Deposits	21	36,629	632,661	5,019	435	476	-	675,241
Bank Deposits	-	1,118	-	-	-	56	-	1,174
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2,098	212	-	-	-	2,310
Total	21	37,747	634,759	5,231	435	532	-	678,725
Grand Total	24	4,022,350	8,285,654	622,445	9,904	360,627	-	13,301,004

3. Information on dividend income:

	Current Period	Prior Period
Financial Assets at Fair Value through Profit and Loss	12,170	6,938
Financial Assets at Fair Value Through Other Comprehensive Income	746	799
Other	12,953	8,106
Total	25,869	15,843

4. Information on trading profit / loss:

	Current Period	Prior Period
Profit	221,810,881	164,797,770
Profit on Capital Market Operations	1,894,580	521,452
Profit on Derivative Financial Instruments ⁽¹⁾	88,891,537	36,030,295
Foreign Exchange Gains	131,024,764	128,246,023
Losses (-)	211,626,250	162,856,207
Losses on Capital Market Operations	387,652	582,055
Losses on Derivative Financial Instruments ⁽¹⁾	92,455,422	39,265,564
Foreign Exchange Losses	118,783,176	123,008,588

(1) Includes exchange rate fluctuations of hedging transactions net profit of TL 181,032 (31 December 2022: TL 383,991 profit), derivative financial instruments exchange rate changes in profit accounts amounting to TL 7,042,585 (31 December 2022: TL 180,352 profit) net exchange income.

5. Information on other operating income:

Other operating income of the Bank mainly consists of all transaction costs collected from clients and disposal of assets.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

6. Provision expenses of banks for loans and other receivables:

a) Expected Credit Losses and Other Provisions:

	Current Period	Prior Period
Expected Credit Losses	1,577,839	1,782,264
12-Month Expected Credit Losses (Stage 1)	(88,242)	373,222
Significant Increase in Credit Risk (Stage 2)	1,398,421	948,743
Credit-Impaired (Stage 3)	267,660	460,299
Impairment Provisions for Securities	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Impairment Provision Related to Investments in Associates, Subsidiaries and Joint Ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	1,805,505	399,926
Total	3,383,344	2,182,190

(*) As of 31 December 2023, it includes free provisions amounting to TL 1,650,000 (31 December 2022: TL 400,000). This free provision has been allocated by the Bank management outside the requirements of BRSA Accounting and Financial Reporting Legislation.

7. Information on other operating expenses:

	Current Period	Prior Period
Reserve for Employee Termination Benefits ⁽¹⁾	178,758	315,238
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	488,329	332,433
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortization Expenses of Intangible Assets	188,154	100,660
Impairment for Investments Accounted with Equity Method	-	-
Impairment Expenses of Assets to Be Disposed	648	870
Depreciation Expenses of Assets to Be Disposed	-	-
Impairment Expenses of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	4,934,710	2,450,022
Leasing Expenses on TFRS 16 Exceptions	102,209	71,653
Maintenance Expenses	163,864	88,129
Advertisement Expenses	259,406	164,192
Other Expenses ⁽³⁾	4,409,231	2,126,048
Loss On Sales of Assets	1,630	5,859
Other ⁽²⁾	1,428,380	780,910
Total	7,220,609	3,985,992

⁽¹⁾ The provision for employment termination benefits is included in the personnel expenses item in the financial statements.

⁽²⁾ Other operating expenses include premiums paid to Saving Deposit Insurance Fund amounting to TL 601,533 (31 December 2022: TL 355,328) and other taxes and duties paid amounting to TL 552,025 (31 December 2022: TL 278,243).

⁽³⁾ Includes the cash donation payment amounting to TL 148,450 made to the Republic of Turkey Ministry of Interior Disaster and Emergency Management Presidency due to the earthquake disaster.

8. Information on profit loss before continuing and discontinued operations before tax:

- The portion of the profit before tax amounting to TL 16,755,952 (31 December 2022: TL 20,187,353) consists of net interest income, while TL 4,918,039 (31 December 2022: TL 2,251,416) consists of net fee and commission income; total operating expenses amount to TL 14,089,708 (31 December 2022: TL 7,634,674).
- Explanations on discontinued operations profit loss: None.

9. Information on tax provision for continuing and discontinued operations:

- As of 31 December 2023, current tax expense from continuing operations amounting to TL 3,647,896 (31 December 2022: TL 5,323,264 expense) and net deferred tax income amounting to TL 461,351 (31 December 2022: TL 1,632,910 income), and there is no current tax income/expense from discontinued operations in current period (31 December 2022: None).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Explanations and Disclosures Related to the Statement of Income (continued)

9. Information on tax provision for continuing and discontinued operations: (continued)

- b) Net deferred tax income arising from the creation or closure of temporary differences arising from continuing operations amounts to TL 461,351 (31 December 2022: TL 1,632,910 income).

10. Information on net profit / loss of continuing and discontinued operations:

The Group's net profit from continuing operations as of 31 December 2023 is TL 11,726,648 (31 December 2022: TL 11,190,604) and there is no net profit from discontinued operations as of 31 December 2023 (31 December 2022: None).

11. The explanations on net income/loss for the period:

- a) 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: None (31 December 2022: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2022: None).
- c) Profit/ loss attributable to minority interest: None (31 December 2022: None).

12. If the other items in the income statement exceed 10% of the income statement total accounts amounting to at least 20% of these items:

	Current Period	Prior Period
<u>Other Fees and Commissions Received</u>		
Card fees and commissions	5,365,112	2,377,251
Insurance commissions	653,791	358,057
Transfer commissions	394,380	182,361
Fund management fees	272,335	112,139
General limit revision commissions	217,976	135,442
Settlement expense provision, eft, swift, agency commissions	183,143	93,557
Early closing commissions	27,342	37,112
Other	1,122,730	286,100
Total	8,236,809	3,582,019
<u>Other Fees and Commissions Given</u>		
Credit Cards Commissions and Fees	3,493,449	1,535,783
Commission and Fees Paid to Correspondent Banks	191,346	113,935
Settlement Expense Provision, Eft, Swift Commissions	82,606	50,031
Other	525,887	214,473
Total	4,293,288	1,914,222

13. Fees for Services Received from Independent Auditor / Independent Audit Firm:

The fee for services for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Bank's domestic subsidiaries and unconsolidated non-financial partnerships.

<i>(Thousand TL amounts excluding VAT)</i>	Current Period	Prior Period
Independent audit fee for the reporting period	18,007	8,522
Fees for tax advisory services	-	-
Fee for other assurance services	577	263
Fees for services other than independent audit	3,969	437
Total	22,553	9,222

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
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V. Explanations and Disclosures Related to Statement of Changes in Shareholders' Equity

- a) The effect of changes in the fair value of financial assets at fair value through profit or loss is recognized in the “Marketable Securities Valuation Differences” account under the equity. The relevant amount decreased by TL 1,080,669 in 2023 (31 December 2022: TL 1,172,875 increased) and change effect to deferred tax is TL 278,118 (31 December 2022: TL 281,988).

- b) Increase in cash flow risk hedging items:

The Bank uses interest rate and cross currency swaps for reducing cash flow risk arising from short term deposit and borrowing. In this context, the effective portion is accounted for under equity in “Hedging Funds” account. In 2023, the amount decreased by TL 66,060 (31 December 2022: TL 1,743 increase) and the deferred tax effect of this change was TL 988 (31 December 2022: TL 12,097).

- c) Explanations on profit distribution:

According to the decision taken at the Ordinary General Assembly Meeting of the Parent Bank held on 28 March 2023, out of TL 11,190,604, which constitutes the net balance sheet profit for the year 2022, TL 112,093 was allocated to Legal Reserves, TL 138,376 to Special Reserves, TL 1,119,060 to shareholders and TL 9.50 to founder redemption certificate holders as profit as recommended by the Board of Directors, and the remaining balance was allocated as Extraordinary Reserves.

Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. Explanations and Disclosures Related to Statement of Cash Flows

1. The effect of the other items stated in the cash flow statement and the change in exchange rates on cash and cash equivalents:

"Other items" under "Operating profit before changes in operating assets and liabilities" amounting to TL 14,218,092 (31 December 2022: TL 2,4008,771) consists of other operating expenses excluding finance lease expenses, provision for employment termination benefits, depreciation expenses and taxes paid, and fees and commissions paid.

"Net increase in other liabilities" amounting to TL 4,052,020 (31 December 2022: TL 3,133,637) under "Change in assets and liabilities from banking activities" consists of miscellaneous payables, other liabilities, and changes in money markets. "Net decrease in other assets" amounting to TL 9,894,272 (31 December 2022: TL 7,262,911) consists of changes in blocked reserve requirements, miscellaneous receivables, and other assets.

"Other items" item under "Net cash flows from investing activities" amounting to TL 729,935 (31 December 2022: TL 423,784) consists of cash outflow for intangible assets purchased in the current period.

The effect of the change in foreign exchange rate on cash and cash equivalents includes the foreign exchange rate difference resulting from the conversion of foreign currency cash and cash equivalents to TL at the beginning and end of monthly the period has been realized as TL 6,438,331 for the year 2023 (31 December 2022: TL 3,764,592).

2. Cash and cash equivalents at the beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

Beginning of the Period	Current Period	Prior Period
Cash	25,644,055	19,904,616
Cash in TL/Foreign Currency	10,757,014	7,473,318
Central Bank – Unrestricted amount	14,326,200	12,202,866
Other	560,841	228,432
Cash Equivalents	16,382,880	11,422,605
Banks	8,782,880	11,422,605
Money Market Placements	7,600,000	-
Total Cash and Cash Equivalents	42,026,935	31,327,221
End of the Period	Current Period	Prior Period
Cash	77,297,641	25,644,055
Cash in TL/Foreign Currency	12,272,157	10,757,014
Central Bank – Unrestricted amount	64,497,855	14,326,200
Other	527,629	560,841
Cash Equivalents	19,116,162	16,382,880
Banks	6,916,162	8,782,880
Money Market Placements	12,200,000	7,600,000
Total Cash and Cash Equivalents	96,413,803	42,026,935

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. Explanations and Disclosures Related to Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

Balance sheet items and income/expense items of previous periods are presented as of 31 December 2022.

a) Current Period:

Risk Group Involving The Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of Period	437,163	2,934	257,375	1,118,603	1,213,006	93,918
Balance at End of Period	277,413	12,477	109,615	1,607,169	1,028,497	188,732
Interest and Commission Income	106,511	93	22,597	2,264	143,534	1,318

Direct and indirect shareholders of the Group balance above includes TL 109,615 and other entities included in the risk group balance above includes TL 128,181 placement in "Banks".

b) Prior Period:

Risk Group Involving The Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of Period	366,942	1,436	188,387	389,230	1,717,546	129,424
Balance at End of Period	437,163	2,934	257,375	1,118,603	1,213,006	93,918
Interest and Commission Income	96,363	46	2,940	4,290	163,137	402

Direct and indirect shareholders of the Bank balance above includes TL 257,375 and other entities included in the risk group balance above includes TL 45,447 placement in "Banks".

c) c.1) Information on deposits belonging to the risk group of the Bank:

Risk Group Involving The Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Balance at Beginning of Period	41,131	256,276	5,686,882	4,577,873	1,332,483	1,263,224
Balance at End of Period	178,635	41,131	5,808,611	5,686,882	2,519,918	1,332,483
Interest on Deposits	32,167	8,102	710,474	268,540	198,928	215,240

c.2) Information on forward transactions, option contracts and other similar contracts with the risk group of the Bank:

Risk Group Involving The Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss						
Beginning of Period	-	-	58,227,206	36,494,649	2,322,171	729,855
End of Period	-	-	93,842,978	58,227,206	4,740,236	2,322,171
Total Profit/Loss	-	-	267,296	(1,227,922)	(14,052)	1,676,472
Hedging Transactions Purposes						
Beginning of Period	-	-	16,690,868	9,575,676	-	-
End of Period	-	-	21,460,631	16,690,868	-	-
Total Profit/Loss	-	-	116,046	1,368,711	-	-

d) As of 31 December 2023, the total amount of remuneration and benefits provided for the senior management of the Bank is TL 202,328 (31 December 2022: TL 124,282).

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

VIII. Explanations on the Bank’s Domestic Branches, Agencies and Branches Abroad and Off-shore Branches

1. Explanations on the Bank’s domestic branches, agencies and branches abroad and off-shore branches:

	Numbers	Employees			
Domestic branches	440	8,268			
Rep-offices abroad	-	-		Country	
Branches abroad	4	65	Cyprus	Total Assets	Capital
				3,794,319	80,000
Off-shore branches	-	-	-	-	-

2. Explanation on the Subject in Case the Bank Opens or Closes a Branch or Representation Office in Turkey and Abroad, and Changes Its Organization Significantly:

The Bank closed 8 branches in 2023, 4 branches were opened during the year.

IX. Explanations and Disclosures Related to Subsequent Events

In accordance with the BRSA decision dated 11 January 2024 and numbered 10825, banks, financial leasing, factoring, financing, savings financing, and asset management companies are required to apply inflation accounting as of 1 January 2025.

Akil Özçay, Assistant General Manager in charge of Financial Markets Group, resigned from his position effective from 1 January 2024 and Göker Orhan was appointed in his place.

After obtaining the necessary permissions from the Banking Regulation and Supervision Agency and the Capital Markets Board, the Bank has issued subordinated bonds (tier 2 capital) amounting to USD 400 million, with a maturity of 10 years, fixed interest rate, with a redemption date of 17 January 2034 and an early redemption option on 17 January 2029, with a coupon rate of 9.375%. The issuance was completed on 17 January 2024 following the receipt of the Certificate of Issuance from the CMB.

Following the revision of Turkey's long-term foreign currency credit rating outlook from “Stable” to “Positive” on 12 January 2024, the international rating agency Moody's upgraded Türk Ekonomi Bankası A.Ş.'s Long-Term Foreign Currency Counterparty Risk rating and Long-Term Foreign Currency Deposit ratings from B3 to B2 and revised the outlooks of Long-Term Foreign Currency and Turkish Lira Deposit ratings from “Stable” to “Positive” on 17 January 2024.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations on Activities of the Bank

None.

SECTION SEVEN

INDEPENDENT AUDITOR’S REPORT

I. Explanations on the Independent Auditor’s Report

The unconsolidated financial statements of the Bank were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor’s report dated 31 January 2024 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors

None.

SECTION 5- CONSOLIDATED FINANCIAL STATEMENTS

PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND RELATED DISCLOSURES FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2023

*(CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS AND AUDITOR REPORT
ORIGINALLY ISSUED IN TURKISH)*

**TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS AND
RELATED DISCLOSURES TO THE FINANCIAL
STATEMENTS FOR THE PERIOD 1 JANUARY –
31 DECEMBER 2023 WITH INDEPENDENT AUDITOR’S
REPORT**

**(CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR’S REPORT ORIGINALLY ISSUED IN TURKISH)

INDEPENDENT AUDITOR’S REPORT**

To the General Assembly of Türk Ekonomi Bankası A.Ş.

A) Report on the Audit of the Financial Statements

1) Qualified Opinion

We have audited the consolidated financial statements of Türk Ekonomi Bankası AŞ (the “Bank”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of income, consolidated statement of income and expense items accounted for under shareholders’ equity, consolidated statement of changes in shareholders’ equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with “the Banking Regulation and Supervision Agency (BRSA) Accounting and Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No.26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by BRSA and Turkish Financial Reporting Standards for the matters not legislated by the aforementioned regulations.

2) Basis for Qualified Opinion

As of 31 December 2023, the consolidated financial statements include free provisions amounting to TL 2,050,000 thousand, TL 400,000 thousand of which had been recognized as an other provision expense in the prior period and TL 1,650,000 thousand of which had been recognized as an other provision expense in the consolidated financial statements in the current period, provided by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation. If the mentioned free provision were not provided, the other provisions would decrease by TL 2,050,000 thousand and prior periods’ profit would increase by TL 400,000 thousand and the current period profit would increase by TL 1,650,000 thousand for the year ended 31 December 2023.

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

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
<p><i>Impairment of loans determined within the framework of TFRS 9 Financial Instruments Standard (“TFRS 9”)</i></p> <p>Impairment of loans is an important area of jurisdiction for management. The Parent Bank has the total loans and factoring receivables amounting to TL 223,332,475 thousand, which comprise 53% of the Parent Bank’s total assets in its consolidated financial statements and the total provision for impairment amounting to TL 6,892,351 as of 31 December 2023.</p> <p>As of 1 January 2018, the Group has started to recognize provisions for impairment of loans at amortised cost in accordance with TFRS 9 and also “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 22 June 2016 numbered 29750.</p> <p>In accordance with the related legislation of BRSA as mentioned in the Section 3 Note VIII of Explanation on Accounting Policies, the expected credit loss estimates are required to be unbiased, probability-weighted and should include supportable information about past events, current conditions, and forecasts of future economic conditions.</p> <p>The Group exercises significant decisions using judgment, interpretation, and assumptions over calculating loan impairments. These judgments, interpretations and assumptions are key in the development of the financial models.</p> <p>Not fulfilling the requirements of the TFRS 9 is a potential risk for the Bank. Failure in determining the loans and receivables that are impaired and not recording the adequate provision for these impaired loans is the aforementioned risk. Accordingly, impairment of loans and receivables is considered as a key audit matter.</p> <p>Related explanations relating to the impairment of loans and receivables are presented in Section 5 Note I.6.</p>	<p>As part of our audit work, the following procedures were performed:</p> <p>We assessed and tested the design, implementation and operating effectiveness of key controls applied by the Group with respect to classification of loans and determination and calculation of impairments. Our information system experts have also participated to perform these procedures.</p> <p>We have assessed and analysed the relevant contract terms to assess management’s accounting policy and classification of the instrument for selected samples.</p> <p>We have performed loan review procedures on selected samples of loans and receivables with the objective of identifying whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the framework of the provisions of the relevant legislation.</p> <p>We have tested relevant inputs and assumption used by the management in each stage of the expected credit loss calculation by considering whether the inputs and assumptions appear reasonable, the relationship between the assumptions and whether the assumptions are interdependent and internally consistent, whether the assumptions appropriately reflect current market information and collections, and whether the assumptions appear reasonable when considered collectively with other assumptions, including those for the same accounting estimates and those for other accounting estimates.</p> <p>We have tested historical loss data to validate the completeness and accuracy of key parameters.</p> <p>We have tested whether the model is applied to appropriate segments of assets which share credit risk characteristics and whether the historical loss rates were incurred under economic conditions representative of those that may exist during the assets’ exposure periods.</p> <p>We tested the application of the model to the relevant inputs and the mathematical integrity of each stage of the expected credit loss calculation.</p> <p>Based on our discussions with the Group management, we evaluated whether the key assumptions and other</p>

	<p>judgements underlying the estimations of impairments were reasonable.</p> <p>We assessed expected credit losses determined based on individual assessment per the Group's policy by means of supporting data and evaluated appropriateness via communications with the Group management.</p> <p>Our specialists are involved in all procedures related to models and assumptions.</p> <p>We have reviewed disclosures made within the TFRS 9 framework in the financial statements of the Group with respect to loans and receivables and related impairment provisions.</p>
<p><i>Pension fund obligations</i></p> <p>Defined benefit pension plan that the Group provides to its employees is managed by Fortis Bank AŞ Mensupları Emekli Sandığı ("Plan") which is established by the 20th provisional article of the Social Security Law numbered 506 (the "Law").</p> <p>As disclosed in the Section III Note XVII to the consolidated financial statements, the Plan is composed of benefits which are subject to transfer to the Social Security Foundation ("SSF") as per the Social Security Law no.5510 provisional article 20, and other social rights and pension benefits provided by the Group that are not transferable to the SSF. The Council of Ministers has been authorized to determine the transfer date. Following the transfer, the funds and the institutions that employ the funds' members will cover the non-transferable social rights and pension benefits provided under the Plan even if it is included in foundation voucher.</p> <p>As of 31 December 2023, the Group's transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by the Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and No.26377. The valuation of the Plan liabilities requires judgment in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, inflation levels, demographic assumptions, and the impact of changes in the Plan. Management uses expert opinion of the independent actuary in assessing uncertainties related to these underlying assumptions and estimates.</p> <p>As described in Section V Note II.8.c2 considering the subjectivity of key judgments and assumptions, plus the uncertainty around the transfer date and basis of the transfer calculation given the fact that the technical interest rate is prescribed under the Law, we considered this as a key audit matter.</p>	<p>Our audit work included the following procedures:</p> <p>We involved internal experts (actuary) in our audit team to evaluate the assumptions used in the calculation of the pension obligations and the appropriateness of the estimates.</p> <p>It has been tested whether the plan assets meet plan obligations in accordance with the methods and assumptions used.</p> <p>In addition, reconciliations and tests were carried out through sampling of the accuracy of the data provided to the Group's actuary.</p> <p>We have assessed whether there is a significant change in the actuarial assumptions, methods, legal regulations, and legislation used in the calculations and whether the assumptions are reasonable.</p>

<p><i>Information technologies audit</i></p> <p>The Group and its finance functions are dependent on the IT-infrastructure for the continuity of its operations, and the demand for technology-enabled business services is rapidly growing in the Group and its subsidiaries. Controls over reliability and continuity of the electronic data processing are within the scope of the information systems internal controls audit. The reliance on information systems within the Group means that the controls over access rights, continuity of systems, privacy and integrity of the electronic data are critical and found to be key area of focus as part of our risk-based scoping.</p>	<p>Procedures within the context of our information technology audit work:</p> <ul style="list-style-type: none"> • We identified and tested the Group's controls over information systems as part of our audit procedures. • Information generation comprise all layers of information systems (including applications, networks, transmission systems and database). The information systems controls tested are categorized in the following areas: <ul style="list-style-type: none"> • Security Management • Change Management • Data Center and Network Operations • We selected high-risk areas as, database logging and change management control activities, to prevent and detect whether accesses to financial data had been identified in a timely manner. • We tested the accesses and logging controls underlying all applications that have direct or indirect impacts on financial data generation. • Automated controls and integration controls were tested to underly and detect changes and accesses in the process of financial data generation. • We also tested the appropriateness and accuracy of the information produced by the entity and information used in controls reports as inputs to our controls and outputs generated by the IT components. • Finally, we understood and tested the controls over database, network, application, and operating system layers of applications.
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4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

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 the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the SIA 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 the regulation on "Independent Auditing of Banks" published in the Official Gazette dated 2 April 2015 with No. 29314 and the SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We are also:

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

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

5) Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements (cont’d)

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

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

B) Other Responsibilities Arising from Regulatory Requirements

In accordance with paragraph four of the Article 402 of the Turkish Commercial Code No. 6102 (“TCC”), nothing has come to our attention that may cause us to believe that the Group’s set of accounts for the period 1 January - 31 December 2023 does not comply with TCC and the provisions of the Bank’s articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor’s report is Yaman Polat.

Additional paragraph for convenience translation to English

BRSA Accounting and Reporting Regulations explained in detail in Section 3 differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Yaman Polat
Partner

İstanbul, 31 January 2024

CONSOLIDATED FINANCIAL REPORT OF TRK EKONOMİ BANKASI A.Ş.
AS OF FOR THE YEAR ENDED 31 DECEMBER 2023

Address : Saray Mahallesi Sokullu Caddesi No:7/A – 7/B
mraniye 34768 - İstanbul
Telephone : (0 216) 635 35 35
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Website : www.teb.com.tr
E-mail : yatirimciiliskileri@teb.com.tr

The consolidated financial report for the year-end period, prepared in accordance with “Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced” as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below:

- General Information about the Parent Bank
- Consolidated Financial Statements of the Parent Bank
- Explanations on the Accounting Policies Applied in The Related Period
- Information on Financial Structure and Risk Management of the Group which is under Consolidation.
- Disclosures and Footnotes on Consolidated Financial Statements
- Other explanations
- Independent Auditor’s Audit Report

The subsidiaries, associates and jointly controlled entities, financial statements have been consolidated in this reporting package are as follows:

	Subsidiaries	Associates	Jointly Controlled Entities
1	TEB Yatırım Menkul Değerler A.Ş.	-	-
2	TEB Faktoring A.Ş.	-	-
3	TEB Portföy Yönetimi A.Ş.	-	-
4	TEB Finansman A.Ş.	-	-

The accompanying audited consolidated financial statements, related disclosures and footnotes which have been audited and presented in this report 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 incompliance with the financial records of the Parent Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Dr. Akın Akbaygil	Patrick Philippe Poupon	Ayşe Aşardağ	mit Lelebici	M. Aşkın Dolaştır	Kamer Kıdıl
Chairman of the Board of Directors	Chairman of the Audit Committee	Vice Chairman of the Audit Committee	Chief Executive Officer	Assistant General Manager Responsible of Financial Reporting	Director Responsible of Financial Reporting

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname/Title : Aslıhan Kaya / External Reporting Senior Manager
Telephone Number : (0216) 635 24 51
Fax Number : (0216) 636 36 36

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TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION ONE

GENERAL INFORMATION

I. History of the Parent Bank, Including its Incorporation Date, Initial Legal Status and Amendments to Legal Status

Türk Ekonomi Bankası Anonim Şirketi ("The Bank" or "TEB"), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş. was acquired by the Çolakoğlu Group in 1982. Its title was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to İstanbul. On 10 February 2005, BNP Paribas took over 50% of shares of TEB Holding A.Ş. Consequently, BNP Paribas ("BNPP") became indirect shareholder of TEB with 42.125% ownership. In 2009, BNP Paribas Group successively acquired 75% of Fortis Bank Belgium and 66% of Fortis Bank Luxembourg and became the shareholder holding the majority of the shares of Fortis Bank Turkey. The indirect majority shareholders of TEB which are BNP Paribas and Çolakoğlu Group has agreed on the merger of TEB and Fortis Bank under the trademark of TEB and following the authorizations obtained from the regulatory authorities on 14 February 2011 the legal merge of two banks has been performed. As a result of the merger of TEB Holding, TEB has a majority stake of 55% and on the other hand Çolakoğlu Group and BNP Paribas have the share of 50%.

II. Explanation on the Parent Bank's Capital Structure, Shareholders of the Parent Bank who are in Charge of the Management and/or Auditing of the Parent Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Parent Bank's Belongs to

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

Shareholder's Name	31 December 2023		31 December 2022	
	Paid in Capital	%	Paid in Capital	%
TEB Holding A.Ş.	1,212,415	55.00	1,212,415	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	518,342	23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23	467,879	21.23
BNP Paribas SA	5,253	0.24	5,253	0.24
Kocaeli Chamber of Commerce	501	0.02	501	0.02
	2,204,390	100.00	2,204,390	100.00

As of 31 December 2023, the Parent Bank's paid-in-capital consists of 2,204,390,000 shares of TL 1.00 (Full TL) nominal each.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Parent Bank They Possess

<u>Name</u>	<u>Title</u>	<u>Education</u>
Board of Directors;		
Dr. Akın Akbaygil	Chairman of the Board of Directors	PhD
François Andre Jesualdo Benaroya	Deputy Chairman of the Board of Directors	University
Patrick Philippe Poupon	Member of the Board of Directors and Chairman of the Audit Committee	Master
Ayşe Aşardağ	Member of the Board of Directors and Vice Chairman of the Audit Committee	University
Yavuz Canevi	Member of the Board of Directors	Master
Hans Wilfried J. Broucke	Member of the Board of Directors	Master
Özden Odabaşı	Member of the Board of Directors	Master
Jean-Charles Joseph Gabriel Aranda	Member of the Board of Directors	Master
Ayşe Meral Çimenbiçer	Member of the Board of Directors, Member of the Audit Committee	University
Metin Toğay	Member of the Board of Directors	Master
Didier Albert N. Van Hecke	Member of the Board of Directors, Member of the Audit Committee	Master
Ümit Leblebici	Chief Executive Officer and the Executive Member	Master
Assistant General Managers;		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking Group	Master
Ali İhsan Arıdaşır	Assistant General Manager Responsible from SME Loans	University
Melis Coşan Baban	Chief Legal Advisor and Secretary of the Board of Directors	Master
Ali Gökhan Cengiz	Assistant General Manager Responsible from SME Banking	Master
Mehmet Ali Cer	Assistant General Manager Responsible from Information Technologies	Master
Mustafa Aşkın Dolaştır	Assistant General Manager Responsible from Financial Affairs Group	Master
Osman Durmuş	Assistant General Manager Responsible from Retail and Small Business Credit Group	University
Orhan Hatipoğlu	Assistant General Manager of Banking Operations and Support Services Group	University
Çiğdem Ünsal	Assistant General Manager Responsible from Human Resources	University
Dr. Tuğrul Özbakan	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	PhD
Akil Özçay (*)	Assistant General Manager Responsible from Financial Markets	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Ömer Abidin Yenidoğan	Assistant General Manager Responsible from Corporate Investment Banking Group	Master
Group Heads (**);		
Nimet Elif Kocaayan	Head of Group Risk Management	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
Internal Audit (**);		
Hakan Tıraşın	Head of Internal Audit	University

(*) Deputy General Manager responsible for the Financial Markets Group, Akil Özçay, resigned from his position effective as of 1 January 2024, and Göker Orhan was appointed in his place.

(**) Group Heads and Head of Internal Audit have the status of Assistant General Manager.

There are no Bank shares owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Information on the Parent Bank's Qualified Shareholders

Name/Commercial Name	Share Amount	Share Ratio	Paid in Shares	Unpaid Shares
TEB Holding A.Ş.	1,212,415	55.00%	1,212,415	-
BNPP Yatırımlar Holding A.Ş.	518,342	23.51%	518,342	-
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23%	467,879	-

TEB Holding A.Ş. is a member of both Çolakoğlu and BNP Paribas groups. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas Fortis Yatırımlar Holding A.Ş., while the remaining 50% is controlled by Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by BNP Paribas Fortis NV/SA whose shareholders are BNP Paribas Fortis NV/SA by 100% shares, respectively. 100% of the shares of BNPP Yatırımlar Holding A.Ş. are controlled by BNP Paribas SA.

V. Summary on the Parent Bank's Functions and Lines of Activity

The Parent Bank's operating areas include, corporate, commercial, SME, retail, and private banking as well as project finance and custody operations. Besides the ordinary banking operations, the Parent Bank is handling agency functions through its branches on behalf of TEB Portföy Yönetimi A.Ş., Zurich Sigorta A.Ş. and Cardif Hayat Sigorta A.Ş. As of 31 December 2023, the Parent Bank has 440 local branches and 4 foreign branches (31 December 2022: 444 local branches, 4 foreign branches). As of 31 December 2023, the number of employees of the Group is 8,730 (31 December 2022: 9,054).

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Short Explanation about the Entities Subject to Full Consolidation or Proportional Consolidation and Entities which are Deducted from Equity or Entities which are not Included in These Three Methods

There is no difference for the Bank, except for the non-financial subsidiary, between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Financial Statements of Banks in Turkey.

The Parent Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., it is presented as joint venture in financial statements however, and it is carried by cost value since necessary requirements for consolidation is not met.

TEB ARF Teknoloji A.Ş., a non-financial subsidiary owned 100% and by the Parent Bank, was registered in the Trade Registry Gazette on 16 July 2020. The Parent Bank presents TEB ARF Teknoloji A.Ş. in the subsidiaries line in its financial statements.

VII. Current or Likely, Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts between Parent Bank and its Subsidiaries

None.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS	Section 5 Notes	Audited Current Period 31.12.2023			Audited Prior Period 31.12.2022		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		62,862,283	74,567,876	137,430,159	30,732,653	47,410,589	78,143,242
1.1 Cash and Cash Equivalents		54,617,383	69,845,047	124,462,430	17,621,477	42,833,756	60,455,233
1.1.1 Cash and Balances with Central Bank	(I-1)	40,713,424	63,894,514	104,607,938	7,210,359	36,629,352	43,839,711
1.1.2 Banks	(I-4)	1,671,460	6,002,217	7,673,677	2,820,682	6,227,454	9,048,136
1.1.3 Money Market Placement		12,243,739	-	12,243,739	7,604,278	-	7,604,278
1.1.4 Expected Loss Provisions (-)		11,240	51,684	62,924	13,842	23,050	36,892
1.2 Financial Assets at Fair Value Through Profit or Loss	(I-2)	469,481	660,327	1,129,808	2,927,230	541,639	3,468,869
1.2.1 Government Debt Securities		242,988	345,477	588,465	2,809,744	202,058	3,011,802
1.2.2 Equity Securities		109,257	164,734	273,991	77,197	263,295	340,492
1.2.3 Other Financial Assets		117,236	150,116	267,352	40,289	76,286	116,575
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(I-5)	5,104,017	2,722,321	7,826,338	5,357,851	3,062,485	8,420,336
1.3.1 Government Debt Securities		5,021,682	2,722,321	7,744,003	5,308,538	3,062,485	8,371,023
1.3.2 Equity Securities		82,335	-	82,335	49,313	-	49,313
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets		2,671,402	1,340,181	4,011,583	4,826,095	972,709	5,798,804
1.4.1 Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	1,935,635	1,037,427	2,973,062	4,400,167	664,545	5,064,712
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	735,767	302,754	1,038,521	425,928	308,164	734,092
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		189,662,728	76,057,764	265,720,492	145,051,474	47,317,492	192,368,966
2.1 Loans	(I-6)	153,962,017	59,267,626	213,229,643	113,819,501	35,884,378	149,703,879
2.2 Lease Receivables	(I-11)	-	-	-	-	-	-
2.3 Factoring Receivables	(I-18)	5,911,393	4,191,439	10,102,832	4,137,185	3,192,413	7,329,598
2.4 Other Financial Assets Measured at Amortised Cost	(I-7)	34,609,839	14,681,619	49,291,458	30,844,021	9,611,915	40,455,936
2.4.1 Government Debt Securities		34,609,839	14,681,619	49,291,458	30,844,021	9,611,915	40,455,936
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Loss (-)	(I-6,18)	4,820,521	2,082,920	6,903,441	3,749,233	1,371,214	5,120,447
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-17)	82,060	-	82,060	100,370	-	100,370
3.1 Held for Sale Purpose		82,060	-	82,060	100,370	-	100,370
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		55	-	55	55	-	55
4.1 Associates (Net)	(I-8)	-	-	-	-	-	-
4.1.1 Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(I-9)	50	-	50	50	-	50
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		50	-	50	50	-	50
4.3 Joint Ventures (Net)	(I-10)	5	-	5	5	-	5
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		5	-	5	5	-	5
V. TANGIBLE ASSETS (Net)	(I-13)	1,980,316	-	1,980,316	1,276,406	-	1,276,406
VI. INTANGIBLE ASSETS (Net)	(I-14)	1,304,219	-	1,304,219	903,856	-	903,856
6.1 Goodwill		421,124	-	421,124	421,124	-	421,124
6.2 Other		883,095	-	883,095	482,732	-	482,732
VII. INVESTMENT PROPERTIES (Net)	(I-15)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		225,426	-	225,426	28,388	-	28,388
IX. DEFERRED TAX ASSET	(I-16)	2,531,368	-	2,531,368	1,624,898	-	1,624,898
X. OTHER ASSETS (Net)	(I-19)	11,647,472	670,575	12,318,047	8,821,151	268,689	9,089,840
TOTAL ASSETS		270,295,927	151,296,215	421,592,142	188,539,251	94,996,770	283,536,021

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (Continued)

LIABILITIES		Audited Current Period 31.12.2023			Audited Prior Period 31.12.2022			
		Section 5 Notes	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(II-1)	185,336,376	99,230,825	284,567,201	128,658,964	71,690,956	200,349,920
II.	FUNDS BORROWED	(II-3)	5,552,510	24,041,603	29,594,113	3,894,872	13,710,230	17,605,102
III.	MONEY MARKET FUNDS	(II-4)	390,354	28,109,842	28,500,196	439,289	6,790,660	7,229,949
IV.	SECURITIES ISSUED (Net)	(II-3)	1,511,941	-	1,511,941	422,045	-	422,045
4.1	Bills		868,080	-	868,080	422,045	-	422,045
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		643,861	-	643,861	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		1,834,898	800,400	2,635,298	2,971,255	595,978	3,567,233
7.1	Derivative Financial Liabilities at Fair Value Through Profit and Loss	(II-2)	1,752,443	800,400	2,552,843	2,901,642	595,978	3,497,620
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(II-7)	82,455	-	82,455	69,613	-	69,613
VIII.	FACTORING LIABILITIES	(II-14)	533	29,949	30,482	564	4,227	4,791
IX.	LEASE LIABILITIES (Net)	(II-6)	1,000,253	25,188	1,025,441	684,123	26,506	710,629
X.	PROVISIONS	(II-8)	5,847,372	781,515	6,628,887	3,011,836	471,364	3,483,200
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		3,012,178	108,441	3,120,619	2,120,685	64,378	2,185,063
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		2,835,194	673,074	3,508,268	891,151	406,986	1,298,137
XI.	CURRENT TAX LIABILITY	(II-9)	1,476,641	3	1,476,644	2,045,694	-	2,045,694
XII.	DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(II-10)	-	-	-	-	-	-
13.1	Held for Sale		-	-	-	-	-	-
13.2	Held from Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS	(II-11)	-	11,637,967	11,637,967	-	9,708,218	9,708,218
14.1	Loans		-	-	-	-	-	-
14.2	Other Debt Instruments		-	11,637,967	11,637,967	-	9,708,218	9,708,218
XV.	OTHER LIABILITIES	(II-5)	13,864,853	2,834,703	16,699,556	9,613,470	2,651,378	12,264,848
XVI.	SHAREHOLDERS' EQUITY	(II-12)	37,151,373	133,043	37,284,416	26,021,294	123,098	26,144,392
16.1	Paid-in Capital		2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2	Capital Reserves		391,226	-	391,226	391,226	-	391,226
16.2.1	Share Premiums		2,565	-	2,565	2,565	-	2,565
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		388,661	-	388,661	388,661	-	388,661
16.3	Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit or Loss		(374,505)	-	(374,505)	(419,019)	-	(419,019)
16.4	Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss		(27,028)	133,043	106,015	850,588	123,098	973,686
16.5	Profit Reserves		21,754,128	-	21,754,128	11,310,414	-	11,310,414
16.5.1	Legal Reserves		761,245	-	761,245	649,424	-	649,424
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		16,375,979	-	16,375,979	10,773,450	-	10,773,450
16.5.4	Other Profit Reserves		4,616,904	-	4,616,904	(112,460)	-	(112,460)
16.6	Profit or Loss		13,128,180	-	13,128,180	11,655,252	-	11,655,252
16.6.1	Prior Periods' Profit / Loss		-	-	-	98,356	-	98,356
16.6.2	Current Periods' Profit / Loss		13,128,180	-	13,128,180	11,556,896	-	11,556,896
16.7	Minority Shares	(II-13)	74,982	-	74,982	28,443	-	28,443
TOTAL LIABILITIES			253,967,104	167,625,038	421,592,142	177,763,406	105,772,615	283,536,021

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF 31 DECEMBER 2023, AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

