

## Annual Report 2023



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## CORPORATE IDENTITY

### Establishment Year

2002

### Members

Participation banks operating in Türkiye

### Chairman of the Board of Directors

Onur GÖK

Türkiye Emlak Katılım Bankası A.Ş.

### Deputy Chairman of the Board of Directors

Ufuk UYAN

Kuveyt Türk Katılım Bankası A.Ş.

### Board Members

Malek Khodr TEMSAH

Albaraka Türk Katılım Bankası A.Ş.

İkram GÖKTAŞ

Dünya Katılım Bankası A.Ş.

Galip KARAGÖZ

Hayat Finans Katılım Bankası A.Ş.

Onur ÖZKAN

T.O.M. Katılım Bankası A.Ş.

Murat AKŞAM

Türkiye Finans Katılım Bankası A.Ş.

Mehmet Ali AKBEN

Vakıf Katılım Bankası A.Ş.

Metin ÖZDEMİR

Ziraat Katılım Bankası A.Ş.

### Secretary General

İsmail VURAL

### Auditors

Süleyman SAYGI

İsmail GERÇEK

### Headquarters

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Dating from the 1960s, Islamic banking has grown along with the financial sector and an integral element of this development required standardization efforts. Although standardization endeavors were initially subject to the request of banks, they became mandatory over time with the necessary legal regulations. Standardization is considered a milestone in the participation banking sector, contributing to the determination of common rules; ensuring harmony and unity; and creating safe, efficient and auditable structures.

As the Participation Banks Association of Türkiye, which upholds the rights and interests of participation banks and aims to ensure the healthy growth and development of the banking system, we are aware that, in line with our goals, standardization is of paramount importance. Together with the nine participation banks under our roof, we encourage the implementation of practices focusing on standardization and we support the Turkish economy and its development.

# **Standardization in participation banking**

**Since its emergence and throughout its evolution into its current form, participation banking has been subject to various regulations in Türkiye and around the world in line with the requirements of the sector.**







# Strong corporate governance

**In support of the strategy to transform Istanbul into a regional and global financial center, and the positioning of participation banking within this policy, various regulations have been implemented to fulfill sector requirements.**

In this context, the Banking Regulation and Supervision Agency (BRSA) restructured the entire governance process, from the determination of participation banking principles to compliance control thereof. The main stakeholders in the new governance structure established for the rule-maker and supervisory parties include public authorities, the Advisory Board, bank advisory committees, and banks' participation banking compliance and supervision units.







# Advisory Board

**The Advisory Board was established within the Association through a board resolution by the BRSA in 2018, following an assessment of similar international organizations, to determine the professional principles and standards of participation banking.**





# Standardization endeavors

The Advisory Board is methodical throughout the entire process, from the creation of the standards to their publication. The standards published by the Board since its establishment in 2018 are as follows:

- **Share Certificate Issuance and Trade Standard**
- **Tawarruq Standard**
- **Murabahah Standard**
- **Suretyship Standard**
- **Mudarabah Standard**
- **Non-Compliant Incomes with Participation Finance Principles and Their Elimination Standard\***

*\* Published in 2024.*



# Compliance and audit activities

**Compliance activities refer to the oversight and control of compliance with participation banking principles and standards and advisory board resolutions in terms of services, investments, agreements, transactions, policies, procedures and regulations, disclosures, publicity and advertisements.**



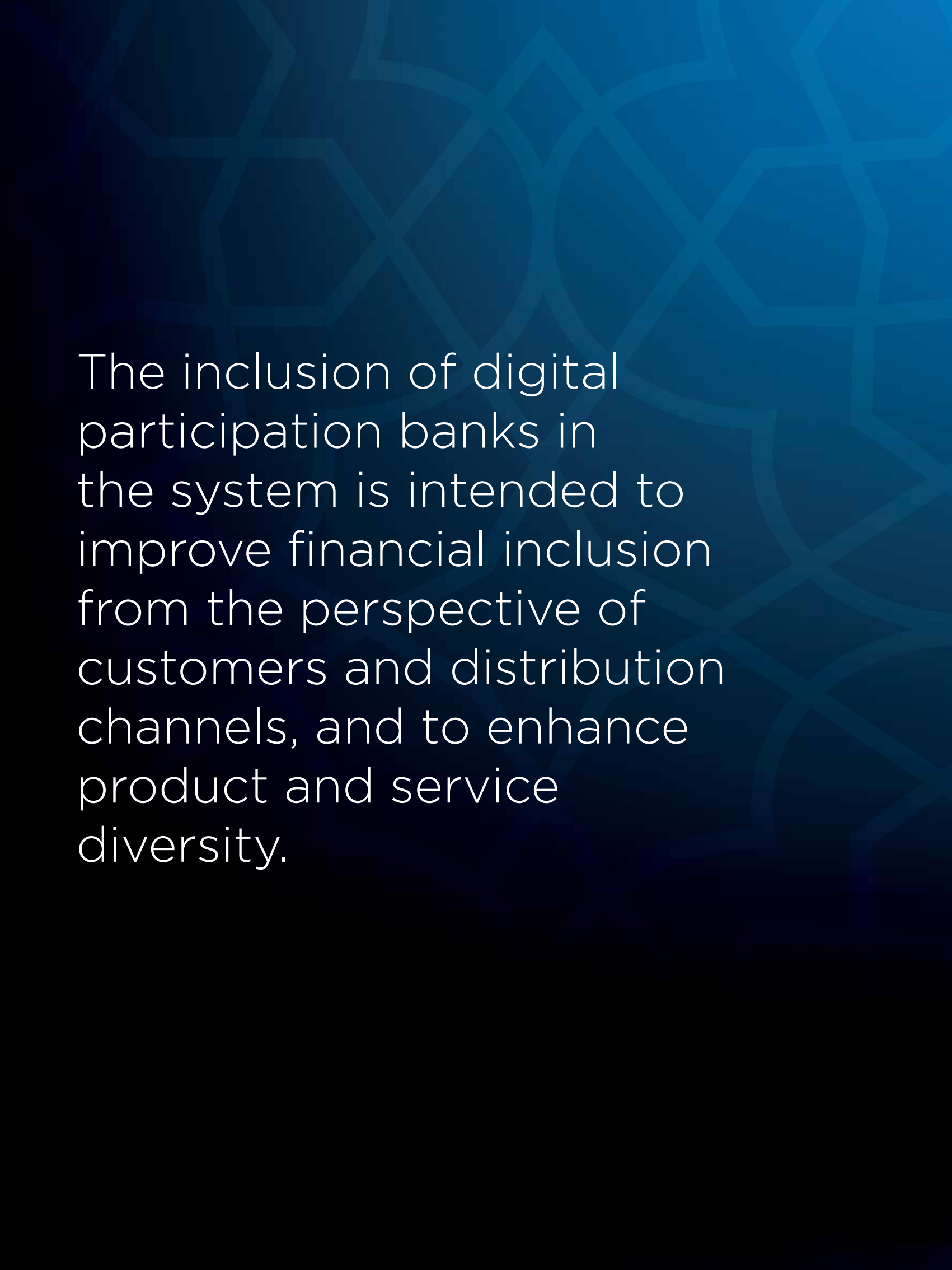




# INTRODUCTION







The inclusion of digital participation banks in the system is intended to improve financial inclusion from the perspective of customers and distribution channels, and to enhance product and service diversity.



## ABOUT US

Since the mid-2010s, with the inclusion of public enterprises, the participation banking sector has expanded gradually with steady growth momentum.

Participation banking activities in Türkiye started one year after the establishment of “Private Financial Institutions” was authorized by the decree of the Council of Ministers in 1983, gained momentum in the 1990s, and were included in the scope of the Banks Act in 1999. With the publication of the Banking Law No. 5411 in 2005, Private Financial Institutions operating in the sector for more than 20 years under the name of private financial institutions changed their names to become a “Katılım Bankası” (Participation Bank).

Participation banking, which has undergone organizational and structural development processes at both national and global levels since the 2000s, has become more qualified and strategic with the development of other sectors such as capital markets and participation insurance. Since the mid-2010s, with the inclusion of public enterprises, participation banking sector has expanded gradually with steady growth momentum.

The first participation bank established in Türkiye was Albaraka Türk in 1984, followed by Kuveyt Türk in 1989, and Türkiye Finans in 2005. The main shareholders of all three participation banks are foreigners. In 2015, the government established Ziraat Katılım, the first public participation bank, with a target of increasing the share of participation banking in the sector. Subsequently, Vakıf Katılım was established in the same year and received its operating license in 2016. In 2019, another new public participation bank entered the sector, with Emlak Katılım



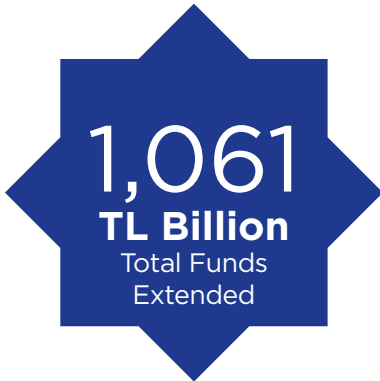
9  
Number of  
Member Banks

established to operate especially in the housing sector. In 2023, two digital participation banks, Hayat Finans and T.O.M. Katılım Bankası, joined the sector. The inclusion of these digital participation banks in the system aims to increase the market share of participation banks in the Turkish banking sector and to improve financial inclusion from the perspective of customers and distribution channels as well as product and service diversity.

Finally, Adabank A.Ş. was transformed into Dünya Katılım Bankası by changing its qualification and name. The Bank became a member of the Association in December 2023 as the first example of the transformation from traditional banking into participation banking.

## KEY INDICATORS FOR PARTICIPATION BANKING

The Association carries out activities focused on achieving sustainable growth in participation banking.



## Vision

The Participation Banks Association of Türkiye (TKBB) has the vision to raise the market share of participation banking sector to 15% by 2025 and to make the sector to deliver world-class financial products and services.

## Mission

To ensure a healthy and sustainable development of participation banking in Türkiye, the TKBB's mission as follow:

- Develop and improve product range and service quality
- Improve corporate communication, perception and reputation management
- Improve related activities, human resources and certificate programs
- Develop legislation, standards and regulations related to the principles of participation banking
- Contribute making Istanbul a leading financial center



*We, the  
participation  
banking sector  
stakeholders,  
maintain our efforts  
to support Türkiye's  
sustainable  
development and to  
be better prepared  
for the future.*



**ONUR GÖK**  
Chairman of the Board of Directors



## MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Even as the participation finance ecosystem expands with the involvement of new local initiatives and global actors, it is also diversifying and becoming widespread by way of different business models.

Dear Stakeholders,

For our country and around the world, 2023 was undoubtedly a highly challenging year. Earthquakes that claimed the lives of tens of thousands of our citizens, humanitarian crises and the flouting of humanitarian values, and natural disasters triggered by extreme climatic events have profoundly impacted us all, and continue to do so. As mounting uncertainties in the recent period are shaping the markets, our ability to anticipate the future, especially regarding the economy, is diminishing.

Despite these challenges and uncertainties, Türkiye's steady progress on a long-term and sustainable growth path attests to the country's strong macroeconomic infrastructure. The economy administration continued to take measures against inflation, while demonstrating its will to balance policies that prioritize investment, employment, production and exports.

As stakeholders in the participation banking sector, we continue to support Türkiye's sustainable development and we strive to be better prepared for the future ahead. We expedited our steps in line with the six main strategic goals, identified as "communication," "ecosystem," "product diversity," "standards and governance," "digital" and "competence building" in the participation banking strategy document updated in 2021.

These dedicated efforts were reflected in participation banking's performance indicators and helped the sector to produce impressive results. In addition to its steady growth in the financial arena, our sector, which has expanded its international influence, was further strengthened by the addition of three new members during the period. As the participation finance ecosystem expands with the involvement of new local initiatives and global actors, it is also diversified and generalized with different business models. Within this growing ecosystem, effective communication, established to increase collaboration among our stakeholders, constitutes one of the most substantial pillars of our future vision and strategies.

Our key focus areas until 2025 include expanding the products and services that will further leverage the power of digitalization, improving the customer experience, enhancing our performance in remote customer acquisition, and broadening our financial inclusion by raising financial literacy.

The long-standing work on inclusive legal arrangements for the holistic governance and financial and structural development of the participation finance ecosystem is underway.

We expect the participation banking sector, which aims to increase its market share through the entry of new participation banks, to achieve a significant growth momentum with the development of insurance, capital markets and non-bank financial institutions.

The industry's stakeholders take the Sustainable Development Goals as a reference when determining priorities, and the Association acts with sensitivity to people, society and the environment in its operations and business processes. The Association and the member banks, positioning sustainability at the core of their corporate strategies, showed significant progress in boosting our social and environmental benefits during the operating period.

I am confident that the participation banks will continue their growth performance, adding value to our country's economy by means of their customers, employees and other stakeholders and maintaining sustainable financial development in the coming years.

Sincerely,

**Onur GÖK**  
Chairman of the Board of Directors

*Participation banking  
sustained its steady  
growth in 2023, as in  
previous years.*



**İSMAİL VURAL**  
Secretary General

## MESSAGE FROM THE SECRETARY GENERAL

The market share of participation banks in the sector, which was 5% in 2017, reached 8.7% at the end of 2023, while their asset size exceeded TL 2.0 trillion.

### Rising growth challenges dominated the economic agenda in 2023

Going into 2023, most forecasts for the global economy were pessimistic due to the ongoing Russia-Ukraine war, the energy supply crisis scenario, high inflation and the associated interest rate hike cycles, and tightening financial conditions. However, the dreaded recession did not happen and economic activity around the world has been stronger than expected. Too, recession concerns have given way to fragile recovery expectations.

We are heading towards a period in which it is inevitable that, as inflation recedes, central banks will readjust their monetary stance to support development. On the other hand, the effects of tight monetary policies, combined with prevailing macroeconomic uncertainties, are expected to keep global growth dynamics weak for some time, as are risks that limit predictability, such as escalating geopolitical tensions, especially in the Middle East.

### Our country continues its steady growth journey

In 2023, despite the catastrophic earthquakes of February 6 and, starting in May, the burdens caused by two major elections, the Turkish economy displayed a performance that reinforced the “The Century of Türkiye.” Our country overcame the shocks of recent and multi-layered global and local crises, demonstrating a high level of resilience and growing for 14 consecutive quarters.

Taking office after the elections, the new economic administration initiated a rebalancing process that prioritized combating high inflation and the current account deficit. Accompanied by fiscal discipline, our country's risk premiums started to decline during this period, while our credit rating outlook was revised upwards by leading rating agencies. We believe that the new period, during which we hope to see a greater appetite for risk in the global markets, heralds great opportunities for Türkiye, which maintains its focus on production, development, and high value-added investments.

### The participation banking sector concludes a very productive year

Thanks to its dynamic structure, the Turkish banking sector quickly adapted to changes in monetary policy and the macro prudential framework. Meanwhile, as it has in previous years, participation banking maintained its growth journey in 2023, showing momentum above that of the sector. The market share of participation banks in the sector, which was 5% in 2017, reached 8.7% at the end of 2023, while their asset size exceeded TL 2.0 trillion.

Expanding their client base each day, TKBB members increased their funds to TL 906 billion by the end of 2023. Cash and non-cash funds totaling TL 523.1 billion, which we allocated to SMEs, stand out as one of the most important indicators of our support for the national economy and sustainable development. We continued to expand our sectoral market share in this area, reaching 11%. The non-performing loan (NPL) ratio of the participation banks, which do not compromise on risk management and asset quality, was realized as 0.96%, below the sector average.



## MESSAGE FROM THE SECRETARY GENERAL

Within the framework of our strategy, setting standards and governance are among our main focus areas for the healthy and sustainable development of participation banking in Türkiye.

In 2023, our profitability reached a level that offered us even more confidence in the future. As of the end of the period, TKBB members generated a total net profit of TL 53.2 billion, up by 79.3% year-on-year. The sector's total shareholders' equity soared by 70.8% to TL 143.9 billion.

**We consistently stood by our nation, during and after the earthquake**

Our sector was an important component in the tremendous solidarity that emerged after the earthquakes, which are described as the disaster of the century. As of the very first moments of this disaster, member banks and their employees mobilized all their facilities in an effort to heal the wounds of the tragedy. Throughout the year, we implemented a number of strong initiatives for the reconstruction and development of the region and we continue our endeavors in this regard.

**The participation banking sector expands**

As the sector takes decisive steps into the future with its solid foundations and financial, technological and human competencies, the expanding participation banking sector now has nine members. In 2023, Türkiye's first new digital banks, Hayat Finans Participation Bank and T.O.M. Participation Bank, were established, while Adabank, per the BRSA, changed its status to a participation bank and, by the end of the year, had commenced operations as Dünya Katılım Participation Bank. We believe that the sector's

customer base will also expand accordingly, thanks to products and services that focus on financial inclusion, as well as approaches that improve the customer experience of our new members.

Furthermore, while the variety and number of services offered through our digital channels increases each day, the number of our branches – our traditional distribution channel – reached 1,459 and the number of our employees reached 19,772.

**Katılım Finans Kefalet A.Ş. commenced operations**

In 2023, Katılım Finans Kefalet A.Ş. (KFK) was established in partnership with the Ministry of Treasury and Finance and the members of the Association in order to meet the collateral requirements of participation banks' customers in the process of accessing financing. From the time of its establishment to the end of 2023, the KFK reached a total loan and equity surety volume of TL 331 million and TL 265 million, respectively.

**Our priority is standardization efforts**

Within the framework of our strategy, governance and setting standards are among our chief goals for the healthy and sustainable development of participation banking in Türkiye. Established in 2018 to ensure that participation banks fulfill their activities in accordance with professional principles and standards, the Advisory Board continued to develop principles and standards for the participation finance ecosystem in 2023. The Advisory Board

published the Mudarabah Standard in 2023. The Board also issued Guidelines on the Trading of Share Certificates and Guidelines on the Purification of Share Certificates, and adopted 26 resolutions on various issues addressed to the Board.

**Participation banking sector is elevating its presence in the global Islamic finance sector**

In addition to our pride in our member banks' stellar performances, the Association achieved other significant successes in 2023. We established new international collaborations in order to closely follow the dynamics of the sector and to build experience transfer bridges with our global stakeholders, as well as to grow our ecosystem with our innovative and entrepreneurial spirit. In this context, we held numerous meetings and signed agreements with banking unions and other authorities in countries such as Bahrain, Qatar, Indonesia, Saudi Arabia, Kuwait, Malaysia, Azerbaijan, Uzbekistan, Tunisia and Nigeria. Moreover, with the establishment of the Council of Bank Associations under the Organization of Turkic States to serve Türkiye's vision for the future, we continue to provide expertise and training support to the bank associations under the Council in order to support the development of participation finance in the Turkic world.



### Constantly renewing ourselves as sector

Industry stakeholders are consistently increasing their investments to adapt to the technology-centered transformation that the world and consumers are experiencing. TKBB members continue to develop their competencies in the fields of digital technologies and artificial intelligence, which are mounting in influence across every aspect of our lives. To integrate ever-evolving financial technologies and emerging innovative business models more rapidly, TKBB members collaborate with fintechs that generate innovative ideas, supporting them in their entrepreneurial journey. The open banking practices of participation banks are among the best on a global scale in terms of functionality and experience. We maintain our support in the development of fintech startups and the improvement of financial inclusion through open banking practices.

### Diversifying the activities of the Association's Economic Enterprise

The Participation Banks Association Invoice Recording System (KBFKS) was established to provide services for preventing duplicate (fictitious) transactions. The system is responsible for processing the details of documents related to the purchase and sale issued by the seller on behalf of the customer and carrying out document deduplication in transactions based on the Sale methods specified in Article 80 of the Banking Law No. 5411 and subparagraph (a) of the first paragraph of Article 19 of the Regulation on Loan Operations of Banks. Participation banks and development and investment banks can benefit from this service in real time. Within the framework of our investments, we integrated the infrastructure enabling common inquiry and document registration with the invoice center established at the Association of Financial Institutions. In 2023, the number of document-based transactions recorded in the KBFKS by the institutions we serve was 838,637.

