Albaraka Türk Katılım Bankası Anonim Şirketi

Consolidated financial statements
and related disclosures at December 31, 2023
together with independent auditor's report

(Convenience translation of the independent auditor's report and
financial statements originally issued in Turkish – see section three Note I.b)

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH (See Note I.b of Section Three)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Albaraka Türk Katılım Bankası Anonim Şirketi

A. Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the accompanying consolidated financial statements of Albaraka Türk Katılım Bankası Anonim Şirketi (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the statement of consolidated balance sheet as at 31 December 2023, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

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

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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2. Basis for Qualified Opinion

As explained in Section Five Part II. 6.b of Explanations and Notes to the Consolidated Financial Statements; the accompanying consolidated financial statements as at 31 December 2023 include a free provision amounting to TL 5.213.000 thousand which consist of TL 1.800.000 thousand provided in prior periods and TL 3.413.000 thousand recognized in the current year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including International Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our qualified 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. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion Section we have determined the matters described below to be key audit matters to be communicated in our report.

Key Audit Matters	*How the key audit matter was addressed in the audit*
Expected credit losses for loans and receivables The Group has total expected credit losses provision for loans and receivables amounting to TL 4.431.351 thousand in respect to total loans and receivables amounting to TL 109.168.847 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as at 31 December 2023. Explanations and notes regarding the provision for impairment of loans are represented in Notes VIII of Section Three, II.1 and X.c of Section Four and 1.6 of Section Five of the accompanying consolidated financial statements as at 31 December 2023. The Group recognizes provision for impairment in accordance with "TFRS 9 Financial Instruments" ("TFRS 9") requirements and the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Group exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment. The Group uses complex models for determining significant increase in credit risk and calculation of TFRS 9 expected credit losses. Historical events and information used in current conditions and macro-economic expectations considered in expected loss accounting should be reasonable and supportable.	Within our audit procedures, we assessed policies and procedures together with the overall governance established by the Group with respect to classification of loans and the calculation of expected credit losses in accordance with the applicable regulations. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles. We checked appropriateness of matters considered in methodology applied by the Group with TFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Group's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed reasonability and tested model segmentation, lifetime probability of default model, exposure at default calculation, loss given default model and the approaches to reflecting macroeconomic expectations with our financial risk experts. We have assessed interpretation of expert opinion regarding reasonable and supportable forward looking expectations (including macroeconomic factors)

Key Audit Matters	*How the key audit matter was addressed in the audit*
Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as historical loss experiences, current conditions, macro-economic expectations; the significance of the loans and receivables balances, the classification of loans and receivables as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans and receivables. Therefore, this area is considered as key audit matter.	Our procedures also included the following: • Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used. • For a selected sample, we checked expected credit losses and receivables determined based on individual assessment per Group's policy by means of supporting data, and evaluated appropriateness via communications with management. • We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. • We checked accuracy of resultant expected credit losses calculations on a sample basis. • To assess appropriateness of the Group's determination of staging for credit risk in the framework of existing regulations, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. • We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.

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 consolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is 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 independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in 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.

- Assess the 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 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 independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

B. **Other Responsibilities Arising From Regulatory Requirements**

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2023 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.

2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 31 December 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 6 March 2024

CONSOLIDATED FINANCIAL REPORT OF ALBARAKA TÜRK KATILIM BANKASI A.Ş.
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

Parent Bank's headquarter address	: İnkılap Mah. Dr. Adnan Büyükdeniz Cad. No:6 34768 Ümraniye/İstanbul
Parent Bank's phone number and facsimile	: 00 90 216 666 01 01 – 00 90 216 666 16 00
Parent Bank's website	: www.albaraka.com.tr
Electronic mail contact info	: albarakaturk@albarakaturk.com.tr

The consolidated year ended financial report prepared in accordance with the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by the Banking Regulation and Supervision Agency is comprised of the following sections.

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

Investments in subsidiaries, real estate investment funds, venture capital investment funds and joint ventures whose financial statements have been consolidated in this consolidated financial report are as follows:

	Subsidiaries	**Real Estate Investment Funds**	**Venture Capital Investment Funds**	**Joint Ventures**
1.	Bereket Varlık Kiralama A.Ş.	Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu	Katılım Emeklilik ve Hayat A.Ş.
2.	Değer Varlık Kiralama A.Ş.	Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu	-
3.	Albaraka Portföy Yönetimi A.Ş.	Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu	Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu	-
4.	Getinsha GmbH	-	Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu	-
5.	-	-	Albaraka Portföy Yönetimi A.Ş. Insha Girişim Sermayesi Yatırım Fonu	-

Bereket One Ltd, Albaraka Sukuk Ltd, Albaraka CT One Ltd and Albaraka Mtn Ltd which are not subsidiaries of the Bank but over which the Bank has 100% controlling power, have been included in the consolidation due to the reason that these companies are "Structured Entity".

The consolidated financial statements and related disclosures and footnotes; presented in **thousands of Turkish Lira** unless otherwise indicated; have been prepared in accordance with the Communiqué on Accounting Applications of Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related appendices and interpretations and in compliance with the records of our Bank, have been independently audited and presented as attached.

Houssem BEN HAJ AMOR	**Malek Khodr TEMSAH**	**Umut ÇAKMAK**	**Fehmi GÖL**
Chairman of the Board of Directors	General Manager	Assistant General Manager	Financial Affairs Manager

Mustafa BÜYÜKABACI	**Mohamed Ali CHATTI**	**Khaled A. Mohamed ATEEQ**
Chairman of the Audit Committee	Member of the Audit Committee	Member of the Audit Committee

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

Name-Surname/Title	: Bora ŞİMŞEK / Financial Reporting and Budget Management/ Vice Manager
Telephone	: 00 90 216 666 05 59
Facsimile	: 00 90 216 666 16 11

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SECTION ONE

General Information

I. History of the Parent Bank including its incorporation date, initial legal status and amendments to legal status:

Albaraka Türk Katılım Bankası Anonim Şirketi ("The Parent Bank") was incorporated on November 5, 1984 with the name of Albaraka Türk Özel Finans Kurumu A.Ş., based on the decision of the Council of Ministers numbered 83/7506 and dated December 16, 1983 regarding establishments of Special Finance Houses and obtained the operating permission from the Central Bank of Türkiye with the letter numbered 10912 and dated January 21, 1985.

Special Finance Houses, operating in accordance with the Communiqués of Under Secretariat of Treasury and the Central Bank of Türkiye based on the decision of Council of Ministers numbered 83/7506, have been subjected to the provisions of the Banking Law numbered 4389 with the change of law dated December 17, 1999 and numbered 4491. Special Finance Houses have been subjected to the provisions of "Communiqué Related to the Incorporation and Activities of Special Finance Houses" published in the Official Gazette dated September 20, 2001 numbered 24529 by the Banking Regulation and Supervision Agency ("BRSA"). "Communiqué Related to the Incorporation and Activities of Special Finance Houses" has been superseded by the "Communiqué Related to Credit Operations of Banks" published in the Official Gazette dated November 1, 2006 numbered 26333 and the Parent Bank operates in accordance with the Banking Law numbered 5411 published in the Official Gazette dated November 1, 2005 numbered 25983.

The decision regarding the change in the title of the Parent Bank, in relation with the provisions of the Banking Law numbered 5411, was agreed in the Extraordinary General Meeting dated December 21, 2005 and the title of the Parent Bank was changed as "Albaraka Türk Katılım Bankası A.Ş.". The change in the title was registered in Istanbul Trade Registry on December 22, 2005 and published in the Trade Registry Gazette dated December 27, 2005, numbered 6461.

The Parent Bank together with its consolidated ownerships is referred to as the "Group" in the accompanying consolidated financial statements.

The Parent Bank's head office is located in Istanbul and is operating through 223 (December 31, 2022: 223) local branches and 2 (December 31, 2022: 2) foreign branches and with 2.723 (December 31, 2022: 2.695) staff as of December 31, 2023. The Group has 2.754 (December 31, 2022: 2.719) staff as of December 31, 2023.

II. Shareholding structure, shareholders having direct or indirect, joint or individual control over the management and supervision of the Parent Bank and the disclosures on related changes in the current year, if any:

As of December 31, 2023, 43,37% (December 31, 2022: 43,37%) of the Parent Bank's shares are owned by Albaraka Group, 8,30% (December 31, 2022: 8,30%) owned by Dallah Albaraka Group, 4,23% (December 31, 2022: 4,23%) owned by Islamic Development Bank, 42,03% (December 31, 2022: 42,02%) of the shares are publicly traded and quoted at Borsa İstanbul. Rest belongs to different real persons and corporate entities.

III. Explanation on the chairman and members of board of directors, members of audit committee, general manager and assistant general managers, their areas of responsibility and their shares in the Parent Bank, if any:

Title	Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage (%)
Chairman of the Board of Directors (BOD):	Houssem BEN HAJ AMOR	Chairman of BOD	Bachelor	-
Members of BOD:	Dr. Bekir PAKDEMİRLİ	Deputy Independent Member of BOD	Doctorate	-
	Mustafa BÜYÜKABACI	Independent Member of BOD	Master	-
	Dr. Mohamed Ali CHATTI	Independent Member of BOD	Doctorate	-
	Ghassan Ahmed M. AMODI	Independent Member of BOD	Bachelor	-
	Dr. Khaled Abdulla Mohamed ATEEQ	Independent Member of BOD	Doctorate	-
	Azhar Aziz DOGAR	Member of BOD	Master	-
	Akram YASSIN	Independent Member of BOD	Master	-
General Manager:	Malek Khodr TEMSAH	Member of BOD/General Manager	Master	-
Assistant General Managers:	Turgut SİMİTCİOĞLU	Chief Assistant General Manager	Master	-
	Dr. Muhammet Faruk TORLAK	Assistant General Manager Responsible for Credits	Doctorate	-
	Mehmet Emin ÇONKAR	Assistant General Manager Responsible for Credit Monitoring and Legal Follow-Up	Bachelor	-
	Serhan YILDIRIM	Assistant General Manager Responsible for Treasury and International Banking	Bachelor	-
	Muzaffer ÇÖLMEK	Assistant General Manager Responsible for Operations	Bachelor	-
	Mehmet ULUDAĞ	Assistant General Manager Responsible for Individual and Private Banking	Master	-
	Serhan AKYILDIZ	Assistant General Manager Responsible for Corporate Banking	Bachelor	-
	Umut ÇAKMAK	Assistant General Manager Responsible for Finance and Human Values	Bachelor	-
	Dr. Ömer EMEÇ	Assistant General Manager Responsible for Strategy and Transformation	Doctorate	-
	Yasemin AYDIN	Assistant General Manager Responsible for Information Technologies and Digital Channels Development	Master	-
Audit Committee :	Mustafa BÜYÜKABACI	Chairman of Audit Committee	Master	-
	Dr. Mohamed Ali CHATTI	Independent Member of Audit Committee	Doctorate	-
	Dr. Khaled Abdulla Mohamed ATEEQ	Independent Member of Audit Committee	Doctorate	-

IV. Information on the Parent Bank's qualified shareholders:

The Parent Bank's paid in capital amounting to TL 2.500.000 consists of 2.500.000.000 number of shares with a nominal value of TL 1 (full) for each share. TL 1.084.167 of the paid in capital is owned by qualified shareholders who are listed below:

Name/Commercial Name	Share amount (nominal)	Share ratio(*)	Paid shares	Unpaid shares
Albaraka Group	1.084.167	43,37%	1.084.167	-

(*) Shares purchased from Stock Exchange is not included.

V. Summary on the Parent Bank's service activities and field of operations:

The Parent Bank operates in accordance with the principles of interest-free banking as a participation bank. The Parent Bank mainly collects funds through current accounts and participation accounts based on profit and loss sharing agreements and investment agency agreements, which are only for legal entities. The Parent Bank lends such funds through corporate finance support, retail finance support, profit/loss sharing investment, finance lease, financing commodity against document and joint investments.

The Parent Bank classifies current and profit-sharing accounts separately from other accounts in accordance with their maturities. Profit sharing accounts are classified under six different maturity groups; up to one month, up to three months (three months included), up to six months (six months included), up to one year (one year included), one year and more than one year (with monthly, quarterly, semi-annual and annual profit share payment) and accumulated participation accounts.

The Bank may determine the profit rate following operating the participation accounts or estimated rates for investment agencies. The rate of participation accounts' participation to the loss is one hundred percent.

The Parent Bank constitutes specific fund pools with minimum maturities of one month, to be allocated to individually predetermined projects for financing purposes. Profit sharing accounts, which are part of the funds collected for project financing purpose, are managed in accordance with their maturities and independently from other accounts and transfers from these accounts to any other maturity groups are not executed. Specific fund pools are liquidated at the end of the financing period.

In addition to its ordinary banking activities, the Parent Bank operates as an insurance agency on behalf of Bereket Sigorta, Anadolu Sigorta, Türkiye Katılım Sigorta, Neova Sigorta, Coface Sigorta, HDI Sigorta and HDI Katılım Sigorta as a private pension insurance agency on behalf of Anadolu Hayat Emeklilik, Agesa Emeklilik Hayat and Katılım Emeklilik ve Hayat, and as a brokerage agency on behalf of Bizim Menkul Değerler A.Ş. and Oyak Yatırım Menkul Değerler A.Ş. through its branches, engages in purchase and sale of precious metals, provides intermediary services in quick money transfers, credit card and member business (P.O.S.) services. Moreover, the Parent Bank is involved in providing non-cash loans that mainly comprise letters of guarantee, letters of credit and acceptances.

Transactions, which can be carried out by the Parent Bank, are not limited to the clauses listed above. If any activities other than those mentioned are considered as beneficial to the Parent Bank, the application must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities, which then needs to be approved by the Ministry of Trade since such applications, are amendments in nature to the Article of Association. The application is included in the Article of Association after all necessary approvals are obtained.

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and short explanation about the institutions subject to full or proportional consolidation and institutions, which are deducted from equity or not included in these three methods:

Albaraka Kültür Sanat ve Yayıncılık A.Ş. and Albaraka Teknoloji Bilişim Sistemleri ve Pazarlama Ticaret A.Ş. which are subsidiary investments of "Inovasyon Girişim Sermayesi Yatırım Fonu", Insha Ventures Teknoloji Geliştirme ve Pazarlama A.Ş. which is the subsidiary investment of "Insha Girişim Sermayesi Yatırım Fonu", Natura Gıda Sanayi ve Ticaret A.Ş, which is the subsidiary investment of "Değer Girişim Sermayesi Yatırım Fonu" and Albaraka Portföy Yönetimi Girişim Teknoloji A.Ş, which is the subsidiary investment of "İkinci Kira Sertifikası Girişim Sermayesi Yatırım Fonu" controlled by the Parent Bank, have not been consolidated since they are non-financial entities. Katılım Finans Kefalet A.Ş, which is the associate of the Bank, has not been consolidated as it is a non-financial entity, as well.

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards with respect to consolidation and short explanation about the institutions subject to full or proportional consolidation and institutions, which are deducted from equity or not included in these three methods (continued):

The Parent Bank consolidates Katılım Emeklilik ve Hayat A.Ş., an entity under common control, and Bereket Varlık Kiralama A.Ş., Değer Varlık Kiralama A.Ş., Albaraka Portföy Yönetimi A.Ş., Getinsha GmbH the subsidiaries of the Bank, through equity method and full consolidation method, respectively. Real estate investment funds “Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu”, “Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu”,“Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu” and Venture Capital Investment Funds: “Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu”, “Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu", “Albaraka Portföy Yönetimi A.Ş. Inovasyon Girişim Sermayesi Yatırım Fonu”, ”Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu”, ”Albaraka Portföy Yönetimi A.Ş. Insha Girişim Sermayesi Yatırım Fonu” and “Bereket One Ltd”, “Albaraka Sukuk Ltd.”, “Albaraka CT One Ltd.” and “Albaraka Mtn Ltd.” which are not subsidiaries of the Bank but over which the Bank has 100% controlling power have been included in the consolidation due to the reason that these companies are “Structured Entity”.

VII. The existing or potential, actual or legal obstacles on immediate transfer of equity or reimbursement of liabilities between the parent bank and its subsidiaries:

There is no immediate transfer of equity between the Parent Bank and its subsidiaries. There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Parent Bank and its subsidiaries.

SECTION TWO

The consolidated financial statements

I. Consolidated balance sheet (Statement of financial position)
II. Consolidated statement of off-balance sheet
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. Consolidated statement of profit appropriation

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF DECEMBER 31, 2023
(Thousand of Turkish Lira (TL) unless otherwise stated)

	ASSETS	Notes (Section Five-I)	CURRENT PERIOD December 31, 2023			PRIOR PERIOD December 31, 2022		
			TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**28.032.991**	**56.973.112**	**85.006.103**	**10.536.939**	**37.196.823**	**47.733.762**
1.1	**Cash and Cash Equivalents**	**(1)**	**23.537.667**	**39.960.793**	**63.498.460**	**6.432.226**	**27.376.699**	**33.808.925**
1.1.1	Cash and Balances with Central Bank		16.760.819	32.323.373	49.084.192	2.326.791	22.538.285	24.865.076
1.1.2	Banks		6.999.489	7.724.272	14.723.761	2.480.843	4.859.668	7.340.511
1.1.3	Money Market Placements		-	-	-	1.725.715	-	1.725.715
1.1.4.	Expected Credit Losses (-)		222.641	86.852	309.493	101.123	21.254	122.377
1.2	**Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)**	**(2)**	**1.036.608**	**12.886.675**	**13.923.283**	**3.240.020**	**8.433.506**	**11.673.526**
1.2.1	Government Securities		346.568	12.191.540	12.538.108	3.005.016	8.381.142	11.386.158
1.2.2	Equity Securities		181.698	74.650	256.348	103.951	37.912	141.863
1.2.3	Other Financial Assets		508.342	620.485	1.128.827	131.053	14.452	145.505
1.3	**Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)**	**(3)**	**3.414.078**	**4.118.013**	**7.532.091**	**850.542**	**1.386.618**	**2.237.160**
1.3.1	Government Securities		3.273.543	1.187.016	4.460.559	650.796	603.298	1.254.094
1.3.2	Equity Securities		7.667	37.594	45.261	7.667	23.865	31.532
1.3.3	Other Financial Assets		132.868	2.893.403	3.026.271	192.079	759.455	951.534
1.4	**Derivative Financial Assets**	**(5)**	**44.638**	**7.631**	**52.269**	**14.151**	**-**	**14.151**
1.4.1	Derivative Financial Assets Measured at Fair Value through Profit/Loss		44.638	7.631	52.269	14.151	-	14.151
1.4.2	Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)**		**82.100.472**	**51.489.567**	**133.590.039**	**49.455.724**	**42.620.222**	**92.075.946**
2.1	**Loans**	**(6)**	**68.988.770**	**35.631.066**	**104.619.836**	**45.080.816**	**29.515.189**	**74.596.005**
2.2	**Lease Receivables**	**(7)**	**3.815.109**	**733.902**	**4.549.011**	**322.764**	**585.979**	**908.743**
2.3	**Financial Assets Measured at Amortised Cost**	**(4)**	**11.533.660**	**17.318.883**	**28.852.543**	**6.198.303**	**13.252.626**	**19.450.929**
2.3.1	Government Securities		11.533.660	17.318.883	28.852.543	6.032.245	13.127.122	19.159.367
2.3.2	Other Financial Assets		-	-	-	166.058	125.504	291.562
2.4	**Expected Credit Losses (-)**	**(6)**	**2.237.067**	**2.194.284**	**4.431.351**	**2.146.159**	**733.572**	**2.879.731**
III.	**ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**(8)**	**641.631**	**-**	**641.631**	**341.132**	**-**	**341.132**
3.1	Asset Held for Resale		641.631	-	641.631	341.132	-	341.132
3.2	Assets of Discontinued Operations		-	-	-	-	-	-
IV.	**OWNERSHIP INVESTMENTS (Net)**	**(9)**	**822.737**	**-**	**822.737**	**426.134**	**-**	**426.134**
4.1	**Associates (Net)**		**22.500**	**-**	**22.500**	**-**	**-**	**-**
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		22.500	-	22.500	-	-	-
4.2	**Subsidiaries (Net)**		**491.359**	**-**	**491.359**	**281.359**	**-**	**281.359**
4.2.1	Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Investments in Subsidiaries		491.359	-	491.359	281.359	-	281.359
4.3	**Joint Ventures (Net)**		**308.878**	**-**	**308.878**	**144.775**	**-**	**144.775**
4.3.1	Joint-Ventures Consolidated Under Equity Accounting		308.878	-	308.878	144.775	-	144.775
4.3.2	Unconsolidated Joint-Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**(10)**	**4.457.873**	**66.278**	**4.524.151**	**2.707.146**	**27.233**	**2.734.379**
VI.	**INTANGIBLE ASSETS (Net)**	**(11)**	**357.228**	**14.242**	**371.470**	**166.770**	**10.505**	**177.275**
6.1	Goodwill		-	10.725	10.725	-	7.911	7.911
6.2	Others		357.228	3.517	360.745	166.770	2.594	169.364
VII.	**INVESTMENT PROPERTY (Net)**	**(12)**	**4.636.810**	**-**	**4.636.810**	**1.869.188**	**-**	**1.869.188**
VIII.	**CURRENT TAX ASSET**		**136**	**-**	**136**	**62**	**-**	**62**
IX.	**DEFERRED TAX ASSET**	**(13)**	**1.199.059**	**-**	**1.199.059**	**453.958**	**-**	**453.958**
X.	**OTHER ASSETS**	**(14)**	**2.052.005**	**392.842**	**2.444.847**	**1.029.848**	**121.479**	**1.151.327**
	TOTAL ASSETS		**124.300.942**	**108.936.041**	**233.236.983**	**66.986.901**	**79.976.262**	**146.963.163**

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF DECEMBER 31, 2023
(Thousand of Turkish Lira (TL) unless otherwise stated)

	LIABILITIES	Notes (Section Five-II)	CURRENT PERIOD December 31, 2023			PRIOR PERIOD December 31, 2022		
			TL	FC	Total	TL	FC	Total
I.	**FUNDS COLLECTED**	**(1)**	**81.304.178**	**80.490.765**	**161.794.943**	**51.231.044**	**61.122.192**	**112.353.236**
II.	**FUNDS BORROWED**	**(2)**	**39.957**	**22.293.577**	**22.333.534**	**19.284**	**3.471.519**	**3.490.803**
III.	**BORROWINGS FROM MONEY MARKETS**		**-**	**-**	**-**	**-**	**7.817.681**	**7.817.681**
IV.	**SECURITIES ISSUED (Net)**	**(3)**	**1.851.447**	**6.064.054**	**7.915.501**	**627.095**	**-**	**627.095**
V.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS**		**-**	**-**	**-**	**-**	**-**	**-**
VI.	**DERIVATIVE FINANCIAL LIABILITIES**	**(4)**	**114.039**	**7.337**	**121.376**	**12.819**	**1.660**	**14.479**
6.1	Derivative Financial Liabilities at Fair Value through Profit or Loss		114.039	7.337	121.376	12.819	1.660	14.479
6.2	Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
VII.	**LEASE PAYABLES**	**(5)**	**702.237**	**72.516**	**774.753**	**450.407**	**26.399**	**476.806**
VIII.	**PROVISIONS**	**(6)**	**6.540.723**	**45.322**	**6.586.045**	**2.566.552**	**17.641**	**2.584.193**
8.1	Restructuring Reserves		-	-	-	-	-	-
8.2	Reserve for Employee Benefits		1.217.881	-	1.217.881	693.984	-	693.984
8.3	Insurance Technical Reserves (Net)		-	-	-	-	-	-
8.4	Other Provisions		5.322.842	45.322	5.368.164	1.872.568	17.641	1.890.209
IX.	**CURRENT TAX LIABILITY**	**(7)**	**1.135.205**	**96.074**	**1.231.279**	**709.606**	**32.539**	**742.145**
X.	**DEFERRED TAX LIABILITY**		**-**	**-**	**-**	**-**	**-**	**-**
XI.	**LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**(8)**	**-**	**-**	**-**	**-**	**-**	**-**
11.1	Assets Held for Sale		-	-	-	-	-	-
11.2	Assets of Discontinued Operations		-	-	-	-	-	-
XII.	**SUBORDINATED LOANS**	**(9)**	**-**	**8.896.597**	**8.896.597**	**-**	**4.694.238**	**4.694.238**
12.1	Loans		-	8.896.597	8.896.597	-	4.694.238	4.694.238
12.2	Other Debt Instruments		-	-	-	-	-	-
XIII.	**OTHER LIABILITIES**	**(10)**	**4.622.741**	**4.611.810**	**9.234.551**	**3.049.602**	**1.765.097**	**4.814.699**
XIV.	**SHAREHOLDERS' EQUITY**	**(11)**	**14.287.593**	**60.811**	**14.348.404**	**9.319.246**	**28.542**	**9.347.788**
14.1	Paid-In Capital		2.500.000	-	2.500.000	2.500.000	-	2.500.000
14.2	Capital Reserves		4.080.011	-	4.080.011	1.608.402	-	1.608.402
14.2.1	Share Premium		23.278	-	23.278	23.278	-	23.278
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserves		4.056.733	-	4.056.733	1.585.124	-	1.585.124
14.3	Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		1.579.623	-	1.579.623	841.487	-	841.487
14.4	Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		1.327.294	60.811	1.388.105	692.719	28.542	721.261
14.5	Profit Reserves		1.550.632	-	1.550.632	1.839.959	-	1.839.959
14.5.1	Legal Reserves		302.401	-	302.401	152.093	-	152.093
14.5.2	Status Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		1.020.005	-	1.020.005	1.683.926	-	1.683.926
14.5.4	Other Profit Reserves		228.226	-	228.226	3.940	-	3.940
14.6	Profit or Loss		2.966.253	-	2.966.253	1.059.352	-	1.059.352
14.6.1	Prior Years Profit/(Loss)		(1.003.030)	-	(1.003.030)	(639.809)	-	(639.809)
14.6.2	Current Year Profit/(Loss)		3.969.283	-	3.969.283	1.699.161	-	1.699.161
14.7	Minority Shares		283.780	-	283.780	777.327	-	777.327
	TOTAL LIABILITIES		**110.598.120**	**122.638.863**	**233.236.983**	**67.985.655**	**78.977.508**	**146.963.163**

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF OFF- BALANCE SHEET
AS OF DECEMBER 31, 2023
(Thousand of Turkish Lira (TL) unless otherwise stated)

	STATEMENT OF OFF-BALANCE SHEET	Notes (Section Five-III)	CURRENT PERIOD December 31, 2023			PRIOR PERIOD December 31, 2022		
			TL	FC	Total	TL	FC	Total
A.	**OFF BALANCE SHEET COMMITMENTS (I+II+III)**		**38.792.293**	**33.545.326**	**72.337.619**	**16.770.259**	**13.216.005**	**29.986.264**
I.	**GUARANTEES AND SURETIES**	**(1)**	**15.325.346**	**14.746.594**	**30.071.940**	**11.430.631**	**9.692.379**	**21.123.010**
1.1.	Letters of Guarantees		15.172.970	9.438.213	24.611.183	11.302.364	6.147.271	17.449.635
1.1.1.	Guarantees Subject to State Tender Law		2.023.770	400.715	2.424.485	1.704.625	223.781	1.928.406
1.1.2.	Guarantees Given for Foreign Trade Operations		390	3.389.192	3.389.582	165	2.104.485	2.104.650
1.1.3.	Other Letters of Guarantee		13.148.810	5.648.306	18.797.116	9.597.574	3.819.005	13.416.579
1.2.	Bank Loans		-	137.121	137.121	-	70.414	70.414
1.2.1.	Import Letter of Acceptances		-	137.121	137.121	-	70.414	70.414
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letter of Credits		12.800	5.141.798	5.154.598	11.385	3.456.459	3.467.844
1.3.1.	Documentary Letter of Credits		-	-	-	-	-	-
1.3.2.	Other Letter of Credits		12.800	5.141.798	5.154.598	11.385	3.456.459	3.467.844
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.	Other Guarantees		-	29.462	29.462	-	18.235	18.235
1.7.	Other Collaterals		139.576	-	139.576	116.882	-	116.882
II.	**COMMITMENTS**	**(1)**	**7.273.434**	**1.748.585**	**9.022.019**	**3.744.209**	**561.809**	**4.306.018**
2.1.	Irrevocable Commitments		7.228.934	1.748.585	8.977.519	3.690.709	561.809	4.252.518
2.1.1.	Asset Purchase and Sale Commitments		1.050.506	1.748.585	2.799.091	19.940	561.809	581.749
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		67.500	-	67.500	-	-	-
2.1.3.	Loan Granting Commitments		605.190	-	605.190	618.854	-	618.854
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitment for Cheques		1.628.852	-	1.628.852	1.109.464	-	1.109.464
2.1.7.	Tax And Fund Liabilities from Export Commitments		78.574	-	78.574	30.942	-	30.942
2.1.8.	Commitments for Credit Card Expenditure Limits		3.797.263	-	3.797.263	1.910.259	-	1.910.259
2.1.9.	Commitments for Promotions Related with Credit Cards and Banking Activities		492	-	492	687	-	687
2.1.10	Receivables From Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Other Irrevocable Commitments		557	-	557	563	-	563
2.2.	Revocable Commitments		44.500	-	44.500	53.500	-	53.500
2.2.1.	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		44.500	-	44.500	53.500	-	53.500
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(2)**	**16.193.513**	**17.050.147**	**33.243.660**	**1.595.419**	**2.961.817**	**4.557.236**
3.1.	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1.	Fair Value Hedge		-	-	-	-	-	-
3.1.2.	Cash Flow Hedge		-	-	-	-	-	-
3.1.3.	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2.	Held for Trading Transactions		16.193.513	17.050.147	33.243.660	1.595.419	2.961.817	4.557.236
3.2.1	Forward Foreign Currency Buy/Sell Transactions		167.848	1.764.017	1.931.865	525.019	705.963	1.230.982
3.2.1.1	Forward Foreign Currency Transactions-Buy		127.947	743.016	870.963	307.298	310.779	618.077
3.2.1.2	Forward Foreign Currency Transactions-Sell		39.901	1.021.001	1.060.902	217.721	395.184	612.905
3.2.2.	Other Forward Buy/Sell Transactions		16.025.665	15.286.130	31.311.795	1.070.400	2.255.854	3.326.254
3.3.	Other		-	-	-	-	-	-
B.	**CUSTODY AND PLEDGED ITEMS (IV+V+VI)**		**365.308.886**	**122.192.080**	**487.500.966**	**195.850.209**	**76.219.165**	**272.069.374**
IV.	**ITEMS HELD IN CUSTODY**		**17.450.435**	**61.975.672**	**79.426.107**	**8.003.258**	**25.965.959**	**33.969.217**
4.1.	Assets Under Management		5.251.693	-	5.251.693	1.337.798	-	1.337.798
4.2.	Investment Securities Held in Custody		9.124	21.282.784	21.291.908	19.853	274.662	294.515
4.3.	Cheques Received for Collection		9.196.163	346.474	9.542.637	4.909.013	357.854	5.266.867
4.4.	Commercial Notes Received for Collection		2.717.701	287.869	3.005.570	1.491.411	268.677	1.760.088
4.5.	Other Assets Received for Collection		103	-	103	103	-	103
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		218.626	2.340.384	2.559.010	211.126	9.509.633	9.720.759
4.8.	Custodians		57.025	37.718.161	37.775.186	33.954	15.555.133	15.589.087
V.	**PLEDGED ITEMS**		**347.858.451**	**60.216.408**	**408.074.859**	**187.846.951**	**50.253.206**	**238.100.157**
5.1.	Marketable Securities		19.249.676	16.891.614	36.141.290	19.153.683	10.676.095	29.829.778
5.2.	Guarantee Notes		5.618.532	187.917	5.806.449	4.325.462	184.003	4.509.465
5.3.	Commodity		52.109.951	4.711.743	56.821.694	26.851.614	4.243.573	31.095.187
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		242.386.120	32.844.770	275.230.890	122.373.633	31.168.237	153.541.870
5.6.	Other Pledged Items		28.274.636	5.565.022	33.839.658	14.892.518	3.971.600	18.864.118
5.7.	Pledged Items-Depository		219.536	15.342	234.878	250.041	9.698	259.739
VI.	**ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES**		-	-	-	**-**	**-**	**-**
	TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		**404.101.179**	**155.737.406**	**559.838.585**	**212.620.468**	**89.435.170**	**302.055.638**

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS OF DECEMBER 31, 2023
(Thousand of Turkish Lira (TL) unless otherwise stated)