		Audited Current Period 31.12.2023			Audited Prior Period 31.12.2022			
		Section 5 Notes	TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		219,967,384	342,246,423	562,213,807	194,692,438	235,219,732	429,912,170
I.	GUARANTEES AND WARRANTIES	(III-1)	19,642,242	62,281,912	81,924,154	13,949,172	41,315,264	55,264,436
1.1	Letters of Guarantee		13,354,063	31,813,601	45,167,664	9,433,911	20,598,041	30,031,952
1.1.1	Guarantees Subject to State Tender Law		104,520	205,134	309,654	152,535	205,253	357,788
1.1.2	Guarantees Given for Foreign Trade Operations		862,611	1,207,038	2,069,649	658,658	771,147	1,429,805
1.1.3	Other Letters of Guarantee		12,386,932	30,401,429	42,788,361	8,622,718	19,621,641	28,244,359
1.2	Bank Acceptances		-	70,513	70,513	-	23,623	23,623
1.2.1	Import Letter of Acceptance		-	70,513	70,513	-	23,623	23,623
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	22,935,305	22,935,305	-	15,650,244	15,650,244
1.3.1	Documentary Letters of Credit		-	5,661,471	5,661,471	-	2,596,937	2,596,937
1.3.2	Other Letters of Credit		-	17,273,834	17,273,834	-	13,053,307	13,053,307
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		3,246,496	7,446,704	10,693,200	2,495,355	4,855,637	7,350,992
1.9	Other Collaterals		3,041,683	15,789	3,057,472	2,019,906	187,719	2,207,625
II.	COMMITMENTS	(III-1)	72,435,602	9,642,055	82,077,657	38,756,549	5,487,840	44,244,389
2.1	Irrevocable Commitments		71,532,810	9,642,055	81,174,865	38,756,549	5,487,840	44,244,389
2.1.1	Asset Purchase Commitments		1,651,971	8,591,528	10,243,499	2,181,948	5,049,902	7,231,850
2.1.2	Deposit Purchase and Sale Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitment to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		13,465,372	111,782	13,577,154	11,589,114	68,589	11,657,703
2.1.5	Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		4,044,146	-	4,044,146	2,776,761	-	2,776,761
2.1.8	Tax and Fund Liabilities from Export Commitments		302,721	-	302,721	127,411	-	127,411
2.1.9	Commitments for Credit Card Limits		52,048,755	-	52,048,755	22,073,226	-	22,073,226
2.1.10	Commitments for Credit Cards and Banking Services Promotions		3,181	-	3,181	2,141	-	2,141
2.1.11	Receivables from Short Sale Commitments on Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments on Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		16,664	938,745	955,409	5,948	369,349	375,297
2.2	Revocable Commitments		902,792	-	902,792	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		902,792	-	902,792	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(III-2)	127,889,540	270,322,456	398,211,996	141,986,717	188,416,628	330,403,345
3.1	Derivative Financial Instruments for Hedging Purposes		1,665,300	24,498,209	26,163,509	965,300	18,524,343	19,489,643
3.1.1	Fair Value Hedge		-	-	-	-	-	-
3.1.2	Cash Flow Hedge		1,665,300	24,498,209	26,163,509	965,300	18,524,343	19,489,643
3.1.3	Foreign Net Investment Hedges		-	-	-	-	-	-
3.2	Held for Trading Transactions		126,224,240	245,824,247	372,048,487	141,021,417	169,892,285	310,913,702
3.2.1	Forward Foreign Currency Buy/Sell Transactions		14,836,229	21,682,347	36,518,576	20,240,521	22,818,260	43,058,781
3.2.1.1	Forward Foreign Currency Transactions-Buy		13,697,429	5,264,009	18,961,438	19,213,785	3,165,415	22,379,200
3.2.1.2	Forward Foreign Currency Transactions-Sell		1,138,800	16,418,338	17,557,138	1,026,736	19,652,845	20,679,581
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		86,388,981	131,816,100	218,205,081	98,861,030	100,640,060	199,501,090
3.2.2.1	Foreign Currency Swap-Buy		869,068	59,729,356	60,598,424	7,819,762	55,239,445	63,059,207
3.2.2.2	Foreign Currency Swap-Sell		32,587,503	33,978,278	66,565,781	42,400,268	21,434,565	63,834,833
3.2.2.3	Interest Rate Swaps-Buy		26,466,205	19,054,233	45,520,438	24,320,500	11,983,025	36,303,525
3.2.2.4	Interest Rate Swaps-Sell		26,466,205	19,054,233	45,520,438	24,320,500	11,983,025	36,303,525
3.2.3	Foreign Currency, Interest Rate and Securities Options		24,999,030	88,493,331	113,492,361	19,676,969	43,135,835	62,812,804
3.2.3.1	Foreign Currency Options-Buy		13,714,144	37,016,644	50,730,788	15,275,312	11,998,466	27,273,778
3.2.3.2	Foreign Currency Options-Sell		11,284,886	40,045,729	51,330,615	4,401,657	23,201,409	27,603,066
3.2.3.3	Interest Rate Options-Buy		-	5,715,479	5,715,479	-	3,967,980	3,967,980
3.2.3.4	Interest Rate Options-Sell		-	5,715,479	5,715,479	-	3,967,980	3,967,980
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	2,242,897	1,902,399	4,145,296
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	2,242,897	-	2,242,897
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	1,902,399	1,902,399
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	3,832,469	3,832,469	-	1,395,731	1,395,731
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		390,119,038	152,251,664	542,370,702	244,617,678	103,723,114	348,340,792
IV.	ITEMS HELD IN CUSTODY		139,831,700	27,020,322	166,852,022	64,320,940	17,591,040	81,911,980
4.1	Customer Fund and Portfolio Balances		62,442,422	-	62,442,422	23,356,409	-	23,356,409
4.2	Investment Securities Held in Custody		15,552,968	25,264,456	40,817,424	8,466,547	16,227,035	24,693,582
4.3	Cheques Received for Collection		49,729,946	267,984	49,997,930	31,598,332	534,262	32,132,594
4.4	Commercial Notes Received for Collection		1,307,602	132,130	1,439,732	803,051	90,839	893,890
4.5	Other assets Received for Collection		125	1,355,752	1,355,877	125	738,904	739,029
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items under Custody		10,798,637	-	10,798,637	96,476	-	96,476
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		248,930,984	124,875,266	373,806,250	178,491,265	85,592,825	264,084,090
5.1	Marketable Securities		537,996	1,056,614	1,594,610	1,756,158	1,100,377	2,856,535
5.2	Guarantee Notes		83,565,449	89,540,340	173,105,789	67,245,877	58,444,827	125,690,704
5.3	Commodity		664,315	604,663	1,268,978	220,087	364,691	584,778
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		114,299,639	27,356,588	141,656,227	90,488,447	19,546,647	110,035,094
5.6	Other Pledged Items		49,863,585	6,317,061	56,180,646	18,780,696	6,136,283	24,916,979
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES		1,356,354	356,076	1,712,430	1,805,473	539,249	2,344,722
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			610,086,422	494,498,087	1,104,584,509	439,310,116	338,942,846	778,252,962

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSE ITEMS	Section 5 Notes	Audited Current Period 01.01-31.12.2023	Audited Prior Period 01.01-31.12.2022
I. INTEREST INCOME	(IV-1)	58,670,877	36,528,298
1.1 Interest Income on Loans		39,004,633	22,525,749
1.2 Interest Income on Reserve Requirements		171,551	106,992
1.3 Interest Income on Banks		1,334,997	232,661
1.4 Interest Income on Money Market Transactions		3,425,247	399,683
1.5 Interest Income on Securities Portfolio		12,329,218	12,210,893
1.5.1 Financial Assets at Fair Value Through Profit or Loss		207,377	397,218
1.5.2 Financial Assets at Fair Value Through Other Comprehensive Income		1,810,442	1,716,235
1.5.3 Financial Assets Measured at Amortised Cost		10,311,399	10,097,440
1.6 Financial Lease Income		-	-
1.7 Other Interest Income	(IV-12)	2,405,231	1,052,320
II. INTEREST EXPENSE (-)	(IV-2)	39,859,453	15,800,491
2.1 Interest Expense on Deposits		30,922,727	13,292,902
2.2 Interest Expense on Funds Borrowed		6,508,959	1,674,889
2.3 Interest Expense on Money Market Transactions		837,792	256,830
2.4 Interest Expense on Securities Issued		1,082,805	236,045
2.5 Interest Expense on Leases		289,688	173,030
2.6 Other Interest Expenses		217,482	166,795
III. NET INTEREST INCOME/EXPENSE (I - II)		18,811,424	20,727,807
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		5,573,589	2,607,619
4.1 Fees and Commissions Received		10,073,602	4,614,814
4.1.1 Non-cash Loans		982,110	590,236
4.1.2 Other	(IV-12)	9,091,492	4,024,578
4.2 Fees and Commissions Paid (-)		4,500,013	2,007,195
4.2.1 Non-cash Loans		20,453	10,859
4.2.2 Other	(IV-12)	4,479,560	1,996,336
V. DIVIDEND INCOME	(IV-3)	12,917	7,759
VI. TRADING INCOME / LOSS (Net)	(IV-4)	10,255,401	1,953,420
6.1 Securities Trading Gains / Losses		1,536,948	(60,373)
6.2 Gains / Losses on Derivative Financial Instruments		(3,563,885)	(3,235,269)
6.3 Foreign Exchange Gains / Losses		12,282,338	5,249,062
VII. OTHER OPERATING INCOME	(IV-5)	526,785	295,174
VIII. GROSS OPERATING PROFIT (III+IV+V+VI+VII)		35,180,116	25,591,779
IX. EXPECTED CREDIT LOSS (-)	(IV-6)	1,647,451	1,806,241
X. OTHER PROVISION EXPENSES (-)	(IV-6)	1,805,505	401,447
XI. PERSONNEL EXPENSES (-)		7,589,857	4,189,162
XII. OTHER OPERATING EXPENSES (-)	(IV-7)	7,370,800	3,801,703
XIII. NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)		16,766,503	15,393,226
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV. INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI. INCOME/LOSS ON NET MONETARY POSITION		-	-
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(IV-8)	16,766,503	15,393,226
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(IV-9)	3,591,417	3,818,745
18.1 Current Tax Provision		4,065,869	5,458,691
18.2 Deferred Tax Expense Effect (+)		2,433,818	3,320,176
18.3 Deferred Tax Income Effect (-)		(2,908,270)	(4,960,122)
XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(IV-10)	13,175,086	11,574,481
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from Non-current Assets Held for Sale		-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3 Income from Other Discontinued Operations		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1 Expenses from Non-current Assets Held for Sale		-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3 Expenses for Other Discontinued Operations		-	-
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX- XXI)	(IV-8)	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(IV-9)	-	-
23.1 Current Tax Provision		-	-
23.2 Deferred Tax Expense Effect (+)		-	-
23.3 Deferred Tax Income Effect (-)		-	-
XXIV. CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	(IV-10)	-	-
XXV. NET INCOME/LOSS (XIX+XXIV)	(IV-11)	13,175,086	11,574,481
25.1 Group's Profit / Loss		13,128,180	11,556,896
25.2 Minority Interest Profit / Loss (-)		46,906	17,585
Earnings per Share		5.9555	5.2427

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

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

	Audited Current Period 01.01-31.12.2023	Audited Prior Period 01.01-31.12.2022
I. CURRENT PERIOD INCOME/LOSS	13,175,086	11,574,481
II. OTHER COMPREHENSIVE INCOME	(916,002)	520,446
2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss	(48,290)	(360,297)
2.1.1 Gains /losses on Revaluation of Property, Plant and Equipment	-	-
2.1.2 Gains/losses on Revaluation of Intangible Assets	-	-
2.1.3 Gains/losses on Remeasurement of Defined Benefit Plans	(159,583)	(497,654)
2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	33,023	5,643
2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	78,270	131,714
2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss	(867,712)	880,743
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value Through Other Comprehensive Income	(1,080,797)	1,173,138
2.2.3 Income/Loss related with Cash Flow Hedges	(66,060)	1,743
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 through Other Profit or Loss	-	-
2.2.6 Taxes Relating to Components of Other Comprehensive Income that will be Reclassified through Profit or Loss	279,145	(294,138)
III. TOTAL COMPREHENSIVE INCOME (I+II)	12,259,084	12,094,927

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY FOR THE YEAR FROM 1 JANUARY TO 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss								
					1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Current Period Profit or Loss	Total Equity Except from Minority Shares	Minority Shares	Total Equity
Audited	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves												
Prior Period – 01.01-31.12.2022																
I. Prior Period End Balance	2,204,390	2,565	-	388,661	56,230	(123,085)	7,482	-	(199,759)	292,799	9,336,062	2,072,708	-	14,038,053	18,217	14,056,270
II. Corrections According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	2,204,390	2,565	-	388,661	56,230	(123,085)	7,482	-	(199,759)	292,799	9,336,062	2,072,708	-	14,038,053	18,217	14,056,270
IV. Total Comprehensive Income	-	-	-	-	-	(364,876)	5,230	-	891,000	(10,354)	-	-	11,556,896	12,077,896	17,031	12,094,927
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	1,974,352	(1,974,352)	-	-	(6,805)	(6,805)
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,805)	(6,805)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	1,974,352	(1,974,352)	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 31.12.2022 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	388,661	56,230	(487,961)	12,712	-	691,241	282,445	11,310,414	98,356	11,556,896	26,115,949	28,443	26,144,392
Current Period – 01.01-31.12.2023																
I. Prior Period End Balance	2,204,390	2,565	-	388,661	56,230	(487,961)	12,712	-	691,242	282,444	11,310,414	11,655,252	-	26,115,949	28,443	26,144,392
II. Corrections According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	2,204,390	2,565	-	388,661	56,230	(487,961)	12,712	-	691,242	282,444	11,310,414	11,655,252	-	26,115,949	28,443	26,144,392
IV. Total Comprehensive Income	-	-	-	-	-	(78,379)	30,415	-	(802,599)	(65,072)	-	-	13,128,180	12,212,545	46,539	12,259,084
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes	-	-	-	-	92,478	-	-	-	-	-	(92,478)	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	10,536,192	(11,655,252)	-	(1,119,060)	-	(1,119,060)
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(1,119,060)	-	(1,119,060)	-	(1,119,060)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	10,536,192	(10,536,192)	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 31.12.2023 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	388,661	148,708	(566,340)	43,127	-	(111,357)	217,372	21,754,128	-	13,128,180	37,209,434	74,982	37,284,416

1. Increase/decrease from tangible assets accumulated revaluation reserve,

2. Accumulated gains / losses on remeasurements of defined benefit plans,

3. Other (Other comprehensive income of associates and joint ventures accounted with equity method that will not be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will not be reclassified at profit or loss),

4. Foreign currency translation differences,

5. Accumulated revaluation and / or classification gains / losses of financial assets at fair value through other comprehensive income,

6. Other (Cash flow hedge gains / losses, other comprehensive income of associates and joint ventures accounted with equity method that will be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will be reclassified at profit or loss).

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS FROM 1 JANUARY TO 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. CONSOLIDATED STATEMENT OF CASH FLOWS

	Section 5 Notes	Audited Current Period 01.01-31.12.2023	Audited Prior Period 01.01-31.12.2022
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Banking Operations Assets and Liabilities		19,285,635	12,433,941
1.1.1 Interest Received		58,872,724	24,749,272
1.1.2 Interest Paid		(35,987,707)	(13,980,622)
1.1.3 Dividend Received		12,917	516
1.1.4 Fees and Commissions Received		9,722,598	4,270,611
1.1.5 Other Income		15,467,609	7,043,218
1.1.6 Collections from Previously Written-Off Loans		1,627,126	1,480,497
1.1.7 Payments to Personnel and Service Suppliers		(7,398,046)	(3,866,908)
1.1.8 Taxes Paid		(7,632,502)	(4,178,029)
1.1.9 Other	(VI-1)	(15,399,084)	(3,084,614)
1.2 Changes in Banking Operations Assets and Liabilities		37,696,271	4,349,071
1.2.1 Net Decrease / (Increase) in Financial Asset at Fair Value Through Profit or Loss		2,284,418	(610,925)
1.2.2 Net Decrease / (Increase) in Due from Banks		22,673	(23,844)
1.2.3 Net (Increase) in Loans		(39,138,178)	(34,776,854)
1.2.4 Net (Increase) in Other Assets	(VI-1)	(8,570,346)	(7,824,618)
1.2.5 Net Increase / (Decrease) in Bank Deposits		22,011,374	(1,936,025)
1.2.6 Net Increase in Other Deposits		47,963,190	48,276,847
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		9,290,539	(2,353,382)
1.2.9 Net Increase / (Decrease) in Matured Payables		-	-
1.2.10 Net Increase in Other Liabilities	(VI-1)	3,832,601	3,597,872
I. Net Cash Flows from Banking Operations		56,981,906	16,783,012
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flow Provided from Investing Activities		(4,511,777)	(8,741,206)
2.1 Purchase of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)		(162,985)	-
2.2 Sale of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)		-	-
2.3 Purchase of Tangible Assets		(664,325)	(366,739)
2.4 Sale of Tangible Assets		5,136	42,656
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(4,776,041)	(1,867,612)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		7,742,659	4,392,377
2.7 Purchase of Financial Assets Measured at Amortised Cost		(15,451,927)	(12,931,495)
2.8 Sale of Financial Assets Measured at Amortised Cost		9,541,486	2,428,011
2.9 Other	(VI-1)	(745,780)	(438,404)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(4,125,268)	(1,110,479)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		2,482,550	7,030,561
3.2 Cash Outflow from Repayment of Funds Borrowed and Securities Issued		(4,943,988)	(7,776,517)
3.3 Equity Instruments Issued		-	-
3.4 Dividends Paid		(1,119,060)	(6,805)
3.5 Payments for Leases		(544,770)	(357,718)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(VI-1)	6,438,331	3,764,592
V. Net Increase in Cash and Cash Equivalents		54,783,192	10,695,919
VI. Cash and Cash Equivalents at Beginning of the Period	(VI-2)	42,110,784	31,414,865
VII. Cash and Cash Equivalents at End of the Period	(VI-2)	96,893,976	42,110,784

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION FOR THE YEARS FROM 1 JANUARY TO 31 DECEMBER 2023 AND 2022

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION (*)

	Audited Current Period 31.12.2023(**)	Audited Prior Period 31.12.2022
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	14,913,193	14,880,958
1.2 TAXES AND DUTIES PAYABLE (-)	3,186,545	3,690,354
1.2.1 Corporate tax (Income tax)	3,647,896	5,323,264
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties (***)	(461,351)	(1,632,910)
A. NET INCOME FOR THE PERIOD (1.1-1.2)	11,726,648	11,190,604
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	11,726,648	11,190,604
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	110,220
1.6.1 To owners of ordinary shares	-	110,220
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (pre-emptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	1,008,841
1.9.1 To owners of ordinary shares	-	1,008,841
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (pre-emptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	112,093
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	9,821,074
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	138,376
II. DISTRIBUTION OF RESERVES	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (pre-emptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE	-	-
3.1 TO OWNERS OF ORDINARY SHARES	5.3197	5.0765
3.2 TO OWNERS OF ORDINARY SHARES (%)	531.97	507.65
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE	-	-
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) The profit distribution table has been prepared according to the unconsolidated financial statements of the Parent Bank.

(**) The authorized body of the Parent Bank regarding profit distribution is the General Assembly, and as of the preparation date of these financial statements, the annual ordinary General Assembly meeting has not been held yet. Since the profit distribution proposal for 2023 has not yet been prepared by the Board of Directors, only the distributable profit amount is indicated in the profit distribution table.

(***) Deferred tax income shown in other tax and legal liabilities (31 December 2022: Deferred tax income)

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

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

**SECTION THREE
ACCOUNTING PRINCIPLES**

I. Basis of Presentation

a. Financial statements and related explanations and preparation of notes in compliance with Turkish Accounting Standards ("TAS") and Regulation on Accounting Applications for Banks and Safeguarding of Documents:

The consolidated 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 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to reporting principles on accounting records of Banks published by the Banking Regulation and Supervision Agency ("BRSA") and Turkish Financial Reporting Standards ("TFRS") put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA") for those matters not regulated by the aforementioned regulations. 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. The Parent Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of consolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Parent Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made, and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

b. The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements:

The accounting policies and valuation principles used in the preparation of the financial statements are subject to the regulations, communiqués, annotations and circulars issued by BRSA on accounting and financial reporting principles and the TFRS ("BRSA Accounting and Financial Reporting Legislation") which has been put into force by the POA on issues not regulated by the BRSA determined according to the principles.

The amendments to TAS/TFRS, effective from 1 January 2023, do not have a significant impact on the Parent Bank's accounting policies, financial position, and performance. The amendments to TAS and TFRS, which have been published but not yet entered into force as of the finalization date of the financial statements, will not have a significant impact on the Parent Bank's accounting policies, financial position, and performance.

TAS 29 Financial Reporting in Hyperinflationary Economies requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. TAS 29 defines the characteristics which may indicate that an economy is a hyperinflationary economy.

In addition, TAS 29 requires all entities reporting in the currency of a hyperinflationary economy to adopt this Standard from the same date. Therefore, as stated in TAS 29, it is expected that all entities will start to apply TAS 29 at the same time with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority to ensure consistency in practice across the country. POA, on 23 November 2023, published an announcement regarding that companies that apply Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (FRS for LME) should present their financial statements for the annual reporting period ending on or after 31 December 2023 in accordance with the relevant accounting principles in "Turkish Accounting Standard 29 Financial Reporting in Economies with High Inflation" and "FRS for LME Chapter 25 Financial Reporting in Economies with High Inflation", adjusted for the effect of inflation. However, institutions or organizations authorized to regulate and supervise their own fields may determine transition dates different from those foreseen above for the implementation of the provisions in TAS 29 or FRS for LME. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In this context, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements dated 31 December 2023.

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. Basis of Presentation (Continued)

b. The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements: (Continued)

The accounting policies and valuation principles for the current period are explained in Note II and Note XXV below.

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

The Group aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies, and small individual investors in line with Banking Legislation. The primary objective of the Parent Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs.

The Group aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Group, risk bearing short term positions of currency, interest or price movements is performed only by the Asset-Liability Management and Treasury Group using the limits defined by the Board of Directors. The Asset-Liability Committee of the Parent Bank manages the maturity mismatches while deciding the short, medium, and long-term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors of the Parent Bank allows a purchase risk in treasury operations and individual limits are defined by the Board of Directors for each product.

The Parent Bank’s foreign currency asset and liability balances are valued with the Parent Bank’s exchange buying rate at the reporting date and recognized as “Foreign exchange gains/losses” within statement of income.

The Parent Bank’s hedging activities for the currency risk due to foreign currency available for sale equity instruments are described under the currency risk section; and the Parent Bank’s hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are described in detail under interest rate risk section.

The Parent Bank’s Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards, and similar derivatives to hedge interest and currency exchange risks in line with the Parent Bank’s balance sheet structure.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Information about the Parent Bank and its Consolidated Subsidiaries

The Parent Bank, with no difference in practice between TAS and TFRS, and the subsidiaries are consolidated by using line-by-line consolidation method. Türk Ekonomi Bankası Anonim Şirketi and its financial institutions, TEB Faktoring A.Ş. (TEB Faktoring), TEB Yatırım Menkul Değerler A.Ş. (TEB Yatırım) and TEB Portföy Yönetimi A.Ş. (TEB Portföy) are included in the accompanying consolidated financial statements by line-by-line consolidation method. The Parent Bank and the entities included in the consolidation are referred to as "the Group" in this report.

The accompanying consolidated financial statements are prepared in accordance with "Communiqué on Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette dated 8 November 2006 numbered 26340.

The financial statements of the subsidiaries, which were prepared in accordance with the prevailing principles and rules regarding financial accounting and reporting standards in their respective country of incorporation and the Turkish Commercial Code and/or communiqués of the Capital Market Board, are duly adjusted in order to present their financial statements in accordance with TAS and TFRS.

Explanations on Consolidation Method and Scope

The commercial names of the entities included in consolidation and the locations of the head offices of these institutions:

<u>Commercial Name</u>	<u>Head Office</u>
TEB Faktoring	Turkey
TEB Yatırım	Turkey
TEB Portföy	Turkey
TEB Finansman	Turkey

Line-by-line consolidation method is used for all the financial institutions included in the consolidation.

The financial statements of subsidiaries are prepared as of 31 December 2023 and 31 December 2022.

Transactions and balances between the Parent Company and its subsidiaries are netted off against each other.

IV. Explanations on Forward and Option Contracts and Derivative Instruments

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

Pursuant to "TFRS 9 Financial Instruments" ("TFRS 9"), derivative financial instruments of the Parent Bank are classified as "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Assets at Fair Value Through Other Comprehensive Income".

The portion of derivative financial assets at fair value through profit or loss

Receivables and liabilities arising from derivative transactions are recorded in off-balance sheet accounts over contract amounts. Derivative transactions are valued at their fair values in the periods following their recording. Derivative financial instruments are initially recognized at fair value and attributable transaction costs are recognized in profit or loss on the date they are incurred. In the periods following the recording of derivative transactions, according to whether the fair value is positive or negative, the fair value difference of derivative financial assets at fair value through profit and loss or the fair value difference of derivative financial liabilities at fair value through profit or loss are shown in the balance sheet. Differences in fair value as a result of the valuation are reflected in the profit or loss statement from derivative financial transactions.

Derivative financial instruments are booked under off-balance sheet items. Derivative financial instruments where the underlying asset is money or commodity are booked based on the amounts to be received/paid at the maturity date. Derivative financial instruments based on interest rate are booked with the principal amount on which the interest rate is calculated.

All derivative financial instruments are valued using the fair value method. The fair value of derivative financial instruments traded in organized markets is their price in the organized market. Within the scope of TFRS 13 Fair Value Measurement standard; The Bank considers that (i) the fair value of the asset or liability (or similar asset or liability) has significantly decreased in its volume or level of activity relative to normal market volume, (ii) when a transaction price or quoted price does not reflect fair value and/or (iii) when a material adjustment is required so that the price of a similar asset is comparable to the subject asset, or (iv) when the price is no longer valid, it adjusts the transaction price or the quoted price and reflects this adjustment in the fair value measurement.

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Explanations on Forward and Option Contracts and Derivative Instruments (Continued)

The portion of derivative financial assets at fair value through profit or loss (Continued)

In this context, the Parent Bank determines the point in the range that best reflects the fair value in the current market conditions.

The cash flows of forward, currency swap, interest rate swap, and cross currency swap transactions should be determined firstly in order to measure with fair value method. Expected cash flows due to the floating interest rate for these products are defined according to market interest rate at the valuation date. The valuation is calculated by discounting the cash flows with the market interest rate and foreign currencies are converted into Turkish Lira with exchange rates at the valuation date.

Derivative transactions based on interest are valued according to the fair value method as well as the effective interest rate method. While the sum of the valuation amount made for such derivative transactions is shown in a single valuation account in the balance sheet, the amount calculated according to the effective interest method on the income/expense side and the difference amounts calculated according to the fair value method are shown in separate accounts.

Black and Scholes Model is used to measure the fair value of options. Options premiums are accrued on the start date of maturity. The valuation amount is composed of premiums valued at each valuation date. Premium to be paid calculated within this model is recorded as income, and the premium to be collected as expense.

Explanations on derivatives for hedging purposes

In the admission of the accounting policies, TFRS 9 presents the option of postponing the adoption of TFRS 9 hedge accounting and continuing to apply the hedge accounting provisions of TAS 39. Within this context, the Parent Bank will continue to apply the hedge accounting provisions of TAS 39.

The Parent Bank applies fair value hedge and cash flow hedge accounting. Hedging accounting is applied to prevent the fluctuations that may arise in the income statement in the short term as a result of the differences in the assets and resources in the balance sheet that are subject to interest rate risk and the valuation methods of derivative instruments that protect them from risk.

Some of the Parent Bank's fixed-rate foreign currency securities and Turkish Lira loans can be subject to fair value hedge accounting. The fair value risk of the related fixed rate financial assets is hedged with currency swaps and cross currency swaps. The difference in the fair values of derivative transactions for fair value hedging purposes is followed in the "Profit/loss from derivative financial transactions" account. For fixed rate loans, the change in the fair value of the hedged item is shown together with the related asset in the statement of financial position as long as the hedge is effective.

The portion of derivative financial assets at fair value through other comprehensive income

The Parent Bank also hedges its cash flow risk arising from its financial debts with interest rate swaps and cross currency swaps. In cash flow hedge accounting, the effective part of the fair value change of the hedging instrument is recognized in the "Accumulated other comprehensive income or expense to be reclassified to profit or loss" account under equity, and the ineffective part is recognized in the statement of profit or loss. In periods when the cash flows related to the hedged item affect the profit or loss, the profit/loss of the related hedging instrument is also recycled from the equity and reflected in the profit or loss statement.

The assessment that derivative transactions used for hedging purposes can effectively offset changes in the fair value of the hedged item is measured regularly and the measurement results are documented. In cases where the hedge does not meet the hedge accounting requirements, hedge accounting is discontinued.

While the Parent Bank accounts the changes in the fair values of the hedged items in the "Other Interest Income" and "Other Interest Expense" accounts, the fair value changes of the hedging instruments corresponding to the same period are accounted for in the "Gains/Losses from Derivative Financial Transactions" account.

However, the differences between the fair values of the hedged items at the starting date of the hedge accounting and their book values are amortized in line with the maturities of the said items and accounted for in the "Other Interest Income" and "Other Interest Expense" accounts.

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. Explanations on Interest Income and Expenses

Interest income, when purchased or used according to the effective interest method specified in TFRS 9 (the ratio that equates to the present net value of the future cash flows of the financial asset or liability), credit-impaired financial assets and when purchased or granted, except for financial assets that are not credit-impaired financial assets but later become credit-impaired financial assets, is recognized by applying an effective interest rate to the gross book value of the financial asset. While applying the effective interest rate method, the Parent Bank determines the fees that are an integral part of the effective interest rate of the financial instrument. Fees, which are an integral part of the effective interest rate of the financial instrument, are considered as adjustments to the effective interest rate, unless the financial instrument is measured at fair value through profit or loss. In such cases, these fees are recognized as income or expense during the initial recognition of the financial instrument.

The Parent Bank, when applying the effective interest method, amortizes the fees, transaction costs and other premiums or discounts included in the calculation of the effective interest rate over the expected life of the financial instrument.

If there is an unpaid interest accrual prior to the acquisition of an interest-bearing security; subsequently collected interest is divided into pre-acquisition and post-acquisition periods and only the post-acquisition portion is reflected in the financial statements as interest income. If the expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the change is reflected in the carrying value of the asset and the related income statement item and amortized over the estimated life of the financial instrument.

Interest income and expenses are recorded on accrual basis. As the interest income and expense is accrued, all tax liabilities are fulfilled.

Accrued but not collected interests and discounts of loans, those classified as non-performing loans (Stage 3) are not reversed and included in interest income.

The interest amount representing the time value of the future collections of the non-performing loans is recognized under interest income and fully provisioned. The income effect arising from the discount of the estimates of expected collection as getting closer to the estimated date of collection, is recorded under interest income.

VI. Explanations on Fees and Commission Income and Expenses

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

Income on banking services which are not related to periodic services are recorded as income when they are collected. In order to classify the fees and commissions collected from customers as income on banking services or as other non-interest income, they should not be related with a credit transaction.

All type of fees and commissions collected from customers regarding cash loans are deferred in commissions on cash loans account and are recognized as income over the period of the loan by discounting with effective interest rate.

The Parent Bank receives commissions on the basis of collections from insurance companies regarding the insurance transactions it carries out as an insurance agency and records these commissions as income on an accrual basis.

The commissions related with non-cash loans or periodic banking services are deferred and recorded as income over the period according to the cut-off principle. Credit fee and commission expenses which are paid to other companies and institutions regarding financial liabilities, and which create operational costs are discounted by effective interest rate and are recorded as expense in the relevant period according to the cut-off principle.

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. Explanations on Financial Assets

The Group classifies and recognizes its financial assets as "Financial Assets at Fair Value Through Profit or Loss," "Financial Assets Measured at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost." The financial assets are recognized or derecognized in accordance with the "Recognition and Derecognition" principles defined in Section 3 related to the classification and measurement of financial instruments of the "TFRS 9 Financial Instruments" standard published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). At initial recognition, financial assets are measured at fair value. In the case of financial assets are not measured "at Fair Value Through Profit or Loss," transaction costs are added or deducted to/from their fair value.

The Parent Bank recognizes a financial asset in the financial statement when, and only when, the Parent Bank becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognized on the "settlement date." When the Parent Bank first recognizes a financial asset, the business model, and the characteristics of contractual cash flows of the financial asset are considered by management.

Financial Assets at Fair Value Through Profit/Loss

Financial assets at fair value through profit or loss are financial assets that are managed by business model other than the business model that aims to hold to collect and hold & sell the contractual cash flows; acquired for the purpose of generating profit from short-term fluctuations in price, or regardless of this purpose, the financial assets that are a part of a portfolio with evidence of short-time profit-taking; and the financial assets, whose terms do not give rise to cash flows that are solely payments of principal of interest at certain dates. Financial assets at fair value through profit or loss are initially recognized at fair value and are subsequently measured at fair value. Gain and losses upon their valuation are accounted under the profit / loss accounts.

Equity securities classified as financial assets at fair value through profit or loss are recognized at fair value.

Accounting policies related to derivative financial instruments at fair value through profit or loss are explained in Section III. note IV.

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are classified as financial assets at fair value through other comprehensive income where the business models aim to hold financial assets in order to collect the contractual cash flows and selling assets and the terms of financial asset give rise to cash flows that are solely payments of principal of interest at certain dates.

Financial assets at fair value through other comprehensive income are recognized at acquisition costs that reflect their fair value by adding transaction costs. Financial assets at fair value through other comprehensive income are subsequently measured at their fair value. The interest income of financial assets at fair value through other comprehensive income that are calculated by effective interest rate method are reflected in the statement of profit or loss. The difference between the fair value of the financial assets at fair value through other comprehensive income and the amortized cost of the financial assets, i.e. "Unrealized gains and losses", is not recognized in the statement of profit or loss until the realization of the financial asset, the sale of the asset, the disposal of the asset or being impaired of the asset are accounted under "Other Accumulated Comprehensive Income or Expenses that will be reclassified at Profit or Loss" under shareholders' equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

The Group may elect, at initial recognition, to irrevocably designate an equity investment at fair value other comprehensive income where those investments are hold for purposes other than to generate investments returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss. Dividends continue to be recognized in profit or loss in the financial statements.

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. Explanations on Financial Assets (Continued)

Financial Assets at Fair Value through Other Comprehensive Income (Continued)

All equity instruments classified as financial assets at fair value through other comprehensive income are measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. In case of disposal of the equity investment, the accumulated total gain or loss is followed in the "Other Accumulated Comprehensive Income or Expense that cannot be reclassified to Profit or Loss."

In addition, the Parent Bank's securities portfolio includes financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and consumer price ("CPI") indexed government bonds classified as financial assets measured at amortized cost. These securities are valued and accounted for using the effective interest method, based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. As stated in the CPI-Indexed Bonds Investor's Guide of the Undersecretariat of Treasury, the reference indices used in calculating the actual coupon payment amounts of these securities are based on the CPI of two months prior. The Parent Bank determines the estimated inflation rate in parallel with this. The estimated inflation rate, taking into account the Central Bank of the Türkiye and the Parent Bank's expectations, is updated during the year when deemed necessary. At the end of the year, the actual inflation rate is used.

Financial Assets Measured at Amortized Cost

Financial investments measured at amortized cost:

A financial asset is classified as a financial asset measured at amortized cost when the Parent Bank's policy within a business model is to hold the asset to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal of interest at certain dates.

Financial asset measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at "Amortized cost" by using the "Effective interest (IRR) rate method." Interest income related to the financial asset measured at amortized cost is recognized in the statement of profit or loss.

Loans:

Loans are financial assets with fixed or determinable payment terms which are not traded on an active market and measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortized cost by using the "Effective interest (IRR) rate method."

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VIII. Explanations on Impairment of Financial Assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, all financial assets, which are not measured at fair value through profit or loss, loan commitments and financial guarantee contracts in accordance with TFRS 9 principles and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principles regarding Classification of Loans and Allowances Allocated for Such Loans” which came into force starting 1 January 2018. Equity instruments are not subject to impairment assessment as they are measured at fair value.

Measurement of the expected credit losses reflects:

- Time value of money
- Reasonable and supportable information on past events, current conditions, and forecasts of future economic conditions at the reporting date

The Parent Bank has changed its credit calculation method with the expected credit loss model as of 1 January 2018. Expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions and the time value of money. The financial assets are divided into “3 stage” depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

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

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument’s lifetime expected credit losses. Following criteria have been taken into account in classification a financial asset as Stage 2:

- Loans having past due more than 30 days and less than 90 days
- Restructuring loans
- Concordatum events
- Significant deterioration in probability of default

In the case of the occurrence of any of the first three items above, it is classified under Stage 2 loans regardless of the comparison between probability of default.

Significant deterioration in probability of default is considered as significant increase in credit risk and the financial asset is classified under Stage 2 loans. In this regard, it is assumed that the probability of default deteriorates, if the probability of default exceeds the thresholds defined by the Bank’s internal rating-based credit rating models.

Stage 3:

Stage 3 includes financial assets that have objective evidence that they are impaired as of the reporting date. For these assets, lifetime expected credit losses are recorded. For the related financial assets, the probability of default is taken into account as 100%.

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VIII. Explanations on Impairment of Financial Assets (Continued)

Expected Credit Loss Calculation

Expected credit loss calculation refers to the calculation to estimate the loss of the financial instrument in case of default and it is based on 3 stage impairment model based on the change in credit quality. The Bank uses two different calculations considering 12 month and lifetime probability of default of the financial instruments.

If there is a significant increase in credit risk between the origination date and the reporting date of the loan, the lifetime probability of default is used and if there is no significant increase in credit risk the 12-month probability of default is used.

There are three loan portfolios as Commercial portfolios, Retail portfolios and Public portfolios.

While the Bank uses the internal credit ratings for commercial portfolios, the internal behavioural scores used for the retail portfolios. It is determined significant increase in credit risk by comparing the credit ratings/behavioural scores at the origination date and reporting date for both portfolios.

Default Definition: Debts having past due more than 90 days; in addition, the fact that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

The Parent Bank considers different scenarios in the calculation of expected credit loss by evaluating current economic conditions and expert opinions. Accordingly, the macroeconomic value estimates taken into account in the expected loss provision calculation are presented below.

	2023				2024				2025				2026			
Period (*)	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
GDP	3.90	3.80	3.60	3.10	5.10	2.70	3.00	3.40	4.70	3.00	3.20	3.30	4.60	3.20	3.30	3.30

(*) Represents 3-month periods.

The Parent Bank does not have any financial asset as purchased or originated credit impaired.

Probability of Default (PD): PD represents the likelihood of default over a specified time period. Based on the historical data, 1-year PD of a customer is calculated for each portfolio on the basis of credit ratings and behavioural scores. PDs and LGDs used in the ECL calculation are point in time, (“PIT”) based on key portfolios and consider both current conditions and expected cyclical changes. Two types of probability of default are calculated.

- 12-Month PD: as the estimated probability of default occurring within the next 12 months

- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument

Internal rating systems are used to measure the risk of both commercial and retail portfolios. The internal rating models used in the commercial portfolio include the customer's financial information and the answers to the qualitative question set. Behavioural score cards used in the retail portfolio include the behavioural data of the customer and the product in the Bank, the demographic information of the customer and the behavioural data of the customer in the sector.

The probability of default is calculated based on historical data, current conditions, and forward-looking macroeconomic expectations.

Loss Given Default (LGD): If a loan defaults, it represents the economic loss incurred on the loan. It is expressed as a percentage.

LGD estimates for commercial segments are calculated with statistical models that take into account historical collection and direct cost items and explain the realized LGD rates based on risk factors. Historical collection rates by collateral type for the corporate segment and by product class for the retail segment are calculated by taking into account the time value of money, and these rates are used in the calculation of LGD estimates. For the corporate segment, collaterals are included in the calculation by taking into account the expected cash conversion rate order.

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VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

Exposure at Default (EAD): The EAD represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument. The expected default amount is calculated by discounting the principal and interest repayments for cash loans and income accruals by effective interest method while it refers to the value calculated through using credit conversion factors for non-cash loans and commitments. It shows the risk of the borrower at the date of default.

Effective interest rate: The discount factor which reflects the time value of money.

Lifetime ECL is calculated by taking into account the period during which the Parent Bank will be exposed to credit risk. The maturity information defined for all cash and non-cash loans is used in the calculation of the expected credit loss along with their maturity and payment plans. The maturity refers to the contractual life of a financial instruments unless there is the legal right to call it earlier. The maturity analysis and credit risk mitigation processes such as cancellation/revision of the limits have been developed for the definition of behavioural maturity for loans that do not have maturity information and revolving loans.

When expected credit losses are estimated, it is considered that three different macroeconomic scenarios as “Base,” “Adverse” and “Favourable” and the weighted average of the results of these scenarios is taken into account. Forward-looking PDs based on the weighted average of these three scenarios are calculated on segment basis. The fundamental macroeconomic variable in the macroeconomic models is the estimated annual growth rate in gross national product. The Parent Bank periodically reviews the parameters included in the calculation and updates them when necessary.

Expected Credit Loss Calculation of Stage 1 Loans: It is calculated by considering 12-month (1 year) PDs for the financial assets measured at amortized cost, which do not reflect a significant increase in credit risk. Therefore, it is a part of the lifetime expected credit losses. Such expected 12-month PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In the case of the current default rate is below a defined threshold without comparison with the origination date, the related loans are classified under Stage 1 loans by considering their credit qualities. Treasury Bills, Government Bonds and CBRT balances are classified under Stage 1 loans. In addition, the institutions related to risk group of the Bank and other banks’ placements are classified under Stage 1 loans.

Expected Credit Loss Calculation of Stage 2 Loans: It is calculated by considering lifetime PDs for the loans which has shown a significant increase in credit risk since origination. Such expected lifetime PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In determining of the significant increase in credit risk, qualitative and quantitative assessments are performed.