Additionally, uninterrupted service is provided to our banks by means of the digital infrastructure of the Individual Customer Arbitration Panel Application Management System (BMHH-BYS), for the management of customer complaints, the Meeting and Opinion Management System (TGYS), for the management of all activities of the working committees of the Association, and the Revenue Administration Verification Systems of the New Generation Payment Recording Devices; 627,749 document verifications were performed.

### Continuing to meet educational needs

Another axis of our sectoral development activities is our training activities. During the 2023 academic year, we organized in-class training programs under 104 different topics. After launching our digital training platform, first for employees in the sector, we made it accessible to all segments of society in order to contribute to financial literacy. Moreover, we organized 14 specialty certification training and 10 e-training programs to contribute to the professional and career development of sector employees within the Economic Enterprise, while organizing four certification programs within the framework of our international collaborations.

In the coming period, we will work even more strenuously with our member banks to expand the multifaceted support we provide to the Turkish economy. I sincerely believe that we shall accomplish more substantial achievements in our value journey with the support of our members and employees, who have the most significant share in our success. I would like to extend my gratitude to all our stakeholders.

Sincerely,

**İsmail VURAL**  
Secretary General



## BOARD OF DIRECTORS



### **Onur GÖK** **Chairman of the Board of Directors**

Onur Gök started his professional career as an Assistant Tax Inspector in 2011. He passed the qualification exam and was appointed as a Tax Inspector with the joint (triple) decree published in the Official Gazette, dated July 1, 2015, and numbered 29403. Between September 2017 and April 2018, he served as the rapporteur of the Central Report Evaluation Commission of the Tax Audit Board and also served in the "Legislation Unit" reporting to the Chairman of the Board. In April 2018, he was appointed as the Deputy Secretary General of the Ministry of Treasury and Finance Tax Council with the approval of the Ministry and served in this position until March 2019. Under the Tax Council, as a working group member, he participated in the Istanbul Finance Center and tax reform works, especially the Income and Corporate Tax Reform Works. Between April 2019 and June 2021, he served as Deputy Chairman of the Board of the Tax Audit Board. During this period, he served as the Chairman of the Central Report Evaluation Commission and Deputy Chairman of the Central Disciplinary Board. Between January 2020 and July 2021, in addition to his duty as Vice Chairman of the Board, he served as the Secretary General and Deputy Chairman of the Executive Board of the Tax Council of the Ministry of Treasury and Finance. He served as Advisor to the Minister of Treasury and Finance between December 2021 and June 2022. Between June 2022 and July 2023, he served as the General Director of Financial Markets and Exchange at the Ministry of Treasury and Finance. He served as a member of the Board of Auditors of İller Bankası A.Ş., the Board of Directors of the Development and Investment Bank, the Board of Directors of the Credit Guarantee Fund, and the Board of Directors of the European Investment Fund Türkiye Growth and Entrepreneurship Fund. He passed the Certified Public Accountant Examination held by TÜRMOB and was entitled to become a Certified Public Accountant. He is the author of 2 books on tax legislation and practice, "Corporate Tax Revision" and "Determination and Statement of Income Tax Base: With Annotations and Examples." He has also papers presented in national and international congresses. He is the author of articles published in peer-reviewed journals in the fields of financial law and economics, and articles published in websites that publish in the fields of economics, finance, and law. Onur Gök has been serving as the General Manager and Board Member of Türkiye Emlak Katılım Bankası since July 14, 2023.



### **Ufuk UYAN** **Deputy Chairman of the Board of Directors**

Born in Eskişehir in 1958, Mr. Uyan graduated from the Economics Department of Boğaziçi University in 1981. He received an MBA degree from the Business Administration Department of the same university in 1983. He began his professional career as a Research Assistant at the Economics Department of Boğaziçi University in 1979 and served as a Researcher Economist at the Special Researches Department at Türkiye Sınai Kalkınma Bankası in 1982. Mr. Uyan was appointed as the Vice Project Manager at Albaraka Türk in 1985 and continued his career as the Project and Investments Manager at Kuveyt Türk in 1989. Mr. Uyan was promoted Executive Vice President in 1993 and then appointed Head Assistant to the Chief Executive Officer. Mr. Uyan has been the Chief Executive Officer since 1999. Mr. Uyan is also a Member of the Executive Committee, Remuneration Committee, Credit Committee, and Asset-Liabilities Committee of Kuveyt Türk.



### **Malek Khodr TEMSAH** **Member of the Board of Directors**

In 2003, he received his Bachelor of Business Administration from The George Washington University and in 2006 he completed his Master's Degree in Business Administration from Thunderbird, the Garvin School of International Management. In 2003, he began his career with Bank of America then between 2007 and 2009 he served at the London-based European Islamic Investment Bank. Joining Al Baraka Group in 2010, Mr. Temsah was in charge of the global sukuk portfolio at the sukuk desk, which he founded until 2014. Between 2017 and 2020, he served as a Member of the Board of Directors and Audit Committee at BTI Bank (Morocco). In 2014, Mr. Temsah joined Albaraka Türk and served as Executive Vice President in charge of Treasury, Financial Institutions and Investment Banking Units between 2017 and 2022. Between October 2021 and August 2022, he served as Acting General Manager in addition to the above-mentioned position. Temsah who is fluent in English, Arabic, and Turkish; also serves as the member of the Credit Committee.



### İkrâm GÖKTAŞ

#### Member of the Board of Directors

İkrâm Göktaş, a Board Member and General Manager of Dünya Katılım Bankası, was born in 1969. He graduated from the Department of Business Administration, Faculty of Political Sciences at Ankara University. Between 1992 and 2000, he served in different positions at Garanti Bank. He served in senior management positions at Anadolu Finans Kurumu between 2001 and 2005 and at Türkiye Finans Katılım Bankası between 2006 and 2015, including the position of Assistant General Manager. Mr. Göktaş served as a Board Member and General Manager at Vakıf Katılım Bankası A.Ş. between 2015 and 2023, and he has been serving as a Board Member and General Manager of Dünya Katılım since November 2023.



### Galip KARAGÖZ

#### Member of the Board of Directors

Graduating in 1991 with honors from Boğaziçi University, Department of Computer Engineering, Galip Karagöz served as a partner in charge of technology operations at Bima-Escort Software, which was launched as a technology start-up company in the same year. Between 1999 and 2005, he managed a portfolio consisting of Investment Banking, Consumer Finance, Chamber of Commerce, and Trade Registry Applications at Globis, a technology company owned by EGS Bank. Between 2005 and 2011, he played an active role as Application Development Director at Ziraat Technology, a subsidiary of Ziraat Finance Group, one of Türkiye's most deeply-rooted public banks. In 2009, he assumed the leadership of the first and largest agile transformation project in finance. Between 2012 and 2016, he held senior positions at the Central Securities Depository & Trade Repository of Türkiye as the Deputy Chairman of the Board of Directors. In the same years, Galip Karagöz also assumed the Executive Vice President position at Takasbank as its CIO. He served as IT Group Director at e-commerce platform Hepsiburada between 2016 and 2017, CEO of Ezgetech Technology, a London-based technology consulting company between 2017 and 2018, IT Consultant and Solution Architect at the London office of Santander Corporate & Investment Banking, which operates in more than 20 countries worldwide, between 2018 and 2019, and Board Member and IT Consultant at Osmanlı Yatırım Menkul Değerler in September 2019. Since December 12, 2023, Mr. Karagöz has been serving as the General Manager and Board Member of Hayat Finans Katılım Bankası. He speaks fluent English and is married, with two children.



### Onur ÖZKAN

#### Member of the Board of Directors

Onur Özkan graduated from Boğaziçi University with a double major in Business Administration and International Relations with high honors and completed his Master's degree in Financial Engineering at the same university with a degree. Between 2004 and 2012, Mr. Özkan served as manager at the Treasury Department, Deposit Investment Products and Upper Income Segment Unit Manager, and Retail Segments Management and Sector Banking Group Manager at Finansbank and was appointed as High Income Product and Segment Management and Private Banking Director in 2012. In 2015, Mr. Özkan was appointed as the Bank's Executive Vice President in charge of Private Banking and Asset Management and in 2016 he was appointed as the Executive Vice President in charge of SME and Agricultural Banking, a position held until the end of 2017. During this period, Özkan also served as a Board Member at Finans Faktoring. Since the beginning of 2018, Özkan has served as the Coordinator of the Retail Group Presidency within Sabancı Holding, and also served as a Board Member of CarrefourSA and Vice Chairman of the Board of Teknosa. From the last quarter of 2018 until the end of 2020, Onur Özkan assumed the position of Board Responsibility in different companies of iLab Holding and CEO at Sigortam.net. Since the last quarter of 2020, he has been continuing his career as CEO and Board Member in charge of Fintechs and Digital Bank, which was established from scratch under TOM Group affiliated with Aydın Holding.

## BOARD OF DIRECTORS

**Murat AKŞAM****Member of the Board of Directors**

Murat Akşam has completed his B.Sc. degree in Management Engineering at Istanbul Technical University in 1990. He served as Sales Representative at Beko between 1991-1993, and as Territory Executive at RAM Dış Ticaret A.Ş. between 1993-1997. He joined Türk Ekonomi Bankası as Credit Officer and Credit Allocation Assistant Manager in 1997, and took up the roles of Corporate Credits Manager (2000-2005), Director of Corporate and Commercial Credits Underwriting (2005-2014), and Corporate Banking Group Director (2014-2017) respectively. Murat Akşam served as the Executive Vice President responsible from Commercial Banking between May 2, 2017 and March 24, 2021. He has then become a Board Member and the Acting CEO on February 21, 2020. He was appointed as the CEO of Türkiye Finans on March 24, 2021.

**Mehmet Ali AKBEN****Member of the Board of Directors**

Mehmet Ali Akben completed his undergraduate education at Uludağ University, Faculty of Economics and Administrative Sciences, Department of Business Administration. Having received his master's degree from Marmara University Banking and Insurance Institute, Mr. Akben started his banking career at Faisal Finans Kurumu in 1986. He served as the Financial Affairs Manager at Kuveyt Türk between 1989 and 1999. Between 1999 and 2011, he served as Executive Vice President at Anadolu Finans Kurumu and Türkiye Finans Katılım Bankası. In 2012, Mr. Akben was appointed as a Board Member of the Savings Deposit Insurance Fund (SDIF) and in 2015, as the Chairman of the Banking Regulation and Supervision Agency (BRSA). Mehmet Ali Akben, who served as BRSA Chairman for two terms until May 2023, was appointed as a member of the Presidential Economic Policies Board in 2018 and as the Vice Chairman of the Board of Directors of Türk Telekom in June 2023. As of October 31, 2023, he has been serving as the CEO and Board Member at Vakıf Katılım Bankası A.Ş. Akben is married, with three children.

**Metin ÖZDEMİR****Member of the Board of Directors**

Metin Özdemir graduated from Istanbul University (Faculty of Business Administration) in 1990. He started his career at Kuveyt-Türk Finans Kurumu in 1992, and from 1996, he carried on with his business life as an executive in the retail sector. Mr. Özdemir functioned as a member of Istanbul Metropolitan Municipal Council between 2004 and 2014. Mr. Özdemir was a Member of the Ziraat Bank's Board of Directors and acted as a Member of the Corporate Governance Committee and the Remuneration Committee from April 2012 until 27 May 2019. He served as the Chairman of the Board of Directors of the Participation Banks Association of Türkiye from May 2018 until May 2021. Mr. Özdemir has been a member of the Board of Directors of Ziraat Katılım since 18 February 2015 and was appointed as the CEO on 12 June 2017.





## ADVISORY BOARD



### **Prof. Dr. Hasan HACAĞ** **Chairman of the Board**

Born in 1968 in Giresun/Espiye, Hasan HACAĞ graduated from Espiye İmam Hatip (Religious) High School in 1986 and the Faculty of Theology at Marmara University in 1990. He started his master's degree education the same year at the Institute of Social Sciences at Marmara University. In 1991, he became a research assistant at Marmara University, Faculty of Theology. In 1993, he completed his master's degree with a thesis called "Rights of Easement and Related Concepts in Islamic Law," and his PhD thesis titled "Analysis of the Concept of Right in Classical Sources of Islamic Law" in 2000. He received the title of associate professor in 2008 and professor in 2013. Works: The Effect of the Atomist Universe Conception on Islamic Law: An Analysis of the Relationship between Kalam and Fiqh, The Structure of Reason in Arab-Islamic Culture: A Critical Analysis of Knowledge Systems in Arab-Islamic Culture (translated from al-Jābirī, jointly with Burhan Köroğlu and Ekrem Demirli).



### **Prof. Dr. Ertuğrul BOYNUKALIN** **Deputy Chairman of the Board**

Born in 1966 in Balıkesir. He graduated from Istanbul/Fatih Primary School (Taş Mektep-Stone School-school not affiliated with the Ministry of Education) in 1977. He completed his secondary education, which he started at Istanbul Boys' High School, in Riyadh Islamic Sciences High School in 1985. He graduated from the Department of Islamic Law at Riyadh Islamic University in 1989. He completed his master's degree with a thesis titled "Peace in Islamic Law" at Marmara University Institute of Social Sciences in 1992, and his PhD in 1999 with a thesis titled "The Problem of Purpose in Islamic Law" at the same institute. He served as a researcher at the TDV (Türkiye Diyanet Foundation) Centre for Islamic Studies (ISAM) between 1999-2001 and 2005-2012. He received the title of Associate Professor in 2012 and Professor in 2018. He started to work as a faculty member in the Department of Islamic Law, the Faculty of Theology at Marmara University on 26 December 2012. In addition to this position, he continues to serve as the Director of the Marmara University Institute of Islamic Economics and Finance, a role that he was appointed to as the Founding Director on April 17, 2019. He is the author of articles, papers, encyclopedia articles, and translations in the fields of Islamic Law and Islamic Economics and Finance.



### **Prof. Dr. Abdullah KAHRAMAN** **Board Member**

He was born in 1964 in Bayburt. After graduating from elementary school in Bayburt, he has moved to Istanbul with his family. After completing his secondary and high school education at Üsküdar İmam Hatip High School, he enrolled in the Faculty of Theology at Marmara University in 1987. He graduated from the faculty in 1991. He took private lessons in Islamic sciences before and during his university education and became a hafiz. The same year, he was appointed as a teacher to Kağıthane İmam Hatip School. During his tutorage, he started his graduate study at Marmara University Institute of Social Sciences. In 1994, he completed a thesis titled "Exchange Transaction According to Islamic Law", and he started his PhD studies at the same institute immediately. While pursuing his teaching career, he was appointed as a research assistant to Cumhuriyet University, Faculty of Theology, Department of Islamic Law in 1994. He completed his PhD in 1997 with a thesis titled "Contract of Surety According to the Islamic Law of Obligations and its Current Practice." He was appointed as an Assistant Professor in 1998, Associate Professor in 2003, and Professor in 2008. He was elected as a member of the Religious Affairs High Board of Presidency of Religious Affairs of Türkiye in 2019. He is married, with six children and still works as a faculty member at Marmara University Faculty of Theology. He also serves as the Dean of Kocaeli University Faculty of Theology and a member of High Board of Religious Affairs. He served as a Visiting Scholar and administrator at Baku State University for three years (2004-2007). He speaks Arabic and English. He is the author of many books and articles in his field. His research interests include Islamic economics and finance, Islamic legal thought, contemporary fiqh issues and fatwa procedure.



### **Prof. Dr. Soner DUMAN** **Board Member**

Born in Istanbul in 1975. He started his education at the Marmara University Faculty of Theology in 1993. After his graduation in 1998, he started his master's degree at Marmara University Institute of Social Sciences in Islamic Law in the same year. He completed his master's degree in 2000 and his PhD in 2007. Between 2000 and 2011, he served as a religious culture and ethics teacher at various high schools under the Ministry of National Education. In 2011, he started to work as a faculty member at Sakarya University Faculty of Theology, Department of Islamic Law. He qualified as Associate Professor at the same university in 2014 and Professor in 2019. He is still working as the Head of the Department of Islamic Law and faculty member at the same university. He also gives lectures in the Department of Islamic Economics and Finance at the same university. He has many books, articles and papers, and translations in his field. He is married and has three children.



**Prof. Dr. Ahmet YAMAN**  
**Board Member**

He was born in Konya. He graduated from Antalya Imam Hatip School (1985), Marmara University Faculty of Theology (1989), and Religious Affairs Administration Istanbul Haseki Education Centre (1992). He served as a hatip and preacher for a while. He completed his master's (1991) and PhD (1996) in the field of Islamic Law at Marmara University. He received the title of associate professor in 1999 and a professor in 2005. He served as a faculty member and administrator at Selçuk University Faculty of Theology (Konya) between 1992-2010. He served as the Founding Dean of Akdeniz University Faculty of Theology (Antalya) in 2010-2013. Following the establishment of this faculty, he returned to his former school, which was renamed as Necmettin Erbakan University. During these years, he was elected as a member of the Presidency of Religious Affairs of Türkiye High Board of Religious Affairs in 2011. He is currently a faculty member at Necmettin Erbakan University, Faculty of Theology and a member of the Advisory Board of TKBB. He is the author of many national and international publications.



**Temel HAZIROĞLU**  
**Board Member**

Temel Haziroğlu was born in Trabzon and later moved to Istanbul with his family. He completed his elementary and secondary education in this city. He graduated from Kabataş Boys' High School. He graduated from Istanbul Technical University, Department of Mathematical Engineering. He completed his master's degree at Istanbul Sabahattin Zaim University, Department of Business Administration. He is currently pursuing a PhD in Sociology. He served for five years as a Programmer, System Analyst, and IT Manager Assistant in Türkiye Emlak Bankası. Between 1986-1991, he served as an Information Technologies Manager at Albaraka Türk. He served as the Founding Manager of Albos, which is the first interest-free banking automation system in Türkiye. He served as a free trader and a consultant during 1992-1995. In 1996, he resumed his position at Albaraka Türk. Since 2003, when he was appointed as Assistant General Manager of Albaraka Türk, he has been in charge of Information Technologies, Human Assets, Training and Organization, Finance, and Strategy. He retired from this position in 2018 and started to serve as a member of the Advisory Board of the Participation Banks Association of Türkiye (TKBB), where he was elected. He still serves in this position. Haziroğlu taught as a visiting scholar to graduate students at Marmara University Institute of the Middle East and Islamic Countries Studies between 2016 and 2019. Haziroğlu pioneered the development of the idea of "advanced democracy," the renaming of interest-free banking as "participation banking," the transformation of human resources into "human values," the creation of the concept of "participation economy," and the birth of the idea of "ascension." He has delivered conferences and seminars in many universities, high schools, foundations, associations, and organizations. He attended many symposiums and panels as a speaker. He served in various foundations, associations, and organizations. His articles and papers about the current philosophical, intellectual, political, economic, and social structure have been published in various journals and newspapers. He is the author of five academic articles and five books published under the titles "İnsan ve Gerçek (Human and Reality)," "Yeni Arayış ve İleri Demokrasi Fikrinin Doğuşu (New Quest and the Birth of the Idea of Advanced Democracy)," "Katılım Ekonomisi/ Yeni Zihin Yeni İktisat (Participation Economy/New Mindset New Economics)," "Yüceliş (Ascension)," and "Barış Yurduna Hareket/ Yüceliş Manifesto (Movement to the Land of Peace/ Manifesto of Ascension)." Temel Haziroğlu is married and has three children.