	STATEMENT OF PROFIT OR LOSS	Notes (Section Five-IV)	CURRENT PERIOD January 1- December 31, 2023	PRIOR PERIOD January 1- December 31, 2022
I.	**PROFIT SHARE INCOME**	**(1)**	**20.068.874**	**11.019.091**
1.1	Profit Share on Loans		14.978.830	8.302.171
1.2	Income Received from Reserve Deposits		34.863	47.503
1.3	Income Received from Banks		201	172
1.4	Income Received from Money Market Placements		59.972	6.327
1.5	Income Received from Marketable Securities Portfolio		4.287.154	2.571.893
1.5.1	Financial Assets at Fair Value Through Profit and Loss		1.453.357	1.119.491
1.5.2	Financial Assets at Fair Value through Other Comprehensive Income		540.315	265.473
1.5.3	Financial Assets Measured at Amortised Cost		2.293.482	1.186.929
1.6	Finance Lease Income		686.415	87.878
1.7	Other Profit Share Income		21.439	3.147
II.	**PROFIT SHARE EXPENSE**	**(2)**	**11.427.943**	**5.610.008**
2.1	Expense on Profit Sharing Accounts		9.438.441	4.510.948
2.2	Profit Share Expense on Funds Borrowed		1.591.900	498.965
2.3	Profit Share Expense on Money Market Borrowings		35.262	32.061
2.4	Profit Share Expense on Securities Issued		229.834	430.037
2.5	Finance Lease Expense		100.183	66.377
2.6	Other Profit Share Expense		32.323	71.620
III.	**NET PROFIT SHARE INCOME (I – II)**		**8.640.931**	**5.409.083**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSES**		**2.457.538**	**680.751**
4.1	Fees and Commissions Received		2.972.008	1.070.871
4.1.1	Non-Cash Loans		330.810	250.955
4.1.2	Other	**(3)**	2.641.198	819.916
4.2	Fees and Commissions Paid (-)		514.470	390.120
4.2.1	Non-Cash Loans		514	657
4.2.2	Other	**(3)**	513.956	389.463
V.	**DIVIDEND INCOME**	**(4)**	**1.129**	**1.553**
VI.	**TRADING INCOME/LOSS(net)**	**(5)**	**2.668.139**	**2.875.326**
6.1	Capital Market Transaction Income/(Loss)		583.064	1.866.218
6.2	Profit/(Loss) from Derivative Financial Instruments		(457.803)	92.726
6.3	Foreign Exchange Income/(Loss)		2.542.878	916.382
VII.	**OTHER OPERATING INCOME**	**(6)**	**4.654.873**	**2.163.410**
VIII.	**TOTAL OPERATING INCOME (III+IV+V+VI+VII)**		**18.422.610**	**11.130.123**
IX.	**EXPECTED CREDIT LOSS (-)**	**(7)**	**3.599.967**	**3.950.152**
X.	**OTHER PROVISION EXPENSES (-)**	**(7)**	**4.237.388**	**2.075.486**
XI.	**PERSONNEL EXPENSES (-)**		**2.549.510**	**1.190.634**
XII.	**OTHER OPERATING EXPENSES (-)**	**(8)**	**2.370.041**	**1.155.709**
XIII.	**NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)**		**5.665.704**	**2.758.142**
XIV.	**EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER**		**-**	**-**
XV.	**PROFIT/(LOSS) ON EQUITY METHOD**		**172.330**	**57.508**
XVI.	**PROFIT/(LOSS) ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)**	**(9)**	**5.838.034**	**2.815.650**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(10)**	**1.714.583**	**960.085**
18.1	Provision for Current Taxes		1.666.123	615.543
18.2	Deferred Tax Expense Effect (+)		3.139.794	1.476.179
18.3	Deferred Tax Income Effect (-)		3.091.334	1.131.637
XIX.	**NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)**	**(11)**	**4.123.451**	**1.855.565**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**	**(11)**	**-**	**-**
20.1	Income from Assets Held For Sale		-	-
20.2	Income from Sale Of Associates, Subsidiaries And Jointly Controlled Entities (Joint Vent.)		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	**LOSS FROM DISCONTINUED OPERATIONS (-)**		**-**	**-**
21.1	Loss from Assets Held for Sale		-	-
21.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-
21.3	Loss from Other Discontinued Operations		-	-
XXII.	**PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)**		**-**	**-**
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		**-**	**-**
23.1	Provision for Current Taxes		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV	**NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**		**-**	**-**
XXV.	**NET PROFIT/LOSS (XIX+XXIV)**	**(12)**	**4.123.451**	**1.855.565**
25.1	Group's Income/Loss		3.969.283	1.699.161
25.2	Minority Shares Profit/Loss (-)		154.168	156.404
	Earnings Per Share		1,58771	0,83940

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

(Thousand of Turkish Lira (TL) unless otherwise stated)

	PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	CURRENT PERIOD January 1- December 31, 2023	PRIOR PERIOD January 1- December 31, 2022
I.	**CURRENT PERIOD PROFIT/LOSS**	**4.123.451**	**1.855.565**
II.	**OTHER COMPREHENSIVE INCOME**	**1.404.980**	**853.028**
2.1	**Other Income/Expense Items not to be Recycled to Profit or Loss**	**738.136**	**453.463**
2.1.1	Revaluation Surplus on Tangible Assets	954.717	699.307
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	(63.697)	(186.911)
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	(152.884)	(58.933)
2.2	**Other Income/Expense Items to be Recycled to Profit or Loss**	**666.844**	**399.565**
2.2.1	Exchange Rate Conversion Differences	595.965	226.845
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	119.504	230.948
2.2.3	Gains/losses from Cash Flow Hedges	-	-
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	(48.625)	(58.228)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**5.528.431**	**2.708.593**

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2023
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss								
	Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves(*)	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Before Minority Shares	Minority Shares	Total Shareholders' Equity
CURRENT PERIOD (January 1 – December 31, 2023)																	
I. Closing balance		**2.500.000**	**23.278**	**-**	**1.585.124**	**1.034.726**	**(193.239)**	**-**	**530.140**	**191.121**	**-**	**1.839.959**	**(639.809)**	**1.699.161**	**8.570.461**	**777.327**	**9.347.788**
II. Correction made as per TAS 8		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning Of Period (I+II)		**2.500.000**	**23.278**	**-**	**1.585.124**	**1.034.726**	**(193.239)**	**-**	**530.140**	**191.121**	**-**	**1.839.959**	**(639.809)**	**1.699.161**	**8.570.461**	**777.327**	**9.347.788**
IV. Total Comprehensive Income		-	-	-	-	769.841	(31.705)	-	595.965	70.879	-	-	-	3.969.283	5.374.263	154.168	5.528.431
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Others Changes		-	-	-	2.471.609	-	-	-	-	-	-	(1.651.681)	(700.028) (**)	-	119.900	(647.715)	(527.815)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	1.362.354	336.807	(1.699.161)	-	-	-
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1.362.354	(1.362.354)	-	-	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	1.699.161	(1.699.161)	-	-	-
Balances at end of the period (III+IV…+X+XI)		**2.500.000**	**23.278**	**-**	**4.056.733**	**1.804.567**	**(224.944)**	**-**	**1.126.105**	**262.000**	**-**	**1.550.632**	**(1.003.030)**	**3.969.283**	**14.064.624**	**283.780**	**14.348.404**

(*) The Parent Bank has recognized undated additional tier 1 capital amounting to USD 205.000.000 issued through "Bereket One Ltd" under "other capital reserves" as per TAS 32: "Financial Instruments: Presentation" standard.

(**) The Parent Bank has paid TL 509.929 in February and August 2023, the coupon payment amount of undated additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 186.514, the deferred tax expense related to the payment has been recognized under "prior periods' profit/ loss" as well.

1. Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,
3. Others (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4 Exchange Rate Conversion Differences,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Others (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2023
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss								
	Notes (Section Five-V)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves(*)	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity Before Minority Shares	Minority Shares	Total Shareholders' Equity
PRIOR PERIOD (January 1 - December 31, 2022)																	
I. Closing balance	**(V)**	**1.350.000**	**14.855**	**-**	**1.193.669**	**444.616**	**(56.592)**	**-**	**303.295**	**18.401**	**-**	**1.745.919**	**(591.729)**	**332.836**	**4.755.270**	**1.943.910**	**6.699.180**
II. Correction made as per TAS 8		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning Of Period (I+II)		**1.350.000**	**14.855**	**-**	**1.193.669**	**444.616**	**(56.592)**	**-**	**303.295**	**18.401**	**-**	**1.745.919**	**(591.729)**	**332.836**	**4.755.270**	**1.943.910**	**6.699.180**
IV. Total Comprehensive Income		-	-	-	-	590.110	(136.647)	-	226.845	172.720	-	-	-	1.699.161	2.552.189	156.404	2.708.593
V. Capital Increase in Cash		1.150.000	8.423	-	-	-	-	-	-	-	-	-	-	-	1.158.423	-	1.158.423
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Others Changes		-	-	-	391.455	-	-	-	-	-	-	9.614	(296.490)(**)	-	104.579	(1.322.987)	(1.218.408)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	84.426	248.410	(332.836)	-	-	-
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	84.426	(84.426)	-	-	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	332.836	(332.836)	-	-	-
Balances at end of the period (III+IV…+X+XI)		**2.500.000**	**23.278**	**-**	**1.585.124**	**1.034.726**	**(193.239)**	**-**	**530.140**	**191.121**	**-**	**1.839.959**	**(639.809)**	**1.699.161**	**8.570.461**	**777.327**	**9.347.788**

(*) The Parent Bank has recognized undated additional tier 1 capital amounting to USD 205.000.000 issued through "Bereket One Ltd" under "other capital reserves" as per TAS 32: "Financial Instruments: Presentation" standart.

(**) The Parent Bank has paid TL 323.616 in February and August 2022, the coupon payment amount of undated additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 91.167, the deferred tax expense related to the payment has been recognized under "prior periods' profit/ loss" as well.

1. Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,
3. Others (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Exchange Rate Conversion Differences,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Others (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS
AS OF DECEMBER 31, 2023
(Thousand of Turkish Lira (TL) unless otherwise stated)

	STATEMENT OF CASH FLOWS	Notes (Section Five-VI)	CURRENT PERIOD January 1- December 31, 2023	PRIOR PERIOD January 1- December 31, 2022
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes In Operating Assets And Liabilities**		**3.539.515**	**2.383.976**
1.1.1	Profit Share Income Received		15.740.613	9.062.601
1.1.2	Profit Share Expense Paid		(8.983.462)	(4.728.973)
1.1.3	Dividend Received		1.129	1.553
1.1.4	Fees and Commissions Received		2.627.852	772.937
1.1.5	Other Income		4.052.181	1.790.598
1.1.6	Collections from Previously Written Off Loans	**(V-I-6,h2)**	994.473	1.374.234
1.1.7	Payments to Personnel and Service Suppliers		(3.511.528)	(1.614.515)
1.1.8	Taxes Paid		(1.144.015)	(134.925)
1.1.9	Others	**(V-VI-3)**	(6.237.728)	(4.139.534)
1.2	**Changes In Operating Assets And Liabilities**		**2.258.824**	**1.526.755**
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		(2.366.117)	(2.286.958)
1.2.2	Net (Increase) Decrease in Due From Banks and Other Financial Institutions		(10.273.082)	73.061
1.2.3	Net (Increase) Decrease in Loans		(23.035.309)	(8.534.364)
1.2.4	Net (Increase) Decrease in Other Assets		(3.624.525)	(2.455.753)
1.2.5	Net Increase (Decrease) in Bank Deposits		193.650	(705.028)
1.2.6	Net Increase (Decrease) in Other Deposits		37.854.221	15.162.226
1.2.7	Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.8	Net Increase (Decrease) in Funds Borrowed		-	-
1.2.9	Net Increase (Decrease) in Matured Payables		-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	**(V-VI-3)**	3.509.986	273.571
I.	**Net Cash Flow From Banking Operations**		**5.798.339**	**3.910.731**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash flow from investing activities**		**(6.523.592)**	**(8.877.350)**
2.1	Cash Paid For Acquisition of Investments, Associates and Subsidiaries		(232.500)	(25.630)
2.2	Cash Obtained From Disposal of Investments, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(1.328.127)	(803.700)
2.4	Disposals of Property and Equipment		141.956	344.280
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(21.934.692)	(1.714.082)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		17.743.314	690.116
2.7	Purchase of Financial Assets Measured at Amortised Cost	**(V-I-4)**	(5.228.236)	(9.810.181)
2.8	Sale of Financial Assets Measured at Amortised Cost	**(V-I-4)**	4.314.693	2.441.847
2.9	Other		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Flow From Financing Activities**		**16.952.152**	**3.433.016**
3.1	Cash Obtained from Funds Borrowed and Securities Issued		56.014.702	36.852.685
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(38.398.923)	(34.135.603)
3.3	Issued Capital Instruments		-	1.158.423
3.4	Dividends Paid		-	-
3.5	Payments for Leases		(153.698)	(118.873)
3.6	Other		(509.929)	(323.616)
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**	**(V-VI-3)**	**2.150.135**	**1.109.975**
V.	**Net (Decrease) Increase in Cash and Cash Equivalents**		**18.477.034**	**(423.628)**
VI.	**Cash and Cash Equivalents at the Beginning of the Period**	**(V-VI-a)**	**13.520.568**	**13.944.196**
VII.	**Cash and Cash Equivalents at the End of the Period**	**(V-VI-b)**	**31.997.602**	**13.520.568**

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT APPROPRIATION
AS OF DECEMBER 31, 2023
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF PROFIT APPROPRIATION	CURRENT PERIOD December 31, 2023	PRIOR PERIOD December 31, 2022
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1. CURRENT YEAR INCOME	**5.083.632**	**2.315.241**
1.2. TAXES AND DUTIES PAYABLE (-)	1.655.074	949.745
1.2.1. Corporate tax (Income tax)	1.606.614	605.203
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and legal liabilities (*)	48.460	344.542
A. NET INCOME FOR THE YEAR (1.1-1.2)	**3.428.558**	**1.365.496**
1.3. PRIOR YEAR LOSSES (-)	-	-
1.4. FIRST LEGAL RESERVES (-)	-	68.275
1.5. OTHER STATUTORY RESERVES (-)	-	12.731
B. DISTRIBUTABLE NET PERIOD INCOME [(A-(1.3+1.4+1.5)] (**)	**3.428.558**	**1.284.490**
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1. To owners of ordinary shares	-	-
1.6.2. To owners of preferred shares	-	-
1.6.3. To owners of preferred shares (Preemptive rights)	-	-
1.6.4. To Profit sharing bonds	-	-
1.6.5. To owners of the profit /loss sharing certificates	-	-
1.7. DIVIDEND TO PERSONNEL (-)	-	-
1.8. DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1. To owners of ordinary shares	-	-
1.9.2. To owners of preferred shares	-	-
1.9.3. To owners of preferred shares (Preemptive rights)	-	-
1.9.4. To profit sharing bonds	-	-
1.9.5. To owners of the profit /loss sharing Certificates	-	-
1.10. SECOND LEGAL RESERVE (-)	-	-
1.11. STATUS RESERVES (-)	-	-
1.12. EXTRAORDINARY RESERVES	-	1.284.490
1.13. OTHER RESERVES	-	-
1.14. SPECIAL FUNDS	-	-
II. DISTRIBUTION FROM RESERVES		
2.1. DISTRIBUTED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. SHARE TO SHAREHOLDERS (-)	-	-
2.3.1. To owners of ordinary shares	-	-
2.3.2. To owners of preferred shares	-	-
2.3.3. To owners of preferred shares (Preemptive rights)	-	-
2.3.4. To profit sharing bonds	-	-
2.3.5. To owners of the profit /loss sharing certificates	-	-
2.4. SHARE TO PERSONNEL (-)	-	-
2.5. SHARE TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1. TO OWNERS OF ORDINARY SHARES (***) (FULL TL)	1,37	0,546
3.2. TO OWNERS OF ORDINARY SHARES (%)	137,00	54,61
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 (FULL TL)	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PREFERRED SHARES	-	-
4.4. TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Deferred tax income is presented in “other taxes and legal liabilities” line. Deferred tax income is not subject to profit appropriation; thus it is classified under extraordinary reserves.

(**) General Assembly of the Parent Bank is the authorized body for the profit appropriation decisions. The Ordinary General Assembly Meeting has not been held as of the date of the preparation of these financial statements. Statement of profit appropriation is prepared according to the unconsolidated financial statements of the Parent Bank.

(***) Calculated by using the number of share certificates as of year-end

SECTION THREE

Accounting Policies

I. Explanations on basis of presentation:

a) The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks' Accounting Application and Safeguarding of Documents:

The Parent Bank prepares its financial statements in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Regulation which includes the regulation on "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks, circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA").

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", published in Official Gazette numbered 28337, dated June 28, 2012, and amendments to this Communiqué. The Parent Bank maintains its books in Turkish Lira in accordance with the Banking Act, 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, liabilities, revalued real estates and investment properties carried at fair value.

Public Oversight Accounting and Auditing Standards Authority ("POA"), with its announcement dated 23 November 2023, applied that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting in Hyperinflationary Economies ("TAS 29"), however, institutions or organizations authorized to regulate and supervise in their own fields may determine different transition dates for the applying of TAS 29. Based on this announcement of POA, BRSA, with its decision dated 12 December 2023 and numbered 10744, decided that the financial statements dated 31 December 2023 of banks and financial leasing, factoring, financing, savings financing and asset management companies should not be subject to the inflation adjustment required within the scope of TAS 29. In accordance with the BRSA's decision dated 11 January 2024 and numbered 10825, it has been decided that banks and financial leasing, factoring, financing, savings financing and asset management companies will be applied inflation accounting as of 1 January 2025. Accordingly, the Bank has not applied the inflation accounting required by TAS 29 in its financial statements for the year ended 31 December 2023.

b) Additional paragraph for convenience translation:

The differences between accounting principles, as described in the preceding paragraphs, and accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

c) Accounting policies and valuation principles applied in the preparation of consolidated financial statements:

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TFRS. As of December 31, 2023, ownership investment accounted using equity method is Katılım Emeklilik ve Hayat A.Ş. The subsidiaries, real estate funds, venture capital investment funds accounted using full consolidation method are Bereket Varlık Kiralama A.Ş., Değer Varlık Kiralama A.Ş., Albaraka Portföy Yönetimi A.Ş., Getinsha GmbH, Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu, Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu and Albaraka Portföy Yönetimi A.Ş. Insha Girişim Sermayesi Yatırım Fonu respectively.

I. Explanations on basis of presentation (continued):

c) Accounting policies and valuation principles applied in the preparation of consolidated financial statements (continued):

The preparation of the consolidated financial statements according to BRSA Reporting and Accounting Legislation requires the Group's management to make estimates and assumptions related to assets and liabilities in the balance sheet and contingent issues as of the balance sheet date. Such estimates and assumptions include the fair value calculations of the financial instruments, deferred tax assets and liabilities provisions for the lawsuits, impairment of the financial assets and revaluation of immovables and reviewed periodically and when adjustments are considered necessary they are reflected in the financial statements. The assumptions and estimates used are explained in the related notes. Accounting policies and evaluation principles in preparing Financial statements are determined and applied as per the principles stated in "BRSA Accounting and Financial Reporting Legislation" and consistent with the accounting policies applied for December 31, 2022 financial statements.

d) Restatement of the financial statements according to the current purchasing power of money:

Accompanying financial statements are subjected to TAS 29 "Financial Reporting in Hyperinflationary Economies" until December 31, 2004 and with regard to this the BRSA explained with its decision numbered 1623 and dated April 21, 2005 and its circular dated April 28, 2005 that the conditions for applying inflation accounting was no longer applicable and accordingly inflation accounting has not been applied in the accompanying financial statements starting from January 1, 2005.

e) Comparative information and classifications:

The changes in accounting policies are applied retrospectively and previous period financial statements are restated. The Financial statemements of the Parent bank are prepared comparative to the previous term in order to determine its financial position and performans trends. If appropriate, the comparative information are restated in order to provide comparativeness to the statements of current period financial statements.

II. Explanations on strategy of using financial instruments and foreign currency transactions:

The Group creates its strategies on financial instruments considering its sources of financing. The main financing sources consist of current and profit-sharing accounts. Other than current and profit-sharing accounts, the Parent Bank's most important funding sources are its equity and borrowings from foreign financial institutions. The Parent Bank sustains its liquidity to cover matured liabilities by holding adequate level of cash and cash equivalents.

The Parent Bank's transactions in foreign currencies are accounted in accordance with the TAS 21 "Accounting Standard on the Effect of Changes in Foreign Currency Rates", and converted with the exchange rate ruling at the transaction date into Turkish Lira. Foreign currency assets and liabilities have been converted into Turkish Lira at the rate of exchange rates ruling at the balance sheet date announced by the Parent Bank. Gains or losses arising from foreign currency transactions and conversion of foreign currency assets and liabilities are reflected in the income statement as foreign exchange gain or loss.

II. Explanations on strategy of using financial instruments and foreign currency transactions (continued):

If the loans recognized in the foreign currency accounts are switched to non-performing, they are continued to be recognized in the foreign currency accounts and evaluated with the current exchange rates.

The foreign currency exchange differences resulting from the conversion of debt securities issued and monetary financial assets into Turkish Lira are included in the income statement.

The balance sheet items of the foreign branches and foreign subsidiary of the Parent Bank included in the financial statements are converted into Turkish lira at the exchange rate ruling at the balance sheet date announced by the Parent Bank. Income statement items are converted into Turkish lira by exchange rate ruling at the transaction date and all exchange differences arising from conversion are accounted in other capital reserves under equity according to TAS 21.

Precious metals (gold and silver) accounted under assets and liabilities, which do not have fixed maturity, are converted into Turkish lira by using the buying rate at the balance sheet date announced by the Parent Bank and resulting evaluation differences are reflected as foreign exchange gain or loss.

There are no foreign currency differences capitalized by the Group.

III. Information on consolidated associates:

Consolidated financial statements are prepared in accordance with the decrees, notes and explanations set forth in Communiqué on “Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette dated November 8, 2006, numbered 26340 and “Turkish Accounting Standard for Consolidated Financial Statements” (“TFRS 10”).

a) Consolidation principles on joint ventures:

The joint venture is an entity in which the Parent Bank participates in its capital and has joint control and whose main operation is private pension and insurance and operates according to special legislation with permission and license and is established in Türkiye. The related joint venture has been consolidated through equity method. Where necessary, accounting policies of the joint venture have been harmonized to ensure consistency with the policies adopted by the Parent Bank.

Equity method is an accounting method which foresees the increase or decrease of the book value of capital share in a joint venture from the changes in the participated joint venture’s shareholders’ equity during the period attributable to the portion of the investor and the deduction of the dividend received from the associate from the revised value of the joint venture amount.

The joint venture included in consolidation, its title, its place of incorporation, main activities and effective shareholding rates are as follows:

Title	Operation Center (City/Country)	Main Activities	Effective Rates (%)	Direct and Indirect Rates (%)
Katılım Emeklilik ve Hayat A.Ş.	Istanbul/Türkiye	Private pension and insurance	50,00	50,00

b) Consolidation principles on subsidiaries:

Subsidiaries are the entities controlled directly or indirectly by the Parent Bank. Subsidiaries are consolidated using the full consolidation method considering materiality principle, taking account the operation results, size of asset and shareholders’ equity. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Parent Bank.

Control is accepted as when Parent Bank has power over its investee, or exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the full consolidation method, 100% of subsidiaries’ assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank’s assets, liabilities, and income, expense and off-balance sheet items. The carrying amount of the Group’s investment in each subsidiary and the Group’s portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Parent Bank.

(Thousand of Turkish Lira (TL) unless otherwise stated)

III. Information on consolidated associates (continued):

b) Consolidation principles on subsidiaries (continued):

The subsidiaries included in consolidation, its title, its place of incorporation, main activities and effective shareholding rates are as follows:

Title	Operation Center (City/Country)	Main Activities	Effective Partnership Rates (%)	Direct and Indirect Partnership Rates (%)
Bereket Varlık Kiralama A.Ş.	Istanbul/Türkiye	Sukuk Issue	100,00	100,00
Değer Varlık Kiralama A.Ş.	Istanbul/Türkiye	Sukuk Issue	100,00	100,00
Albaraka Portföy Yönetimi A.Ş.	Istanbul/Türkiye	Investment Fund Foundation and Management	100,00	100,00
Getinsha GmbH	Berlin/Germany	Providing digital participation banking services with the banking license of Solarisbank AG in Germany, collecting funds with this license through mudaraba method and evaluating the funds in accordance with the principles of interest-free finance and contract signed.	100,00	100,00

c) Consolidation principles on investment funds:

The investment funds, founded by the Parent Bank's subsidiary "Albaraka Portföy Yönetimi A.Ş." over which the Group has control as per procedures and principles stated in TFRS 10 "Turkish Financial Reporting Standards on consolidated Financial Statements", are accounted as per full consolidation method. For investment funds over which the Parent Bank does not have full control, minority shares are calculated seperately under income statement and shareholders' equity. The information on the funds is represented as follows:

Title	Operation Center (City/Country)	Main Activities	Parent Bank's Effective Percentage of Shares (%)	Group's Direct and Indirect Effective Percentage of Shares (%)
Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu	Istanbul/Türkiye	Buy real estate and rights based on real estates, rent, lease and sell	96,86	96,86
Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu	Istanbul/Türkiye	Buy real estate and rights based on real estates, rent, lease and sell	99,16	99,16
Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu(*)	Istanbul/Türkiye	Buy real estate and rights based on real estates, rent, lease and sell	0,00	99,23
Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu	Istanbul/Türkiye	To invest in company shares that can be financially and institutionally structured and developed, and to terminate the investment in the development or further stages of the company through methods such as sales, merger, and public offering.	100,00	100,00
Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu(*)	Istanbul/Türkiye	To invest in the initial stages of technology and innovation companies that provide products or services to Fintech venture companies or financial companies or to terminate the investment in the advanced stages by methods such as sale, merger and public offering.	0,00	5,88
Albaraka Portföy Yönetimi A.Ş. Inovasyon Girişim Sermayesi Yatırım Fonu(*)	Istanbul/Türkiye	To incorporate innovative fintech projects inside the Parent Bank as co-founder or make the fintech projects more flexible and active in present companies by becoming their partner, to invest these companies' shares and terminate the investment in the development or advanced phase by sale, merger, public offer.	0,00	100,00
Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu(*)	Istanbul/Türkiye	The main investment strategy of the fund is to invest in lease certificates, of which venture companies whose shares are not traded on the stock exchange are the fund users, provided that they comply with the principles of participation financing. In this context, at least 80% of the total value of the fund consists of lease certificates (sukuk), which are in the nature of venture capital investment.	0,00	100,00
Albaraka Portföy Yönetimi A.Ş. Insha Girişim Sermayesi Yatırım Fonu (*)	İstanbul/Türkiye	The Fund's investment strategy is to invest primarily in Insha Ventures Teknoloji Geliştirme ve Pazarlama A.Ş. (Insha Ventures) and the companies in which Insha Ventures invests, and to terminate the investment in the later stages of the companies through methods such as sale, merger or public offering.	0,00	100,00

(*) Relevant funds are controlled by the funds which are consolidated and controlled by the Parent Bank. Therefore, The Parent Bank has indirect control over these funds.

III. Information on consolidated associates (continued):

d) Presentation of consolidated subsidiaries, associates and joint ventures in consolidated financial statements:

The associates and subsidiaries which are not under the scope of consolidation are accounted at cost value, less any impairment, in accordance with “Turkish Accounting Standards for Individual Financial Statements (“TAS 27”)” in the consolidated financial statements.

In the consolidated financial statements, credit institutions, which are not included in consolidation, or subsidiaries, which are not financial institutions, are accounted at cost value, less any impairment in the consolidated financial statements.

If the cost amount exceeds the recoverable amount (the higher of an asset’s fair value less costs of disposal and its value in use) the value of the related associates and subsidiaries is equal to the recoverable amount.

IV. Explanations on forward, option contracts and derivative instruments:

The derivative financial instruments of the Group generally consist of forward foreign currency, forward security and swap agreements. Derivative transactions portfolio may change as per market conditions in related terms. The Group records the spot foreign currency transactions in asset purchase and sale commitments.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values. Derivative transactions are initially recorded at their fair values. In the periods following the recognizing of derivative transactions, depending on whether the fair value is positive or negative, the portion which is reflected to Income Statement for derivative assets and derivative liabilities are represented in Balance Sheet. Differences in fair values as a result of the valuation are recognized in trading income/loss line in the Income Statement as profit (loss) from derivative financial instruments and foreign exchange income (loss)

V. Explanations on profit share income and expenses:

Profit share income

Profit share income is accounted in accordance with the internal rate of return method, which is equal to the net present value of the future cash flows of the financial asset determined in TFRS 9 and reflected to the accrual basis.

Profit-loss Investment projects are recognized under the "Loans" account in the balance sheet. Profit and loss investment projects are subject to valuation periodically every year and positive differences related to valuation are represented under "Profit Share on Loans".

The Parent Bank has begun to calculate accrual for non-performing loans as of January 1, 2018. Net book value of non-performing receivables (Gross Book Value- Expected Loss Provision) is accounted at the gross book value of accruals with effective profit share rate.

Profit share expense

The Parent Bank records profit share expenses on accrual basis. The profit share expense accrual calculated in accordance with the unit value method on profit sharing accounts has been included under the account "Funds Collected" in the balance sheet.

VI. Explanations on fees, commission income and expenses:

Other than commission income and fees and expenses for various banking services that are reflected as income/expense when collected/paid, fees and commission income and expenses are reflected to income statement depending on the term of the related transaction.

The commissions and fees other than those, whose amortised costs are integral part of their effective profit rate, are accounted for in accordance with the TFRS 15 Revenue From Contracts With Customers Standard.

In accordance with provisions of TFRS, the portion of the commission and fees which are related to the reporting period and collected in advance for cash and non-cash loans granted is reflected to the income statement by using the internal rate of return method and straight line methods, respectively over the commission period of the related loan, respectively. Fees and commissions collected in advance which are related to the future periods are recorded under the account "Unearned Revenues" and included in "Other Liabilities" in the balance sheet. The commission received from cash loans corresponding to the current period is presented in "Profit Share from Loans" in the statement of profit or loss.

In the correspondence of BRSA dated June 8, 2012 and numbered B.02.1.BDK.0.13.00.0-91.11-12061, it has been stated that there is no objection to recording the commissions received from long term non-cash loans collected in quarterly periods or periods less than a quarter directly as income. Consequently, the Parent Bank records the related cash and non-cash loans commissions directly as income.

VII. Explanations on financial assets:

Financial assets are recognized or derecognized according to TFRS 9 section three:"Recognition and Derecognition". Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value. They are included in the balance sheet of the Parent Bank, if the Parent Bank is a legal party to these instruments.

On which category financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Assessment of business model:

As per TFRS 9, the Parent Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Parent Bank's business model does not depend on management's intentions for an individual instrument. Accordingly, this condition is not a classification approach on the basis of a financial instrument but an evaluation by combining financial assets.

The Parent Bank's business models are divided into three categories. These categories are defined below:

VII. Explanations on financial assets (continued):

a) The Business model whose objective is to hold assets in order to collect contractual cash flows:

A business model whose objective is to hold assets of The Parent Bank in order to collect contractual cash flows over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortised cost when the contractual terms of the financial asset meet the cash flow test that includes profit share payments arising only from principal and principal amount at specific dates.

b) The Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets:

The Parent Bank may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Fair value changes of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the cash flows test that includes profit share payments arising only from principal and principal amount at specific dates.

c) Other business models:

Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Contractual cash flows that contains solely payments of principal and profit share:

As per TFRS 9, the Parent Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets at the fair value through profit or loss:

Financial assets at fair value through profit/loss are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and profit share at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. The Parent Bank recognizes profit and loss investments under “loans” as per BRSA uniform chart of accounts and measures them at fair value considering TFRS 9 provisions. The fair value measurements of profit and loss investments are based on the valuation reports prepared by the valuation experts.

In evaluting profit share investment projects various assumptions and estimations have been used. Work projects, discount rates and fair value parameters may fluctuate and sensitive to economical conjucture, sectoral position and other market conditions.

Sukuk (lease certificates) which are represented under Financial Assets Measured at Fair Value through Profit/Loss are evaluated with the weighted average clearing prices in Istanbul Stock Exchange and which are not quoted in Istanbul Stock Exchange evaluated with their prices determined in Central Bank of Türkiye.

As per the correspondence by BRSA numbered E-43890421-101.02.02-7182, the accounting of outright repurchase and sales of investment funds under Financial Assets Measured at Fair Value through Profit/Loss are approved Parent Bank’s Advisory Committee in accordance with its decisions on condition that there is no agreement and/or condition with the customer regarding repurchase/resale and there is not even a custom that there is an obligation to repurchase/resale. Profits or losses arising from buying and selling are accounted in Capital Market Transaction Income/(Loss) under Trading income/ loss.

VII. Explanations on financial assets (continued):

c) Other business models (continued):

Financial assets at fair value through other comprehensive income (continued):

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and profit share at certain dates, they are classified as fair value through other comprehensive income. Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value.

Profit share income calculated with effective profit share rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

"Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the value corresponding to the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated Other Comprehensive Income or Expense to be Reclassified Through Profit or Loss" under shareholders' equity. The accumulated fair value differences that are reflected in shareholders' equity are reflected in the income statement when the stated securities are collected or disposed.

Equity securities, which are classified as financial assets at fair value through other comprehensive income are accounted for at fair value when they are traded in an organized market and / or the fair value can be reliably measured and these financial assets are not subject to expected losses recognization.The valuation differences of the mentioned securities are accounted under the "Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss" in shareholders' equity

Financial assets measured at amortized cost:

Financial assets that are held for collection of contractual cash flows within the scope of business model where those cash flows represent solely payments of principal and profit share on certain dates are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs, which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in income statement.

Loans:

Loans are non derivative financial assets that have fixed or determinable payments terms and are not quoted in an active market. Stated loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Profit Share Rate (internal rate of return) Method".

The Parent Bank's all loans including profit and loss investments are recorded under the "Measured at Amortized Cost" account. As per BRSA uniform chart of accounts, the Parent Bank recognizes profit and loss investments under "loans" and considering TFRS 9 provisions, measures them at fair value.

Granted cash loans are accounted by using the relevant accounts in accordance with the principles set out in the "Uniform Chart of Accounts to be Applied by the Participation Banks" and published in the Official Gazette dated September 20, 2017 and numbered 30186.

The Parent Bank periodically evaluates the provisions allocated for loans and other receivables as per TFRS 9 retrospectively and as a result of those evaluations, if appropriate, updates the classification rules and parameters on allocation of provisions.

VIII. Explanations on expected credit losses:

The Parent Bank allocates impairment for expected loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income. As of January 1, 2018, the Parent Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of January 1, 2018, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9.

VIII. Explanations on expected credit losses (continued):

The provisions written back are credited to “provision expenses”, and if such write backs are arising from previous year they are accounted under “other operating income”. The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans and finance lease receivables) and, in addition, financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts.

As stated in the note of significant estimates and assumptions in preparing financial statements, The Parent Bank has reflected the estimations and judgments used in the calculation of credit losses as of December 31, 2023, using the best estimation method with the maximum effort principle.

-In provisioning parameters, base scenario rate has been updated as 80% negative condition scenario rate has been updated as 20% and positive condition scenario has been revoked.

-In order to calculate the impact of macroeconomical factors to lifetime expected credit losses, the model has been set by using approximately 13 years of data from first quarter of 2010 to the year end of 2023. In this model NPL rates of the banks operating in the same sector has been used and supportive data from previous terms have been received. As a result of model update works, the parameters of unemployment and gross national product have been found meaningful.