Qualitative assessments:

The loans with a delay on repayment more than 30 days are classified under Stage 2 loans. In addition, the restructured loans are classified under this stage. Also, all the customers declaring concordatum are classified under this stage.

The Parent Bank periodically reviews the parameters included in the calculation and updates them when necessary.

Quantitative assessments:

“Significant increase in credit risk” is quantitatively based on the comparison the risk of default at the reporting date with the risk of default at the date of initial recognition. Where the change is above the defined threshold it is considered as significant increase in the credit risk, meaning that the credit is classified under Stage 2 loans.

In the case of the internal credit rating of the loan is above a defined threshold, “high risk portfolio,” without comparison with the origination date, the related loans are classified under Stage 2 loans.

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VIII. Explanations on Impairment of Financial Assets (Continued)

Expected Credit Loss Calculation (continued)

Expected Credit Loss Calculation of Stage 3 Loans: Lifetime expected credit losses are booked for the loans considered as impaired. When calculating the provisions by discounting the individual cash flow expectations for financial instruments which are above a defined threshold, loss given default rates are taken into account in case of default for financial instruments which are below the defined threshold.

IX. Explanations on Offsetting of Financial Assets and Liabilities

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

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Treasury bills and government bonds within the scope of repurchase agreements are classified in financial statements as financial assets carried at amortized costs, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income according to the classification of marketable securities subject to repurchase agreement and are valued according to the measurement rules of the relevant category. Funds obtained through repurchase agreements are booked in a separate liability account, namely funds provided under repurchase agreements under money market balances. Income and expenses arisen from these transactions are booked in “Interest Income on Marketable Securities Portfolio” and “Interest Expense on Money Market Borrowings” in income statement.

Securities purchased under repurchase agreements (“reverse repo”) are accounted under “Money Market Placements” in the balance sheet. The difference between the purchase and resell price of the repurchase agreements is accrued over the life of repurchase agreements. As of 31 December 2023, the Group has TL 12,243,734 amount of reverse repo transaction (31 December 2022: TL 7,604,278).

As of 31 December 2023, the Group does not have any marketable securities lending transaction (31 December 2022: None).

XI. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

Non-current assets held for sale consists of property, plant and equipment acquired for impairment and accounted in financial statements convenient with “TFRS 5 Assets Held for Sale and Discontinued Operations”. An asset (or disposal group) classified as held for sale in accordance with TFRS 5 is measured at the lower of it carrying amount and fair value less costs to sell. For an asset to be held for sale, the asset (or disposal group) must be available for immediate sale under the conditions common and customary for the sale of such assets, and the sale must be highly probable. In order to have a high probability of sale; A plan for the sale of the asset must have been made by an appropriate level of management and an active program of identification of buyers and completion of the plan must have been initiated. In addition, the asset must be actively marketed at a price consistent with its fair value.

As of 31 December 2023, assets held for sale and discontinued operations of the Group are TL 82,060 (31 December 2022: TL 100,370). As per the appraisals performed for the real estate’s held for sale included “Assets Held for Sale” in the financial statements, TL 3,806 (31 December 2022: TL 3,158) has been reserved as provision for impairment losses.

As of 31 December 2023, the Group has no discontinued operations.

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XII. Explanations on Goodwill and Other Intangible Assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the merger transaction where acquirer and acquiree exchange equity instruments, it is taken into account the fair value of equity shares exchanged and the difference between such amount and fair value of the acquiree's identifiable net asset value is accounted as goodwill. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statement's provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have reflected in the recognition of those assets and liabilities as of that date. The measurement period shall not exceed one year from the acquisition date.

As explained in footnote 1 of Section 1, under the Banking Regulation and Supervision Agency decision dated 10 February 2011 and the release of decision in Official Gazette 12 February 2011 dated and numbered as 27844 all rights, receivables (assets and liabilities) to Fortis Bank A.Ş. as a whole as stated in Istanbul Commerce Trade dated 14 February 2011.

Within the framework of TFRS 3 Business Combination, identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. In this context, the Parent Bank has measured the identifiable assets acquired and the identifiable liabilities acquired in the date of the merger of Fortis Bank A.Ş. at fair value and presented in the financial statements as related items. The resulting difference of TL 48,783 is shown in related assets and liability section, the equity impact is shown under other shareholder's equity section. The amount of TL 421,124, which is the difference between TL 2,385,482, the fair value of transferred amount and TL 1,964,358, the identifiable net asset value is accounted as goodwill in the financial statements of the Bank and the equity impact is shown under other shareholder's equity section.

Goodwill arising on an acquisition of a business, or a merger is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Parent Bank's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than it is carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets are accounted for at restated cost until 31 December 2004 in accordance with inflation accounting and are amortized with straight-line method, after 31 December 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and are amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Group comprise mainly software. The useful lives of such assets acquired are determined as 3-5 years by taking into consideration the expected utilization period, technical, technological or any other impairment and maintenance expenses necessary for the economic use of such assets. Software's used are mainly developed within the Parent Bank by the Parent Bank's personnel and the related expenses are not capitalized.

There are no anticipated changes in the accounting estimates about the amortization rate and amortization method and residual values that would have a significant impact in the current and future periods.

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XIII. Explanations on Tangible Assets

Tangible assets of the Group are accounted for at their restated cost until 31 December 2004 and afterwards, the acquisition cost and any other cost incurred to prepare the asset ready for use are reflected, less reserve for impairment, if any.

Depreciation rates are defined according to the economic life of the relevant assets.

Depreciation is calculated using the straight-line method, without taking residual values into consideration based on the number of months that the asset is used. No amendment has been made to the depreciation method in the current period. The economic useful lives of the tangible assets are as follows:

Buildings	50 years
Furniture, Fixtures and Office Equipment and Others	5-15 years

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

Maintenance costs of tangible assets are capitalized if they extend the economic useful life of the related asset and other maintenance costs are expensed. Leasehold improvements amount is subject to depreciation during leasing period. This period is taken into consideration maximum five years. For the branches, this period is considered as three years in parallel with the Parent Bank's business plans.

The Parent Bank employs independent appraisers in determining the current fair values of its real estate's when there is any indication of impairment in value of real estates.

XIV. Explanations on Leasing Transactions

"TFRS 16 Leases" was promulgated in the Official Gazette dated 16 April 2018 and numbered 30393, effective from 1 January 2019. This Standard specifies the principles for the leasing, presentation, and disclosure of leases. The purpose of the standard is to provide tenants and lessees with appropriate information and faithful representation. This information is the basis for evaluating the impact of the leases on the entity's financial position, financial performance, and cash flows by users of financial statements. The Group has started to apply the related standard for the first time on 1 January 2019 by reflecting the application effects to the equity accounts.

Lease obligations under the contract in the amount of liabilities on the balance sheet equal to the sum of all cash payments and offset with the form shown gross interest expense arising from the contract. The right of use arising from the leasing transactions, at the date of commencement, the present value of the lease payments which have not been paid at that date is measured. In this measurement, if the interest can be easily determined, the implied interest rate in the lease is used. If this ratio is not easily determined, the Bank's alternative borrowing interest rate announced by the Asset and Liability Management Department is used.

With the "TFRS 16 Leases" standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under "Tangible Assets" as an asset (tenure) and under "Lease Payables" as a liability.

XV. Explanations on Provisions and Contingent Liabilities

Provisions are provided for liabilities of uncertain timing or amount arising from past events have the probability to result in an expense or loss in the future and when it can be measured reliably.

Provisions are determined by using the Group's best expectation of expenses in fulfilling the obligation as of the balance sheet date and discounted to present value if material. Provisions and contingent liabilities, excluding specific and general provisions for loans and other receivables, are recognized in accordance with the Turkish Accounting Standards (TAS 37) regarding Provisions, Contingent Liabilities and Contingent Assets.

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XVI. Explanations on Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to 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 disclosed in the financial statements’ notes where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. In case 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.

XVII. Explanations on Liabilities Regarding Employee Benefits

In accordance with existing social legislation in Turkey, the Parent Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over 1 year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Parent Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. According to the Turkish Accounting Standard on Employee Benefits No. 19, the total benefit is calculated for employees who have completed one year of employment and whose working period has expired due to retirement, or who are left voluntarily or dismissed.

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

Employees transferred to the Parent Bank following the business combination defined in “General Information” of the Parent Bank and Fortis Bank A.Ş. are the members of “Fortis Bank A.Ş. Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No. 506. Technical financial statements of the Pension Fund are audited by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 31 December 2023, the Pension Fund has 891 employees and 2,031 pensioners (as of 31 December 2022: 1,351 employees and 1,302 pensioners).

Provisional Article 23 (1) of Banking Law No. 5411 (the “Banking Law”) published in the Official Gazette repeated no. 25983 on 1 November 2005 requires the transfer of bank funds to the Social Security Institution (the “SSI”) within 3 years after the effective date of the Banking Law and the related paragraph also sets out the basis for the related transfer. However, Article 23 (1) of Banking Law No. 5411 was annulled based on the Constitutional Court’s ruling issued on 22 March 2007 and ruled for the stay of execution as of 31 March 2007. The related Court ruling, and its basis were published in the Official Gazette No. 26731 on 15 December 2007.

Following the publication of the mentioned decree of the Constitutional Court, the Grand National Assembly of Türkiye (GNAT) initiated its studies on the development of new regulations in regards to the transfer of bank pension participations to the SSI and the related articles of the Social Security Law that are set out to determine the basis of fund transfers and new regulations became effective with its publication in the Official Gazette No: 26870 on 8 May 2008 and the completion of the transfer within 3 years starting from 1 January 2008. Upon the Council of Ministers’ resolution issued in the Official Gazette, the transfer period has been extended for 2 years as of 14 March 2011. According to amendment on the social security and general health insurance law published in the Official Gazette dated 8 March 2012 numbered 6283, mentioned 2-year transfer period has been increased to 4 years. Upon the Council of Ministers’ resolution dated 24 February 2014 issued in the Official Gazette No:28987 on 30 April 2014, mentioned transfer period has been extended for one more year while it has been extended for one year upon the Council of Ministers’ resolution dated 8 April 2013 issued in the Official Gazette No:28636 on 3 May 2013. 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 23 April 2015 numbered 29335. According to paragraph (I) of Article 203 of Law no. 703 which published on the Official Gazette no. 30473 dated 9 July 2018, the phrase, placed in 20th provisional article of Social Insurance and General Health Insurance Law no.5510, “Council of Ministers” is authorized to determine the date of transfer to the Social Security Institution has been replaced with “President”.

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XVII. Explanations on Liabilities Regarding Employee Benefits (Continued)

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2023. Since the Parent Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

Since the Parent Bank management anticipates that any potential liability that may be incurred during or after the transfer within the above-mentioned limits will be likely recoverable by the assets of the Pension Fund, they believe such liabilities will not bring any additional liability to the Parent Bank.

XVIII. Explanations on Taxation

Corporate Tax

In Turkey, corporate tax rate of 20% for corporate income was applied at 25% for the corporate income for the taxation period of 2021 and 23% for the corporate income for the taxation period of 2022 in accordance with the regulation introduced by the Law No. 7316 "Law on the Amendment of the Law on the Procedure for Collection of Public Receivables and Certain Laws", and pursuant to the regulation numbered 7394 "Law on the Amendment of Certain Laws and Decree Laws with the Law on the Evaluation of Immovable Properties Belonging to the Treasury and Amendment to the Value Added Tax Law", this rate has been determined as 25% to be applied to the corporate income 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 for the taxation period starting from 2022. In addition, with the Law No. 7417 "Law on the Amendment of the Law on Civil Servants and Certain Laws and the Decree Law No. 375", the effective date of aforementioned article regarding 25% corporate income rate within the scope of Law No. 7394 has been amended, and thus, the relevant regulation has been made that 25% corporate tax will be calculated on the corporate income of the above-mentioned banks and financial institutions for the taxation period of 2023 and the following periods. With the latest regulation on corporate tax rates, the general corporate tax rate was increased from 20% to 25% and the corporate tax rate for financial institutions was increased from 25% to 30% within the scope of the "Law No. 7456 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375". The aforementioned article enters into force on the date of its publication, starting from the declarations to be submitted as of 1 October 2023 (3rd Provisional Tax Period).

The tax legislation requires advance tax to be calculated and paid based on earnings generated for each quarter, the amounts calculated and paid are offset from the final tax computed over the earnings of the year. With the Law No. 7338 Amending the Tax Procedure Law and Certain Laws published in the Official Gazette dated 26 October 2021 and numbered 31640, the 4th period provisional tax return to be implemented in 2022 was abolished. In the new application, a total of 3 temporary tax returns will be submitted in quarterly periods for the first 9 months of the year. On the other hand, corporate tax and any related taxes paid to foreign tax offices for the income obtained from foreign branches are taken into account as exemption in the Tax Statement according to Article 22 of the Avoidance of Double Taxation Treaty signed between Northern Cyprus and the Turkish Republic.

50% portion of the gains derived from the sale of immovable (from 5 December 2017) which have been acquired due to loans from the Bank under the scope of legal proceedings and 75% portion of participation shares, founder's shares, dividend right shares and pre-emption rights is tax exempt. In the scope of Article 5/1-e of Corporate Income Tax Law, 75% portion of the capital gains derived from the sale of participation shares held for at least two years are exempt from corporate taxation, providing that such gains are added to paid-in capital or held in a special fund account under liability for 5 years. In addition, within the scope of the "Law No. 7456 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375", the Corporate Tax exemption (Corporate Tax Law 5/1-e) on the sales gains of immovable properties held in assets for at least 2 years has been repealed. However, for the immovables acquired before the publication date of the Law (for the registered immovables in the assets of the institutions before 15 July 2023), the exemption rate will be applied as 25% for the gains obtained.

Tax returns are required to be declared and paid between the first and last day of the fourth month following the accounting period.

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

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XVIII. Explanations on Taxation (Continued)

Corporate Tax (Continued)

In accordance with the repeated Article 298 of the Tax Procedure Law, if the increase in the producer price index is more than 100% in the last 3 accounting periods including the current period and more than 10% in the current period, the financial statements will be subject to inflation adjustment and these conditions have been met as of 31 December 2021. However, with the "Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law" numbered 7352 published in the Official Gazette dated 29 January 2022 and numbered 31734, temporary article 33 was added to the Tax Procedure Law numbered 213 and regardless of whether the conditions for the inflation adjustment within the scope of article 298 are met in the 2021 and 2022 accounting periods (for those designated as special accounting periods, as of the accounting periods ending in 2022 and 2023), including the provisional tax periods, and in the provisional tax periods of the 2023 accounting period, that, financial statements will not be adjusted for inflation, it is stated that the financial statements as of 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, that the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years' profit/loss account, the previous year's profit determined in this way will not be subject to tax, and the previous year's loss will not be considered as a loss. In addition, the "Law on Amendments to Certain Laws and Decree Laws" numbered 7491 was published in the Official Gazette dated 28 December 2023 and Article 17 of this law regulates that banks, companies within the scope of Law No. 6361, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies shall not take into account the profit and loss arising from the inflation adjustment of 2024 and 2025 accounting periods (including temporary tax periods) in the corporate tax base.

On the other hand, with the Temporary Article 32 and repeated article 298/ç which were added to the Tax Procedure Law by the Law No. 7338, taxpayers within the scope of aforementioned articles were allowed to revalue their real estate and depreciable economic assets recorded in their balance sheets. In addition, with the Communiqué Amending the Tax Procedure Law General Communiqué (seriesno. 537) with series no. 547 published in the Official Gazette dated 14 January 2023 and numbered 32073, additional explanations have been introduced in the procedures and principles regarding the revaluation of real estate and economic assets subject to depreciation for taxpayers who, despite keeping books on the balance sheet basis, have to use different accounting techniques in terms of their fields of activity. Accordingly, the Bank made a revaluation of the immovable in its balance sheet and its depreciable economic assets, provided that the conditions in the Tax Procedure Law Temporary Article 32 and Repeated Article 298/ç are met. Thus, corporate tax will be paid according to the new depreciation expenses determined after revaluation of real estate and depreciable economic assets.

With the Law No. 7440 on the Restructuring of Certain Receivables and Amending Certain Laws published in the Official Gazette dated 12 March 2023 and numbered 32130, by the corporate taxpayers, by being shown in their corporate tax return for the year 2022, in accordance with the Law No. 5520 and the regulations in other laws, the exemption and discount amounts subject to deduction from corporate income and the bases subject to reduced corporate tax within the scope of Article 32/A of the same Law, an additional tax is calculated at the rate of 10% without being associated with the income for the period, and at the rate of 5% over the exempted earnings obtained from abroad with the exception regulated in subparagraph (a) of the first paragraph of Article 5 of the Law No. 5520 and proven to have at least 15% tax burden and the first instalment of this tax is paid within the payment period of the corporate tax, and the second instalment is paid in the fourth month following this period. However, there are detailed explanations regarding the application of additional tax in the General Communiqué of Law No. 7440 on Restructuring of Taxes and Some Other Receivables Serial No. 3 and explanations that the donations and aids that can be deducted from the corporate income within the scope of the aforementioned regulation are exempted in cases where Turkey is not entitled to tax within the scope of Avoidance of Double Tax Treaties or the mentioned earnings should be exempted in Turkey, the valuation differences between the Turkish Accounting Standards/Turkish Financial Reporting Standards and the provisions of the Tax Procedure Law, and the cancellation of the severance pay provision will not be included in the calculation of additional tax.

Deferred Tax Asset/Liability

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

In the scope of TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid. As of 31 December 2023, the deferred tax is calculated over 30% in accordance with the tax legislation in effect.

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XVIII. Explanations on Taxation (Continued)

Deferred Tax Asset/Liability (Continued)

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Deferred tax asset is calculated over temporary differences arisen from expected credit loss provision in line with TFRS 9 principles from 1 January 2018.

Deferred tax income balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

Transfer Pricing

Article 13 of the Corporate Tax Law contains detailed explanations on “concealed gain distribution through transfer pricing” and in this context, if the corporations purchase or sell goods or services with related parties at a price or price determined in violation of the arm's length principle, the profit is deemed to be distributed in whole or in part as disguised through transfer pricing. In the application of Corporate Tax laws, the earnings distributed in a disguised manner through transfer pricing in whole or in part are taken into consideration as the dividend distributed as of the last day of the accounting period in which the conditions in this article are met, or the amount transferred to the head office for limited taxpayers, and the earnings distributed in a disguised manner cannot be deducted in the determination of corporate income.

The “arm's length principle,” which forms the basis of the regulation on transfer pricing, means that the price or price applied in the purchase or sale of goods or services with related parties is in accordance with the price or price that would occur in the absence of such a relationship between them. In this sense, important issues such as related person, arm's length principle, arm's length price determination methods, which are handled within the scope of transfer pricing application, are included in detail in the Transfer Pricing communiqués published on the subject.

Corporate taxpayers are required to fill in the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization Form” for the purchase or sale of goods or services with related parties within an accounting period and submit it to the tax office in the annex of the corporate tax return.

XIX. Additional Explanations on Borrowings

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

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

XX. Explanations on Issued Equity Securities

There is no share issued in 2023.

XXI. Explanations on Bill Guarantees and Acceptances

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

XXII. Explanations on Government Incentives

There is no government incentive utilized by the Group.

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XXIII. Explanations on Reporting According to Segmentation

The operating segments of the Parent Bank include retail and private banking, SME banking, corporate banking, treasury, and asset-liability management.

Retail and private banking lines of the Parent Bank provide consumer loans, personal financing, housing, workplace, and vehicle loans for customer needs related to general consumption, purchase of durable goods, and real estate. The Parent Bank also provides account products like Marifetli, Fırsat and CEPTETEB along with the standard time deposit products to enable advantageous savings in different currencies and maturities. In regard to investment needs for customers, retail and private banking offers brokerage services for treasury bill transactions, government bonds, Eurobonds, foreign exchange purchases/sales, a wide range of investment funds, private pension funds and equity securities transactions. It also provides practical account, credit deposit account, automatic bill/regular payment options, safe-deposit boxes and insurance services beside credit and debit cards offering advantages in shopping and banking transactions. These products and services are provided to customers through widespread physical branches and ATM network and also via a 24/7 call center, internet and mobile banking.

Corporate banking provides financial solutions and banking services to large-scale local firms, holdings and their group companies, and multinational companies operating in Turkey. In addition to the bank deposit services provided to corporate customers, corporate banking also develops tailored solutions and products for standard cash and non-cash loans, investment loans, cash management services in line with customer needs and demands and foreign trade financing. Foreign exchange purchase and sale transactions, corporate financing services, derivative products, and solutions to manage foreign exchange and interest rate risk and commodity financing are other services provided by the Parent Bank. The Bank provides these services and products for its corporate customers via teams, located in its corporate branches and Head Office, who are specialized in foreign trade, cash management, structured finance, and multinational companies. It also benefits from the global business network and expertise of BNP Paribas Group.

SME banking provides small and medium-sized enterprises with financial solutions and exclusive services for non-financial matters. The Parent Bank, which specifically designed its services for different segments in the field of SME Banking, has developed solutions that are tailored to the needs of these segments. In addition to solutions developed for small and medium-sized enterprises, solutions were developed for agricultural producers, jewelers, female leaders, and entrepreneurship segments and for SME Banking, Enterprise Banking, Agriculture Banking, Gold Banking, Women's Banking and Entrepreneurship Banking. These solutions are provided on a larger scale based on the types of financial problems encountered by customers, and they are supported in non-financial matters via offering access to information, training, and networks. At this point, the Parent Bank does not only provide financial support to the SMEs but also provides the training and expertise they need to grow their business, strengthen their competitiveness, and use their financing properly.

When determining the short, medium, and long-term pricing strategy, Asset-Liability Management and the Treasury Group also manage the maturity mismatch, by adopting a principle foreseeing to work with a positive balance sheet margin. Spot and forward TL and foreign exchange purchase-sale transactions, treasury bill, government bond, and Eurobond purchase-sale transactions, and derivative product purchase/sale transactions are carried out under defined authorizations. The Parent Bank also carries out activities related to providing medium and long-term funding, enabling funding at a price below the price reflecting the country risk price, diversifying funding resources, and creating an international investor base in this field.

The Financial Markets Group provides structured financial solutions to hedge foreign exchange/interest rate risks of customers and provides the most appropriate price for the market instruments offered to customers by monitoring market conditions.

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XXIII. Explanations on Reporting According to Segmentation (Continued)

The details of the income statement and the balance sheet which the Group operates as a business line:

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Elimination	Total
Dividend Income	-	-	-	26,324	(13,407)	12,917
Profit Before Tax	2,797,898	5,822,286	964,741	7,208,132	(26,554)	16,766,503
Tax Provision (-)	-	-	-	3,592,553	(1,136)	3,591,417
Net Profit for the Period	2,797,898	5,822,286	964,741	3,615,579	(25,418)	13,175,086

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Elimination	Total
Segment Assets	69,420,398	99,657,778	45,401,615	207,586,847	(474,551)	421,592,087
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	311,084	(311,029)	55
Total Assets	69,420,398	99,657,778	45,401,615	207,897,931	(785,580)	421,592,142
Segment Liabilities	193,618,357	75,009,396	22,216,126	93,940,542	(476,695)	384,307,726
Shareholders' Equity	-	-	-	37,593,301	(308,885)	37,284,416
Total Liabilities	193,618,357	75,009,396	22,216,126	131,533,843	(785,580)	421,592,142

Prior Period (31.12.2022)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Elimination	Total
Dividend Income	-	-	-	20,376	(12,617)	7,759
Profit before Tax	663,372	2,975,976	813,904	10,957,349	(17,375)	15,393,226
Tax Provision (-)	-	-	-	3,819,042	(297)	3,818,745
Net Profit for The Period	663,372	2,975,976	813,904	7,138,307	(17,078)	11,574,481

Prior Period (31.12.2022)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Elimination	Total
Segment Assets	49,284,780	72,104,561	31,186,936	131,443,516	(483,827)	283,535,966
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	134,952	(134,897)	55
Total Assets	49,284,780	72,104,561	31,186,936	131,578,468	(618,724)	283,536,021
Segment Liabilities	134,626,362	51,402,414	20,788,852	51,058,839	(484,838)	257,391,629
Shareholders' Equity	-	-	-	26,278,278	(133,886)	26,144,392
Total Liabilities	134,626,362	51,402,414	20,788,852	77,337,117	(618,724)	283,536,021

XXIV. Explanations on Other Matters

According to the decision taken at the Ordinary General Assembly Meeting of the Parent Bank held on 28 March 2023, out of the net balance sheet profit for the year 2022 amounting to TL 11,190,604, TL 112,093 was allocated to Legal Reserves, TL 138,376 to Special Reserves, TL 1,119,060 to shareholders and TL 9,50 (full TL) was allocated to Extraordinary Reserves as recommended by the Board of Directors.

XXV. Reclassifications

Reclassifications have been made on the income statement and cash flow statement as of 31 December 2023 in order to comply with the presentation of 31 December 2022 financial statements. The related reclassification has no impact on the Parent Bank's performance.

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SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Consolidated Shareholders' Equity

Equity amount and capital adequacy standard ratio has been calculated in accordance with the "Regulation on Bank's Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" and in addition to these, the BRSA's regulations dated 1 July 2021 and numbered 9645, dated 21 December 2021 and numbered 9996, 28 April 2022 and numbered 10188, dated 23 June 2022 and numbered 10248, dated 7 July 2022 and numbered 10265, dated 31 January 2023 and numbered 10496, dated 14 February 2023 and numbered 10508, dated 31 July 2023 and numbered 10630, dated 24 August 2023 and numbered 10655. According to the latest regulation changes.

In the calculation of the amount subject to credit risk, the Central Bank's foreign currency buying rates as of 30 December 2022 were used in accordance with the BRSA Board decision dated 31 January 2023 and numbered 10496, while calculating the valued amounts in foreign currency.

Within the scope of the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks published in the Official Gazette dated 23 October 2015 and numbered 29511, for the receivables of banks from the Central Government of the Republic of Turkey and issued in FC, 0% risk weight was applied in the calculation of the amount subject to credit risk in accordance with the Standard Approach.

In accordance with the BRSA Board Decision dated 1 July 2021 and numbered 9645, the risk weights of individual credit cards and consumer loans were changed. In consumer loans extended after the decision was taken, the risk weight was applied 100% instead of 75% for those with a remaining maturity of 1-12 months, and 150% instead of 75% for those with more than 1 year. Likewise, after the date of the decision, in individual credit cards; the risk weight was applied to 100% instead of 75% for those with 1-6 months to maturity, and 150% instead of 75% for those with 6 months or more.

With the Board decision dated 31 July 2023 and numbered 10630, the risk weights of general-purpose loans (including overdraft accounts), personal credit cards (including credit card expenditures and cash withdrawals), vehicle loans for the acquisition of passenger cars to be extended to consumers and vehicle secured loans extended after 31 July 2023 were applied as 150%. (For overdraft accounts and credit cards, 150% was applied to the increase amount if there was an increase by looking at the end of the previous month.)

On the other hand, with respect to the decision dated 31 July 2023 and numbered 10630, it is stated that the Board Decision dated 1 July 2021 and numbered 9645 is abrogated for the loans extended as of 31 July 2023, and therefore, the decision dated 1 July 2021 and numbered 9645 remains valid for the loans extended before this date.

In accordance with the Board decision dated 21 December 2021 and numbered 9996, in case of the net valuation differences of the financial assets included in the portfolio of "Securities at Fair Value through Other Comprehensive Income" as of the decision date are negative, these differences have been calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756 and have not been taken into account in the amount of equity to be used for the capital adequacy ratio.

In accordance with the BRSA Board Decision dated 28 April 2022 and numbered 10188, two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision).

With the BRSA Board Decision of 23 June 2022 and numbered 10248, five hundred percent risk weight has been applied to commercial cash loans in TL and FC that will be extended to non-residents, excluding banks and financial institutions, after the date of the said Decision.

In addition, some regulations have been introduced regarding the use of loan by companies subject to independent auditing.

In case the companies fail to notify the bank of their documents in accordance with the board decision or give information contrary to the statement, pursuant to the decision numbered 10265 dated 7 July 2022, new cash commercial loans in TL should not be extended to the related companies and a risk weight of 500% should be applied to all TL-denominated cash commercial loans extended on or after 30 June 2022.

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I. Explanations Related to Components of Consolidated Shareholders' Equity (Continued)

With the Board Decision dated 14 February 2023 and numbered 10508, credit disbursements of residents living in provinces in the earthquake/disaster zone after 6 February 2023 are exempted from the high-risk application dated 28 April 2022, numbered 10188, and dated 1 July 2021 and numbered 9645, until 1 January 2024.

With the Board decision dated 24 August 2023 and numbered 10655, a risk weight of 150% was applied to loans collateralised by mortgages on residential real estate to be extended to consumers after the date of the decision for the purpose of housing them if they own at least one residence owned by themselves, their spouse or their children under the age of 18.

As of 31 December 2023, the Group's consolidated shareholders' equity amounts to TL 48,970,889 (31 December 2022: TL 36,818,836) and the consolidated capital adequacy standard ratio is 16.85% (31 December 2022: 18.26%). The Group's the consolidated capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. Credit risk "standard approach" for banking accounts, market risk "standard method" for trading accounts, counterparty credit risk "standard approach method" for derivatives and repo transactions, credit valuation adjustment capital load "standard method" for over-the-counter derivative transactions method and operational risk were calculated using the "basic indicator method."

Information related to the Components of Consolidated Shareholders' Equity:

	Current Period 31.12.2023	Prior Period 31.12.2022
Common Equity Tier 1 Capital		
Paid-in Capital to be Entitled for Compensation after All Creditors	2,404,652	2,404,652
Share Premium	2,565	2,565
Reserves	21,519,937	11,060,692
Gains recognized in equity as per Turkish Accounting Standards (TAS)	177,939	783,777
Profit	13,128,180	11,655,252
Current Period's Profit	13,128,180	11,556,896
Prior Years' Profit	-	98,356
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	-	-
Minority interest	2,054	1,309
Common Equity Tier 1 Capital Before Deductions	37,235,327	25,908,247
Deductions from Common Equity Tier 1 Capital		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank Capital	-	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	245,377	9
Leasehold Improvements on Operational Leases	81,306	49,879
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights	833,304	455,025
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 value of Bank's liabilities	-	-
Net amount of defined-benefit plan assets	-	-
Direct and indirect investments of the Bank in its own Tier 1 Capital	-	-
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 in accordance with the second paragraph of the Provisional Article 2 of the Regulation on Banks' Equity)	-	-
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	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier 1 Capital	1,581,111	926,037
Total Common Equity Tier 1 Capital	35,654,216	24,982,210

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I. Explanations Related to Components of Consolidated Shareholders' (Continued)

Information related to the Components of Consolidated Shareholders' Equity: (Continued)

	Current Period 31.12.2023	Prior Period 31.12.2022
ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (In the scope of Provisional Article 4)	-	-
Third Parties Share in the Additional Tier 1 Capital	440	281
Third Parties Share in the Additional Tier 1 Capital (in the scope of Provisional Article 3)	440	281
Additional Tier 1 Capital before deductions	440	281
Deductions from Additional Tier 1 Capital		
Bank's direct or indirect investment on its own Tier 1 Capital	-	-
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of Common Equity Tier 1 Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-
Items to be deducted from Tier I Capital during the Transition Period	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Bank Capital (-)	-	-
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 Bank Capital (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	440	281
Total Tier 1 Capital (Tier 1 Capital=Common Equity + Additional Tier 1 Capital)	35,654,656	24,982,491
TIER 2 CAPITAL		
Debt instruments and related issuance premiums defined by the BRSA	10,096,945	9,560,582
Debt instruments and related issuance premium defined by the BRSA (in the scope of provisional article 4)	-	-
Third parties' share in the Tier 2 Capital	587	374
Third parties' share in the Tier 2 Capital (in the scope of provisional article 3)	587	374
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	3,228,171	2,298,394
Tier 2 Capital Before Deductions	13,325,703	11,859,350
Deductions from Tier 2 Capital		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of 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	-	-
Total Tier 2 Capital	13,325,703	11,859,350
Total Equity (The sum of Tier 1 and Tier 2 Capital)	48,980,359	36,841,841

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Information related to the Components of Consolidated Shareholders' Equity: (Continued)

	Current Period 31.12.2023	Prior Period 31.12.2022
The sum of Tier 1 Capital and Tier 2 Capital (Total Equity)		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	330	886
Net book values of immovables exceeding 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 items to be defined by the BRSA	9,140	22,119
Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period	-	-
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		
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	48,970,889	36,818,836
Total Risk Weighted Amounts	290,692,299	201,587,244
CAPITAL ADEQUACY RATIOS		
Common Equity Tier 1 Capital Adequacy Ratio (%)	12.27	12.39
Tier 1 Capital Adequacy Ratio (%)	12.27	12.39
Capital Adequacy Ratio (%)	16.85	18.26
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2.50	2.51
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%) (*)	0.00	0.01
c) Systemic significant bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	3.76	3.89
Amounts below the Excess Limits as per the Deduction Principles		
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	423,280	416,271
Amounts arising from the net long positions of investments made in Tier I 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)	2,531,368	1,624,898
Limits related to provisions considered in Tier 2 Calculation		
General provisions for standard based receivables (before ten thousand twenty-five limitation)	6,036,175	3,761,613
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	3,228,171	2,298,394
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	-	-

(*) The cyclical capital buffer rate is written as 0.00 due to the two digits being shown in the note, our rate is full digit 0.0049 (31 December 2022: 0.0061).

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations Related to Components of Consolidated Shareholders' Equity (Continued)

Explanations on Reconciliation of Capital Items to Balance Sheet:

	Current Period	Prior Period
Total Capital per Balance Sheet	37,284,416	26,144,392
Hedging Funds (effective portion)	(217,372)	(282,445)
Deductions Made Under Regulation	(1,416,492)	(962,424)
Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income	3,664	82,687
Common Equity Tier 1 Capital	35,654,216	24,982,210
Additional Tier 1 Capital	440	281
Tier 1 Capital	35,654,656	24,982,491
Expected Loss Provision (Stage 1 and 2)	3,228,171	2,298,394
Debt Instruments Defined by the BRSA	10,096,945	9,560,582
Deductions Made Under Regulation	(9,470)	(23,005)
Share of Third Parties in Capital	587	374
Total Equity	48,970,889	36,818,836

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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I. Explanations Related to Components of Consolidated Shareholders' Equity (Continued)

Information Related to Debt Instruments Included in Equity Calculation:

All of the debt instruments included in equity calculation are issued by the Parent Bank.

Issuer	TEB	TEB	TEB
Unique identifier of the debt instrument (e.g., CUSIP, ISIN)	XS1895575071(**)	XS2023308278	XS1973559484
Governing law(s) of the debt instrument	Turkey	Turkey	Turkey
Consideration in Equity Calculation			
Subject to 10% deduction as of 1/1/2015	No	No	No
Eligible at consolidated /unconsolidated/ consolidated and unconsolidated	Available	Available	Available
Type of the debt instrument	Borrowing Instrument	Borrowing Instrument	Borrowing Instrument
Amount recognized in regulatory capital (TL Currency in mil, as of most recent reporting date)	4,919.39	3,235.97	1,941.58
Par value of debt instrument (TL Currency in mil)	6,149.24	3,235.97	1,941.58
Accounting classification of the debt instrument	34701100	34701100	34701100
Original date of issuance	5.11.2018	22.07.2019	14.05.2019
Perpetual or dated (Demand / Time)	Time	Time	Time
Original maturity date	5.11.2028	23.07.2029	14.05.2029
Issuer call subject to prior supervisory approval	Available	Available	Available
Optional call date, contingent call dates and redemption amount	6.05.2024	22.07.2024	14.05.2024
Subsequent call dates, if applicable	-	-	-
Interest / dividend payments			
Fixed or floating dividend/coupon	Fixed	Floating	Floating
Coupon rate and any related index	SOFR+7.32%	6mEuribor+7.10%	6mEuribor+7.10%
Existence of a dividend stopper	None	None	None
Fully discretionary, partially discretionary, or mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	None	None	None
Noncumulative or cumulative	None	None	None
Convertibility of equity shares			
If convertible, conversion trigger(s)	-	-	-
If convertible, fully or partially	-	-	-
If convertible, conversion rate	-	-	-
If convertible, mandatory, or optional conversion	-	-	-
If convertible, specify instrument type convertible into	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-
Write-down feature			
If write-down, write-down trigger(s)	-	-	-
If write-down, full or partial	-	-	-
If write-down, permanent or temporary	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to the debt instrument)	Deposit and other receivables	Deposit and other receivables	Deposit and other receivables
Whether conditions which stands in Article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess	Possess	Possess
According to Article 7 and 8 of Banks' shareholders equity law that are not possessed (*)	-	-	-

(*) Under article 8/2 in subsection (ğ) mechanism of write-down or conversion to common shares are stated.

(**) Since the remaining maturity is less than five years, it has been reduced by 20% and included in Tier II capital.

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2023**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to the Consolidated Credit Risk

Credit risk is the risk and financial loss that the Parent Bank is a party in a contract whereby the counterparty fails to meet its obligation partially or on time and causes to incur a financial loss.

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

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

As prescribed in the Communiqué numbered 29750 dated 22 June 2016 on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves", the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statements of accounts for the loans are derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

A restructuring is defined as the privilege due to the borrower's encountered or likely to encountered financial difficulties. The privileges granted to the borrower assumed to be in financial difficulty are;

- A change in the terms and conditions of the loan or
- Partially or completely refinancing of the loan in favour of the debtor.

In order to be subject to restructuring, the firm must be confronted with the difficulty of payment. The difficulty should be supported by concrete developments or findings. Each restructuring request is evaluated on transaction basis by the authorized credit allocation unit according to the activity of the firm, the income generation structure by the sectoral operation.

Restructuring of the loans supported by Credit Guarantee Fund ("CGF loans") is evaluated in accordance with the current legislation. The principles regarding to restructuring of Treasury-Back CGF loans in the scope of 11 October 2018 dated Presidential Decree are taken into account.

In accounting practice, loans whose collection of principal or interest payments is delayed for more than 30 days from their due dates or due dates for various reasons, but which do not meet the delay period requirement for classification as a Group III loan as specified in the "Regulation on Procedures and Principles for Classification of Loans and the Provisions to be Set Aside" published in the Official Gazette dated 22 June 2016 and numbered 29750, are considered as "past-due loan", all receivables specified in the groups III, IV and V specified in the same Regulation are considered as "impaired" loans in the application of this Regulation, regardless of whether the accrued interest and interest-like burdens on the borrower are added to the principal or refinanced.

The Parent bank provides specific reserves to Group III, IV and V loans in accordance with "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside".

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to the Consolidated Credit Risk (Continued)

In the calculation of the amount subject to credit risk, the Central Bank foreign exchange buying rates as of 31 December 2022 were used in accordance with the Board decision no. 10496 dated 31 January 2023, while calculating the valued amounts in foreign currency.

In accordance with the Standard Approach, 0% risk weight is used in the calculation of the amount subject to credit risk for FC receivables of Banks which are from Republic of Turkey Central Management within the scope of Regulation on Measurement and Assessment of Capital Adequacy of Banks published on the Official Gazette dated 23 October 2015 and numbered 29511.

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types for the relevant period:

Exposure Classifications	Current Period Risk Amount (*)	Average Risk Amount (*, **)
Conditional and unconditional receivables from central governments or central banks	1,753,945	1,702,507
Conditional and unconditional receivables from regional or local governments	188,950	304,911
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	7,706,471	7,303,082
Conditional and unconditional corporate receivables	100,912,913	93,033,884
Conditional and unconditional retail receivables	54,591,236	48,633,539
Conditional and unconditional secured mortgage receivables	8,704,831	7,810,280
Past due receivables	452,395	530,202
Receivables defined in high-risk category by BRSA	78,028,398	54,745,347
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	7,983,287	7,508,260
Investments in equities	392,621	348,304

(*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(**) Average risk amount is calculated by taking the arithmetic average of balances on quarterly prepared to the end of the month.