**Assoc. Prof. Dr. Abdurrahman SAVAŞ**  
**Board Member**

He was born in Konya in 1972. He completed his elementary, secondary, and high school education in Istanbul. Mr. Alpaslan Özen graduated from Istanbul University Faculty of Law in 1994. He completed his law internship in 1995. In 1998, he started to work as an assistant at Selçuk University, Faculty of Law and completed his master's degree titled "Power of Attorney in Roman and Turkish Law" in the same year. In 2005, he received the PhD degree with his thesis titled "Agreements Concluded on the Internet and Legal Consequences Thereof." In 2006, he became a faculty member at Selçuk University Faculty of Law, Roman Law Department, and after a while, he became the Head of the department. In 2010, he was appointed as the Deputy Director of Selçuk University, Faculty of Law, Justice Vocational School. In 2011, he lectured Roman Law courses at Istanbul University, Faculty of Law. In 2012, he started to work as the Head of the Roman Law Department at Istanbul University, Faculty of Law. In 2014, he was appointed as the Deputy Director of Istanbul University, Faculty of Law, Justice Vocational School. Abdurrahman Savaş, who holds a bachelor's degree in Management Information Systems from Anadolu University and a master's degree in Islamic Law from Marmara University, received the title of Associate Professor of Civil Law in 2017. His works include Nullity of Marriage in Islamic and Turkish Law, A Comparative Study on Hittite Roman Islamic and Jewish Laws, Obligations of the Parties in Internet Banking, Electronic Testament, Neighborhood Law from History to the Present, The Transformation Process of Strict Liability to Fault Liability in Roman Law and the Effect of this Transformation on Modern Law. Abdurrahman Savaş, fluent in English, German and Arabic, is married and has three children.

## GENERAL SECRETARIAT

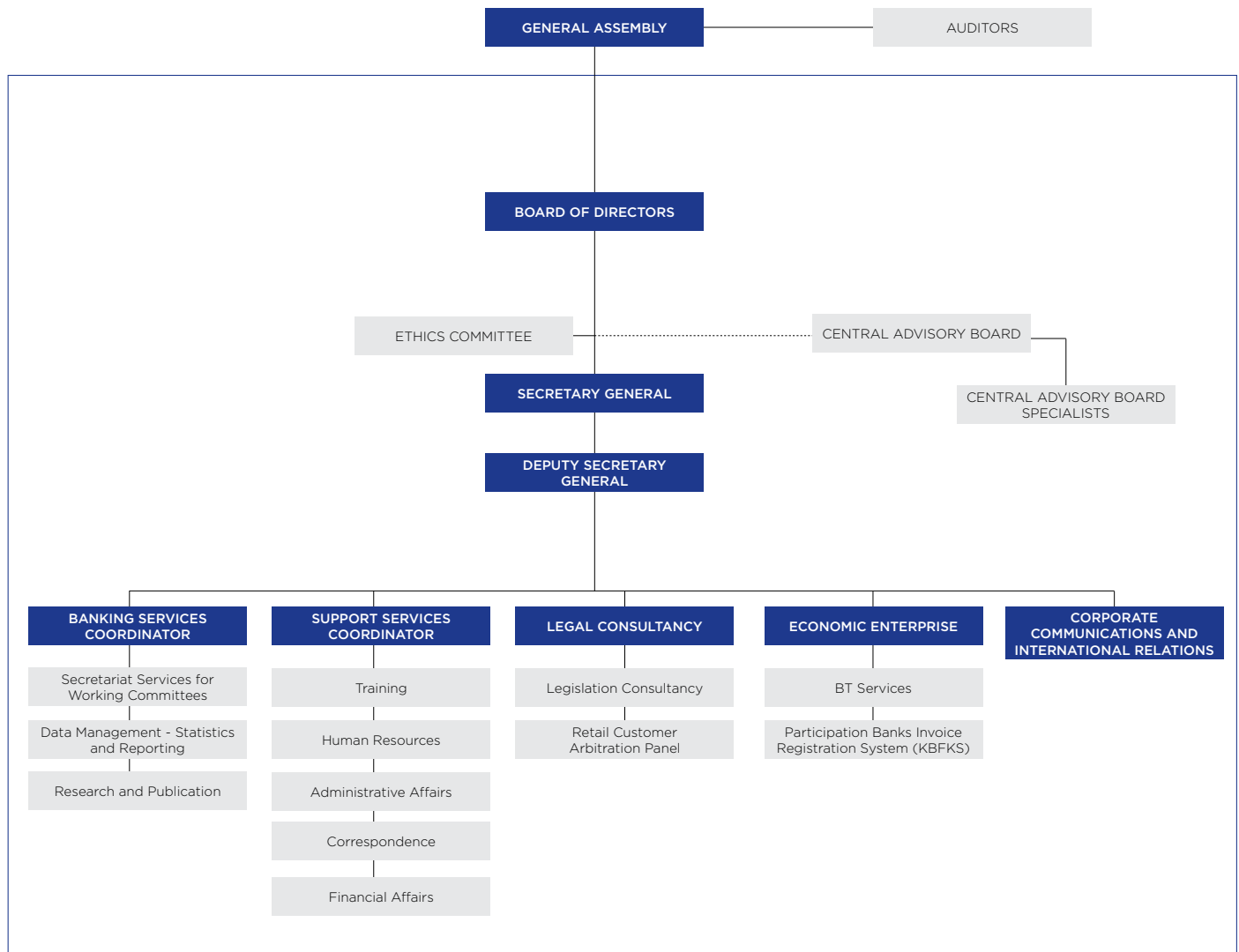


**İsmail VURAL**  
**Secretary General**

He was born in Ordu/Ünye in 1972. He graduated from 9 Eylül University Faculty of Economics and Administrative Sciences in 1993. In 1997, he started his career as an Assistant Specialist in the Marketing Department of Kuveyt Türk Participation Bank and resigned from this position in 1999. At Türkiye Finans Katılım Bankası, he served at various levels as a Marketing Specialist, Marketing Manager, Branch Manager, Regional Manager, Recruitment, and Career Planning Manager, respectively. He started to serve as Executive Vice President in charge of Retail Banking in July 2016 and continued his office until March 2017. İsmail Vural, who started to serve as the Deputy Secretary General of the Participation Banks Association of Türkiye in February 2018, was further appointed as the Acting Secretary General as of February 2022. Mr. Vural has been appointed as the Secretary General in April 2023.



## ORGANIZATION CHART





**IN 2023**



## THE WORLD ECONOMY

With the gradual easing of inflationary pressures at the beginning of the year, the global economy moderately outperformed expectations in 2023.

### Prospects for a strong global recovery remain uncertain

2023 was marked as a year in which the global economy faced weak growth projections, high inflation, and increasing uncertainties. A number of factors, including the prolonged Russian-Ukrainian war, the adverse effects of climate change, regional geopolitical tensions that have turned into conflicts, and humanitarian crises, have increased vulnerabilities for economies.

The post-pandemic global inflation surge has led central banks, especially in advanced economies, to embark on the most aggressive interest rate hike cycle in a long time, while tightening financial conditions and shrinking risk appetite put the growth outlook under pressure. In 2023, the US Federal Reserve (Fed) raised its policy rate to 5.25%-5.50% and the European Central Bank (ECB) raised its policy rate to 4.5%. While both central banks have signaled that they will stop soon to assess the full impact of these hikes, core inflation, which still remains above targets, suggests that the return to normal may take some more time.

### Global economic growth forecasts revised upwards

Despite these risk factors, with the gradual easing of inflationary pressures at the beginning of the year, the global economy moderately outperformed expectations in 2023. The International Monetary Fund (IMF) published its Global Economic Outlook Report in early January 2024 under the title "Moderate Inflation and Stable Growth Pave the Way to a Soft Landing" and revised its growth expectations upwards according to its latest October report. In the report, the global growth forecast was revised upwards to 3.1% for 2023 and 2024, while the forecast of 3.2% for 2025 was maintained. The upward revision for 2024 was driven by the expectation that the growth rate of the US and China shall increase, while the performance of the Eurozone economies is expected to slow down relatively.

The Organization for Economic Cooperation and Development (OECD) also revised its growth forecasts for 2023 and 2024 by 2 percentage points to 3.1% and 2.9%, respectively, in its Economic Outlook Interim Report released in February 2024 with the theme "Strengthening the Foundations for Growth." The report emphasized that growth remained strong in the US, but weak in other developed countries due to the energy crisis.

### Global trade declines

While the global economy is heading towards a soft landing, the weak outlook continues on the trade side. According to World Trade Organization (WTO) data, global exports declined in value terms throughout 2023, and this decline was 5.6% in the January-September period. In 2023, total global trade in goods and services is projected to decline by USD 1.5 trillion year-on-year to USD 31 trillion. The IMF's Global Economic Outlook (January 2024) also revised expectations for global trade downwards. The report suggests that the trade growth shall not be more than 3.3% in 2024 and 3.6% in 2025.

### Ongoing uncertainties make forecasting difficult

Although the world managed to avoid a recession in 2023, almost all of the projections for the coming period point to a prolonged period of low growth. It is believed that the fact that the USA, which continues to perform better than expected, has entered an election year may have negative effects. In Europe, which is nearing the end of its monetary policy tightening cycle, weak economic activity in China, possible new energy and commodity price shocks, and factors accelerating financial instability are putting downward pressure on growth.

After the Russia-Ukraine crisis, the possibility of a new upward pressure on energy prices and thus on inflation due to the rising conflict in the Middle East is one of the risk factors to be monitored in the upcoming period.



	Year over Year				Q4 over Q4 2		
	Estimate		Projections		Estimate	Projections	
	2022	2023	2024	2025	2023	2024	2025
<b>World Output</b>	<b>3.5</b>	<b>3.1</b>	<b>3.1</b>	<b>3.2</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>
<b>Advanced Economies</b>	<b>2.6</b>	<b>1.6</b>	<b>1.5</b>	<b>1.8</b>	<b>1.6</b>	<b>1.6</b>	<b>1.7</b>
United States	1.9	2.5	2.1	1.7	2.9	1.5	1.9
Euro Area	3.4	0.5	0.9	1.7	0.2	1.5	1.6
Germany	1.8	-0.3	0.5	1.6	-0.1	1.1	1.9
France	2.5	0.8	1.0	1.7	0.6	1.4	1.8
Italy	3.7	0.7	0.7	1.1	0.2	1.3	1.0
Spain	5.8	2.4	1.5	2.1	1.5	1.8	2.1
Japan	1.0	1.9	0.9	0.8	1.4	1.6	0.5
United Kingdom	4.3	0.5	0.6	1.6	0.9	0.6	1.8
Canada	3.8	1.1	1.4	2.3	1.1	1.9	2.2
Other Advanced Economies 3/	2.7	1.7	2.1	2.5	1.5	2.6	2.0
<b>Emerging Market and Developing Economies</b>	<b>4.1</b>	<b>4.1</b>	<b>4.1</b>	<b>4.2</b>	<b>4.3</b>	<b>4.3</b>	<b>4.1</b>
Emerging and Developing Asia	4.5	5.4	5.2	4.8	5.2	5.5	4.7
China	3.0	5.2	4.6	4.1	5.4	4.4	4.0
India 4/	7.2	6.7	6.5	6.5	5.0	7.8	6.7
Emerging and Developing Europe	1.2	2.7	2.8	2.5	4.1	2.0	2.9
Russia	-1.2	3.0	2.6	1.1	4.4	1.4	1.0
Latin America and the Caribbean	4.2	2.5	1.9	2.5	2.2	1.7	2.6
Brazil	3.0	3.1	1.7	1.9	2.3	2.6	1.4
Mexico	3.9	3.4	2.7	1.5	3.4	1.9	1.4
Middle East and Central Asia	5.5	2.0	2.9	4.2	...	...	...
Saudi Arabia	8.7	-1.1	2.7	5.5	-4.5	2.8	5.4
Sub-Saharan Africa	4.0	3.3	3.8	4.1	...	...	...
Nigeria	3.3	2.8	3.0	3.1	2.7	3.3	2.9
South Africa	1.9	0.6	1.0	1.3	1.0	1.2	1.3
World Growth Based on Market Exchange Rates	3.0	2.7	2.6	2.7	2.7	2.5	2.6
European Union	3.6	0.6	1.2	1.9	0.7	1.4	2.3
ASEAN-5 5/	5.5	4.2	4.7	4.4	4.1	5.2	3.5
Middle East and North Africa	5.6	2.0	2.9	4.2	...	...	...
Emerging Market and Middle-Income Economies	4.0	4.2	4.0	4.0	4.3	4.3	4.1
Low-Income Developing Countries	5.2	4.0	5.0	5.6	...	...	...
<b>World Trade Volume (goods and services) 6/</b>	<b>5.2</b>	<b>0.4</b>	<b>3.3</b>	<b>3.6</b>	...	...	...
Advanced Economies	6.1	0.3	2.6	3.2	...	...	...
Emerging Market and Developing Economies	3.7	0.6	4.5	4.4	...	...	...
<b>Commodity Prices</b>							
Oil 7/	39.2	-16.0	-2.3	-4.8	-2.8	-6.1	-4.9
Nonfuel (average based on world commodity import weights)	7.9	-6.1	-0.9	-0.4	-2.0	1.5	0.2
<b>World Consumer Prices 8/</b>	<b>8.7</b>	<b>6.8</b>	<b>5.8</b>	<b>4.4</b>	<b>6.0</b>	<b>5.3</b>	<b>3.8</b>
Advanced Economies 9/	7.3	4.6	2.6	2.0	3.1	2.3	2.0
Emerging Market and Developing Economies 8/	9.8	8.4	8.1	6.0	8.4	7.7	5.2

## THE TURKISH ECONOMY

As in the previous year, Turkish economy continued to diverge positively from global economies, growing by 4.0%, 3.9%, and 4.5% in the first three quarters, respectively.

### Turkish economy is exposed to a resilience test once more in the face of challenges

Concluding a very eventful year for Türkiye, the earthquake disaster that struck on February 6 had a decisive impact on the economy. In addition to the humanitarian crisis, the most devastating earthquakes in Türkiye's history created a significant financial bill and have deeply shaken the markets. The intense election agenda in the first half of the year was another key factor shaping the economic outlook. Despite these endogenous shocks added to the challenging global conjuncture, the Turkish economy has managed to demonstrate a high level of resilience.

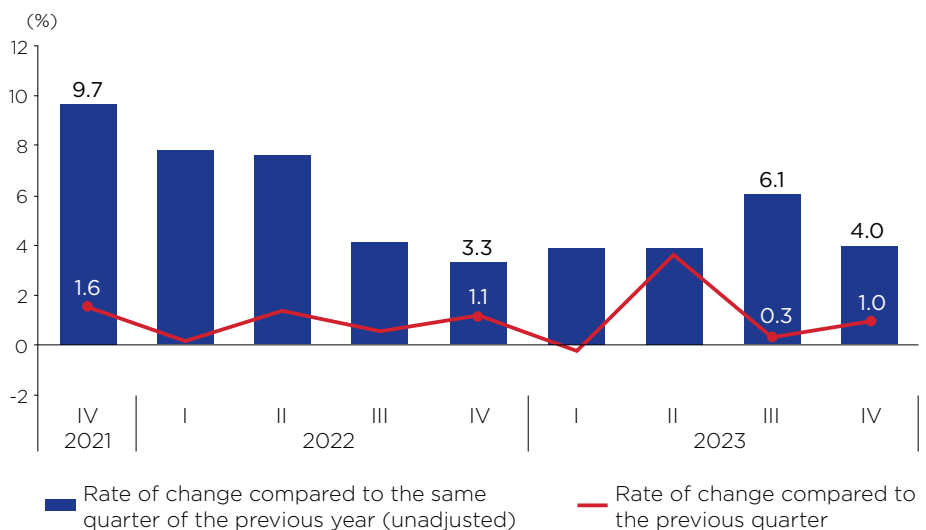
### Türkiye continues its impressive growth performance

As in the previous year, Turkish economy continued to diverge positively from global economies, growing by 4.0%, 3.9%, and 4.5% in the first three quarters, respectively. In the last quarter of the year, the Gross Domestic Product (GDP) grew by 4.0%, marking a success of 14 consecutive quarters of growth for Türkiye. With its performance in this period, Türkiye ranked second among member countries of the Organization for Economic Cooperation and Development (OECD) and third among G20 countries. With these results, Türkiye recorded 4.5% growth in 2023, exceeding the 4.4% projected in the Medium Term Program (MTP), while exceeding USD 1 trillion (USD 1.12 trillion) in the GDP for the first time in 2023.

The analysis of the activities that make up the GDP reveals that in 2023, as a chained volume index compared to the previous year, the total value added of finance and insurance activities increased by 9.0%, construction by 7.8%, services by 6.4%, other service activities by 4.6%, public administration, education, human health, and social work activities by 3.8%, real estate activities by 2.7%, information and communication activities by 1.3%, professional, administrative, and support service activities by 1.2%, and industry by 0.8%, while the agricultural sector decreased by 0.2%.

Household final consumption expenditures increased by 12.8% in 2023 compared to the previous year's chained volume index and their share in the GDP was 59.1%. During the period in which labor payments rose by 116.0% year-on-year, exports of goods and services decreased by 2.7%, while imports increased by 11.7%.

### GDP Growth Rates, Q4: October-December, 2023



Source: TURKSTAT (Turkish Statistical Institute)

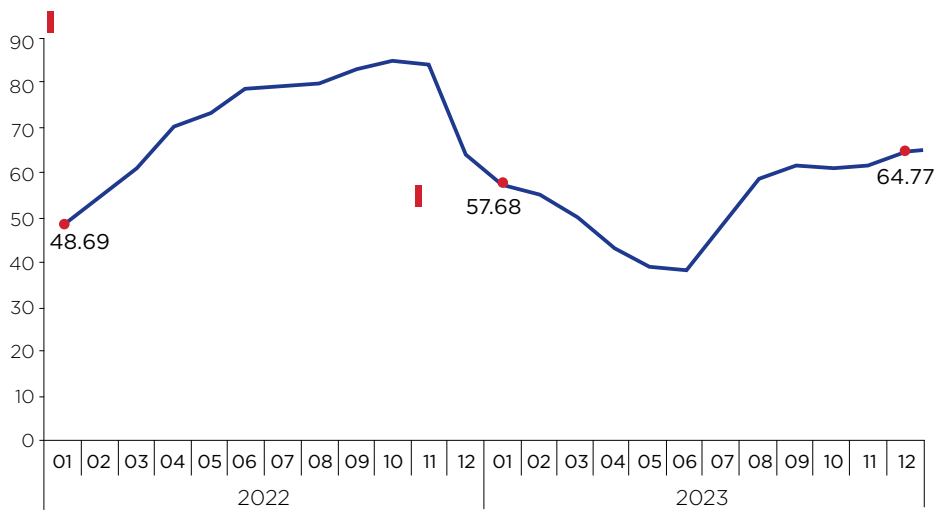
### In 2023, the most important item on the economic agenda was inflation

The CPI, which peaked at 85% in November 2022, declined to 38% in June 2023, supported by the decline in energy prices and the base effect, and was 64.77% annually in 2023. After the 2023 elections, new economy administration adopted a new economic road map and implemented an economic policy set based on combating inflation

and the current account deficit. In this period, the CBRT started to take decisive steps to ensure price stability and raised the policy rate by a total of 3,400 basis points to 42.5% gradually starting from June until the end of the year. Continuing its hike cycle in the new year, the CBRT raised the policy rate by 250 and 500 basis points to 50% at the Monetary Policy Committee (MPC) meetings in January and March 2024, respectively.

In addition to tightening monetary policy, the CBRT also took important simplification steps in the macroprudential framework. In this context, a gradual road map for FX-protected deposit accounts was established, and the exit process from FX-protected deposit accounts was initiated by setting targets for banks to switch from FX-protected deposit accounts to Turkish lira accounts.