Under this context, the approach used through 2023 has been maintained and will be reviewed in the coming reporting periods by considering the changes in credit portfolio and expectations related to the future.

The guiding principle of the expected credit loss model is to reflect the increase in credit risk of financial instruments or the general view of the recovery. The amount of allowance for the loss depends on the extent of the increase in credit risk since the initial issuance of the loan.

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument also the following aspects are important for the measurement.

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions, at the time of reporting, without excessive cost and effort.

Provisions for these financial assets are calculated using two different approaches: 12-month expected loss and expected lifetime loss. Credit risk parameters used in the calculations are as follows:

Parameters used when calculating expected credit losses:

Probability of Default (PD):

PD refers to the likelihood that a loan will default within a specified time horizon. Based on TFRS 9, the Parent Bank uses two different PDs in order to calculate expected credit losses:

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

Loss Given Default (LGD):

If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

Exposure at Default (EAD):

For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors. Credit conversion rate corresponds to the factor which adjust the potential increase of the exposure between the current date and the default date.

Financial Assets are divided into the following three categories depending on observable increases in their credit risks:

12 Month Expected Credit Losses (Stage 1):

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition and the delay days do not exceed 30 days. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. It is valid for all assets unless there is a significant deterioration in the quality of the loan. The expected 12 month loss values (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months) are part of the estimation of loss of life expectancy.

VIII. Explanations on expected credit losses (continued):

Significant Increase in Credit Risk (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.

The Parent Bank classifies financial assets as Level 2 by considering the following criteria:

- Loans with a delay over 30 days but not exceed 90 days

- The data obtained from the early warning system and the evaluation that the Parent Bank will make in this case

- The Parent Bank management's conclusion that there is significant increase in credit risk. At this point the Parent Bank compares probability of default of the loan in its origination with current status.

- Loans for which the repayment amount is fully collateralized and the collateral falls below the net realizable value.

Default (Stage 3/Specific Provision):

If the following conditions exist in accordance with the Parent Bank's internal procedures, the related financial asset is evaluated as default:

-Loans past 90 days from the last installment date

- Loans restructured and classified as performing recievables and restructured in the 1-year monitoring period at least once again and & or loans whose principal / profit payment is 30 days overdue.

The collective assessment of financial instruments is performed by building on homogeneous group assets arising from portfolio segmentation based on similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods associated with the expected loss calculation approach for each stage on a common basis.
Loans whose cash flows differ or have different characteristics from other loans can be evaluated individually instead of collectively. Expected credit loss can be defined as the difference between all contractual cash flows due as per the whole contract and cash flows expected to be collected that have been discounted with the original effective profit ratio. When measuring expected credit losses, the Bank shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low. The Bank makes such assessment by reflecting the estimate of expected credit loss which is unbiased and probability-weighted determined by evaluating a range of possible outcomes.
The following situations are taken into account when estimating cash flows.

- The conditions of the contract during the expected life of the financial instrument,
- Cash flows expected to be obtained from collateral sales.

Behavioral Maturity Calculation Methodology

Expected loss provision is calculated until end of the maturity for stage one loans whose remaining maturity is less than one year and calculated yearly for stage one loans whose remaining maturity is more than one year. For second group loans, it is calculated lifelong (until the end of maturity). In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, for products without real maturity information, behavioral maturity is calculated by analyzing historical data. Expected loss provision calculations are made over these maturities, depending on the type of loan.

Write-Off Policy

Within the framework of the provisions of the " Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be set aside for them" published in the Official Gazette dated July 6 ,2021 and numbered 31533, the portion of the loans that are classified under "Fifth Group-Loans with a Loss Qualification" and for which a lifetime expected loan loss provision or special provision is made due to the default of the borrower, for which there are no reasonable expectations for the recovery of the loans, as of the first reporting period following their classification in this Group, are written off from the records in an appropriate time determined by the bank, taking into account the situation of the debtor within the scope of TFRS 9. Writing off loans from the records is an accounting practice and does not result in waiving the right to the receivable.

IX. Explanations on offsetting of financial instruments:

Financial instruments are offset when the Group has a legally enforceable right to net off the recognized amounts, and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. The sukuk investments issued by the Group which are repurchased has been offset in financial assets measured at fair value through other comprehensive income and subordinated loan accounts.

X. Explanations on sale and repurchase agreements and lending of securities:

Securities subject to repurchase agreement are classified as "Financial Assets Measured at Fair Value through Profit/Loss", "Financial Assets Measured at Fair Value through Other Comprehensive Income" and "Financial Assets Measured at Amortised Cost" according to the investment purposes of the Group and measured according to the portfolio to which they belong. Funds obtained from the related agreements are accounted under "Borrowings from Money Markets" in liabilities and the difference between the sale and repurchase price is accrued over the life of the agreements using the internal rate of return method. Profit share expense on such transactions is recorded under "Profit Share Expense on Money Market Borrowings" in the income statement.

XI. Explanations on assets held for sale and discontinued operations and liabilities related to these assets:

Assets held for sale (or disposal group) are measured at the lower of the carrying amount of assets and fair value less any cost to be incurred for disposal and the amortising for these assets is stopped. In order to classify an asset as held for sale, the possibility of sale should be highly probable and the asset (or disposal group) should be available for immediate sale in its present condition. Highly saleable condition requires a plan designed by an appropriate level of management regarding the sale of the asset to be disposed of together with an active program for the determination of buyers as well as for the completion of the plan. Also, the asset shall be actively marketed in conformity with its fair value.

In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan.

The Group has assets that are possessed due to receivables and debtors' obligations to the Parent Bank and classified as assets held for sale. In the case that the Group has not disposed of such assets within a year of receipt or failed to produce a solid plan for sale of the assets, they are reclassified as fixed assets. The Group transfers such assets from assets held for sale and discounted operations to tangible assets.

A discontinued operation is a part of the Group's business which has been disposed of or classified as held for sale. The operating results of the discontinued operations are disclosed separately in the income statement. The Group has not any discontinued operations.

XII. Explanations on goodwill and other intangible assets:

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 "Turkish Accounting Standards for Intangible Assets". As of the balance sheet date, there is no goodwill in the financial statements of the Group. The Group's intangible assets consist of softwares, capitalized information technology services and intangible rights.

The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Parent Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Parent Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years. At the the establishment of Getinsha GmbH, the subsidiary of the Parent Bank operating in Germany, Getinsha GmbH has taken over establishment expenses from Parent Bank and goodwill has arisen during this transfer. Related amount is represented both in Getinsha GmbH's financial statements and Parent Bank's consolidated financial statements.

If there is objective evidence of group impairment, the asset's recoverable amount is estimated in accordance with the TAS 36 "Turkish Accounting Standard for Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is provided.

(Thousand of Turkish Lira (TL) unless otherwise stated)

XIII. Explanations on tangible assets:

The cost of the tangible assets purchased before December 31, 2004 have been restated by inflationary index from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs. Tangible assets are recorded at cost less accumulated depreciation and provision for impairment, if any in compliance with the ("TAS 16") "Turkish Accounting Standards for Tangible Assets" in the financial statements.

As of March 31, 2009, the Parent Bank has made a change in accounting policy and adopted revaluation model for real estates in accordance TAS 16 and reflected the results of appraisal reports prepared by an authorized real estate appraisal firm to the financial statements.

As of December 31, 2023, the Parent Bank has revalued its immovables and reflected the results of appraisal reports prepared by independent real estate appraiser firms using comparison of similar items method to the financial statements. The revaluation fund mentioned cannot be distributed as dividend to shareholders. Current period depreciation charge relating to the revaluation has been transferred to retained earnings from revaluation fund reserve.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

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

Depreciation is calculated on a straight-line basis. Depreciation rates used are determined by considering the estimated economic useful life of the assets. The annual rates used are as follows:

	Depreciation Rate %
Buildings	2
Motor vehicles	20 – 25
Furniture, fixture and office equipment	4 – 33
Safe-deposit boxes	2 – 20
Operational lease improvement costs (Leasehold improvements)	Leasing period - 5 years
Leased assets	1- 10 years

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end. Leasehold improvements are depreciated over their estimated economic useful lives in equal amounts. The estimated economic useful lives cannot exceed the leasing period. In cases where the leasing period is not certain, the useful life is determined as five years. After January 1, 2010 in cases where leasing period is more than five years, the useful life is determined as five years.

If there is an indication for impairment, the Group estimates the recoverable amount of the tangible asset in accordance with TAS 36 "Turkish Accounting Standard for Impairment of Assets" and if the recoverable amount is less than its carrying value, provides for an impairment loss. Fixed assets which are carried at fair value in the financial statements are revalued by independent Capital Markets Board licensed firms in accordance with TFRS 13.

Gain or loss resulting from disposals of the tangible assets is calculated as the difference between the net proceeds from the sale and the net book value of the related asset.

The repair and maintenance costs of the tangible assets are capitalized, if the expenditure increases the economic life of the asset. Other repair and maintenance costs are expensed.

In accordance with TFRS 16, right-of-use asset is represented under tangible assets in the balance sheet.

XIV. Explanations on investment property:

Investment properties are retained in order to benefit for administrative purposes and production and supply of goods or services either or both obtain rental income or appreciation gain instead of selling them in ordinary workflow. Investment properties are accounted initially at cost then at fair value for the coming periods and changes are recognized in statement of profit or loss.

The cost includes the expenses directly associated with the purchase.

XIV. Explanations on investment property (continued):

If the investment property is sold, all profits and losses incurred (referring the difference between sale price and carrying value of the asset) are recognized in statement of profit or loss. If the investment properties

which are recognized as fixed assets beforehand are sold, their revaluation differences (if there are any) under equity are transferred to prior year profits.

If a real estate's intended purpose amended and it is recognized again under fixed assets, the fair value at the date of the amendment becomes the cost for the next accounting transaction.

XV. Explanations on leasing transactions:

Assets acquired under finance lease contracts are recorded both as an asset and as a liability at the beginning date of the lease. The basis for the determination of the balances recorded in the balance sheet as asset and liability is the lower of fair value of the leased asset at the inception of the lease and the present value of the lease payments. Finance charges arising from lease contracts are expensed in the related periods taking into consideration the internal rate of return over the period of the lease.

Assets acquired under finance lease contracts are depreciated over their useful lives and impairment provision is provided in case a decrease in recoverable amount has been determined. The Parent Bank, as a participation bank, acts as a lessor in finance leasing transactions. The Parent Bank presents finance leased assets as a receivable equal to the net investment in the lease. Financial income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

With the "TFRS 16 Leases" standard, which became effective as of 1 January 2019, the difference between the operating lease and financial lease was removed and the lease transactions were started to be recognised under "Tangible Fixed Assets" as an asset (tenure) and under "Lease Payables" as a liability.

TFRS 16 Leases standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of finance leases (on balance sheet). For lessors, the accounting remains almost the same.

The Parent Bank has the exemption for not applying this standard to short-term leasings (leases with a rental period of 12 months or less) or to leases where the underlying asset is of low value (eg personal computers, some office equipment, etc.). At the effective date of the lease, the Parent Bank measures its leasing liability at the present value of the lease payments not paid at that time and depreciates the existence of the right to use as of the same date and is amortized over the lease term. If this ratio can be determined easily, lease payments are discounted using the Parent Bank's average profit rate.

If the ratio cannot be easily determined, the Parent Bank uses its own alternative borrowing rate. The profit share expense on the lease liability and the depreciation charge of the right to use is recorded separately. The lessee re-measures the lease obligation if certain events occur (for example, changes in lease duration, forward lease payments due to changes in a particular index or rate, etc.). In this case, the lessee records the reassignment effect of the lease obligation as a correction on the right to use.

Right to use asset:

The right to use asset is first recognized by cost method and includes:

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

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

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

While the Parent Bank is depreciating the right- to- use asset it utilizes the provisions for depreciation in TAS 16 Tangible Assets Standard.

XV. Explanations on leasing transactions (continued):

The lease liabilities:

At the effective date of the lease, the Parent Bank measures its leasing liability at the present value of the lease payments not paid at that time. If this ratio can be determined easily, lease payments are discounted using the Parent Bank's average profit rate. If the ratio cannot be easily determined, the Parent Bank uses its own alternative borrowing rate.
The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Parent Bank measures the leasing liability as follows:
- Increases the book value to reflect the profit share rate on the lease obligation,

- Reduces the book value to reflect the lease payments made,

- Measures the book value to reflect reassessments and restructuring, or reflect the fixed lease payments, which is revised but inherently fixed. The profit rate on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic profit rate to the remaining balance of the lease liability.

XVI. Explanations on provisions and contingent liabilities:

Provisions and contingent liabilities, excluding the expected loss provisions for loans, are accounted in accordance with TAS 37: "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets".

Provisions are recognized when the Parent Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the cut-off principle.

A liability is recognized as a contingent liability where a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of more than one events not wholly within the control of the Parent Bank; or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability and disclosed in the footnotes.

XVII. Explanations on liabilities regarding employee rights:

i) Defined benefit plans:

Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Türkiye, the Group is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated for reasons other than misconduct or due to resignation. The retirement pay is calculated for every working year within the Group over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Group.

The Group has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, The Group recognizes all actuarial gains and losses immediately through other comprehensive income. As of December 31, 2023, there is an actuarial loss amounts to TL 321.348 before deferred tax calculation. (December 31, 2022: TL 257.652 actuarial loss).

Provision for the employees' unused vacations have been booked in accordance with TAS 19 and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the Group's employees are members.

XVII. Explanations on liabilities regarding employee rights (continued):

ii) Defined contribution plans:

The Group pays defined contribution plans to publicly administered Social Security Funds for its employees. The Group has not any further payment obligations other than this contribution share. The contributions are recognized as personnel expenses when they accrue.

iii) Short term benefits to employees:

In accordance with TAS 19, the Group measures the expected costs of the cumulative annual leaves as additional amounts anticipate to pay accumulated and unused rights as of reporting period.

XVIII. Explanations on taxation:

Current tax:

The Group is subject to tax laws and legislation effective in Türkiye.

In the financial statements as of December 31, 2023, the corporate tax rate is applied 30%. The corporate tax rate has been permanently increased to 25% for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in accordance with the publication of the Law No. 7394 in the Official Gazette dated April 15, 2022. However, with the Law No. 7456 published on July 15, 2023, the rate has been increased to 30% in order to be applied to the cumulative bases included in the declarations to be submitted as of October 1, 2023; starting from the temporary corporate tax return for the period January 1 ,2023 – September 30, 2023, the corporate tax rate will be applied as 30% in the upcoming periods.

Dividends paid to the resident institutions are not subject to withholding tax in Türkiye. Withholding tax rate on the dividend payments other than these is 10%. Appropriation of the retained earnings to capital is not considered as profit distribution and accordingly is not subject to withholding tax.

Corporations calculate advance tax with their current rate on quarterly profits and pay until the evening of the same day by declaring until the 17th day of the second month following that period. The prepaid taxes can be deducted from the annual corporate tax calculated on the annual corporate income. The remaining prepaid tax, if any after deduction, can be refunded in cash or deducted from other financial liabilities to the government.

75% portion of the capital gains derived from the sale of equity investments and 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years. However, with the Law No. 7456 published on July 15 ,2023, this exception has been abolished for real estate to be acquired after the publication date of the decision; If the real estates acquired before this date are sold after the effective date of the decision, 25% of the real estate sales revenue will be exempt from corporate tax.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

In Türkiye, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns until the last day of the following fourth month after the closing of the accounting year to which they relate Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings and carry out sectorial investigations.

Considering the participation accounts' part in general loan loss provision as expense for tax calculation, Finance Ministry initiated a sector-specific review. The relevant documents and calculations have been requested from the Parent Bank. As of report date, there is no information or written report transmitted to the Parent Bank.

As of the end of the 2021 calendar year, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. However, with the regulation made with the Law No. 7352 dated January 20, 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this; TPL financial statements for the 2021 and 2022 accounting periods have not been subjected to inflation adjustment, and the TPL financial statements dated December 31, 2023 have been subjected to inflation adjustment in a way that will not affect corporate tax base. Additionally; With the law number 7491 published in the Official Gazette numbered 32413 dated December 28, 2023, banks, payment and electronic money

XVIII. Explanations on taxation (continued):

Current tax (continued):

institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will be subject to inflation adjustments in the 2024 and 2025 accounting periods. It is regulated that the resulting profits or losses will not be taken into account in determining the corporate tax base.

Within the scope of the temporary article 32 of the Tax Procedure Law Numbered 213, depreciable assets were revalued and additional tax amount of 2% is levied over the revaluation difference. Assets that are included in the scope pursuant to duplicate article 298 are valued with the revaluation rate announced in the relevant year and no tax is levied over this revaluation increase.

Deferred tax:

The Group calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with TAS 12 “Turkish Accounting Standard for Income Taxes”. Deferred tax asset is calculated on all temporary differences to the extent that is probable that taxable profit will be available and deferred tax liability is calculated for all temporary differences. Deferred tax asset and liabilities are represented in the accompanying financial statements on a net basis. In the deferred tax calculation, the enacted tax rate is used as of the balance sheet date by estimating when the temporary differences will be taxable / deductible in accordance with the current tax legislation.

Deferred tax asset had not been provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004. However, deferred tax rate calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles from 1 January 2018. Deferred tax calculation is not made for free provisions.

As explained in detailed note under “XIX Additional explanations on borrowings”, deferred tax is calculated for exchange difference and coupon payment for Tier 1 under equity and deferred tax expenses. If loss occurs in the income statement prepared as per Turkish Tax Legislation, The Parent Bank recognizes deferred tax. While making this calculation, The Parent Bank’s growth projections in its budget, reinforceable estimates on income statement and expectations on inflation, currency and interest rates by Central Bank of Türkiye are considered.

Transfer pricing:

Transfer pricing is regulated through the article 13 of Corporate Tax Law titled “Disguised Profit Distribution by way of Transfer Pricing”. Detailed information for the practice regarding the subject is found in the “General Communiqué on Disguised Profit Distribution by way of Transfer Pricing”.

According to the related regulation, in the case of making purchase or sales of goods or services with related persons/corporations at a price that is determined against “the arm’s length principle”, the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not deductible in calculation of corporate tax.

XIX. Additional explanations on borrowings:

The Group accounts its debt instruments in accordance with TFRS 9 “Financial Instruments”. In the following periods, all financial liabilities are carried at amortized cost by using the internal rate of return method. The Parent Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

There are no debt securities issued by the Parent Bank. The Parent Bank has issued borrowings through its subsidiary Bereket Varlık Kiralama A.Ş. and its structured entities Bereket One Ltd., Albaraka Sukuk Ltd., Albaraka CT One Ltd and Albaraka Mtn Ltd.

The Parent Bank has subordinated loans borrowed through sukuk issuance, which has unconvertible nature to the shares.

Additional tier 1 capital borrowings:

Undated sukuk transaction in foreign currency is issued and included in the additional capital account by the Parent Bank’s structured entity “Bereket One Ltd.”. Stated transaction evaluated as non-monetary item and accounted over historical cost in Turkish Lira under equities in the “other capital reserves” accordance with TAS 32.

XX. Explanations on issued share certificates:

None.

XXI. Explanations on acceptances and availed drafts:

Acceptances and availed drafts are realized simultaneously by the Parent Bank with the payment dates of the customers and they are presented as commitments in the off-balance sheet accounts.

XXII. Explanations on government grants:

As of the balance sheet date, there are no government grants received by the Group.

XXIII. Explanations on segment reporting:

Business segment is a component of the Parent Bank that engages in business activities from which the Group may earn revenues and incur expenses, whose operating results are regularly reviewed by the Parent Bank’s chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial available.

Segment reporting is disclosed in Section Four, Note X.

XXIV. Explanations on other matters:

There are no other matters.

(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION FOUR

Information on Consolidated Financial Structure and Risk Management of the Group

I. Explanations on consolidated capital adequacy standard ratio:

Total capital and capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". As of December 31, 2023, the Parent Bank's total capital has been calculated as TL 18.521.998 and capital adequacy standard ratio is 16,81%. As of December 31, 2022, the Parent Bank's total capital amounted to TL 10.891.621 and capital adequacy ratio was 15,82%. The Parent Bank's capital adequacy standard ratio is above the minimum ratio required by the legislation.

a. Information on consolidated capital:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	2.500.000	2.500.000
Share issue premiums	23.278	23.278
Reserves	547.602	1.200.150
Gains recognized in equity as per TAS	6.547.588	2.563.282
Profit	3.969.283	1.699.161
Current Period Profit	3.969.283	1.699.161
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Minority Share	-	-
Common Equity Tier 1 Capital Before Deductions	**13.587.751**	**7.985.871**
Deductions from Common Equity Tier 1 Capital	**-**	**-**
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	224.944	193.239
Improvement costs for operating leasing	38.257	17.978
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	342.756	166.508
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	275.842	69.514
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	**881.799**	**447.239**
Total Common Equity Tier 1 Capital	**12.705.952**	**7.538.632**

(Thousand of Turkish Lira (TL) unless otherwise stated)

I. Explanations on consolidated capital adequacy standard ratio (continued):

a. Information on consolidated capital (continued):

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	775.720	775.720
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the Additional Tier I capital	-	-
Third parties' share in the Additional Tier I capital (Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	**775.720**	**775.720**
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	**775.720**	**775.720**
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	**13.481.672**	**8.314.352**
TIER II CAPITAL	**-**	**-**
Debt instruments and share issue premiums deemed suitable by the BRSA	4.089.830	1.862.000
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Third parties' share in the Tier II Capital	-	-
Third parties' share in the Tier II Capital (Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	1.081.054	720.992
Tier II Capital Before Deductions	**5.170.884**	**2.582.992**
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	122.468	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	**122.468**	-
Total Tier II Capital	**5.048.416**	**2.582.992**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**18.530.088**	**10.897.344**
The sum of Tier I Capital and Tier II Capital (Total Capital)	**-**	**-**
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	8.090	5.723

(Thousand of Turkish Lira (TL) unless otherwise stated)

I. Explanations on consolidated capital adequacy standard ratio (continued):

a. Information on consolidated capital (continued):

	Current Period	Prior Period
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
Total Capital (Total Core Capital and Supplementary Capital)	**18.521.998**	**10.891.621**
Total risk weighted amounts	**110.208.737**	**68.857.752**
Capital Adequacy Ratios		
Consolidated Core Capital Adequacy Ratio (%)	11,53	10,95
Consolidated Tier 1 Capital Adequacy Ratio (%)	12,24	12,07
Consolidated Capital Adequacy Ratio (%)	16,81	15,82
BUFFERS		
The total additional capital requirement ratio (a + b + c)	2,50	2,50
a) Capital conservation buffer requirement (%)	2,50	2,50
b) Bank specific counter-cyclical buffer requirement (%)	0,00	0,00
c) Systemic significant bank buffer ratio (%)	0,00	0,00
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	7,03	6,45
Amounts below the Excess Limits as per the Deduction Principles	-	-
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation	1.298.179	760.815
Limits related to provisions considered in Tier II calculation		-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1.081.054	720.992
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1.081.054	720.992
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6 % of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(*) Amounts in this column represents the amounts of items that are subject to transition provisions.

(Thousand of Turkish Lira (TL) unless otherwise stated)

I. Explanations on consolidated capital adequacy standard ratio (continued):

In calculating credit risk as per Regulation on Measurement and Evaluation of Capital Adequacy of Banks, it is possible that Central Bank buying exchange rates of December 31, 2023 can be used in calculating the revalued amounts of monetary and non monetary items and their specific provisions. The items which are carried at cost is out of scope. As of December 31, 2023, the Parent Bank has utilized this facility in calculating capital adequacy ratio.

b. Details on subordinated liabilities:

Issuer	Albaraka Sukuk Ltd.	Albaraka CT One Ltd.	Bereket One Ltd.
Unique Identifier (CUSIP, ISIN etc.)	XS1301525207	XS2594992914	XS17 72390628
Governing Law(s) of the Instrument	English Law	English Law	English Law
Special Consideration in the Calculation of Equity			
As of January 1, 2015, consideration to be subject to a 10% reduction application status	No	No	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Sukuk Wakala	Sukuk Wakala	Sukuk Mudaraba
Amount recognized in regulatory capital (as of most recent reporting date)	TL 1.164.030	TL 2.925.800	TL 775.720 (*)
Par Value of Instrument	TL 5.820.148	TL 2.925.800	TL 775.720
Accounting Classification	Subordinated Loan	Subordinated Loan	Equity
Original date of Issuance	November 30, 2015	February 28, 2023	February 20, 2018
Perpetual or dated	Dated	Dated	Undated
Maturity date	November 30, 2025	February 28, 2033	Undated
Issuer call subject to prior supervisory (BRSA) approval	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: November 30, 2025 Total Repayment Amount of Profit Share: USD 131.250.000 (first 5 years), USD 102.778.785 (second 5 years) Coupon Repayment Period: 6 months Principal Payment: USD 198.925.000	Last Payment Date: February 28, 2023 Total Repayment Amount of Profit Share: USD 50.000.000 (first 5 years), USD 50.000.000 (second 5 years) Coupon Repayment Period: 6 months Principal Payment: USD 100.000.000	Last Payment Date: None First refund option date: February 20, 2023 Total Repayment Amount of Profit Share: USD 102.500.000 (First 5 year) USD 117.075.500 (Second 5 year) Coupon Repayment Period: 6 months Principal Payment: USD 205.000.000
Subsequent call dates	-	-	-
Profit Share/Dividends			
Fixed or floating profit share/dividend	Fixed	Fixed	Fixed
Profit share rate and any related index	9,371 % (first 5 years:10,50%)	10%	11,422 % (first 5 years:10%)
Existence of a dividend stopper	As per BRSA regulations and Communiqués it is payable	As per BRSA regulations and Communiqués it is payable	As per BRSA regulations and Communiqués it is payable
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Optional
Existence of step up or other incentive to redeem	-	-	-
Noncumulative or cumulative	Cumulative	Cumulative	Noncumulative
Convertible or Non-convertible			
If convertible, conversion trigger	Not Convertible	Not Convertible	Not Convertible
If convertible, fully or partially	Not Convertible	Not Convertible	Not Convertible
If convertible, conversion rate	Not Convertible	Not Convertible	Not Convertible
If convertible, mandatory or optional conversion	Not Convertible	Not Convertible	Not Convertible
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)	Non-sustainability	Non-sustainability	Non-sustainability-The ratio of Core Capital to below 5,125%
If write-down, full or partial	Full or Partial	Full or Partial	At least to ensure that the core capital ratio exceeds 5,125%
If write down, permanent or temporary	Permanent	Permanent	Permanent and Temporary
If temporary write-down, description of write-up mechanism	-		In case of the ratio of core capital exceeds 5,125%
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners	After all creditors and participation fund owners	After participation fund owners, other borrowers and the debt instruments included in the Tier II capital calculation
In compliance with article number 7 and 8 of "Own fund regulation"	No	No	No
Details of incompliances with article number 7 and 8 of "Own fund regulation"	No	No	No

(*) Represented as historical cost.

I. Explanations on consolidated capital adequacy standard ratio (continued):

c. Information on reconciliation of total capital and equity:

The difference between Consolidated Total Capital and Equity in the consolidated balance sheet mainly arises from Stage 1 and Stage 2 expected credit losses, debt instruments and share issue premiums deemed suitable by the BRSA. In the calculation of Total Capital, Stage 1 and Stage 2 expected credit losses up to 1,25% of the credit risk is taken into consideration as Tier II Capital. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities and other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

II. Explanations on consolidated credit risk:

(1) Credit risk represents the Parent Bank's risk or losses arising from corporate and individual loan customers who have cash or non-cash credit relations with the Parent Bank not fulfilling the terms of their agreements partially or in full. Limit assignment authority primarily belongs to the Board of Directors and based on the authority given by the Board of Directors, the risk limits of the Parent Bank are determined by Head-office Loan Committee, Loan Committee and Board of Directors. Head-office Loan Committee may exercise such authority partially through units of the Parent Bank or branches. Proposal for loans are presented in a written format to the Loan Committee and Board of Directors.

Regarding the credit risk, debtors or group of debtors is subject to risk limitations. Credit limits are determined separately for each individual customer, company, group of companies, and risk groups. While determining credit risk several criteria such as the customers' financial strength, commercial capacities, sectors, geographical areas and capital structure are evaluated collectively.

In accordance with the decision taken by the Board of Directors of the Parent Bank, the Parent Bank cannot grant loans above 15% of its equity to a real person or legal entity (Exception to this decision is subject to the decision of the Board of Directors). Distributing the risk in a balanced manner to the sectors is observed, therefore in their marketing operations the branches strive for reaching various firms existing in different sectors. As a principle, each branch oversee the balanced distribution of the total risk to the sectors and progress of the firms existing in critical sectors.

The credibility of the debtors of loans are monitored periodically in accordance with related legislation. The financial documents for loans are obtained, audited and updated as necessary as stipulated in the related legislation. Credit limits of customers are renewed periodically according to the Parent Bank's credit limit renewal procedure. The Parent Bank obtains necessary collaterals for loans by analyzing the creditworthiness of corporate and individual loans according to its credit policy. Main collaterals obtained for credit risk are mortgage on real estate, cash blockage, pledges on vehicle and machinery.

Limits defined by the Board of Directors and Loan Committee for each bank are followed-up by Treasury Management on a daily basis for the transactions related with placements or treasury operations like foreign currency purchase and sales with domestic and foreign correspondent banks.

As of 1 January 2018, the Parent Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. Related classifications are mentioned in the third section under the heading of Accounting Policies, in VIII. No. "Explanations on expected credit losses".

(Thousand of Turkish Lira (TL) unless otherwise stated)

II. Explanations on consolidated credit risk (continued):

The 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, are disclosed below for the relevant period:

Risk Categories	Current Period Risk Amount	Average Risk Amount(*)
Receivables from central governments or central banks	45.922.339	43.929.646
Receivables from regional or local governments	10.269	50.526
Receivables from administrative units and non-commercial enterprises	46.344	66.388
Receivables from multilateral development banks	-	-
Receivables from international organizations	-	-
Receivables from banks and brokerage houses	14.650.565	12.610.103
Receivables from corporates	58.019.066	41.220.421
Retail receivables	17.632.668	17.852.894
Receivables secured by mortgages on property	15.080.443	11.723.034
Past due receivables	38.538	84.293
Receivables defined in high risk category by BRSA	-	-
Collateralized Securities	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-
Investments similar to collective investment funds	-	-
Other receivables	16.807.859	13.006.171
Equity share investments	854.573	866.604
TOTAL(*)	**169.062.664**	**141.410.080**

(*) Average risk amount was tested by taking the arithmetic average of monthly risk amounts for 2023.

(2) The credit risk undertaken for forwards, options and similar agreements is managed together with the risks arising from market movements.

(3) The risks of forwards, options and similar agreements are followed regularly and the Parent Bank utilizes risk mitigation methods if needed.

(4) Indemnified non-cash loans are subject to the same risk weight as overdue loans. Rescheduled or restructured loans are followed in accordance with the principles of credit risk management and follow-up principle of the Parent Bank. Financial position and commercial operations of those customers are analyzed continuously and the principal and profit payments based on the restructured payment plan are monitored by the related departments.

The Parent Bank considers that long-term commitments are exposed to more credit risk than short-term commitments, and matters such as defining risk limits and obtaining collateral for long-term risks are addressed more extensively as compared to short-term risks.

(5) The Parent Bank has credit lines in different countries within the scope of its banking activity and due inquires (economic, cyclical, etc.) are carried out during the allocation and revision of such credit lines. For the Parent banks where correspondent activity and international commodity transactions are intended to be carried out, credit limits are allocated by the related credit committees taking into account the size of the correspondent Parent bank and the size of Bank itself and concentration of risk is avoided. The Parent Bank does not carry any serious risk in this respect.

(6) Share of cash receivables of the Parent Bank from its top 100 and top 200 cash loan customers in total cash loans is 43% (December 31, 2022: 49%) and 51% (December 31, 2022: 56%) respectively.

Share of non- cash receivables of the Parent Bank from its top 100 and top 200 non-cash loan customers in total non-cash loans is 38% (December 31, 2022: 39%) and 47% (December 31, 2022: 48%) respectively.

Share of cash and non-cash receivables of the Parent Bank from its top 100 and top 200 loan and non-cash loan customers in total of balance sheet and off balance sheet commitments is 38% (December 31, 2022: 43%) and 45% (December 31, 2022: 50%) respectively.

(7) The Parent Bank’s expected credit loss amount for its credit risk except non-cash loans (Stage 1 and 2) is TL 3.022.760 (December 31, 2022: TL 1.699.438).