Exposure Classifications	Prior Period Risk Amount (*)	Average Risk Amount (*, **)
Conditional and unconditional receivables from central governments or central banks	1,463,903	1,167,795
Conditional and unconditional receivables from regional or local governments	439,202	637,463
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-
Conditional and unconditional receivables from multilateral development banks	-	-
Conditional and unconditional receivables from international organizations	-	-
Conditional and unconditional receivables from banks and brokerage houses	5,295,189	5,126,769
Conditional and unconditional corporate receivables	85,078,784	81,290,788
Conditional and unconditional retail receivables	38,232,043	41,318,942
Conditional and unconditional secured mortgage receivables	7,191,708	7,156,351
Past due receivables	600,655	818,152
Receivables in high-risk category defined by BRSA	42,030,268	16,482,915
Securities collateralized by mortgages	-	-
Securitization positions	-	-
Short-term receivables from banks, stockbrokers and corporate	-	-
Investments of natured collective investment enterprise	-	-
Other receivables	6,282,832	3,296,754
Investments in equities	369,867	295,241

(*) Risk amounts after conversion rate to credit are given before credit risk mitigation.

(**) Average risk amount is calculated by taking the arithmetic average of balances on quarterly prepared to the end of the month.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to the Consolidated Credit Risk (Continued)

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

The fulfilment of the benefits and proceeds related to forward transactions can be realized at maturity. However, in order to minimize the risk, back-to-back positions of existing risks are entered into the market due to necessity.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the loans and other receivables, which are restructured from loans and rescheduled, are not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Parent Bank are generally taken for the financial institutions and countries that are rated at investment level by international rating agencies which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are considered to be not material to the financial structure of the Parent Bank.

The Group does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of 31 December 2023, the receivables of the Group from its top 100 and top 200 cash loan customers share in total cash loans are respectively 29.09 % and 37.67% (31 December 2022: 29.48 % and 38.42%).

As of 31 December 2023, the receivables of the Group from its top 100 and top 200 non-cash loan customers share of 73.85% and 82.55% respectively in the total non-cash loans (31 December 2022: 72.38% and 81.71%).

As of 31 December 2023, the share of cash and non-cash receivables of the Group from its top 100 and top 200 loan customers in total balance sheet and off-balance sheet assets is 10.30% and 13.06% respectively (31 December 2022: 9.60% and 12.49%).

As of 31 December 2023, the general loan loss provision related with the credit risk taken by the Group is TL 6,036,175 (31 December 2022: TL 3,761,613).

Credit Rating System

Credit risk is evaluated according to the internal rating system of the Parent Bank, which is linked to the rating scale, and loans are classified from the best rating to the lowest rating according to the probability of default. As of 31 December 2023, Retail, Business and Agricultural Banking loans are excluded from the internal rating system of the Parent Bank and these loans constitute 25.75% of the total cash and non-cash loan portfolio (31 December 2022: 25.53%). Application and behavioural scorecards are used for the Individual and Business segments, however behavioural scorecard is used for the Agricultural segment.

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

Category	Description of Category	Share in the Total %	Share in the Total %
		31.12.2023	31.12.2022
1 st Category	The borrower has a very strong financial structure	53.78	55.20
2 nd Category	The borrower has a good financial structure	37.27	34.28
3 rd Category	The borrower has an intermediate level of financial structure	6.66	7.77
4 th Category	The financial structure of the borrower must be closely monitored in the medium term	2.29	2.75
Total		100.00	100.00

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II. Explanations Related to the Consolidated Credit Risk (Continued)

Profile of Significant Exposures in Major Regions:

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Current Period																		
Domestic	186,676	187,352	-	-	-	5,622,893	71,751,130	47,744,175	7,610,961	409,721	77,738,272	-	-	-	-	7,956,810	392,621	219,600,611
European Union Countries	-	-	-	-	-	390,602	1,159,406	158,384	399	164	1,305	-	-	-	-	3,334	-	1,713,594
OECD Countries (*)	-	-	-	-	-	66,432	894,391	89,288	-	52	318	-	-	-	-	-	-	1,050,481
Off-Shore Banking Regions	-	-	-	-	-	20	-	291	4	-	-	-	-	-	-	-	-	315
USA, Canada	-	-	-	-	-	149,601	264	1,537	46	37	319	-	-	-	-	-	-	151,804
Other Countries	1,567,269	-	-	-	-	28,465	616,976	106,798	28,456	4,512	288,184	-	-	-	-	23,084	-	2,663,744
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55	-	55
Unallocated Assets/ Liabilities (**)	-	1,598	-	-	-	1,448,458	26,490,746	6,490,763	1,064,965	37,909	-	-	-	-	-	4	-	35,534,443
Total	1,753,945	188,950	-	-	-	7,706,471	100,912,913	54,591,236	8,704,831	452,395	78,028,398	-	-	-	-	7,983,287	392,621	260,715,047

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

(**) Includes assets and liability items that cannot be allocated on a consistent basis.

(***) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

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II. Explanations Related to the Consolidated Credit Risk (Continued)

Profile of Significant Exposures in Major Regions: (continued)

	Exposure Categories (***)																	
	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	Total
Prior Period																		
Domestic	149,252	437,399	-	-	-	3,411,655	61,383,339	33,410,708	6,414,534	563,700	41,908,684	-	-	-	-	6,254,954	369,867	154,304,092
European Union Countries	-	-	-	-	-	274,388	985,982	80,075	1,130	28	1,381	-	-	-	-	278	-	1,343,262
OECD Countries (*)	-	-	-	-	-	149,828	1,283,167	10,479	19	29	618	-	-	-	-	1,155	-	1,445,295
Off-Shore Banking Regions	-	-	-	-	-	14	-	39	12	-	-	-	-	-	-	-	-	65
USA, Canada	-	-	-	-	-	388,804	33,729	1,581	103	45	118	-	-	-	-	-	-	424,380
Other Countries	1,314,651	-	-	-	-	50,349	487,292	84,992	71,466	3,565	119,467	-	-	-	-	25,315	-	2,157,097
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55	-	55
Unallocated Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities (**)	-	1,803	-	-	-	1,020,151	20,905,275	4,644,169	704,444	33,288	-	-	-	-	-	1,075	-	27,310,205
Total	1,463,903	439,202	-	-	-	5,295,189	85,078,784	38,232,043	7,191,708	600,655	42,030,268	-	-	-	-	6,282,832	369,867	186,984,451

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

(**) Includes assets and liability items that cannot be allocated on a consistent basis.

(***) Risk amounts after conversion rate to credit are given before Credit Risk Mitigation.

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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II. Explanations Related to the Consolidated Credit Risk (Continued)

Risk profile by Sectors or Counterparties:

Exposure Categories (**)																				
	Conditional and unconditional exposures to governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non-commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	TL (*)	FC	Total
Current Period																				
Agriculture	-	-	-	-	-	-	1,160,458	1,538,499	367,189	19,748	87,665	-	-	-	-	-	-	2,653,010	520,549	3,173,559
Farming and Stockbreeding	-	-	-	-	-	-	652,442	1,505,179	365,653	19,503	87,665	-	-	-	-	-	-	2,546,532	83,910	2,630,442
Forestry	-	-	-	-	-	-	69,698	18,237	-	-	-	-	-	-	-	-	-	87,920	15	87,935
Fishery	-	-	-	-	-	-	438,318	15,083	1,536	245	-	-	-	-	-	-	-	18,558	436,624	455,182
Manufacturing	-	-	-	-	-	-	59,885,474	12,230,858	3,232,091	75,252	21,427,906	-	-	-	-	44	-	62,946,212	33,905,413	96,851,625
Mining and Quarrying	-	-	-	-	-	-	2,987,039	598,002	91,015	2,389	15,414	-	-	-	-	-	-	2,002,059	1,691,800	3,693,859
Production	-	-	-	-	-	-	54,588,162	11,577,316	2,748,581	70,502	19,880,517	-	-	-	-	44	-	57,798,159	31,066,963	88,865,122
Electricity, Gas and Water	-	-	-	-	-	-	2,310,273	55,540	392,495	2,361	1,531,975	-	-	-	-	-	-	3,145,994	1,146,650	4,292,644
Construction	-	-	-	-	-	-	6,398,192	1,411,418	407,283	44,205	83,016	-	-	-	-	-	-	3,535,555	4,808,559	8,344,114
Services	1,753,945	188,950	-	-	-	7,706,471	30,581,840	13,659,018	4,238,059	141,922	14,157,675	-	-	-	-	7,142,119	392,621	56,180,308	23,782,312	79,962,620
Wholesale and Retail Trade	-	10,265	-	-	-	-	12,435,413	7,334,910	1,384,596	46,171	2,711,900	-	-	-	-	74	2,785	20,194,808	3,731,306	23,926,114
Accommodation and Dining	-	-	-	-	-	-	424,916	823,359	570,704	43,811	31,448	-	-	-	-	-	-	1,257,395	636,843	1,894,238
Transportation and Telecom.	-	-	-	-	-	-	5,520,348	2,823,787	1,121,491	14,352	1,088,176	-	-	-	-	9	-	6,211,982	4,356,181	10,568,163
Financial Institutions	1,753,945	-	-	-	-	7,706,471	4,877,076	236,255	122,146	136	6,210	-	-	-	-	7,141,752	389,836	12,714,312	9,519,515	22,233,827
Real Estate and Rental Services	-	-	-	-	-	-	5,371,744	1,369,143	829,579	28,976	350,675	-	-	-	-	90	-	3,300,969	4,649,238	7,950,207
Self-Employment Services	-	-	-	-	-	-	1,649,930	893,423	205,190	8,369	1,248,629	-	-	-	-	-	-	3,121,965	883,576	4,005,541
Educational Services	-	-	-	-	-	-	19,748	87,935	4,353	90	32,297	-	-	-	-	173	-	138,943	5,653	144,596
Health and Social Services	-	178,685	-	-	-	-	282,665	90,206	-	17	8,688,340	-	-	-	-	21	-	9,239,934	-	9,239,934
Other	-	-	-	-	-	-	2,886,949	25,751,443	460,209	171,268	42,272,136	-	-	-	-	841,124	-	72,013,432	369,697	72,383,129
Total	1,753,945	188,950	-	-	-	7,706,471	100,912,913	54,591,236	8,704,831	452,395	78,028,398	-	-	-	-	7,983,287	392,621	197,328,517	63,386,530	260,715,047

(*) Foreign Currency indexed credits are shown in TL column.

(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations Related to the Consolidated Credit Risk (Continued)

Risk profile by Sectors or Counterparties: (Continued)

Exposure Categories (**)																					
	Conditional and unconditional exposures to governments or central banks	Conditional and unconditional exposures to regional governments or local authorities	Conditional and unconditional receivables from administrative units and non- commercial enterprises	Conditional and unconditional exposures to multilateral development banks	Conditional and unconditional exposures to international organizations	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due items	Receivables in regulatory high-risk categories	Exposures in the form of bonds secured by mortgages	Securitization Positions	Short term exposures to banks, brokerage houses and corporates	Exposures in the form of collective investment undertakings	Others	Investments in equities	TL (*)	FC	Total	
Prior Period																					
Agriculture		-	-	-	-	-	716,855	758,541	235,033	43,252	771,794	-	-	-	-	-	-	-	2,195,013	330,462	2,525,475
Farming and Stockbreeding		-	-	-	-	-	405,329	730,034	234,720	42,785	771,794	-	-	-	-	-	-	-	2,129,181	55,481	2,184,662
Forestry		-	-	-	-	-	34,272	4,728	-	-	-	-	-	-	-	-	-	-	36,561	2,439	39,000
Fishery		-	-	-	-	-	277,254	23,779	313	467	-	-	-	-	-	-	-	-	29,271	272,542	301,813
Manufacturing		-	-	-	-	-	55,069,505	7,913,192	2,704,205	87,298	10,491,420	-	-	-	-	-	5	-	50,163,353	26,102,272	76,265,625
Mining and Quarrying		-	-	-	-	-	2,951,697	336,123	75,173	4,292	75,347	-	-	-	-	-	-	-	1,716,576	1,726,056	3,442,632
Production		-	-	-	-	-	50,016,218	7,533,967	2,351,496	80,230	10,253,661	-	-	-	-	-	5	-	47,011,096	23,224,481	70,235,577
Electricity, Gas and Water		-	-	-	-	-	2,101,590	43,102	277,536	2,776	162,412	-	-	-	-	-	-	-	1,435,681	1,151,735	2,587,416
Construction		-	-	-	-	-	4,371,589	973,914	300,473	112,779	92,325	-	-	-	-	-	-	-	2,906,225	2,944,855	5,851,080
Services	1,463,903	439,202	-	-	-	5,295,189	22,413,283	9,032,148	3,172,913	197,244	4,583,519	-	-	-	-	-	6,083,635	369,867	35,895,135	17,155,768	53,050,903
Wholesale and Retail Trade		15,060	-	-	-	-	8,101,311	4,750,225	975,323	70,586	2,458,865	-	-	-	-	-	12	-	12,869,839	3,501,543	16,371,382
Accommodation and Dining		-	-	-	-	-	398,471	558,335	842,516	45,254	14,720	-	-	-	-	-	9	-	1,121,411	737,894	1,859,305
Transportation and Telecom.		-	-	-	-	-	4,532,803	1,973,231	487,661	24,488	596,686	-	-	-	-	-	2	-	3,966,676	3,648,195	7,614,871
Financial Institutions	1,463,903	-	-	-	-	5,295,189	3,133,973	94,778	113,337	801	5,299	-	-	-	-	-	6,083,354	369,867	11,807,314	4,753,187	16,560,501
Real Estate and Rental Services		-	-	-	-	-	4,821,785	1,121,257	536,455	46,786	443,946	-	-	-	-	-	87	-	3,301,898	3,668,418	6,970,316
Self-Employment Services		-	-	-	-	-	1,248,013	470,549	214,123	9,241	35,003	-	-	-	-	-	-	-	1,130,724	846,205	1,976,929
Educational Services		-	-	-	-	-	6,637	49,592	3,438	85	146	-	-	-	-	-	150	-	59,776	272	60,048
Health and Social Services		424,142	-	-	-	-	170,290	14,181	60	3	1,028,854	-	-	-	-	-	21	-	1,637,497	54	1,637,551
Other		-	-	-	-	-	2,507,552	19,554,248	779,084	160,082	26,091,210	-	-	-	-	-	199,192	-	48,803,349	488,019	49,291,368
Total	1,463,903	439,202	-	-	-	5,295,189	85,078,784	38,232,043	7,191,708	600,655	42,030,268	-	-	-	-	-	6,282,832	369,867	139,963,075	47,021,376	186,984,451

(*) Foreign Currency indexed credits are shown in TL column.

(**) Risk amounts after conversion rate to credit are given before credit risk mitigation.

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II. Explanations Related to the Consolidated Credit Risk (Continued)

Analysis of Maturity-Bearing Exposures According to Remaining Maturities:

Current Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Exposure Categories					
Conditional and unconditional exposures to central governments or central banks	1,753,945	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	1,198	6,223	5,654	31,100	143,120
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	693,641	120,606	75,930	544,690	3,184,661
Conditional and unconditional exposures to corporates	9,539,304	19,512,144	3,921,993	27,287,035	14,139,097
Conditional and unconditional retail exposures	21,826,629	3,342,642	6,222,073	8,044,488	8,646,889
Conditional and unconditional exposures secured by real estate property	384,927	669,624	1,038,145	1,979,825	3,612,718
Past due receivables	-	-	-	-	-
Receivables defined in high-risk category by BRSA	1,908,442	6,826,609	7,066,964	24,525,160	37,701,224
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporate	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	531,622	3,836	10,424	-	5,355
Investments in equities	353,807	-	-	-	38,816
Total	36,993,515	30,481,684	18,341,183	62,412,298	67,471,880

Prior Period	Term to Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 year
Exposure Categories					
Conditional and unconditional exposures to central governments or central banks	1,463,903	-	-	-	-
Conditional and unconditional exposures to regional governments or local authorities	1,596	5,745	4,175	112,250	313,539
Conditional and unconditional receivables from administrative units and non-commercial enterprises	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	1,521,371	779,678	567,668	160,873	238,563
Conditional and unconditional exposures to corporates	7,948,100	17,663,628	7,577,759	17,573,493	13,397,568
Conditional and unconditional retail exposures	13,426,843	1,861,067	3,475,680	7,658,370	7,157,759
Conditional and unconditional exposures secured by real estate property	227,276	602,021	793,502	1,562,971	3,330,044
Past due receivables	-	-	-	-	-
Receivables defined in high-risk category by BRSA	5,362	404	1,455	2,770,687	39,252,360
Exposures in the form of bonds secured by mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-
Exposures in the form of collective investment undertakings	-	-	-	-	-
Other receivables	580,440	2,772	7,752	-	162
Investments in equities	331,051	-	-	38,816	-
Total	25,505,942	20,915,315	12,427,991	29,877,460	63,689,995

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II. Explanations Related to the Consolidated Credit Risk (Continued)

Information About the Risk Exposure Categories

The credit rating of Fitch Ratings International Rating Agency is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and 50% risk weight is used for receivables with a maturity period of more than 3 months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)'s are presented below:

Credit Quality Level	Fitch Ratings Long-Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables (*)
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA to AA-	0%	20%	50%	100%
2	A+ to A-	20%	20%	50%	100%
3	BBB+ to BBB-	50%	50%	50%	100%
4	BB+ to BB-	100%	100%	100%	100%
5	B+ to B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

(*) In accordance with the Board Decisions numbered 10188 dated 28 April 2022 and numbered 10265 dated 7 July 2022, 200% and 500% risk weights are applied to Corporate Receivables.

Exposures by risk weights:

Current Period													
Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	500%	Deductions from Equity
Exposures before													
Credit Risk													
Mitigation	33,729,803	-	6,298,163	-	5,284,263	18,356,420	64,488,211	116,222,983	27,220,272	17,569,671	-	428,105	1,345,204
Exposures after													
Credit Risk													
Mitigation	34,449,806	-	6,596,828	-	5,284,263	19,232,540	62,596,589	113,367,065	27,228,662	17,569,671	-	428,105	1,345,204
Prior Period													
Risk Weights	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	250%	500%	Deductions from Equity
Exposures before													
Credit Risk													
Mitigation	81,091,660	-	8,543,490	-	4,308,592	15,129,734	41,698,273	98,325,991	17,187,471	7,783,237	-	150,184	949,033
Exposures after													
Credit Risk													
Mitigation	82,593,765	-	8,712,918	-	4,308,592	15,551,437	39,918,259	95,462,523	17,191,353	7,783,237	-	150,184	949,033

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II. Explanations Related to the Consolidated Credit Risk (Continued)

Information in Terms of Major Sectors and Type of Counterparties:

Current Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provision (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors / Counterparties			
Agriculture	236,546	62,244	44,741
Farming and Stockbreeding	236,524	59,195	42,190
Forestry	-	750	666
Fishery	22	2,299	1,885
Manufacturing	3,163,555	227,563	624,715
Mining and Quarrying	297,157	5,115	8,598
Production	2,864,782	215,579	611,802
Electricity, Gas and Water	1,616	6,869	4,315
Services	3,003,158	790,362	1,170,647
Wholesale and Retail Trade	915,354	382,255	303,664
Accommodation and Dining	1,008,457	98,946	375,746
Transportation and Telecom.	272,364	21,580	26,364
Financial Institutions	409,763	1,556	248,087
Real Estate and Rental Services	318,001	241,178	181,861
Self Employed Services	60,608	29,045	20,765
Educational Services	2,530	2,458	2,404
Health and Social Services	16,081	13,344	11,756
Other	8,894,500	1,156,988	4,237,296
Total	15,297,759	2,237,157	6,077,399

Prior Period	Credits		Provisions
	Impaired Receivables (TFRS 9)		Expected Credit Loss Provision (TFRS 9)
	Significant Increase in Credit Risk (Stage II)	Credit-Impaired Losses (Stage III)	
Major Sectors/ Counterparties			
Agriculture	51,954	93,494	59,406
Farming and Stockbreeding	51,828	89,091	56,490
Forestry	-	1,832	1,158
Fishery	126	2,571	1,758
Manufacturing	2,054,591	287,362	544,148
Mining and Quarrying	33,962	8,303	8,572
Production	2,018,226	270,548	530,003
Electricity, Gas and Water	2,403	8,511	5,573
Services	2,529,638	1,118,310	1,333,865
Wholesale and Retail Trade	591,197	588,531	458,638
Accommodation and Dining	1,055,013	109,604	322,890
Transportation and Telecom.	262,237	42,098	76,362
Financial Institutions	235,113	6,141	177,101
Real Estate and Rental Services	353,689	272,980	214,551
Self Employed Services	25,573	40,345	34,779
Educational Services	4,833	8,583	6,040
Health and Social Services	1,983	50,028	43,504
Other	6,716,459	1,132,699	2,379,499
Total	11,352,642	2,631,865	4,316,918

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II. Explanations Related to the Consolidated Credit Risk (Continued)

Information about Value Adjustment and Change in Provisions

	31.12.2022 Balance	Provision for Period	Provision Reversals	Written off from Asset	Other Adjustments (*)	31.12.2023 Balance
Default (Stage III)	2,031,948	677,682	(372,584)	(627,391)	31,407	1,741,062
Expected Credit Loss (Stage I - II)	3,761,613	4,211,906	(2,881,196)	-	943,852	6,036,175
(*) Determined according to currency differences, business merger, acquisition, and disposition of affiliate company.						

	31.12.2021 Balance	Provision for Period	Provision Reversals	Written off from Asset	Other Adjustments (*)	31.12.2022 Balance
Default (Stage III)	2,309,689	1,101,673	(641,285)	(757,322)	19,193	2,031,948
Expected Credit Loss (Stage I - II)	2,123,337	2,065,911	(741,940)	-	314,305	3,761,613
(*) Determined according to currency differences, business merger, acquisition, and disposition of affiliate company.						

III. Risks Involved in Counter-Cyclical Capital Buffer Calculation

Current Period

Countries where the risk ultimately taken	Private sector loans in banking accounts	Risk weighted amounts calculated in trading accounts	Total
Turkey	241,547,144	1,908,950	243,456,094
Switzerland	1,030,309	-	1,030,309
TRNC	886,361	-	886,361
Denmark	364,984	-	364,984
Sweden	288,703	-	288,703
Poland	159,316	-	159,316
Italy	149,771	-	149,771
Germany	108,187	-	108,187
Romania	88,488	-	88,488
France	84,834	-	84,834
Spain	69,554	-	69,554
Other	235,639	-	235,639
	245,013,290	1,908,950	246,922,240

Prior Period

Countries where the risk ultimately taken	Private sector loans in banking accounts	Risk weighted amounts calculated in trading accounts	Total
Turkey	169,545,220	2,898,511	172,443,731
Switzerland	1,297,697	-	1,297,697
TRNC	648,735	-	648,735
Denmark	198,147	-	198,147
England	161,592	-	161,592
Egypt	156,927	-	156,927
Luxembourg	151,797	-	151,797
Sweden	127,188	-	127,188
Poland	100,360	-	100,360
France	73,045	-	73,045
Italy	69,828	-	69,828
Other	244,930	-	244,930
	172,775,466	2,898,511	175,673,977

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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IV. Explanations Related to the Consolidated Currency Risk

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

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

As an element of the Group's risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

Asset Liability Management and Treasury Department of the Parent Bank is responsible for the management of Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Parent Bank's Asset-Liability Committee on a weekly basis.

As of 31 December 2023, the Group's balance sheet short position is TL 16,173,019 (31 December 2022: TL 10,775,472 short position) off-balance sheet long position is TL 19,027,263 (31 December 2022: TL 6,325,402 long position) and as a result net foreign currency long position is TL 2,854,244 (31 December 2022: net TL 4,450,070 short position).

The announced current foreign exchange buying rates of the Parent Bank on 31 December 2023 and the previous five working days in full TL are as follows:

	25.12.2023	26.12.2023	27.12.2023	28.12.2023	29.12.2023	31.12.2023
USD	29.0700	29.1704	29.2199	29.2927	29.2821	29.2821
EURO	32.0148	32.1428	32.3522	32.4769	32.3597	32.3597

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

	Monthly Average Foreign Buying Rate
USD	28.9392
EURO	31.5752

Information on the foreign currency risk of the Parent Bank:

The Parent Bank is exposed to foreign currency risk in large amounts in EURO and USD.

The table below shows the Parent Bank's sensitivity to a 10% change in USD and EURO rates. The rate of 10% used is the rate used to report the currency risk to the senior management within the Parent Bank, and this rate represents the possible change expected by the management in exchange rates. 10% depreciation of USD and EURO against TL affects profit and equity amounts positively in the case of a short position and negatively in the case of a long position.

Change in FX Rate (%)		Effect on Profit/Loss	Effect on Equity (*)
		31 December 2023	31 December 2023
USD	10 increase	176,643	(364)
USD	10 decrease	(176,643)	364
EURO	10 increase	1,471	7,889
EURO	10 decrease	(1,471)	(7,889)
Change in FX Rate (%)		Effect on Profit/Loss	Effect on Equity (*)
		31 December 2022	31 December 2022
USD	10 increase	107,311	(2,504)
USD	10 decrease	(107,311)	2,504
EURO	10 increase	(14,020)	6,272
EURO	10 decrease	14,020	(6,272)

(*) The effect on equity does not include the effect of the change in exchange rates on the income statement.

The sensitivity of the Parent Bank to the changes in the exchange rates did not change significantly in the current period. Opening or closing positions in line with market expectations may increase the sensitivity to changes in the period's exchange rates.

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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IV. Explanations Related to the Consolidated Currency Risk (Continued)

Information on the Group's currency risk:

Current Period	EURO	USD	Other FC	Total
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽¹⁾	30,844,064	27,985,165	5,053,556	63,882,785
Banks ⁽²⁾	1,217,544	1,005,439	3,739,279	5,962,262
Financial Assets at Fair Value Through Profit or Loss	8,477	651,850	-	660,327
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	2,507,612	142,031	72,678	2,722,321
Loans ⁽³⁾	41,738,914	12,646,047	2,858,389	57,243,350
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Financial Assets Measured at Amortised Cost ⁽⁴⁾	5,859,133	8,819,183	-	14,678,316
Derivative Financial Assets for Hedging Purposes ⁽⁵⁾	153,805	148,949	-	302,754
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽⁶⁾	4,274,364	925,103	121,352	5,320,819
Total Assets	86,603,913	52,323,767	11,845,254	150,772,934
Liabilities				
Bank Deposits	4,037	-	1,950	5,987
Foreign Currency Deposits ⁽⁷⁾	36,665,926	44,683,770	17,875,142	99,224,838
Money Market Funds	13,679,995	14,429,847	-	28,109,842
Funds Provided from Other Financial Institutions	19,146,138	16,446,573	86,859	35,679,570
Securities Issued	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities ⁽⁸⁾	2,575,384	1,207,048	143,284	3,925,716
Total Liabilities	72,071,480	76,767,238	18,107,235	166,945,953
Net Balance Sheet Position	14,532,433	(24,443,471)	(6,261,981)	(16,173,019)
Net Off-Balance Sheet Position ⁽¹¹⁾	(14,152,998)	26,957,755	6,222,506	19,027,263
Financial Derivative Assets ⁽⁹⁾	41,407,709	69,038,258	10,300,564	120,746,531
Financial Derivative Liabilities ⁽⁹⁾	55,560,707	42,080,503	4,078,058	101,719,268
Non-Cash Loans ⁽¹⁰⁾	27,122,681	25,955,219	9,204,012	62,281,912
Prior Period				
Total Assets	49,368,343	34,053,908	10,921,895	94,344,146
Total Liabilities	45,113,780	46,340,834	13,665,004	105,119,618
Net Balance Sheet Position	4,254,563	(12,286,926)	(2,743,109)	(10,775,472)
Net Off-Balance Sheet Position	(5,220,634)	9,769,785	1,776,251	6,325,402
Financial Derivative Assets ⁽⁹⁾	32,515,163	58,915,548	8,465,255	99,895,966
Financial Derivative Liabilities ⁽⁹⁾	37,735,797	49,145,763	6,689,004	93,570,564
Non-Cash Loans ⁽¹⁰⁾	17,515,996	19,249,329	4,549,939	41,315,264

⁽¹⁾ Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye TL 11,729 (31 December 2022: TL 5,950) includes the balances of expected credit losses.

⁽²⁾ The banks include TL 39,955 (31 December 2022: TL 17,100) of expected credit loss provisions.

⁽³⁾ Foreign currency indexed loans amounting to TL 47,557 (31 December 2022: TL 59,195) are included in the loan portfolio. It includes TL 2,071,833 (31 December 2022: TL 1,364,418) amounting to expected credit loss.

⁽⁴⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 3,303 (31 December 2022: TL 2,163).

⁽⁵⁾ There is no derivative financial transaction rediscount income deducted from the derivative financial assets line for hedging purposes (31 December 2022: None).

⁽⁶⁾ TL 574,412 (31 December 2022: TL 711,819) income accruals from derivative financial instruments are deducted from other assets. In the Other Assets line, TL 4,191,439 factoring receivables and TL 7,784 factoring receivables include expected loss provision.

⁽⁷⁾ Precious metal accounts amounting to TL 12,519,232 (31 December 2022: TL 9,500,243) are included in the foreign currency deposits.

⁽⁸⁾ TL 546,042 (31 December 2022: TL 529,899) expense accruals from derivative financial instruments are deducted from other liabilities.

⁽⁹⁾ Forward asset and marketable securities purchase-sale commitments of TL 4,655,233 (31 December 2022: TL 2,836,459) are added to derivative financial assets and TL 3,776,833 (31 December 2022: TL 2,213,443) has been added to derivative financial assets.

⁽¹⁰⁾ There is no effect on the net off-balance sheet position.

⁽¹¹⁾ As of 10 December 2022, with the amendment made in the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis" with the decision numbered 32039; As of 9 January 2023, delta equivalents have been taken into account by multiplying the nominal value of the currency option with the delta value in the calculation of the net foreign currency position.

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V. Explanations Related to Consolidated Interest Rate Risk

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

The priority of the risk management department is to protect from interest rate volatility. Duration, maturity, and sensitivity analysis performed within this context are calculated by the risk management department and reported to the Liquidity Risk and Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted macroeconomic indicators used in the budget of the Group.

The Parent Bank management monitors the market interest rates on a daily basis and revises the interest rates of the Parent Bank when necessary.

The Group carries interest rate risk within the legal and internal limits and manages the interest rate risk in accordance with the bank's risk appetite.

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Current Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	17,283,685	-	-	-	-	87,307,467	104,591,152
Banks ⁽³⁾	3,926,206	-	-	-	-	3,702,131	7,628,337
Financial Assets at Fair Value Through Profit or Loss	124,611	4,538	134,884	293,163	148,506	424,106	1,129,808
Money Market Placement ⁽⁴⁾	12,243,739	-	-	-	-	(798)	12,242,941
Financial Assets at Fair Value Through Other Comprehensive Income	2,936,500	539,223	801,705	3,466,575	-	82,335	7,826,338
Loans ⁽⁵⁾	37,680,341	34,153,764	84,519,828	53,519,694	1,118,859	(4,529,310)	206,463,176
Financial Assets Measured at Amortised Cost ⁽⁶⁾	6,603,672	12,999,218	7,003,976	12,130,606	10,553,986	(11,090)	49,280,368
Other Assets ⁽⁷⁾	4,623,672	5,294,354	1,417,704	967,730	248,749	19,877,813	32,430,022
Total Assets	85,422,426	52,991,097	93,878,097	70,377,768	12,070,100	106,852,654	421,592,142
Liabilities							
Bank Deposit	2,248,143	-	-	-	-	329,106	2,577,249
Other Deposits	136,787,754	25,173,681	14,920,246	54,965	-	105,053,306	281,989,952
Money Market Funds	21,702,893	6,797,303	-	-	-	-	28,500,196
Miscellaneous Payables	-	593,928	918,013	-	-	-	1,511,941
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	9,427,209	15,216,401	9,493,014	7,095,456	-	-	41,232,080
Other Liabilities	12,777	72,552	202,499	900,067	155,868	64,436,961	65,780,724
Total Liabilities	170,178,776	47,853,865	25,533,772	8,050,488	155,868	169,819,373	421,592,142
Balance Sheet Long Position	-	5,137,232	68,344,325	62,327,280	11,914,232	-	147,723,069
Balance Sheet Short Position	(84,756,350)	-	-	-	-	(62,966,719)	(147,723,069)
Off-Balance Sheet Long Position	1,617,985	563,163	137,881	-	-	-	2,319,029
Off-Balance Sheet Short Position	-	-	-	(1,903,500)	-	-	(1,903,500)
Total Position	(83,138,365)	5,700,395	68,482,206	60,423,780	11,914,232	(62,966,719)	415,529

⁽¹⁾ The expected loss provisions are presented under the "Non-Interest Bearing" column.

⁽²⁾ Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye include expected loss provisions amounting to TL 16,786.

⁽³⁾ The banks include TL 45,340 expected loss provisions.

⁽⁴⁾ Money Market Placement includes expected credit losses amounting to TL 798.

⁽⁵⁾ The revolving loans amounting to TL 22,812,905 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 6,766,467.

⁽⁶⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 11,090.

⁽⁷⁾ Includes factoring receivables amounting to TL 10,102,832 and factoring receivables expected loss provisions amounting to TL 125,884.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL 1,980,316, intangible assets amounting to TL 1,304,219, assets held for resale amounting to TL 82,060, subsidiaries amounting to TL 50 and non-financial jointly controlled entities under common control joint venture amounting to TL 5 and the other liabilities line includes the shareholders' equity of TL 37,284,416.

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V. Explanations Related to Consolidated Interest Rate Risk (Continued)

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Prior Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	-	-	-	-	-	43,832,308	43,832,308
Banks ⁽³⁾	4,387,968	-	-	-	-	4,631,268	9,019,236
Financial Assets at Fair Value Through Profit or Loss	1,906,651	817,219	126,562	152,209	49,451	416,777	3,468,869
Money Market Placement ⁽⁴⁾	7,604,278	-	-	-	-	(589)	7,603,689
Financial Assets at Fair Value Through Other Comprehensive Income	2,220,139	2,111,220	1,749,845	2,289,819	-	49,313	8,420,336
Credits Granted ⁽⁵⁾	21,690,951	23,791,434	60,342,773	40,236,470	1,010,386	(2,419,589)	144,652,425
Financial Assets Valued at Amortised Cost ⁽⁶⁾	1,483,985	4,986,368	16,807,897	11,498,454	5,679,232	(9,103)	40,446,833
Other Assets ⁽⁷⁾	3,495,071	3,369,588	2,157,186	1,347,759	473,153	15,249,568	26,092,325
Total Assets	42,789,043	35,075,829	81,184,263	55,524,711	7,212,222	61,749,953	283,536,021
Liabilities							
Banks Deposit	1,597,800	-	-	-	-	185,513	1,783,313
Other Deposits	83,442,527	34,885,992	6,979,900	46,388	-	73,211,800	198,566,607
Money Market Funds	2,940,007	3,198,340	1,091,602	-	-	-	7,229,949
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	230,582	191,463	-	-	-	422,045
Funds Provided from Other Financial Institutions	5,121,334	9,860,700	8,364,091	-	3,967,195	-	27,313,320
Other Liabilities	77,357	500,838	1,625,088	484,261	55,727	45,477,516	48,220,787
Total Liabilities	93,179,025	48,676,452	18,252,144	530,649	4,022,922	118,874,829	283,536,021
Balance Sheet Long Position	-	-	62,932,119	54,994,062	3,189,300	-	121,115,481
Balance Sheet Short Position	(50,389,982)	(13,600,623)	-	-	-	(57,124,876)	(121,115,481)
Off-Balance Sheet Long Position	5,489,816	8,170,094	-	-	32,304	-	13,692,214
Off-Balance Sheet Short Position	-	-	(8,668,203)	(4,384,572)	-	-	(13,052,775)
Total Position	(44,900,166)	(5,430,529)	54,263,916	50,609,490	3,221,604	(57,124,876)	639,439

⁽¹⁾ The expected loss provisions are presented under the "Non-Interest Bearing" column.

⁽²⁾ Cash balances (Cash, Effective Deposit, Money in transit, Notes Payable) and the Central Bank of Türkiye include balances of expected losses amounting to TL 7,403.

⁽³⁾ The banks include TL 28,900 of expected loss provisions.

⁽⁴⁾ Receivables from Money Markets include TL 589 of expected loss provisions.

⁽⁵⁾ The revolving loans amounting to TL 11,454,165 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 5,051,454.

⁽⁶⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 9,103.

⁽⁷⁾ Includes factoring receivables amounting to TL 7,329,598 and factoring receivables expected loss provisions amounting to TL 59,890.

The other assets line in the non-interest-bearing column consists of tangible assets amounting to TL 1,276,406, intangible assets amounting to TL 903,856, assets held for resale amounting to TL 100,370, subsidiaries amounting to TL 50 and non-financial jointly controlled entities under common control joint venture amounting to TL 5 and the other liabilities line includes the shareholders' equity of TL 26,144,392.

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V. Explanations Related to Consolidated Interest Rate Risk (Continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TL %
Current Period				
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye	-	-	-	42.10
Banks	-	-	-	42.27
Financial Assets at Fair Value Through Profit or Loss	3.90	2.94	-	21.24
Money Market Placements	-	-	-	43.64
Financial Assets at Fair Value Through Other Comprehensive Income	2.69	4.40	-	41.23
Loans (*)	6.97	8.82	5.73	41.48
Financial Assets Measured at Amortised Cost	3.14	5.18	-	28.17
Liabilities				
Bank Deposits	3.30	-	-	28.14
Other Deposits	3.08	3.21	-	37.94
Money Market Funds	4.78	7.00	-	42.47
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	42.66
Funds Provided from Other Financial Institutions	7.85	9.45	-	39.32
(*) Includes factoring receivables.				

	EURO %	USD %	YEN %	TL %
Prior Period				
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye	-	-	-	-
Banks	1.75	4.25	-	10.04
Financial Assets at Fair Value Through Profit or Loss	5.01	7.71	-	11.41
Money Market Placements	-	-	-	10.27
Financial Assets at Fair Value Through Other Comprehensive Income	2.71	3.50	-	36.19
Loans (*)	4.52	7.70	5.65	20.10
Financial Assets Measured at Amortised Cost	3.16	5.18	-	42.86
Liabilities				
Bank Deposits	-	-	-	3.74
Other Deposits	0.70	3.02	-	17.96
Money Market Funds	1.88	3.00	-	12.80
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	22.32
Funds Provided from Other Financial Institutions	5.39	7.42	-	22.84

(*) Includes factoring receivables.

Interest rate risk arising from banking accounts:

- a) Significant assumptions and frequency of measurement of interest rate risk, including the nature of interest rate risk arising from banking accounts and those related to the movement of deposits other than loan early repayments and time deposits:

Interest rate risk arising from banking accounts is monitored through different scenarios, and the interest risk exposed by presenting the results to the relevant committees is evaluated from different perspectives. There is a limit determined by the Board of Directors regarding the risk amount. It is taken care to ensure a certain harmony between assets and liabilities on the basis of currency, taking into account the market expectations of the bank.

Early repayment rates of loans were determined by examining the historic reaction of housing loans to interest movements in the previous periods. By analysing the movements of demand deposits on the basis of branches and accounts, it has been determined the duration of demand deposits that remain in the Parent Bank on account basis. Assumptions accepted in parallel with the results reached are reflected in the above-mentioned products in interest rate sensitivity calculations.

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V. Explanations Related to Consolidated Interest Rate Risk (Continued)

Interest rate risk arising from banking accounts: (Continued)

- b) Economic value differences arising from fluctuations in interest rates in accordance with the "Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts by Standard Shock Method":

Currency	Shock Applied (+/- x basis point)	Gains/ (Losses)	Gains/Equity- (Losses)/Equity
TL	(400)	2,993,000	6.41%
TL	500	(3,162,780)	(6.77) %
EURO	(200)	70,031	0.15%
EURO	200	(69,756)	(0.15) %
USD	(200)	(166,375)	(0.36) %
USD	200	160,067	0.34%
Total (Of negative shocks)	(800)	2,896,656	6.20%
Total (Of positive shocks)	900	(3,072,469)	(6.58) %

VI. Explanations Related to Certificates Share Position Risk from Consolidated Banking Book

Equity securities which are not publicly traded in the Parent Bank's financial statements are booked as their fair value, or otherwise booked as their cost value whereby fair value cannot be calculated properly.

The Parent Bank has no shares traded on Borsa Istanbul.

VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio

- a) Information on liquidity risk management, such as the Parent Bank's risk capacity, responsibilities and the structure of liquidity risk management, Parent Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy, and application:

The Asset-Liability Management and Treasury Group is responsible for following up the Parent Bank's current liquidity position and for complying with liquidity limits approved by the Board of Directors. After evaluating the liquidity position, the Asset-Liability Management and Treasury Group use authorized products to provide sufficient liquidity based on liquidity position.