CPI Annual Change Rates (%), January 2024



Source: TURKSTAT

### Improvement in foreign trade deficit and current account balance

Türkiye's exports increased by 0.6% year-on-year to USD 255.8 billion in 2023, despite the impact of the slowdown in economic activity in target markets, particularly in Europe. In the same period, imports decreased by 0.5% to USD 361.8 billion. In 2023, the foreign trade deficit decreased by 3.2% to USD 106.0 billion. The ratio of exports to imports increased from 69.9% in 2022 to 70.7% last year.

The current account balance, on the other hand, rose rapidly in the first half of the year due to the deterioration in the foreign trade balance in line with the increase in demand, and exceeded USD 60 billion as of May. The current account balance, started to decline to more sustainable levels in line with the decline in the foreign trade deficit due to the monetary tightening steps taken since June and the rise in exports, recorded surpluses in September and October. The current account deficit, stood at USD 49.1 billion in the previous year, declined to USD 45.2 billion in 2023.

### More positive prospects for 2024

In 2024, markets shall continue to carefully monitor the actions of the economy administration, prioritizing price stability. The positive results of monetary tightening in combating inflation are expected to be experienced from the second half of the year. The improvement in Türkiye's risk premium due to the normalization of economic policies also reinforces the expectation that capital flows to Türkiye shall increase in 2024.



## BANKING SECTOR

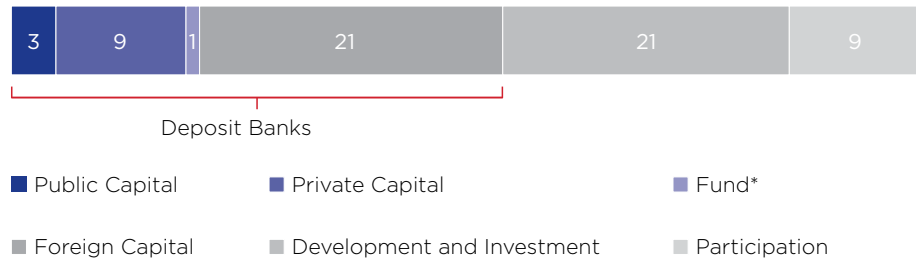
The Turkish banking sector continued to be one of the strongest stabilizers supporting the national economy in 2023 with its healthy and strong capital structure and risk management-based approach.

### Turkish banking sector proceeds with its solid development

The Turkish banking sector continued to be one of the strongest stabilizers supporting the national economy in 2023 with its healthy and strong capital structure and risk management-based approach despite the adversities surrounding its operation ecosystem. During this period, the sector again fulfilled its responsibility of financing development perfectly, while maintaining its asset quality.

As of year-end 2023, 63 banks were actively operating in the system, including 34 deposit banks, 20 development and investment banks, and 9 participation banks. The number of employees in Turkish banking sector, which increases its support to employment day by day, exceeded 208 thousand as of the end of the year.

### Number of Banks



\* Banks Turned Over to the Savings Deposit Insurance Fund

Source: Bank Association of Türkiye



**208,623**  
Number of  
Employees



**10,949**  
Number of  
Branches



**50,004**  
Number of  
ATMs



### Profitability continues to improve

In 2023, the sector's total assets increased by 64.1% year-on-year, reaching TL 23,550 billion. Loan and deposit volumes rose to TL 11,677 billion and TL 14,852 billion, respectively.

Although the gradual interest rate hikes implemented since the second half of the year and the tightening of financial conditions during the simplification period in the macro prudential framework slowed loan growth, banks managed to improve their profitability through their core activities by improving their supply quality. Net profit for the period increased by a remarkable 43.8% year-on-year to TL 620.5 billion, mainly due to the significant increase in net interest income. As a result of these outcomes, the return on equity ratio of Turkish banking was 41.53% on an annual basis, while the capital adequacy standard ratio stood at 18.85%. Operating in full coordination both internally and with regulatory authorities, the sector's non-performing loan ratio, one of the strongest indicators of asset quality, stood at 1.6%.

### SELECTED BALANCE SHEET ITEMS

	Amount (TL billion)	2022 2023 (%)
<b>Assets</b>		
Loans	11,677	54.0%
CBRT and Required Reserves	3,508	91.5%
Receivables from Banks	851	52.4%
Securities	3,970	67.4%
Other Assets	3,544	76.8%
<b>Total Assets</b>	<b>23,550</b>	<b>64.1%</b>
<b>Liabilities</b>		
Deposits	14,852	67.6%
Payables to Banks	2,384	66.5%
Repo Transactions	723	33.9%
Securities Issued	584	79.5%
Shareholder's equity	2,153	53.1%
Other Liabilities	2,855	60.2%
<b>Total Liabilities</b>	<b>23,550</b>	<b>64.1%</b>

Source: BRSA



### Pioneering digitalization and sustainability practices

Turkish banking has become a global model with its ever-improving digital competencies. In recent years, the sector has been investing in expanding financial access and moving its services from physical to digital channels, with a focus on enhancing the customer experience. In this context, it accelerated its transformation journey with the remote customer acquisition period that started in 2021. In May 2023, a legislative amendment allowed legal entities to become customers through digital channels.

In addition, the Turkish banking sector is increasing its contribution to Türkiye's qualified and inclusive development by demonstrating progress in compliance with sustainability practices around the world.

## GLOBAL ISLAMIC FINANCE AND BANKING

### The Islamic financial services industry continues to perform structural developments while demonstrating its robustness and resilience.

#### Islamic finance sustains its ascension

In the field of Islamic finance, which continues to deepen its effectiveness and expand its sphere of influence, comprehensive road maps have been established in the last 10 years and many regulations supporting the system and ecosystem have been implemented. During this period, countries such as Indonesia, Malaysia, Saudi Arabia, and Türkiye have made Islamic finance benchmarks part of their national economic strategies. This has led to significant gains, such as double-digit growth rates in Islamic finance assets.

Despite the challenging conjuncture prevailing around the world, the global Islamic financial services sector continues to make structural advances while demonstrating its robustness and resilience. The Islamic finance sector has recorded strong growth, with total assets increasing by 11% to reach USD 4.5 trillion in 2022. This growth was mainly driven by expansions in the banking sector and the sukuk market. However, compared to 2021, Islamic assets under management fell by 10% to USD 220 billion, while the number of new Islamic funds declined significantly, from 223 in 2021 to 71 in 2022. However, notable new funds have also been launched, such as Australia's first Islamic ETF in 2022 and ESG ETFs in different regions.

Conversely, tight monetary policies, inflationary adjustments that escalated expenses, and increased digitalization expenditures suppressed the profitability of the Islamic banking sector, which reached USD 3.2 trillion in assets. Despite these challenges surrounding the operating environment, banks, particularly in the Gulf States and Türkiye, had a successful period in terms of profitability.

#### 2023 has been a successful year for all sectors in terms of performance

In 2022, the sukuk market showed a significant performance, especially due to increased issuances in Malaysia, reaching a size of USD 788 billion in 2022. On the other hand, the increase in oil prices led to a decline in sukuk issuances in the Gulf States. During the period, apart from Malaysia, significant corporate issuances were made in Sub-Saharan African countries such as Tanzania and Nigeria.

Takaful, the third largest sector of the Islamic finance system, recorded a remarkable growth of 16% in 2022, increasing its total assets to USD 90 billion. However, the year-end figures of nearly half of the takaful firms declined compared to the previous year due to increased indemnity payments in vehicle takaful and investment losses.

In 2022, the other Islamic financial institutions sector increased their total assets to USD 167 billion, while Saudi Arabia maintained its position as the country hosting the largest number of institutions in this field.

#### Islamic finance shall continue to develop with a focus on sustainability and digitalization

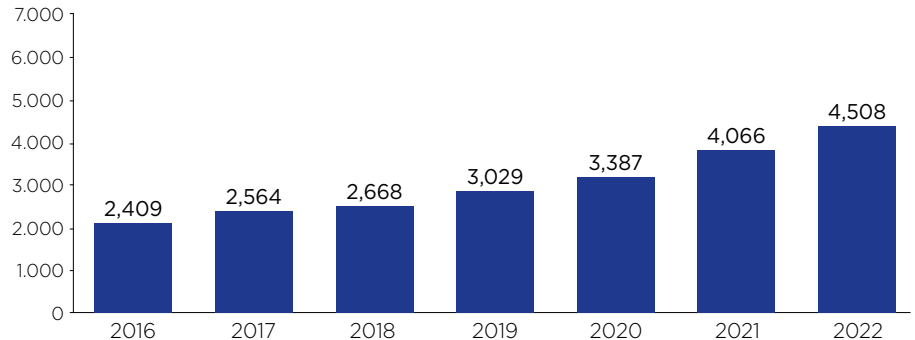
Islamic finance, which has strong growth potential, is expected to continue its steady rise in the period ahead. In emerging markets such as Russia and Uganda, efforts are underway to integrate Islamic banking into financial systems, while regulatory frameworks for Islamic capital markets are being developed in countries such as Algeria and Ethiopia.

In the last 10 years, investments in fintech, digital banking, and artificial intelligence have had the greatest impact on the development of Islamic banking. In this period, many new digital participation banks started to operate in countries such as Malaysia and Indonesia in Asia, Bahrain and Saudi Arabia in the Middle East, and Türkiye and the United Kingdom in Europe. It is expected that digital transformation shall continue to accelerate in general in the system, especially in the takaful sector, in the coming period.

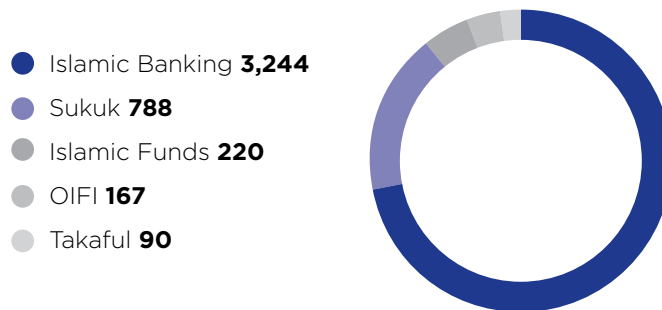
In addition, the Islamic finance sector continues to play an important and growing role in sustainability globally due to the great alignment and integration between the requirements of Islamic law and the goals of the Sustainable Development Goals. ESG (Environmental, Social and Governance) related sukuk issuances, one of the important indicators in this context, increased from USD 6.1 billion in the previous year to USD 8.4 billion in 2022.

In addition, efforts are underway to increase understanding and awareness of Islamic finance and to promote financial literacy. Given these developments, the Islamic finance industry is expected to reach USD 6.7 trillion in 2027.

**Islamic Finance Asset Growth (2016-2022, USD Billion)**



**Islamic Finance Assets (2022, USD Billion)**

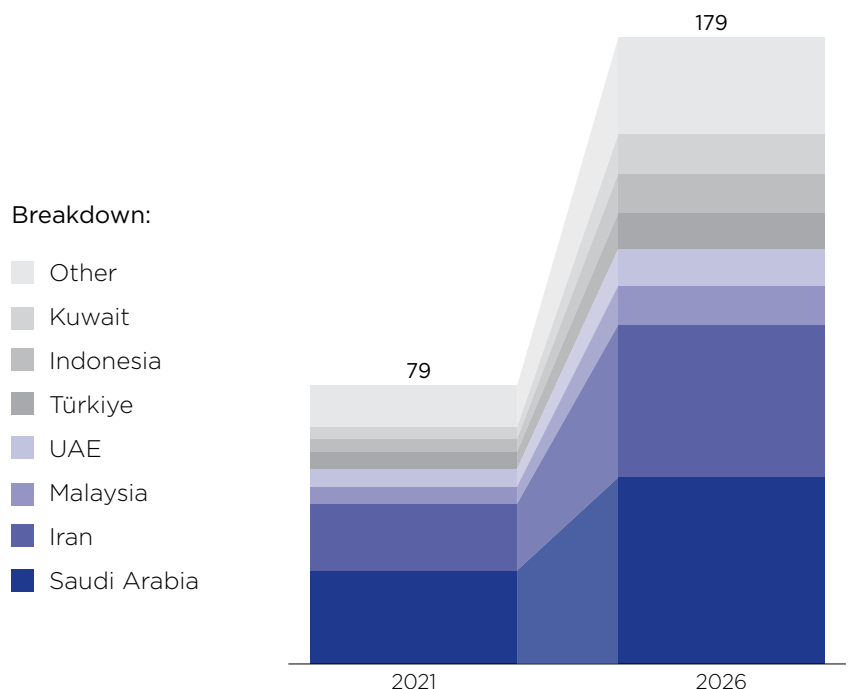


### Islamic fintechs serve as a catalyst for financial inclusion

Financial technologies play a crucial role in the transformation of financial services and in reaching a broader audience. Islamic fintechs are also working to meet the basic financial requirements of the people who shape their social lives with Islamic teachings by focusing on the financial problems of 1.8 billion Muslims, employing innovative technological approaches. Islamic fintechs, which have been growing their inclusiveness- and sustainability-oriented gains day by day thanks to the collaboration increased recently between Islamic financial institutions and regulatory bodies, are also playing a transformative role in global banking.

In parallel with the ever-increasing digitalization in the future of Islamic finance, fintech companies shall play a major role in pioneering the adoption of new technologies to drive the development of the Islamic finance system and set new standards for interaction in the financial world. The fintech market in this area is expected to grow at 18% per annum on average, from approximately USD 79 billion in 2021 to USD 179 billion by 2026. Saudi Arabia, Iran, Türkiye, UAE, Malaysia, and Indonesia are the biggest fintech markets.

**Fintech Market Size (USD Billion)**



## THE PARTICIPATION BANKING SECTOR

In 2023, participation banking channeled its resources to value-added production, qualified employment growth, and exports.

### From Past to Present, Participation Banking in Türkiye

A healthy and strong financial system and banking system are the main pillars of a globalizing and growing economic system. The assessment of savings, the provision of the collected resources as financing support to the economy and the mediation of financial transactions in the process of economic activities are the activities that make up the banking system. Interest-free banking or participation banks offer an important alternative in the financial system in terms of the participation of individuals and societies which do not want to participate in activities which involve interest, due to religious sensitivities or the distorting effects of interest on income distribution.

Participation banks, like other actors in the financial system, are institutions which have a place in the financial sector, finance the real economy and provide banking services. However, the reason for the emergence and existence of participation banks is that they do not include the phenomenon of “interest” in return for any activity or service; in other words, they adhere to the principle of “no interest.” This principle revolves around not promising to provide any fixed income when collecting funds from savers and when making funds available; instead of direct cash payment, it is based on the principle of buying the required commodity in cash, selling it on a deferred basis, leasing it or forming a partnership with the business owner on a project basis.

Today, participation banks, which are growing in the world banking sector and operating in line with Islamic principles, support the utilization of idle funds in the economy with interest-free financing models and contribute to economic development.

Participation banking activities in Türkiye started one year after the establishment of “Private Financial Institutions” was authorized by the decree of the Council of Ministers in 1983, gained momentum in the 1990s, and were included in the scope of the Banks Act in 1999.

With the publication of the Banking Law No. 5411 in 2005, Private Financial Institutions operating in the sector for more than 20 years changed their names to become a “Katılım Bankası” (Participation Bank).

Participation banking, undergone organizational and structural development processes at both a national and global level in the 2000s, gained a more qualified and strategic position with the spread of participation finance activities to areas such as financial product development, portfolio management and private pensions. Since the mid-2010s, with the inclusion of public enterprises, participation banking sector has expanded gradually with steady growth momentum.

The first participation bank (then referred to as a Private Finance House) in Türkiye was Albaraka Türk, which was founded in 1984. Kuveyt Türk was subsequently established in 1989 and Türkiye Finans was established in 2005. The main shareholders of all three participation banks are foreigners.

In 2015, the government established Ziraat Katılım, the first public participation bank, in a bid to increase the share of participation banking in the sector. Later in the same year, Vakıf Katılım was established and granted an operating license in 2016. In 2019, a new public participation bank entered the sector and Türkiye Emlak Katılım Bankası was established to operate especially in the housing sector.

Within the scope of the Regulation on the Operating Principles of Digital Banks and Service Model Banking published by the Banking Regulation and Supervision Agency (BRSA), two digital banks, Hayat Finans and T.O.M. Bank, joined the participation banking sector in March 2023. Also during the period, the BRSA authorized Adabank A.Ş. to change its status as a participation bank and then the bank's trade name was changed to Dünya Katılım Bankası. The Bank was qualified as a member of the Association in December 2023. The market share of participation banks in the Turkish banking sector is expected to increase as new participation banks enter the system. Furthermore, in addition to product and service diversification, it is also expected to increase financial inclusion for customers and distribution channels.

Participation banking offers a very important alternative in terms of reducing systemic risks and establishing a close relationship between the real sector and the financial sector, as it is based on commerce and risk sharing. Participation banking, which is much newer than conventional banking, aims to maintain the rapid growth momentum it has achieved in recent years and to bring its share in the financial system to its rightful place.





In the new period, business models that focus only on profit are losing momentum. In this environment, the participation finance system, with its unique structure, has strengthened its position as a sustainable and innovative alternative within the existing economies. The participation finance sector embraces sustainable finance models with the mission of contributing to production and the real economy, and it is predicted that it will have a transformative effect on the social and economic structures in our country.

#### Key Indicators for 2023

As of year-end 2023, the participation banking sector, which operates with 9 banks, increased the number of domestic and international branches by 5.8% year-on-year to 1,459. The number of employees employed in the sector increased by 10.4% year-on-year to 19,728. The shares of the number of branches and employees in total of those of Turkish banking are 13.3% and 9.5%, respectively.

Participation banks' total assets increased by 71.8% in 2023, reaching TL 2,040.2 billion. With these results, the sector's share in total banking assets rose to 8.7% from 8.3% last year. At the end of the period, total shareholder's equity increased by 70.8% to TL 143.9 billion. With a net profit of TL 53.2 billion, up 79.3% compared to end-2022, the sector demonstrated that it is on a path of sustainable profitability. The sector's capital adequacy standard ratio of 21.38% is above the banking sector average of 19.06%.

In 2023, participation banking channeled its resources to value-added production, qualified employment growth, and exports. In this context, the sector's financial support to SMEs (total cash and non-cash loans) increased by 77% year-on-year to TL 523.1 billion, while the sector's share in the banking market reached 11.0% increasing from 10.7% last year.\* The total number of SME customers of participation banks had reached 165,499 as of 2023, with the effect of expanding the definition of SME.

In 2023, Kuveyt Türk continued to be the participation bank with the largest total assets in Türkiye with TL 668.2 billion, followed by Ziraat Katılım with TL 384.3 billion and Vakıf Katılım with TL 315.3 billion. The total assets of Türkiye Finans, Albaraka Türk, and Emlak Katılım amounted to TL 240.2 billion, TL 232.2 billion, and TL 188.9 billion, respectively.

#### Key Financial Data\*

(TL million)	2022	2023	Change (%)
Assets	1,187,615	2,040,195	71.8
Shareholder's equity	84,225	143,863	70.8
Funds Collected	891,066	1,516,367	70.2
Funds Extended	578,679	905,721	56.5
Net Profit	29,699	53,241	79.3

\*Source: BRSA

#### Key Operational Indicators\*

	2022	2023	Change (%)
Number of Branches	1,379	1,459	5.8
Number of Employees	17,868	19,728	10.4
Number of ATMs	2,360	2,518	6.7

\*Source: BRSA

#### Key Ratios (%)\*

	2022	2023
Capital Adequacy	20.55	21.38
Return on Shareholder's Equity	61.15	60.61
Return on Assets	3.04	3.30
Non-Performing Loans	1.43	0.96

\*Source: BRSA

#### Growth in Participation Banks' Assets and its Share in the Sector (TL million, 2017-2023)\*

	Total Assets	Change (%)	Share in Sector (%)
2017	160,136	20.5	4.9
2018	206,931	29.2	5.4
2019	284,459	37.5	6.3
2020	437,119	53.7	7.2
2021	717,338	64.1	7.8
2022	1,187,615	65.6	8.3
2023	2,040,195	71.8	8.7

\*Source: BRSA

\* Excluding non-performing loans

## THE PARTICIPATION BANKING SECTOR

Türkiye, along with Malaysia, Saudi Arabia, Indonesia, and Kuwait, were among the five major issuers of sukuk in 2023.