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
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II. Explanations on consolidated credit risk (continued) :

(8) Profile on significant risks in significant regions:

							Risk Categories (*)						
Current Period	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**Total**
Domestic	45.922.339	10.269	46.344	-	8.183.079	54.205.318	17.474.249	14.913.081	38.018	-	16.777.320	830.404	158.400.421
EU Countries	-	-	-	-	448.374	33.400	22.595	10.975	5	-	29.247	1.652	546.248
OECD Countries (**)	-	-	-	-	367.692	1	4.183	6.486	-	-	-	-	378.362
Off-shore banking regions	-	-	-	-	1.295.151	144.281	144	132	-	-	-	-	1.439.708
USA, Canada	-	-	-	-	416.871	13.655	924	2.114	11	-	-	-	433.575
Other countries	-	-	-	-	3.939.398	3.622.411	130.573	147.655	504	-	1.292	22.517	7.864.350
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated assets/liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-
										-			
Total	**45.922.339**	**10.269**	**46.344**	**-**	**14.650.565**	**58.019.066**	**17.632.668**	**15.080.443**	**38.538**	**-**	**16.807.859**	**854.573**	**169.062.664**

Prior Period	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**Toplam**
Domestic	34.833.608	99.127	78.266	-	3.621.378	30.252.766	12.235.244	6.859.798	98.508	-	8.486.044	433.801	96.998.540
EU Countries	-	-	-	-	381.350	162.954	13.442	9.319	2	-	-	1.250	568.317
OECD Countries (**)	-	-	-	-	354.791	3.457	3.128	2.280	-	-	-	-	363.656
Off-shore banking regions	-	-	-	-	1.057.205	2	4.248	-	22	-	-	-	1.061.477
USA, Canada	-	-	-	-	512.950	9.732	899	3.477	23	-	-	-	527.081
Other countries	-	-	-	-	2.256.019	1.045.668	58.410	31.927	5	-	577.253	107.453	4.076.735
Associates, subsidiaries and jointly controlled entities	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated assets/liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-
										-			
Total	**34.833.608**	**99.127**	**78.266**	**-**	**8.183.693**	**31.474.579**	**12.315.371**	**6.906.801**	**98.560**	**-**	**9.063.297**	**542.504**	**103.595.806**

(*) Risk classifications in the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" will be used.
(**) OECD countries other than EU countries, USA and Canada.
(***) Assets and liabilities are not allocated on a consistent basis

1- Receivables from central governments or central banks
2- Receivables from regional or local governments
3- Receivables from administrative units and non-commercial enterprises
4- Receivables from multilateral development banks
5- Receivables from banks and brokerage houses
6- Receivables from corporates
7- Retail receivables
8- Receivables secured by mortgages on property
9- Past due receivables
10- Investments as collective investment enterprises
11- Other receivables
12-Equity share investments

(Thousand of Turkish Lira (TL) unless otherwise stated)

II. Explanations on consolidated credit risk (continued):

Risk Profile according to sectors and counterparties:

		Risk Categories														
	Sectors / Counterparties	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**TL**	**FC**	**Total**
1	**Agriculture**	**-**	**-**	**-**	**-**	**-**	**986.192**	**212.819**	**111.709**	**86**	**-**	**-**	**-**	**1.184.696**	**126.110**	**1.310.806**
1.1	Farming and stockbreeding	-	-	-	-	-	699.501	120.063	70.921	42	-	-	-	798.585	91.942	890.527
1.2	Forestry	-	-	-	-	-	280.315	66.390	24.283	44	-	-	-	362.457	8.575	371.032
1.3	Fishery	-	-	-	-	-	6.376	26.366	16.505	-	-	-	-	23.654	25.593	49.247
2	**Manufacturing**	**-**	**-**	**6.964**	**-**	**-**	**11.697.792**	**3.796.483**	**1.925.282**	**10.135**	**-**	**-**	**-**	**10.575.382**	**6.861.274**	**17.436.656**
2.1	Mining	-	-	-	-	-	252.686	94.222	28.704	-	-	-	-	357.755	17.857	375.612
2.2	Production	-	-	6.963	-	-	9.754.022	3.520.864	1.843.874	10.083	-	-	-	9.123.095	6.012.711	15.135.806
2.3	Electricity, gas, water	-	-	1	-	-	1.691.084	181.397	52.704	52	-	-	-	1.094.532	830.706	1.925.238
3	**Construction**	**-**	**-**	**27**	**-**	**-**	**5.596.361**	**2.466.657**	**5.090.806**	**4.988**	**-**	**17**	**-**	**8.648.575**	**4.510.281**	**13.158.856**
4	**Services**	**45.922.204**	**10.242**	**37.323**	**-**	**11.973.822**	**37.908.863**	**9.474.831**	**6.434.341**	**22.893**	**-**	**1.446.746**	**854.523**	**66.176.260**	**47.909.528**	**114.085.788**
4.1	Wholesale and retail trade	-	-	2	-	-	9.407.555	4.294.641	2.500.165	14.176	-	-	-	13.122.324	3.094.215	16.216.539
4.2	Hotel, food and beverage services	-	-	-	-	-	270.824	203.128	95.489	191	-	-	-	344.686	224.946	569.632
4.3	Transportation and telecommunication	-	-	50	-	-	963.591	812.480	336.115	3.209	-	-	-	1.168.079	947.366	2.115.445
4.4	Financial institutions	45.922.204	-	-	-	11.131.231	19.424.976	52.628	369.835	-	-	29.247	827.023	39.048.071	38.709.073	77.757.144
4.5	Real estate and renting services	-	-	26.731	-	842.591	6.430.208	3.376.220	2.785.626	4.084	-	1.417.499	5.000	10.709.253	4.178.706	14.887.959
4.6	Self-employment services	-	-	5.510	-	-	401.381	399.008	243.009	1.105	-	-	-	979.918	70.095	1.050.013
4.7	Education services	-	-	1.387	-	-	953	53.478	4.992	2	-	-	-	60.749	63	60.812
4.8	Health and social services	-	10.242	3.643	-	-	1.009.375	283.248	99.110	126	-	-	22.500	743.180	685.064	1.428.244
5	**Other**	**135**	**27**	**2.030**	**-**	**2.676.743**	**1.829.858**	**1.681.878**	**1.518.305**	**436**	**-**	**15.361.096**	**50**	**17.258.134**	**5.812.424**	**23.070.558**
6	**Total**	**45.922.339**	**10.269**	**46.344**	**-**	**14.650.565**	**58.019.066**	**17.632.668**	**15.080.443**	**38.538**	**-**	**16.807.859**	**854.573**	**103.843.047**	**65.219.617**	**169.062.664**

1- Receivables from central governments or central banks
2- Receivables from regional or local governments
3- Receivables from administrative units and non-commercial enterprises
4- Receivables from multilateral development banks
5- Receivables from banks and brokerage houses
6- Receivables from corporates
7- Retail receivables
8- Receivables secured by mortgages on property
9- Past due receivables
10- Investments as collective investment enterprises
11- Other receivable
12- Equity share investments

(Thousand of Turkish Lira (TL) unless otherwise stated)

II. Explanations on consolidated credit risk (continued):

Distribution of risks with term structure according to remaining maturities:

		Time to Maturity				
	Risk Categories	**1 month**	**1–3 months**	**3–6 months**	**6–12 months**	**1 year and over**
1	Receivables from central governments or central banks	14.579.108	3.927.227	3.449.296	2.559.194	21.407.514
2	Receivables from regional or local governments	53	-	-	8.842	1.374
3	Receivables from administrative units and non-commercial enterprises	8	810	5.947	1.022	38.557
4	Receivables from multilateral development banks	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-
6	Receivables from banks and brokerage houses	12.112.057	309.918	238.654	15.010	1.974.926
7	Receivables from corporates	19.777.458	5.938.516	8.270.471	8.974.392	15.058.229
8	Retail receivables	730.858	1.849.746	3.813.699	4.004.684	7.233.681
9	Receivables secured by mortgages on property	562.193	2.637.100	1.259.553	2.748.697	7.872.900
10	Past due receivables	20.840	2.578	1.606	1.686	11.828
11	Receivables defined in high risk category by BRSA	-	-	-	-	-
12	Collateralized Securities	-	-	-	-	-
13	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-
14	Investments similar to collective investment funds	-	-	-	-	-
15	Other receivables	16.807.859	-	-	-	-
16	Equity share investments	854.573	-	-	-	-
17	**TOTAL**	**65.445.007**	**14.665.895**	**17.039.226**	**18.313.527**	**53.599.009**

(9) While determining risk weights of receivables from banks and receivables from central banks and central governments indicated in the sixth article of “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, rating grades obtained from rating agencies commissioned by customers are being used. Resident banks and intermediary firms are evaluated as unrated and credit rating agencies’ ratings are considered for non resident counterparties. The ratings by IIRA (Islamic International Rating Agency) are considered for receivables from central governments or central banks. Other receivables in the regulation are considered as unrated while calculating capital adequacy.

The match-up of the ratings by rating agencies are represented in “credit quality stages” in the following table:

II. Explanations on consolidated credit risk (continued):

		Credit Quality stage	Fitch Ratings	Moody's Investor Service	S&P Ratings Services	Japan Credit Rating Agency	DBRS	IIRA
The match-up of the ratings	Long term credit ratings	1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA-	AAA to AA (low)	AAA to AA-
		2	A+ to A-	A1 to A3	A+ to A-	A+ to A-	A (high) to A (low)	A+ to A-
		3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB+ to BBB-	BBB (high) to BBB (low)	BBB+ to BBB-
		4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BB+ to BB-	BB (high) to BB (low)	BB+ to BB-
		5	B+ to B-	B1 to B3	B+ to B-	B+ to B-	B (high) to B (low)	B+ to B-
		6	CCC+ and lower	Caa1 and lower	CCC+ and lower	CCC and lower	CCC (high) and lower	CCC+ and lower
	Short term credit ratings	1	F1+ to F1	P-1	A-1+ to A-1	J-1	R-1 (high) to R-1 (low)	A-1+ to A-1
		2	F2	P-2	A-2	J-2	R-2 (high) to R-2 (low)	A-2
		3	F3	P-3	A-3	J-3	R-3	A-3
		4	F3 lower	NP	A-3 lower	J-3 lower	R-3 lower	A-3 lower
		5	-	-	-	-	---	-
		6	-	-	-	-	---	-
	Ratings for long term securitization positions	1	AAA to AA-	Aaa to Aa3	AAA to AA-	-	AAA to AA (low)	AAA to AA-
		2	A+ to A-	A1 to A3	A+ to A-	-	A (high) to A (low)	A+ to A-
		3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	-	BBB (high) to BBB (low)	BBB+ to BBB-
		4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	-	BB (high) to BB (low)	BB+ to BB-
		5	B+ and lower	B1 and lower	B+ and lower	-	B (high) and lower	B+ and lower
	Ratings for short term securitization positions	1	F1+ to F1	P-1	A-1+ to A-1	-	R-1 (high) to R-1 (low)	A-1+ to A-1
		2	F2	P-2	A-2	-	R-2 (high) to R-2 (low)	A-2
		3	F3	P-3	A-3	-	R-3	A-3
		Diğerleri	F3 lower	NP	A-3 lower	-	R-3	A-3 lower
	The match-up for collective investment undertakings	1	AAA to AA-	Aaa to Aa3	FCQR: AAAf to AA-f; PSFR: AAAm to AA-m	-	-	-
		2	A+ to A-	A1 to A3	FCQR: A+f to A-f; PSFR: A+m to A-m	-	-	-
		3	BBB+ to BBB-	Baa1 to Baa3	FCQR: BBB+f to BBB-f; PSFR: BBB+m to BBB-m	-	-	-
		4	BB+ to BB-	Ba1 to Ba3	FCQR: BB+f to BB-f; PSFR: BB+m to BB-m	-	-	-
		5	B+ to B-	B1 to B3	FCQR: B+f to B-f; PSFR: B+m to B-m	-	-	-
		6	CCC+ and lower	Caa1 and lower	FCQR: CCC+f and lower; PSFR: CCC+m and lower	-	-	-

(Thousand of Turkish Lira (TL) unless otherwise stated)

II. Explanations on consolidated credit risk (continued):

Total exposure amount before and after applying risk mitigation techniques and total amounts deducted from the capital which are calculated in accordance with the Appendix-1 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" are presented below:

	Risk Weights	%0	%10	%20	%35	%50	%75	%100	%150	Others(*)	Deductions from Shareholders' Equity
1	Amount before credit risk mitigation	67.532.713	-	12.508.001	3.539.614	12.147.310	14.638.171	44.598.990	2.007.666	12.090.199	389.103
2	Amount after credit risk mitigation	75.105.421	-	13.295.622	3.539.614	12.314.232	9.451.557	41.258.369	2.007.648	12.090.201	389.103

(*) Represents 200% and 500% risk weight.

(10) Amounts of impaired loans and past due receivables, value adjustments and provisions, current period value adjustments and provisions according to sectors or counterparties individually:

As of December 31 2023, the Parent Bank has allocated expected lifetime loss provision for loans classified as Stage 2 based on the risk assessments made under TFRS 9. For the loans which are determined as impaired by being classified in the third stage, the expected lifetime loss provision has been allocated for such loans as well.

As of December 31, 2023, the credit risks of the loans which has not increased at first recognization or thereafter, are classified as stage 1 and 12 months expected credit loss has been allocated for such loans.

	Sectors / Counterparties	Loans		Provisions
		Imparied Value (TFRS 9)		
		Significant increase in credit risk (Stage 2)	Default (Stage 3)	Provisions for Credit Losses (TFRS 9)
1	**Agriculture**	**29.281**	**4.819**	**4.081**
1.1	Farming and stockbreeding	21.928	842	783
1.2	Forestry	7.353	3.977	3.298
1.3	Fishery	-	-	-
2	**Manufacturing**	**2.950.983**	**1.326.365**	**2.212.478**
2.1	Mining	2.862	4.025	4.017
2.2	Production	1.496.406	200.849	368.019
2.3	Electricity, gas, water	1.451.715	1.121.491	1.840.442
3	**Construction**	**1.960.543**	**127.421**	**438.824**
4	**Services**	**2.068.500**	**284.986**	**515.738**
4.1	Wholesale and retail trade	1.713.626	147.645	292.943
4.2	Hotel, food and beverage services	148.763	48.983	95.133
4.3	Transportation and telecommunication	127.955	25.449	69.654
4.4	Financial institutions	-	-	-
4.5	Real estate and renting services	16.828	16.914	16.365
4.6	Self-employment services	48.155	40.996	37.978
4.7	Education services	10.199	22	20
4.8	Health and social services	2.974	4.977	3.645
5	**Other**	**395.379**	**61.983**	**56.093**
6	**Total**	**7.404.686**	**1.805.574**	**3.227.214**

(Thousand of Turkish Lira (TL) unless otherwise stated)

II. Explanations on consolidated credit risk (continued):

(11) Information related to value adjustments and credit provisions:

Current Period

Risk Weight	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments (*)	Closing Balance
1. Stage 3 Provisions	1.302.670	2.069.994	(1.702.853) (**)	48.273	1.718.084
2. Stage 1 and 2 Provisions	1.577.061	1.314.025	(203.731)	25.912	2.713.267

(*) Determined according to currency differences.

(**) Includes reversal of provisions related to write off amounts to TL 1.413.551.

Prior Period

Risk Weight	Opening Balance	Provision made during the period	Reversal of Provisions	Other Adjustments (*)	Closing Balance
1. Stage 3 Provisions	2.658.043	2.691.929	(4.625.891)(**)	578.589	1.302.670
2. Stage 1 and 2 Provisions	530.862	1.173.079	(133.352)	6.472	1.577.061

(*) Determined according to currency differences.

(**) Includes reversal of provisions related to write off amounts to TL 3.994.760

IIII. Explanations on consolidated risks including countercyclical capital buffer calculation:

Explanations on receivables from consolidated private sector:

Country where risk is ultimately taken	Private sector loans in banking books	Risk weighted amount calculated within trading book	Total
Türkiye	120.427.540	29.658.223	150.085.763
Iraq	3.892.950	-	3.892.950
Marshall Islands	593.271	-	593.271
Libya	204.959	-	204.959
Pakistan	2.302	-	2.302
Algeria	182.422	-	182.422
Malta	104	-	104
Tunisia	57.712	-	57.712
Georgia	28.833	-	28.833
Italy	61.829	-	61.829
Singapore	39.821	-	39.821
United States of America	401.150	65.072	466.222

IV. Explanations on consolidated currency risk:

Foreign currency risk arises from the Group's possible exposure to the changes in foreign currencies.

a. The Parent Bank is exposed to currency risks as a market risk and tries to balance the currency risks by avoiding to keep any long or short positions. The currency risk of the Parent Bank is monitored on a daily basis. Net foreign currency position/shareholders' equity ratio is also controlled on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and amount subject to risk is calculated on a monthly basis.

b. The Group does not have any derivative financial instruments held for hedging purposes.

c. As a result of the uncertainty and volatility in the markets, foreign currency position is kept at a balance, and accordingly, no currency risk is anticipated. The Parent Bank takes necessary measures to keep the currency risk at a minimum level.

(Thousand of Turkish Lira (TL) unless otherwise stated)

IV. Explanations on consolidated currency risk (continued):

ç. Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Parent Bank are as follows:

	USD	**EUR**
As of December 31, 2023 - Balance sheet evaluation rate	29,26	32,38
As of December 29, 2023	29,26	32,38
As of December 28, 2023	29,20	32,42
As of December 27, 2023	29,14	32,34
As of December 26, 2023	29,08	32,06
As of December 25, 2023	28,90	31,83

d. The simple arithmetical average of the major foreign exchange buying rates of the Parent Bank for the thirty days before the balance sheet date is TL 28,847 for 1 USD (December 2022: TL 18,575), TL 31,481 for 1 EUR (December 2022: TL 19,674).

The Parent Bank is mainly exposed to EUR and USD currency risks.

(Thousand of Turkish Lira (TL) unless otherwise stated)

IV. Explanations on consolidated currency risk (continued):

Information on currency risk of the Group:

	EUR	USD	Other FC(*)	Total
Current Period				
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	6.844.377	21.222.496	4.256.500	32.323.373
Banks	800.304	1.560.579	5.276.537	7.637.420
Financial assets at fair value through profit and loss(**)	1.907.397	2.528.367	8.458.542	12.894.306
Money market placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	69.930	4.033.360	14.723	4.118.013
Loans and financial lease receivables(***)	6.945.674	27.235.524	123.762	34.304.960
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	3.076.516	14.242.058	-	17.318.574
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	37	-	66.241	66.278
Intangible assets	14.242	-	-	14.242
Other assets(****)	114.789	277.961	6.558	399.308
Total assets	**19.773.266**	**71.100.345**	**18.202.863**	**109.076.474**
Liabilities				
Current account and funds collected from banks via participation accounts	492.066	847.154	132.202	1.471.422
Other current and profit sharing accounts	16.734.011	46.548.069	15.737.263	79.019.343
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	1.333.554	29.856.620	-	31.190.174
Marketable securities issued	1.627.282	4.436.772	-	6.064.054
Miscellaneous payables	644.954	3.366.836	600.020	4.611.810
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	3.608	121.036	96.605	221.249
Total liabilities	**20.835.475**	**85.176.487**	**16.566.090**	**122.578.052**
Net balance sheet position	**(1.062.209)**	**(14.076.142)**	**1.636.773**	**(13.501.578)**
Net off balance sheet position	**1.127.717**	**13.308.159**	**(142.396)**	**14.293.480**
Derivative financial instruments assets(*****)	2.621.225	13.857.127	67.754	16.546.106
Derivative financial instruments liabilities(*****)	1.493.508	548.968	210.150	2.252.626
Non-cash loans(******)	3.746.868	10.623.174	376.552	14.746.594
Prior Period				
Total assets	17.477.218	51.089.827	11.866.166	80.433.211
Total liabilities	16.322.838	51.537.155	11.088.973	78.948.966
Net balance sheet position	**1.154.380**	**(447.328)**	**777.193**	**1.484.245**
Net off balance sheet position	**(1.204.011)**	**931.364**	**37.065**	**(235.582)**
Derivative financial instruments assets	59.703	1.430.583	153.736	1.644.022
Derivative financial instruments liabilities	1.263.714	499.219	116.671	1.879.604
Non-cash loans(******)	2.892.867	6.729.280	70.232	9.692.379

(*) TL 3.995.133 (December 31, 2022: TL 3.002.738) of the balance in Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye in other FC column represent precious metals, TL 1.442.617 (December 31, 2022: TL 1.321.927) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 12.825.369 (December 31, 2022: TL 8.902.072) of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts, TL 8.458.542 (December 31,2022: TL 5.851.412) of the balance in other FC column in financial assets at fair value through profit and loss represents gold-indexed lease certificates (sukuk)

(**) Derivative financial instruments are included.

(***) The balance includes foreign currency indexed loans and financial lease receivables of TL 134.276 (December 31, 2022: TL 452.057).

(****) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 6.157 is included in other assets. (December 31, 2022: TL 4.892)

(*****) In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 516.960 (December 31, 2022: TL 271.449) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 1.231.625 (December 31, 2022: TL 290.360).

(******) Does not have any effect on the net off-balance sheet position.

IV. Explanations on consolidated currency risk (continued):

Other issues related to currency risk:

Since the Parent Bank has issued undated additional tier 1 capital amount to USD 205.000.000 (Historical cost: TL 775.720) and recognized under the equity as "Other Capital Reserves", this stated amount is not included in the above table.

V. Explanations on consolidated position risk of equity securities in banking book:

The Parent Bank does not have any associate and subsidiary quoted at Borsa İstanbul.

The Parent Bank's equity securities which are not quaoted at Borsa Istanbul are recognized at fair values and if the fair values are not measured reliably, they are recognized at cost.

The equity securities under banking book calculated as per credit risk standard method amount to TL 854.573. 100% risk weight is applied to related whole amount (December 31, 2022: TL 542.504).

VI. Explanations on consolidated liquidity risk:

Liquidity risk is managed by Asset and Liability Committee ("ALCO") in line with risk management policies and risk appetite approved by the Board of Directors in order to take the necessary measures in a timely and correct manner against possible liquidity shortages that may result from market conditions and balance sheet structure of the Parent Bank. Under stressed conditions, liquidity risk is managed within the Contingency Funding Plan framework.

The Board of Directors reviews the liquidity risk management strategy, policy and practices and approves the liquidity strategy and policies within the framework of risk management strategy and policies, ensures the effective of practice of policies and integrations with Parent Bank's risk management strategy. The Board of Directors determines the basic metrics in liquidity risk measurement and monitoring. The Board of Directors establishes risk appetite of the Parent Bank in liquidity risk management, identifies the risk limits in accordance with the risk appetite, and reviews it regularly.

ALCO takes necessary decisions which will be executed by related departments by assessing the liquidity risk that the Parent Bank is exposed to and considering the Parent Bank's strategy and conditions of competition and pursues the implementations.

Risk Management Department defines the Parent Bank's liquidity risk, measures and monitors the risks with liquidity risk measurement methods that are in compliance with legal legislation, presents measurement results periodically to related departments, committees and senior management. Risk Management Department coordinates related parties in order to ensure compliance of risk management process in accordance with the Parent Bank's risk profile, operation environment and strategic plan with regulations. The liquidity risk analysis and the important early warning signals are reported periodically to related senior management. Additionally, analysis and monitored internal reserve limit ratios related to liquidity risk are presented in ALCO report. Reserve limit ratios and alert levels approved by the Board of Directors are monitored and reported regularly to related parties.

The Parent Bank's funding management is carried out in compliance with the ALCO decisions in the direction of the Fund Transfer Pricing (FTP) committee. Funding and placement strategies are developed by assessing liquidity of the Parent Bank.In liquidity risk management actions that will be taken and procedures are determined by considering normal economic conditions and stress conditions.

Diversification of assets and liabilities is assured to be able to continuously meet the obligations, also considering the relevant currencies. Funding sources are monitored actively during identification of concentration risk related to funding. The Parent Bank's funding base of funds collected and other borrowing transactions are diversified in order to prevent the concentration of a particular funding source. Factors that could trigger the sudden and significant run off in funds or impair the accessibility of the funding sources are analyzed.

In the context of TL and foreign currencies liquidity management, the Parent Bank monitors the cash flows regarding assets and liabilities and forecasts the required liquidity in future periods. In cash flow analysis, stress is applied to items that affect the liquidity by volume and rate of change from a liquidity management point of view. Liquidity risk exposed by the Parent Bank is managed by establishing risk appetite, effective control environment and closely monitoring by limits.

The results of liquidity risk stress testing are taken into consideration in the assessment of liquidity adequacy and identification of strategy, policy and procedures regarding liquidity risk and contingency funding plan is prepared within this framework. There exists "Liquidity Risk Management Contingency Funding Plan" in the Parent Bank including mechanisms to prevent increase in liquidity risk during normal and liquidity crisis scenarios for different conditions and levels.

(Thousand of Turkish Lira (TL) unless otherwise stated)

VI. Explanations on consolidated liquidity risk (continued):

Consolidated 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	**TL+FC**	**FC**	**TL+FC**	**FC**
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			63.572.682	40.331.658
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	80.821.137	53.230.027	7.620.068	5.323.003
3	Stable Funds Collected	9.240.907	-	462.045	-
4	Less stable Funds Collected	71.580.230	53.230.027	7.158.023	5.323.003
5	Unsecured Funding other than Retail and Small Business Customers Deposits	50.092.579	37.867.791	36.096.889	26.208.720
6	Operational Funds Collected	26.702.616	20.088.851	6.675.654	5.022.213
7	Non-Operational Funds Collected	6.555.582	1.046.575	4.016.246	453.039
8	Other Unsecured Funding	16.834.381	16.732.365	25.404.989	20.733.468
9	Secured funding			-	-
10	Other Cash Outflows	8.252.964	2.055.316	8.252.964	2.055.316
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	8.252.964	2.055.316	8.252.964	2.055.316
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	34.080.994	14.309.155	3.294.295	1.890.325
16	**TOTAL CASH OUTFLOWS**			55.264.216	35.477.364
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	27.209.785	12.468.196	20.724.447	10.381.180
19	Other contractual cash inflows	8.297.537	7.398.840	8.297.537	7.398.840
20	**TOTAL CASH INFLOWS**	35.507.322	19.867.036	29.021.984	17.780.020
				Upper limit applied amounts	
21	**TOTAL HQLA**			**63.572.682**	**40.331.658**
22	**TOTAL NET CASH OUTFLOWS**			**26.242.232**	**17.697.344**
23	**Liquidity Coverage Ratio (%)**			**242,25**	**227,90**

(*) Calculated from the average amounts of the last three months (calculated as of end of the months).

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated March 21, 2014, the dates on which the minimum and maximum liquidity coverage ratios have been calculated for the last three months are as follows:

Liquidity Coverage Ratio (%)	**Current Period**	
	TL+FC	**FC**
Lowest	232,18	217,34
Date	October 31, 2023	October 31, 2023
Highest	262,4	249,01
Date	November 30, 2023	November 30, 2023
Average	242,25	227,90

(Thousand of Turkish Lira (TL) unless otherwise stated)

VI. Explanations on consolidated liquidity risk (continued):

Consolidated liquidity coverage ratio (continued):

		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	**TL+FC**	**FC**	**TL+FC**	**FC**
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			**47.968.698**	**39.607.589**
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	63.028.430	46.592.147	6.017.172	4.659.215
3	Stable Funds Collected	5.713.420	-	285.671	-
4	Less stable Funds Collected	57.315.010	46.592.147	5.731.501	4.659.215
5	Unsecured Funding other than Retail and Small Business Customers Deposits	27.308.254	17.866.072	14.845.517	7.563.628
6	Operational Funds Collected	19.374.905	14.098.919	4.843.726	3.524.730
7	Non-Operational Funds Collected	5.428.836	1.743.912	2.969.780	866.795
8	Other Unsecured Funding	2.504.513	2.023.241	7.032.011	3.172.103
9	Secured funding			-	-
10	Other Cash Outflows	3.247.032	2.809.385	3.247.032	2.809.385
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.247.032	2.809.385	3.247.032	2.809.385
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	23.164.448	9.902.819	2.515.266	1.475.538
16	**TOTAL CASH OUTFLOWS**			**26.624.987**	**16.507.766**
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	16.204.354	7.900.602	12.457.422	6.867.505
19	Other contractual cash inflows	3.251.860	2.286.502	3.251.860	2.286.502
20	**TOTAL CASH INFLOWS**	**19.456.214**	**10.187.104**	**15.709.282**	**9.154.007**
				Upper limit applied amounts	
21	**TOTAL HQLA**			**47.968.698**	**39.607.589**
22	**TOTAL NET CASH OUTFLOWS**			**10.915.705**	**7.353.759**
23	**Liquidity Coverage Ratio (%)**			**439,45**	**538,60**

(*) Calculated from the average amounts of the last three months (calculated as of end of the month.

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated March 21, 2014, the dates on which the minimum and maximum liquidity coverage ratios have been calculated for the last three months for 2022 are as follows:

Liquidity Coverage Ratio (%)	**Prior Period**	
	TL+FC	**FC**
Lowest	353,86	420,43
Date	December 31, 2022	December 31, 2022
Highest	525,63	603,58
Date	November 30, 2022	November 30, 2022
Average	439,45	538,60

Consolidated liquidity coverage ratio is calculated by comparing the high-quality liquid assets owned by the Parent Bank to net cash outflow in 30 days maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, marketable securities that are not subject to repurchase agreements or not given as collateral, banks receivables, funds collected, funds borrowed. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

VI. Explanations on consolidated liquidity risk (continued):

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages. Group's high quality liquid assets are composed of 4,48% cash, 68,63% deposits in central banks and 26,89% securities considered as high-quality liquid assets.

Group's main funding sources are funds collected, funds borrowed, borrowings from money market, issued securities and subordinated loans. Funding source composition in report date is 80,52% funds collected, 19,48% funds borrowed, borrowings from money market, subordinated loans and securities issued.

Cash flows of derivatives that will take place within 30 days are considered in calculation of liquidity coverage ratio. Cash outflows of derivatives that arise from margin obligations, are reflected to the results in accordance with the methodology articulated in the related legislation.

The Parent Bank manages all the transactions with its foreign branches and subsidiaries consolidated in the framework of central bank, markets and related legislation of the country in which the institutions are located. Consolidated liquidity risk of the Parent Bank, its foreign branches and subsidiaries that are to be consolidated are managed within the regulatory limits and in accordance with group strategies. The liquidity positions of consolidated subsidiaries are continuously monitored by the Parent Bank.

In addition to LCR, the Parent Bank has also measures the Net Stable Funding Rate (NSFR), which is considered another complementary element and provides another important medium/long-term liquidity risk measurement. In accordance with the Regulation on Calculation of Banks' Net Stable Funding Ratio, published in the Official Gazette dated May 26, 2023 and numbered 32202, the relevant metric has started to be followed up within the framework of legal regulations.

(Thousand of Turkish Lira (TL) unless otherwise stated)

VI. Explanations on consolidated liquidity risk (continued):

Presentation of assets and liabilities according to their remaining maturities:

	Demand(*)	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated (****)(*****)	Total
Current Period								
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	24.285.838	24.798.354	-	-	-	-	-	49.084.192
Banks	6.972.142	6.602.680	839.446	-	-	-	-	14.414.268
Financial Assets at Fair Value Through Profit and Loss(**)	347.586	100.202	5.815.575	5.683.171	1.962.069	66.949	-	13.975.552
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	45.261	2.612.642	697.869	534.424	2.828.466	813.429	-	7.532.091
Loans(***)	458.094	15.033.051	21.465.643	41.087.595	24.883.899	1.721.724	87.490	104.737.496
Financial Assets Measured at Amortised Cost	-	214.548	1.331.218	6.207.418	17.479.036	3.620.323	-	28.852.543
Other Assets		-	5.649	16.940	410.894	457.680	13.749.678	14.640.841
Total Assets	**32.108.921**	**49.361.477**	**30.155.400**	**53.529.548**	**47.564.364**	**6.680.105**	**13.837.168**	**233.236.983**
Liabilities								
Current account and funds collected from banks via participation accounts	1.491.971	45	-	-	-	-	-	1.492.016
Other current and profit-sharing accounts	74.158.816	43.964.990	19.102.254	21.980.415	1.096.452	-	-	160.302.927
Funds provided from other financial institutions and subordinated loans	-	17.789.338	51.582	186.214	13.202.997	-	-	31.230.131
Money Market Borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	630.415	7.285.086	-	-	-	7.915.501
Miscellaneous payables	-	1.392.469	320.750	134.546	91	-	7.386.695	9.234.551
Other liabilities	775.720	-	458	4.112	297.509	400.158	21.583.900	23.061.857
Total Liabilities	**76.426.507**	**63.146.842**	**20.105.459**	**29.590.373**	**14.597.049**	**400.158**	**28.970.595**	**233.236.983**
Net Liquidity Gap	**(44.317.586)**	**(13.785.365)**	**10.049.941**	**23.939.175**	**32.967.315**	**6.279.947**	**(15.133.427)**	**-**
Net Off-Balance Sheet Position	**-**	**(35.043)**	**(106.618)**	**321**	**-**	**-**	**-**	**(141.340)**
Financial Derivative Assets	-	6.894.198	8.894.828	762.134	-	-	-	16.551.160
Financial Derivative Liabilities	-	6.929.241	9.001.446	761.813	-	-	-	16.692.500
Non-Cash Loans	**17.980.823**	**468.296**	**1.964.741**	**6.969.341**	**2.663.932**	**24.807**	**-**	**30.071.940**
Prior Period								
Total Assets	13.477.143	30.809.410	16.878.470	31.522.992	41.190.209	6.354.451	6.730.488	146.963.163
Total Liabilities	52.976.901	41.594.973	22.798.170	8.005.675	5.796.055	289.836	15.501.553	146.963.163
Net Liquidity Gap	**(39.499.758)**	**(10.785.563)**	**(5.919.700)**	**23.517.317**	**35.394.154**	**6.064.615**	**(8.771.065)**	**-**
Net Off-Balance Sheet Position	**-**	**(4.582)**	**2.217**	**3.015**	**-**	**-**	**-**	**650**
Financial Derivative Assets	-	1.854.901	171.071	252.971	-	-	-	2.278.943
Financial Derivative Liabilities	-	1.859.483	168.854	249.956	-	-	-	2.278.293
Non-Cash Loans	**12.960.558**	**311.074**	**1.239.464**	**4.434.515**	**2.149.613**	**27.786**	**-**	**21.123.010**

(*) Loans include accruals, other liabilities include undated additional Tier 1 Capital accounted under Shareholders' Equity.

(**) Derivative financial instruments are included.

(***) Leasing receivables are included under loans. Unallocated amount represents the net non-performing loans

(****) Certain assets in the balance sheet that are necessary for the banking operations but cannot be readily convertible into cash in the near future, such as tangible assets, right of use of movables and real estates, investments in associates and subsidiaries, stationary supplies, prepaid expenses are included here.

(*****) The unallocated other liabilities column consists of equity, provisions and (if any) deferred tax liabilities.

(Thousand of Turkish Lira (TL) unless otherwise stated)

VII. Explanations on consolidated leverage ratio:

	Current Period(**)	Prior Period(**)
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards(*)	222.955.480	146.505.295
The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"	-	-
The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	30.862.742	6.802.739
The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	4.311.119	3.813.120
The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	69.370	60.708
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	-	-
Total Risk Amount	**289.384.295**	**178.899.039**

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

(**) Represents average of the three months.