Responsibilities for liquidity management are described in the Liquidity Risk Policy which is reviewed and approved by the Board of Directors annually. The various responsibilities have been shared among the appropriate departments and committees as outlined in duty descriptions. While the Asset-Liability Management and Treasury Group alone is responsible for managing liquidity and for developing short-term liquidity estimates, the Asset-Liability Management and Treasury Group works with the Asset-Liability Management Committee to jointly developing/setting short-term liquidity strategies and middle and long-term liquidity estimates. The Asset-Liability Management Committee is responsible for preparing middle and long-term liquidity strategies.

The Risk Management Group monitors daily all set liquidity risk limits, and periodically reports internal and legal liquidity rates and changes to the Risk Committee, and Board of Directors, in addition to providing daily reports to senior management. Information about the Parent Bank's liquidity structure and policies is provided to the relevant business lines at an Assets-Liabilities Committee meeting which is held every couple of weeks and at a Market and Liquidity Risk Committee meeting which is held monthly.

- b) Information on the centralization degree of liquidity management and funding strategy, and on operations between Parent Bank and its partnerships:

The Asset-Liability Management and the Treasury Group manage the Parent Bank's liquidity risk and performs this role only for the bank. Liquidity gap values are monitored within the limits set by the Board of Directors, and for compliance with these limits, the necessary debt instruments are used, while considering price and maturity structure. Our subsidiaries manage their own liquidity, and we provide them borrowing facilities within market conditions and legal limits.

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 DECEMBER 2023**

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**VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio
(continued)**

c) Information about the Parent Bank's funding strategy including policies on funding types and variety of maturities:

While the Parent Bank tries to diversify its funding resources, it also tries to extend its payment terms. Customer deposits are the bank's main funding resource. Our main strategy for deposit management is to be inclusive while extending the average maturity. In addition to borrowings from money markets and collecting deposit, the Parent Bank uses instruments such as long-term syndicated loans, securities issued in TL and foreign currency to diversify funding resources.

d) Information on liquidity management based on currency which constituting at least five percent of the Parent Bank's total liabilities:

Excluding TL, USD and EUR, there is no foreign currency which exceeds 5% of total liabilities. For these currencies, liquidity gaps are reported on a monthly basis and the Liquidity Coverage Ratio is calculated daily for Total and Foreign Currency. The Asset-Liability Management and Treasury Group is responsible for taking the necessary steps to keep ratios within the limits determined by the Board of Directors. Trend of these ratios are monitored on a monthly basis by the Market and Liquidity Risk Committee which includes the General Manager, Assistant General Manager responsible from Financial Affairs Group, Group Risk Chief Officer, and the Assistant General Manager in charge of the Asset-Liability Management and Treasury Group. Furthermore, senior management is periodically informed about the relevant ratios.

e) Information on liquidity risk mitigation techniques:

The Parent Bank's main liquidity management strategy is to diversify funding resources and extend the maturity structure. The Parent Bank's balance sheet liquidity risk is periodically measured by Assets-Liabilities Management and closely monitored with the Treasury. In accordance with market expectations, the Assets-Liabilities Management and Treasury Group carries out the actions necessary to minimize risk.

Within this framework, the Parent Bank's liquidity risk is attempted to manage efficiently by long-term structural changes (such as diversifying funding sources, extending maturity structure etc.) and short and mid-term money market and derivative transactions.

In the short term, liquidity risk is minimized with FX swaps, interbank borrowings and repurchase agreements, while cross currency swap transactions are used to minimize these risks in the long term.

f) Explanation on the usage of the stress test:

The aim of the liquidity stress test is to analyse how liquidity squeeze affects bank liquidity. Cash inflows and outflows which may arise in cases of stress event are analysed based on products with different maturities. Stress events which may arise as a result of the liquidity squeeze, both in the Parent Bank and in the whole banking system, in cases of stress event are analysed. Also, situations where the two scenarios might coincide are considered. The analysis addresses how much of the net cash outflows of different maturities would be covered by the current liquid stock during all relevant stress events.

g) General information on liquidity emergency and contingency plans:

The extraordinary liquidity situation is evaluated to determine.

- Whether the liquidity problem is specific to the Parent bank or applies to the whole banking system and
- Whether there is a permanent or temporary problem.

Profitability has second degree importance in extraordinary liquidity conditions. In cases of cash shortage or cash withdrawal, the branches are responsible for informing the Asset-Liability Management and Treasury Group about withdrawn liabilities. The Asset-Liability Management and Treasury Group takes the necessary actions to cover the cash outflow which may occur in the accounts and informs the Asset-Liability Committee of any related delays.

In a liquidity crisis, the Asset-Liability Management and Treasury Group, the Asset-Liability Committee, the Liquidity Risk Committee, senior management, and the Board of Directors are responsible for solving the liquidity problem. It is predicted that, in a liquidity crisis, in order to create additional liquidity, written actions (considering the cost) must be taken within current market conditions.

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VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Liquidity Coverage Ratio:

Current Period – 31 December 2023		Rate of Percentage to Be Taken into Account not Implemented Total Value (*)		Rate of Percentage to Be Taken into Account Implemented Total Value (*)	
		TL+FC	FC	TL+FC	FC
High Quality Liquid Assets					
1	High Quality Liquid Assets			110,385,215	53,236,655
Cash Outflows					
2	Real Person and Retail Deposits	195,833,555	66,529,998	17,445,596	6,653,000
3	Stable Deposits	42,789,434	-	2,141,184	-
4	Less Stable Deposits	153,044,121	66,529,998	15,304,412	6,653,000
5	Unsecured Debts Other than Real Person and Retail Deposits	81,562,845	35,843,138	48,293,873	18,416,641
6	Operational Deposits	4,219,588	785,579	1,054,897	196,396
7	Non-operational Deposits	62,352,452	29,526,905	34,109,234	12,850,731
8	Other Unsecured Funding	14,990,805	5,530,654	13,129,742	5,369,514
9	Secured Funding			629,524	-
10	Other Cash Outflows	1,780,968	5,898,993	1,780,968	5,898,993
11	Outflows Related to Derivative Exposures	1,780,968	5,898,993	1,780,968	5,898,993
12	Outflows Related to Restructured Financial Instruments	-	-	-	-
13	Payment Commitments and Other Off-balance Sheet Commitments Granted for Debts to Financial Markets	-	-	-	-
14	Other Revocable Off-balance Sheet Commitments and Contractual Obligations	-	-	-	-
15	Other Irrevocable or Conditionally Revocable Off-balance Sheet Obligations	132,099,186	52,408,416	11,628,544	6,097,801
16	Total Cash Outflows			79,778,505	37,066,435
Cash Inflows					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	43,874,357	13,912,519	33,590,104	11,749,973
19	Other Cash Inflows	1,803	14,137,293	1,803	14,137,294
20	Total Cash Inflows	43,876,160	28,049,812	33,591,907	25,887,267
				Upper Limit Applied Values	
21	Total High Quality Liquid Assets			110,385,215	53,236,655
22	Total Net Cash Outflows			46,186,598	11,179,169
23	Liquidity Coverage Ratio (%)			239.00	476.21

(*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

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VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Liquidity Coverage Ratio: (Continued)

Prior Period – 31 December 2022		Rate of Percentage to Be Taken into Account not Implemented Total Value (*)		Rate of Percentage to Be Taken into Account Implemented Total Value (*)	
		TL+FC	FC	TL+FC	FC
High Quality Liquid Assets					
1	High Quality Liquid Assets			85,142,469	40,305,054
Cash Outflows					
2	Real Person and Retail Deposits	137,419,843	59,142,355	12,546,042	5,914,235
3	Stable Deposits	23,918,844	-	1,195,942	-
4	Less Stable Deposits	113,500,999	59,142,355	11,350,100	5,914,235
5	Unsecured Debts Other than Real Person and Retail Deposits	65,292,487	29,488,733	37,368,186	14,694,031
6	Operational Deposits	2,531,134	691,600	632,784	172,900
7	Non-operational Deposits	53,259,982	24,788,855	28,437,514	10,814,559
8	Other Unsecured Funding	9,501,371	4,008,278	8,297,888	3,706,572
9	Secured Funding	-	-	395,132	-
10	Other Cash Outflows	2,258,023	10,237,534	2,258,023	10,237,534
11	Outflows Related to Derivative Exposures	2,258,023	10,237,534	2,258,023	10,237,534
12	Other Collateral Requirements	-	-	-	-
13	Outflows Related to Restructured Financial Instruments	-	-	-	-
14	Payment Commitments and Other Off-Balance Sheet Commitments Granted for Debts to Financial Market	-	-	-	-
15	Other Revocable Off-Balance Sheet	83,847,957	34,809,972	7,286,749	3,780,807
16	Total Cash Outflows			59,854,132	34,626,607
Cash Inflows					
17	Secured Receivables	-	-	-	-
18	Unsecured Receivables	25,275,195	13,415,626	18,804,741	12,174,265
19	Other Cash Inflows	302,282	29,318,691	302,282	29,318,691
20	Total Cash Inflows	25,577,477	42,734,317	19,107,023	41,492,956
				Upper Limit Applied Values	
21	Total High Quality Liquid Assets			85,142,469	40,305,054
22	Total Net Cash Outflows			40,747,109	8,656,652
23	Liquidity Coverage Ratio (%)			208.95	465.60

(*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

The amount of high-quality liquid assets, distribution of deposits based on segment, maturity types of borrowings and the share of revolving loans in loan portfolio can be considered as the most important factors affecting Liquidity Coverage Ratio.

High quality liquid assets in order to their priority consist of the time accounts, bond portfolio, required reserve, cash and effective deposit. Funding sources consists of corporate customer deposits, real person deposits, borrowings and SME deposit accounts which are weighted by ratios used in Liquidity Coverage Ratio reporting considering their maturity types. Due to amount differences between buy and sell transactions, derivative products effect more FC Liquidity Coverage Ratio rather than the total. Besides, cash outflows due to withdrawal of the collaterals securing derivatives and market valuation changes on derivative transactions are considered in calculations.

There are concentration limits on funding sources approved by Board of Directors of the Parent Bank. Proportional limits on product type are reported in relation to how much of the funding can be obtained from deposits, group funding, borrowings from banks and repo and other long-term sources.

Liquidity management of the subsidiaries subject to consolidation is carried out by the companies themselves. Although there is a consolidated reporting for the Liquidity Coverage Ratio, there is no centralized liquidity management. Finally, there is no significant cash inflow and cash outflow related to the liquidity profile of the Parent Bank, which is included in the calculation of liquidity coverage ratio, but which is not included in the public disclosure template in the second paragraph of the related communiqué.

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VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Liquidity Coverage Ratio: (Continued)

Consolidated Liquidity Coverage Ratio for the last three months are presented below:

	Current Period	
	TL+FC	FC
October 2023	270.29%	496.37%
November 2023	237.44%	495.24%
December 2023	224.19%	350.76%
	Prior Period	
	TL+FC	FC
October 2022	207.33%	427.90%
November 2022	221.13%	402.52%
December 2022	209.05%	500.65%

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed ⁽¹⁾	Total
Assets								
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	31,787,000	72,820,938	-	-	-	-	(16,786)	104,591,152
Banks ⁽³⁾	6,339,010	1,334,667	-	-	-	-	(45,340)	7,628,337
Financial Assets at Fair Value Through Profit and Loss	-	123,410	4,537	40,323	388,925	148,506	424,107	1,129,808
Money Market Placements ⁽⁴⁾	-	12,243,739	-	-	-	-	(798)	12,242,941
Financial Assets at Fair Value Through Other Comprehensive Income	82,335	118,202	-	899	7,274,616	350,286	-	7,826,338
Loans Given ⁽⁵⁾	-	35,596,561	34,242,771	85,135,289	54,899,006	1,118,859	(4,529,310)	206,463,176
Financial Assets Measured at Amortised Cost ⁽⁶⁾	-	443,692	2,603,450	4,636,177	20,120,338	21,487,801	(11,090)	49,280,368
Other Assets ⁽⁷⁾	-	9,556,159	5,568,876	1,983,878	1,484,274	248,749	13,588,086	32,430,022
Total Assets	38,208,345	132,237,368	42,419,634	91,796,566	84,167,159	23,354,201	9,408,869	421,592,142
Liabilities								
Bank Deposits	329,106	2,248,143	-	-	-	-	-	2,577,249
Other Deposits	105,053,306	136,787,754	25,173,681	14,920,246	54,965	-	-	281,989,952
Funds Provided from Other Financial Institutions	-	6,024,238	5,057,763	17,689,288	7,095,456	5,365,335	-	41,232,080
Money Market Funds	-	21,702,893	6,797,303	-	-	-	-	28,500,196
Securities Issued	-	-	593,928	918,013	-	-	-	1,511,941
Miscellaneous Payables	1,143,007	18,345,995	542,137	972,448	2,051,124	398,308	42,327,705	65,780,724
Total Liabilities	106,525,419	185,109,023	38,164,812	34,499,995	9,201,545	5,763,643	42,327,705	421,592,142
Liquidity Gap	(68,317,074)	(52,871,655)	4,254,822	57,296,571	74,965,614	17,590,558	(32,918,836)	-
Net Off-Balance Sheet Position	-	(947,460)	(802,540)	1,485,484	(574,582)	-	-	(839,098)
Financial Derivative Assets	-	43,490,520	52,123,934	54,483,720	37,117,365	11,470,910	-	198,686,449
Financial Derivative Liabilities	-	44,437,980	52,926,474	52,998,236	37,691,947	11,470,910	-	199,525,547
Non-Cash Loans	16,917,135	6,595,718	12,268,123	25,401,747	20,741,431	-	-	81,924,154
Prior Period								
Total Assets	24,123,781	64,155,562	29,071,456	79,337,763	63,908,044	14,609,492	8,329,923	283,536,021
Total Liabilities	73,460,639	103,909,520	43,188,978	21,987,744	1,263,497	10,136,090	29,589,553	283,536,021
Liquidity Gap	(49,336,858)	(39,753,958)	(14,117,522)	57,350,019	62,644,547	4,473,402	(21,259,630)	-
Net Off-Balance Sheet Position	-	(591,987)	393,817	1,196,457	954,774	307,126	-	2,260,187
Financial Derivative Assets	-	44,409,942	57,618,886	39,771,836	20,496,290	4,034,812	-	166,331,766
Financial Derivative Liabilities	-	45,001,929	57,225,069	38,575,379	19,541,516	3,727,686	-	164,071,579
Non-Cash Loans	13,121,578	3,497,894	7,413,856	18,952,925	12,278,183	-	-	55,264,436

⁽¹⁾ The assets which are necessary to provide banking services and could not be liquidated in a short-term, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses, and loans under follow-up, are classified as under undistributed.

⁽²⁾ Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye include expected loss provisions amounting of TL 16,786.

⁽³⁾ The banks include TL 45,340 of expected loss provisions.

⁽⁴⁾ Receivables from Money Markets includes expected loss provisions balance amounting to TL 798.

⁽⁵⁾ The revolving loans amounting to TL 22,812,905 are presented under the “Up to 1 Month” column. It includes expected loss provisions amounting to TL 6,766,467.

⁽⁶⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 11,090.

⁽⁷⁾ Includes factoring receivables amounting to TL 10,102,832 and factoring receivables expected loss provisions amounting to TL 125,884.

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VII. Explanations Related to Consolidated Liquidity Risk Management and Liquidity Coverage Ratio (Continued)

Analysis of financial liabilities by remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Adjustments	Total
31 December 2023								
Money Market Funds	-	21,952,174	-	6,797,303	-	-	(249,281)	28,500,196
Other Deposit	105,053,306	137,999,320	26,297,595	16,626,192	63,476	-	(4,049,937)	281,989,952
Bank Deposit	329,106	2,251,537	-	-	-	-	(3,394)	2,577,249
Funds Provided from Other								
Financial Institutions	-	12,802,350	5,240,587	19,677,801	12,820,808	5,520,108	(14,829,574)	41,232,080
Issued Securities	-	-	593,928	918,013	-	-	-	1,511,941
Total	105,382,412	175,005,381	32,132,110	44,019,309	12,884,284	5,520,108	(19,132,186)	355,811,418
31 December 2022								
Money Market Funds	-	1,523,443	60,598	3,058,871	2,626,629	-	(39,592)	7,229,949
Other Deposit	73,211,800	83,822,501	35,569,275	7,524,987	52,135	-	(1,614,091)	198,566,607
Bank Deposit	185,513	1,598,124	-	-	-	-	(324)	1,783,313
Funds Provided from Other								
Financial Institutions	-	6,500,001	4,537,463	11,254,990	3,480,698	10,665,376	(9,125,208)	27,313,320
Issued Securities	-	-	230,582	191,463	-	-	-	422,045
Total	73,397,313	93,444,069	40,397,918	22,030,311	6,159,462	10,665,376	(10,779,215)	235,315,234

The contract-based maturity analysis of the Group’s derivative instruments is as follows:

	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and Over	Total
31 December 2023						
Derivative Financial Instruments for Hedging						
Purposes						
Fair Value Hedge	-	-	-	-	-	-
Cash Flow Hedge	3,333	1,244,057	9,645,024	-	-	10,892,414
Trading Transactions						
Foreign Exchange Forward	3,694,137	4,687,336	8,935,906	239,759	-	17,557,138
Swap Money Selling Agreement	19,893,260	25,846,057	4,059,549	37,907,079	-	87,705,945
Interest Rate Swaps-Sell	-	-	-	-	-	-
Futures Monetary Agreement	-	-	-	-	-	-
Money Exchange Options Contract	10,978,116	20,760,722	18,974,374	617,403	-	51,330,615
Total	34,568,846	52,538,172	41,614,853	38,764,241	-	167,486,112
31 December 2022						
Derivative Financial Instruments for Hedging						
Purposes						
Fair Value Hedge	-	-	-	-	-	-
Cash Flow Hedge	2,043	35,935	8,885,847	6,909,227	-	15,833,052
Trading Transactions						
Foreign Exchange Forward	5,584,195	5,621,390	9,271,270	202,726	-	20,679,581
Swap Money Selling Agreement	28,853,242	28,436,597	5,729,997	9,044,195	340,851	72,404,882
Interest Rate Swaps-Sell	-	-	-	-	-	-
Futures Monetary Agreement	-	1,614,567	287,832	-	-	1,902,399
Money Exchange Options Contract	5,681,660	16,474,998	4,214,429	1,231,979	-	27,603,066
Total	40,121,140	52,183,487	28,389,375	17,388,127	340,851	138,422,980

Cash outflows of derivative instruments are shown in the table above.

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VIII. Explanations Related to Consolidated Leverage Ratio

- a) Information on issues that cause differences between current period and previous period leverage ratios:

Leverage ratio increased due to the increase in Tier 1 capital.

- b) Summary comparison table of the total risk amount and the total asset amount in the financial statements prepared as per TAS:

	Current Period (**)	Prior Period (**)
1 Total Asset Amount in the Consolidated Financial Statements Prepared as per TAS (*)	403,945,224	285,523,114
2 The Difference between the Total Asset Amount in the Consolidated Financial Statements Prepared as per TAS and the Asset Amount in the Consolidated Financial statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks	-	-
3 The Difference between the Derivative Financial Instruments and the Loan Derivatives Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	1,484,227	1,205,781
4 The Difference between the Financial Transactions with Securities or Goods Warranty Amounts in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	4,581,750	2,727,317
5 The Difference between the Off-balance Sheet Transactions Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	158,389,921	102,954,992
6 Other Differences between the Amount in the Consolidated Financial Statements Prepared as per the Communiqué on the Preparation of the Consolidated Financial Statements of Banks and the Risk Amounts	(1,782,803)	(3,630,176)
7 Total risk amount	566,618,319	388,781,028

(*) Consolidated financial statements prepared as per the sixth paragraph of Article 5 of the Communiqué on the Preparation of the Consolidated Financial Statements of Banks.

(**) The amounts in the table are calculated by using the 3 months average amounts.

- c) Leverage Ratio:

	Current Period (*)	Prior Period (*)
Assets on the Balance Sheet		
1 Assets on the Balance Sheet (Excluding Derivative Financial Instruments and Loan Derivatives, Including Collaterals)	399,162,838	279,515,952
2 (Assets Deducted from Core Capital)	(1,239,086)	(856,786)
3 Total Risk Amount for Assets on the Balance Sheet	397,923,752	278,659,166
Derivative Financial Instruments and Credit Derivatives		
4 Renewal Cost of Derivative Financial Instruments and Credit Derivatives	4,238,669	3,233,772
5 Potential Credit Risk Amount of Derivative Financial Instruments and Credit Derivatives	1,484,227	1,205,781
6 Total Risk Amount of Derivative Financial Instruments and Credit Derivatives	5,722,896	4,439,553
Financing Transactions with Securities or Goods Warranties		
7 Risk Amount of Financial Transactions with Securities or Goods Warranties (Excluding Those in the Balance Sheet)	4,581,750	2,727,317
8 Risk Amount Arising from Intermediated Transactions	-	-
9 Total Risk Amount of Financing Transactions with Securities or Goods Warranties	4,581,750	2,727,317
Off-balance Sheet Transactions		
10 Gross Nominal Amount of the Off-balance Sheet Transactions	158,389,921	102,954,992
11 (Adjustment Amount Arising from Multiplying by the Credit Conversion Rate)	-	-
12 Total Risk Amount for Off-balance Sheet Transactions	158,389,921	102,954,992
Capital and Total Risk		
13 Tier 1 Capital	35,561,874	24,517,749
14 Total Risk Amount	566,618,319	388,781,028
Leverage Ratio		
15 Leverage Ratio	6.28%	6.31%

(*) The amounts in the table are calculated by using the 3 months average amounts.

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	293,418,108	217,412,227	286,317,850	222,324,731
Money Market Placement	12,242,941	7,603,689	12,242,941	7,603,689
Banks	7,628,337	9,019,236	7,628,337	9,019,236
Financial Assets at Fair Value Through Other Comprehensive Income	7,826,338	8,420,336	7,826,338	8,420,336
Financial Assets Measured at Amortised Cost	49,280,368	40,446,833	42,218,736	45,255,331
Loans (**)	216,440,124	151,922,133	216,401,498	152,026,139
Financial Liabilities	372,510,974	247,580,082	373,590,758	248,778,597
Bank Deposit	2,577,249	1,783,313	2,577,249	1,783,313
Other Deposit	281,989,952	198,566,607	282,808,568	199,590,583
Funds Borrowed from Other Financial Institutions (*)	69,732,276	34,543,269	69,993,444	34,717,808
Marketable Securities Issued	1,511,941	422,045	1,511,941	422,045
Other Liabilities	16,699,556	12,264,848	16,699,556	12,264,848

(*) Money market funds and subordinated loans are included in the line of funds from other financial institutions.

(**) Factoring receivables are included in loans.

Investment securities in the current period include financial assets valued at their amortized cost and at fair value through other comprehensive income. The fair value of assets held to maturity assets are determined based on market prices or quoted market prices of other securities subject to redemption in terms of interest, maturity, and other similar circumstances, where their prices cannot be determined.

Due to the fact that demand deposits, variable rate placements and overnight deposits are short-term, hence their carrying value reflects their fair value. Estimated fair value of fixed interest deposits and funds provided from other financial institutions is calculated with the presence of discounted cash flow using the current interest rates used for other debts of similar quality and similar maturity structure, by finding the discounted cash flow using the fair value of loans and the current interest rates used for receivables with similar and similar maturities. As the miscellaneous debts are short term, their carrying value approximately reflects their fair value.

The fair value of financial assets and liabilities are determined as follows:

- First level: Financial assets and liabilities are valued at the stock market prices traded in the active market for the same assets and liabilities.
- Second level: Financial assets and liabilities are valued from the inputs used to find the price of the relevant asset or liability directly or indirectly, which can be observed in the market other than the stock exchange price specified in the first level.
- Third level: Financial assets and liabilities are valued from inputs that are not based on any observable data in the market used to find the fair value of the asset or liability.

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IX. Explanations on the Presentation of Financial Assets and Liabilities at Their Fair Values (Continued)

The following table contains the analysis of the fair values of the financial instruments carried at fair values, including the stock market prices, valuation techniques, all model data of which can be measured in the market, or using valuation techniques whose data cannot be measured in the market:

31 December 2023	Level 1	Level 2	Level 3	Total
Financial Assets	8,527,142	4,248,168	192,419	12,967,729
Financial assets at Fair value through profit and loss	855,817	3,136,969	110,084	4,102,870
<i>Government Debt Securities</i>	588,465	-	-	588,465
<i>Derivative Financial Assets at Fair Value Through Profit or Loss</i>	-	2,973,062	-	2,973,062
Other Financial assets at Fair value through profit or loss	267,352	163,907	110,084	541,343
Derivative financial assets for hedging purposes	-	1,038,521	-	1,038,521
Financial Assets at Fair Value Through Other Comprehensive Income	7,671,325	72,678	82,335	7,826,338
<i>Government Debt Securities</i>	7,671,325	72,678	-	7,744,003
<i>Other Financial Assets at Fair Value Through Other Comprehensive Income</i>	-	-	82,335	82,335
Financial Liabilities	-	2,635,298	-	2,635,298
Derivative financial liabilities at fair value through profit or loss	-	2,552,843	-	2,552,843
Derivative financial liabilities for hedging purposes	-	82,455	-	82,455
31 December 2022	Level 1	Level 2	Level 3	Total
Financial Assets	11,450,065	6,110,927	127,017	17,688,009
Financial assets at Fair value through profit and loss	3,128,377	5,327,500	77,704	8,533,581
<i>Government Debt Securities</i>	3,011,802	-	-	3,011,802
<i>Derivative Financial Assets at Fair Value Through Profit or Loss</i>	-	5,064,712	-	5,064,712
Other Financial assets at Fair value through profit or loss	116,575	262,788	77,704	457,067
Derivative financial assets for hedging purposes	-	734,092	-	734,092
Financial Assets at Fair Value Through Other Comprehensive Income	8,321,688	49,335	49,313	8,420,336
<i>Government Debt Securities</i>	8,321,688	49,335	-	8,371,023
<i>Other Financial Assets at Fair Value Through Other Comprehensive Income</i>	-	-	49,313	49,313
Financial Liabilities	-	3,567,233	-	3,567,233
Derivative financial liabilities at fair value through profit or loss	-	3,497,620	-	3,497,620
Derivative financial liabilities for hedging purposes	-	69,613	-	69,613

There is no transition between levels in the current year.

The table below shows the movement table of financial assets at Level 3:

	Current Period	Prior Period
Balance at the Beginning of the Period	127,017	73,026
Purchases	-	30,420
Redemption or Sale	-	-
Valuation Difference	65,402	23,571
Transfers	-	-
Balance at the End of the Period	192,419	127,017

X. Explanations Related to Transactions Carried out on Behalf of Other Parties and Fiduciary Assets

The Group performs trading transactions on behalf of customers, and gives custody, administration, and consultancy services.

The Group does not deal with fiduciary transactions.

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 DECEMBER 2023**

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XI. Explanations Related to Consolidated Risk Management

Notes and explanations prepared in accordance with “the Communiqué on Disclosures about Risk Management to be Announced to Public by Banks” published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section. The notes to be presented within the scope of Internal Rating-Based Approach have not been presented due to use of standard approach for the calculation of capital adequacy ratio by the Bank.

1. Risk management approach and risk weighted amounts

1.1. The Parent Bank’s risk management approach

The objective of the Risk Management system is to provide that the risks that are derived from the bank’s activities are defined, measured, monitored, and controlled through policies, procedures and limits established.

Risk Management functions of the Parent Bank and all of its subsidiaries have been gathered under the Group Risk Management. Group Risk Management reports to the Boards of Directors of TEB Group through the Risk Committee and Audit Committee within the TEB A.Ş. and is responsible for fulfilling its duties of general supervision, notification, and recommendation on behalf of the Boards of Directors in line with the principles laid down in this Regulation.

With Risk Policies, the Parent Bank aims to,

- i) Identify the main risks to which the Parent Bank is exposed and identified risks are within the controlled range;
- ii) Define roles and responsibilities to identify, analyse, measure, monitor, and control the main risks bank faces and other risks which may arise as a consequence of changes in activity structure and economic conditions,
- iii) Identify the volume of transactions which may cause non-controllable risks by considering equity strength or decrease the activities affected by such risks.

Risk policies and the procedures related there to contain written standards set by the Board of Directors and the “Senior Management” consisting of General Manager, Assistant General Managers and Chief Risk Officer.

Risk policies and related procedures are prepared in compliance with the Banking Law, external legislation and general banking practices and presented to the Senior Management / Board of Directors for approval.

It is the principal duty of all managers of the Parent Bank to provide compliance with risk policies containing the criteria required for each unit.

Risk Management Operations consist of;

- i) risk measurement,
- ii) monitoring of risks,
- iii) control of risk and reporting operations

Risk management operations are conducted by Group Risk Management and personnel.

Group Risk Management applies second order controls for quantifiable risks as part of continuous control system.

Head of Group Risk Management reports to the Board of Directors via Risk Committee and Audit Committee.

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XI. Explanations Related to Consolidated Risk Management (Continued)

1. Risk management approach and risk weighted amounts (Continued)

1.2. Overview of Risk Weighted Amounts

	Risk Weighted Amounts		Minimum Capital Requirement
	Current Period	Prior Period	Current Period
1 Credit Risk (Excluding Counterparty Credit Risk) (CCR)	251,222,495	178,531,951	20,097,800
2 Of which Standardized Approach (SA)	251,222,495	178,531,951	20,097,800
3 Of which Internal Rating-based (IRB) Approach	-	-	-
4 Counterparty Credit Risk	7,031,153	5,339,572	562,492
5 Of which Standardized Approach for Counterparty Credit Risk (SA-CCR)	7,031,153	5,339,572	562,492
6 Of which Internal Model Method (IMM)	-	-	-
7 Equity positions in banking accounts under market-based approach	-	-	-
8 Equity Investments in Funds – Look-through Approach	-	-	-
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 Of which IRB Ratings-based Approach (RBA)	-	-	-
14 Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15 Of which SA/Simplified Supervisory Formula Approach (SSFA)	-	-	-
16 Market Risk	8,521,919	5,913,116	681,754
17 Standardized Approach (SA)	8,521,919	5,913,116	681,754
18 Internal Model Approaches (IMM)	-	-	-
19 Operational Risk	23,916,732	11,802,605	1,913,339
20 Of which Basic Indicator Approach	23,916,732	11,802,605	1,913,339
21 Of which Standard Approach	-	-	-
22 Of which Advanced Measurement Approach	-	-	-
23 Amounts below the Thresholds for Deduction (Subject to a 250% Risk Weight)	-	-	-
24 Floor Adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	290,692,299	201,587,244	23,255,385

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XI. Explanations Related to Consolidated Risk Management (Continued)

2. Linkages Between Financial Statements and Regulatory Exposures

2.1. Differences and mapping between the scope of accounting and legal consolidation

Current Period	Amount valued in accordance with TAS within the scope of legal consolidation (*)	Valued amount of items in accordance with TAS					Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk framework	Subject to counterparty credit risk framework	Securitization positions	Subject to the market risk framework		
Assets							
Cash balances and the Central bank	104,607,938	104,607,938	-	-	-	-	-
Banks	7,673,677	7,673,677	-	-	-	-	-
Money Market Placement	12,243,739	-	12,243,739	-	-	-	-
Financial Assets at Fair Value through Profit Loss	1,129,808	424,107	-	-	705,701	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	7,826,338	7,828,116	-	-	-	-	-
Financial Assets Measured at Amortised Cost	49,291,458	49,291,458	-	-	-	-	-
Derivative Financial Assets at Fair Value Through Profit and Loss	2,973,062	-	2,973,062	-	2,973,062	-	-
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	1,038,521	-	1,038,521	-	1,038,521	-	-
Non-Performing Financial Assets	-	-	-	-	-	-	-
Expected credit loss (-)	(6,966,365)	(1,715,450)	-	-	-	-	-
Loans	213,229,643	213,229,643	-	-	-	-	-
Factoring Receivables	10,102,832	10,102,832	-	-	-	-	-
Non-Current Assets Held For Sale and Discontinued Operations (net)	82,060	82,060	-	-	-	-	-
Affiliates (net)	-	-	-	-	-	-	-
Subsidiaries (net)	50	50	-	-	-	-	-
Joint ventures (net)	5	5	-	-	-	-	-
Tangible assets (net)	1,980,316	1,908,884	-	-	-	-	71,432
Intangible assets (net)	1,304,219	-	-	-	-	-	1,304,219
Investment properties (net)	-	-	-	-	-	-	-
Current tax asset	225,426	225,426	-	-	-	-	-
Deferred tax asset	2,531,368	2,531,368	-	-	-	-	-
Other assets	12,318,047	11,193,899	1,124,148	-	-	-	-
Total assets	421,592,142	407,384,013	17,379,470	-	4,717,284	-	1,375,651
Liabilities							
Deposit	284,567,201	-	-	-	-	-	-
Loans Received	29,594,113	-	-	-	-	-	-
Money Market Funds	28,500,196	-	28,500,196	-	-	-	-
Issued securities	1,511,941	-	-	-	-	-	-
Financial Liabilities with Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Derivative Financial Liabilities	2,635,298	-	607,669	-	-	-	-
Factoring debts	30,482	-	-	-	-	-	-
Lease Liabilities	1,025,441	-	-	-	-	-	-
Provisions	6,628,887	-	-	-	-	-	-
Current Tax Liability	1,476,644	-	-	-	-	-	-
Deferred Tax Liability	-	-	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-	-	-
Subordinated loans	11,637,967	-	-	-	-	-	-
Other liabilities	16,699,556	-	1,766,837	-	-	-	-
Equity	37,284,416	-	-	-	-	-	-
Total liabilities	421,592,142	-	30,874,702	-	-	-	-

(*) Represents the consolidated financial statements of the Parent Bank.

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XI. Explanations Related to Consolidated Risk Management (Continued)

2. Linkages Between Financial Statements and Regulatory Exposures (Continued)

2.1. Differences and mapping between the scope of accounting and legal consolidation (Continued)

Prior Period	Valued amount of items in accordance with TAS					Not subject to capital requirements or subject to deduction from capital
	Amount valued in accordance with TAS within the scope of legal consolidation (*)	Subject to credit risk framework	Subject to counterparty credit risk framework	Securitization positions	Subject to the market risk framework	
Assets						
Cash balances and the Central bank	43,839,711	43,839,711	-	-	-	-
Banks	9,048,136	9,048,151	-	-	-	-
Money Market Placement	7,604,278	-	7,604,278	-	-	-
Financial Assets at Fair Value through Profit Loss	3,468,869	416,778	-	-	3,052,091	-
Financial Assets at Fair Value Through Other Comprehensive Income	8,420,336	8,422,012	-	-	-	-
Financial Assets Measured at Amortised Cost	40,455,936	40,455,936	-	-	-	-
Derivative Financial Assets at Fair Value Through Profit and Loss	5,064,712	-	5,064,712	-	5,064,712	-
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	734,092	-	734,092	-	734,092	-
Non-Performing Financial Assets	-	-	-	-	-	-
Expected credit loss (-)	(5,157,339)	(1,950,572)	-	-	-	-
Loans	149,703,879	149,703,879	-	-	-	-
Factoring Receivables	7,329,598	7,329,598	-	-	-	-
Non-Current Assets Held for Sale and Discontinued Operations (net)	100,370	100,370	-	-	-	-
Affiliates (net)	-	-	-	-	-	-
Subsidiaries (net)	50	50	-	-	-	-
Joint ventures (net)	5	5	-	-	-	-
Tangible assets (net)	1,276,406	1,231,584	-	-	-	44,822
Intangible assets (net)	903,856	-	-	-	-	903,856
Investment properties (net)	-	-	-	-	-	-
Current tax asset	28,388	28,388	-	-	-	-
Deferred tax asset	1,624,898	1,624,898	-	-	-	-
Other assets	9,089,840	8,531,682	558,158	-	-	-
Total assets	283,536,021	268,782,470	13,961,240	-	8,850,895	948,678
Liabilities						
Deposit	200,349,920	-	-	-	-	-
Loans Received	17,605,102	-	-	-	-	-
Money Market Funds	7,229,949	-	7,229,949	-	-	-
Issued securities	422,045	-	-	-	-	-
Financial Liabilities with Fair Value Through Profit or Loss	-	-	-	-	-	-
Derivative Financial Liabilities	3,567,233	-	2,296,084	-	-	-
Factoring debts	4,791	-	-	-	-	-
Lease Liabilities	710,629	-	-	-	-	-
Provisions	3,483,200	-	-	-	-	-
Current Tax Liability	2,045,694	-	-	-	-	-
Deferred Tax Liability	-	-	-	-	-	-
Fixed asset payables related to activities held and discontinued for sale (net)	-	-	-	-	-	-
Subordinated loans	9,708,218	-	-	-	-	-
Other liabilities	12,264,848	-	1,864,451	-	-	-
Equity	26,144,392	-	-	-	-	-
Total liabilities	283,536,021	-	11,390,484	-	-	-

(*) Represents the consolidated financial statements of the Parent Bank.

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XI. Explanations Related to Consolidated Risk Management (Continued)

2. Linkages Between Financial Statements and Regulatory Exposures (continued)

2.2. Main sources of differences between the risk amounts and the amounts measured in accordance with TAS in the financial statement

Current Period	Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1 Valued amounts of assets within the scope of legal consolidation in accordance with TAS	421,592,142	407,384,013	17,379,470	4,717,284
2 Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS	30,874,702	-	30,874,702	-
3 Total net amount under legal consolidation	390,717,440	407,384,013	(13,495,232)	4,717,284
4 Off-balance sheet amounts	1,392,873	52,394,470	1,405,349	-
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 Exposure amounts	392,110,313	459,778,483	(12,089,883)	4,717,284

Prior Period	Total	Items subject to credit risk framework	Items subject to counterparty credit risk framework	Items subject to market risk framework
1 Valued amounts of assets within the scope of legal consolidation in accordance with TAS	283,536,021	268,782,470	13,961,240	8,850,895
2 Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS	11,390,484	-	11,390,484	-
3 Total net amount under legal consolidation	272,145,537	268,782,470	2,570,756	8,850,895
4 Off-balance sheet amounts	100,847,275	36,043,145	1,338,450	-
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 Exposure amounts	372,992,812	304,825,615	3,909,206	8,850,895

2.3. Explanations of differences between accounting and regulatory exposure amounts in accordance with TAS

The market value approach is used to make valuation of the positions in the Parent Bank portfolios. The market data sources used for valuations are identified, defined in the Market Risk Policy, and reviewed annually. The relevant action is taken immediately when it is determined that the data does not reflect the market condition other than annual data source evaluation. Product valuations are checked by using sources such as Reuters and Bloomberg.

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure

3.1. General information about credit risk

3.1.1. General qualitative information about credit risk

The objective of the Risk Management system is to provide that the risks that are derived from the Parent Bank's activities are defined, measured, monitored, and controlled through policies, procedures and limits established.

Credit Risk Management reports aim to supply risk level trends and risk expectations for the future. Details and content vary depending on the requirements of meetings and are presented in graphs and figures for ease of explanation and taking decisions.

The main report presented to Senior Management is the Credit Risk General Overview report, which is prepared monthly and discussed by the Risk Policies Committee. This report is also presented to the Board of Directors, Risk Committee and to the Audit Committee. Additionally, Group Risk Management prepares reports with special titles less frequently. Most of these reports are presented to the Risk Policies Committee. These reports may also be used in irregular meetings where emergent subjects are discussed or in meetings where the attendance of Senior Management is not required.

Credit risk policies are prepared in line with the Banking Law, external regulations, and general banking practices, and are approved by the Risk Policies Committee, Risk Committee, and Board of Directors.

The Parent Bank's credit activities are managed according to the General Credit Policy that is approved by the Risk Policies Committee, Risk Committee, and the Board of Directors.

The Risk Appetite Declaration is approved by the Board of Directors and audited once a year. The Parent Bank combines existing risk management tools, processes, principles, and policies, using a consistent approach with risk appetite declaration, and ensures that risks taken are within the agreed upon limits. In this way, the consistency of risk practices is improved across the bank.

The Parent Bank controls the credit risk by monitoring loan receivables, limiting certain transactions with counter parties, evaluating the creditworthiness of the counter party regularly, diversifying loan types and products separately based on customer groups and industry to prevent the concentration of deferred payments and receiving guarantees when appropriate.