#### Sukuk Issuances of Participation Banks

Sukuk (lease certificate) refers to the certificates that provide the opportunity to participate in a commercial transaction in accordance with Islamic law and to hold a share in the income arising from this commercial transaction. Depending on the asset they represent, these certificates can also be traded in secondary markets.

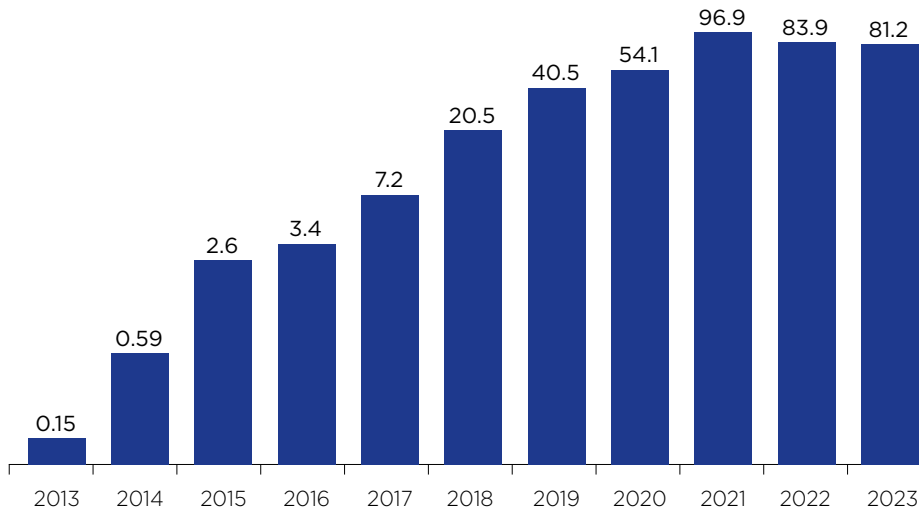
Participation banks play a substantial role in sukuk issuances. Since 2013, the total amount of Turkish lira-denominated sukuk issuances by participation banks in Türkiye has amounted to TL 391 billion. In 2023, participation banks issued TL 81 billion worth of sukuk.

Kuveyt Türk issued “Global Sustainable Tier 2 Subordinated Sukuk” for the first time in Türkiye and the world in line with the principles of participation finance. In addition, Emlak Katılım received the “Best Sukuk Issuance of the Year Award” in the world on a sector basis at the Islamic Finance News Awards with Türkiye’s first green sukuk issuance based on labor and capital partnership carried out through the Private Fund Pool Participation Account. Albaraka Türk was the first participation bank listed in the Borsa İstanbul (BIST) Sustainability Index and achieved one of the highest ratings in the banking sector with its efforts within the scope of the Carbon Disclosure Project (CDP). Ziraat

Katılım successfully concluded its first international sukuk issuance. The issuance of USD 500 million was carried out by the Joint Bookrunners Dubai Islamic Bank, Emirates NBD Capital, HSBC, and Standard Chartered Bank in Reg S format on October 31, 2023.

Türkiye, along with Malaysia, Saudi Arabia, Indonesia, and Kuwait, were among the five major issuers of sukuk in 2023.

**Total Issuance Amount (TL Billion)**



Source: <https://tkbb.org.tr>

Participation banks' making the best use of digital opportunities and the widespread use of open banking practices are also significant factors in the development of the sector.



#### Pioneering Open Banking Efforts

The open banking ecosystem expands every day and increases its contribution to shaping the future of the financial industry. The system, which facilitates all financial processes, allows individuals to manage transactions, such as money transfers, viewing account movements, debit and balance status, paying loans, credit cards, and overdraft account debts, paying energy and communication utility bills, and topping up balances, all under a single roof. Recently, pilot studies of the "Request Payment" infrastructure have been completed

and it has started to be operational in banks. Designed to improve the customer experience in the FAST System and operate on a 24/7 basis, the service enables creditors to request payment from debtor customers and debtors to respond to this request.

Participation banks' making the best use of digital opportunities and the widespread use of open banking practices are also significant factors in the development of the sector. Three of the 16 AISP (Account Information Service Provider) banks currently in production on the

Open Banking national platform are participation banks. These are Albaraka Türk Katılım Bankası, Kuveyt Türk Katılım Bankası, and Ziraat Katılım Bankası. On the other hand, two of the 15 banks with authorized payment system (PISP - Payment Initiation Service Provider) status are Albaraka Türk Katılım Bankası and Kuveyt Türk Katılım Bankası.

#### Remote Customer Acquisition Statistics for the Banking Sector

Within the scope of the Remote Identification Methods to be Used by Banks and the Establishment of a Contractual Relationship in Electronic Media entering into force in May 2021, total application and customer acquisition statistics in 2023 are as follows:

	BANKING SECTOR	DEPOSIT BANKS	PARTICIPATION BANKS	SHARE OF PARTICIPATION BANKS (%)
NUMBER OF APPLICATIONS	15,193,327	14,013,044	1,180,283	8%
NUMBER OF ACQUISITIONS	6,866,112	6,425,997	440,115	6%
SUCCESS RATE	45%	46%	37%	-
ACQUISITION FROM BRANCH	10,332,393	9,405,339	927,054	9%

## STANDARDIZATION PROCESS IN GLOBAL ISLAMIC FINANCE

Standardization in the Islamic finance sector is an important process to ensure the credibility and internal compatibility of the sector.

As Islamic finance, which is based on Islamic principles, began to expand globally towards the end of the 20<sup>th</sup> century, the lack of standardization in the application of these principles became evident. Because it was likely that differences in the interpretation and application of the principles from country to country and from organization to organization would lead to some incompatibilities and challenges. To address such challenges, several key organizations, which play a significant role in the development of standards in Islamic finance, were established shortly after the establishment of Islamic financial institutions in the modern sense. In this sense, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), established in Bahrain in 1991, was one of the first organizations to recognize the standardization requirements for fiqh, accounting, governance, and ethical compliance in Islamic finance. This was followed by the Islamic Financial Services Board (IFSB), which was established in Malaysia in 2002 with a focus on developing standards and guidelines for the Islamic financial services industry, especially in risk management, capital adequacy, and corporate governance. In addition, the International Islamic Financial Market Authority (IIFM) was established in Bahrain with a focus on the standardization of financial contracts and products for the money and capital markets, corporate finance, and trade finance segments of the Islamic finance sector in 2002.

Besides these, some countries such as Malaysia and Türkiye develop their own standards at the national level, while others partially or fully rely on AAOIFI's standards or operate within the framework of the resolutions of their own Central Advisory Board.

Standardization in the Islamic finance sector is an important process to ensure the credibility and internal compatibility of the sector. This process is evolving dynamically to respond to the requirements of an ever-evolving and ever-changing market and support the integrity and sustainability of the Islamic finance industry. In this context, institutions such as AAOIFI, IIFM, and IFSB play a critical role in the development of the Islamic finance industry by developing comprehensive standards and guidelines to ensure compliance with fiqh, increase transparency, and promote harmonization across different products and regions.

### International standard-setting organizations

#### a) Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) was decided to be established at a meeting held in Algeria in February 1990 under the name of Financial Accounting Organization for Islamic Banks and Financial Institutions with the agreement of association signed by some interest-free financial institutions. In 1991, it was

registered in Bahrain as a non-profit international institution with independent legal personality and it was renamed as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). The activities carried out by AAOIFI can be categorized as developing Sharia standards for interest-free financial institutions, developing accounting and auditing standards for interest-free financial institutions, developing governance and ethical standards for interest-free financial institutions, organizing training programs, conferences, and symposiums, preparing research reports, periodicals, etc., and organizing certification programs.

Having published its first standard in 1993, AAOIFI has published 61 interest-free finance standards, 40 accounting standards, 6 financial auditing standards, 13 governance standards, and 2 ethics standards by 2023.

Apart from these, many other standard preparation processes are ongoing. In this respect, AAOIFI is the institution that carries out the most comprehensive work in terms of the standards it has prepared in the interest-free finance sector. Countries such as Bahrain, Jordan, Lebanon, Sudan, Sudan, Qatar, and the UAE have adopted the standards it has prepared as binding for their interest-free financial institutions. Countries such as Indonesia, Malaysia, Pakistan and Saudi Arabia have also issued their own principles based on AAOIFI's standards, while many countries use them as a reference.

### **b) Islamic Financial Services Board (IFSB)**

The Islamic Financial Services Board was established in Malaysia in November 2002 and has been active since March 2003. The IFSB sets international corporate governance standards for regulatory and supervisory bodies that aim to ensure the soundness and stability of the Islamic financial services ecosystem, including banking, capital markets, and insurance. It also revises and adapts existing international standards to be in line with the principles of Islamic finance. In this context, the work of the IFSB is complementary to the work of other international standard-setting bodies, such as the Basel Committee on Banking Supervision, the International Organization of Securities Commissions, and the International Association of Insurance Supervisors. As of 2023, the IFSB has 187 members from international organizations, regulatory and supervisory authorities, financial institutions, professional firms, industry associations, and stock exchanges. Since its incorporation, the IFSB has published 36 documents, including 26 standards, 7 guidelines, and 3 technical notes for the Islamic financial services ecosystem.

### **c) International Islamic Finance Market Authority (IIFM)**

IIFM was established in Bahrain in 2002 with the joint efforts of the Central Bank of Bahrain, the Bank of Indonesia, the Central Bank of Sudan, the Labuan Financial Services Authority (Malaysia), Brunei Institute of Leadership & Islamic Finance (BILIF), and the Islamic Development Bank. Today, IIFM has 55 members, including two participation banks from Türkiye.

IIFM provides services to standardize agreements for Islamic financial products. It also prepares guidelines of a legal nature that facilitate the practical use of agreements prepared according to standards issued by standard-setting organizations such as



AAOIFI. In addition, IIFM organizes practical training programs for professionals in order to ensure that the standard agreements it has published are properly understood and applied. IIFM carries out the above-mentioned standard agreement drafting activities through its Shari'ah Board of 13 members. The members approved by the board of directors are competent in the field of fiqh, especially in transactional matters. IIFM adopts 16 standard agreements published as of 2023.

### **National standard-setting organizations**

Apart from the above-mentioned organizations that prepare standards at the international level, some countries also have institutions and organizations that prepare and publish standards at the national level.

### **a) Shariah Advisory Council (SAC) of the Bank Negara Malaysia (Central Bank of Malaysia)**

In May 1997, the Central Bank of Malaysia established the Shariah Advisory Council (SAC), the highest fiqh advisory authority for Islamic financial institutions in Malaysia. The 2009 Central Bank of Malaysia Act further strengthened the role and function of the SAC. The SAC

plays an important role in ensuring that Islamic financial institutions in the country consistently apply the rules of fiqh. The SAC's resolutions and standards are considered as the main reference for financial institutions to ensure that their product structure and financial activities comply with the principles of fiqh. Furthermore, the 2009 Law mandates that this council should be consulted for clarification of fiqh issues brought before the court or raised in any arbitration procedure.

The Council's activities also include answering questions from the sector and taking and publishing resolutions within its mandate. In addition, the Council prepares and publishes interest-free finance standards for the sector together with the International Islamic Finance Research Academy (ISRA), which was established by the Central Bank as a research institution in 2008, and other sector stakeholders.

The standards issued by the BNM Shari'ah Advisory Council to date consist of 14 standards: Murabahah, Mudarabah, Musharakah, Tawarruq, Istisna', Surety, Wakalah, Karz, Wadi'a, Hibah, Ijarah, Wa'd, Rahn, and Sarf.



## PARTICIPATION BANKING STANDARDIZATION EFFORTS AND GOVERNANCE OF COMPLIANCE WITH PARTICIPATION BANKING PRINCIPLES IN TÜRKİYE

While standardization determines the basic principles that Islamic banks must comply with in their business and transactions, compliance and supervision bodies control the compliance of institutions with the established rules.

Islamic banking in the modern sense, or interest-free banking as it is known in the world, has undergone significant changes since it first emerged in the 1960s; it has gradually developed and gained a more institutionalized structure in parallel with the increase in financial knowledge and experience and the growth of the sector. Studies on the standardization of Islamic banking and the development and institutionalization of the governance structure in compliance with the principles of Islamic finance have also formed a part of this change. The governance structure for compliance with the principles of Islamic finance, which initially consisted of receiving consultancy services from certain individuals or boards voluntarily by the banks and voluntary audits conducted internally, has become mandatory and official in many countries after reviewing the existing structures and making the necessary legal arrangements.

In Islamic banking, it is of great importance to determine common rules applicable to all institutions instead of each institution determining its rules by a committee affiliated to itself and conducting its audits accordingly, to ensure uniformity in practice. On the other hand, creating a more secure, efficient, and auditable structure also depends on this. This is the main purpose of standardization. Indeed, while standardization determines the basic principles that Islamic banks must comply with in their business and transactions, compliance and supervision bodies control the

compliance of institutions with the established rules. It thus seeks to correct shortcomings and errors, minimize reputational and trust risks arising from malpractice, and, more importantly, fulfill its moral responsibilities to society, customers, and employees, which are the *raison d'être* of the system.

Participation banks in Türkiye have carried out compliance governance from 1985, when they started their operations under the name of private financial institutions, until 2019, with consultants or boards they established internally. In line with the strategy of the government to transform Istanbul into a regional and global financial center and to make participation banking as a part of this strategy, various regulations have been issued to meet the requirements of the sector. In this context, the Banking Regulation and Supervision Agency (BRSA), the regulatory authority in Türkiye regarding the governance of compliance with the principles of participation banking, decided to establish a central advisory board in 2018, and also published a special communiqué on compliance with interest-free banking principles and standards in 2019, structuring the entire governance process from the determination of participation banking principles to the control of their compliance. The main stakeholders of the new governance structure established for the rule-maker and supervisory parties are public authorities, the Advisory Board, bank advisory boards, and banks' participation banking compliance and supervision units.

### Advisory Board:

The Advisory Board is a senior committee established within the Participation Banks Association of Türkiye (TKBB) pursuant to the resolution of the BRSA Board. It was established to determine the professional principles and standards of participation banking and to deliver general resolutions to eliminate the differences between the practices of participation banks. The Board consists of seven members. At least four members must hold a doctorate degree in Islamic sciences, one of them must be among the members of the Supreme Board of Religious Affairs of the Presidency of Religious Affairs, one of them must have a bachelor's or graduate degree in economics or finance and at least seven years of managerial experience in participation banking, and one of them must have a law degree. Its members are appointed for four years by the Board of Directors of the Association in consultation with the BRSA. Members with office terms expired are entitled to be reappointed. In general, the Board holds its meetings in two sessions: deliberation and resolution. While external participants are allowed to attend the deliberation session to make explanations or obtain information if deemed necessary, only Board members and Board experts in charge of preparing the minutes of the deliberations and resolutions participate in the resolution session.

**The following processes are followed in setting standards:**

1. Determining the subject of the standard.
2. Assigning a Board member and specialist for the standard.
3. Carrying out research activities and preparing a report by the Board specialist. At this stage, a thorough research is conducted by examining existing standards, classical and modern studies and practices, if any, and by interviewing sector employees.
4. Drafting the standard by the Board specialist and submitting it together with the report to the responsible Board member.
5. Examining the report and drafted standard and making necessary updates, if any, by the Board member.
6. Placing the standard on the Board's agenda and discussing it at the Board.
7. Making the standard discussed in the Board available to stakeholders for their opinions and requesting written opinions. At this stage, the standard is sent to many institutions and organizations, such as participation banks, relevant public authorities, universities, and the Presidency of Religious Affairs, and their written opinions are requested.
8. Organizing a workshop with the participation of stakeholders to discuss the standard.
9. Consolidating the written opinions on the standard and the results of the workshops, discussing them at the Board, and finalizing the standard.
10. Sending the standard to the Board of Directors of the Participation Banks Association of Türkiye (TKBB) and then to the BRSA. If opinions on the standard are submitted at this stage, the Advisory Board finally evaluates the opinions received from the Board of Directors or the BRSA and delivers the final resolution on the standard itself.
11. Submitting the standard by the BRSA to the Participation Banks Association of Türkiye (TKBB) to be binding for all relevant institutions and to be published.
12. Publishing the standard on the website of the Participation Banks Association of Türkiye (TKBB) and sending it to the relevant organizations.

Since its incorporation in 2018, the Advisory Board has published 6 standards, including Share Certificate and Trade, Tawarruq, Murabahah, Suretyship, and Mudarabah Standards, and Non-Compliant Incomes with Participation Finance Principles and their Elimination Standard\*. While the Musharakah Standard is in the Board discussion stage. Wakalah and Investment Wakalah Standards have been drafted.

In addition to the standards, the Board also publishes guidelines for their implementation, and these guidelines cover almost every issue arising in practice and address much more detailed provisions. In the context of the implementation of the Share Certificate Standard, the Board issued two guidelines, one on Identifying Companies Operating in Compliance with the Principles of Participation Finance and the other on Elimination of Objectionable Gains on Shares of Companies Operating in Compliance with the Principles of Participation Finance.

In addition to setting standards, the Board also delivers resolutions on queries submitted to it. Until now, the Board has delivered 85 resolutions on various issues related to participation banking.

The standards and guidelines prepared and resolutions adopted by the Advisory Board are binding on all participation banks and institutions authorized by law to use participation banking products. The Bank's advisory committees are not entitled to deliver any resolutions contrary to them. Banks may not carry out practices contrary to them.

**Advisory Committees:**

Advisory committees refer to the committees that each bank is obliged to establish within its own organization. Published on 14.09.2019, the Communique on Compliance with Interest-Free Banking Principles and Standards requires each participation bank to establish an Advisory Committee consisting of at least three people and a Secretariat to help the committees to fulfill their duties. At least two-thirds of the Committee members must be residents of the country. Their members are appointed by the

Bank's board of directors with the approval of the general assembly. Their term of office is at least three years. Members with office terms expired are entitled to be reappointed. At least two-thirds of the members must have a minimum of a bachelor's degree in theology or equivalent fields or a master's degree or PhD in interest-free finance, as well as at least three years of professional experience in interest-free finance.

The main duties of the Advisory Committee include delivering resolutions specific to the bank on participation banking principles and standards and their implementation; examining the bank's internal regulations within the framework of compliance with interest-free finance principles and standards; evaluating and approving the agreements and annexes regarding the bank's products and services in terms of participation banking principles and standards; presenting its resolutions to the Advisory Board in January each year; providing information about the activities of the Advisory Committee during the period to be included in the bank's annual report; and evaluating the compliance of the bank's operations with interest-free banking principles and standards.

\* Published in 2024.

## PARTICIPATION BANKING STANDARDIZATION EFFORTS AND GOVERNANCE OF COMPLIANCE WITH PARTICIPATION BANKING PRINCIPLES IN TÜRKİYE

With the participation banking audit activities, the adequacy and effectiveness of interest-free banking compliance activities are evaluated.

### Participation Banking Compliance and Audit:

The Communique on Compliance with Interest-Free Banking Principles and Standards requires banks to conduct compliance audits for participation banking, in addition to establishing an Advisory Committee. The personnel who will take part in compliance and audit activities and the Secretariat of the Advisory Committee must either have served in participation banks for a minimum of three years and have received certified training in interest-free finance or have a master's or PhD degree in interest-free financing.

**Compliance Activities:** The purpose of participation banking compliance activities is to ensure that the activities and new transactions and products carried out/produced or planned to be carried out/produced by the bank comply with the principles and standards of interest-free banking and the resolutions delivered by the Advisory Committee.