(Thousand of Turkish Lira (TL) unless otherwise stated)

VII. Explanations on consolidated leverage ratio (continued):

As of December 31, 2023, consolidated leverage ratio of the Group calculated from the arithmetic average of the last three months is 4,40% (December 31, 2022: 4,53%). Leverage ratio is required to remain minimum 3% as per "Communiqué on Measurement and Evaluation for Leverage Ratios of Banks". The reason for the difference in leverage ratio between current and previous period is that increase in average capital amount is lower than increase in average total risk amount.

		Current Period(*)	Prior Period(*)
	Balance sheet assets		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	227.188.809	147.993.237
2	(Assets deducted from Core capital)	(337.558)	(192.871)
3	Total risk amount of balance sheet assets (sum of lines 1 and 2)	226.851.251	147.800.366
	Derivative financial assets and credit derivatives		
4	Cost of replenishment for derivative financial assets and credit derivatives	160.474	23.520
5	Potential credit risk amount of derivative financial assets and credit derivatives	154.420	34.310
6	Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	314.894	57.830
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	25.437.098	5.491.016
8	Risk amount arising from intermediary transactions	-	-
9	Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	25.437.098	5.491.016
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	36.821.102	25.587.177
11	(Correction amount due to multiplication with credit conversion rates)	(40.050)	(37.350)
12	Total risk of off-balance sheet transactions (sum of lines 10 and 11)	36.781.052	25.549.827
	Capital and total risk		
13	Core Capital	12.740.463	8.102.215
14	Total risk amount (sum of lines 3, 6, 9 and 12)	289.384.295	178.899.039
	Leverage ratio		
15	Leverage ratio (%)	4,40	4,53

(*) The average of the last three months in the related periods

VIII. Explanations on presentation of consolidated financial assets and liabilities at fair value:

a. Information on fair value of financial assets and liabilities :

The following table summarizes the carrying values and fair values of financial assets and liabilities. The carrying value represents the acquisition costs and accumulated profit share accruals of corresponding financial assets or liabilities.

The fair values of financial assets and liabilities are calculated based on the following principles:

The fair values of investments measured at amortised cost are determined based on market prices.

The fair value of loans is determined by calculating the discounted cash flows using the current market profit share rates.

Carrying value of funds collected via special current accounts and participation accounts is assumed to approximate their fair value as they are valued at year-end unit values.

The fair values of funds collected from financial institutions are determined by calculating the discounted cash flows using the current market profit share rates.

(Thousand of Turkish Lira (TL) unless otherwise stated)

VIII. Explanations on presentation of consolidated financial assets and liabilities at fair value (continue):

a. Information on fair value of financial assets and liabilities (continue):

	Carrying value		Fair value	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Financial Assets				
Money market placements	-	1.725.715	-	1.735.873
Banks	14.723.761	7.340.511	14.723.761	7.340.511
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	13.923.283	11.673.526	13.923.283	11.673.526
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	7.532.091	2.237.160	7.532.091	2.237.160
Financial Assets Measured at Amortised Cost	28.852.543	19.450.929	32.113.874	19.752.403
Loans and financial lease receivables	104.737.496	72.625.017	95.674.346	70.336.803
Financial Liabilities				
Funds collected from banks via current accounts and profit sharing accounts	1.492.016	1.093.494	1.492.016	1.093.494
Other current and profit sharing accounts	160.302.927	111.259.742	160.302.927	111.259.742
Funds provided from other financial institutions	31.230.131	8.185.041	30.990.922	7.974.657
Marketable securities issued	7.915.501	627.095	8.408.570	593.171
Debts to Money Markets	-	7.817.681	-	7.913.844
Other Liabilities	9.234.551	4.814.699	9.234.551	4.814.699

b. Information on fair value measurement recognized in the financial statements:

TFRS 7 “Financial Instruments: Turkish Financial Reporting Standard Related to Explanations” sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish a basis for fair value measurement. Aforesaid fair value hierarchy is determined as follows:

a. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level I);

b. Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in Level 1 (Level II);

c. Data not based on observable data regarding assets and liabilities (Level III).

(Thousand of Turkish Lira (TL) unless otherwise stated)

VIII. Explanations on presentation of consolidated financial assets and liabilities at fair value (continue):

b. Information on fair value measurement recognized in the financial statements (continue):

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

Current period (*)	Level I	Level II	Level III	Total
Financial assets				
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	**12.683.446**	**630.204**	**609.633**	**13.923.283**
Government Securities	12.538.108	-	-	12.538.108
Equity securities	114.101	-	142.247	256.348
Other Financial Assets	31.237	630.204	467.386	1.128.827
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	**4.460.559**	**3.026.271**	**-**	**7.486.830**
Equity securities (**)	-	-	-	-
Government Securities	4.460.559	-	-	4.460.559
Other Financial Assets	-	3.026.271	-	3.026.271
Derivative Financial Assets	**-**	**52.269**	**-**	**52.269**
Financial Liabilities				
Derivative financial liabilities	**-**	**121.376**	**-**	**121.376**

(*) In the current period, there is no classification between level I and level II.

(**) Equity securities amounting to TL 45.261 under financial assets measured at fair value through other comprehensive income are not quoted in an active market and hence, they are accounted at cost in the financial statemenst and not represented above table.

Prior period(*)	Level I	Level II	Level III	Total
Financial assets				
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	**11.438.561**	**49.346**	**185.619**	**11.673.526**
Government Securities	11.386.158	-	-	11.386.158
Equity securities	37.912	-	103.951	141.863
Other Financial Assets	14.491	49.346	81.668	145.505
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	**1.254.094**	**951.534**	**-**	**2.205.628**
Equity securities (**)	-	-	-	-
Government Securities	1.254.094	-	-	1.254.094
Other Financial Assets	-	951.534	-	951.534
Derivative Financial Assets	**-**	**14.151**	**-**	**14.151**
Financial Liabilities				
Derivative Financial Liabilities	**-**	**14.479**	**-**	**14.479**

(*) In the current period, there is no classification between level I and level II.

(**) Equity securities amounting to TL 31.532 under financial assets measured at fair value through other comprehensive income are not quoted in an active market and hence, they are accounted at cost in the financial statemenst and not represented above table.

IX. Explanations regarding the activities carried out on behalf and account of other persons:

The Parent Bank does not perform purchases, sales and custody services on behalf of its customers. The Parent Bank has no fiduciary transactions.

X. Explanations on consolidated risk management:

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 dated October 23, 2015 and became effective as of March 31, 2016. Due to usage of standard approach for the calculation of capital adequacy ratio by the Parent Bank, tables which have to be prepared within the scope of Internal rating-based (IRB) approach have not been presented.

a. Consolidated risk management strategy and risk weighted amounts:

a.1. Risk management strategy:

The aim of the Parent Bank's Risk management system is basically to ensure identification, measurement, monitoring and controlling of risks exposed, through establishment of policies, implementation procedure and limits for monitoring, controlling and in case of need changing the risk/return structure of future cash flows, and accordingly nature and level of operations.

The Board of Directors has a responsibility of establishing and providing compatible, adequate and effective system on internal control, risk management and internal auditing as anticipated by the Banking Law for the purpose of monitoring and controlling risks emerging from operations.

The Board of Directors is responsible for establishing risk management policies and strategies. These policies are revised and evaluated periodically according to prevailing market conditions.

The general manager is responsible from ensuring that departments of the Parent Bank operate in accordance with the specified policies and strategies about risk management as determined by the Board of Directors.

The Board of Directors of the Parent Bank takes an important part in the processes of risk management by following policies and strategies on consolidated and unconsolidated basis, setting up limit systems and procedures in the Parent Bank.The related limits are monitored, reported and maintained within the set limits by the units under the internal systems and the related departments in the Parent Bank. Risk Management Department, organized within the frame of Risk Management regulations, undertakes activities for measuring, monitoring, controlling and reporting of risks.

Ultimate goal of the Parent Bank's risk management system is to allocate capital in accordance with risks that functional activities have (economical capital), to maximize return on capital adjusted according to risk and to increase added value created.

In Asset and Liability Committee, asset-liability structure is managed via evaluating fund collection activities in line with risk management policies and domestic and foreign conditions regarding the bank's fund lending.

The risks that the Parent Bank is exposed to or may be exposed to in the future are determined and the definition of these risks is made. Defined risks are measured and prioritized as far as possible. It is provided that all important risks are in the risk appetite considering the potential impact of the risks and the strategy arising from the Parent Bank's strategies to risk profile. The Parent Bank's strategies are integrated with risk profile and risk appetite. If it is expected that the risk profile is going to change in the future, this change is assessed with the degree of capital impact. While a risk profile is being developed, the risk profile is analyzed based on the risk type, the sector and/or the geographic location.

The Parent Bank's risk tolerance is the most comprehensive calculated risk amount which may be accepted in accordance with the determined mission and vision. In other words, before deciding on the necessity of taking measures, it is the Parent Bank's readiness to exposure of any risk amount. In this respect, the risk tolerance, in connection with the variety of services offered by the Parent Bank, is the level of risk it identifies as acceptable.

X. Explanations on consolidated risk management (continued):

The Parent Bank’s risk appetite means the amount of risk that can be accepted by the Parent Bank in order to reach the strategic targets, and it includes an acceptable variability around the targets as well.

The common feature of the Parent Bank’s risk appetite and risk tolerance is to drive the lines regarding risk acceptance. However, risk tolerance is more comprehensive.

By means of “Risk Appetite Policy” approved by the board of directors, risk levels can be taken to implement risk strategies and to achieve the objectives of the Parent Bank’s were identified. Limits, which are determined within the framework of risk profile of the bank in accordance with the Parent Bank’s risk appetite and risk tolerance, and triggering functions, were described in detail.

Considering the Parent Bank’s financial position, activity profile and the growth expectations of the future, the amount of capital needed for the strategic targets to be met have been calculated by the basis of static and dynamic stress tests and scenario analyses.

Considering the factors that may affect the Parent Bank operates market today and in the future, stress tests and scenario analysis studies on the financial structure of the Parent Bank have been assessed together with the other financial indicators; in this context, a coordination based on harmony was created between prepared capital plans and processes of the Parent Bank.

Aiming to ensure capital allocation compatible with the risks of its functional operations and increase the capital yield set according to these risks to the maximum level, the Parent bank’s evaluates risks by classifying them as market risks, liquidity risk, credit risk, operational risk, strategic risk and credibility risk.

Market Risk

The Parent Bank's market risk; refers to the probability of loss may be exposed to exchange rate risk, equity position risk, profit rate risk and commodity risk.

Within the coverage of market risk, the Parent Bank calculates the foreign currency position risk and the security risk, as well as specific risks associated with market risk, by using the Standard approach and reports to it the authorities accordingly on a regular basis. Additionally, for test-purpose, foreign currency position risk of the Parent Bank is measured by internal models. With backtesting applications, deviations between actual values and daily VaR values, predicted by internal models, are observed in order to control accuracy and performance of these models. Potential strength of portfolio against to unexpected risks is measured with stress tests including stress scenarios.

Whether the market risk of the Parent Bank is in conformity with legal regulations and the determined limits is constantly monitored. Our foreign currency risk is discussed and evaluated at every Assets/Liabilities Committee meeting and our foreign currency strategy is based on holding this risk constant by holding to square foreign currency position (i.e. no short or long positions are taken).

Liquidity risk

The Parent Bank’s liquidity risk, consists of funding related liquidity risk and market-related liquidity risk.

The liquidity risk is the situation whereby, as a result of any imbalances in the cash flows, there is a potential for not being able to meet the Participation Funds which have matured or other due liabilities in a timely manner due to shortage of liquid funds.

Market liquidity risk is an expression of the likelihood of the Parent Bank’s suffering a loss because the Parent Bank is unable to close or cover a particular position at the market price owing to insufficient market depth or to excessive market volatility.

Liquidity risk could be caused by such factors as maturity mismatch, deterioration in the quality of assets, unexpected funding outflows, erosion in profitability levels and economic crisis.

In order to manage liquidity risk, the Parent Bank monitors the cash flows on a daily basis and takes preventive and improving measures taken so that commitments are met duly in time. The Liquidity risk is also evaluated by ALCO on a weekly basis.

X. Explanations on consolidated risk management (continued):

The Parent Bank applies a policy whereby liquid assets are kept in sufficient volumes and qualities in consideration of the minimum liquidity coverage ratios determined by the related regulations and the liquidity experiences of the past in order to meet any liquidity requirement that could arise with unexpected volatilities in the markets.

Credit risk

Credit risk is defined as the probability of losses to the Parent Bank due to customers failing to partially or completely pay their commitments to the Parent Bank in a timely manner, in violation of the provisions of their credit contracts. This risk also contains any losses in the market value of the customers due to any deterioration in the financial position of the customer. The definition of credit risk is includes not just the portfolios within the balance sheet, but also those kept off balance sheet.

The authority to approve credits belongs to the Board of Directors at the Parent Bank. The Board of Directors determines the policies concerning the utilization, approval, risk management of the credits and other related management principles. It then ensures the implementation and supervision of these policies, taking required measures when necessary. The Board of Directors has transferred some of its authority in approving credit lines to the Credit Committee and General Management within the framework of the procedures and principles determined by the legal provisions. The General Management uses that authority to utilize credits by means of the credit departments and the Parent Bank's branches. At the Parent Bank's, credit allocations are realized within those limits that are determined on the basis of each debtor and group of debtors.

It is systematically not possible for customers to exceed the predetermined and approved limit Close attention is paid to prevent any sector concentration that might impair the health of the credit portfolio.

Utmost care is given to the prevention of risks concentrating on a small number of customers. Credit risks are constantly monitored and reported by the internal systems units and risk management bodies. Credit risks are ensured to be in conformity to "Regulation on Credit Policies and Implementation Procedures".

Operational risk

Operational risk is a risk of loss caused by insufficient or unsuccessful internal processes, by persons and systems or external events, wherein the legal risks and compliance risks are included while the strategic (making wrong decisions at the wrong time) and reputational risk are excluded.

Operational risk is a type of risk present in all activities of the Parent Bank. It could arise from errors of the staff or the system, from such transactions as may have been made based on insufficient or incorrect legal information or documents, due to impediments in the flow of information between the divisions in the organizational structure of the Parent Bank, due to uncertainties in the definition of limits of authorities or from structural and/or operational changes, natural disasters, terror and frauds.

The Parent Bank classifies operational risks into five groups according to their sources: staff risks, technological risks, organizational risks, legal and compliance risks and external risks.

The Parent Bank also takes required measures to maintain operational risks at acceptable levels.

Other risks

The other risks that The Parent Bank could encounter include strategic and reputational risk, counterparty credit risk, country risk, and concentration risk.

For the management of strategic risk, the Parent Bank keeps a close watch on the domestic and international situation, on technological, financial, and social developments, on the legal and regulatory frameworks, and on the banking industry as a whole in order to make rational decisions and to change them as circumstances warrant.

The Parent Bank regards reputational risk as anything that might lead to the Parent Bank's suffering a loss on account of adverse developments such as a reduction in the confidence that is had in it or any impairment in its good standing due to unfavorable opinions that existing or potential customers, shareholders, competitors, regulatory agencies, or other outside or associated parties may have about it or due to any breach of existing laws and regulations.

X. Explanations on consolidated risk management (continued):

For the risk of reputation to be avoided and/or controlled by the Parent Bank's Risk Management System, a proactive communication mechanism that gives the customer priority is established any time a condition that could detriment the Parent Bank's reputation or image is detected.

Preparations are made for the worst-case scenarios in advance. In the evaluation of the reputation risk, the relationship, level and impact of operational risks to the reputation risk are also taken into account.

Counterparty credit risk is an expression of the likelihood that the counterparty in any transaction that imposes an obligation on two parties will default on the obligation before the final payment in the transaction's cash flow sequence. The Parent Bank manages its counterparty credit risk exposure as required by laws and regulations, taking best practices into consideration, and compatibly with the volume, nature, and complexity of its operations.

Country risk is an expression of the likelihood that the Parent Bank will suffer a loss because debtors in another country fail to fulfill or avoid fulfilling their obligations owing to uncertainties in the economic, social, and/or political conditions of that country. The Parent Bank enters into business relationships with foreign financial institutions and/or the agencies of foreign countries taking legal and regulatory restrictions, market conditions, and customer satisfaction into consideration and on the basis of feasibility studies that take the country's economic conditions into account.

Concentration risk is defined as the likelihood that a single risk or several risks that have some attribute in common may, if realized, cause losses that are capable of endangering the Parent Bank itself or its ability to carry out its essential activities. Policies aimed at managing concentration risk are formulated so as to deal with particular aspects of it such as sectoral concentration, collateral concentration, market risk concentration, types of loss concentration, and creditor concentration.

(Thousand of Turkish Lira (TL) unless otherwise stated)

X. Explanations on consolidated risk management (continued):

a.2. Risk weighted amounts:

		Risk Weighted Amount		Minimum capital requirement
		Current Period	**Prior Period**	**Current Period**
1	Credit risk (excluding counterparty credit risk) (CCR)	86.098.617	57.601.956	6.887.889
2	Standardised approach (SA)	86.098.617	57.601.956	6.887.889
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	385.679	77.419	30.854
5	Standardised approach for counterparty credit risk (SA-CCR)	385.679	77.419	30.854
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	14.270.625	6.714.409	1.141.650
17	Standardised approach (SA)	14.270.625	6.714.409	1.141.650
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	9.453.816	4.463.968	756.305
20	Basic Indicator Approach	9.453.816	4.463.968	756.305
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**110.208.737**	**68.857.752**	**8.816.698**

(Thousand of Turkish Lira (TL) unless otherwise stated)

X. Explanations on consolidated risk management (continued):

b. Financial statements and regulatory exposures reconciliation:

b.1. Differences and Matching Between Accounting-related Consolidation and Legal Consolidation:

Current Period	Carrrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)(*)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				
		Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk (**)	Not subject to capital requirements or deducted from capital
Assets						
Cash and cash equivalents	63.807.953	63.807.953	-	-	-	-
Financial assets at fair value through profit and loss	13.923.283	-	-	-	12.276.988	-
Financial Assets at Fair Value through Other Comprehensive İncome	7.532.091	7.532.091	-	-	-	-
Financial Assets Measured at Amortised Cost	28.852.543	28.852.543	-	-	-	-
Derivative Financial Assets	52.269	52.269	52.269	-	52.269	-
Non Performing Financial Assets	-	-	-	-	-	-
Expected Credit Losses (-)	309.493	-	-	-	-	309.493
LOANS (Net)	**104.737.496**	**104.737.496**	**-**	**-**	**-**	**(2.705.177)**
Loans	102.814.262	102.814.262	-	-	-	8.090
Financial Lease Receivables	4.549.011	4.549.011	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non Performing Receivables	1.805.574	1.805.574	-	-	-	-
Expected Credit Losses (-)	4.431.351	4.431.351	-	-	-	2.713.267
Assets Held for Sale and Assets of Discontinued Operations (Net)	641.631	641.631	-	-	-	-
Ownership Investments	822.737	822.737	-	-	-	-
Tangible Assets (Net)	4.524.151	4.524.151	-	-	-	38.257
Intangible Assets (Net)	371.470	371.470	-	-	-	342.756
Investment Property (Net)	4.636.810	4.636.810	-	-	-	-
Current Tax Asset	136	136	-	-	-	-
Deferred Tax Asset	1.199.059	1.199.059	-	-	-	-
Other Assets	2.444.847	2.444.847	-	-	-	-
Total assets	**233.236.983**	**219.623.193**	**52.269**	**-**	**12.329.257**	**(2.633.657)**
Liabilities						
Funds collected	161.794.943	-	-	-	-	161.794.943
Funds borrowed	22.333.534	-	-	-	-	22.333.534
Borrowings from money markets	-	-	-	-	-	-
Securities issued	7.915.501	-	-	-	-	7.915.501
Financial Liabilities At Fair Value Through Profit and Loss	-	-	-	-	-	-
Derivative Financial Liabilities	121.376	-	121.376	-	-	121.376
Lease Payables	774.753	-	-	-	-	774.753
Provisions	6.586.045	57.995	-	-	-	6.586.045
Current Tax Liability	1.231.279	-	-	-	-	1.231.279
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Assets Held For Sale and Assets of Discontinued (Net)	-	-	-	-	-	-
Subordinated Loans	8.896.597	-	-	-	-	8.896.597
Other Liabilities	9.234.551	-	-	-	-	9.234.551
Shareholders' equity	14.348.404	-	-	-	-	14.348.404
Total liabilities	**233.236.983**	**57.995**	**121.376**	**-**	**-**	**233.236.983**

(*) Since the accounting and legal consolidation scope of the Parent Bank is the same, the financial statement information is represented in the single column.

(**) Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

(Thousand of Turkish Lira (TL) unless otherwise stated)

X. Explanations on consolidated risk management (continued):

b. Financial statements and regulatory exposures reconciliation (continued):

b.1. Differences and Matching Between Accounting-related Consolidation and Legal Consolidation (continued):

Prior Period	Carrrying value reported in financial tables in accordance with Turkish Accounting Standards (TAS)(*)	Carrying values of items in accordance with Turkish Accounting Standards (TAS)				
		Subject to credit risk	Subject to counterparty credit risk	Securitization positions	Subject to market risk (*)	Not subject to capital requirements or deducted from capital
Assets						
Cash and cash equivalents	33.931.302	33.931.302	-	-	-	-
Financial assets at fair value through profit and loss	11.673.526	-	-	-	10.758.776	-
Financial Assets at Fair Value through Other Comprehensive İncome	2.237.160	2.237.160	-	-	-	-
Financial Assets Measured at Amortised Cost	19.450.929	257.458	-	-	-	-
Derivative Financial Assets	14.151	-	14.151	-	14.151	-
Non Performing Financial Assets	-	-	-	-	-	-
Expected Credit Losses (-)	122.377	-	-	-	-	122.377
LOANS (Net)	**72.625.017**	**38.522.725**	**-**	**-**	**-**	**(1.571.338)**
Loans	73.128.028	38.144.139	-	-	-	5.723
Financial Lease Receivables	908.743	512.075	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Non Performing Receivables	1.467.977	1.169.181	-	-	-	-
Expected Credit Losses (-)	2.879.731	1.302.670	-	-	-	1.577.061
Assets Held for Sale and Assets of Discontinued Operations (Net)	341.132	341.132	-	-	-	-
Ownership Investments	426.134	426.134	-	-	-	-
Tangible Assets (Net)	2.734.379	2.734.379	-	-	-	17.978
Intangible Assets (Net)	177.275	177.275	-	-	-	166.508
Investment Property (Net)	1.869.188	-	-	-	-	-
Current Tax Asset	62	-	-	-	-	-
Deferred Tax Asset	453.958	453.958	-	-	-	-
Other Assets	1.151.327	1.151.331	-	-	-	-
Total assets	**146.963.163**	**80.232.854**	**14.151**	**-**	**10.772.927**	**(1.509.229)**
Liabilities						
Funds collected	112.353.236	-	-	-	-	112.353.236
Funds borrowed	3.490.803	-	-	-	-	3.490.803
Borrowings from money markets	7.817.681	-	-	-	-	7.817.681
Securities issued	627.095	-	-	-	-	627.095
Financial Liabilities At Fair Value Through Profit and Loss	-	-	-	-	-	-
Derivative Financial Liabilities	14.479	-	-	-	-	14.479
Lease Payables	476.806	-	-	-	-	476.806
Provisions	2.584.193	40.203	-	-	-	2.584.193
Current Tax Liability	742.145	-	-	-	-	742.145
Deferred Tax Liability	-	-	-	-	-	-
Liabilities For Assets Held For Sale and Assets of Discontinued (Net)	-	-	-	-	-	-
Subordinated Loans	4.694.238	-	-	-	-	4.694.238
Other Liabilities	4.814.699	-	-	-	-	4.814.699
Shareholders' equity	9.347.788	-	-	-	-	9.339.747
Total liabilities	**146.963.163**	**40.203**	**-**	**-**	**-**	**146.955.122**

(*) Since the accounting and legal consolidation scope of the Parent Bank is the same, the financial statement information is represented in the single column.

(**) Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

(Thousand of Turkish Lira (TL) unless otherwise stated)

X. Explanations on consolidated risk management (continued):

b. Financial statements and regulatory exposures reconciliation (continued):

b.2. Main reasons of the differences between the risk amounts and Carrrying Value in accordance with Turkish Accounting Standards (TAS):

	Current Period	Total	Subject to credit risk	Securitisation positions	Subject to counterparty credit risk	Subject to market risk(*)
1	Carrrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	233.236.983	219.623.193	-	52.269	12.329.257
2	Carrrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	-	57.995	-	-	-
3	Total net amount within the scope of legal consolidation	**233.236.983**	**219.565.198**	**-**	**52.269**	**12.329.257**
4	Off balance sheet amounts	72.337.619	12.861.631	-	333.410	-
5	Repo and similar transactions (**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	(63.364.165)	-	-	-
10	**Risk amounts**	**305.574.602**	**169.062.664**	**-**	**385.679**	**12.329.257**

(*) Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

(**) In accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks", it is counterparty credit risk amount calculated for repurchase agreements and similar transactions.

	Prior Period	Total	Subject to credit risk	Securitisation positions	Subject to counterparty credit risk	Subject to market risk(*)
1	Carrrying value of assets within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	146.963.163	80.232.854	-	14.151	10.772.927
2	Carrrying value of liabilities within the scope of legal consolidation in accordance with Turkish Accounting Standard (as in template B1)	-	40.203	-	-	-
3	Total net amount within the scope of legal consolidation	**146.963.163**	**80.192.651**	**-**	**14.151**	**10.772.927**
4	Off balance sheet amounts	29.986.264	10.480.863	-	63.268	-
5	Repo and similar transactions (**)	-	-	-	-	-
6	Differences in valuations	-	-	-	-	-
7	Differences arising from different netting rules (other than those set out in line 2)	-	-	-	-	-
8	Differences arising from consideration of provisions	-	-	-	-	-
9	Differences arising from BRSA's applications	-	12.922.292	-	-	-
10	**Risk amounts**	**176.949.427**	**103.595.806**	**-**	**77.419**	**10.772.927**

(*) Represents the valued amounts of items subject to general market risk and specific risk according to Turkish Accounting Standards.

(**) In accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Banks", it is counterparty credit risk amount calculated for repurchase agreements and similar transactions.

b.3. Explanations on differences between carrying values in accordance with Turkish Accounting Standards (TAS) and risk amounts:

There is no significant difference between the financial statement amounts of assets and liabilities and the amounts included in capital adequacy calculation.

(Thousand of Turkish Lira (TL) unless otherwise stated)

X. Explanations on consolidated risk management (continued):

c. Consolidated Credit risk:

c.1. General information on credit risk:

c.1.1. General qualitative information on credit risk:

This information is already included in (II.) Explanations on consolidated credit risk (X.a.1) The Parent Bank's risk management approach.

c.1.2. Credit quality of assets:

	Current Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
		Defaulted	Non-defaulted		
1	Loans	1.805.574	107.378.273	4.446.351	104.737.496
2	Debt securities	-	43.711.993	17.027	43.694.966
3	Off-balance sheet exposures	24.962	39.068.997	62.583	39.031.376
4	**Total**	**1.830.536**	**190.159.263**	**4.525.961**	**187.463.838**

	Prior Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
		Defaulted	Non-defaulted		
1	Loans	1.467.977	74.051.771	2.894.731	72.625.017
2	Debt securities	-	31.101.457	41.989	31.059.468
3	Off-balance sheet exposures	15.360	25.413.668	46.641	25.382.387
4	**Total**	**1.483.337**	**130.566.896**	**2.983.361**	**129.066.872**

c.1.3. Changes in stock of default loans and debt securities:

		Current Period	Prior Period
1	**Defaulted loans and debt securities at end of the previous reporting period**	**1.483.337**	**3.936.138**
2	Loans and debt securities that have defaulted since the last reporting period	2.756.577	2.875.443
3	Receivables back to non-defaulted status	(10.956)	(91.487)
4	Amounts written off	(1.413.551)	(3.994.760)
5	Other changes	(984.871)	(1.241.997)
6	**Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)**	**1.830.536**	**1.483.337**

c.1.4. Additional information on credit quality of assets:

The scope and definitions of past due receivables and the methods used by the Parent Bank to determine the provisions are mentioned in the Explanations on Credit risk.

The Parent Bank may restructure not only non-performing credits but also the first and the second stage credits. Restructuring for the first and the second stage credits are made to improve the customer’s ability to repay the credit or for changes in contractual terms upon the customer request regardless of the customer's credit risk. Restructuring for non-performing credits are made for providing collection possibility by establishing a new payment plan.

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

c.1.4. Additional information on credit quality of assets (continued):

Breakdown for receivables in terms of sectors are stated in "II. Explanations on consolidated credit risk", footnote 8 " Profile of significant risks in significant regions"

Breakdowns according to the remaining maturity for past due receivables and in terms of geographic locations receivables that specific provisions are set are represented below. In accordance with resolution of the Board of the Parent Bank, TL 1.413.551 has been written off.

Aging analysis for past due receivables:

As per Financial instruments segmentations, aging analysis af past due but not impaired financial assets is as follows:

	0-30 Days	31-90 Days	Total
Current Period	1.334.129	7.404.686	**8.738.815**

	0-30 Days	31-90 Days	Total
Prior Period	1.412.469	6.704.130	**8.116.599**

Receivables that provisions are set in terms of geographical region:

Current Period	Non-performing Loans(*)	Specific Provision(*)
Domestic	1.773.481	1.688.529
Off-shore Banking Countries	-	-
Other Countries	32.093	29.555
General Total	**1.805.574**	**1.718.084**

(*) Represents amounts for cash loans.

Prior Period	Non-performing Loans(*)	Specific Provision(*)
Domestic	1.447.032	1.281.779
Off-shore Banking Countries	27	5
Other Countries	20.918	20.886
General Total	**1.467.977**	**1.302.670**

(*) Represents amounts for cash loans.

c.2. Credit risk mitigation

c.2.1. Qualitative disclosure on credit risk mitigation techniques:

On and off-balance sheet offsetting agreements are not utilized.

The Parent Bank, the risk mitigators that are used in credit process in compliance with Communiqué "The Risk Mitigation Techniques" which is published at September 6, 2014 are stated below.

a) Financial Collaterals (Government Securities, Cash, Deposit or Participation Fund Pledge, Gold, Stock Pledge)
b) Guarantees

The credibility of guarantors is monitored and evaluated within the framework of credit revision periods. Collaterals obtained by the Parent Bank are reviewed and appraised in accordance with related legislation as long as the credit relationship is outstanding.

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

c.2. Credit risk mitigation (continued)

c.2.1. Qualitative disclosure on credit risk mitigation techniques (continued):

If there are indicators on significant decreases of real estate's value in comparison to general market prices, the real estate's valuation is performed by the authorised valuation corporations authorised by Banking Regulation and Supervision Agency or Capital Markets Board of Türkiye.

The Parent Bank monitors other banks' guarantees that are evaluated as risk mitigators within the framework of BRSA regulations on a regular basis and reviews the credibility of banks periodically.

The volatility in real estate market is monitored closely by the Parent Bank and the market fluctuations are considered in credit activities.

c.2.2. Credit risk mitigation techniques:

	Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	61.438.348	43.299.148	14.470.637	13.598.588	610.421	-	-
2	Debt securities	43.694.966	-	-	-	-	-	-
3	**Total**	**105.133.314**	**43.299.148**	**14.470.637**	**13.598.588**	**610.421**	**-**	**-**
4	Of which defaulted	54.524	32.966	21.657	1.743.505	-	-	-

	Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	56.643.850	15.981.167	5.497.022	3.858.225	56.606	-	-
2	Debt securities	31.059.468	-	-	-	-	-	-
3	**Total**	**87.703.318**	**15.981.167**	**5.497.022**	**3.858.225**	**56.606**	**-**	**-**
4	Of which defaulted	82.792	82.515	46.539	-	-	-	-

c.3. Credit risk under standardised approach:

c.3.1. Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk:

Explanations on rating grades that the banks use for calculation of credit risk by the standardised approach are mentioned in the footnote section four numbered II.9 Explanations on Consolidated Credit Risk.