3.1.2. Credit quality of assets

Current Period	Gross carrying value in consolidated financial statements prepared as per TAS		Allowance/ depreciation and impairment	Net Values
	Defaulted exposures	Non-defaulted Exposures		
Loans	2,344,969	220,987,506	6,892,351	216,440,124
Debt Securities	-	57,035,461	11,090	57,024,371
Off-balance sheet exposures	-	164,001,811	910,591	163,091,220
Total	2,344,969	442,024,778	7,814,032	436,555,715

Prior Period	Gross carrying value in consolidated financial statements prepared as per TAS		Allowance / depreciation and impairment	Net Values
	Defaulted exposures	Non-defaulted Exposures		
Loans	2,692,115	154,341,362	5,111,344	151,922,133
Debt Securities	-	48,826,959	9,103	48,817,856
Off-balance sheet exposures	-	99,508,825	686,515	98,822,310
Total	2,692,115	302,677,146	5,806,962	299,562,299

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.3. Changes in stock of defaulted loans and debt securities

1	Defaulted loans and debt securities at end of the 31 December 2022	2,692,115
2	Loans and debt securities that have defaulted since the last reporting period	1,896,775
3	Returned to non-defaulted status	-
4	Amounts written off (*)	(995,717)
5	Other changes (**)	(1,248,204)
6	Defaulted loans and debt securities at end of 31 December 2023 (1+2-3-4+5)	2,344,969

(*) The Group wrote off TL 99,443 of its non-performing loans. Additionally, the portion of the Group's non-performing loan portfolio amounting to TL 896,274 for which a provision of TL 747,165 was provided, was sold in 2023 with a price of TL 367,959 and following the completion of the necessary procedures, non-performing loans were written off from the records.

(**) Includes collections during the period.

1	Defaulted loans and debt securities at end of the 31 December 2021	3,359,316
2	Loans and debt securities that have defaulted since the last reporting period	1,587,015
3	Returned to non-defaulted status	-
4	Amounts written off (*)	(873,816)
5	Other changes (**)	(1,380,400)
6	Defaulted loans and debt securities at end of 31 December 2022 (1+2-3-4+5)	2,692,115

(*) The Group wrote off TL 454,825 of its non-performing loans. Additionally, the portion of the Group's non-performing loan portfolio amounting to TL 418,991 for which a provision of TL 390,257 was provided, was sold in 2022 with a price of TL 115,221 and following the completion of the necessary procedures, non-performing loans were written off from the records.

(**) Includes collections during the period.

3.1.4. Additional disclosure related to the credit quality

- a) The scope and definitions of "past due" and "impaired" exposures used for accounting purposes and the differences, if any, between the definition of "past due" and "impaired" for accounting purposes

According to the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" non-required delay time loans that is not classified as Stage III Loans, whose principal and interest payment collection delayed more than 30 days are considered as "non-performing loan" in the Accounting Practice.

Receivables past due more than 90 days are considered as "impaired receivables", and they are classified as group III, IV, and V in accordance with Communiqué. A specific reserve is allocated for such receivables.

- b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.

A specific provision is allocated for receivables which are overdue for more than 90 days in accordance with the Communiqué.

- c) Description of methods used for determining impairments.

Provision amount is determined in accordance with the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves."

- d) The definition of the restructured exposure

If the borrower fails to make payment to the Parent Bank due to a temporary lack of liquidity, loans and other receivables including deferred interest payments may be restructured to provide the borrower with additional liquidity to enable the Bank to collect its receivables, or a new repayment schedule may be arranged.

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.4. Additional disclosure related to the credit quality (continued)

e) Breakdown of exposures by geographical areas, industry, and residual maturity:

Breakdown of Loans and Receivables by sector:

	Current Period			
	TL	(%)	FC	(%)
Agriculture	2,907,508	1.84	850,948	1.34
Farming and Stockbreeding	2,899,726	1.84	143,018	0.23
Forestry	-	-	-	-
Fishery	7,782	-	707,930	1.12
Manufacturing	49,912,756	31.66	42,940,345	67.79
Mining and Quarrying	2,371,296	1.50	2,881,954	4.55
Production	45,192,798	28.67	38,368,216	60.57
Electricity, Gas and Water	2,348,662	1.49	1,690,175	2.67
Construction	2,155,939	1.37	337,944	0.53
Services	37,105,469	23.54	18,948,667	29.91
Wholesale and Retail Trade	15,379,391	9.76	3,468,454	5.48
Accommodation and Dining	1,155,736	0.73	1,642,967	2.59
Transportation and Telecom.	5,688,477	3.61	6,001,139	9.47
Financial Institutions	5,031,339	3.19	3,990,127	6.30
Real Estate and Rental Services	3,023,196	1.92	3,728,945	5.89
Self-Employment Services	1,991,043	1.26	117,035	0.18
Educational Services	73,476	0.05	-	-
Health and Social Services	4,762,811	3.02	-	-
Other	65,563,535	41.59	264,395	0.42
Total	157,645,207	100.00	63,342,299	100.00

	Prior Period			
	TL	(%)	FC	(%)
Agriculture	1,823,219	1.58	409,144	1.05
Farming and Stockbreeding	1,811,390	1.57	50,736	0.13
Forestry	-	-	-	-
Fishery	11,829	0.01	358,408	0.92
Manufacturing	42,157,303	36.54	25,913,612	66.48
Mining and Quarrying	2,020,478	1.75	2,412,585	6.19
Production	38,889,091	33.71	22,205,409	56.97
Electricity, Gas and Water	1,247,734	1.08	1,295,618	3.32
Construction	1,697,024	1.47	143,420	0.37
Services	24,770,905	21.47	11,670,844	29.94
Wholesale and Retail Trade	9,490,643	8.23	2,964,806	7.61
Accommodation and Dining	1,018,010	0.88	1,386,086	3.56
Transportation and Telecom.	3,374,333	2.92	4,155,986	10.66
Financial Institutions	5,473,879	4.74	1,066,312	2.74
Real Estate and Rental Services	2,956,194	2.56	1,986,924	5.10
Self-Employment Services	970,326	0.84	110,730	0.28
Educational Services	51,208	0.04	-	-
Health and Social Services	1,436,312	1.25	-	-
Other	44,914,433	38.93	841,458	2.16
Total	115,362,884	100.00	38,978,478	100.00

Breakdown of loans and receivables according to remaining maturities is provided in the note VII. of section four under the “Presentation of assets and liabilities according to their remaining maturities.”

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.4. Additional disclosure related to the credit quality (continued)

- f) Amounts of impaired exposures on geographical areas and industry basis (according to the definition used by the Bank for accounting purposes) and write-offs with related allowances.

All of the Parent Bank’s loans under follow-up is in Turkey. Amounts of provision allocated receivables based on sector are presented in the note II of section 4 under “Information in terms of major sectors and type of counterparties”.

- g) Aging analysis of loans under close monitoring

31 December 2023	1-30 Day	31-60 Day	61-90 Day	Total
Loans and Receivables				
Commercial Loans	100,292	19,299	137,509	257,100
Consumer Loans	1,237,868	229,895	541,569	2,009,332
Credit Cards	370,971	268,744	218,052	857,767
Total	1,709,131	517,938	897,130	3,124,199

31 December 2022	1-30 Day	31-60 Day	61-90 Day	Total
Loans and Receivables				
Commercial Loans	122,898	40,277	141,447	304,622
Consumer Loans	772,248	194,074	355,270	1,321,592
Credit Cards	271,136	121,307	71,418	463,861
Total	1,166,282	355,658	568,135	2,090,075

- h) Breakdown of restructured exposures between impaired and not impaired exposures:

Not impaired loans:

Current Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	920,030	599,674	320,356
Consumer Loans	105,211	9,684	95,527
Credit Cards	51,297	11,831	39,466
Total	1,076,538	621,189	455,349

Prior Period	Gross Amount	Significant Increase in Credit Risk (Stage II)	Net Amount
Commercial Loans	949,303	488,458	460,845
Consumer Loans	129,903	10,678	119,225
Credit Cards	37,549	6,004	31,545
Total	1,116,755	505,140	611,615

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XI. Explanations Related to Consolidated Risk Management (Continued)

4. Consolidated Credit Risk Disclosure (continued)

3.1. General information about credit risk (continued)

3.1.4. Additional disclosure related to the credit quality (continued)

Impaired loans:

Current Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	11,217	5,311	5,906
Consumer Loans	97,573	70,583	26,990
Credit Cards	15,990	13,092	2,898
Total	124,780	88,986	35,794

Prior Period	Gross Amount	Default (Stage III)	Net Amount
Commercial Loans	24,320	16,277	8,043
Consumer Loans	87,437	62,413	25,024
Credit Cards	13,028	10,452	2,576
Total	124,785	89,142	35,643

3.2. Credit Risk Mitigation

3.2.1. Qualitative disclosure requirements related to credit risk mitigation techniques

- a) Core features of policies and processes for which the Parent Bank makes on and off-balance sheet netting.

The Parent Bank does not perform on and off-balance sheet offsetting to decrease credit risk, and credit derivatives are not used.

- b) Core features of policies and processes for collateral evaluation and management.

Financial collaterals are measured at fair value as of reporting date and are included in the risk mitigation process. When allocating the collateral amount to loans provided, the Parent Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The legal validity of the mortgage is ensured by duly registering the mortgage in a timely manner, and significant changes in market conditions are monitored.

In terms of credit risk mitigation, the Parent Bank uses cash, government and treasury bonds, fund, gold, bank guarantee, stock, and derivatives as main collateral type. Mortgages on residential and commercial real estate reported under different risk class are other main types of collaterals.

- c) Information about market or credit risk concentrations under the credit risk mitigation instruments used (i.e., by guarantor type, collateral, and credit derivative providers).

Guarantor entity's credit risk value is to be considered in credit risk mitigation process in cases where Parent Bank credit customers obtained guarantee from other entities.

The Parent Bank mostly prefers cash, securities such as government and Treasury bond for collateral which have low market and credit risk concentration risk.

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure (continued)

3.2. Credit Risk Mitigation (continued)

3.2.2. Credit risk mitigation techniques -Overview

Current Period	Exposures unsecured: valued amount in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
1 Loans (*)	199,881,215	14,672,845	13,201,392	7,146,212	4,546,415	-	-
2 Debt Securities (*)	57,037,239	-	-	-	-	-	-
3 Total	256,918,454	14,672,845	13,201,392	7,146,212	4,546,415	-	-
4 Of which defaulted (*)	2,292,779	41,635	27,011	10,555	117	-	-

(*) In the calculation of the amount subject to credit risk; while calculating the revalued amounts in foreign currency, in accordance with the Board decision dated 31 January 2023 and numbered 10496, the Central Bank foreign exchange buying rates as of 30 December 2022 were used.

Prior Period	Exposures unsecured: valued amount in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
1 Loans (*)	137,819,828	11,267,710	9,965,616	6,011,170	4,083,693	-	-
2 Debt Securities (*)	48,828,635	-	-	-	-	-	-
3 Total	186,648,463	11,267,710	9,965,616	6,011,170	4,083,693	-	-
4 Of which defaulted (*)	2,649,403	25,935	16,749	16,777	78	-	-

(*) In the calculation of the amount subject to credit risk, the Central Bank's foreign currency buying rates of 31 December 2021 were used in accordance with the Board decision dated 28 April 2022 and numbered 10188, while calculating the valued amounts in foreign currency.

3.3. Credit risk under standardized approach

3.3.1. Disclosures on banks' use of credit ratings under the standard approach for credit risk

For portfolios that are risk-weighted under the standardized approach for credit risk, banks must disclose the following information:

- Names of the External Credit Assessment Institutions (ECAIs) and Export Credit Agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period.

The Parent Bank uses Fitch Ratings International Rating Agency's external ratings.

- The risk classes for which each ECAI or ECA is used.

The credit rating of Fitch International Rating is used for all receivables from the central governments or central banks which are included in the risk classes indicated in Article 6 of the Communiqué on Measurement and Assessment of Capital Adequacy of the Bank, and the country risk classification announced by The Organization for Economic Co-operation and Development (OECD) is used for receivables from banks and intermediary agencies. 20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of three months or less, and 50% risk weight is used for receivables with a maturity period of more than three months, and the risk weight used for all receivables is not lower than the risk concentration corresponding to the OECD credit quality level of the country where the non-rated banks and intermediary agencies are founded.

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.1. Disclosures on banks' use of credit ratings under the standard approach for credit risk (continued)

- c) A description of the process used to apply the issuer to issue credit ratings onto other issuer comparable assets in the banking book.

20% risk weight is used for receivables from non-rated banks and intermediary agencies with a maturity period of 3 months or less, and a 50% risk weight is used for receivables with a maturity period of more than 3 months. According to the regulation on capital adequacy, corporates where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

- d) The alignment of the alphanumerical scale of each agency used with risk buckets. (Except where Agency (BRSA) publishes a standard mapping with which the bank has to comply)

Risk ratings per the credit quality levels and the risk weights according to exposure categories announced by Fitch Ratings International Rating Agency and Organization for Economic Co-operation and Development (OECD)'s are presented below:

Credit Quality Level	Fitch Ratings Long-Term Credit Rating	Risk Weight of Receivables from Central Government or Central Banks	Receivables from Banks and Brokerage Houses		Corporate Receivables (*)
			DTM less than 3 months	DTM higher than 3 months	
0	-		20%	50%	100%
1	AAA to AA-	0%	20%	50%	100%
2	A+ to A-	20%	20%	50%	100%
3	BBB+ to BBB-	50%	50%	50%	100%
4	BB+ to BB-	100%	100%	100%	100%
5	B+ to B-	100%	100%	100%	100%
6	CCC+ and below	150%	100%	100%	100%
7	-		150%	150%	100%

(*) In accordance with the Board Decisions No. 10188 dated 28 April 2022 and No. 10265 dated 07 July 2022, 200% and 500% risk weights are applied to Corporate Receivables.

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted Amounts and Risk Weighted Amounts density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted amounts	Risk Weighted amounts density
Risk classes						
1 Exposures to central governments or central banks	127,173,805	-	127,893,805	-	1,753,945	1%
2 Exposures to regional governments or local authorities	374,705	6,557	340,905	3,190	172,052	50%
3 Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-
4 Exposures to multilateral development banks	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-
6 Exposures to banks and brokerage firms	8,522,042	5,360,939	8,522,041	4,025,743	4,455,263	36%
7 Exposures to corporates	75,385,874	48,637,683	74,140,466	25,205,169	96,520,991	97%
8 Retail exposures	62,039,867	70,745,307	60,407,070	8,349,726	53,094,522	77%
9 Exposures secured by residential property	4,930,336	787,370	4,930,336	353,927	1,849,492	35%
10 Exposures secured by commercial real estate	9,068,901	2,823,825	8,799,004	1,230,378	6,568,460	65%
11 Past-due loans	621,941	115,949	621,845	33,001	433,930	66%
12 Higher-risk categories by the Agency Board	45,163,463	-	45,143,167	-	77,997,954	173%
13 Exposures in the form of covered bonds	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16 Other Receivables	16,361,148	8,555,674	16,361,131	2	7,983,265	49%
17 Investments in equities	392,622	-	392,623	-	392,621	100%
18 Total	350,034,704	137,033,304	347,552,393	39,201,136	251,222,495	65%

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.2. Standardized approach – credit risk exposure and Credit Risk Mitigation (CRM) effects (continued)

Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk weighted Amounts and Risk Weighted Amounts density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk Weighted amounts	Risk Weighted amounts density
Risk classes						
1 Exposures to central governments or central banks	74,091,323	-	75,593,419	-	1,463,903	2%
2 Exposures to regional governments or local authorities	874,800	7,308	839,040	3,597	421,323	50%
3 Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-
4 Exposures to multilateral development banks	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-
6 Exposures to banks and brokerage firms	9,898,321	3,713,730	9,898,319	2,698,877	4,132,194	33%
7 Exposures to corporates	64,351,247	38,532,530	62,907,498	19,932,259	79,949,600	97%
8 Retail exposures	42,249,188	36,431,162	40,515,817	6,026,144	36,561,893	79%
9 Exposures secured by residential property	4,096,063	508,048	4,096,063	212,529	1,508,007	35%
10 Exposures secured by commercial real estate	7,595,359	1,816,700	7,322,006	758,038	5,377,787	67%
11 Past-due loans	720,126	116,612	720,048	30,346	587,956	78%
12 Higher-risk categories by the Agency Board	25,075,336	-	24,972,896	-	41,876,607	168%
13 Exposures in the form of covered bonds	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
16 Other Receivables	14,774,442	6,248,311	14,774,430	1,075	6,282,814	43%
17 Investments in equities	369,867	-	369,867	-	369,867	100%
18 Total	244,096,072	87,374,401	242,009,403	29,662,865	178,531,951	66%

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.3. Receivables by risk classes and risk weights

Current Period														Total credit risk exposure amount (after CCF and CRM)
Risk Classes / Risk Weights		0%	10%	20%	25%	35%	50% secured by real estate (*)	75%	100%	150%	250%	500%	Others (**)	
1	Exposures to regional governments or local authorities	126,139,860	-	-	-	-	-	-	1,753,945	-	-	-	-	127,893,805
2	Exposures to regional governments or local authorities	-	-	-	-	-	344,086	-	9	-	-	-	-	344,095
3	Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	6,391,294	-	-	6,032,262	-	50,939	73,289	-	-	-	12,547,784
7	Exposures to corporates	-	-	113,560	-	-	5,467,593	-	93,764,482	-	-	-	-	99,345,635
8	Retail exposures	-	-	7,071	-	-	14,940	62,596,587	6,138,198	-	-	-	-	68,756,796
9	Exposures secured by residential property	-	-	-	-	5,284,263	-	-	-	-	-	-	-	5,284,263
10	Exposures secured by commercial real estate	-	-	-	-	-	6,921,844	-	3,107,538	-	-	-	-	10,029,382
11	Past-due loans	-	-	-	-	-	451,815	-	193,049	9,982	-	-	-	654,846
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	27,145,391	-	428,105	17,569,671	45,143,167
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	392,623	-	-	-	-	392,623
17	Other Receivables	8,309,946	-	84,903	-	-	-	2	7,966,282	-	-	-	-	16,361,133
18	Total	134,449,806	-	6,596,828	-	5,284,263	19,232,540	62,596,589	113,367,065	27,228,662	-	428,105	17,569,671	386,753,529

(*) The amount shown in the line "Receivables collateralized by mortgages on commercial real estate" is "Collateralized by mortgages on real estate" and the other amounts in this column represent the receivables subject to 50% risk weight.

(**) In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision) and shown in the "Others" column.

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XI. Explanations Related to Consolidated Risk Management (Continued)

3. Consolidated Credit Risk Disclosure (continued)

3.3. Credit risk under standardized approach (continued)

3.3.3. Receivables by risk classes and risk weights (continued)

Total credit risk exposure amount (after CCF and CRM)														
Prior Period														
Asset Classes / Risk Weights		0%	10%	20%	25%	35%	50% secured by real estate (*)	75%	100%	150%	250%	500%	Others (**)	
1	Exposures to regional governments or local authorities	74,129,516	-	-	-	-	-	-	1,463,903	-	-	-	-	75,593,419
2	Exposures to regional governments or local authorities	-	-	-	-	-	842,628	-	9	-	-	-	-	842,637
3	Exposures to administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	7,788,614	-	-	4,607,650	-	61,505	139,427	-	-	-	12,597,196
7	Exposures to corporates	-	-	888,731	-	-	4,358,344	-	77,592,682	-	-	-	-	82,839,757
8	Retail exposures	-	-	21	-	-	972	39,918,259	6,622,709	-	-	-	-	46,541,961
9	Exposures secured by residential property	-	-	-	-	4,308,592	-	-	-	-	-	-	-	4,308,592
10	Exposures secured by commercial real estate	-	-	-	-	-	5,404,515	-	2,675,529	-	-	-	-	8,080,044
11	Past-due loans	-	-	-	-	-	337,328	-	400,615	12,451	-	-	-	750,394
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	17,039,475	-	150,184	7,783,237	24,972,896
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	369,867	-	-	-	-	369,867
17	Other Receivables	8,464,249	-	35,552	-	-	-	-	6,275,704	-	-	-	-	14,775,505
18	Total	82,593,765	-	8,712,918	-	4,308,592	15,551,437	39,918,259	95,462,523	17,191,353	-	150,184	7,783,237	271,672,268

(*) The amount shown in the line "Receivables collateralized by mortgages on commercial real estate" is "Collateralized by mortgages on real estate" and the other amounts in this column represent the receivables subject to 50% risk weight.

(**) In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision) and shown in the "Others" column.

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XI. Explanations Related to Consolidated Risk Management (Continued)

4. Counterparty Credit Risk

4.1. Qualitative disclosure related to counterparty credit risk

Limit requests of clients demanding derivative transactions are evaluated based on the related line of business in different credit committees. Limit amounts approved by credit committee are risk weighted limits. In calculation of risk amount that traced to risk weighted limits is multiplied by ratios based on each factor’s historical movement that varies according to transaction’s nominal amount, transaction’s maturity, type, currency, and purpose. Updates are generally conducted on a yearly basis except for the times of strict market fluctuations. In other words, if current tables do not cover risk calculations efficiently in case of strict market volatility, all tables are reviewed without waiting for annual period.

In table calculations, different time periods are considered while making analyses. If there is a period in data set with strictly fluctuating period, historical period after this period might be crucial. Also, in historical fluctuations, similar work meant for a data is organized separately. References provided by BNPP are also considered in the process. Eventually, all results are discussed firstly among line of business and then in the Market Risk Committee. Final decision is made by Risk Policy Committee and one of the alternatives is chosen. Approval of the Board of Directors members is obtained if the Risk Policy Committee members deem necessary.

Customers demanding derivative transactions are separated into two based on the purpose of the transaction. Decision of allocating the client to a group is given with taking into consideration client’s all transactions. Related Credit Department decides on the evaluation of client either in trading derivative transaction limit or in hedging derivative transaction limit.

In principle, all individual customers are evaluated as in trading portfolio, and the Bank works with 100% cash and cash equivalent collaterals. Commercial and corporate customers are evaluated different for each firm and based on the decision given, are subject to different collateral conditions. Risks are monitored daily based on the collateral conditions set with the client, and additional collaterals are demanded when a necessity arises according to internally set principles.

For derivative transactions made with banks, ISDA, CSA, VM and GMRA agreements are requested from counterparties in principle, derivative transactions are not made with banks that do not sign these agreements. Collateral management is made on a daily basis with banks considering agreement conditions so that counterparty risk is minimized.

All open derivative transactions are evaluated daily by using market data and resulting evaluation amount is installed to system. As a new transaction is made, risk amount calculated with risk weights is reflected automatically to the system. In other words, counterparty risk regarding all derivative transactions is monitored on banking system. Collateral amount required for customer transactions, transaction evaluation amount and risk weighted nominal amount is monitored daily by considering collateral condition and limit monitoring principles set up by the Parent Bank.

Simulations of transactions are conducted in order to be able to see the level of capital consumption on transaction basis. Ratings and Basel risk classes of derivative customers and banks are reviewed and updated monthly. These are considered in the calculation of capital requirement and evaluation of collateral conditions.

As of 1 July 2022, the “Standard Approach” method has been used in the calculation of counterparty credit risk.

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XI. Explanations Related to Consolidated Risk Management (Continued)

4. Counterparty Credit Risk (continued)

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

Current Period	Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Amounts
Standardized Approach - CCR (For Derivatives)	1,350,406	1,376,928		1.4	2,710,248	2,064,377
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					7,263,300	3,631,653
Total						5,696,030

(*) Effective Expected Positive Exposure

Prior Period	Replacement cost	Potential future exposure	EEPE (*)	Alpha used for computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Amounts
Standardized Approach - CCR (For Derivatives)	3,213,569	1,338,450		1.4	4,335,874	3,151,291
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple Approach for Credit Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive Approach for Credit Risk Mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					2,416,681	1,175,625
Total						4,326,916

(*) Effective Expected Positive Exposure

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XI. Explanations Related to Consolidated Risk Management (Continued)

4. Counterparty Credit Risk (continued)

4.3. Credit valuation adjustment (CVA) capital charge

	Exposure at Default post-Credit Risk Mitigation	Risk Weighted Amounts
Current Period		
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (including the 3*multiplier)		-
(ii) Stressed Value at Risk component (including the 3*multiplier)		-
All portfolios subject to the Standardized CVA capital charge	2,710,248	1,315,620
Total subject to the CVA capital charge	2,710,248	1,315,620
Prior Period		
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) Value at Risk component (including the 3*multiplier)		-
(ii) Stressed Value at Risk component (including the 3*multiplier)		-
All portfolios subject to the Standardized CVA capital charge	4,335,874	1,012,656
Total subject to the CVA capital charge	4,335,874	1,012,656

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XI. Explanations Related to Consolidated Risk Management (Continued)

4. Counterparty Credit Risk (continued)

4.4. Counterparty credit risk by risk classes and risk weights

Current Period												Total credit exposure (*)
Risk Weight/ Regulatory portfolio	0%	2%	10%	20%	50%	75%	100%	150%	500%	Others		
Receivables from central governments and central banks	466,650	-	-	-	-	-	-	-	-	-	-	466,650
Receivables from regional and local governments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and financial intermediaries	-	855,980	-	23,075	7,564,930	-	-	-	-	-	-	8,443,985
Corporate receivables	-	-	-	1,860	-	-	1,883,211	-	-	-	-	1,885,071
Retail receivables	-	-	-	-	-	33,822	-	-	-	-	-	33,822
Other receivables (**)	-	-	-	-	-	-	-	-	-	-	-	-
Total	466,650	855,980	-	24,935	7,564,930	33,822	1,883,211	-	-	-	-	10,829,528

(*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(**) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.

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XI. Explanations Related to Consolidated Risk Management (Continued)

4. Counterparty Credit Risk (continued)

4.4. Counterparty credit risk by risk classes and risk weights (continued)

Prior Period Risk Weight/ Regulatory portfolio	0%	2%	10%	20%	50%	75%	100%	150%	500%	Others	Total credit exposure (*)
Receivables from central governments and central banks	604,505	-	-	-	-	-	-	-	-	-	604,505
Receivables from regional and local governments	-	-	-	-	-	-	-	-	-	-	-
Receivables from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and financial intermediaries	-	-	-	188,417	3,102,217	-	-	-	-	-	3,290,634
Corporate receivables	-	-	-	10,495	154,955	-	2,558,292	-	-	-	2,723,742
Retail receivables	-	-	-	-	-	133,674	-	-	-	-	133,674
Other receivables (**)	-	-	-	-	-	-	-	-	-	-	-
Total	604,505	-	-	198,912	3,257,172	133,674	2,558,292	-	-	-	6,752,555

(*) Total credit risk: Amount related to capital adequacy calculation after the counterparty credit risk measurement techniques are applied.

(**) Other assets: The amounts not included in the credit risk of the counterparty reported in the risks table to the Central Counterparty.

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XI. Explanations Related to Consolidated Risk Management (Continued)

4. Counterparty Credit Risk (continued)

4.5. Composition of collateral for counterparty credit risk exposure

Current Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral received		Posted collateral		Collateral received	Posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	1,618,392	-	-	-	689,592
Cash – other currencies	-	105,433	-	250,698	-	-
Domestic sovereign debt	-	-	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	1,723,825	-	250,698	-	689,592

Prior Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral received		Posted collateral		Collateral received	Posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	205,815	-	-	-	-
Cash – other currencies	-	5,786	-	-	-	-
Domestic sovereign debt	-	4,544	-	-	-	-
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	216,145	-	-	-	-

4.6. Credit Derivatives

None.

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XI. Explanations Related to Consolidated Risk Management (Continued)

4. Counterparty Credit Risk (continued)

4.7. Exposures to central counterparties

	Current Period		Prior Period	
	Risk Amount After CRA	RAT	Risk Amount After CRA	RAT
Total risks arising from transactions with a Qualified CCP		5,711		-
Regarding the risks arising from transactions in the CCP (excluding initial margin and guarantee fund amount)	-	-	-	-
(i) OTC derivative financial instruments	166,388	3,328	-	-
(ii) Other derivative financial instruments	-	-	-	-
(iii) Repo-reverse repo transactions, securities on credit transactions and securities or commodity lending or borrowing transactions	-	-	-	-
(iv) Netting groups to which cross product netting is applied	-	-	-	-
Reserved initial margin	-		-	
Unallocated initial margin	-	-	-	-
Paid guarantee fund amount	99,300	2,383	-	-
Unpaid guarantee fund commitment	-	-	-	-
Total risks arising from transactions with non-qualified CCPs		-		-
Regarding the risks arising from transactions in the CCP (excluding initial margin and guarantee fund amount)	-	-	-	-
(i) OTC derivative financial instruments	-	-	-	-
(ii) Other derivative financial instruments	-	-	-	-
(iii) Repo-reverse repo transactions, securities on credit transactions and securities or commodity lending or borrowing transactions	-	-	-	-
(iv) Netting groups to which cross product netting is applied	-	-	-	-
Reserved initial margin	-	-	-	-
Unallocated initial margin	-		-	
Paid guarantee fund amount	-	-	-	-
Unpaid guarantee fund commitment	-	-	-	-

5. Securitization Disclosures

Since the Parent Bank does not hold securitization position, the notes to be presented according to the 'Communiqué on Disclosures about Risk Management to be announced to Public by Banks' have not been presented.

6. Market Risk Disclosures

The market risk section includes the market risk capital requirements calculated for trading book and banking book exposures that are subject to a market risk charge. It also includes capital requirements for securitization positions held in the trading book. However, it excludes the counterparty credit risk capital charges that apply to the same exposures, which are reported in Section 5 – Counterparty credit risk.

Notes and explanations prepared in accordance with "the Communiqué on Disclosures about Risk Management to be announced to Public by Banks" published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this note.

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XI. Explanations Related to Consolidated Risk Management (Continued)

6. Market Risk Disclosures (continued)

6.1. Qualitative disclosure requirements related to market risk

Interest rate and foreign exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Parent Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to Value at Risk (VAR), as summarized below, is taken into consideration by the standard method. Beside the standard method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by historic simulation. These results are also reported daily to the management.

For FX position, limits in different breakdowns are determined by Board of Directors and option operations are considered with delta conjugates.

In regular analysis, net interest income effects originating from interest rates changes are calculated for all interest rates sensitive products and the results are followed up in limits determined by Board of Directors. The shocks which are given to interest rates are changes by each currency and in linear scenario analysis, not only linear but also sudden shocks are evaluated. These analyses may be performed for both current and targeted financial figures.

According to economic cost approach, changes in market interest rates may affect the Parent Bank’s assets, liabilities, and off-balance sheet items values. The Parent Bank’s economic value’s sensitivity to interest rate is an important issue for stockholders, management, and auditors.

Economic value of a product is net present value that is calculated by discounting expected cash flow.

Economic value of the Parent Bank is the net present value of the cash flows that is subtracting expected cash flows of liabilities from net present value of assets and adding off balance sheet items expected cash flows. Economic value approach represents value of the Bank’s sensitivity to interest rate fluctuations.

Market value of equity is defined as the difference between the market value of assets and liabilities. The Board of Directors predefines a limit for market value of equity; shock method is applied to all items to be able to see equity’s influence on market value. Shocks applied may vary based on currencies.

As Economical Value approach considers effects of interest rate changes on all future cash flows, it enables to comprehensively understand effects of interest rate changes in the long run.

In addition to these analyses, Group Risk Management, based on current position, conducts stress testing to be able to predict possible losses as a consequence of exceptional fluctuations. Stress testings prepared by BNP Paribas and TEB Group Risk Management measure the sensitivity created as a result of market price changes based on scenarios. Scenario analysis both on historical and hypothetical basis are conducted. Both historical and hypothetical scenario analyses are performed.

Scenario analysis is applied both to currency and interest rates to be able to understand the effects on current portfolio.

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XI. Explanations Related to Consolidated Risk Management (Continued)

6. Market Risk Disclosures (continued)

6.1. Qualitative disclosure requirements related to market risk (continued)

Other than scenario analysis, various stress testings are applied to current portfolio; in order to see the effects of prior events on current position.

Nominal amount limits defined for bond portfolio, Value at Risk ("VAR") limit for trading portfolio, and PV01 limits set for tracking interest rate risk are calculated daily, tracked, and reported to the management. Both interest rate and liquidity gap calculations are made for each item of the balance sheet. For both calculations, as product-based cash flows are formed, repricing, maturity and product-based acceptances are also considered.

Monthly reports are prepared for Market and Liquidity Risk Committees. Reports include end of the day positions, monthly/annual cumulative profit/loss balances and some positions taken in that month.

All Limit and risk positions are represented to Risk Policies Committee, Risk Committee and to The Board of Directors.

6.2. Standardized Approach

Current Period		Risk Weighted Amounts
Outright products		
1	Interest rate risk (general and specific)	2,735,962
2	Equity risk (general and specific)	-
3	Foreign exchange risk	3,170,051
4	Commodity risk	1,866,568
Options		
5	Simplified approach	-
6	Delta-plus method	749,338
7	Scenario approach	-
8	Securitization	-
9	Total	8,521,919

Prior Period		Risk Weighted Amounts
Outright products		
1	Interest rate risk (general and specific)	1,621,094
2	Equity risk (general and specific)	-
3	Foreign exchange risk	1,813,652
4	Commodity risk	1,778,832
Options		
5	Simplified approach	-
6	Delta-plus method	699,538
7	Scenario approach	-
8	Securitization	-
9	Total	5,913,116

7. Explanations Related to the Consolidated Operational Risk

- Operational risk has been calculated using the basic indicator approach. Market risk measurements are performed annually.
- In case of Basic Indicator Approach the following:

	31.12.2020	31.12.2021	31.12.2022	Total/Number of positive gross income years	Rate (%)	Total
Gross Income	5,944,320	6,758,087	25,564,364	12,755,590	15	1,913,339
Operational Risk Capital Requirement (Total*12.5)						23,916,732

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XI. Explanations Related to Consolidated Risk Management (Continued)

7. Explanations Related to the Consolidated Operational Risk (continued)

b) In case of Basic Indicator Approach the following (continued):

	31.12.2019	31.12.2020	31.12.2021	Total/Number of positive gross income years	Rate (%)	Total
Gross Income	6,181,760	5,944,320	6,758,087	6,294,722	15	944,208
Operational Risk Capital Requirement (Total*12.5)						11,802,605

- c) The Group does not use the standard method.
- d) The Group does not use any alternative approach in standard method.
- e) The Group does not use advanced measurement approach.

8. Explanations Related to Remuneration Policy in Banks

TEB pays net salaries on the last working day of each month, after the required legal deductions are made. In addition to receiving a monthly salary, all TEB employees are assessed based on meeting their qualitative and quantitative targets, and the Bank may pay performance-based success and sales premiums or annual performance bonuses to reward employees' collective and individual success.

An annual performance bonus is determined based on the Bank's profitability, the results of Bank activities, and the realization of targets in line with market practices (local and/or professional). A performance bonus is only paid when the target realized in a particular year is at least 80%. Employees included in the success and sales premium scheme are paid success and sales premiums based to the targets realized during the year.

The remuneration policy of the Bank was prepared in line with the BRSA's "Communiqué on Corporate Management of Banks" and "Guidance on Good Remuneration Practices" in Banks, and within the scope of the principle of proportionality, the content, structure, and strategies of the Bank's activities, long-term targets, the risk management structure of the Bank and local regulations. These regulations aim to prevent taking excessive risks and evaluate actual contributions to the risk management.

The remuneration policy supports the Bank in managing risks in line with the principles and parameters determined and approved by the Board of Directors. The remuneration policy aims to attract and retain expert employees who will contribute to the Bank reaching its strategic targets in both business line and support functions.

SECOM (Selection and Compensation Committee) is responsible, on behalf of the Board of Directors, for ensuring that the remuneration policy is prepared in line with local and BNP Paribas regulations. SECOM manages the principles of the remuneration policy, taking opinions from the Human Resources, Financial Affairs, Risk, Compliance, and Internal Control Groups. The remuneration policy is reviewed and approved by SECOM and submitted to the Board of Directors. The remuneration policy is reviewed annually.

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Consolidated Assets

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,034,157	11,238,000	752,200	10,004,814
Balances with the Central Bank of Türkiye	39,678,186	52,128,885	6,458,159	26,063,697
Other	1,081	527,629	-	560,841
Total	40,713,424	63,894,514	7,210,359	36,629,352

a) Information related to the account of the Central Bank of Türkiye:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	18,986,133	-	6,458,159	-
Unrestricted Time Deposit	17,283,685	28,228,037	-	7,868,041
Restricted Time Deposit	3,408,368	23,900,848	-	18,195,656
Total	39,678,186	52,128,885	6,458,159	26,063,697

As of 31 December 2023, the applicable rates for reserve deposits held at the Central Bank of the Türkiye are between 0% and 30% (31 December 2022: between 3% and 8%) for Turkish Lira and between 5% and 30% (31 December 2022: between 5% and 26%) for foreign currency. The ratio of Turkish currency held for foreign currency is 4%.

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

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

Net book value of unrestricted financial assets at fair value through profit or loss is TL 588,465 (31 December 2022: TL 3,011,802).

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Debt Securities	242,988	345,477	2,809,744	202,058
Securities Representing Share in Capital	109,257	164,734	77,197	263,295
Other Financial Assets	117,236	150,116	40,289	76,286
Total	469,481	660,327	2,927,230	541,639

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

3. Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	213,972	94,335	1,089,391	47,443
Swap Transactions	1,237,871	524,285	2,953,184	228,144
Futures Transactions	-	-	-	-
Options	483,792	418,807	357,592	388,958
Other	-	-	-	-
Total	1,935,635	1,037,427	4,400,167	664,545

4. Information on banks:

a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	1,369,255	927	2,122,206	580
Foreign	302,205	6,001,290	698,476	6,226,874
Foreign Head Offices and Branches	-	-	-	-
Total	1,671,460	6,002,217	2,820,682	6,227,454

An expected loss provision of TL 45,340 (31 December 2022: TL 28,900) has been set aside for receivables from banks.

b) Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	1,766,503	1,023,288	239,507	-
USA, Canada	1,305,097	2,791,436	-	-
OECD Countries (*)	357,404	878,376	-	-
Off-Shore Banking Regions	31	20	-	-
Other	2,361,153	1,578,685	273,800	653,545
Total	5,790,188	6,271,805	513,307	653,545

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

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

a.1) Information on financial assets at fair value through other comprehensive income given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury Bill, and Similar Investment Securities	3,751,191	-	1,411,005	-
Other	-	-	-	-
Total	3,751,191	-	1,411,005	-

a.2) Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	996,753	2,649,642	-	3,013,150
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	996,753	2,649,642	-	3,013,150

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 428,752 (31 December 2022: TL 3,996,181).

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

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

b.1) Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt Securities	7,744,003	8,371,023
Quoted on a Stock Exchange	7,671,325	8,321,688
Unquoted on a Stock Exchange	72,678	49,335
Equity Securities	82,335	49,313
Quoted on a Stock Exchange	-	-
Unquoted on a Stock Exchange	82,335	49,313
Impairment Provision (-)	-	-
Total	7,826,338	8,420,336

An expected loss provision of TL 1,778 (31 December 2022: TL 1,676) has been reserved for financial assets at fair value through other comprehensive income.