Compliance activity includes, at a minimum, controls to ensure that the services provided, investments made, contracts signed and transactions carried out with customers, service providers, and third parties, policies, procedures, and other internal regulations, financial statements, annual reports and other public disclosures, publicity and advertisements,

financial and non-financial internal reports, resolutions delivered by authorized bodies, the Bank's articles of association, and relations with shareholders and personnel comply with interest-free banking principles and standards and the resolutions of the advisory committee.

Participation banking compliance activities are carried out by the unit or personnel in charge of compliance controls or by the unit or personnel assigned exclusively to ensure compliance with interest-free banking principles and standards.

Within the framework of participation banking compliance activities, the Board of Directors and relevant units and personnel are informed as soon as possible about interest-free banking principles and standards, advisory committee decisions, and the possible effects thereof. A report on the activities carried out is submitted to the Audit Committee at least quarterly.

**Audit Activities:** The purpose of participation banking audit activities is to provide assurance to senior management, shareholders, and other stakeholders of the bank regarding the effectiveness and adequacy of the compliance function and that the bank's activities are carried out in accordance with the principles and standards of interest-free banking and the decisions of the advisory committee.

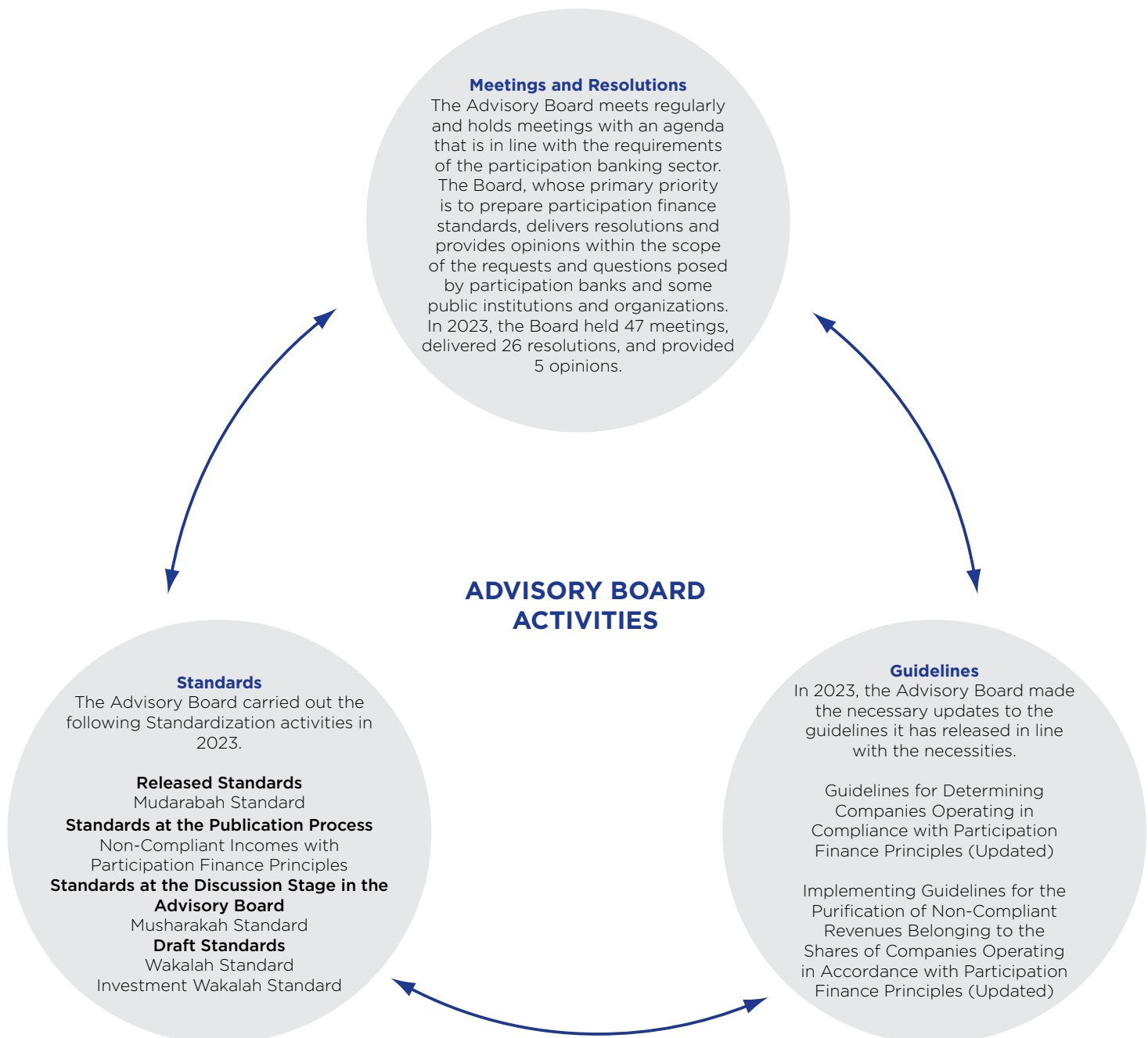
With participation banking audit activities, the adequacy and effectiveness of interest-free banking compliance activities are evaluated, and the compliance of the bank's activities and transactions with interest-free banking principles and standards and advisory committee decisions are audited.

Participation banking audit activities are carried out by the internal audit unit. A report on participation banking audit activities is submitted to the audit committee at least on a quarterly basis. The reporting obligation in question can also be fulfilled within the scope of the report specified in the fourth paragraph of Article 31 of the regulation. The Audit Committee submits the report to the Board of Directors within 10 business days at the latest, together with its opinion.

The Audit Committee meets with the Advisory Committee at least twice a year to discuss the reports prepared on participation banking compliance and audit activities and the actions taken in response to the findings set forth in the reports.

## ADVISORY BOARD

The Advisory Board, which was established at the Association in 2018 with the resolution of the BRSA to determine the professional principles and standards of participation banking, has been continuing its activities of delivering resolutions and preparing standards for the sector since its establishment.



# **PARTICIPATION BANKS**





**MESSAGE FROM THE GENERAL MANAGER OF ALBARAKA TÜRK**

In 2023, Albaraka Türk increased its profit by 151% to TL 3.4 billion and its dividend income by 82% to TL 20.1 billion.

Dear Stakeholders,

In 2023, the most significant agenda of the global economy was the struggle against the inflation and simultaneously the tightening of monetary policies. The uncertainty and inflation shock caused by the pandemic and the Russian-Ukrainian War successively led to significant increases in policy interest rates in developed countries. While the tightening policies implemented to cope with rising inflation have been effective throughout the year, inflation figures gained downward momentum in developed countries towards the end of the year. In the second half of the year, geopolitical risks were on the agenda. Rising tensions in the Middle East led to volatility in oil prices, while the blockade imposed on merchant ships in Yemen caused prices in maritime logistics to rise, creating inflationary pressure. However, as the pressure on commodity prices eased to some extent towards the end of the year, the pass-through of the increase in freight prices to inflation is still limited.

In 2023, inflation was also the foremost item on the agenda in Türkiye. Inflation, which started to rise especially in the summer months after the election, concluded 2023 at the level of 64.8% due to the rise in the exchange rate, rigidity on the demand side, and tax adjustments. With the new economy administration taking office, monetary policy was tightened significantly and the monetary policy framework was simplified to a great extent. The CBRT policy interest rate, which was 8.5% in May, has been gradually raised to 45% until January. Having exceeded growth expectations in 2022, Türkiye also increased by 4.5% in 2023, maintaining a stable growth outlook despite the tightening steps. The impact of imports on growth weakened due to the tightening policies, while private consumption remained strong.

The banking sector has come to the forefront as a major driver of economic growth in 2023, supporting the real sector, especially through credit expansions. Compared to the end of 2022, the total assets of the banking sector increased by 64% to TL 23.5 trillion. Simultaneously, net profit for the period also increased significantly, rising by 39.9% to TL 603.6 billion. Throughout 2023, there were noteworthy developments in the banking sector in terms of improving asset quality. Starting in 2023 at 2.05%, the NPL ratio declined significantly to 1.6% as of December. While increasing its balance sheet, the banking sector improved its asset quality and strengthened its profitability.

During this period, participation banks demonstrated a remarkable growth performance that outpaced the conventional banking sector. In 2023, the asset size of participation banks increased by 72% year-on-year to TL 2.05 trillion and their net profit for the period by 79% to TL 53 billion. Participation banks diverged positively from the banking sector in terms of asset and net profit growth, also achieving a significant improvement in asset quality. The NPL ratio, which stood at 2.95% at the end of 2021, declined to 1.40% by the end of 2022, and then to 0.96% by the end of 2023. Participation banks managed to maintain the NPL ratio lower than the sector while strengthening its asset quality with a more prudent approach to provision ratios than the sector. In addition to their strong asset quality outlook, the capital adequacy ratio of participation banks is 21.3%, higher than the sector average of 19.06%, demonstrating the resilience of participation banks against possible fluctuations.



In this climate, our Bank displayed a performance in parallel with the sector in 2023, increasing its total assets by 58.7%. By the end of 2023, Albaraka Türk increased its profit by 151% year-on-year to TL 3.4 billion and its dividend income by 82% to TL 20.1 billion. In addition, we strengthened our asset quality by reducing the NPL ratio from 1.9% to 1.7% in 2023 and increased the special provision ratio from 88.7% to 95.2% in the same period. During this period, we significantly increased the TL ratio in our balance sheet, while managing to increase the TL ratio in cash loans from 60% at the end of 2022 to 66% at the end of 2023 and the TL weight in funds collected from 46% to 50%. In addition, we increased the total amount of free provisions we set aside to TL 5.2 billion by the end of 2023, of which TL 3.4 billion was prudently set aside during the year.

This performance and momentum we have achieved shall continue in the coming period and our Bank, as the leading player in the sector, shall continue to create value for all its stakeholders and support the economy and the real sector.

Sincerely,

**Malek Khodr TEMSAH**  
General Manager and Board  
Member



<b>Establishment Year</b>	1984
<b>Commencement of Operations</b>	1985
<b>Albaraka Group B.S.C.</b>	45.09%
<b>Dallah Al Baraka Holding CO B.S.C.</b>	8.30%
<b>Other</b>	46.61%
<b>Total</b>	100.00%
<b>General Manager</b>	Malek Khodr Temsah
<b>Headquarters</b>	İnkılap Mah. Dr. Adnan Büyükdeniz Cad. Albaraka Türk Sitesi 1. Blok No: 6 İç Kapı No: 1 Ümraniye/İSTANBUL
<b>Phone</b>	0216 666 01 01
<b>Fax</b>	0216 666 16 00
<b>Website</b>	www.albaraka.com.tr
<b>Telex</b>	27061 abrt tr - 26459 albt tr
<b>SWIFT Code</b>	BTFH TR IS
<b>Number of Branches</b>	225 (31.12.2023)
<b>Number of Employees</b>	2,723 (31.12.2023)



## ALBARAKA TÜRK SENIOR MANAGEMENT

### **Malek Khodr TEMSAH** **Board Member and General Manager**

In 2003, he received his Bachelor of Business Administration from The George Washington University and in 2006 he completed his Master's Degree in Business Administration from Thunderbird, the Garvin School of International Management. In 2003, he began his career with Bank of America then between 2007 and 2009 he worked at the London-based European Islamic Investment Bank. In 2010 he joined Al Baraka Group, as Vice President of Treasury where he established & oversaw the global sukuk investment portfolios until 2014. Between 2017 and 2020, he served on the Board of Directors and Audit Committee of BTI Bank (Morocco). Temsah who has joined Albaraka Turk in 2014, he served as the Assistant General Manager in charge of Treasury and Financial Institutions between 2017 and 2022. From October 2021 to August 2022, he has served as the Acting General Manager in addition to his above-mentioned duty. On 07.08.2022, Mr. Temsah has been appointed as the General Manager of the Bank by the Board of Directors of Albaraka Turk.

### **Turgut SİMİTCİOĞLU** **Senior Assistant General Manager**

He received his bachelor's degree from King Saud University, Faculty of Education in Saudi Arabia in 1989 and his master's degree in Business Administration from Fatih University, Institute of Social Sciences. Simitcioğlu started his professional career at Albaraka Türk in 1990 and worked at the Fund Utilization Department between 1990 and 1995 and at the Central Branch between 1995 and 2001. Between 2001 and 2003, he worked first as a Director at the Central Branch and then at the Corporate Banking Department, and between 2003 and 2009 he served as the Central Branch Manager. Appointed as Assistant General Manager in December 2009, Mr. Simitcioğlu served as Assistant General Manager responsible for "Credits Operations," "Foreign Transactions Operations," "Payment Systems

Operations," "Banking Services Operations" and "Risk Monitoring." Mr. Simitcioğlu assumed the position of Assistant General Manager in charge of Business Lines in January 2017 and served as Assistant General Manager in charge of Credit Risks between 2018 and 2022. As of December 2022, he has been serving as the Senior Assistant General of our Bank.

### **Dr. Ömer EMEÇ** **Assistant General Manager** **Strategy and Transformation**

He received his bachelor's degree in Business Administration from Boğaziçi University, his master's degree in Business Administration from İstanbul Şehir University and his PhD in Islamic Economics and Finance from İstanbul University. Pursuing his academic studies simultaneously with his professional life, Emeç served as a researcher at the Center for Ecopolitical Strategic Research during his undergraduate years. Having assumed various responsibilities such as strategy, research, corporate performance, international business development and project management in the telecoms and banking sectors in his professional career, Emeç worked as Strategist until 2017, Chief Economist between 2017-2020, and Strategic Planning and Economic Research Unit Manager between 2020-2022 at Albaraka Türk, where he started working in 2014. As of October 2022, Dr. Emeç has been serving as Assistant General Manager in charge of Strategy and Transformation at the Bank and as a Board Member at Albaraka Teknoloji Bilişim Sistemleri ve Pazarlama Ticaret A.Ş. (AlbarakaTech Global). Emeç, who also works as an economics commentator in national and international broadcasting organizations, is an active manager in various non-governmental organizations and continues his academic career by lecturing on financial management, central banking, special topics in banking and finance.

### **Umut ÇAKMAK** **Assistant General Manager** **Finance and Human Values**

He completed his undergraduate education at İstanbul University, Faculty of Business Administration in 2004. Mr. Çakmak started his professional career at Albaraka Türk Risk Management Department in 2005 and served as Risk Management Specialist, Vice President of Risk Management and Head of Risk Management until 2022. As of December 2022, he continues to serve as Assistant General Manager in charge of Finance and Human Values, to whom the departments of "Financial Affairs," "Financial Reporting and Budget Management," "Human Resources" and "Training and Career Management" report.

### **Yasemin AYDIN** **Assistant General Manager** **Information Technologies and Digital Channels Development**

She is a graduate of İstanbul University Faculty of Political Sciences with a degree in Finance and an MBA, also holds a master's degree in Marketing Communication and Organizational Psychology from İstanbul Bilgi University. She started her professional career in the banking sector in 1996. Between 1996 and 2011, she worked in marketing, operations and information technologies in the fields of digital banking, card payment systems, retail banking, product development, organization, process and quality. Between 2012-2017, she managed consultancy projects in various sectors on issues such as restructuring, process development management, digitalization and selection and evaluation activities in the field of human resources. In 2017, she joined Albaraka Türk as Digital Channels and Payment Systems Development Manager. In July 2020, she assumed the responsibility of "Digital Channels and Payment Systems Development," "Payment Systems Operation and Call Centre" departments with the title of Director. As of December 2022, she continues to serve as Assistant General Manager in charge of

Information Technologies and Digital Channels Development at our Bank. She is also a Board Member at insha Ventures Teknoloji Geliştirme ve Pazarlama Anonim Şirketi (insha Ventures) and Albaraka Teknoloji Bilişim Sistemleri ve Pazarlama Ticaret A.Ş. (Albaraka Tech Global).

**Serhan YILDIRIM**  
**Assistant General Manager**  
**Treasury and International Banking**

He completed his undergraduate education at Istanbul University, Department of Business Administration in 2006. After working in the precious metals sector for a while, he joined Albaraka Türk Participation Bank in 2009 in the Treasury Unit of the Foreign Affairs Department. Until 2018, Mr. Yıldırım worked in the Foreign Exchange and Precious Metals, Money Market and Lease Certificate Transactions services, respectively, and assumed managerial responsibility in the Investment Banking Department until 2019 and in 2016, he received her MA degree in the field of Islamic Economics and Finance at Istanbul University. Between 2019 and 2022, he worked as Asset Liability and Capital Markets Unit Manager and then Treasury Unit Manager at Türkiye Emlak Katılım Bankası. Mr. Yıldırım joined Albaraka Türk in September 2022 as Assistant General Manager and currently serves as Assistant General Manager in charge of Treasury and International Banking.

**Mehmet Emin ÇONKAR**  
**Assistant General Manager**  
**Credit Monitoring and Legal Follow-up**

He completed his undergraduate education at Ankara University, Department of Theology in 1997. He started his professional career in 1998 at Albaraka Türk Central Branch with the title of Chief. Until 2019, he worked as Assistant Manager at the Central Branch and as Manager at Sefaköy and İncirli branches. Çonkar, who served as Collection Manager between 2019 and 2022, continues to work as Assistant General Manager in charge of Credit Monitoring and Legal Follow-up in our Bank as of December 2022.

**Serhan AKYILDIZ**  
**Assistant General Manager**  
**Corporate Banking**

He completed his undergraduate degree in English Business Administration at Istanbul University in 1998. In 2002, he started to work as a Specialist at Albaraka Türk Central Branch. He worked as Assistant Manager at Osmanbey Branch between 2008-2011, and as Manager at Osmanbey, Topkapı and Central branches respectively from 2011 to 2022. Akyıldız, who served as Corporate Sales Manager between 2020-2022, continues to serve as Assistant General Manager in charge of Corporate Banking as of December 2022.

**Mehmet ULUDAĞ**  
**Assistant General Manager**  
**Retail and Private Banking**

He completed his undergraduate education at Dumlupınar University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 2001 and his master's degree in Business Administration at Gediz University in 2013. He started his banking career at Albaraka Türk in 2004 as an Assistant Specialist at the Denizli Branch as part of the executive training programme. He worked in Ankara/Şaşmaz, Manisa and Bursa/Uludağ branches respectively. In 2017, Mr. Uludağ assumed the position of Aegean Regional Manager, and after serving simultaneously as Regional Sales and Allocation Manager, he was appointed as Unit Manager to the Commercial and SME Sales Department in 2019. Uludağ, who has 16 years of managerial experience in marketing and sales at all levels of our Bank's organization, was appointed as Director/Ombudsman in the "Ombudsman Business Family," which was implemented for the first time in the banking sector in order to develop a feedback and solution-oriented culture between the head office and the field organization. He led the organization of this business family under the name of "Arbitration and Business Excellence," reporting directly to the General Manager. As of 2022 December, he continues to serve as Assistant General Manager in charge of Retail and Private Banking at our Bank.

**Dr. Muhammet Faruk TORLAK**  
**Assistant General Manager**  
**Credits**

He completed his undergraduate degree in Business Administration at Istanbul University in 2004. He started his professional career at Albaraka Türk in 2005 as an Assistant Inspector in the Internal Audit Department. After working for nearly 6 years at the Internal Audit Department, he completed his master's degree in International Money, Finance and Investments at Brunel University London in 2011. Between 2012 and 2022, he worked as Assistant Manager for 5 years and Department Manager for 6 years in "Commercial and SME Credit Allocation" and "Corporate Credit Allocation" departments respectively at Albaraka Türk. In 2022, he completed his doctoral education at Bahçeşehir University with his doctoral thesis on "Factors Determining the Use of Debt / Equity Resources by SMEs and Corporate Firms and Sector-Based Differences." As of December 2022, he continues to serve as Assistant General Manager in charge of Credits at our Bank.