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

c.3.2. Credit risk exposure and credit risk mitigation techniques:

	Current Period	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
	Risk classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
1	Receivables from central governments or central banks	45.922.339	-	45.922.339	-	-	0,00%
2	Receivables from regional or local governments	8.895	2.747	8.895	1.374	18.397	179,15%
3	Receivables from administrative units and non-commercial enterprises	33.596	31.694	33.596	12.748	45.202	97,53%
4	Receivables from multilateral development banks	-	-	-	-	-	0,00%
5	Receivables from international organizations	-	-	-	-	-	0,00%
6	Receivables from banks and brokerage houses	13.670.161	1.331.550	13.670.161	980.405	5.193.943	35,45%
7	Receivables from corporates	52.551.777	12.000.176	52.551.777	5.467.289	48.090.512	82,89%
8	Retail receivables	13.260.629	13.023.148	13.260.629	4.372.038	11.117.804	63,05%
9	Receivables secured by mortgages on property	3.686.608	797.629	3.686.608	343.866	2.014.201	49,97%
10	Receivables secured by mortgages on commercial property	9.366.057	3.688.124	9.366.057	1.683.911	6.671.367	60,37%
11	Past due receivables	38.538	-	38.538	-	47.085	122,18%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	0,00%
13	Collateralized Securities	-	-	-	-	-	0,00%
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	0,00%
15	Investments similar to collective investment funds	-	-	-	-	-	0,00%
16	Other receivables	16.807.860	-	16.807.860	-	12.045.533	71,67%
17	Equity share investments	854.573	-	854.573	-	854.573	100,00%
18	**Total**	**156.201.033**	**30.875.068**	**156.201.033**	**12.861.631**	**86.098.617**	**50,92%**

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

c.3.2. Credit risk exposure and credit risk mitigation techniques (continued):

	Prior Period	**Exposures before Credit Conversion Rate and Credit Risk Mitigation**		**Credit Risk Mitigation and Exposures post-Credit Conversion Rate**		**Risk Weighted Average and Risk Weighted Average Density**	
	Risk classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
1	Receivables from central governments or central banks	34.833.367	480	34.833.367	240	-	0,00%
2	Receivables from regional or local governments	97.791	2.672	97.791	1.336	110.108	111,08%
3	Receivables from administrative units and non-commercial enterprises	68.234	26.711	68.234	10.032	84.466	107,92%
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	7.113.140	1.274.843	7.113.140	1.070.553	3.013.382	36,82%
7	Receivables from corporates	25.954.282	10.483.489	25.954.282	5.520.296	33.878.989	107,64%
8	Retail receivables	9.315.842	8.511.042	9.315.842	2.999.529	9.488.736	77,05%
9	Receivables secured by mortgages on property	2.444.371	354.268	2.444.371	135.259	983.521	38,13%
10	Receivables secured by mortgages on commercial property	3.868.933	967.494	3.868.933	458.240	3.092.727	71,47%
11	Past due receivables	98.560	-	98.560	-	102.779	104,28%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	8.777.919	589.103	8.777.919	285.378	6.304.744	69,56%
17	Equity share investments	542.504	-	542.504	-	542.504	100%
18	**Total**	**93.114.943**	**22.210.102**	**93.114.943**	**10.480.863**	**57.601.956**	**55,60%**

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

c.3.3 Exposures by asset classes and risk weights:

	Current Period Risk Classes/Risk Weighted	0%	10%	20%	35% secured by Property mortgage	50%	75%	100%	150%	250%	Others(*)	Total risk amount (post-CCF and CRM)
1	Receivables from central governments or central banks	45.922.339	-	-	-	-	-	-	-	-	-	45.922.339
2	Receivables from regional or local governments	-	-	-	-	1.427	-	-	-	-	8.842	10.269
3	Receivables from administrative units and non-commercial enterprises	15.624	-	2.013	-	-	-	12.615	-	-	16.092	46.344
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1.302.333	-	9.459.164	-	1.173.923	-	2.715.146	-	-	-	14.650.566
7	Receivables from corporates	19.490.476	-	1.963.790	-	874.995	-	24.409.734	1.835	-	11.278.236	58.019.066
8	Retail receivables	4.750.656	-	447.714	-	29.589	9.451.557	1.490.023	1.394.533	-	68.595	17.632.667
9	Receivables secured by mortgages on property	-	-	-	3.539.614	3.108	-	2.663	398.118	-	86.971	4.030.474
10	Receivables secured by mortgages on commercial property	-	-	2	-	10.214.117	-	7.892	198.997	-	628.960	11.049.968
11	Past due receivables	19	-	-	-	17.073	-	4.776	14.165	-	2.505	38.538
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	3.623.974	-	1.422.939	-	-	-	11.760.947	-	-	-	16.807.860
17	Equity share investments	-	-	-	-	-	-	854.573	-	-	-	854.573
18	**Total**	**75.105.421**	**-**	**13.295.622**	**3.539.614**	**12.314.232**	**9.451.557**	**41.258.369**	**2.007.648**	**-**	**12.090.201**	**169.062.664**

(*) Represents 200% and 500 % risk weight.

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on risk management (continued):

c.3.3 Exposures by asset classes and risk weights (continued):

	Prior Period Risk Classes/Risk Weighted	0%	10%	20%	35% secured by Property mortgage	50%	75%	100%	150%	250%	Others[(*)]	Total risk amount (post-CCF and CRM)
1	Receivables from central governments or central banks	34.833.607	-	-	-	-	-	-	-	-	-	34.833.607
2	Receivables from regional or local governments	-	-	-	-	58.764	-	-	-	-	40.363	99.127
3	Receivables from administrative units and non-commercial enterprises	20.640	-	135	-	-	-	30.543	-	-	26.948	78.266
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1.102.344	-	4.909.025	-	281.499	-	1.890.825	-	-	-	8.183.693
7	Receivables from corporates	1.553.276	-	50.779	-	232.152	-	25.532.375	2.252	-	4.103.744	31.474.578
8	Retail receivables	185.802	-	56.743	-	137	11.546.089	38.978	393.701	-	93.921	12.315.371
9	Receivables secured by mortgages on property	13.804	-	4.785	2.497.811	2.010	-	6.305	17.619	-	37.296	2.579.630
10	Receivables secured by mortgages on commercial property	53.979	-	2.385	-	3.630.522	-	3.284	2.354	-	634.649	4.327.173
11	Past due receivables	-	-	-	-	33.600	-	22.922	42.038	-	-	98.560
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	1.944.646	-	1.017.383	-	-	-	6.101.268	-	-	-	9.063.297
17	Equity share investments	-	-	-	-	-	-	542.504	-	-	-	542.504
18	**Total**	**39.708.098**	**-**	**6.041.235**	**2.497.811**	**4.238.684**	**11.546.089**	**34.169.004**	**457.964**	**-**	**4.936.921**	**103.595.806**

[(*)] Represents 200% and 500 % risk weight.

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

ç. Consolidated counterparty credit risk:

ç.1. Qualitative disclosure on counterparty credit risk (CCR):

Derivatives and repurchase transactions in the calculation of counterparty credit risk are calculated according to the fair value in accordance with “Appendix-2 of Regulation on Measurement and Assessment of Capital Adequacy of Banks” published in the Official Gazette dated October 23, 2015 and numbered 29511. The sum of potential future exposures and positive replacement costs is taken in the calculation of the risk amount related to derivative transactions.

The Parent Bank prepared “Charter on the Counterparty Credit Risk Management Policy and Implementation Procedures” in order to determine the basic principles that manage the counterparty credit risk and this regulation was approved by the Board of Directors. The Board of Directors periodically reviews and assesses the related policy.

ç.2. Counterparty credit risk (CCR) approach analysis:

	Current Period	Replacement cost	Potential future exposure	EEPE(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	52.269	333.410		-	385.679	384.621
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	**Total**						**384.621**

(*) Effective Expected Positive Exposure

	Prior Period	Replacement cost	Potential future exposure	EEPE(*)	Alpha used for computing regulatory exposure at default	EAD post-CRM	RWA
1	Standardised Approach - CCR (for derivatives)	14.151	63.268		-	77.419	70.937
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	**Total**						**70.937**

(*) Effective Expected Positive Exposure

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

ç.3.Capital requirement for credit valuation adjustment (CVA):

		Current Period		Prior Period	
		EAD post- CRM	**RWA**	**EAD post-CRM**	**RWA**
	Total portfolios subject to the Advanced CVA capital obligation	-	-	-	-
1	(i) VaR component (including the 3×multiplier)		-		-
2	(ii) Stressed VaR component (including the 3×multiplier)		-		-
3	All portfolios subject to the Standardised CVA capital obligation	385.679	1.058	77.419	6.482
4	**Total subject to the CVA capital obligation**	**385.679**	**1.058**	**77.419**	**6.482**

ç.4.CCR exposures by risk class and risk weights:

Current Period **Risk Weighted** **Risk Classes**	**0%**	**10%**	**20%**	**25%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**Other**	**Total credit exposure(*)**
Receivables from central governments or central banks	-	-	-	-	-	-	-	335.352	-	-	-	335.352
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	1.058	-	-	-	-	-	-	5.852	-	-	-	6.910
Receivables from corporates	-	-	-	-	-	-	-	43.417	-	-	-	43.417
Retail receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	**1.058**	**-**	**-**	**-**	**-**	**-**	**-**	**384.621**	**-**	**-**	**-**	**385.679**

(*) Total credit risk: Represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

ç.4.CCR exposures by risk class and risk weights (continued):

Prior Period

Risk Weighted / Risk Classes	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Total credit exposure(*)
Receivables from central governments or central banks	-	-	-	-	-	-	-	9.892	-	-	-	9.892
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	6.482	-	-	-	-	-	-	743	-	-	-	7.225
Receivables from corporates	-	-	-	-	-	-	-	60.302	-	-	-	60.302
Retail receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	**6.482**	**-**	**-**	**-**	**-**	**-**	**-**	**70.937**	**-**	**-**	**-**	**77.419**

(*) Total credit risk: Represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

X. Explanations on consolidated risk management (continued):

ç.5. Collaterals for CCR

	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
Current Period	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	-

	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
Prior Period	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-		-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

ç.6. Information on the risks of the Parent Bank arising from purchased or sold credit derivatives

The Parent Bank does not have any risks arising from purchased or sold credit derivatives (December 31, 2022: None).

ç.7. Information on risks of the Parent Bank arising from central counterparty

The Parent Bank does not have any risks arising from central counterparty (December 31, 2022 None).

d. Consolidated securitization explanations:

There is not any information to be announced to public on securitization (December 31, 2022: None).

e. Consolidated market risk

e.1. Qualitative disclosure on market risk:

The Parent Bank measures market risk by using the standard method in accordance with "Regulation on the Measurement and Assessment of the Capital Adequacy of Banks" dated October 23, 2015 and numbered 29511 and allocates legal capital on this basis. On the other hand, the market risk is also calculated by using the internal model for testing (Value at Risk) and the results found are supported by considering backtesting results. The market risk value (Value at Risk) calculated by using the internal model is calculated on a daily basis by using Variance-Covariance, EWMA, Monte Carlo and Historical Simulation methods and is reported to the top management.

The Board of Directors sets limits for these risks by considering the main risks and revises these limits periodically in line with market conditions and the Parent Bank's strategies. In addition, the Board of Directors ensures that the risk management unit and senior management take all necessary measures to identify, measure, prioritize, and reduce at an acceptable level and to manage the various risks that the Parent Bank is exposed to.

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

Risks that positions held by the Parent Bank under on-balance sheet and off-balance sheet accounts may occur due to fluctuations in financial markets are measured. Information about the market risk considered in the calculation of legal capital as follows.

e.2. Market risk under standardised approach:

		Current Period	Prior Period
		RWA	**RWA**
	Outright products		
1	Profit rate risk (general and specific)	11.145.057	3.949.504
2	Equity risk (general and specific)	355.654	723.236
3	Foreign exchange risk	2.039.835	1.403.491
4	Commodity risk	730.079	638.178
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	**Total**	**14.270.625**	**6.714.409**

f. Consolidated Operational risk:

Capital requirement for operational risk is calculated annually by using the Basic Indicator Method in accordance with Article 24 of the Regulation on the Measurement and Assessment of Capital Adequacy of Banks. As of December 31, 2023, amount subject to operational risk and the calculation information are given below:

	2 PP Value	1 PP Value	CP Value	Total number of years for which gross income is positive	Rate (%)	Total
Gross Income	2.346.573	3.194.495	9.585.038	5.042.035	15	756.305
Amount subject to Operational Risk (Total*12,5)						9.453.816

g. Qualitative disclosure on profit rate risk arising from banking books

a) Important assumptions including the nature of profit rate risk arising from banking books and the early repayment of loans and movements in deposits other than time deposits with measurement frequency of the profit rate risk

Profit rate risk arising from banking books measures profit rate risk arising from on-balance sheet and off-balance sheet positions in the Parent Bank's banking books by standard shock method.

The Parent Bank calculates and measures legal ratio for profit rate risk arising from banking books on a monthly basis in accordance with "Regulation on Measurement and Assessment of Interest Rate Risk arising from Banking Books by Standard Shock Method" that have been published in Official Gazette numbered 28034 and dated August 23, 2011.

Profit share-yield assets, liabilities that profit share is paid, restructuring risk, yield curve risk in banking books and changes in profit rates occurred in market conditions are monitored, assessed, measured and managed by the Parent Bank in the calculations made within the scope of the related regulation.

Against the risk that these matters may affect the Parent Bank's capital negatively, these risks are assessed and managed on a weekly basis within the scope of the Charters established by the Board of Directors.

(Thousand of Turkish Lira (TL) unless otherwise stated

X. Explanations on consolidated risk management (continued):

b) Economic value differences arising from profit rate fluctuations in accordance with Regulation on Measurement and Assessment of Profit Rate Risk arising from Banking Books by Standard Shock Method:

Currency	Applied Shock (+/-x basis point)	Gains/ (Losses)	Gains/Equity (Losses/Equity) (%)
TL	(+) 500bp	(921.432)	(4,97)
TL	(-) 400bp	859.323	4,64
USD	(+) 200bp	(208.515)	(1,13)
USD	(-) 200bp	246.181	1,33
EUR	(+) 200bp	214.923	1,16
EUR	(-) 200bp	(223.417)	(1,21)
Total (For Negative Shocks)	**-**	**882.087**	**4,76**
Total (For Positive Shocks)	**-**	**(915.024)**	**(4,94)**

XI. Explanations on consolidated business segments:

The Parent Bank operates in retail, commercial and corporate banking segments via profit/loss sharing method in accordance with its mission.

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income	2.842.171	18.668.278	13.134.637	1.630.091	36.275.177
Operating Expenses	(8.196.471)	(13.821.061)	(8.136.718)	(282.893)	(30.437.143)
Operating Income/Expenses	(5.354.300)	4.847.217	4.997.919	1.347.198	5.838.034
Profit/(Loss) Before Tax	(5.354.300)	4.847.217	4.997.919	1.347.198	5.838.034
Tax Income (Expense)	-	-	-	(1.714.583)	(1.714.583)
Current Year Profit/(Loss)	**(5.354.300)**	**4.847.217**	**4.997.919**	**(367.385)**	**4.123.451**
Total Assets	**9.597.842**	**100.756.822**	**116.063.335**	**6.818.984**	**233.236.983**
Total Liabilities	**119.310.064**	**56.939.221**	**39.598.342**	**17.389.356**	**233.236.983**

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income	1.643.460	8.421.981	6.044.411	1.450.379	17.560.231
Operating Expenses	(3.368.202)	(9.050.749)	(1.775.906)	(549.724)	(14.744.581)
Operating Income/Expenses	(1.724.742)	(628.768)	4.268.505	900.655	2.815.650
Profit/(Loss) Before Tax	(1.724.742)	(628.768)	4.268.505	900.655	2.815.650
Tax Income (Expense)	-	-	-	(960.085)	(960.085)
Current Year Profit/(Loss)	**(1.724.742)**	**(628.768)**	**4.268.505**	**(59.430)**	**1.855.565**
Total Assets	**5.467.174**	**66.988.763**	**68.733.012**	**5.774.214**	**146.963.163**
Total Liabilities	**81.604.403**	**38.162.545**	**16.583.053**	**10.613.162**	**146.963.163**

(Thousand of Turkish Lira (TL) unless otherwise stated

SECTION FIVE

Explanations and notes on the consolidated financial statements

I. Explanations and notes related to consolidated assets:

1. a. Cash and balances with the Central Bank of Republic of Türkiye (CBRT):

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	360.378	2.831.114	242.111	1.688.995
CBRT	16.171.014	27.092.237	1.634.851	20.015.114
Other(*)	229.427	2.400.022	449.829	834.176
Total	**16.760.819**	**32.323.373**	**2.326.791**	**22.538.285**

(*) Includes precious metals amounting to TL 494.914 (December 31, 2022: TL 64.374) and cash in transit amounting to TL 2.134.535 (December 31, 2022: TL 1.219.631) as of December 31, 2023.

b. Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	13.638.723	4.825.517	1.634.851	3.782.156
Unrestricted time deposit	-	-	-	-
Restricted time deposit(*)	2.532.291	22.266.720	-	16.232.958
Total	**16.171.014**	**27.092.237**	**1.634.851**	**20.015.114**

(*) As of December 31, 2023, the reserve requirement held in standard gold is TL 3.500.219 (December 31, 2022: TL 2.938.364).

In accordance with the “Communiqué Regarding the Reserve Requirements numbered 2005/1”, banks operating in Türkiye are required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the Communiqué Regarding the Reserve Requirements, reserve requirements can be maintained in TL, USD and/or EURO and standard gold.

As of December 31, 2023, the Parent Bank's applicable rates for Turkish lira required reserves are between 0% and 30%, depending on the maturity structure for participation funds and other liabilities and the applicable rates for FX required reserves are between 5% and 30%, depending on the maturity structure of participation funds and other liabilities.

c.1. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic(*)	6.999.489	1.474.602	2.480.843	1.550.031
Abroad	-	6.249.670	-	3.309.637
Foreign head offices and branches	-	-	-	-
Total	**6.999.489**	**7.724.272**	**2.480.843**	**4.859.668**

(*) Includes blockaged amount TL 6.516.426 (December 31, 2022: TL 2.387.687) booked under TL accounts arising from POS transactions

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

c.2. Information on foreign bank accounts:

	Current period		Prior Period	
	Unrestricted amount	Restricted amount	Unrestricted amount	Restricted amount
European Union Countries	1.156.885	-	866.142	-
USA and Canada	639.939	-	700.977	-
OECD Countries (*)	52.352	-	49.492	-
Off-shore banking regions	3.234	-	3.993	-
Other(**)	3.386.024	1.011.236	1.455.393	233.640
Total	**5.238.434**	**1.011.236**	**3.075.997**	**233.640**

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

(**) Represents the balance amounts to TL 3.964.602 in Iraq Banks belonging to Parent Bank's foreign branches "Erbil and Baghdad" (December 31, 2022: TL 1.342.849).

2. Information on financial assets measured at fair value through profit/loss:

a. Information on financial assets measured at fair value through profit/loss subject to repurchase transactions and given as collateral or blocked:

As of December 31, 2023, there is not any investment amount subject to repurchase agreements (December 31, 2022: TL 2.485.290).

As of December 31, 2023, the collateraled /blocked nominal investment amount is TL 10.198.797. (December 31, 2022: TL 120.000).

b. Information on financial assets measured at fair value through profit/loss:

	Current Period		Prior Period	
	TL	FC	TL	FC
Sukuk	852.252	12.783.452	3.136.030	8.381.142
Equity Securities	181.698	74.650	103.951	37.912
Others	2.658	28.573	39	14.452
Total	**1.036.608**	**12.886.675**	**3.240.020**	**8.433.506**

3. Information on financial assets measured at fair value through other comprehensive income:

a. Information on financial assets measured at fair value through other comprehensive income subject to repurchase transactions, given as collateral or blocked:

As of December 31, 2023, there is not any investment amount subject to repurchase agreements (December 31, 2022: TL 344.775).

As of December 31, 2023, the collateraled /blocked nominal investment amount is TL 1.415.409 (December 31, 2022: TL 100).

b. Detailed table of financial assets measured at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	**7.486.911**	**2.205.636**
Quoted on a stock exchange	7.486.911	2.205.636
Unquoted	-	-
Investment Funds	**-**	**-**
Quoted on a stock exchange	-	-
Unquoted	-	-
Share certificates	**45.261**	**31.532**
Quoted on a stock exchange	-	-
Unquoted	45.261	31.532
Impairment provision (-)	**81**	**8**
Total	**7.532.091**	**2.237.160**

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

4. Information on financial assets measured at amortised cost:

a. Information on financial assets measured at amortised cost subject to repurchase transactions, given as collateral or blocked:

As of December 31, 2023, there is not any investment amount subject to repurchase agreements (December 31, 2022: TL 5.113.467)

As of December 31, 2023, the collateraled/blocked nominal investment amount is TL 17.968.416 (December 31, 2022: TL 5.072.373).

b. Information on related to debt securities measured at amortised cost:

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities(*)	28.852.543	19.159.367
Other Debt Securities	-	291.562
Total	**28.852.543**	**19.450.929**

(*) Consists of Sukuk certificates issued by Ministery of Treasury and Finance of Türkiye.

c. Information related to financial assets measured at amortised cost:

	Current Period	Prior Period
Debt Securities	28.852.543	19.450.929
Quoted on a stock exchange	28.852.543	19.450.929
Unquoted	-	-
Impairment provision (-)	-	-
Total	**28.852.543**	**19.450.929**

ç. Movements of the financial investments measured at amortised cost:

	Current Period	Prior Period
Balance at beginning of period	19.450.929	8.103.211
Foreign currency differences on monetary assets	7.975.560	3.495.559
Purchases during period (*)	5.228.236	9.810.181
Disposals through sales and redemptions(*)	(4.314.693)	(2.441.847)
Impairment provision (-)	-	-
Reclassifications	-	-
Increases (decreases) in income accruals	512.511	483.825
Closing balance	**28.852.543**	**19.450.929**

(*) Represented on nominal values.

5. Information on derivative financial assets:

a. Table of positive differences related to derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	2.366	7.631	12.515	-
Swap Transactions	42.272	-	1.636	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	**44.638**	**7.631**	**14.151**	**-**

The Parent Bank has not any derivative financial assets for hedging purposes (December 31, 2022: None).

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

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	379.560	5.808	45.232	5.114
Corporate shareholders	376.786	5.458	42.171	5.114
Real person shareholders	2.774	350	3.061	-
Indirect loans granted to shareholders	84	119.373	51	63.544
Loans granted to employees	104.598	85	45.914	38
Total	**484.242**	**125.266**	**91.197**	**68.696**

b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans:

b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans:

Current Period		**Loans Under Close Monitoring**		
		Not under the scope of restructuring or rescheduling	**Restructured**	
Cash Loans	**Standard loans**		**Amendments to the Terms of Contracts**	**Refinancing**
Loans				
Export loans	8.869.510	4.322	-	-
Import loans	5.704.330	19.066	-	-
Business loans	45.022.517	1.170.881	4.049.437	1.078.855
Consumer loans	8.853.598	149.034	1.817	-
Credit cards	2.035.914	15.872	-	-
Loans given to financial sector	2.792.028	-	-	-
Other(*)	22.171.511	422.748	292.425	160.397
Other receivables	**-**	**-**	**-**	**-**
Total	**95.449.408**	**1.781.923**	**4.343.679**	**1.239.252**

(*) Details of other loans are provided below:

Commercial loans with installments	7.160.431
Other investment credits	2.972.685
Loans given to abroad	5.306.504
Profit and loss sharing investments(**)	6.538.964
Loans for purchase of marketable securities for customer	954.835
Other	113.662
Total	**23.047.081**

(**) As of December 31, 2023, the related balance represents profit and loss sharing investment projects (4 projects) which are real estate development projects in various regions of Istanbul. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Parent Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project/stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Parent Bank's share of loss is limited with the funds invested in the project by the Parent Bank. As of December 31, 2023, the profit and loss partnership investments are evaluated as financial assets measured at fair value through profit or loss, and the net profit amounts to TL 1.594.291 for 2023 (TL 2.047.049 valuation profit, TL 452.758 valuation profit reversal) between the total risk of the Parent Bank and independent valuation reports of the related projects is reflected to the profit and loss statement. Total cumulative valuation profit is TL 2.680.846 and valuation loss is TL 15.000 for profit and loss sharing investments. As of December 31, 2023, the risks of profit and loss sharing investments have TL 5.395.608 as corporate finance loans classified under business loans as standard loans in the table above as well.

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

6. Information on loans (continued):

b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans (continued):

b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans (continued):

Prior Period		Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Restructured	
Cash Loans	Standard Loans		Amendments to the Terms of Contracts	Refinancing
Loans				
Export loans	6.615.023	5.236	-	-
Import loans	4.537.954	37.534	-	-
Business loans	28.124.411	931.874	2.179.889	2.969.768
Consumer loans	4.966.072	104.602	2.030	-
Credit cards	1.301.384	20.886	28	-
Loans given to financial sector	2.973.629	116	-	-
Other(*)	17.926.598	327.212	103.782	-
Other receivables	**-**	**-**	**-**	**-**
Total	**66.445.071**	**1.427.460**	**2.285.729**	**2.969.768**

(*) Details of other loans are provided below:

Commercial loans with installments	6.104.959
Other investment credits	2.973.558
Loans given to abroad	3.590.206
Profit and loss sharing investments(**)	4.939.322
Loans for purchase of marketable securities for customer	656.460
Other	93.087
Total	**18.357.592**

(**) As of December 31, 2022, the related balance represents profit and loss sharing investment projects (6 projects) which are real estate development projects in various regions of Istanbul and Ankara. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project/stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Parent Bank. As of December 31, 2022, the profit and loss partnership investments are evaluated as financial assets measured at fair value through profit or loss, and the net profit amounts to TL 810.218 for 2022 (TL 771.845 valuation profit, TL 38.373 valuation loss reversal) between the total risk of the Parent Bank and independent valuation reports of the related projects is reflected to the profit and loss statement. Total cumulative valuation profit is TL 1.086.555 and valuation loss is TL 15.000 for profit and loss sharing investments. As of December 31, 2022, the risks of profit and loss sharing investments have TL 3.637.743 as corporate finance loans classified under business loans as standard loans in the table above as well.

b2. Information on expected credit losses for standard loans and loans under close monitoring:

Current Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	1.204.137	-
Significant Increase in Credit Risk	-	1.509.130

Prior Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	262.832	-
Significant Increase in Credit Risk	-	1.314.229

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

6. Information on loans (continued):

c. Maturity analysis of cash loans:

Cash Loans Current Period	Standard Loans	Loans Under Follow-Up	
		Non-restructured	Restructured
Short term loans	41.811.169	347.076	-
Medium and long-term loans (*)	53.638.239	1.434.847	5.582.931
Total	**95.449.408**	**1.781.923**	**5.582.931**

(*) Loans with original maturities longer than a year are classified as "Medium and Long Term Loans".

Cash Loans Prior Period	Standard Loans	Loans Under Follow-Up	
		Non-restructured	Restructured
Short term loans	23.940.079	242.917	-
Medium and long-term loans (*)	42.504.992	1.184.543	5.255.497
Total	**66.445.071**	**1.427.460**	**5.255.497**

(*) Loans with original maturities longer than a year are classified as "Medium and Long Term Loans".

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

ç. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards:

Current Period	Short-term	Medium and long-term	Total
Consumer loans-TL	**449.178**	**8.442.724**	**8.891.902**
Housing loans	40.210	5.123.039	5.163.249
Vehicle loans	181.459	1.586.029	1.767.488
Consumer loans	227.509	1.733.656	1.961.165
Other	-	-	-
Consumer loans-FC indexed	**-**	**-**	**-**
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	**-**	**29.482**	**29.482**
Housing loans	-	13.671	13.671
Vehicle loans	-	-	-
Consumer loans	-	15.811	15.811
Other	-	-	-
Retail credit cards-TL	**690.171**	**33**	**690.204**
With installment	216.297	19	216.316
Without installment	473.874	14	473.888
Retail credit cards-FC	**-**	**-**	**-**
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	**56.629**	**26.436**	**83.065**
Housing loans	-	2.614	2.614
Vehicle loans	7.519	18.948	26.467
Consumer loans	49.110	4.874	53.984
Other	-	-	-
Personnel loans-FC indexed	**-**	**-**	**-**
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	**-**	**-**	**-**
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	**21.533**	-	**21.533**
With installment	9.115	-	9.115
Without installment	12.418	-	12.418
Personnel credit cards-FC	**-**	**-**	**-**
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (real person)	**-**	**-**	**-**
Overdraft account-FC (real person)	**-**	**-**	**-**
Total	**1.217.511**	**8.498.675**	**9.716.186**

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

ç. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards (continued):

Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TL	**166.404**	**4.848.210**	**5.014.614**
Housing loans	14.181	3.595.562	3.609.743
Vehicle loans	39.282	741.079	780.361
Consumer loans	112.941	511.569	624.510
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	**24.929**	**24.929**
Housing loans	-	11.516	11.516
Vehicle loans	-	-	-
Consumer loans	-	13.413	13.413
Other	-	-	-
Retail credit cards-TL	**368.458**	**224**	**368.682**
With installment	139.348	204	139.552
Without installment	229.110	20	229.130
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	**25.738**	**7.423**	**33.161**
Housing loans	-	288	288
Vehicle loans	150	4.091	4.241
Consumer loans	25.588	3.044	28.632
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	**12.753**	-	**12.753**
With installment	6.623	-	6.623
Without installment	6.130	-	6.130
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (Real Person)	-	-	-
Overdraft account-FC (Real Person)	-	-	-
Total	**573.353**	**4.880.786**	**5.454.139**

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

d. Information on commercial loans with installments and corporate credit cards:

Current Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	**2.588.326**	**3.262.694**	**5.851.020**
Business loans	157.223	611.874	769.097
Vehicle loans	2.077.220	2.055.121	4.132.341
Consumer loans	353.883	595.699	949.582
Other	-	-	-
Commercial installment loans-FC indexed	**-**	**3.119**	**3.119**
Business loans	-	3.119	3.119
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	**21.817**	**1.284.475**	**1.306.292**
Business loans	-	329.230	329.230
Vehicle loans	21.817	787.001	808.818
Consumer loans	-	168.244	168.244
Other	-	-	-
Corporate credit cards-TL	**1.337.148**	**2.901**	**1.340.049**
With installment	251.278	2.408	253.686
Without installment	1.085.870	493	1.086.363
Corporate credit cards-FC	**-**	**-**	**-**
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (legal Entity)	**-**	**-**	**-**
Overdraft account-FC (legal Entity)	**-**	**-**	**-**
Total	**3.947.291**	**4.553.189**	**8.500.480**

Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	**1.956.691**	**3.042.792**	**4.999.483**
Business loans	66.873	649.119	715.992
Vehicle loans	1.767.735	1.885.805	3.653.540
Consumer loans	122.083	507.868	629.951
Other	-	-	-
Commercial installment loans-FC indexed	**-**	**28.284**	**28.284**
Business loans	-	27.954	27.954
Vehicle loans	-	330	330
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	**18.579**	**1.058.613**	**1.077.192**
Business loans	12.613	339.133	351.746
Vehicle loans	5.966	519.984	525.950
Consumer loans	-	199.496	199.496
Other	-	-	-
Corporate credit cards-TL	**939.420**	**1.443**	**940.863**
With installment	301.810	1.308	303.118
Without installment	637.610	135	637.745
Corporate credit cards-FC	**-**	**-**	**-**
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	**-**	**-**	**-**
Overdraft account-FC (Legal Entity)	**-**	**-**	**-**
Total	**2.914.690**	**4.131.132**	**7.045.822**

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

e. Allocation of loans by customers:

	Current Period	Prior Period
Public	376.742	204.917
Private	102.437.520	72.923.111
Total	**102.814.262**	**73.128.028**

f. Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	97.507.758	69.537.822
Foreign loans	5.306.504	3.590.206
Total	**102.814.262**	**73.128.028**

g. Loans granted to subsidiaries and associates:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Direct Loans Granted to Subsidiaries and Associates	-	-	-	-
Indirect Loans Granted to Subsidiaries and Associates	-	-	-	-
Total	**-**	**-**	**-**	**-**

ğ. Specific provisions for loans or provisions for default loans (stage 3):

	Current Period	Prior Period
Loans with limited collectability	372.915	187.900
Loans with doubtful collectability	144.253	432.705
Uncollectible loans	1.200.916	682.065
Total	**1.718.084**	**1.302.670**

Specific provisions in the amount of TL 1.718.084 (December 31, 2022: TL 1.302.670) comprise TL 284.286 (December 31, 2022: TL 387.747) of participation account share of loans provided from participation accounts.

h. Information on non-performing loans (net):

h.1. Information on non-performing and restructured loans:

	Group III	Group IV	Group V
	Loans with limited collectability	**Loans with doubtful collectability**	**Uncollectable loans**
Current period			
Gross amount before specific provisions	6.783	32.440	1.422
Restructured loans	6.783	32.440	1.422
Prior period			
Gross amount before specific provisions	56.473	28.473	11.840
Restructured loans	56.473	28.473	11.840

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

h.2. Movements of total non-performing loans:

Current Period	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
Closing balance of prior period	**212.750**	**453.980**	**801.247**
Additions in the current period (+)	2.436.353	15.551	304.673
Transfers from other categories of non-performing loans (+)	-	1.124.593	1.075.136
Transfers to other categories of non-performing loans (-)	1.124.593	1.075.136	-
Collections in the current period (-)	832.719	41.476	120.278
Transfers to standard loans and write off (-)(*)	271.741	316.414	836.352
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	**420.050**	**161.098**	**1.224.426**
Provisions (-)	372.915	144.253	1.200.916
Net balance at the balance sheet	**47.135**	**16.845**	**23.510**

(*) According to "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated November 27, 2019 numbered 30961, the amount which has been carried to performing loans is TL 10.956. Since there is no reasonable expectation regarding its recovery, TL 1.413.551 has been deleted from the accounting records in the scope of the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" together with its 100% specific provision. The impact of the write-off under TFRS 9 on the NPL ratio is 126 basis points.

Non-performing loans in the amount of TL 1.805.574 comprise TL 348.036 of participation account share of loans provided from participation accounts.

Prior Period	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectable loans and receivables
Closing balance of prior period	**523.543**	**365.483**	**2.894.211**
Additions in the current period (+)	2.151.589	178.377	545.477
Transfers from other categories of non-performing loans (+)	-	905.112	521.765
Transfers to other categories of non-performing loans (-)	905.112	521.765	-
Collections in the current period (-)	646.232	94.912	363.312
Transfers to standard loans and write off(-)(*)	911.038	378.315	2.796.894
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	**212.750**	**453.980**	**801.247**
Specific provisions (-)	187.900	432.705	682.065
Net balance at the balance sheet	**24.850**	**21.275**	**119.182**

(*) According to "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated November 27, 2019 numbered 30961, the amount which has been carried to performing loans is TL 91.487. Since there is no reasonable expectation regarding its recovery, TL 3.994.760 has been deleted from the accounting records in the scope of the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" together with its 100% specific provision. The impact of the write-off under TFRS 9 on the NPL ratio is 493 basis points.

Non-performing loans in the amount of TL 1.467.977 comprise TL 491.591 of participation account share of loans provided from participation accounts.