6. Information on loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	1,607,169	-	1,118,603
Corporate Shareholders	-	1,607,169	-	1,118,603
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	341,242	-	212,298	-
Total	341,242	1,607,169	212,298	1,118,603

b) Information on the standard loans and loans under close monitoring and restructured loans under close monitoring:

Current Period:

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Restructuring	
			Loans with Revised Contract Terms	Refinancing
Non-specialized loans	195,694,727	14,221,221	82,658	993,880
Working Capital Loans	18,799,021	3,316,949	-	843,000
Export Loans	45,631,545	189,599	-	772
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,595,877	8,401	-	-
Consumer Loans	34,498,325	5,611,961	28,012	77,199
Credit Cards	21,143,243	2,896,900	51,297	-
Other	70,026,716	2,197,411	3,349	72,909
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	195,694,727	14,221,221	82,658	993,880

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

b) Information on the standard loans, loans under close monitoring and restructured loans under close monitoring: (continued)

Prior Period:

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Restructuring	
			Loans with Revised Contract Terms	Refinancing
Non-specialized loans	135,719,372	10,235,887	49,531	1,067,224
Working Capital Loans	12,825,030	1,920,186	-	772,445
Export Loans	30,414,865	296,549	-	2,366
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,290,513	-	-	-
Consumer Loans	24,973,760	4,727,764	7,431	122,472
Credit Cards	12,700,358	1,669,035	37,549	-
Other	49,514,846	1,622,353	4,551	169,941
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	135,719,372	10,235,887	49,531	1,067,224

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	689,068	-	734,536	-
Significant increase in Credit Risk	-	4,468,017	-	2,418,591
Total	689,068	4,468,017	734,536	2,418,591

c) Distribution of cash loans by maturity structure:

Current Period	Loans Under Close Monitoring		
	Standard Loans	Not under the Scope of Restructuring	Restructured
Short-term loans	129,454,776	6,142,315	29,365
Medium and Long-term loans	66,239,951	8,078,906	1,047,173
Total	195,694,727	14,221,221	1,076,538

Prior Period	Loans Under Close Monitoring		
	Standard Loans	Not under the Scope of Restructuring	Restructured
Short-term loans	81,476,871	3,329,771	21,414
Medium and Long-term loans	54,242,501	6,906,116	1,095,341
Total	135,719,372	10,235,887	1,116,755

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	10,878,327	26,844,031	37,722,358
Housing Loans	2,514	2,839,333	2,841,847
Vehicle Loans	2,705,338	1,430,026	4,135,364
General Purpose Loans	8,170,475	22,574,672	30,745,147
Other	-	-	-
Consumer Loans -Indexed to FC	-	6,330	6,330
Housing Loans	-	6,330	6,330
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	14,982	14,982
Housing Loans	-	2,543	2,543
Vehicle Loans	-	-	-
General Purpose Loans	-	12,439	12,439
Other	-	-	-
Individual Credit Cards-TL	19,129,345	41,355	19,170,700
With Instalments	7,138,988	41,355	7,180,343
Without Instalments	11,990,357	-	11,990,357
Individual Credit Cards-FC	60,541	-	60,541
With Instalments	-	-	-
Without Instalments	60,541	-	60,541
Personnel Loans-TL	87,228	135,071	222,299
Housing Loans	-	143	143
Vehicle Loans	-	-	-
General Purpose Loans	87,228	134,928	222,156
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	108,846	16	108,862
With Instalments	45,205	16	45,221
Without Instalments	63,641	-	63,641
Personnel Credit Cards-FC	917	-	917
With Instalments	-	-	-
Without Instalments	917	-	917
Overdraft Accounts-TL (Real Persons) (*)	2,249,528	-	2,249,528
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	32,514,732	27,041,785	59,556,517

(*) Overdraft accounts include personnel loans amounting to TL 9,164.

(**) Loans granted via branches abroad.

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (continued):

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	3,035,284	24,646,725	27,682,009
Housing Loans	13,586	3,421,072	3,434,658
Vehicle Loans	38,477	356,529	395,006
General Purpose Loans	2,983,221	20,869,124	23,852,345
Other	-	-	-
Consumer Loans -Indexed to FC	-	5,243	5,243
Housing Loans	-	5,243	5,243
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	12,322	12,322
Housing Loans	-	3,612	3,612
Vehicle Loans	-	-	-
General Purpose Loans	-	8,710	8,710
Other	-	-	-
Individual Credit Cards-TL	9,899,605	33,500	9,933,105
With Instalments	3,773,824	33,500	3,807,324
Without Instalments	6,125,781	-	6,125,781
Individual Credit Cards-FC	33,398	-	33,398
With Instalments	-	-	-
Without Instalments	33,398	-	33,398
Personnel Loans-TL	37,523	98,869	136,392
Housing Loans	-	326	326
Vehicle Loans	-	-	-
General Purpose Loans	37,523	98,543	136,066
Other	-	-	-
Personnel Loans-Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	68,406	18	68,424
With Instalments	27,336	18	27,354
Without Instalments	41,070	-	41,070
Personnel Credit Cards-FC	652	-	652
With Instalments	-	-	-
Without Instalments	652	-	652
Overdraft Accounts-TL (Real Persons) (*)	1,995,461	-	1,995,461
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	15,070,329	24,796,677	39,867,006

(*) Overdraft accounts include personnel loans amounting to TL 6,830.

(**) Loans granted via branches abroad.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

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

Current Period	Short Term	Medium and Long Term	Total
Commercial Loans with Instalment - TL	6,285,919	16,466,506	22,752,425
Business Loans	-	74,389	74,389
Vehicle Loans	457,510	3,219,119	3,676,629
General Purpose Loans	5,828,409	13,172,998	19,001,407
Other	-	-	-
Commercial Loans with Instalment - Indexed to FC	-	9,576	9,576
Business Loans	-	3,387	3,387
Vehicle Loans	-	-	-
General Purpose Loans	-	6,189	6,189
Other	-	-	-
Commercial Loans with Instalment - FC	566	-	566
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	566	-	566
Other	-	-	-
Corporate Credit Cards-TL	4,714,470	24,480	4,738,950
With Instalments	1,169,402	24,480	1,193,882
Without Instalments	3,545,068	-	3,545,068
Corporate Credit Cards-FC	11,470	-	11,470
With Instalments	-	-	-
Without Instalments	11,470	-	11,470
Overdraft Accounts-TL (Legal Entities)	941,417	-	941,417
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	11,953,842	16,500,562	28,454,404

Prior Period	Short Term	Medium and Long Term	Total
Commercial Loans with Instalment-TL	2,378,337	10,547,993	12,926,330
Business Loans	4,639	160,686	165,325
Vehicle Loans	344,111	2,564,430	2,908,541
General Purpose Loans	2,029,587	7,822,877	9,852,464
Other	-	-	-
Commercial Loans with Instalment - Indexed to FC	-	20,114	20,114
Business Loans	-	6,082	6,082
Vehicle Loans	-	-	-
General Purpose Loans	-	14,032	14,032
Other	-	-	-
Commercial Loans with Instalment - FC	939	-	939
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	939	-	939
Other	-	-	-
Corporate Credit Cards-TL	4,364,826	36	4,364,862
With Instalments	1,655,525	36	1,655,561
Without Instalments	2,709,301	-	2,709,301
Corporate Credit Cards-FC	6,501	-	6,501
With Instalments	-	-	-
Without Instalments	6,501	-	6,501
Overdraft Accounts-TL (Legal Entities)	985,557	-	985,557
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	7,736,160	10,568,143	18,304,303

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

f) Distribution of loans by users:

	Current Period	Prior Period
Public	5,207,828	1,686,191
Private	205,784,658	145,385,823
Total	210,992,486	147,072,014

g) Distribution of domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	210,159,249	146,214,496
Foreign Loans	833,237	857,518
Total	210,992,486	147,072,014

h) Loans granted to subsidiaries and associates:

These amounts are eliminated in the consolidated financial statements.

i) Specific or non-performing loan (Stage 3) provisions for loans:

	Current Period	Prior Period
Loans with Limited Collectability	332,737	197,372
Loans with Doubtful Collectability	295,324	365,183
Uncollectible Loans	981,321	1,335,772
Total	1,609,382	1,898,327

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

j.1) Information on non-performing loans and restructured loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Current Period			
Gross Amounts before Provisions	61,062	36,088	27,630
Restructured Loans	61,062	36,088	27,630
Prior Period			
Gross Amounts before Provisions	51,719	38,533	34,533
Restructured Loans	51,719	38,533	34,533

j.2) Movement of non-performing:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
Prior Period end balance	315,766	510,806	1,805,293
Additions (+)	1,714,621	20,252	89,153
Transfers from Other Accounts of Non-performing Loans (+)	-	1,206,650	857,038
Transfers to Other Accounts of Non-performing Loans (-)	1,206,650	857,038	-
Collections (-)	327,298	215,193	716,676
Write-offs (-)	-	-	99,443
Sold Portfolio (-) (*)	341	217,772	678,161
Corporate and Commercial Loans	159	3,691	39,291
Retail Loans	2	155,734	483,803
Credit Cards	180	58,347	155,067
Other	(228)	(6,347)	42,725
Current Period End Balance	495,870	441,358	1,299,929
Provision (-)	332,737	295,324	981,321
Net Balance on Balance Sheet	163,133	146,034	318,608

(*) The portion of the Bank's non-performing receivables portfolio amounting to TL 896,274 with a provision of TL 747,165 was sold in 2023 for TL 367,959 and the sale proceeds were collected after the completion of the necessary procedures and the related non-performing receivables were derecognized.

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

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

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

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectable Loans and Receivables
31 December 2023			
Current Period End Balance	95,542	6,216	75,789
Provision Amount (-)	78,190	2,508	56,563
Net Balance on Balance Sheet	17,352	3,708	19,226
31 December 2022			
Current Period End Balance	92,224	3,070	99,092
Provision Amount (-)	64,461	1,354	72,617
Net Balance on Balance Sheet	27,763	1,716	26,475

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

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectable Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	495,870	441,358	1,299,929
Provision (-)	332,737	295,324	981,321
Loans to Real Persons and Legal Entities (Net)	163,133	146,034	318,608
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	315,766	510,806	1,805,293
Provision Amount (-)	197,372	365,183	1,335,772
Loans to Real Persons and Legal Entities (Net)	118,394	145,623	469,521
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectable Loans
Current Period (Net)	1,901	1,011	187
Interest Accruals, Rediscounts and Valuation Differences	58,525	57,600	352,139
Provision Amount (-)	56,624	56,589	351,952
Prior Period (Net)	699	83	7,659
Interest Accruals, Rediscounts and Valuation Differences	28,808	58,354	457,827
Provision Amount (-)	28,109	58,271	450,168

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

k) Disclosures regarding the unregistered policy:

Loans that will be subject to write-off are applied for loans that are classified as 5 Group - Loans classified as Bad Debt and provided with life-long expected credit loss provision due to the debtor's default and there is no reasonable expectation of their recovery within the scope of TFRS 9 standard Write-off is an accounting practice and does not result in giving up the right on the receivable. Loans which are written-off do not affect the legal follow-up of the Parent Bank. Indicators are utilized concerning the absence of reasonable expectations regarding the recovery of loans. The write-off is examined on an incident basis with predefined criteria's and the following write-off criteria's are considered:

- The possibility of recovery is limited: Loans with low collateralization, limited collateral capability, limited assets that provide foreclosure collection, and less than expected cost income for collection are evaluated.

- Financial indicators: Financial indicators that show that the entire loan does not have the ability to recover, or that the monetary cost to be incurred due to lawsuit/prosecution to be filed is higher than the collection to be made, are evaluated.

- Long-term follow-up: Those who do not have reasonable collection expectations are evaluated in order to recover the loans that have been pursuing for a long time,

The following practices for the loans bank monitors, although the loans have been written-off by the Bank, cannot be different from its registered loans.

- The methods applied for legal collection of loans from debtors,
- Decisions to be subjected to the sale of non-performing loans,
- Decisions to waive the credit by waiving the loans.

Within the scope of TFRS 9, the deducted amount during the period is TL 99,443 (31 December 2022: TL 454,825) and its effect on NPL ratio is 0.05% (31 December 2022: 0.30%). The follow-up conversion rate, after deductions, is 1.04% (31 December 2022 1.76%) in the current period non-performing loan figures, while the calculated rate including the loans deducted during the year is 1.09% (31 December 2022: 2.06%).

l) Other explanations and disclosures:

Current Period	Commercial	Consumer	Credit Cards	Total
Standard Loans	140,053,159	34,498,325	21,143,243	195,694,727
Loans Under Close Monitoring	6,632,390	5,717,172	2,948,197	15,297,759
Loans Under Follow-Up	709,694	1,268,519	258,944	2,237,157
Total	147,395,243	41,484,016	24,350,384	213,229,643
12 month expected credit loss (Stage I) (-)	291,501	233,326	164,241	689,068
Significant increase in credit risk (Stage II) (-)	2,762,281	995,854	709,882	4,468,017
Default (Stage III) (-)	495,145	924,767	189,470	1,609,382
Total	3,548,927	2,153,947	1,063,593	6,766,467
Net Credit Balance on Balance Sheet	143,846,316	39,330,069	23,286,791	206,463,176
Prior Period	Commercial	Consumer	Credit Cards	Total
Standard Loans	98,045,254	24,973,760	12,700,358	135,719,372
Loans Under Close Monitoring	4,788,391	4,857,667	1,706,584	11,352,642
Loans Under Follow-Up	862,889	1,606,859	162,117	2,631,865
Total	103,696,534	31,438,286	14,569,059	149,703,879
12 month expected credit loss (Stage I) (-)	365,454	231,139	137,943	734,536
Significant increase in credit risk (Stage II) (-)	1,775,605	385,520	257,466	2,418,591
Default (Stage III) (-)	596,016	1,173,192	129,119	1,898,327
Total	2,737,075	1,789,851	524,528	5,051,454
Net Credit Balance on Balance Sheet	100,959,459	29,648,435	14,044,531	144,652,425

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

The following is a reclassification of provision for impairment on loans by stage;

Current Period

Commercial	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Loans under follow-up (Stage 3)	Total
31 December 2022	365,454	1,775,605	596,016	2,737,075
Transfers;				
- Stage 1 to Stage 2	(21,170)	47,017	-	25,847
- Stage 1 to Stage 3	(661)	-	27,380	26,719
- Stage 2 to Stage 3	-	(2,859)	8,182	5,323
- Stage 2 to Stage 1	1,185	(30,935)	-	(29,750)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	145,986	423,746	201,931	771,663
Collections	(235,592)	(135,862)	(256,214)	(627,668)
Sold Portfolio	-	-	(26,596)	(26,596)
Write-offs	-	-	(86,961)	(86,961)
Currency differences	36,299	685,569	31,407	753,275
Total Expected Loss Provision -31 December 2023	291,501	2,762,281	495,145	3,548,927

Prior Period

Commercial	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Loans under follow-up (Stage 3)	Total
31 December 2021	203,624	1,091,318	855,823	2,150,765
Transfers;				
- Stage 1 to Stage 2	(8,312)	38,492	-	30,180
- Stage 1 to Stage 3	(1,438)	-	59,763	58,325
- Stage 2 to Stage 3	-	(26,383)	80,297	53,914
- Stage 2 to Stage 1	1,105	(7,514)	-	(6,409)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	283,428	606,714	629,266	1,519,408
Collections	(135,016)	(131,055)	(548,378)	(814,449)
Sold Portfolio	-	-	(47,297)	(47,297)
Write-offs	-	-	(452,651)	(452,651)
Currency differences	22,063	204,033	19,193	245,289
Total Expected Loss Provision -31 December 2022	365,454	1,775,605	596,016	2,737,075

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

l) Other explanations and disclosures: (continued)

Current Period

Consumer	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Loans under follow-up (Stage 3)	Total
31 December 2022	231,139	385,520	1,173,192	1,789,851
Transfers;				
- Stage 1 to Stage 2	(16,253)	62,410	-	46,157
- Stage 1 to Stage 3	(4,496)	-	140,516	136,020
- Stage 2 to Stage 3	-	(24,134)	107,116	82,982
- Stage 2 to Stage 1	6,435	(57,058)	-	(50,623)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	91,318	705,557	(62,374)	734,501
Collections	(76,020)	(79,817)	(82,209)	(238,046)
Sold Portfolio	-	-	(372,020)	(372,020)
Write-offs	-	-	(12,482)	(12,482)
Currency differences	-	-	-	-
Purchase of subsidiaries	1,203	3,376	33,028	37,607
Total Expected Loss Provision -31 December 2023	233,326	995,854	924,767	2,153,947

Prior Period

Consumer	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Loans under follow-up (Stage 3)	Total
31 December 2021	160,661	209,746	1,221,062	1,591,469
Transfers;				
- Stage 1 to Stage 2	(10,183)	58,020	-	47,837
- Stage 1 to Stage 3	(6,038)	-	272,728	266,690
- Stage 2 to Stage 3	-	(42,527)	285,430	242,903
- Stage 2 to Stage 1	7,548	(47,903)	-	(40,355)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	120,047	258,623	(377,532)	1,138
Collections	(40,896)	(50,439)	(36,569)	(127,904)
Sold Portfolio	-	-	(189,753)	(189,753)
Write-offs	-	-	(2,174)	(2,174)
Currency differences	-	-	-	-
Total Expected Loss Provision -31 December 2022	231,139	385,520	1,173,192	1,789,851

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

Current Period

Credit Cards	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Loans under follow-up (Stage 3)	Total
31 December 2022	137,943	257,466	129,119	524,528
Transfers;				
- Stage 1 to Stage 2	(10,904)	166,690	-	155,786
- Stage 1 to Stage 3	(2,293)	-	79,260	76,967
- Stage 2 to Stage 3	-	(13,557)	38,340	24,783
- Stage 2 to Stage 1	17,271	(99,622)	-	(82,351)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	43,448	442,857	90,930	577,235
Collections	(21,224)	(43,952)	(18,847)	(84,023)
Sold Portfolio	-	-	(129,332)	(129,332)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total expected loss provision 31 December 2023	164,241	709,882	189,470	1,063,593

Prior Period

Credit Cards	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Loans under follow-up (Stage 3)	Total
31 December 2021	64,441	50,833	188,370	303,644
Transfers;				
- Stage 1 to Stage 2	(5,435)	104,931	-	99,496
- Stage 1 to Stage 3	(1,659)	-	62,282	60,623
- Stage 2 to Stage 3	-	(9,503)	48,019	38,516
- Stage 2 to Stage 1	13,394	(21,936)	-	(8,542)
- Stage 3 to Stage 2	-	-	-	-
Transferred within the period	74,569	146,765	(53,220)	168,114
Collections	(7,367)	(13,624)	(50,885)	(71,876)
Sold Portfolio	-	-	(65,447)	(65,447)
Write-offs	-	-	-	-
Currency differences	-	-	-	-
Total expected loss provision 31 December 2022	137,943	257,466	129,119	524,528

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

6. Information on loans: (continued)

1) Other explanations and disclosures: (continued)

The fair value of collaterals of non- performing loans, capped with the respective outstanding loan balance, as of 31 December 2023 is TL 639,046 (31 December 2022: TL 842,665).

The fair value of the collateral of non-performing loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	557,394	668,114
Vehicle	48,162	63,499
Cash	238	113
Other (*)	33,252	110,939
Total	639,046	842,665

(*) Other amount includes Treasury backed and Portfolio guaranteed CGF guarantee amounting to TL 33,352 (31 December 2022: TL 110,939).

As of 31 December 2023, the fair value of the collaterals of the customers' total principal risk related to the loans under close monitoring that do not exceed the risk is TL 3,881,224 (31 December 2022: TL 3,767,830).

Fair value of the part of the collaterals of the closely monitored loans that do not exceed the risk:

	Current Period	Prior Period
Mortgage	3,232,685	3,182,343
Vehicle	541,478	466,367
Cash, Government Bonds	106,561	116,555
Other	500	2,565
Total	3,881,224	3,767,830

As of 31 December 2023, and 31 December 2022, the details of the commodities and real estates that the Parent Bank has acquired for disposal of credit receivables are as follows:

31 December 2023	Commercial	Consumer	Total
Residential, commercial, or industrial properties	81,771	289	82,060
Other	-	-	-
Total	81,771	289	82,060

31 December 2022	Commercial	Consumer	Total
Residential, commercial, or industrial properties	99,958	412	100,370
Other	-	-	-
Total	99,958	412	100,370

7. Information on financial assets measured at amortized cost:

a) a.1) Information on financial assets measured at amortized cost and subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	14,269,209	14,639,935	-	7,460,842
Total	14,269,209	14,639,935	-	7,460,842

a.2) Information on financial assets measured at amortized cost and given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	17,933,295	-	19,897,126	-
Other	-	-	-	-
Total	17,933,295	-	19,897,126	-

Financial assets valued over their amortized cost classified as free warehouse TL 2,449,019 (31 December 2022: TL 13,097,968).

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

7. Information on financial assets measured at amortized cost: (continued)

a.3) Information on government debt securities measured at amortized cost:

	Current Period	Prior Period
Government Bonds	49,291,458	40,455,936
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	49,291,458	40,455,936

Provision for expected losses amounting to TL 11,090 (31 December 2022: TL 9,103) is provided for government debt securities valued at amortized cost.

a.4) Information on financial assets measured at amortized cost:

	Current Period	Prior Period
Debt securities	49,291,458	40,455,936
Quoted on a Stock Exchange	49,291,458	40,455,936
Unquoted on a Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	49,291,458	40,455,936

a.5) Movement of financial assets measured at amortized cost:

	Current Period	Prior Period
Balance at the Beginning of the Period	40,455,936	19,551,700
Foreign Currency Differences on Monetary Assets	5,539,588	2,524,108
Purchases During the Year	15,451,927	12,931,495
Disposals Through Sales and Redemptions	(9,541,486)	(2,428,011)
Impairment Provision (-)	-	-
Valuation Effect (*)	(2,614,507)	7,876,644
Total Closing Balance	49,291,458	40,455,936

(*) Includes rediscount amounts.

8. Information on associates (Net):

- a.1) Information on consolidated associates according to Communiqué on Preparing Banks' Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2022: None).
- a.2) Information on the unconsolidated associates: None (31 December 2022: None).
- a.3) Information on the consolidated associates: None (31 December 2022: None).
- a.4) Information on sector information on consolidated associates: None (31 December 2022: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2022: None).

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

9. Information on subsidiaries (Net):

a) Information on shareholders' equity of significant subsidiaries:

	TEB Faktoring A.Ş.	TEB Yatırım Menkul Değerler A.Ş.	TEB Portföy Yönetimi A.Ş.	TEB Finansman A.Ş.
Paid-in Capital to be Entitled for Compensation after all Creditors	50,000	28,794	30,000	71,626
Reserves	383,935	33,843	1,091	498,991
Net income for the period and prior period income	388,434	752,601	134,680	174,718
Income/ Loss recognized under equity in accordance with TAS	-	-	(102)	-
Leasehold Improvements on Operational Leases (-)	6,223	345	2,638	668
Goodwill and intangible asset and the related deferred tax liability (-)	11,743	15,754	3,356	3,673
Total Common Equity Tier 1 Capital	804,403	799,139	159,675	740,994
Provision	23,996	-	-	4,180
Total Equity	828,399	799,139	159,675	745,174

The Parent Bank does not have any capital requirement arising from its subsidiaries included in the consolidated capital adequacy standard ratio.

b) If there is any unconsolidated subsidiary, total equity amount that is lack of subjection to the reasonable justifications of non-consolidate and minimum capital requirement: None (31 December 2022: None).

c) Information on the unconsolidated subsidiaries: None (31 December 2022: None).

d) Information on the consolidated financial subsidiaries:

d.1) Information on the consolidated financial subsidiaries:

Title	Address (City / Country)	Group's share percentage- If different voting percentage (%)	Other shareholders' share percentage (%)
1 TEB Faktoring A.Ş.	İstanbul/Turkey	100.00	-
2 TEB Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	100.00	-
3 TEB Portföy Yönetimi A.Ş.	İstanbul/Turkey	54.74	45.26
4 TEB Finansman A.Ş.	İstanbul/Turkey	100.00	-

Explanations on the consolidated subsidiaries with the order as presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss (*)	Fair Value
1	10,537,078	822,369	21,941	2,149,352	-	377,396	208,685	-
2	1,632,782	815,238	12,484	692,073	-	409,317	153,417	-
3	219,626	165,669	7,588	5,776	82	103,636	38,853	-
4	3,069,217	745,335	5,199	1,145,396	-	175,146	98,236	-

(*) These figures are shown per BRSA financial statements as of 31 December 2022.

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

9. Information on subsidiaries (Net): (continued)

d) Information on the consolidated financial subsidiaries: (continued)

d.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	134,897	130,139
Movements during the Period	176,132	4,758
Purchases (*)	162,985	-
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	-
Revaluation Increase / (Decrease)	13,147	4,758
Provision for Impairment	-	-
Balance at the End of the Period	311,029	134,897
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) On 4 November 2022, a Share Transfer Agreement was signed between BNP Paribas Personal Finance S.A., TEB Holding A.Ş. and Türk Ekonomi Bankası A.Ş. for the acquisition by B of (i) 61,300,800 shares owned by BNP Paribas Personal Finance S.A. and (ii) 10,325,200 shares owned by TEB Holding A.Ş. out of 71,626,000 registered shares in the capital of TEB Finansman A.Ş. It was also announced with the material event disclosure dated 16 January 2023 that the transaction was within the scope of intra-group restructuring; applications/information regarding the share transfer were made to the Banking Regulation and Supervision Agency and the Competition Authority and the necessary approvals were obtained. In this context, the acquisition of all (100%) of the shares of TEB Finansman A.Ş. by Türk Ekonomi Bankası A.Ş. and the share transfer transaction was completed on 23 January 2023 and Türk Ekonomi Bankası A.Ş. became the sole shareholder of TEB Finansman A.Ş.

d.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	43,417	43,417
Leasing Companies	-	-
Finance Companies	162,985	-
Other Financial Subsidiaries	104,627	91,480
Total	311,029	134,897

The carrying amounts of the subsidiaries above have been eliminated in the consolidated financial statements.

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2022: None).

e) Information on non-financial subsidiaries that are not consolidated:

TEB ARF Teknoloji A.Ş. was established by the Bank with TL 50,000 paid-in capital and 100% ownership; was registered in the Trade Registry Gazette on 16 July 2020.

10. Explanations on entities under common control (joint ventures):

a) Information on entities under common control (joint ventures):

Entities under common control (joint ventures)					Share of the Parent Bank (%)	Share of the Group (%)	
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş. (*)					0.1	33.3	
Total Assets	Equity	Total Fixed Assets	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
372,227	165,267	177,040	-	-	9,680	56,460	-

(*) Current period information is based on the financial statements as of 30 November 2023.

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

10. Explanations on entities under common control (joint ventures): (continued)

- b) Accounting method of the reasonable justification of unconsolidated in Joint Ventures that booked on the unconsolidated parent bank's financial statements:

The Parent Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., it is presented as joint venture in financial statements however, it is carried by cost value since necessary requirements for consolidation is not met.

11. Information on financial lease receivables (Net): None (31 December 2022: None).

12. Positive differences related to derivative financial assets for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	735,767	302,754	425,928	308,164
Foreign Net Investment Hedge	-	-	-	-
Total	735,767	302,754	425,928	308,164

In case of termination of the fair value hedge accounting, any adjustment to the book value of the hedging instrument calculated using the effective interest method under fair value hedge accounting is amortized through profit or loss to the financial asset price until the maturity of the asset.

According to cash flow hedges terminated by the Parent Bank, accumulated valuation differences amounted TL 39,591 (31 December 2022: TL 49,903) is recorded under equity as of 31 December 2023. These amounts are transferred into income statement by considering maturity date of hedged items.

13. Information on tangible assets:

	31 December 2022	Purchases	Sales	Other (*)	31 December 2023
Cost:					
Real Estate	116,525	1,157	-	49	117,731
Right of Use	1,197,825	678,102	(342,674)	5,613	1,538,866
Furniture, Furnishings, Office Machines and Other Securities	1,503,494	663,168	(38,158)	12,851	2,141,355
Total Cost	2,817,844	1,342,427	(380,832)	18,513	3,797,952
	31 December 2022	Charge for the Period	Sales	Other (*)	31 December 2023
Accumulated Depreciation:					
Real Estate	60,902	3,430	-	49	64,381
Right of Use Depreciation	619,625	278,268	(197,982)	1,118	701,029
Furniture, Furnishing, Office Machines and Other Securities	860,911	220,842	(33,558)	4,031	1,052,226
Total Accumulated Depreciation	1,541,438	502,540	(231,540)	5,198	1,817,636
Net Book Value	1,276,406				1,980,316

(*) Includes amounts arising from the acquisition of subsidiaries.

- a) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- b) Pledges, mortgages and other restrictions on the tangible assets, expenses arising from the construction for tangible assets, commitments given for the purchases of tangible assets: None.

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

14. Information on intangible assets:

	31 December 2022	Purchases	Sales	Other (*)	31 December 2023
Cost:					
Other intangible assets	1,091,051	745,780	(152,261)	23,163	1,707,733
Total Cost	1,091,051	745,780	(152,261)	23,163	1,707,733
	31 December 2022	Charge for the Period	Sales	Other (*)	31 December 2023
Accumulated Depreciation:					
Other intangible assets	608,319	197,108	-	19,211	824,638
Total Accumulated Depreciation	608,319	197,108	-	19,211	824,638
Net Book Value	482,732				883,095

(*) Includes amounts arising from the acquisition of subsidiaries.

- Disclosures for book value, description and remaining useful life for a specific intangible asset that is material to the financial statements: None.
- Disclosure for intangible assets acquired through government grants and accounted for at fair value at initial recognition: None.
- The method of subsequent measurement for intangible assets that are acquired through government incentives and recorded at fair value at the initial recognition: None.
- Book value of intangible assets that are restricted or pledged in use: None.
- Amount of purchase commitments for intangible assets: None.
- Information on revalued intangible assets according to their types: None.
- Amount of total research and development expenses recorded in income statement within the period if any: None.
- Positive or negative consolidation goodwill on entity basis: None.
- Information on goodwill:

Following the publication of the BRSA's permission dated 10 February 2011 in the Official Gazette dated 12 February 2011 and numbered 27844, all rights by the termination of the legal personality of Fortis Bank A.Ş. The merger of two banks was realized through the transfer of receivables, liabilities, and liabilities to the Bank in the form of ashes. The shareholders of Fortis Bank A.Ş., which was dismissed due to the merger, were given 1.0518 registered TEB shares for each share with a nominal value of 1 TL to be replaced with their existing shares. Since the enterprises subject to this merger are not controlled by the same person or persons before and after the business merger, the transaction has been evaluated within the scope of TFRS 3. In the merger, Fortis Bank A.Ş. has been identified as an acquired business, and the fair value of the equity shares subject to the change because of the merger, as of 14 February 2011, is taken into account as the transferred price, and the difference between this value and the fair value of the identifiable net assets of Fortis Bank A.Ş. is recognized as goodwill.

- Beginning and ending balance of the goodwill and movement on goodwill in the current period:

	Current Period	Prior Period
Beginning of the period	421,124	421,124
Foreign currency differences	-	-
Acquisitions	-	-
Period End Balance	421,124	421,124

15. Information on investment properties: None (31 December 2022: None).

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

16. Information on deferred tax asset:

- As of 31 December 2023, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TL 2,531,368 (31 December 2022: TL 1,624,898). There are no tax exemptions or deductions over which deferred tax asset is computed.
- Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- Allowance for deferred tax and deferred tax assets from reversal of allowance: None.
- Movement of deferred tax:

	Current Period	Prior Period
As of 1 January,	1,624,898	147,376
Deferred Tax Income / (Expense)	474,452	1,639,946
Deferred Tax Accounted for Under Equity	357,415	(162,424)
Subsidiary Acquisition	74,603	-
Deferred Tax Asset	2,531,368	1,624,898

After net off the net deferred tax asset is presented as deferred tax asset on the balance sheet and net deferred tax liability presented as deferred tax liability on balance sheet. The deferred tax income of TL 474,452 is stated under the tax provision in the income statement (31 December 2022: TL 1,639,946 income). The portion of the deferred tax that is directly attributable to equity which is presented in the table below has been netted within the relevant accounts in the statement of shareholders' equity.

	Current Period	Prior Period
Financial Assets at Fair Value Through Other Comprehensive Income	275,549	(282,454)
From Hedge Accounting	988	(12,097)
Actuarial Gains and Losses	80,878	132,127
Total	357,415	(162,424)

17. Information on assets held for sale and discontinued operations:

	Current Period	Prior Period
Beginning of the Period Cost	100,370	65,933
Accumulated Depreciation at the Beginning of the Period (-)	-	-
Net Book Value	100,370	65,933
Opening Balance	100,370	65,933
Acquired	49,380	129,422
Disposed (-)	67,042	94,115
Impairment (-)	648	870
Depreciation Value (-)	-	-
Period End Cost	82,060	100,370
Period End Accumulated Depreciation (-)	-	-
Closing Net Book Value	82,060	100,370

As of 31 December 2023, the Group does not have any non-current assets related to discontinued operations (31 December 2022: None).

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I. Explanations and Disclosures Related to the Consolidated Assets (Continued)

18. Information on factoring receivables of Group:

a) Maturity analysis explanation:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short Term (*)	5,911,393	4,191,439	4,137,185	3,192,413
Mid and Long Term	-	-	-	-
Stage 1 Provision (-)	7,172	115	2,316	25
Stage 2 Provision (-)	16,709	-	5,302	2
Stage 3 Provision (-)	94,219	7,669	47,639	4,606
Total	5,793,293	4,183,655	4,081,928	3,187,780

(*) Includes factoring receivables which is impaired amounting to TL 107,812 (31 December 2022: TL 60,250).

b) Other explanations and disclosures:

Current Period	Commercial	Consumer	Total
Standard Loans	8,851,783	-	8,851,783
Close Monitoring Loans	1,143,237	-	1,143,237
Loans Under Follow-Up	107,812	-	107,812
Total	10,102,832	-	10,102,832
12 month expected credit loss (Stage I) (-)	7,287	-	7,287
Significant increase in credit risk (Stage II) (-)	16,709	-	16,709
Default (Stage III) (-)	101,888	-	101,888
Total Allowance for Impairment (-)	125,884	-	125,884
Net Credit Balance on Balance Sheet	9,976,948	-	9,976,948
Prior Period	Commercial	Consumer	Total
Standard Loans	6,478,745	-	6,478,745
Close Monitoring Loans	790,603	-	790,603
Loans Under Follow-Up	60,250	-	60,250
Total	7,329,598	-	7,329,598
12 month expected credit loss (Stage I) (-)	2,341	-	2,341
Significant increase in credit risk (Stage II) (-)	5,304	-	5,304
Default (Stage III) (-)	52,245	-	52,245
Total Allowance for Impairment (-)	59,890	-	59,890
Net Credit Balance on Balance Sheet	7,269,708	-	7,269,708

c) Aging analysis of accounting past-due exposures:

31 December 2023	1-30 Days	31-60 Days	61-90 Days	Total
Commercial Loans	989	1,349	448	2,786
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Total	989	1,349	448	2,786
31 December 2022	1-30 Days	31-60 Days	61-90 Days	Total
Commercial Loans	2,091	124	1,906	4,121
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Total	2,091	124	1,906	4,121

19. Information on other assets:

Other Assets item of the balance sheet amounting to TL 12,318,047 (31 December 2022: TL 9,089,840) does not exceed 10% of the total amount of balance sheet except for off-balance sheet commitments.

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II. Explanations and Disclosures Related to the Consolidated Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month - 1 Year	1 Year Accumulated and Over	Deposits	Total
Saving Deposits	11,434,614	-	30,955,848	65,389,026	2,876,936	9,874,584	3,204,116	-	123,735,124
Foreign Currency Deposits	62,390,386	-	11,279,340	12,705,976	231,984	50,731	47,189	-	86,705,606
Residents in Turkey	59,024,612	-	10,540,158	12,196,472	211,226	47,602	42,603	-	82,062,673
Residents Abroad	3,365,774	-	739,182	509,504	20,758	3,129	4,586	-	4,642,933
Public Sector Deposits	1,838,949	-	14,044	205,711	1,547,150	-	-	-	3,605,854
Commercial Deposits	15,999,693	-	12,639,296	20,143,834	1,154,047	1,998,176	1,399,329	-	53,334,375
Other Institutions Deposits	1,007,541	-	183,111	833,605	65,215	11	278	-	2,089,761
Precious Metals Deposits	12,382,123	-	20,326	85,192	10,527	20,771	293	-	12,519,232
Bank Deposits	329,106	-	2,248,143	-	-	-	-	-	2,577,249
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	5	-	-	-	-	-	-	-	5
Foreign Banks	329,101	-	2,248,143	-	-	-	-	-	2,577,244
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	105,382,412	-	57,340,108	99,363,344	5,885,859	11,944,273	4,651,205	-	284,567,201

Currency-protected deposit product, the operating rules of which is determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 31 December 2023, TL deposit amount includes TL 44,388,822 (31 December 2022: TL 37,257,017) deposits within this scope.

a.2) Prior period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month - 1 Year	1 Year Accumulated and Over	Deposits	Total
Saving Deposits	8,171,822	-	14,087,065	51,169,720	2,161,080	37,848	2,076,773	-	77,704,308
Foreign Currency Deposits	41,602,360	-	9,563,959	10,687,797	158,722	62,260	114,862	-	62,189,960
Residents in Turkey	39,562,308	-	9,079,292	10,025,022	145,626	58,115	108,559	-	58,978,922
Residents Abroad	2,040,052	-	484,667	662,775	13,096	4,145	6,303	-	3,211,038
Public Sector Deposits	1,022,181	-	8,529	568,611	-	-	-	-	1,599,321
Commercial Deposits	12,649,467	-	11,477,484	16,113,341	2,246,338	102,882	3,409,323	-	45,998,835
Other Institutions Deposits	599,846	-	126,746	756,087	90,788	22	451	-	1,573,940
Precious Metals Deposits	9,166,124	-	21,852	277,988	18,928	13,856	1,495	-	9,500,243
Bank Deposits	185,513	-	1,597,800	-	-	-	-	-	1,783,313
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	8	-	-	-	-	-	-	-	8
Foreign Banks	185,505	-	1,597,800	-	-	-	-	-	1,783,305
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	73,397,313	-	36,883,435	79,573,544	4,675,856	216,868	5,602,904	-	200,349,920

b) Information on saving deposits under the guarantee of saving deposit insurance:

b.1) Saving deposits exceeding the limit of insurance:

i) Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance (*):

Saving Deposits	Under the Guarantee of Insurance (**)		Exceeding the Limit of Insurance (**)	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	49,743,453	26,516,373	72,203,333	48,478,289
Foreign Currency Saving Deposits	18,884,543	11,272,053	26,773,509	25,728,396
Other Deposits in the Form of Saving Deposits	4,671,518	2,818,412	6,054,464	5,428,436
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
Total	73,299,514	40,606,838	105,031,306	79,635,121

(*) Pursuant to the "Regulation Amending the Regulation on the Insured Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposits and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions, started to be insured. In this context, commercial deposits covered by insurance amounting to TL 8,720,452 (31 December 2022: TL 5,370,596) are not included in the footnote.

(**) According to the BRSA's circular no 1584 dated on 23 February 2005, accruals are included in the saving deposit amounts.

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

b) Information on saving deposits under the guarantee of saving deposit insurance: (continued)

b.1) Saving deposits exceeding the limit of insurance: (continued)

ii) Deposit of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Foreign Branches' Deposits and Other Accounts	2,040,846	1,336,331
Deposits of Controlling Shareholders and Their Close Families	3,159,145	4,182,430
Deposits of Chairman and Members of the Board of Directors and Their Close Families	186,514	91,901
Deposits Obtained through Illegal Acts Defined in the 282 nd Article of the 5237 Numbered Turkish Criminal Code Dated September 26, 2004.	-	-
Saving Deposits in Banks Established in Turkey exclusively for Off-shore Banking Activities	-	-

2. Information on derivative financial liabilities:

a) Negative differences related to derivative financial liabilities held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	344,298	14,767	93,782	34,238
Swap Transactions	1,020,999	347,925	2,665,390	156,043
Futures Transactions	-	-	-	-
Options	387,146	437,708	142,470	405,697
Other	-	-	-	-
Total	1,752,443	800,400	2,901,642	595,978

3. Information on funds borrowed and debt securities issued:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds Borrowed from Central Bank of Türkiye	-	-	-	-
From Domestic Banks and Institutions	5,228,327	12,801	3,894,869	74,613
From Foreign Banks, Institutions and Funds	324,183	24,028,802	3	13,635,617
Total	5,552,510	24,041,603	3,894,872	13,710,230

As of 31 December 2023, the Group has borrowings from its related parties amounting to TL 4,189,313 (31 December 2022: TL 3,142,174).

b) Explanation on maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	5,552,510	6,038,243	3,851,876	4,933,207
Medium and Long-term	-	18,003,360	42,996	8,777,023
Total	5,552,510	24,041,603	3,894,872	13,710,230

c) Information on debt securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bank Bonds	868,080	-	422,045	-
Treasury Bills	643,861	-	-	-
Total	1,511,941	-	422,045	-

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II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

4. Information on money market funds:

Information on funds provided through repurchase transactions:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Transactions	390,354	21,558,125	439,289	1,084,154
Financial Institutions and Organizations	-	21,558,125	-	1,084,154
Other Institutions and Organizations	390,354	-	439,289	-
Individuals	-	-	-	-
From Foreign Transactions	-	6,551,717	-	5,706,506
Financial Institutions and Organizations	-	6,551,717	-	5,706,506
Other Institutions and Organizations	-	-	-	-
Individuals	-	-	-	-
Total	390,354	28,109,842	439,289	6,790,660

5. Other external funding payables which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

Other foreign sources item of the balance sheet is TL 16,699,556 (31 December 2022: TL 12,264,848) does not exceed 10% of the total balance sheet.