**Muzaffer ÇÖLMEK**  
**Assistant General Manager**  
**Operations**

He completed his undergraduate education at Bilkent University School of Applied Accounting Information Systems Department in 2004. He started his professional career at Albaraka Türk in 2006 at Konya Sanayi Branch. After working actively in the branch until May 2010, he was assigned to the Financial Institutions Service within the Foreign Transactions Operations Department. Between January and August 2012, he worked in the External Letters of Guarantee Service under the Foreign Transactions Operations Department. Between 2012 and 2014, he was the manager of Europe & Far East in the Fund Management and Financial Institutions Department and from 2014 until March 2019, he was the manager of Africa and America services in the Financial Institutions Department. From March 2019 to December 2022, Çölmek served as the Manager of the Financial Institutions Department, and as of December 2022, he continues to serve as Assistant General Manager in charge of Operations at our Bank.



## HIGHLIGHTS FOR ALBARAKA TÜRK IN 2023

Continuing its efforts relentlessly in the field of Robotic Process Automation (RPA) in 2023, Albaraka Türk successfully completed the automation of more than 350 processes.

### We Stood by Our Citizens in Earthquake-Affected Regions

Albaraka Türk launched a comprehensive aid and support program in the aftermath of the 2023 earthquake. In collaboration with AFAD (Disaster and Emergency Management Presidency), Kahramanmaraş Technical High School, Turkish Red Crescent, and other NGOs, we provided cash and in-kind aid, including search and rescue equipment and containers. Supports provided to earthquake victims in various areas:

- With the support provided to Kahramanmaraş Technical High School, earthquake victims were provided with sewing training and therefore, products were produced.
- Smart canes were developed and distributed for visually impaired children.
- Through the Participation Youth Development Project, support was provided to earthquake-affected students and programs were organized to increase the potential of human resources in financial offices.
- We provided credit support to micro-entrepreneurs through the Türkiye Grameen Microfinance Program, generating a total social impact of TL 18.2 million.
- With the Andalusia Reading Project, implemented in 186 schools, we helped students develop the habit of reading.
- Regular financial support was provided to the Çorbada Tuzun Olsun (Have a Hand in) Association and meals were delivered to the homeless people.
- In collaboration with ÇEKUD, sapling planting and income generation projects were implemented.

- In addition to various aid and support programs, Albaraka Türk established the Social Responsibility Club through its employees and helped families and their relatives.
- In the aftermath of the 2023 earthquake, Albaraka Türk made significant contributions to the community by carrying out a wide range of relief and support activities in various fields.
- In 2023, in the aftermath of the earthquake disaster in February, the Bank formed the Albaraka Türk Search and Rescue Team (ATAK), consisting of 32 volunteer personnel. During 2023, the ATAK Team was trained in search and rescue techniques by officials from the NESAR National Emergency Search and Rescue Association, which is accredited by the Disaster and Emergency Management Presidency (AFAD) of the Ministry of Interior. Upon completion of classroom and field training, the ATAK Team shall be able to participate in search and rescue operations.

### Data & Analytics Unit Established

Albaraka Türk's data-oriented transformation efforts, which started in previous years, were accelerated with the establishment of the Data & Analytics unit in 2023. Thus, data quality was reviewed and improvement activities were carried out in order to improve data-based decision-making processes, increase efficiency by using business intelligence tools, and benefit from the advantages of the meta data system. All these studies have constituted an important input for the capabilities obtained / to be obtained with advanced data analytics and artificial intelligence.

### Reinforcing Our Leadership in Innovation

The Albaraka API Platform has risen one level and ranked among the most functional API platforms in INNOPAY's Open Banking Monitor report, which evaluates the API platforms of all banks around the world. According to the most recent report of BirAPI, an independent organization that assesses the API platforms of banks, Albaraka's API platform ranked fourth among all banks and first among participation banks in the ranking of API numbers of banks in Türkiye.

Continuing its efforts relentlessly in the field of Robotic Process Automation (RPA) in 2023, Albaraka Türk successfully completed the automation of more than 350 processes. In 2023, the Bank added four new robots to its robot fleet, bringing the total number of robots to 20 in order to meet RPA process demands and make capacity utilization more efficient.

During the period, the Bank launched a program called "Innovation Champions" to increase its employees' interest in innovation. Approximately 350 applications were received for this program and a team was formed consisting of 30 branch and Head Office staff.

### Letter of Guarantee Transactions Moved to Digital

Albaraka Türk provided convenience to its customers by moving Letter of Guarantee applications to digital format. With the privilege launched under the name of Jet Letter of Guarantee, the Bank's legal entity customers can issue and send their Public Tender Provisional and Public TOKİ (Housing Development Administration) Tender Provisional Letter of Guarantee online through Corporate Internet Banking without visiting a branch. Pilot tests of this service started in 2023 and it was made available in all branches on August 4, 2023. Customers can easily access Public Tender Provisional and Public TOKİ (Housing Development Administration) Tender Provisional letter types up to TL 2 million via Internet Banking. This service makes a significant contribution to the Bank's digitization process.

### Now Businesses Grow with Jet Trade Financing

This service enables Albaraka Türk's legal entity customers to use business financing up to TL 2 million online via Corporate Internet Banking without visiting a branch. Pilot tests of this service started on November 10, 2023, and the testing process is still ongoing. With the completion of process optimization studies, it is planned to make it available in all branches at the beginning of 2024. This service shall make a significant contribution to the Bank's digitization process.

### Integration with Katılım Finans Kefalet A.Ş. Finalized

With the establishment of Katılım Finans Kefalet A.Ş. (KFK), the guarantee projects provided by the Credit Guarantee Fund in 2023 are now being carried out through KFK. The first version of the integration work between the relevant institution and the main banking system was finalized and Albaraka Türk became the first participation bank to complete this version. The "Equity Support Package," the first support package offered by KFK, was quickly introduced and the first loans under the KFK guarantee were obtained.



### Our Sustainability Efforts

- Albaraka Türk fulfilled 100% of its electricity requirement from renewable energy sources in 2023. The acquisition of a 14,000,000 kWh YEK-G certificate has eliminated indirect Category 2 emissions associated with imported energy.
- Albaraka Türk continued its efforts to calculate its climate burden in a holistic manner by measuring its environmental and social impacts. Accordingly, it planned to submit its emission reduction goals and commitments to the Science Based Goals Initiative (SBTi) in 2024.
- The Bank's CDP Climate Change and Water Security evaluation grades were declared B.
- Albaraka Türk, the Bank of Firsts, has become the first participation bank to publish an integrated annual report.
- Albaraka Türk, Türkiye's first participation bank, announced its new employer brand along with its Vision, Mission, and Values, which were renewed in line with its strategic goals in the "We Are Together" program, which was followed live by all employees across Türkiye.

### Our 2023 Awards

- Albaraka Türk was awarded the "Diamond" award in the field of Participation Banking at the 8<sup>th</sup> A.C.E. Awards based on the results of the "Customer Experience Index" survey conducted by Şikayetvar.com.
- According to the report prepared by the international brand valuation organization, Brand Finance, Albaraka Türk was also included in the list of Türkiye's 100 most valuable brands in 2023.
- Albaraka Türk was named "Türkiye's Most Innovative API Service Provider" in the banking category by the UK-based Global Business Outlook in 2023.
- In the Respect for People Awards, one of Türkiye's leading human resources awards organized by Kariyer.net, Albaraka Türk was selected as one of 206 employers among more than 30,000 companies.

## MESSAGE FROM THE GENERAL MANAGER OF DÜNYA KATILIM

Acting as Türkiye's only participation bank with private and domestic capital, and with branches, we aim to contribute to the stability of the Turkish economy and to add a new impetus to the rise of this financial system, which is based on inclusive and ethical foundations.

Taking into account the size of the holding as of July 2022, Ahlatcı Holding management decided that it was time to establish a participation bank and accelerated its efforts in this respect. As a result of these efforts, in 2023, the Company, established AHL Ahlatcı Finansal Yönetim A.Ş. and participated in the tender for the sale of Adabank A.Ş. shares held by the Savings Deposit Insurance Fund (SDIF) and acquired 96.68% of Adabank A.Ş. shares owned by the SDIF.

Following the acquisition of the shares, we applied to the BRSA to change the status of the institution from deposit bank to participation bank, and after receiving the approval, we became the 9<sup>th</sup> member of the Participation Banks Association of Türkiye.

Following this decision which became official on November 28, 2023, we officially started to continue our operations under the name "Dünya Katılım Bankası A.Ş." as of December 26, 2023. Dünya Katılım was established under the leadership of Mr. Ahmet Ahlatcı, our Chairman of the Board of Directors, and opened a new page in the sector on the way to creating the future of the participation finance world. The main objective of participation finance is to open financial practices that some segments of society prefer to stay away from due to various sensitivities to the participation of everyone, thus minimizing the risks in the financial system and protecting both the lender and the investor from risks. The strongest pillars and impetus of this system focused on inclusiveness and resilience are, of course, participation banks.

Indeed, we embarked on this journey with these ideals, particularly contributing to achieve the goal of increasing the market share of participation banking in Türkiye to 15%, and joined this family with great enthusiasm. Increasing Dünya Katılım's capital from TL 100 million to TL 3 billion in February 2024 was a concrete manifestation of our determination in this direction. In the very near future, we shall be increasing our capital to TL 6 billion and thus, reinforcing our contribution to the sector.

We do believe that a domestic and national conception in the economy, as in every field, shall bring significant benefits to Türkiye. Acting as Türkiye's only participation bank with private and domestic capital, and with branches, we aim to contribute to the stability of the Turkish economy and to add a new impetus to the rise of this financial system, which is based on inclusive and ethical foundations.

We are pleased to contribute to participation finance, which by its very nature envisions a more humane economic structure, which does not create instability in the economy, but rather strengthens it by protecting from risks, and which, in this respect, has "sustainability" inherent in its very character.

To this end, we aim to reach people from all segments of society by acting with a focus on "phygital" approach, combining the physical and the digital taking into account the dual character of today's world, and we aim to bring a breath of fresh air to participation finance by expanding its sphere of coverage.



With the technological, innovative, and customer-friendly products we shall develop, we aim to increase the market share of our sector by reaching out people who have not yet been introduced to the participation finance sector and thus contribute to the development of the participation finance ecosystem.

I believe that Dünya Katılım, which I am happy to serve as the founding CEO, shall bring a new energy to the participation finance ecosystem and become one of the major players in the sector in a short period of time with its strong capital structure and dynamic operational approach.

We are grateful to AHL Ahlatcı Finansal Yönetim A.Ş. for introducing Dünya Katılım to the sector with this important investment made in the 100<sup>th</sup> anniversary of our Republic, to our employees who made great efforts during the establishment process, and to each of contributing stakeholders.

I wish Dünya Katılım to be beneficial for Türkiye and the world.

Sincerely,

**İkram GÖKTAŞ**  
General Manager



<b>Establishment Year</b>	2023
<b>Main Shareholders</b>	AHL Ahlatcı Finansal Yönetim A.Ş.
<b>Chairman of the Board of Directors</b>	Ahmet AHLATCI
<b>General Manager</b>	İkram GÖKTAŞ
<b>Headquarters</b>	Yamanevler Mah. Ahmet Tevfik İleri Cad. No: 1/3 (Yılmaz Plaza 2), 34768 Ümraniye/ İstanbul
<b>Phone</b>	444 3 166
<b>Fax</b>	0216 800 55 56
<b>Website</b>	www.dunyakatilim.com.tr
<b>SWIFT Code</b>	ADABTRIS
<b>EFT Code</b>	214
<b>Number of Domestic Branches</b>	1
<b>Number of Employees</b>	106

## DÜNYA KATILIM SENIOR MANAGEMENT

### **İkram GÖKTAŞ** **General Manager**

İkram Göktaş graduated from Ankara University, Faculty of Political Science, Department of Business Administration. Started his career as an Assistant Inspector at Garanti Bank and held various positions at Garanti Bank during his employment, Mr. Göktaş held managerial positions in many fields, including Executive Vice President at Anadolu Finans Kurumu between 2001 and 2005 and at Türkiye Finans Participation Bank between 2006 and 2015. Having served as the founding General Manager and Board Member at Vakıf Katılım Bankası A.Ş. between 2015 and 2023, Mr. Göktaş continues to serve as the founding General Manager and Board Member at Dünya Katılım Bankası as of November 2023.

### **Ahmet PARLAK** **Executive Vice President - Sales & Marketing**

Graduated in 2003 from Marmara University, Department of Economics, Ahmet Parlak received his master's degree from Bilgi University, Department of Business Management. Starting his professional career in 2004 at Kuveyt Türk Katılım Bankası A.Ş., Mr. Parlak served in many positions including Branch Manager. Having served as Branch and Regional Manager at Vakıf Katılım Bankası A.Ş. between 2016 and 2023, Mr. Parlak has been serving as Executive Vice President in charge of Sales and Marketing at Dünya Katılım Bankası as of October 2023.

### **Alpaslan ÖZEN** **Executive Vice President - Legal and Credits**

Completing his undergraduate education at İstanbul University Faculty of Law, Alpaslan Özen started his professional career as a lawyer at Türkiye Tütüncüler Bankası Yaşarbank A.Ş. between 1997 and 1998. Mr. Özen served as a lawyer at Türkiye Finans Katılım Bankası A.Ş. between 1998 and 2015 and as a senior executive at Vakıf Katılım Bankası A.Ş. between 2015 and 2023. He has been serving as Executive Vice President in charge of Legal and Credits at Dünya Katılım Bankası as of November 2023.

### **Dr. Eyyüp YILMAZ** **Executive Vice President - Internal systems**

Eyyüp Yılmaz graduated from İstanbul University, Department of Public Administration in 1990. Yılmaz received his master's degree from İstanbul University, Institute of Business Economics, Department of Personnel Management, and his PhD degree from Marmara University, Institute of Social Sciences, Department of International Economics in 1999. In 1991, Mr. Yılmaz started his professional career as an Assistant Inspector at ESBANK T.A.Ş. and held senior positions at the same institution. He served as the Head of the Inspection Board at Family Finans Kurumu A.Ş. and as Financial Affairs Coordinator and Executive Vice President at Ülker Group companies. Having served as Financial Affairs Director and Secretary General at various universities, Mr. Yılmaz most recently served at FAVORİ Çukurova Havalimanı İşletmeciliği A.Ş. He has been serving as Executive Vice President in charge of Internal Systems at Dünya Katılım Bankası as of November 2023.



**Dr. İrfan GÜLTAŞ**  
**Executive Vice President - Talent and Culture**

Graduated in 1995 from Middle East Technical University, Department of Political Science and Public Administration, İrfan Gültaş started his professional career as an MT (Management Trainee) at Garanti Bank in the same year. Having completed his master's degree at Istanbul University, Faculty of Business Administration, Department of Behavioral Sciences, Gültaş received his PhD degree from Istanbul University, Faculty of Business Administration, Department of Human Resources in 2012. Mr. Gültaş has experience in the field of human resources in various national and international companies in the banking, retail, FMCG, and service sectors. In the field of finance, he held senior management positions at Interbank, Türkiye Finans, and Vakıf Katılım. Most recently, he served as Executive Vice President in charge of Human Resources and Support Services at Eminevim. He serves as Executive Vice President in charge of Talent and Culture at the Dünya Katılım Bankası as of September 2023.

**Kadir DOĞUERİ**  
**Executive Vice President - Operations**

Graduated in 2002 from Istanbul University, Faculty of Business Administration, Department of Business Administration, Kadir Doğueri received his master's degree in Business Management. Mr. Doğueri started his career in 2003 at Türkiye Finans Katılım Bankası A.Ş. and served in different positions, including management, in the same organization for 12 years. Between 2015 and 2023, he served as Unit Manager at Vakıf Katılım Bankası A.Ş. He has been pursuing his career as Executive Vice President in charge of Operations at Dünya Katılım Bankası as of September 2023.

**Kamil KİBAR**  
**Executive Vice President - Treasury**

Graduated in 1996 from Middle East Technical University, Department of Political Science and Public Administration, Mr. Kibar started his professional career at ESBANK T.A.Ş. After working at ES Securities for one year in 2000, he continued his career at Kuveyt Türk Katılım Bankası A.Ş. During his 23-year career at Kuveyt Türk, Mr. Kibar served in various senior positions in the treasury group. He continues his career as Executive Vice President in charge of Treasury at Dünya Katılım Bankası as of December 2023.

**MESSAGE FROM THE GENERAL MANAGER OF EMLAK KATILIM**

With the strength we derive from our deep-rooted history, we are taking firm steps towards the future in accordance with the principles of participation finance.

2023, in which we celebrated the 100<sup>th</sup> anniversary of our Republic with great pride, was a year that opened the door to the vision of the Century of Türkiye, which shall carry our country to a strong and solid future. However, the disaster of the century we experienced in February 2023 plunged our entire country into sorrow. We commemorate our citizens, who lost their lives in the great earthquake disaster, may the mercy of Allah upon them. In this year, we experienced pride and sorrow together, we experienced how our country became a whole with its state and nation, and how it healed its wounds in a short time with its strong state organization and spirit of solidarity. Emlak Katılım has endeavored to provide maximum support from the initial moments of the disaster. Emlak Katılım shall continue to provide the necessary support for the redevelopment of the region in the upcoming years.

2023 was marked by the impacts of wars and the threat of potential wars. In the shadow of all these risks, we witnessed a continued slowdown in the volume of growth throughout last year, with global trade disrupted. In addition, the flat course of commodity and energy prices and the fact that the ongoing period of interest rate hikes in the world has come to an end have boosted the markets. Just as significant as the political and economic aspects is the climate crisis, which concerns the whole world. The climate crisis, which shall have an impact on our world in the medium to long term if adequate measures are not taken, is a matter that requires to be taken seriously by the business world. If we would like to create a significant

impact in this respect, it is crucial to have our focus on climate, environment, and natural resources. In the Century of Türkiye, the 2053 net zero goal has been set and it has been declared that we shall achieve this target within the green development vision. Sustainable policies are set with the goal of green transformation in different areas from industry to energy, transportation to retail. Benefiting from the vision of our country, Emlak Katılım has set substantial goals.

Contrary to the crisis experienced in the banking sector around the world, Türkiye has maintained its growth performance with its strong policies and equities as well as a banking sector having an international regulatory and supervisory system. It is observed that the banking sector, which supports production, exports, and employment much more strongly, has made significant progress in 2023 as in previous years. Accordingly, the sector's asset size, stood at TL 14.3 trillion in 2022, increased by approximately 63% and exceeded TL 23 trillion, reflecting a remarkable development. Parallel to the asset size, similar growth was recorded in the funds collected and loans allocated, achieving a performance close to the general acceleration of the sector.

In this respect, the participation finance system, which is based on the principle of sharing profit and loss by directly financing the real sector, is less affected by global crises in comparison with the traditional banking sector. The growth trend of the participation finance sector, which has gained

an increasingly significant position in our country's economy with the breakthroughs made in recent years, has exceeded that of the banking sector, and the asset size of participation finance institutions in 2023 exceeded TL 2 trillion for the first time in its history, experiencing a 70% growth year-on-year. While TL 891 billion in funds was collected in 2022, this amount increased to TL 1.5 trillion in 2023, representing a growth rate higher than that of the sector as a whole.

Emlak Katılım, as it reaches the end of its fourth year of resumption of providing services as a participation financial institution, has continued to maintain its growth in this process. It increased the number of its branches from 80 in 2022 to 100 in 2023 and continued its physical growth. It increased its asset size from TL 100.3 billion to TL 188.4 billion, representing a growth rate of 88%. Funds collected increased by 91.5%, from TL 79.1 billion to TL 151.5 billion, while funds made available increased by 50% in volume, from TL 43.8 billion in 2022 to TL 66 billion in 2023. Net profit has increased by 183% year-on-year from TL 2.8 billion to TL 5.1 billion. Considering the net profit growth rates of the entire banking sector, we ranked first across the entire banking sector with a growth of 189%. In addition, we achieved an increase of 62% in return on equity.