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

h.3. Non-performing loans and other receivables in foreign currencies:

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period:			
Period end balance	151.872	26.087	30.787
Provision (-)	140.939	26.087	28.303
Net balance	**10.933**	**-**	**2.484**
Prior period:			
Period end balance	94.340	30.370	33.216
Provision (-)	92.271	26.168	31.300
Net balance	**2.069**	**4.202**	**1.916**

h.4. Gross and net amounts of non-performing loans according to user groups:

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period (net)	**47.135**	**16.845**	**23.510**
Loans to individuals and corporates (gross)	420.050	161.098	1.224.426
Provision (-)	372.915	144.253	1.200.916
Loans to individuals and corporates (net)	**47.135**	**16.845**	**23.510**
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (net)	**-**	**-**	**-**
Other loans and receivables (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	**-**	**-**	**-**
Prior period (net)	**24.850**	**21.275**	**119.182**
Loans to individuals and corporates (gross)	212.750	453.980	801.247
Provision (-)	187.900	432.705	682.065
Loans to individuals and corporates (net)	**24.850**	**21.275**	**119.182**
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (net)	**-**	**-**	**-**
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	**-**	**-**	**-**

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

h.5. Information on accruals, valuation differences and related provisions calculated for non-performing loans for Banks which are providing expected credit loss according to TFRS 9:

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current Period (Net)	**18.134**	**9.648**	**39.149**
Profit Share Accruals and Valuation Differences	34.600	9.648	39.149
Provision (-)	16.466	-	-
Prior Period (Net)	**11.218**	**5.060**	**96.567**
Profit Share Accruals and Valuation Differences	24.407	6.322	140.043
Provision (-)	13.189	1.262	43.476

ı. Liquidation policy for uncollectable loans:

Loans determined as uncollectible are liquidated through starting legal follow up and by converting the guarantees into cash.

i. Information on "Write-off" policies:

The write-off policy of the Parent Bank for receivables under follow up is to retire the receivables from assets in case of determination of the inability of collection through follow-up by the decision of the Parent Bank management. As of December 31, 2023, loans which deemed uncollectible amounts to TL 1.413.551 have been written off as per the decision taken by the Parent Bank management (December 31, 2022: TL 3.994.760).

7. Information on lease receivables (net):

a. Presentation of remaining maturities of funds lent under finance lease method:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	1.331.900	1.206.071	244.455	229.389
1 to 4 years	4.700.373	3.273.855	642.468	567.951
More than 4 years	69.085	69.085	122.238	111.403
Total	**6.101.358**	**4.549.011**	**1.009.161**	**908.743**

b. Information on net investments through finance lease:

	Current Period	Prior Period
Financial lease receivables (Gross)	6.101.358	1.009.161
Unearned financial lease receivable (-)	1.552.347	100.418
Net receivable from financial leases	**4.549.011**	**908.743**

c. General explanation on finance lease contracts:

Finance lease contracts are realized in accordance with the related articles of Finance Lease, Factoring and Financing Companies Act numbered 6361. There are no restrictions due to finance lease contracts, no renewals or contingent rent payments that materially affect the financial statements.

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

c. General explanation on finance lease contracts (continued):

Information on leasing receivables:

		Loans Under Close Monitoring		
		Not Under the Scope of	Restructured	
	Standard Loans	Restructuring or Rescheduling	Loans with Revised Contract Terms	Refinancing
Current Period				
Financial lease receivables (Net)	4.509.179	32.916	6.916	-
Prior Period				
Financial lease receivables (Net)	887.570	6.439	14.734	-

8. Information on assets held for sale and assets of discontinued operations:

Assets held for sale consist of tangible assets, which have been acquired due to non-performing loans.

	Current Period	Prior Period
Opening Balance	341.132	118.978
Additions	672.801	380.642
Disposals	(76.956)	(89.884)
Transfers (*)	(283.684)	(111.996)
Impairment Provision (-)/Reversal of Impairment Provision(*)	(11.662)	43.392
Net closing balance	**641.631**	**341.132**

(*) The transfers and impairments related to the transfers (if any) have been moved to assets to be sold under tangible assets.

As of December 31 2023, TL 639.881 (December 31, 2022: TL 341.132) of the assets held for sale is comprised of real estates, TL 1.750 (December 31, 2022: None) is comprised of other tangible assets. The Parent Bank has not any discontinued operations and assets of discontinued operations.

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

9. Ownership investments:

a. Associates:

a.1. Information on unconsolidated associates:

The Parent Bank has invested TL 22.500 in Katılım Finans Kefalet A.Ş. on April 30, 2023 whose founding purpose is to constitute surety system appropriate to participation banking procedures and principles. Total capital of the company is TL 600.000 and the Parent Bank's participation amount is TL 90.000, which is 15% of the total capital. The remaining amount is TL 67.500 will be paid in two years. There is a member of the Board of Directors in the company representing the shares of the Parent Bank.

Name	Address (City/Country)	Parent Bank's share percentage-If different voting percentage (%)	Risk share percentage of other shareholders (%)
Katılım Finans Kefalet A.Ş.	İstanbul/Türkiye	15%	85%

a.2. Information on consolidated associates:

None (December 31, 2022: None).

b. Information on subsidiaries (net):

b.1. Information on unconsolidated non-financial subsidiaries:

The subsidiary investments Albaraka Teknoloji Bilişim Sistemleri A.Ş. and Albaraka Kültür Sanat ve Yayımcılık A.Ş of Parent Bank controlled Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Fonu, Insha Ventures Teknoloji Geliştirme ve Pazarlama A.Ş of Parent Bank controlled Albaraka Portföy Yönetimi A.Ş. Insha Girişim Sermayesi Yatırım Fonu and Albaraka Portföy Yönetimi Girişim Teknloji A.Ş. of Parent Bank controlled İkinci Kira Sertifikası Girişim Sermayesi Yatırım Fonu have not been consolidated since they are non-financial entities. The financial information related to those companies as of December 31, 2023 is as follows:

Title	Operation Center (City/Country)	Main Activities	Capital	Share Percentage of the Fund (%)	Fair value of the amount invested by the Fund (*)
Albaraka Teknoloji Bilişim Sistemleri. A.Ş.(*)	İstanbul / Türkiye	Information Technologies	33.000	100	141.752
Albaraka Kültür Sanat ve Yayımcılık A.Ş.(*)	İstanbul / Türkiye	Publication	10.500	100	5.270
İnsha Ventures Teknoloji Geliştirme ve Pazarlama A.Ş.(*)	İstanbul / Türkiye	Information Technologies	10.000	100	136.012
Albaraka Portföy Yönetimi Girişim Teknoloji A.Ş. (*)	İstanbul/Türkiye	Bilgi Teknolojileri	10.000	100	10.576

(*) The fair values are represented as of December 31, 2023.

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

b. Information on subsidiaries (net) (continued):

b.1. Information on unconsolidated subsidiaries (continued):

Natura Gıda Sanayi ve Ticaret A.Ş, which is a subsidiary investment of “Değer Girişim Sermayesi Yatırım Fonu” controlled by the Parent Bank, has not been consolidated since it is a non-financial entity.

Name	Address (City/Country)	Parent Bank's share percentage- If different voting percentage (%)	(Fund) Share Rate (%)
Natura Gıda Sanayi ve Ticaret A.Ş	Istanbul/Türkiye	-	88,61

The balances of Natura Gıda Sanayi ve Ticaret A.Ş. presented in the table below have been obtained from the audited financial statements as of December 31, 2022.

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss
2.201.259	478.242	1.705.391	-	-	88.265	(1.167.106)

b.2. Information on consolidated subsidiaries:

Bereket Varlık Kiralama A.Ş and Değer Varlık Kiralama A.Ş. which are subject to consolidation by the Parent Bank, the purpose of which are to obtain rental income by taking over the assets of the source institution and leasing them back to the source institution, issue rent certificates based on said rental income and pass on the related assets to source institution by the end of the rental period. Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş. have been founded to operate according to rulings of Turkish Trade Law about foundations of incorporations and complying with Communiqué on “Principles Related to Rent Certificates and Asset Leasing Companies“ dated April 1, 2010 and numbered 27539 serial: 3 no:43 published in Official Gazette by Capital Markets Board of Türkiye and other related regulations. The founding capital of each company is TL 50. As of December 31 2023, the capital of each company is TL 50. Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş. are consolidated using full consolidation method as of December 31, 2023.

i). The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from unaudited financial statements as of December 31, 2023.

Name	Address (City/Country)	Parent Bank's share percentage-If different voting percentage (%)	Risk share percentage of other shareholders (%)
Bereket Varlık Kiralama A.Ş.	Istanbul/Türkiye	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
2.179.124	236	1	-	-	35	141	-

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

9. Ownership investments (continued):

b.2. Information on consolidated subsidiaries (continued):

ii) The balances of Değer Varlık Kiralama A.Ş. presented in the table below have been obtained from unaudited financial statements as of December 31, 2023.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Değer Varlık Kiralama A.Ş.	İstanbul / Türkiye	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
637.686	5.486	-	-	-	5.002	424	-

iii) In the Board of Directors meeting dated February 25, 2015, the Parent Bank has taken a resolution on establishment a real estate portfolio management company with the name of "Albaraka Gayrimenkul Portföy Yönetimi A.Ş." whose capital is TL 5.000. The company is registered on June 3, 2015 and the foundation of the company is published on Trade Registry Gazette dated June 9, 2015 numbered 8837. The title of the company was changed to "Albaraka Portföy Yönetimi A.Ş." upon the decision of "2018 Extraordinary General Assembly" dated December 20, 2017.As of December 31, 2023, the capital of the company is TL 180.000. The balances of Albaraka Portföy Yönetimi A.Ş. presented in the table below have been obtained from unaudited financial statements as of December 31, 2023.

Name	Address (City/Country)	The Parent Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Albaraka Portföy Yön. A.Ş.	Istanbul/Türkiye	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
530.832	481.330	14.150	1.442	-	273.161	10.942	-

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

9. Ownership investments (continued):

b.2. Information on consolidated subsidiaries (continued):

iv) Getinsha GmbH has been established in Berlin (Germany) in 2018 in order to provide digital participation banking services through the banking license of Solarisbank AG to collect funds through mentioned license (mudaraba method) and to evaluate funds in accordance with the interest-free finance principles of the signed contract. As of December 31, 2023, the capital of the company is EUR 5.982.255 (full balance in original currency) equivalent to TL 64.221 as historical cost in the Balance Sheet.

As of December 31 2023, unaudited financial statements of Getinsha GmbH is as follows:

Name	Address (City/Country)	The Parent Bank's share percentage-If different voting percentage (%)	Risk share percentage of other shareholders (%)
Getinsha GmbH	Berlin / Germany	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
1.823.275 €	(725.486) €	441.028 €	-	-	(1.060.427) €	(5.647.314) €	-

v) Movement and Sectoral Information on consolidated subsidiaries:

	Current Period	Prior Period
Amount at the beginning of the period	69.321	23.411
Movements inside the term	-	45.910
Purchases/new incorporations/capital increases/capital decreases (-)	-	45.910
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	69.321	69.321
Capital commitments	-	-
Share of the capital at the end of the period (%)	**100**	**100**

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	69.321	69.321

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

9. Ownership investments (continued):

c. Information on investments in joint- ventures:

c.1. Information on unconsolidated investments in joint-ventures:

The Group does not have unconsolidated investments in joint-ventures as of the balance sheet date.

c.2. Information on consolidated investments in joint- ventures:

The Parent Bank founded Katılım Emeklilik ve Hayat A.Ş. ("Company") a private pension and insurance company through equal partnership with Kuveyt Turk Katılım Bankası A.Ş. in the form of joint venture in accordance with Board of Directors' decision dated May 10, 2013 numbered 1186, and permission of BRSA dated September 24, 2013 numbered 4389041421.91.11-24049. The Company was registered on December 17, 2013 and noticed in Trade registry gazette dated December 23, 2013 and numbered 8470. As of December 31, 2023, Katılım Emeklilik ve Hayat A.Ş. has been consolidated by the Parent Bank using equity method. The financial data from unaudited financial statements as of December 31, 2023 are below:

Joint-Ventures	The Parent Bank's shareholding percentage (%)	Group's shareholding percentage (%)	Current Assets	Non-Current Assets	Long Term Debts	Income	Expense
Katılım Emeklilik ve Hayat A.Ş.	50%	50%	1.814.876	19.069.297	19.049.718	1.886.731	1.545.379

c.3. Information on consolidated investment funds:

The financial information of the investment funds consolidated by the Parent Bank using full consolidation method as of December 31, 2023 are as follows:

Investment Funds	Share of Parent Bank (%)	Share of Group (%)	Investment Amount of Group (TL)	Income	Expenses	Net Profit /(Loss)
Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu(*)	96,86	96,86	3.620.355	2.003.741	111.809	1.891.932
Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu(*)	99,16	99,16	1.095.840	679.630	16.978	662.652
Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu(*)	0,00	99,23	466.710	776.570	6.183	770.387
Albaraka Portföy Yönetimi A.Ş. Değer Girişim Sermayesi Yatırım Fonu(*)	100,00	100,00	2.184.178	939.037	16.738	922.299
Albaraka Portföy Yönetimi A.Ş. Fintech Girişim Sermayesi Yatırım Fonu(*)	0,00	5,88	9.161	105.309	16.799	88.510
Albaraka Portföy Yönetimi A.Ş. İnovasyon Girişim Sermayesi Yatırım Fonu(*)	0,00	100,00	159.922	47.152	3.320	43.832
Albaraka Portföy Yönetimi A.Ş. İkinci Kira Sertifikaları Katılım Girişim Sermayesi Yatırım Fonu(*)	0,00	100,00	1.353.545	163.068	1.018	162.050
Albaraka Portföy Yönetimi A.Ş. Insha Girişim Sermayesi Yatırım Fonu (*)	0,00	100,00	155.910	126.123	213	125.910

(*) Relevant financial data have been obtained from unaudited financial tables.

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

10. Information on tangible assets:

Current period	Immovables(*)	Leased tangible assets	Vehicles	Other	Assets to be sold	Total
Cost						
Opening balance: January 1, 2023	**1.997.995**	**-**	**2.583**	**422.404**	**917.077**	**3.340.059**
Additions	422.960	-	577.867	92.064	-	1.092.891
Revaluation differences	954.717	-	-	-	-	954.717
Disposals	(22.644)	-	-	(7.989)	(314.960)	(345.593)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	-	-
Transfers	-	-	-	-	283.684	283.684
Ending balance: December 31, 2023	**3.353.028**	**-**	**580.450**	**506.479**	**885.801**	**5.325.758**
Accumulated depreciation(-)						
Opening balance: January 1, 2023	**289.513**	**-**	**1.074**	**314.918**	**175**	**605.680**
Depreciation expense	138.205	-	32.558	36.814	-	207.577
Reversal of depreciation of the disposed assets	(4.844)	-	-	(6.804)	(2)	(11.650)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2023	**422.874**	**-**	**33.632**	**344.928**	**173**	**801.607**
Total cost at the end of the year	**3.353.028**	**-**	**580.450**	**506.479**	**885.801**	**5.325.758**
Total accumulated depreciation at the end of the year	**(422.874)**	**-**	**(33.632)**	**(344.928)**	**(173)**	**(801.607)**
Closing net book value	**2.930.154**	**-**	**546.818**	**161.551**	**885.628**	**4.524.151**

Prior period	Immovables(*)	Leased tangible assets	Vehicles	Other	Assets to be sold	Total
Cost						
Opening balance: January 1, 2022	**1.109.697**	**-**	**2.035**	**397.019**	**497.299**	**2.006.050**
Additions	188.991	-	948	35.238	277.500	502.677
Revaluation differences	699.307	-	-	-	-	699.307
Disposals	-	-	(400)	(9.853)	(150.302)	(160.555)
Impairment losses(-)/Reversal of impairment losses	-	-	-	-	180.584	180.584
Transfers	-	-	-	-	111.996	111.996
Ending balance: December 31, 2022	**1.997.995**	**-**	**2.583**	**422.404**	**917.077**	**3.340.059**
Accumulated depreciation(-)						
Opening balance: January 1, 2022	**219.712**	**-**	**1.030**	**273.195**	**2.133**	**496.070**
Depreciation expense	69.801	-	442	51.520	-	121.763
Reversal of depreciation of the disposed assets	-	-	(398)	(9.797)	(1.958)	(12.153)
Transfers	-	-	-	-	-	-
Ending balance: December 31, 2022	**289.513**	**-**	**1.074**	**314.918**	**175**	**605.680**
Total cost at the end of the year	**1.997.995**	**-**	**2.583**	**422.404**	**917.077**	**3.340.059**
Total accumulated depreciation at the end of the year	**(289.513)**	**-**	**(1.074)**	**(314.918)**	**(175)**	**(605.680)**
Closing net book value	**1.708.482**	**-**	**1.509**	**107.486**	**916.902**	**2.734.379**

(*) As of December 31, 2023, the immovables of the Parent Bank have been revalued by an independent valuer and revaluation fund of TL 954.717 in the current period (December 31, 2022: TL 699.307) has been reflected in the financial statements. After the revaluation, the total cost of the Parent Bank's immovables is TL 2.380.197 (December 31, 2022: TL 1.404.044), their amortisation is TL 148.027 (December 31,2022: TL 114.869), net carrying value is TL 2.232.170 (December 31,2022: TL 1.289.175). As of December 31,2023, the total cost of the immovables recognized as "right of use" under tangible assets in accordance with "TFRS 16 Leases" standard in the balance sheet of the Bank is TL 972.831 (December 31, 2022: TL 593.951), related amortisation is TL 274.847 (December 31,2022: TL 174.644), net carrying value is TL 697.984 (December 31, 2022: TL 419.307).

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

11. Information on intangible assets:

a. Opening and ending book values and accumulated depreciation balances:

	Current Period	Prior Period
Gross book value	782.960	445.447
Accumulated depreciation (-)	411.490	268.172
Total (net)	**371.470**	**177.275**

b. Intangible assets movement between the beginning and end of the period:

	Current Period	Prior Period
Opening balance	177.275	92.266
Additions	321.827	145.637
Disposals (-) (net)	64	97
Depreciation expense (-)	127.568	60.531
Closing net book value	**371.470**	**177.275**

12. Information on investment property:

	Current Period		Prior Period	
	TL	FC	TL	FC
Investment properties (*)	4.636.810	-	1.869.188	-
Total	**4.636.810**	**-**	**1.869.188**	**-**

(*) Includes investment properties of “Albaraka Portföy Yönetimi A.Ş. Dükkan Gayrimenkul Yatırım Fonu”, “Albaraka Portföy Yönetimi A.Ş. Metropol Gayrimenkul Yatırım Fonu” and “Albaraka Portföy Yönetimi A.Ş. Bereket Katılım Gayrimenkul Yatırım Fonu”

(Thousand of Turkish Lira (TL) unless otherwise stated

I. Explanations and notes related to consolidated assets (continued):

13. Information related to deferred tax asset:

As of December 31, 2023, the Group calculated net deferred tax asset of TL 1.199.059 (December 31, 2022: TL 453.958) by netting off deferred tax asset of TL 2.362.604 (December 31, 2022: TL 819.789) and deferred tax liability of TL 1.163.545 (December 31, 2022: TL 365.831) on all tax deductible/taxable temporary differences arising between the carrying amounts and the tax base of assets and liabilities in the financial statements that will be considered in the calculation of taxable earnings in the future periods.

	Current Period	Prior Period
Rediscount on profit share and prepaid fees and commission income and unearned revenues	192.301	183.605
Provisions for retirement premium and vacation pay liabilities	367.689	171.621
Difference between carrying value and tax base of tangible assets (amortization differences)	218.425	79.722
Provisions for cases on trial	22.376	10.542
Provisions	619.079	311.329
Leasing profit share expenses	99.054	57.838
Other(*)	843.680	5.132
Deferred tax asset	**2.362.604**	**819.789**
Revaluation difference of property	322.935	145.533
Rediscount on profit share	143.214	9.577
Right of use assets	190.808	111.529
Derivative financial liabilities	15.681	3.538
Investment funds	371.861	27.565
Other(**)	119.046	68.089
Deferred tax liability	**1.163.545**	**365.831**
Deferred tax asset (net)	**1.199.059**	**453.958**

(*) Includes TL 812.992 arising from adjustment of non monerary assets as per Tax Procedure Law calculated using inflation index. (December 31, 2022: None).

(**) Includes TL 112.496, the deferred tax liability of securities revaluation at fair value through other comprehensive income (December 31, 2022: TL 63.871).

14. Information on other assets:

As of the balance sheet date, the Group's other assets balance is TL 2.444.847 (December 31, 2022: TL 1.151.327) and does not exceed 10% of total assets.

(Thousand of Turkish Lira (TL) unless otherwise stated

II. Explanations and notes related to consolidated liabilities:

1. Information on funds collected:

a. Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	**5.582.161**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.582.161**
II. Real Persons Participation Accounts Non-Trade TL	**-**	**3.565.694**	**25.482.294**	**2.977.568**	**-**	**127.860**	**23.724.196**	**15.599**	**55.893.211**
III. Current Account other-TL	**9.466.895**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9.466.895**
Public Sector	93.157	-	-	-	-	-	-	-	93.157
Commercial Institutions	8.980.848	-	-	-	-	-	-	-	8.980.848
Other Institutions	340.240	-	-	-	-	-	-	-	340.240
Commercial and Other Institutions	32.101	-	-	-	-	-	-	-	32.101
Banks and Participation Banks	20.549	-	-	-	-	-	-	-	20.549
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	20.537	-	-	-	-	-	-	-	20.537
Participation Banks	10	-	-	-	-	-	-	-	10
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	**-**	**3.163.160**	**5.127.710**	**898.250**	**-**	**622**	**1.171.472**	**697**	**10.361.911**
Public Sector	-	-	164	-	-	-	-	-	164
Commercial Institutions	-	3.087.413	4.453.896	881.486	-	611	1.123.543	675	9.547.624
Other Institutions	-	75.667	625.796	11.864	-	11	47.929	22	761.289
Commercial and Other Institutions	-	80	47.809	4.900	-	-	-	-	52.789
Banks and Participation Banks	-	-	45	-	-	-	-	-	45
V. Real Persons Current Accounts Non-Trade FC	**27.567.137**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**27.567.137**
VI. Real Persons Participation Accounts Non-Trade FC	**-**	**7.212.694**	**6.479.480**	**640.908**	**-**	**64.016**	**2.318.109**	**31.203**	**16.746.410**
VII. Other Current Accounts FC	**21.685.404**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**21.685.404**
Residents in Türkiye-Corporate	12.703.787	-	-	-	-	-	-	-	12.703.787
Residents Abroad-Corporate	7.569.435	-	-	-	-	-	-	-	7.569.435
Banks and Participation Banks	1.412.182	-	-	-	-	-	-	-	1.412.182
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	168	-	-	-	-	-	-	-	168
Foreign Banks	1.411.621	-	-	-	-	-	-	-	1.411.621
Participation Banks	393	-	-	-	-	-	-	-	393
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	**-**	**452.522**	**528.987**	**621.738**	**-**	**44.696**	**17.162**	**1.340**	**1.666.445**
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	419.199	435.396	605.940	-	232	13.583	1.340	1.475.690
Other institutions	-	11.216	28.456	1.022	-	-	-	-	40.694
Commercial and Other Institutions	-	22.107	65.135	-	-	-	3.579	-	90.821
Banks and Participation Banks	-	-	-	14.776	-	44.464	-	-	59.240
IX. Precious Metals Deposits	**11.349.190**	**393.191**	**580.154**	**343.209**	**-**	**23.880**	**131.521**	**4.224**	**12.825.369**
X. Participation Accounts Special Fund Pools TL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+…..+IX+X+XI)	**75.650.787**	**14.787.261**	**38.198.625**	**5.481.673**	**-**	**261.074**	**27.362.460**	**53.063**	**161.794.943**

Foreign exchange-protected participation account instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL participation accounts are valued with profit rates and are protected against changes in foreign exchange rates, is offered to the Parent Bank customers. Within this scope, as of December 31, 2023, TL participation accounts include TL 45.209.939 foreign exchange-protected participation accounts.

(Thousand of Turkish Lira (TL) unless otherwise stated

II. Explanations and notes related to consolidated liabilities (continued):

1. Information on funds collected (continued):

a. Information on maturity structure of funds collected (continued):

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	**5.222.601**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.222.601**
II. Real Persons Participation Accounts Non-Trade TL	**-**	**2.814.203**	**20.314.487**	**1.664.847**	**-**	**17.513**	**4.966.871**	**14.144**	**29.792.065**
III. Current Account other-TL	**7.430.916**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7.430.916**
Public Sector	46.362	-	-	-	-	-	-	-	46.362
Commercial Institutions	7.129.339	-	-	-	-	-	-	-	7.129.339
Other Institutions	213.030	-	-	-	-	-	-	-	213.030
Commercial and Other Institutions	17.807	-	-	-	-	-	-	-	17.807
Banks and Participation Banks	24.378	-	-	-	-	-	-	-	24.378
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	24.354	-	-	-	-	-	-	-	24.354
Participation Banks	22	-	-	-	-	-	-	-	22
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	**-**	**905.125**	**5.318.675**	**911.150**	**-**	**5.162**	**1.645.237**	**113**	**8.785.462**
Public Sector	-	20	135	-	-	-	-	-	155
Commercial Institutions	-	853.473	4.893.622	864.510	-	5.155	1.639.092	113	8.255.965
Other Institutions	-	51.473	342.517	43.787	-	7	6.145	-	443.929
Commercial and Other Institutions	-	159	82.364	2.853	-	-	-	-	85.376
Banks and Participation Banks	-	-	37	-	-	-	-	-	37
V. Real Persons Current Accounts Non- Trade FC	**19.119.130**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19.119.130**
VI. Real Persons Participation Accounts Non-Trade FC	**-**	**7.212.751**	**6.985.507**	**1.000.316**	**-**	**57.892**	**2.727.477**	**18.533**	**18.002.476**
VII. Other Current Accounts FC	**13.639.947**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13.639.947**
Residents in Türkiye-Corporate	7.002.573	-	-	-	-	-	-	-	7.002.573
Residents abroad-Corporate	5.596.555	-	-	-	-	-	-	-	5.596.555
Banks and Participation Banks	1.040.819	-	-	-	-	-	-	-	1.040.819
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	103	-	-	-	-	-	-	-	103
Foreign Banks	1.040.473	-	-	-	-	-	-	-	1.040.473
Participation Banks	243	-	-	-	-	-	-	-	243
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	**-**	**619.148**	**709.210**	**23.608**	**-**	**28.454**	**77.647**	**500**	**1.458.567**
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	561.264	524.458	11.627	-	194	31.391	500	1.129.434
Other Institutions	-	26.657	13.526	246	-	-	-	-	40.429
Commercial and Other Institutions	-	31.227	171.226	11.735	-	-	46.256	-	260.444
Banks and Participation Banks	-	-	-	-	-	28.260	-	-	28.260
IX. Precious Metals Deposits	**6.788.587**	**731.679**	**1.225.306**	**56.154**	**-**	**2.648**	**94.228**	**3.470**	**8.902.072**
X. Participation Accounts Special Fund Pools TL	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Total (I+II+…..+IX+X+XI)	**52.201.181**	**12.282.906**	**34.553.185**	**3.656.075**	**-**	**111.669**	**9.511.460**	**36.760**	**112.353.236**

Foreign exchange-protected participation account instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL participation accounts are valued with profit rates and are protected against changes in foreign exchange rates, is offered to the Parent Bank customers. Within this scope, as of December 31, 2022, TL participation accounts include TL 27.864.396 foreign exchange-protected participation accounts.

(Thousand of Turkish Lira (TL) unless otherwise stated

II. Explanations and notes related to consolidated liabilities (continued):

b. Information on participation fund under the guarantee of insurance:

b.1. Under the guarantee of Insurance and Exceeding the limit of insurance fund [(*)]:

Information on real persons' current and participation accounts not subject to trading transactions under the guarantee of insurance and exceeding the limit of Insurance Fund:

	Under the guarantee of Insurance	Under the guarantee of Insurance	Exceeding the guarantee of Insurance	Exceeding the guarantee of Insurance
	Current Period	**Prior Period**	**Current Period**	**Prior Period**
Real persons' current and participation accounts not subject to trading transactions				
Turkish Lira accounts	13.769.278	9.230.265	47.706.096	25.784.400
Foreign currency accounts	17.267.434	10.360.486	39.423.065	34.973.814
Foreign branches' deposits subject to foreign authorities' insurance	40.043	44.818	175.915	310.499
Off-shore deposits under foreign authorities' insurance	-	-	-	-

[(*)] In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated August 27, 2022 and numbered 31936, all deposit and participation funds have been insured except official institutions in the presence of credit institutions, credit institutions and financial institutions. In this context, commercial current and participation accounts covered by the insurance amount to TL 6.252.084, amount exceeding the insurance limit is TL 34.374.420 and the mentioned amounts is not included in the footnote.

Funds collected by Participation Banks (expect belonging to official institutions, credit institutions and financial institutions) from current and participation accounts denominated in Turkish Lira or foreign currency up to a limit of maximum TL 400 (including both capital and profit shares) for each real person or legal person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law numbered 5411.

b.2. Funds collected which are not under the guarantee of insurance fund:

Funds collected of real persons, which are not under the guarantee of insurance fund:

	Current Period	**Prior Period**
Foreign Branches' Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	19.411	41.853
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Türkiye in order to engage solely in Off-Shore Banking Activities	-	-

(Thousand of Turkish Lira (TL) unless otherwise stated

II. Explanations and notes related to consolidated liabilities (continued):

2. Information on borrowings:

a.1. Information on types of borrowings:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Syndication Loans	-	-	-	-
Wakala Loans	-	2.331.614	-	3.054.715
Other	39.957	19.961.963	19.284	416.804
Total	**39.957**	**22.293.577**	**19.284**	**3.471.519**

a.2. Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	39.957	15.091.430	19.284	6.731
Loans from foreign banks, institutions and funds	-	7.202.147	-	3.464.788
Total	**39.957**	**22.293.577**	**19.284**	**3.471.519**

a.3. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Short-Term	39.957	17.678.203	19.284	3.466.719
Medium and Long-Term	-	4.615.374	-	4.800
Total	**39.957**	**22.293.577**	**19.284**	**3.471.519**

b. Additional disclosures on concentration areas of The Parent Bank's liabilities:

The Parent Bank does not have concentration on customer or sector group providing funds (December 31, 2022: None).

3. Information on securities issued:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Sukuk issued	1.851.447	6.064.054	627.095	-
Total	**1.851.447**	**6.064.054**	**627.095**	**-**

4. Information on derivative financial liabilities:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Forward transactions	732	7.337	8.542	808
Swap transactions	113.307	-	4.277	852
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	**114.039**	**7.337**	**12.819**	**1.660**

The Parent Bank has not any derivative financial liabilities for hedging purposes (December 31, 2022: None).

(Thousand of Turkish Lira (TL) unless otherwise stated

II. Explanations and notes related to consolidated liabilities (continued):

5. Lease payables:

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than a year	4.569	-	5.863	-
1 to 5 years	297.509	40.972	154.708	26.214
Over 5 years	400.159	31.544	289.836	185
Total	**702.237**	**72.516**	**450.407**	**26.399**

6. Information on provisions:

a. Information on provisions for employee rights:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 414.390 (December 31, 2022: TL 321.939), vacation pay liability amounting to TL 40.050 (December 31, 2022: TL 14.545) and performance premium amounts to TL 763.441 (December 31, 2022: TL 357.500) totaling to TL 1.217.881 (December 31, 2022: TL 693.984). The Group's has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	25,00	11,10
Estimated increase rate of salary ceiling (%)	22,00	10,00

Movement of the reserve for employment termination benefits in the balance sheet is as follows:

	Current Period	Prior Period
Prior period ending balance	321.939	130.540
Allocation in the period	28.754	4.488
Actuarial (gain)/loss	63.697	186.911
Balance at the end of the period	**414.390**	**321.939**

b. Other provisions:

	Current Period	Prior Period
Non-cash loans first and second stage expected loss provisions	28.486	20.239
Provisions allocated from profit shares to be distributed to profit sharing accounts	4.588	6.438
Third stage expected loss provision for unindemnified letter of guarantees	24.962	15.360
Third stage expected loss provision for cheques commitments	4.547	4.604
Provision for promotions related with credit cards and promotion of banking services	578	445
Provisions for cases on trial	74.587	42.169
Accrual for purchase and sale commitments	1.734	375
Free provisions allocated for possible losses(*)	5.213.000	1.800.000
Other	15.682	579
Total	**5.368.164**	**1.890.209**

(*) Includes free provision amounting to TL 5.213.000, which is set aside by the Parent Bank's management apart from the requirements of the BRSA Accounting and Financial Reporting Legislation. (December 31, 2022: 1.800.000 TL).

(Thousand of Turkish Lira (TL) unless otherwise stated

II. Explanations and notes related to consolidated liabilities (continued):

6. Information on provisions:

c. Information on provisions for foreign exchange losses on foreign currency indexed loans and financial lease receivables:

As of December 31, 2023, there is no provision for exchange losses in foreign currency indexed loans and financial lease receivables (December 31, 2022: None).

7. Information on taxes payable:

a. Explanations on current tax liability:

a.1. Explanations on tax provisions:

As of December 31, 2023, the Group's remaining tax liability after deducting the temporary taxes paid from corporate tax amounts to TL 933.865 (December 31, 2022: TL 607.323).

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	933.865	607.323
Banking insurance transaction tax	128.136	42.910
Taxation on securities income	28.876	13.020
Value added tax payable	22.209	7.510
Taxation on real estate income	3.037	1.888
Foreign exchange transaction tax	4.872	6.255
Income tax deducted from wages	47.188	29.120
Other	7.623	6.063
Total	**1.175.806**	**714.089**

a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	23.984	12.094
Social security premiums-employer	26.367	13.378
Bank pension fund premium-employee	-	-
Bank pension fund premium-employer	-	-
Pension fund membership fees and provisions-employee	-	-
Pension fund membership fees and provisions-employer	-	-
Unemployment insurance-employee	1.707	861
Unemployment insurance-employer	3.415	1.723
Other	-	-
Total	**55.473**	**28.056**

8. Liabilities for assets held for sale and discontinued operations:

None (December 31, 2022: None).

(Thousand of Turkish Lira (TL) unless otherwise stated

II. Explanations and notes related to consolidated liabilities (continued):

9. Detailed explanations on number, maturity, profit share rate, creditor and option to convert to share certificates; if any; of subordinated loans:

Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in calculation of	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in calculation of Tier II	-	8.896.597	-	4.694.238
Subordinated loans	-	8.896.597	-	4.694.238
Subordinated debt instruments	-	-	-	-
Total	**-**	**8.896.597**	-	**4.694.238**

The Parent Bank has obtained subordinated loan on November 30, 2015 from the investors not resident in Türkiye through its structured entity Albaraka Sukuk Ltd. amounting to USD 250.000.000 with 10 years maturity with a grace period of 5 years. The profit rate of the subordinated loan with grace period of 5 years with 10 years total maturity was determined as 10,50 % for the first 5 years and 9,371% for the last 5 years (from May 2021). The Parent Bank has paid the amount of USD 51.075.000 in May 2023, the remaining issued amount is USD 198.925.000.