6. Explanation on financial lease obligations (Net):

With the "IFRS 16 Leases" standard which became effective as of 1 January 2020, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under "Tangible Assets" as an asset (tenure) and under "Liabilities from Leasing" as a liability. As of 31 December 2023, Parent Bank has TL 1,025,441 (31 December 2022: TL 710,629) liabilities from Leasing amount.

7. Negative differences table of derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	82,455	-	69,613	-
Foreign Net Investment Hedge	-	-	-	-
Total	82,455	-	69,613	-

In case the fair value hedge accounting is terminated, any adjustment made to the book value of the hedged financial instrument determined by using the effective interest method within the scope of fair value hedge accounting is amortized through profit or loss until the maturity of the financial instrument.

As of 31 December 2023, there are accumulated valuation differences of TL 39,591 (31 December 2022: TL 49,903) under equity. Regarding the cash flow hedging transactions terminated by the Parent Bank, this amount is spread over the remaining terms of the hedged items by the Parent Bank and transferred to the income statement.

8. Information on provisions:

- Foreign exchange provision on the foreign currency indexed loans and financial lease receivables: There are no provision on the foreign currency indexed loans that is offset from the loans on the balance sheet (31 December 2022: None).
- The specific provisions provided for indemnifies non-cash loans or expected credit loss for non-cash loans:

	Current Period	Prior Period
Stage 1	167,442	163,475
Stage 2	611,469	389,419
Stage 3	131,680	133,621
Total	910,591	686,515

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II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

8. Information on provisions: (continued)

- c) Liabilities on unused vacation, bonus, health, employee termination benefits:

As of 31 December 2023, the Parent Bank received TL 56,774 (31 December 2022: TL 31,493) allowance for unused vacation TL 1,475,226 (31 December 2022: TL 1,291,701) employee termination benefits and TL 1,570,679 (31 December 2022: TL 859,982) related to the premiums to be paid to bank personnel, and TL 17,940 (31 December 2022: TL 1,887) provision of other personnel expenses reflected the to the “Provisions for Employee Rights” account in the financial statements.

c.1) Termination benefits:

In determining the liability, the Parent Bank makes use of independent actuaries and makes assumptions on issues such as discount rate, employee turnover rate and future salary increases. These assumptions are reviewed annually.

	31 December 2023	31 December 2022
Discount Rate (%)	23.13	10.60
Estimated inflation rate (%)	17.77	7.48
Salary Increase Rate over Inflation Rate (%)	1.00	1.00

Movement of employee termination benefits

	Current Period	Prior Period
As of 1 January,	1,291,701	499,936
Current service cost	88,764	215,539
Interest cost	90,071	96,968
Reductions and payments	9,519	9,747
Actuarial loss / (gain)	369,459	522,413
Compensations paid	(387,230)	(52,902)
Subsidiary Acquisition	12,942	-
Total	1,475,226	1,291,701

c.2) Retirement Benefits:

The employees who have joined the Bank as a consequence of the merger of the Parent Bank and Fortis Bank are members of the “Pension Fund Foundation” established in accordance with the Social Security Law No.506, provisional Article No.20.

The liabilities described in the Retirement Fund Section 3 No. XVI “Explanations on Liabilities related to Rights of Employees” which may arise during the transfer have been calculated by the actuary based on the principles of the related regulation, whereas the liabilities in connection with other social rights and benefits which will not be undertaken by the SSI after the transfer have been calculated by the actuary based on TAS 19 principles. The Parent Bank is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 31 December 2023 and 31 December 2022. Since the Parent Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

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II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

8. Information on provisions: (continued)

c) Liabilities on unused vacation, bonus, health, employee termination benefits: (continued)

c.2) Retirement Benefits: (continued)

Within the frame of the assumptions determined;

Period Based Pension and Health Obligations:	31 December 2023	31 December 2022
Net Present Value of Transferrable Retirement Liabilities	(6,317,234)	(2,265,564)
Net Present Value of Transferrable Retirement and Health Contributions	851,710	653,404
General Administration Expenses	(63,172)	(22,656)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	(5,528,696)	(1,634,816)
Fair Value of Plan Assets (2)	8,399,806	5,915,152
Asset Surplus over Transferable Benefits ((2)-(1) = (3))	2,871,110	4,280,336
Non-Transferable Benefits (4)	(2,148,410)	(1,138,155)
Asset Surplus over Total Benefits ((3)-(4))	722,700	3,142,181

As of 31 December 2023, and 31 December 2022, the distribution of the fair value of the total assets of the Pension Fund is as follows:

	31 December 2023	31 December 2022
Bank placements	1,730,850	1,792,939
Tangible assets	465,925	199,608
Government Bonds and Treasury Bills, Funds and Rediscount Interest Income	5,697,020	3,483,749
Other	506,011	438,856
Total	8,399,806	5,915,152

Actuarial assumptions used in the calculation of liabilities excluding the period-based liabilities according to TAS 19 are as follows:

	31 December 2023	31 December 2022
Discount Rates	23.13%	10.60%
Inflation expectations	17.77%	7.48%

As of 31 December 2023, health inflation is assumed to be in line with inflation. Long-term inflation assumption is assumed to be 17.77% on 31 December 2023 (31 December 2022: 19% in the first year and 7.48% in the following years). It is assumed that general salary increases will be 1% above inflation and SSI ceiling increase will be at the same rate as inflation (31/12/2022: 20% in the first year and 8.48% in the following years for salary increase, 19% in the first year and 7.48% in the following years for SSI ceiling increase). CSO 2001 (31 December 2022: CSO 2001) Female/Male mortality table is used to represent expected mortality rates both before and after retirement.

d) Information on other provisions:

	Current Period	Prior Period
Provision for Non-cash Loans	910,591	686,515
Provision for Legal Cases	233,353	137,465
Provision for Promotions of Credit Cards and Banking Services	16,718	10,677
Other (*)	2,347,606	463,480
Total	3,508,268	1,298,137

(*) As of 31 December 2023, it includes free provision amounting to TL 2,050,000 (31 December 2022: TL 400,000). This free provision has been allocated by the Bank management outside the requirements of BRSA Accounting and Financial Reporting Legislation.

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II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

8. Information on provisions: (continued)

d) Information on other provisions: (continued)

The following table is represented reconciliation on the provision for impairment of non-cash loans;

Current Period	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Loans under follow-up (Stage 3)	Total
31 December 2022	163,475	389,419	133,621	686,515
Transfers;				
- Stage 1 to Stage 2	(688)	4,024	-	3,336
- Stage 1 to Stage 3	(112)	-	5,422	5,310
- Stage 2 to Stage 3	-	(6,942)	120,364	113,422
- Stage 2 to Stage 1	-	-	-	-
- Stage 3 to Stage 2	425	(4,346)	-	(3,921)
Transferred within the period	15,447	139,730	(107,916)	47,261
Collections	(29,853)	(95,662)	(19,811)	(145,326)
Exchange differences	18,748	185,246	-	203,994
Total expected loss provision 31 December 2023	167,442	611,469	131,680	910,591

Prior Period	Standard Loans (Stage 1)	Loans under close monitoring (Stage 2)	Loans under follow-up (Stage 3)	Total
31 December 2021	67,930	233,196	44,434	345,560
Transfers;				
- Stage 1 to Stage 2	(5,046)	29,766	-	24,720
- Stage 1 to Stage 3	(307)	-	217,440	217,133
- Stage 2 to Stage 3	-	(655)	173,847	173,192
- Stage 2 to Stage 1	-	-	-	-
- Stage 3 to Stage 2	223	(5,819)	-	(5,596)
Transferred within the period	109,436	81,401	(296,647)	(105,810)
Collections	(17,885)	(18,611)	(5,453)	(41,949)
Exchange differences	9,124	70,141	-	79,265
Total expected loss provision 31 December 2022	163,475	389,419	133,621	686,515

9. Explanations on taxes payable:

a) Information on tax provision:

The Group's corporate tax liability is TL 395,928 as of 31 December 2023 (31 December 2022: TL 1,584,567). As of 31 December 2023, the Group's total tax and premium debt is TL 1,476,644 (31 December 2022: TL 2,045,694).

b) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	395,928	1,584,567
Taxation on Securities	194,666	69,692
Property Tax	5,891	3,907
Banking Insurance Transaction Tax (BITT)	464,854	154,358
Foreign Exchange Transaction Tax	8,508	10,779
Value Added Tax Payable	61,748	34,536
Other (*)	118,714	74,901
Total	1,250,309	1,932,740

(*) TL 111,043 (31 December 2022: TL 57,679) of the other item is income tax deducted from wages and TL 5,834 (31 December 2022: TL 6,855) is stamp tax payable.

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II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

9. Explanations on taxes payable: (continued)

c) Information on Premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	157,917	79,488
Social Security Premiums-Employer	57,105	27,840
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	4,067	2,081
Unemployment Insurance-Employer	7,246	3,545
Other	-	-
Total	226,335	112,954

d) Explanations on deferred tax liabilities, if any: The Group does not have any deferred tax liability of the Group as of 31 December 2023 (31 December 2022: None).

10. **Information on fixed assets payables related to activities held and discontinued for sale:** None (31 December 2022: None).

11. **Explanations on the number of subordinated loans the Parent Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:**

The Parent Bank was issued Subordinated debt instrument on 5 November 2018, which has two Call Dates: falling on the fifth anniversary notes and the Interest Payment Date falling thereafter amounting USD 210 million with the final maturity of 10 years. The interest rate of the issuance is 10.40% per annum and will be continued at the end of the 5th year with an annual interest rate of SOFR + 7.32% after the first early redemption date. The "Tier 2 capital" was provided by BNP Paribas Fortis SA / NV.

On 14 May 2019, the Parent Bank has issued subordinated debt securities amounting to EUR 60 million with a maturity of 10 years and 2 early redemption rights at the end of the 5th year and the first interest payment period following the 5th year, provided that it is not earlier than 5 years. The interest rate of the issue is 6-month Euribor + 7.10% per annum. The "Tier 2 capital" was provided by BNP Paribas Fortis SA / NV.

On 20 July 2012, the Parent Bank had issued a debt instrument of EUR 100 million as T2 capital and the debt instrument was redeemed on 22 July 2019 after the decision of the relevant Board of Directors and the approval of the BRSA. On 22 July 2019, the Parent Bank issued a subordinated debt security with amount of 100 million EURO, with the final maturity of 10 years, with no call till 5th anniversary of the notes. The Notes have two Call Dates, falling on the fifth anniversary notes and the Interest Payment Date falling thereafter. The interest rate of the issuance is 6-months Euribor + 7.10% annually. The "Tier 2 capital" was provided by BNP Paribas Fortis SA / NV.

The Parent Bank issued subordinated debt instrument, which has early redemption right on 27 June 2023, with the final maturity of 10 years in the amount of EUR 125 million on 27 June 2018. The interest rate of the issuance is 6-month Euribor + 5.10% per annum. The "Tier 2 capital" was provided by BNP Paribas Fortis SA / NV. Following the BRSA approval, early redemption was carried out on 27 December 2023.

The above mentioned four subordinated loans are utilized in-line with the "loan capital" definition of BRSA and will positively affect the capital adequacy ratio of the Parent Bank as well as utilizing long term funding.

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II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

11. Explanations on the number of subordinated loans the Parent Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any: (continued)

Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Instruments to be Included in Additional Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Debt Instrument to be Included in the Contribution Capital Calculation	-	11,637,967	-	9,708,218
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	11,637,967	-	9,708,218
Total	-	11,637,967	-	9,708,218

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	11,637,967	-	9,708,218
From Other Foreign Institutions	-	-	-	-
Total	-	11,637,967	-	9,708,218

12. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

	Current Period	Prior Period
Common Stock	2,204,390	2,204,390
Preferred Stock	-	-

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank if so, amount of registered share capital ceiling:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2,204,390	-

c) Information on share capital increases, their sources and other information on increased capital shares in current period: None.

d) Information on share capital increases from revaluation funds: None.

e) Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments: None.

f) Indicators of the Parent Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Parent Bank's equity due to the uncertainty of these indicators:

The income diversified with various business line and related channels/products/sectors, supported with different projects result a sustainable and relatively non-volatile profitability. Besides, interest rate, currency rate and liquidity risk under control are testing with various simulation and this test prevents the risks of effect. The profitability of the Parent Bank is followed up and estimated by the Parent Bank's Planning and Performance Management in short, long, and medium term. It is also reported to Asset-Liability Committee and other related organs. As result, current and future negative effect on equity is not occurred and expected.

g) Information on privileges given to stocks representing the capital: None.

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II. Explanations and Disclosures Related to the Consolidated Liabilities (Continued)

12. Information on Shareholders' Equity: (continued)

h) Information on marketable securities valuation differences:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	(81,685)	(29,672)	773,927	(82,686)
Foreign Exchange Difference	-	-	-	-
Total	(81,685)	(29,672)	773,927	(82,686)

13. **Information on minority interest:** As of 31 December 2023, part of the Group equity that belongs to minority shares is TL 74,982 (31 December 2022: TL 28,443).

14. **Information on factoring liabilities:** As of 31 December 2023, the Group has factoring debt of TL 30,482 (31 December 2022: TL 4,791).

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III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Credit Card Expenditure Limits	52,048,755	22,073,226
Used Guarantee Loan Allocation Commitments	13,577,154	11,657,703
Forward Assets Trading Commitments	10,243,499	7,231,850
Payment Commitment for Cheques	4,044,146	2,776,761
Tax and Fund Liabilities from Export Commitments	302,721	127,411
Commitments for Promotions Related with Credit Cards and Banking Activities	3,181	2,141
Other Irrevocable Commitments	955,409	375,297
Other Revocable Commitments	902,792	-
Total	82,077,657	44,244,389

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

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

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

	Current Period	Prior Period
Letters of Credit	22,935,305	15,650,244
Bank Acceptances	70,513	23,623
Other Commitments	10,693,200	7,350,992
Other Contingencies	3,057,472	2,207,625
Total	36,756,490	25,232,484

b.2) Guarantees, surety ships, and similar transactions:

	Current Period	Prior Period
Guarantee Letters	28,949,303	17,249,510
Advance Guarantee Letters	8,472,141	6,944,286
Guarantee Letters Given for Customs	1,321,518	961,508
Temporary Guarantee Letters	659,207	1,517,892
Other Guarantee Letters	5,765,495	3,358,756
Total	45,167,664	30,031,952

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

	Current Period	Prior Period
Non-Cash Loans Given Against Achieving Cash Loans	5,609,748	3,362,152
With Maturity of One Year or Less Than One Year	821,496	469,739
With Maturity of More Than One Year	4,788,252	2,892,413
Other Non-Cash Loans	76,314,406	51,902,284
Total	81,924,154	55,264,436

For non-cash loans amounting to TL 250,521 (31 December 2022: TL 253,300) followed in off-balance sheet accounts, which are not compensated and turned into cash, TL 131,680 (31 December 2022: TL 133,621) third stage expected loss provision has been made. In addition, TL 167,442 (31 December 2022: TL 163,475) Stage 1, TL 611,469 (31 December 2022: TL 389,419) Stage 2 TFRS 9 expected loss provision have been made.

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III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items (Continued)

1. Information on off-balance sheet liabilities: (continued)

c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	82,951	0.42	3,953	0.01	119,802	0.86	52,460	0.13
Farming and raising livestock	81,156	0.41	3,953	0.01	114,335	0.82	52,460	0.13
Forestry	-	-	-	-	-	-	-	-
Fishery	1,795	0.01	-	-	5,467	0.04	-	-
Manufacturing	8,836,468	44.99	23,981,409	38.50	6,237,580	44.72	19,941,531	48.27
Mining and Quarry	438,967	2.23	783,719	1.26	335,419	2.40	782,573	1.89
Production	8,262,778	42.07	23,165,480	37.19	5,692,150	40.81	19,137,263	46.32
Electricity, Gas and Water	134,723	0.69	32,210	0.05	210,011	1.51	21,695	0.05
Construction	1,992,328	10.14	14,932,457	23.98	1,862,922	13.36	7,618,827	18.44
Services	8,444,984	43.00	20,834,283	33.45	5,571,367	39.94	12,033,878	29.13
Wholesale and Retail Trade	5,305,720	27.01	6,786,838	10.90	3,209,837	23.01	3,599,235	8.71
Hotel and Restaurant Services	284,066	1.45	19,444	0.03	229,190	1.64	121,394	0.29
Transportation and Communication	1,140,776	5.81	1,563,540	2.51	864,851	6.20	1,064,592	2.58
Financial Institutions	428,284	2.18	3,889,322	6.24	419,562	3.01	1,521,563	3.68
Real Estate and Renting	647,865	3.30	5,517,421	8.86	422,995	3.03	3,717,166	9.00
Self-employment Services	620,375	3.16	3,045,051	4.89	405,832	2.91	2,009,031	4.86
Education Services	7,942	0.04	12,667	0.02	5,975	0.04	745	-
Health and Social Services	9,956	0.05	-	-	13,125	0.09	152	-
Other	285,511	1.45	2,529,810	4.06	157,501	1.13	1,668,568	4.04
Total	19,642,242	100.00	62,281,912	100.00	13,949,172	100.00	41,315,264	100.00

c.3) Information on Stage I and Stage II non-cash loans:

Current Period	Stage I		Stage II	
	TL	FC	TL	FC
Non-cash loans				
Letters of guarantee	12,770,503	28,525,278	583,560	3,288,323
Bank acceptances	-	70,513	-	-
Letters of credit	-	22,788,090	-	147,215
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	6,146,454	7,462,493	141,725	-
Total	18,916,957	58,846,374	725,285	3,435,538

Prior Period	Stage I		Stage II	
	TL	FC	TL	FC
Non-cash loans				
Letters of guarantee	9,024,453	18,132,753	409,458	2,465,288
Bank acceptances	-	23,623	-	-
Letters of credit	-	15,632,222	-	18,022
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	4,326,186	5,043,356	189,075	-
Total	13,350,639	38,831,954	598,533	2,483,310

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III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items (Continued)

2. Information related to derivative financial instruments

	Derivative Transactions According to Purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of trading transactions				
Foreign currency related derivative transactions (I):	265,744,184	228,974,961	-	-
Forward transactions	36,518,576	43,058,781	-	-
Swap transactions	127,164,205	126,894,040	-	-
Futures transactions	-	4,145,296	-	-
Option transactions	102,061,403	54,876,844	-	-
Interest related derivative transactions (II):	102,471,834	80,543,010	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	91,040,876	72,607,050	-	-
Interest option transactions	11,430,958	7,935,960	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	-	-	-	-
Other trading derivative transactions (IV)	3,832,469	1,395,731	-	-
A. Total Trading Derivative Transactions (I+II+III+IV)	372,048,487	310,913,702	-	-
Types of hedging transactions	-	-	-	-
Fair value hedges	-	-	-	-
Cash flow hedges	-	-	26,163,509	19,489,643
Net investment hedges	-	-	-	-
B. Total Hedging Related Derivatives	-	-	26,163,509	19,489,643
Total Derivative Transactions (A+B)	372,048,487	310,913,702	26,163,509	19,489,643

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the bank's financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements:

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and are remeasured at fair value as trading transactions by the Parent Bank.

i) Derivative Instruments for Fair Value Hedging Purposes:

As of 31 December 2023, the Bank has no derivative instruments for hedging purposes.

ii) Derivative Instruments for Cash Flow Hedge Purposes

The Parent Bank has designated swap transactions with a total notional amount of TL 26,163,509 (31 December 2022: TL 19,489,643) as cash flow hedges by matching with the deposit portfolio and selected loans portfolio with maturities between 1-90 days. The amount of the portion accounted under equity is TL 310,532 (31 December 2022: TL 376,592 receivable) receivable and TL 93,160 (31 December 2022: TL 94,148 payable) payable in the financial statements, net of deferred tax effect.

	Current Period			Prior Period		
	Nominal	Fair Value		Nominal	Fair Value	
		Asset	Liability		Asset	Liability
Cross Currency Swaps	7,449,520	776,565	82,455	10,604,665	533,642	68,920
Interest Rate Swaps	18,713,989	261,956	-	8,884,978	200,450	693
Total	26,163,509	1,038,521	82,455	19,489,643	734,092	69,613

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THE PERIOD ENDED 31 DECEMBER 2023**

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III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items (Continued)

3. Credit derivatives and risk exposures on credit derivatives: None.

4. Explanations on contingent liabilities and assets:

- a) a.1) The Group's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint ventures) in its own contingent liabilities: None.
- a.3) The Group's contingent liabilities resulting from liabilities of other ventures in entities under common control (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
 - b.1) Contingent assets are accounted for if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes: As of 31 December 2023, there are no contingent assets that need to be explained (31 December 2022: None).
 - b.2) A provision is made for contingent liabilities if realization is probable, and the amount can be reliably determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes. The Bank and financial institution subject to consolidation have provided provision amounting to TL 233,353 (31 December 2022: TL 137,465) for various lawsuits filed by various individuals and institutions with high probability of occurrence and cash outflow. This amount is presented under “Other Provisions” in the financial statements.

5. Custodian and intermediary services:

The Group provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of the Consolidated Off-Balance Accounts.

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III. Explanations and Disclosures Related to the Consolidated Off-Balance Sheet Items (Continued)

6. The information on the banks' rating by the international rating introductions (*):

TEB maintained its position as one of the most highly rated banks in Turkey. As of 31 December 2023, TEB's ratings were as follows:

Fitch Ratings:

Foreign Currency

Long-term	B-
Short-term	B
Outlook	Stable

Turkish Lira

Long-term	B
Short-term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Financial Strength	b-
Shareholder Support Note	b-

Moody's Investor Services:

Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term FC Deposits	B3
Short Term FC Deposits	NP
Long Term TL Deposits	B1
Short Term TL Deposits	NP
Outlook	Stable

(*) Ratings above are not performed based on the "Communiqué for Authorization and Activities of Rating Institutions" published by the Capital Markets Board.

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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IV. Explanations and Disclosures Related to the Consolidated Statement of Income

1. Explanations on Interest Income

a) Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income on loans (*)				
Short Term Loans	23,337,080	2,534,133	11,925,052	935,198
Medium- and Long-Term Loans	11,708,680	1,179,081	8,710,805	715,586
Interest on Loans under Follow-Up	237,155	8,504	237,239	1,869
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	35,282,915	3,721,718	20,873,096	1,652,653

(*) Includes fees and commissions obtained from cash loans amounting to TL 981,443 (31 December 2022: TL 594,372).

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Türkiye	116,389	11,464	-	2,728
Domestic Banks	884,691	546	141,988	1,102
Foreign Banks	74,207	247,700	18,736	68,107
Branches and Head Office Abroad	-	-	-	-
Total	1,075,287	259,710	160,724	71,937

c) Information on interest income on marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	176,700	30,677	355,260	41,958
Financial Assets at Fair Value Through Other Comprehensive Income	1,681,212	129,230	1,572,580	143,655
Financial Assets at Amortised Cost	9,857,644	453,755	9,685,167	412,273
Total	11,715,556	613,662	11,613,007	597,886

As stated in note VII of Section Three, there are CPI indexed bonds in the securities portfolios of the Parent Bank, whose fair value difference is reflected in other comprehensive income and measured at amortized cost. These securities are valued and accounted for using the effective interest method based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months prior. The Parent Bank determines the estimated inflation rate in parallel with this. The estimated inflation rate used is updated during the year when deemed necessary. At the end of the year, the actual inflation rate is used.

d) Information on interest income on associates and subsidiaries:

These amounts are eliminated in the consolidated financial statements.

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

2. Explanations on Interest Expense

a) Information on interest expense on funds borrowed (*):

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
The Central Bank of Türkiye	-	-	-	-
Domestic Banks	3,545,635	4,291	557,396	4,674
Foreign Banks	223,359	2,735,674	25,690	1,087,129
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	3,768,994	2,739,965	583,086	1,091,803

(*) Includes fees and commission expenses related to cash loans amounting to TL 119,679 (31 December 2022: TL 594,372).

b) Information on interest expense on associates and subsidiaries:

These amounts are eliminated in the consolidated financial statements.

c) Information on interest expense on securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on securities issued	1,082,805	-	236,045	-
Total	1,082,805	-	236,045	-

d) Distribution of interest expense on deposits based on maturity of deposits:

Current Period:

Account Name	Demand Deposits	Time Deposit					Accumulated Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TL								
Bank Deposits	-	379,800	-	-	-	-	-	379,800
Saving Deposits	-	5,687,282	15,887,181	413,388	660,675	469,031	-	23,117,557
Public Sector Deposits	-	19,021	270,538	90,468	-	-	-	380,027
Commercial Deposits	-	1,860,865	3,842,939	237,443	134,245	362,915	-	6,438,407
Other Deposits	-	17,585	191,245	7,613	1	1,223	-	217,667
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	-	7,964,553	20,191,903	748,912	794,921	833,169	-	30,533,458
FC								
Foreign Currency Deposits	-	29,569	337,053	15,733	1,918	728	-	385,001
Bank Deposits	-	393	-	-	-	-	-	393
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	23	3,634	218	-	-	-	3,875
Total	-	29,985	340,687	15,951	1,918	728	-	389,269
Grand Total	-	7,994,538	20,532,590	764,863	796,839	833,897	-	30,922,727

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IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

2. Explanations on Interest Expense (Continued)

d) Distribution of interest expense on deposits based on maturity of deposits:(Continued)

Prior Period:	Time Deposit						Accumulated Deposits	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
Account Name								
TL								
Bank Deposits	-	196,667	-	-	-	-	-	196,667
Saving Deposits	3	2,459,509	4,821,061	202,314	6,839	142,374	-	7,632,100
Public Sector Deposits	-	11,264	99,366	-	-	-	-	110,630
Commercial Deposits	-	1,283,932	2,407,712	378,873	2,625	217,654	-	4,290,796
Other Deposits	-	25,129	322,756	36,027	5	67	-	383,984
7 Days Call Accounts	-	-	-	-	-	-	-	-
Total	3	3,976,501	7,650,895	617,214	9,469	360,095	-	12,614,177
FC								
Foreign Currency Deposits	21	36,629	632,661	5,019	435	476	-	675,241
Bank Deposits	-	1,118	-	-	-	56	-	1,174
7 Days Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2,098	212	-	-	-	2,310
Total	21	37,747	634,759	5,231	435	532	-	678,725
Grand Total	24	4,014,248	8,285,654	622,445	9,904	360,627	-	13,292,902

3. Information on dividend income:

	Current Period	Prior Period
Financial assets at fair value through profit and loss	12,170	6,938
Financial assets at fair value through other comprehensive income	746	799
Other	1	22
Total	12,917	7,759

4. Information on trading profit/loss:

	Current Period	Prior Period
Profit	221,894,676	164,815,048
Profit on capital market operations	1,924,600	521,741
Profit on derivative financial instruments ⁽¹⁾	88,891,537	36,030,295
Foreign exchange gains	131,078,539	128,263,012
Losses (-)	211,639,275	162,861,628
Losses on capital market operations	387,652	582,114
Losses on derivative financial instruments ⁽¹⁾	92,455,422	39,265,564
Foreign exchange losses	118,796,201	123,013,950

⁽¹⁾ Net profit arising from changes in foreign exchange rates of hedging transactions is TL 181,032 (31 December 2022: TL 383,991 profit) and net loss arising from changes in foreign exchange rates of derivative financial transactions is TL 7,042,585 (31 December 2022: TL 180,352 profit).

5. Information on other operating income:

Other operating income of the Group mainly consists of all transaction costs collected from clients and disposal of assets.

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IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

6. Provision expenses of banks for loans and other receivables:

a) Expected Credit Losses and Other Provisions:

	Current Period	Prior Period
Expected Credit Losses	1,647,451	1,806,241
12-Month Expected Credit Losses (Stage 1)	(82,562)	373,908
Significant Increase in Credit Risk (Stage 2)	1,408,692	950,063
Credit-Impaired (Stage 3)	321,321	482,270
Impairment Provisions for Securities	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Impairment Provision Related to Investments in Associates, Subsidiaries and Joint Ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other ⁽¹⁾	1,805,505	401,447
Total	3,452,956	2,207,688

(*) As of 31 December 2023, it includes free provision amounting to TL 1,650,000 (31 December 2022: TL 400,000). This free provision has been allocated by the Parent Bank management outside the requirements of BRSA Accounting and Financial Reporting Legislation.

7. Information on other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits ⁽¹⁾	188,354	322,254
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	502,540	339,836
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	197,108	104,476
Impairment for investments accounted with equity method	-	-
Impairment expenses of assets to be disposed	648	870
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	5,052,897	2,498,571
Leasing expenses related to TFRS 16 Exceptions	108,909	71,714
Maintenance expenses	190,721	98,807
Advertisement expenses	285,774	173,851
Other expenses ⁽³⁾	4,467,493	2,154,199
Loss on sales of assets	1,645	5,859
Other ⁽²⁾	1,615,962	852,091
Total	7,559,154	4,123,957

⁽¹⁾ The provision for employment termination benefits is included in the personnel expenses item in the financial statements.

⁽²⁾ Other operating expenses include premiums paid to Saving Deposit Insurance Fund amounting to TL 601,533 (31 December 2022: TL 355,328) and other taxes and duties paid amounting to TL 552,025 (31 December 2022: TL 278,243).

⁽³⁾ Includes the cash donation payment amounting to TL 168,500 made to the Republic of Turkey Ministry of Interior Disaster and Emergency Management Presidency due to the earthquake disaster.

8. Information on profit loss before continuing and discontinued operations before tax:

- The portion of the profit before tax amounting to TL 18,811,424 (31 December 2022: TL 20,727,807) consists of net interest income, while TL 5,573,589 (31 December 2022: TL 2,607,619) consists of net fee and commission income; total operating expenses amount to TL 14,961,145 (31 December 2022: TL 7,990,865).
- Explanations on discontinued operations profit loss: None

9. Information on tax provision for continuing and discontinued operations:

- As of 31 December 2023, current tax expense from continuing operations amounting to TL 4,065,869 (31 December 2022: TL 5,458,691 expense) and net deferred tax income amounting to TL 474,452 (31 December 2022: TL 1,639,946 income) and there is no current tax income/expense from discontinued operations in the current period (31 December 2022: None).

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IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

9. Information on tax provision for continuing and discontinued operations: (Continued)

- b) Net deferred tax income arising from the creation or closure of temporary differences arising from continuing operations amounts to TL 474,452 (31 December 2022: TL 1,639,946 income).

10. Information on net profit/loss on continuing and discontinued operations:

The Group's net profit from continuing operations as of 31 December 2023 is TL 13,175,086 (31 December 2022: TL 11,574,481) and there is no net profit from discontinued operations as of 31 December 2023 (31 December 2022: None).

11. The explanations on net income/loss for the period:

- a) 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: None (31 December 2022: None).
- b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (31 December 2022: None).
- c) Profit/loss attributable to minority interest:

	Current Period	Prior Period
Minority interest profit/loss	46,906	17,585

12. If the other items in the income statement exceed 10% of the income statement total accounts amounting to at least 20% of these items:

	Current Period	Prior Period
Other Interest Income		
Interest Received from Factoring Transactions	2,127,607	981,436
Other	277,624	70,884
Total	2,405,231	1,052,320

	Current Period	Prior Period
Other Fees and Commissions Received		
Card Fee and Commissions	5,365,112	2,377,251
Insurance Commissions	653,791	358,057
Brokerage Commissions	611,382	356,529
Funds Management Fees	519,908	213,122
Transfer Commissions	394,380	182,361
General Limit Revision Commissions	217,976	135,442
Settlement Expense Provision, Eft, Swift, Agency Commissions	191,323	69,709
Consultancy Commission	61,047	24,782
Early Closing Commissions	27,342	37,112
Other	1,049,231	270,213
Total	9,091,492	4,024,578

	Current Period	Prior Period
Other Fees and Commissions Given		
Credit Cards Commissions and Fees	3,493,449	1,535,783
Commissions and Fees Paid to Correspondent Banks	373,354	193,261
Settlement Expense Provision, Eft, Swift Commissions	112,228	58,968
Other	500,529	208,324
Total	4,479,560	1,996,336

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IV. Explanations and Disclosures Related to the Consolidated Statement of Income (Continued)

13. Fees for Services Received from Independent Auditor / Independent Audit Firm:

The fee for services for the reporting period regarding the services received from the independent auditor or independent audit firm in accordance with the decision of the POA dated 26 March 2021 is given in the table below. These fees include the fees for services rendered to the Parent Bank's domestic subsidiaries and unconsolidated non-financial partnerships.

<i>(Thousand TL amounts excluding VAT)</i>	Current Period	Prior Period
Independent audit fee for the reporting period	18,007	8,522
Fees for tax advisory services	-	-
Fee for other assurance services	577	263
Fees for services other than independent audit	3,969	437
Total	22,553	9,222

**EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED 31 DECEMBER 2023**

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V. Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity

- a) The effect of changes in the fair value of financial assets at fair value through profit or loss is recognized in the “Marketable Securities Valuation Differences” account under the equity. The relevant amount is decreased by TL 1,080,797 in 2023 (31 December 2022: TL 1,173,138 increase) and change effect to deferred tax is TL 275,549 (31 December 2022: TL 282,454).

- b) Increase in cash flow risk hedging items:

The Parent bank uses interest rate and cross currency swaps for reducing cash flow risk arising from short term deposit and borrowing. In this context, the effective portion is accounted for under equity in “Hedging Funds” account. In 2023, the amount decreased by TL 66,060 (31 December 2022: TL 1,743 increase) and the deferred tax effect of this change was TL 988 (31 December 2022: TL 12,097).

- c) Explanations on profit distribution:

According to the decision taken at the Ordinary General Assembly Meeting of the Parent Bank held on 28 March 2023, out of TL 11,190,604, which constitutes the net balance sheet profit for the year 2022, TL 112,093 was allocated to Legal Reserves, TL 138,376 to Special Reserves, TL 1,119,060 to shareholders and TL 9.50 to founder redemption certificate holders as profit as recommended by the Board of Directors, and the remaining balance was allocated as Extraordinary Reserves.

Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.

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VI. Explanations and Disclosures Related to Statement of Consolidated Cash Flows

1. The effect of other items stated in the Statement of Cash Flows and the change in the exchange rate on cash and cash equivalents:

"Other items" under "Operating profit before changes in operating assets and liabilities" amounting to TL 15,381,951 (31 December 2022: TL 3,084,614) consists of other operating expenses excluding finance lease expenses, provision for employment termination benefits, depreciation expenses and taxes paid, and fees and commissions paid.

"Net increase in other liabilities" amounting to TL 3,832,601 (31 December 2022: TL 3,597,872) under "Change in assets and liabilities from banking activities" consists of miscellaneous payables, other liabilities, and changes in money markets. "Net decrease in other assets" amounting to TL 8,570,346 (31 December 2022: TL 7,824,618) consists of changes in blocked reserve requirements, miscellaneous receivables, and other assets.

"Other items" item under "Net cash flows from investing activities" amounting to TL 745,780 (31 December 2022: TL 438,404) consists of cash outflow for intangible assets purchased in the current period.

The effect of the change in foreign exchange rate on cash and cash equivalents includes the foreign exchange rate difference resulting from the conversion of foreign currency cash and cash equivalents to TL at the beginning and end of monthly the period, has been realized as TL 6,438,331 for the year 2023 (31 December 2022: TL 3,764,592).

2. Cash and cash equivalents at the beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

Beginning of the Period	Current Period	Prior Period
Cash	25,644,055	19,904,616
Cash in TL/Foreign Currency	10,757,014	7,473,318
Central Bank – Unrestricted amount	14,326,200	12,202,866
Other	560,841	228,432
Cash equivalents	16,466,729	11,510,249
Banks	8,866,729	11,507,004
Money market placements	7,600,000	3,245
Total Cash and Cash Equivalents	42,110,784	31,414,865
End of the Period	Current Period	Prior Period
Cash	77,298,722	25,644,055
Cash in TL/Foreign Currency	12,272,157	10,757,014
Central Bank – Unrestricted amount	64,497,855	14,326,200
Other	528,710	560,841
Cash equivalents	19,595,254	16,466,729
Banks	7,395,254	8,866,729
Money market placements	12,200,000	7,600,000
Total Cash and Cash Equivalents	96,893,976	42,110,784

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. Explanations and Disclosures Related to Risk Group of the Parent Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

Balance sheet items and income/expense items of previous periods are presented as of 31 December 2022.

a) Current Period:

Risk Group Involving the Parent Bank	Subsidiaries, Associates and Entities under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of Period	-	-	295,698	1,118,603	1,317,029	93,918
Balance at End of Period	-	-	413,103	1,607,169	1,028,497	188,732
Interest and Commission Income	-	-	42,811	2,264	143,534	1,318

Direct and indirect shareholders of the Group balance above include TL 413,103 and other entities included in the risk group balance above includes TL 128,181 placement in "Banks".

b) Prior Period:

Risk Group Involving the Parent Bank	Subsidiaries, Associates and Entities under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of Period	-	-	238,949	389,230	1,775,528	129,424
Balance at End of Period	-	-	295,698	1,118,603	1,317,029	93,918
Interest and Commission Income	-	-	2,940	4,290	163,137	402

Direct and indirect shareholders of the Group balance above include TL 295,698 and other entities included in the risk group balance above includes TL 45,447 placement in "Banks".

c) c.1) Information on deposits belonging to the risk group of the Parent Bank:

Risk Group Involving the Parent Bank	Subsidiaries, Associates and Entities under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Balance at Beginning of Period	-	-	5,686,882	4,577,873	1,332,483	1,263,224
Balance at End of Period	-	-	5,808,611	5,686,882	2,519,918	1,332,483
Interest on Deposits	-	-	710,474	268,540	198,928	215,240

c.2) Information on forward transactions, option contracts and other similar contracts with the risk group of the Parent Bank:

Risk Group Involving the Parent Bank	Subsidiaries, Associates and Entities under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit or Loss						
Beginning of Period	-	-	58,227,206	36,494,649	2,322,171	729,855
End of Period	-	-	93,842,978	58,227,206	4,740,236	2,322,171
Total Profit/Loss	-	-	267,296	(1,227,922)	(14,052)	1,676,472
Hedging Transactions Purposes						
Beginning of Period	-	-	16,690,868	9,575,676	-	-
End of Period	-	-	21,460,631	16,690,868	-	-
Total Profit/Loss	-	-	116,046	1,368,711	-	-

d) As of 31 December 2023, the total amount of remuneration and benefits provided for the senior management of the Group is TL 262,302 (31 December 2022: TL 148,803).

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EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2023

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VIII. Explanations on the Parent Bank's Domestic Branches, Agencies and Branches Abroad and Off-shore Branches

1. Explanations on the Parent Bank's domestic branches, agencies, and branches abroad and offshore branches:

	Numbers	Employees			
Domestic branches	440	8,268			
Rep-offices abroad	-	-	Country		
Branches abroad	4	65	Cyprus	Total Assets	Capital
				3,794,319	80,000
Off-shore branches	-	-	-	-	-

2. Explanation on the Subject in Case the Bank Opens or Closes a Branch or Representation Office in Turkey and Abroad, and Changes Its Organization Significantly:

The Parent Bank closed 8 branches in 2023 and opened 4 branches during the year.

IX. Explanations and Disclosures Related to Subsequent Events

In accordance with the BRSA decision dated 11 January 2024 and numbered 10825, banks, financial leasing, factoring, financing, savings financing, and asset management companies are required to apply inflation accounting as of 1 January 2025.

Akil Özçay, Assistant General Manager in charge of Financial Markets Group, resigned from his position effective from 1 January 2024 and Göker Orhan was appointed in his place.

After obtaining the necessary permissions from the Banking Regulation and Supervision Agency and the Capital Markets Board, the Bank has issued subordinated bonds (tier 2 capital) amounting to USD 400 million, with a maturity of 10 years, fixed interest rate, with a redemption date of 17 January 2034 and an early redemption option on 17 January 2029, with a coupon rate of 9.375%. The issuance was completed on 17 January 2024 following the receipt of the Certificate of Issuance from the CMB.

Following the revision of Turkey's long-term foreign currency credit rating outlook from "Stable" to "Positive" on 12 January 2024, the international rating agency Moody's upgraded Türk Ekonomi Bankası A.Ş.'s Long-Term Foreign Currency Counterparty Risk rating and Long-Term Foreign Currency Deposit ratings from B3 to B2 and revised the outlooks of Long-Term Foreign Currency and Turkish Lira Deposit ratings from "Stable" to "Positive" on 17 January 2024.

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SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations on Activities of the Parent Bank

None.

SECTION SEVEN

INDEPENDENT AUDITOR’S REPORT

I. Explanations on the Independent Auditor’s Report

The consolidated financial statements of the Group were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent auditor’s report dated 31 January 2024 is presented preceding the consolidated financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors

None.

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