The Parent Bank has obtained subordinated loan on February 28, 2023 from the investors not resident in Türkiye through its structured entity Albaraka CT One Ltd amounting to USD 100.000.000 with 10 years maturity with a grace period of 5 years. The profit rate of the Subordinated Loan is 10 %.

10. Breakdown of items in other liabilities, which exceed 10% of the balance sheet total, and breakdown of items, which constitute at least 20% of grand total:

As of the balance sheet date, the Group's other liabilities balance is TL 9.234.551 (December 31, 2022: TL 4.814.699) and does not exceed 10% of total liabilities.

11. Information on shareholders' equity:

a. Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	2.500.000	2.500.000
Preferred stock	-	-

b. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Parent Bank and if so, amount of the registered share capital ceiling:

In the Boards of Directors dated November 30, 2022, it has been decided that authorized share capital is TL 5.000.000 between 2023 and 2027 (5 years). Following the applications to legal authorities and their approval, The Bank's text of amendment to the main contract has been approved in the General Assembly dated March 27, 2023.

Share Capital System	Paid-in Capital	Ceiling
Registered Capital	2.500.000	5.000.000

c. Information on the share capital increases during the period and their sources; other information on increased capital in the current period:

There is no share capital increase in the current period.

(Thousand of Turkish Lira (TL) unless otherwise stated

II. Explanations and notes related to consolidated liabilities (continued):

11. Information on shareholders' equity (continued):

ç. Information on share capital increases from capital reserves during the current period:

There is no share capital increase from capital reserves during the current period.

d. Capital commitments in the last fiscal year and by the end of the following interim period, general purpose of these commitments and projected resources required to meet these commitments:

There are no capital commitments until the end of the last fiscal year and following interim period.

e. Estimated effects on the shareholders equity of the Parent Bank, of predictions to be made by taking into account previous period indicators regarding the Parent Bank's income, profitability and liquidity, and uncertainties regarding such indicators:

The Parent Bank continues its operations in a profitable manner and majority of the profits are kept in shareholders' equity through transfer to reserves. Moreover, the Parent Bank's shareholders' equity is invested in liquid and earning assets.

f. Information on privileges given to stocks representing the capital:

There is no privilege given to stocks representing the capital.

g. Information on marketable securities valuation reserve:

	Current Period		**Prior Period**	
	TL	**FC**	**TL**	**FC**
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference [(*)]	201.189	60.811	162.579	28.542
Foreign exchange difference	-	-	-	-
Total	**201.189**	**60.811**	**162.579**	**28.542**

[(*)] The amount represents the net balance after deferred tax calculation.

ğ. Information on other capital reserves:

The Parent Bank has evaluated its undated sukuk transaction as non- monetary item as per TAS 32 which is issued by "Bereket One Ltd" quoted at Ireland Stock Exchange amount to USD 205.000.000 (Historical cost is TL 775.720) and compatible with Basel III criteria. In addition to this evaluation, considering BRSA's approval to add it to additional Tier 1 capital dated February 20, 2018, the Parent Bank recognized it in shareholders' equity under "other capital reserves" on historical cost. The settlement date of the sukuk transaction is February 20, 2023 and its yearly coupon payment of 11,422%, (10% for first five years with every six-month payment). The Parent Bank has option to cancel the expense amounts. If the Parent Bank uses this option, it is not obligatory to pay the amount it has not paid in the following periods.

The total coupon payment for the related transaction amounting to TL 1.302.134 (December 31, 2022: TL 792.205) has been recognized under prior years profit / loss.

h. Information on minority shares:

As of December 31, 2023, minority shares calculated for full-consolidated uncontrolled shares amount to TL 283.780 (December 31, 2022: TL 777.327).

(Thousand of Turkish Lira (TL) unless otherwise stated

III. Explanations and notes related to consolidated off-balance sheet:

1. Explanations on consolidated off-balance sheet:

a. Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for credit card limits	3.797.263	1.910.259
Payment commitments for cheques	1.628.852	1.109.464
Asset purchase and sale commitments	2.799.091	581.749
Loan granting commitments	605.190	618.854
Subsidiaries and Associates Commitments	67.500	-
Tax and funds liabilities arising from export commitments	78.574	30.942
Commitments for promotions related with credit cards and banking activities	492	687
Other irrevocable commitments	557	563
Other revocable commitments	44.500	53.500
Total	**9.022.019**	**4.306.018**

b. Type and amount of possible losses and commitments arising from off-balance sheet items:

b.1. Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:

	Current Period	Prior Period
Letters of guarantees	24.611.183	17.449.635
Bank loans	137.121	70.414
Letters of credit	5.154.598	3.467.844
Other guaranties and sureties	169.038	135.117
Total	**30.071.940**	**21.123.010**

b.2. Revocable, irrevocable guarantees and other similar commitments and contingencies:

	Current Period	Prior Period
Letters of guarantees	24.611.183	17.449.635
Long standing letters of guarantees	18.722.511	12.792.451
Temporary letters of guarantees	572.672	546.270
Advance letters of guarantees	1.091.679	866.507
Letters of guarantees given to customs	1.508.765	1.059.864
Letters of guarantees given for obtaining cash loans	2.715.556	2.184.543
Sureties and similar transactions	169.038	135.117
Total	**24.780.221**	**17.584.752**

c. Within the non-cash loans:

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

	Current Period	Prior Period
Non-cash loans given against cash loans	2.715.556	2.184.543
With original maturity of 1 year or less	697.538	745.936
With original maturity of more than 1 year	2.018.018	1.438.607
Other non-cash loans	27.356.384	18.938.467
Total	**30.071.940**	**21.123.010**

(Thousand of Turkish Lira (TL) unless otherwise stated

III. Explanations and notes related to consolidated off-balance sheet (continued):

1. Explanations on consolidated off-balance sheet (continued):

c.2. Sectoral risk concentration of non-cash loans:

	Current period			
	TL	(%)	FC	(%)
Agricultural	**380.907**	**2,49**	**22.745**	**0,15**
Farming and stockbreeding	228.020	1,49	5.639	0,04
Forestry	149.564	0,98	17.106	0,11
Fishery	3.323	0,02	-	0,00
Manufacturing	**3.696.597**	**24,12**	**5.720.493**	**38,79**
Mining	96.689	0,63	37.527	0,25
Production	3.407.361	22,23	4.951.129	33,57
Electricity, gas and water	192.547	1,26	731.837	4,97
Construction	**3.750.317**	**24,47**	**1.320.891**	**8,96**
Services	**7.186.830**	**46,90**	**6.878.649**	**46,65**
Wholesale and retail trade	4.587.426	29,93	3.196.014	21,67
Hotel, food and beverage services	116.831	0,76	538.505	3,65
Transportation and telecommunication	485.453	3,17	548.056	3,72
Financial Institutions	569.023	3,71	2.019.722	13,70
Real estate and renting services	473.366	3,09	305.726	2,07
Self-employment services	505.623	3,30	166.203	1,13
Education services	46.814	0,31	186	0,00
Health and social services	402.294	2,63	104.237	0,71
Other	**310.695**	**2,02**	**803.816**	**5,45**
Total	**15.325.346**	**100,00**	**14.746.594**	**100,00**

	Prior period			
	TL	(%)	FC	(%)
Agricultural	**309.177**	**2,70**	**115.146**	**1,19**
Farming and stockbreeding	148.285	1,30	103.676	1,07
Forestry	159.028	1,38	11.470	0,12
Fishery	1.864	0,02	-	0,00
Manufacturing	**3.142.777**	**27,49**	**4.503.578**	**46,47**
Mining	138.623	1,21	2.463	0,03
Production	2.821.178	24,68	3.873.421	39,96
Electricity, gas and water	182.976	1,60	627.694	6,48
Construction	**2.463.975**	**21,56**	**813.548**	**8,39**
Services	**5.208.894**	**45,56**	**3.663.413**	**37,79**
Wholesale and retail trade	3.157.674	27,62	1.259.375	12,99
Hotel, food and beverage services	68.732	0,60	139.499	1,44
Transportation and telecommunication	426.993	3,74	219.754	2,27
Financial Institutions	514.329	4,50	1.751.895	18,07
Real estate and renting services	369.420	3,23	177.009	1,83
Self-employment services	323.551	2,83	76.820	0,79
Education services	42.576	0,37	13	0,00
Health and social services	305.619	2,67	39.048	0,40
Other	**305.808**	**2,69**	**596.694**	**6,16**
Total	**11.430.631**	**100,00**	**9.692.379**	**100,00**

(Thousand of Turkish Lira (TL) unless otherwise stated

III. Explanations and notes related to consolidated off-balance sheet (continued):

c.3. Information on the non-cash loans classified in Group I and Group II:

Current Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	**15.059.583**	**14.510.167**	**245.593**	**143.600**
Letters of guarantee	14.907.207	9.201.786	245.593	143.600
Bank loans	-	137.121	-	-
Letters of credit	12.800	5.141.798	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	139.576	29.462	-	-

Prior Period	I st Group		II nd Group	
	TL	FC	TL	FC
Non-cash loans	**11.128.112**	**9.486.814**	**274.264**	**131.418**
Letters of guarantee	10.999.994	5.959.056	274.115	114.068
Bank loans	-	70.414	-	-
Letters of credit	11.385	3.439.109	-	17.350
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	116.733	18.235	149	-

2. Explanations on derivative transactions:

	Derivative transactions according to purpose	Derivative transactions according to purpose
	December 31,2023	**December 31,2022**
Trading Derivatives		
Foreign Currency Related Derivative Transactions (I)	**33.243.660**	**4.557.236**
Currency Forwards-Purchases, sales	1.931.865	1.230.982
Currency Swaps-Purchases, sales	31.311.795	3.326.254
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Profit share Rate Related Derivative Transactions (II)	**-**	**-**
Profit share rates forwards-Purchase, sales	-	-
Profit share rates swaps-Purchases, sales	-	-
Profit share rates options-Purchases, sales	-	-
Profit share rates futures-Purchases, sales	-	-
Other Trading Derivatives (III)	**-**	**-**
A. Total Trading Derivatives (I + II + III)	**33.243.660**	**4.557.236**
Hedging Derivatives	**-**	**-**
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total Hedging Derivatives	**-**	**-**
Total Derivatives Transactions (A+B)	**33.243.660**	**4.557.236**

III. Explanations and notes related to consolidated off-balance sheet (continued):

3. Explanations on contingent assets and liabilities:

The Parent Bank has made a provision amounting to TL 74.587 (December 31, 2022: TL 42.169), as presented under "Other Provisions" note in section five Note II.6.b, for the lawsuits opened by various real persons and legal entities against the Parent Bank with high probability of realization and cash outflows. Although there are other ongoing lawsuits against the Parent Bank, the Parent Bank considers the probability of a negative result in ongoing litigations resulting in cash outflows as remote.

4. Explanations on services rendered on behalf of third parties:

The Group has not any operations like money placements on behalf of real persons or legal entities, charitable foundations, retirement insurance funds and other institutions.

(Thousand of Turkish Lira (TL) unless otherwise stated

IV. Explanations and notes related to the consolidated statement of profit or loss:

1. Information on profit share income:

a. Information on profit share income received from loans:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Profit share received from loans(*)				
Short Term Loans	5.932.456	724.226	2.551.682	320.341
Medium and Long-Term Loans	7.101.847	1.138.176	4.317.481	1.044.803
Profit Share on Non–Performing Loans	77.187	4.938	62.924	4.940
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	**13.111.490**	**1.867.340**	**6.932.087**	**1.370.084**

(*) Includes fees and commission income on cash loans.
(**) Includes TL 2.049.137 as profit and loss sharing invenstment income (December 31, 2022: 861.227 TL).

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
CBRT	34.863	-	47.503	-
Domestic Banks	201	-	172	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	**35.064**	**-**	**47.675**	**-**

c. Information on profit share income received from marketable securities:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Financial Assets Measured at Fair Value through Profit/Loss	1.130.409	322.948	896.850	222.641
Financial Assets Measured at Fair Value through Other Comprehensive Income	410.363	129.952	232.929	32.544
Financial Assets Measured at Amortised Cost	1.411.571	881.911	605.801	581.128
Total	**2.952.343**	**1.334.811**	**1.735.580**	**836.313**

ç. Information on profit share income received from associates and subsidiaries:

None (December 31, 2022: None).

(Thousand of Turkish Lira (TL) unless otherwise stated

IV. Explanations and notes related to the consolidated statement of profit or loss (continued):

2. Explanations on profit share expenses:

a. Distribution of profit share expense on funds collected based on maturity of funds collected:

Current Period	**Profit sharing accounts**							
Account name	**Up to 1 month**	**Up to 3 months**	**Up to 6 months**	**Up to 9 months**	**Up to 1 year**	**More than 1 year**	**Accumulated profit sharing account**	**Total**
TL								
Funds collected from banks through current and profit-sharing accounts	-	8	-	-	-	-	-	8
Real persons' non-trading profit sharing accounts	579.685	4.403.566	567.761	-	7.815	2.096.212	2.485	7.657.524
Public sector profit-sharing accounts	2	29	-	-	-	-	-	31
Commercial sector profit sharing accounts		925.496	131.656	-	108.750	81.025	8	1.447.426
Other institutions profit sharing accounts	14.270	107.438	3.851	-	15	4.713	-	130.287
Total	**794.448**	**5.436.537**	**703.268**	**-**	**116.580**	**2.181.950**	**2.493**	**9.235.276**
FC								
Funds collected from banks through current and profit-sharing accounts	-	-	56	-	1.358	-	-	1.414
Real persons' non-trading profit sharing accounts	77.784	65.905	8.326	-	690	31.962	612	185.279
Public sector profit-sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	3.656	4.472	5.849	-	2	250	11	14.240
Other institutions profit sharing accounts	394	1.093	123	-	-	452	-	2.062
Precious metals deposits	24	52	7	-	1	84	2	170
Total	**81.858**	**71.522**	**14.361**	**-**	**2.051**	**32.748**	**625**	**203.165**
Grand total	**876.306**	**5.508.059**	**717.629**	**-**	**118.631**	**2.214.698**	**3.118**	**9.438.441**

Prior Period	**Profit sharing accounts**							
Account name	**Up to 1 month**	**Up to 3 months**	**Up to 6 months**	**Up to 9 months**	**Up to 1 year**	**More than 1 year**	**Accumulated profit sharing account**	**Total**
TL								
Funds collected from banks through current and profit sharing accounts	-	26.318	-	-	-	-	-	26.318
Real persons' non-trading profit sharing accounts	398.032	2.028.722	151.907	-	3.282	361.049	1.812	2.944.804
Public sector profit sharing accounts	3	18	-	-	-	-	-	21
Commercial sector profit sharing accounts	105.351	590.370	351.036	-	113.613	27.526	3	1.187.899
Other institutions profit sharing accounts	8.370	68.455	9.690	-	3	540	-	87.058
Total	**511.756**	**2.713.883**	**512.633**	**-**	**116.898**	**389.115**	**1.815**	**4.246.100**
FC								
Funds collected from banks through current and profit sharing accounts	-	846	-	-	577	-	-	1.423
Real persons' non-trading profit sharing accounts	73.579	97.370	12.584	-	688	37.519	262	222.002
Public sector profit sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	7.030	17.550	212	-	41	418	7	25.258
Other institutions profit sharing accounts	1.644	5.585	90	-	-	849	-	8.168
Precious metals deposits	1.596	5.401	243	-	24	721	12	7.997
Total	**83.849**	**126.752**	**13.129**	**-**	**1.330**	**39.507**	**281**	**264.848**
Grand total	**595.605**	**2.840.635**	**525.762**	**-**	**118.228**	**428.622**	**2.096**	**4.510.948**

(Thousand of Turkish Lira (TL) unless otherwise stated

IV. Explanations and notes related to the consolidated statement of profit or loss (continued):

b. Information on profit share expense paid to funds borrowed:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Banks	4.767	762.567	38	60.009
CBRT	-	-	-	-
Domestic banks	-	450	-	780
Foreign banks	4.767	762.117	38	59.229
Head offices and branches abroad	-	-	-	-
Other institutions	8.440	816.126	11.012	427.906
Total	**13.207**	**1.578.693**	**11.050**	**487.915**

c. Profit share expense paid to associates and subsidiaries:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Profit share paid to investments in associates and subsidiaries	198	-	421	-
Total	**198**	**-**	**421**	**-**

ç. Profit share expenses paid to marketable securities issued:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Profit share expenses paid to marketable securities issued	229.834	-	430.037	-
Total	**229.834**	**-**	**430.037**	**-**

3. The Other İtems in Net Fees and Commission Income / Expenses, which constitute at least 20% of the total of other items, if the total of other items in income statement exceed 10% of the total of income statement:

Other Fees and Commissions Received	**Current Period**	**Prior Period**
Clearing room fees and commissions	286.979	130.403
Member firm-POS fees and commissions	282.713	124.211
Commissions on money orders	230.024	109.872
Prepaid import commissions	194.758	86.333
Loan Limit Allocation Fees	143.937	70.847
Insurance and brokerage commissions	218.411	58.624
Service pack commissions	717.973	32.181
Appraisal fees	65.089	25.295
Export credit commissions	19.109	22.276
Advocacy service commissions and counsel fees	10.206	9.548
Checks and bills commissions	16.239	7.007
Fees and commissions from correspondent banks	7.594	5.435
Safe deposit box commissions	6.737	4.284
Pledge Put and Mortgage Release Fees	7.260	3.543
Enquiry fees received	4.011	3.007
Portfolio management commissions	206.135	36.203
Collection and Payment Commissions	32.853	10.537
Export Price Acceptance Certificate Transaction Fees	10.669	9.365
Commissions Received from Cash against Draft Export Transactions	7.268	4.391
Other	173.233	66.554
Total	**2.641.198**	**819.916**

(Thousand of Turkish Lira (TL) unless otherwise stated

IV. Explanations and notes related to the consolidated statement of profit or loss (continued):

3. The Other İtems in Net Fees and Commission Income / Expenses, which constitute at least 20% of the total of other items, if the total of other items in income statement exceed 10% of the total of income statement (continued):

Other Fees and Commissions Paid	Current Period	Prior Period
Required Reserves Commissions for CBRT in Foreign currency	107.780	158.422
Fees and commissions for Swift, EFT and money orders	106.689	81.517
Member firm-POS fees and commissions	130.127	65.870
Credit cards fees and commissions	114.919	59.128
Funds borrowed fees and commissions	9.858	7.068
Other	44.583	17.458
Total	**513.956**	**389.463**

4. Information on dividend income:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	-	415	497	282
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	714	-	774	-
Other	-	-	-	-
Total	**714**	**415**	**1.271**	**282**

5. Explanations on trading income/loss (net):

	Current Period	Prior Period
Income	**33.387.618**	**45.848.525**
Income from capital market transactions	3.458.941	2.098.057
Income from derivative financial instruments	189.751	227.603
Foreign exchange income	29.738.926	43.522.865
Loss (-)	**30.719.479**	**42.973.199**
Loss on capital market transactions	2.875.877	231.839
Loss on derivative financial instruments	647.554	134.877
Foreign exchange losses	27.196.048	42.606.483
Trading Income/Loss (net)	**2.668.139**	**2.875.326**

6. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	1.371.897	1.390.440
Income from sale of assets	261.504	154.415
Communication income	55.407	41.630
Cheque book charges	5.044	4.115
Operating Lease Income	74.774	47.090
Fund Management Fees	116.908	-
Real estate revaluation income(*)	2.468.849	369.471
Real estate rental income(*)	63.563	16.608
Real estate sales income(*)	48.238	109.404
Other income	188.689	30.237
Total	**4.654.873**	**2.163.410**

(*) Represents the income from real estates' portfolio under real estate investment funds.

(Thousand of Turkish Lira (TL) unless otherwise stated

IV. Explanations and notes related to the consolidated statement of profit or loss (continued):

7. Informations on Expected Credit Losses and Other Provision Expenses:

	Current Period	Prior Period
Expected Credit Loss	**3.384.019**	**3.865.008**
12 month expected credit loss (stage 1)	960.005	127.045
Significant increase in credit risk (stage 2)	354.020	1.046.034
Non-performing loans (stage 3)	2.069.994	2.691.929
Marketable Securities Impairment Expense	**-**	**-**
Financial Assets Measured at Fair Value through Profit/Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Provision for Associates, Subsidiaries and Joint Ventures	**-**	**-**
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Miscellaneous Provisions	**215.948**	**85.144**
Expected credit losses for 1st and 2nd group non-cash loans	12.087	4.380
Third stage expected loss provision for unindemnified non cash loans	13.639	12.080
Expected credit losses (stage 1) for banks	187.115	64.840
Profit and loss sharing investments' fair value provision.	-	-
Expected credit losses (stage 1) for other financial assets.	3.107	-
Expected credit losses for financial assets measured at amortized cost	-	3.844
Total	**3.599.967**	**3.950.152**

Expected credit losses amount to TL 3.599.967 (December 31, 2022: TL 3.950.152) includes TL 1.288.640 (December 31 2022: TL 1.240.654) representing participation account share of expected credit losses of loans provided from participation accounts.

8. Information on other provision expenses:

	Current Period	Prior Period
Performance bonus expense	763.441	357.500
Vacation pay provision expenses (Provision expense reversal)	25.505	(3.219)
Impairment on financial assets measured at fair value through profit/loss	1.924	8.042
Provisions for cases on trial	32.658	8.112
Free provisions allocated for possible losses	3.413.000	1.700.000
Provisions allocated from profit shares to be distributed to profit sharing accounts	860	3.832
Provisions for Profit Share to be Distributed	-	1.219
Total	**4.237.388**	**2.075.486**

(Thousand of Turkish Lira (TL) unless otherwise stated

IV. Explanations and notes related to the consolidated statement of profit or loss (continued):

8. Information on other operating expenses (continued):

	Current Period	Prior Period
Provision for retirement pay liability	28.755	4.487
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	239.159	161.726
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	127.568	60.531
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	11.912	6.505
Other business expenses	963.935	425.286
Leasing Expenses on TFRS 16 Exceptions	85.834	2.414
Maintenance and repair expenses	73.522	50.723
Advertisement expenses	74.558	22.593
Other expenses(*)	730.021	349.556
Loss on sale of assets	698	1.642
Other(**)	998.014	495.532
Total	**2.370.041**	**1.155.709**

(*) The details of the "Other Expenses" balance under Other Operating Expenses are as follows:

	Current Period	Prior Period
Communication Expenses	111.080	66.313
Donations	46.925	32.250
Cleaning expenses	102.141	41.749
Heating, lighting and water expenses	71.984	53.694
Representation and Hosting expenses	27.698	14.082
Vehicle expenses	31.240	17.716
Lawsuit and court expenses	9.649	7.737
Movables Insurance Expenses	27.214	11.034
Stationery Expenses	21.260	6.802
Expense Share for Common Expenses	9.245	3.706
Subcontractor security service expenses	94.772	41.000
Cash and banknote group transportation service expenses	68.502	25.586
Credit Cards and Banking Services Promotion Expenses	26.901	10.706
Nonallowable Expenses	33.701	4.753
Other	47.709	12.428
Total	**730.021**	**349.556**

(**) Details of "other" balance are provided as below:

	Current Period	Prior Period
Saving Deposit Insurance Fund	326.769	190.587
Taxes, Duties, Charges and Funds	341.714	128.727
Expertise and Information Expenses	79.255	28.685
Audit and Consultancy Fees	39.151	39.726
Institution and Union Participation Share Expense	37.751	21.308
Residence Expenses(*)	19.890	7.910
Shopping Mall expenses(*)	-	-
Shop and Office Expenses(*)	71.781	15.058
Other	81.703	63.531
Total	**998.014**	**495.532**

(*) Represents the expenses from real estates' portfolio under real estate investment funds.

(Thousand of Turkish Lira (TL) unless otherwise stated

IV. Explanations and notes related to the consolidated statement of profit or loss (continued):

As per the decision by Public Oversight Accounting and Auditing Standards Authority dated March 26, 2021, The following table represents the fees for the services received from the auditor or independent audit firm for reporting period. The audit fees of the associates of the Parent Bank are included as well. The fees in the table does not include Value Added Tax.

Current Period	**Audit services provided by Group auditor**	**Audit services provided by other audit firms**
Independent Audit fee for reporting period(*)	10.625	900
Fees for tax consultancy	-	170
Other assurance services' fees	425	-
Other service fees other than independent audit.	-	-
Total	**11.050**	**1.070**

Prior Period	**Audit services provided by Group auditor**	**Audit services provided by other audit firms**
Independent Audit fee for reporting period(*)	4.575	295
Fees for tax consultancy	-	115
Other assurance services' fees	-	1.150
Other service fees other than independent audit.	-	-
Total	**4.575**	**1.560**

(*) For foreign currency independent audit fees, buying fx rates of the Parent Bank as of December 31, 2023 and December 31, 2022 have been used.

9. Explanations on income/loss from continued operations before taxes:

As the Parent Bank does not have any discontinued operations, there is no explanation related to income/loss from discontinued operations before taxes.

The Group's income before tax increased by 107,34% compared to prior period and is realized as TL 5.838.034 (December 31, 2022: TL 2.815.650). Income before tax comprises net profit share income in the amount of TL 8.640.931 (December 31, 2022: TL 5.409.083) and fees and commission income in the amount of TL 2.457.538 (December 31, 2022: TL 680.751). Total other operating expenses amount to TL 2.370.041 (December 31, 2022: TL 1.155.709).

10. Explanations on tax provision for continued and discontinued operations:

Since the Parent Bank has no discontinued operations, there is no tax provision for this purpose.

As of December 31, 2023, the Parent Bank has deferred tax income of TL 3.091.334 (December 31, 2022: TL 1.131.637) and deferred tax expense of TL 3.139.794 (December 31 2022: TL 1.476.179). The current tax provision is TL 1.666.123 (December 31, 2022: TL 615.543).

11. Explanations on net income/loss from continued and discontinued operations:

The Parent Bank has no discontinued operations. Net income for the period has been realized as TL 4.123.451 (December 31, 2022: TL: 1.855.565) by deducting tax expense amounting to TL 1.714.583 (December 31, 2022: TL 960.085) from profit from continued operations amounting to TL 5.838.034 (December 31, 2021: TL 2.815.650).

(Thousand of Turkish Lira (TL) unless otherwise stated

IV. Explanations and notes related to the consolidated statement of profit or loss (continued):

12. Explanations on net income/loss:

a. The nature and amount of certain income and expense items from ordinary operations; if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Parent Bank's performance for the period:

None.

b. The effect of the change in accounting estimates to the net income/loss; including the effects on the future period:

None.

c. Income/loss of minority shares:

	Current Period	Prior Period
Net profit/(loss) of minority shares	154.168	156.404

V. Explanations and notes related to the consolidated statement of changes in shareholders' equity:

a. There is no declaration of dividends made subsequent to the balance sheet date, and prior to the announcement of the financial statements.

Decision related to the dividend distribution will be taken in the General Assembly. General Assembly has not been held as of the date of finalization of the accompanying financial statements.

b. "Unrealized gains and losses" arising from changes in the fair value of securities classified as financial assets measured at fair value through other comprehensive income are recognized in the "Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss" account under equity, until the financial assets are sold, disposed of or impaired at which time they are transferred to the statement of income. TL 119.504 increase (before deferred tax) has occurred after the revaluation of financial assets measured at fair value through other comprehensive income (December 31, 2022: TL 230.948 increase).

c. Revaluation amounts related to tangible and intangible assets are accounted under equity in revaluation reserve on tangible assets and revaluation reserve on intangible assets.

d. Foreign exchange differences arising from translation of income statement of foreign branch and foreign subsidiary of the Parent Bank are accounted in other capital reserves amounts to TL 595.965 as increase. (December 31, 2022: TL 226.845 increase).

(Thousand of Turkish Lira (TL) unless otherwise stated

VI. Explanations and notes related to the consolidated statement of cash flows:

1. Components of cash and cash equivalents and accounting policy applied in their determination:

"Cash" is defined as cash in vault and foreign currency cash, money in transit, cheques purchased, unrestricted balance with the Central Bank and demand deposits at banks. "Cash equivalents" is defined as money market placements and time deposits at banks with original maturities less than three months.

a. Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	**8.567.744**	**10.090.678**
Cash in TL/foreign currency	1.931.106	1.795.408
Cash in transit	1.219.631	1.695.443
CBRT	5.417.007	6.599.827
Cash equivalents	**4.952.824**	**3.853.518**
Domestic banks	1.643.187	1.090.723
Foreign banks	3.309.637	2.762.795
Total cash and cash equivalents	**13.520.568**	**13.944.196**

b. Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	**23.790.267**	**8.567.744**
Cash in TL/foreign currency	3.191.492	1.931.106
Cash in transit	2.134.535	1.219.631
CBRT	18.464.240	5.417.007
Cash equivalents	**8.207.335**	**4.952.824**
Domestic banks	1.957.665	1.643.187
Foreign banks	6.249.670	3.309.637
Total cash and cash equivalents	**31.997.602**	**13.520.568**

2. Cash and cash equivalent items which are restricted for the usage of the Group by legal or other limitations:

Restricted time deposits held at the Central Bank of Türkiye and blockaged amount arising from POS are not considered as cash and cash equivalent items.

3. Explanation about other cash flow items and the effect of the changes in foreign exchange rates on cash and cash equivalents:

The "Others" item under "Operating profit before changes in operating assets and liabilities" amounting to TL (6.237.728) (December 31, 2022: TL (4.139.534) mainly comprises other operating expenses excluding personnel expenses and amortization expenses and other operating income.

The "Net increase/decrease in other liabilities" item under "Changes in operating assets and liabilities" amounting to TL 3.509.986 (December 31, 2022: TL 273.571) mainly comprises changes in miscellaneous payables, other liabilities and taxes and other duties payable.

Effect of the changes in foreign currency rates on cash and cash equivalents has been calculated approximately as TL 2.150.135 as of December 31, 2023 (December 31, 2022: TL 1.109.975).

(Thousand of Turkish Lira (TL) unless otherwise stated

VII. Explanations related to the risk group of the Group:

1. Information on the volume of transactions relating to the Group's risk group, outstanding loans and funds collected and income and expenses related to the period:

a. Current period:

Risk Group of the Group(*)	Investment in associates, subsidiaries and joint ventures (Business Partnerships)		Direct and indirect shareholders of the Group		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-Cash
Loans						
Balance at the beginning of the period	6	1.418	45.283	68.658	375	12
Balance at the end of the period	19	5.701	379.644	125.181	1.297	74
Profit share and commission income received	**-**	**25**	**79.368**	**328**	**-**	**1**

b. Prior period:

Risk Group of the Group(*)	Investment in associates, subsidiaries and joint ventures (Business Partnerships)		Direct and indirect shareholders of the Group		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	90	62	220	64.583	52	-
Balance at end of period	6	1.418	45.283	68.658	375	12
Profit share and commission income received	**-**	**7**	**64.462**	**328**	**-**	**-**

(*) Defined under Banking Law numbered 5411 in article 49 and "Communiqué Related to Credit Operations of Banks" in article 4 published on November 1, 2006.

c.1. Information on current and profit sharing accounts of the Group's risk group:

Risk Group of the Group(*)	Investment in associates, subsidiaries and joint ventures (Business Partnerships)		Direct and indirect Shareholders of the Group		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	15.374	35.342	688.843	271.125	28.403	12.518
Balance at the end of period	15.586	15.374	316.055	688.843	6.077	28.403
Profit share expense	**-**	**-**	**-**	**-**	**-**	**262**

(*) As of December 31, 2023, wakala borrowings obtained from risk group of the Parent Bank through investment purpose wakala contracts amount to USD 32.026.681 and EUR 5.644.353 (December 31, 2022: USD 36.288.426 and EUR 3.600.000). The profit share expense relating to such borrowings for the period between January 1, 2023- December 31, 2023 is TL 26.367 (December 31, 2022: TL 16.318).

VII. Explanations related to the risk group of the Group (continued):

c.1. Information on current and profit-sharing accounts of the Parent Bank's risk group (continued):

USD 155 million of the additional Tier I capital amounting to USD 205 million, which was realized on February 20, 2018, belongs to Albaraka Group, the main shareholder of the Parent Bank. The related amount is accounted under other capital reserves in the financial statements.

c.2. Information on forward, option agreements, and other similar agreements with related parties:

The Group does not have forward and option agreements with the risk group of the Parent Bank.

As of December 31, 2023, the Group has paid gross TL 52.493 (December 31, 2022: TL 30.164) to top management.

VIII. Explanations related to consolidated domestic, foreign and offshore branches or investments and foreign representative offices:

Information on the domestic and foreign branches and representative offices of the Parent Bank:

	Number	Number of Personnel			
Domestic Branches	223	2.693			
			Country		
Foreign Representation Office	-	-	-		
				Total Assets (Thousand TL)	**Statutory Share Capital**
Foreign Branches	2	30	Iraq	6.396.351	USD 50.000.000
Off-Shore Branches	-	-	-	-	-

2. Information on the Parent Bank's branch or representative office openings, closings, significant changes in the organizational structure:

The Parent Bank did not open or close any domestic branches in 2023. The Parent Bank did not open or close any branches abroad in 2023.

IX. Explanations related to subsequent events:

None.

X. Other issues that have significant effect on the balance sheet or that are ambiguous and/or open to interpretation and require clarification:

None.

SECTION SIX

Other explanations

I. Other explanations regarding the Parent Bank's operations

None.

SECTION SEVEN

Independent auditor's report

I. Explanations on independent auditor's report:

The Group's consolidated financial statements as of and for the period ended December 31, 2023 have been audited by PwC Bağımsız Denetim ve SMMM A.Ş. and the audit report dated March 6, 2024 is presented at the beginning of the financial statements and related notes.

II. Other notes and explanations prepared by the independent auditors:

None.