We are taking firm steps towards the future in line with our mission to contribute to the national economy by producing financial solutions that shall support the real sector, especially the real estate sector, in line with the principles of participation finance with the strength we derive from



our deep-rooted history. Emlak Katılım performs its operations with an awareness of the importance of contributing not only to the economy but also to the world we live in, the environment, and sustainability. We are committed to placing sustainable finance practices at the core of our operations, aligning our financial activities with environmental, social, and ethical concerns in line with the principles of participation finance, and making the maximum contribution to green transformation. In this context, we have released our first sustainability report to demonstrate what we have realized in the field of sustainability in a document. Working relentlessly for the development and deepening of participation-based and sustainable capital markets in our country, our institution has achieved many firsts with the sukuk issuances it has issued and intermediated in our country, and has been deemed worthy of many awards for these firsts.

We continue to respond to differentiating customer needs in the best way possible with our products and services, such as the “Project-Preferred Special Fund Pool” where our customers can make their investments in the sectors of their choice, “Win with Producer,” which offers the advantage of monthly rental income, and “Supplier Financing,” which enables suppliers to plan their production and cash flows and buyer companies to manage their costs over time. While offering our diversified products and services to our customers through our branches, we also provide our customers with an uninterrupted digital experience thanks to our investments in digital banking and our technological infrastructure.



We shall continue to endeavor to this end and make a significant difference with successful and exemplary projects. We continue to endeavor for a strong, growing, and increasingly prosperous Türkiye. We shall sustain to work harder and create value for our country, which keeps pace with technology

and stands out with its young and dynamic population, under the responsibility we derive from our founding values.

Sincerely,

**Onur GÖK**  
General Manager of Emlak Katılım

<b>Establishment Year</b>	1926 (under the name of Emlak ve Eytam Bankası); 2018 Türkiye Emlak Katılım Bankası
<b>Chairman of the Board of Directors</b>	Prof. Dr. Mehmet Emin BİRPINAR
<b>General Manager</b>	Onur GÖK
<b>Headquarters</b>	Barbaros Mah. Begonya Sk. No: 9A Ataşehir/İstanbul
<b>Phone</b>	0216 266 26 26
<b>Fax</b>	0216 275 25 25
<b>Website</b>	www.emlakkatilim.com.tr
<b>SWIFT Code</b>	EMLATRISXXX
<b>Number of Branches</b>	100
<b>Number of Employees</b>	1,494

## EMLAK KATILIM SENIOR MANAGEMENT

### **Onur GÖK** **General Manager and Board Member**

Onur Gök started his professional career as an Assistant Tax Inspector in 2011. He passed the qualification exam and was appointed as a Tax Inspector with the joint (triple) decree published in the Official Gazette, dated July 1, 2015, and numbered 29403. Between September 2017 and April 2018, he served as the rapporteur of the Central Report Evaluation Commission of the Tax Audit Board and also served in the "Legislation Unit" reporting to the Chairman of the Board. In April 2018, he was appointed as the Deputy Secretary General of the Ministry of Treasury and Finance Tax Council with the approval of the Ministry and served in this position until March 2019. Under the Tax Council, as a working group member, he participated in the Istanbul Finance Center and tax reform works, especially the Income and Corporate Tax Reform Works. Between April 2019 and June 2021, he served as Deputy Chairman of the Board of the Tax Audit Board. During this period, he served as the Chairman of the Central Report Evaluation Commission and Deputy Chairman of the Central Disciplinary Board. Between January 2020 and July 2021, in addition to his duty as Vice Chairman of the Board, he served as the Secretary General and Deputy Chairman of the Executive Board of the Tax Council of the Ministry of Treasury and Finance. He served as Advisor to the Minister of Treasury and Finance between December 2021 and June 2023. Between June 2022 and July 2023, he served as the General Director of Financial Markets and Exchange at the Ministry of Treasury and Finance. He served as a member of the Board of Auditors of İller Bankası A.Ş., the Board of Directors of the Development and Investment

Bank, the Board of Directors of the Credit Guarantee Fund, and the Board of Directors of the European Investment Fund Türkiye Growth and Entrepreneurship Fund. He passed the Certified Public Accountant Examination held by TÜRMOB and was entitled to become a Certified Public Accountant. He is the author of 2 books on tax legislation and practice, "Corporate Tax Revision" and "Determination and Statement of Income Tax Base: With Annotations and Examples." He has also papers presented in national and international congresses. He is the author of articles published in peer-reviewed journals in the fields of financial law and economics, and articles published in websites that publish in the fields of economics, finance, and law. Onur Gök has been serving as the General Manager and Board Member of Türkiye Emlak Katılım Bankası since July 14, 2023.

### **Ali Kemal KÜÇÜKCAN** **Executive Vice President - Treasury and International Banking**

He was born in 1975. He completed his undergraduate in Middle East Technical University Environmental Engineering in 1998 and awarded his MBA degree from Yeditepe University in 2003. Mr. Küçükcan joined Garanti Bank's Financial Institutions Unit in 2000 and served as Senior Regional Manager of the Financial Institutions Unit and Assistant Manager of the Financial Institutions Unit. Between 2013 and 2019, he served as the Financial Institutions-International Banking Unit Manager at Şekerbank. Since March 2019, he continued his career as Financial Institutions Unit Manager at Türkiye Emlak Katılım Bankası. Since October 19, 2022, he has been serving as the Deputy General Manager in charge of Treasury and International Banking at Türkiye Emlak Katılım Bankası.

### **Bülent KARACALAR** **Executive Vice President - Credit Underwriting**

Bülent Karacalar was born in Ankara in 1978. He graduated in 2000 from Karadeniz Technical University, Faculty of Economics and Administrative Sciences, Department of Business Administration and started his professional career at Anadolu Finans Kurumu in 2002. He sustained his services under the roof of Türkiye Finans Katılım Bankası after the merger between Anadolu Finans and Family Finans. In 2011, he assumed the position of Branch Manager in the same organization. He continued his career at Ziraat Katılım Bankası since 2015 and served as Branch Manager, Head of Credits and Foreign Trade Operations Department, Head of Branch Banking and Sales Management Department, and finally Head of Corporate Branch Banking Department. Since November 28, 2023, he has been serving as the Deputy General Manager in charge of Credit Allocation at Türkiye Emlak Katılım Bankası.

### **Serkan UMAN** **Executive Vice President - Information Technologies and Digital Banking**

Born in Kayseri in 1976, Mr. Uman graduated from Middle East Technical University, Faculty of Arts and Sciences, Department of Mathematics in 1999. He completed his MBA degree at Maltepe University, Institute of Social Sciences in 2006. Mr. Uman started his professional career at İşbank Information Technologies Software Development Unit in 1999 and served as a System Analyst, Team Leader, and Project Manager, respectively. As of 2011, he served as a Software System Architect, Manager, Director, Group Manager, and Deputy Chief Executive Officer at Softtech. Mr. Uman served as Chief IT and Operations Officer at Hedef Yatırım Bankası in 2022, and as of June 2023, he was serving as Chief Information Officer at İfo Yatırım Menkul Değerler A.Ş. and Chief Technology Officer at Hedef Holding. Since November 28, 2023, he has been serving as the Deputy General Manager of Information Technologies and Digital Banking at Türkiye Emlak Katılım Bankası.

**Nihat BULUT****Executive Vice President - Credit Risk Management**

Mr. Bulut graduated in 1996 from Marmara University, Faculty of Economics and Administrative Sciences (English). In 1998, he started working as an Assistant Specialist in the Project and Marketing Department of Albaraka Türk Katılım Bankası. Between 2006 and 2013, Mr. Nihat Bulut served as Assistant Manager in the Corporate Banking Department and Commercial Credits Department, respectively. Between 2013 and 2017, he served as Manager in different operation units. He continued his career in the same institution as a Manager in the Corporate Credits Department since February 2017. He started to work as the Deputy General Manager in charge of Loans at Türkiye Emlak Katılım Bankası on March 2, 2020, and then as the Deputy General Manager in charge of Credit Risk Management on November 28, 2023.

**Şenol ALTUNDAŞ****Executive Vice President - Sales & Marketing**

Şenol Altundaş was born in Istanbul in 1972. Having graduated from Marmara University, Department of International Relations in English in 1996, Mr. Altundaş started working at Pamukbank and continued his career at Akbank in 2003, where he served as Branch Manager between 2005 and 2015. Having successfully served as General Manager at Ak Finansal Kiralama A.Ş. between 2015 and 2019, he served as Maslak and Central Branch Manager at Türkiye Emlak Katılım Bankası, respectively. Mr. Şenol Altundaş holds a master's degree in English MBA from Sabancı University and speaks English fluently. He has been serving as the Deputy General Manager in charge of Sales and Marketing at Türkiye Emlak Katılım Bankası since November 28, 2023.

**Tuğba GEDİKLİ****Executive Vice President - Finance**

After earning her Bachelor of Economics from the Istanbul University Faculty of Economics, Tuğba Gedikli started her career at HSBC Bank. She continued her career as a senior team leader at PwC, an independent audit company where she engaged in the independent audits of companies from a variety of sectors, particularly real estate, energy, production, and financial services, as well as corporate public offering projects. She joined Unilever in 2014 and assumed managerial roles in the Financial Reporting and Budget departments. Starting in 2017, she has served as Management Consultant, Investor Relations and Finance Manager at Emlak Konut GYO, respectively. Assumed the position as Budget and Financial Reporting Director at Türkiye Emlak Katılım Bankası in 2018, Tuğba Gedikli was involved in the processes related to the relaunch and establishment of the Bank. She has been serving as the Executive Vice President of Finance since October 19, 2022.

**Uğur KARA****Executive Vice President - Human Resources and Strategy**

Graduated from Business Administration Department of Faculty of Economics and Administrative Sciences at Pamukkale University, Uğur Kara completed his master's degree in Department of Labor Economics and Industrial Relations at Marmara University. Mr. Kara started his Professional career at İSTAÇ A.Ş. in 2003, and acted as Human Resources Manager at the same company between 2012 and 2018. After serving as the General Manager of İSPARK A.Ş. starting 2018, he currently acts as the Deputy General Manager in charge of Human Resources and Strategy at Emlak Katılım since 14 October 2019.

**Yusuf OKUR****Executive Vice President - Operations**

Yusuf Okur graduated from Faculty of Economics and Administrative Sciences at Boğaziçi University in 1997. Mr. Okur started his career in 1997 as an assistant specialist at Albaraka Türk Katılım Bankası and served as Chief, Second Manager, and Assistant Manager at the Kadıköy Branch after 2000. He continued his career after 2005 as Branch Manager at Merter, Kavacık, and Sultanbeyli Branches. In January 2017, Yusuf Okur was appointed as Unit Manager at Albaraka Head Office and continued his career as Retail and Private Banking Sales Manager until February 29, 2020. Mr. Okur has been serving as the Executive Vice President in charge of Operations at Türkiye Emlak Katılım Bankası since March 2, 2020.



**HIGHLIGHTS FOR EMLAK KATILIM BANKASI IN 2023**

Emlak Katılım's domestic lease certificate (sukuk) issuance volume in 2023 increased by 58% compared to the previous year and amounted to approximately TL 24 billion.

**Facilitated Payments and Collections via the Supplier Financing System (SFC)**

With the recently launched Supplier Financing product, Emlak Katılım aims to enable suppliers to meet their cash requirements against their receivables at predetermined maturities and avoid liquidity shortages. Corporate and large commercial buyers who purchase goods from suppliers can gain flexibility in their payments thanks to this product and ensure uninterrupted supply through efficient procurement.

**Monthly Rental Income Participation Account: Earn with Producer**

The Earn with Producer Account, where customers who want to support production through financial leasing and become a partner in earnings shall be included in the system, is a participation account with monthly lease payments, which is a special fund pool created to be used in financing the purchase of all kinds of new movable and immovable properties that can be subject to financial leasing transactions by legal entity customers that produce and support production.

**A New Collateral Opportunity for Our Legal Entity Customers in Their Financing Requirements**

In order to meet the financing requirements of customers in the SME, Commercial, and Corporate segments, Emlak Katılım launched its murabahah-based E-Invoice Collateralized Financing product, which allows customers to access the financing they need by pledging their E-Invoice receivables as collateral. With E-Invoice Collateralized Financing, suppliers are provided with the opportunity to shorten their operational processes by presenting the E-Invoices they issue to Emlak Katılım as collateral for their receivables arising from the goods or services they sell to the buyer companies of goods and to obtain financing by presenting E-Invoice receivables as collateral without waiting for the invoice collection maturity.

**With Dowry Account, We Grow Savings with State Support**

The participation account, which provides state support to the Bank's customers who save for a minimum of 3 years for the purpose of getting married, earning income before marriage, and marrying for the first time by the age of 27 at the latest, has been launched.

**Katılım Finans Kefalet A.Ş. (KFK) Integration Completed**

Emlak Katılım contributed to the strengthening of the participation ecosystem by carrying out the Katılım Finans Kefalet A.Ş. (KFK) integration in order to provide small- and medium-sized enterprises with access to financing within the framework of participation finance principles and to provide such enterprises with competitive power in the sectors in which they operate.

**Bulk Money Transfer Service with FTP Launched**

Developed for companies that make their payments intensively by EFT and wire transfer, the FTP Bulk Money Transfer System is a payment method that enables companies to perform EFT, wire transfer, and money transfer transactions in bulk, electronically, securely, and seamlessly. Emlak Katılım customers are able to carry out their transactions easily and quickly by transferring their bulk payments between the Bank and the company through the secure FTP environment specially established for the company.

**Increased Diversity of Insurance Products**

With Limit Protection Insurance, which is personal accident insurance, the Bank's commercial customers are provided with special financial assurances against risks that they may face, such as death due to an accident, permanent disability, terrorism, earthquake, etc. With the Cyber Secure Workplace insurance, an insurance product that secures both the workplace and the goods in the workplace against all kinds of circumstances and risks has been introduced to customers. With the Check Guarantee Insurance, in the event of death or total and permanent disability as a result of an accident, the check debts of individual customers between the ages of 18 and 65 who use a checkbook between TL 100,000 and TL 700,000 are paid and their heirs are prevented from suffering. With Private Service Motor Insurance, customers who want to have their cars repaired by a private service can benefit from this product at more affordable prices.



### **We Are the Sector Leader in Sukuk Issuances We Intermediate**

Emlak Katılım's domestic lease certificate (sukuk) issuance volume in 2023 increased by 58% compared to the previous year and amounted to approximately TL 24 billion. In addition to achieving significant cost savings in sukuk issuances carried out without the use of an intermediary institution, Emlak Katılım, which transfers its knowledge and experience in participation-based capital markets to corporate companies in various sectors, also intermediates the sukuk issuances of corporate companies operating in many sectors such as agriculture, recycling, real estate, automotive, food, etc. in accordance with interest-free finance principles. Maintaining its leading position in the sector with a sukuk balance of approximately TL 6.7 billion in circulation as of year-end 2023, Emlak Katılım made a significant contribution to the growth and development of participation-based capital markets with its innovative sukuk models.

- Emlak Katılım intermediated two different green sukuk issuances of a company operating in the recycling sector, totaling TL 100 million in March-April 2023. According to the Fund Utilization and Impact Report prepared in April 2023 within the scope of the green sukuk issuance with a total nominal amount of TL 50 million, the Bank contributed to the reduction of approximately 24 thousand tons of carbon emissions through the recycling of scrap waste, while contributing to 3 goals of the United Nations Sustainable Development Goals.
- Emlak Katılım carried out 1-year sustainable sukuk issuances amounting to TL 100 million and TL 200 million in May and June 2023, respectively. The funds raised from these sukuk issuances were used to finance projects that contribute to combating climate change and social development.
- The Fund Utilization and Impact Report for the Green Lease Certificate Based on Management Contract amounting to TL 500 million which was issued on November 14, 2022, and for which Emlak Katılım was the fund user, was published. With the commissioning of the green buildings, the construction of which was largely completed with the funds obtained from the issuance, 10,320 tCO<sub>2</sub>e of carbon emissions and 9,754 m<sup>3</sup> of water consumption were prevented. Thus, with the funds raised from the issuance of green lease certificates, carbon emissions were prevented and a positive contribution was made to climate change. The green lease certificate issuance contributed to many goals such as "climate change mitigation," "sustainable cities and communities," etc. within the scope of the EU Taxonomy and the United Nations Sustainable Development Goals.

## HIGHLIGHTS FOR EMLAK KATILIM BANKASI IN 2023

Emlak Katılım launched new digital applications and services to provide its customers with an excellent user experience and increase customer loyalty.



### Started Providing Participation-Based Portfolio Custody Services

Emlak Katılım obtained the portfolio custody license from the Capital Markets Board in April 2023 and started to provide collective portfolio custody services to participation-based mutual funds, which will make a significant contribution to the development of the sector. In the Participation Finance Strategy Document, which was prepared under the coordination of the Finance Office of the Presidency and with the active participation of sector stakeholders, and which is Türkiye's first national strategy document in the field of participation finance, it was stated that one of the gaps to be eliminated in participation

capital markets is audit. Emlak Katılım has adopted the mission of establishing an environment of trust in the healthy development of the sector by ensuring transparency and accountability in the audit of participation-based funds with this product, which Emlak Katılım has pioneered in the sector.

### Published Our First Sustainability Report

Emlak Katılım published its first Sustainability Report for 2022, prepared in accordance with Global Reporting Initiative (GRI) standards, covering the organization's performance and targets in economic, social, environmental, and governance areas.

### Significant Steps Taken in Digital Banking

Emlak Katılım has been following a "Digital Transformation Strategy" in compliance with its main strategy and a constantly updated road map since its incorporation, constantly renewing its service model and customer experience presentation and implementing contemporary innovative projects.

Bank customers can easily fill in their information on Emlak Katılım Mobile with end-to-end digital processes and secure authentication methods, then connect to experienced customer representatives via video, and become Emlak Katılım customers within minutes and start performing banking transactions free of charge. As a result of all these advantages, the number of digital customers increased by 88% year-on-year, and the total deposits of digital customers tripled accordingly. The Bank aims to further increase the number of customers it shall acquire with new investments in the digital field in the coming period.

In 2023, Emlak Katılım launched new digital applications and services as part of its customer-focused activities to provide excellent user experience and increase customer loyalty. Thanks to the innovative services launched, the number of digital channel customers increased by approximately 60% year-on-year, while the Bank's uninterrupted services offered through integrated channels continue without slowing down.

The Bank works in line with the goal of making Emlak Katılım Mobile the first point of contact for customers and supports the new solutions and functions that it constantly enriches on the application with user-friendly screens and processes. Thanks to this, in 2023, the share of customers who actively use the mobile application in total digital active customers increased to 90%, and the number of Emlak Katılım Mobile contacts doubled year-on-year.

In line with Emlak Katılım's environmental sustainability goals, "Paperless Banking" services were introduced to support a greener Türkiye, and the practice of using handwritten signatures was discontinued, thereby preventing the waste of sheets of paper. All agreements and forms used in retail account openings at branches were transferred to mobile devices, encouraging customers to use the "Digital Approval" application and reducing the Bank's carbon footprint by saving 63 pages of paper per application.

In addition, during the period;

- Investment account openings were transferred to Mobile and Internet Banking channels, adding to digital transformation activities and increasing the variety of products and transactions offered through digital channels.
- The Bank's Internet Branch was designed with a modern and user-friendly interfaces and offered to the service of customers. In line with Emlak Katılım's environmental sustainability goals, if customers access the Internet Branch from devices that do not have the mobile application installed, the service is provided with a new design that is adaptable and viewable according to the device screen.
- Next-generation authentication technologies such as OCR, NFC, and Liveness Test were made widespread and innovative applications to improve the customer experience were introduced in order to enable customers to determine their new passwords practically on mobile and to meet their extra limit requirements in financial transactions instantly.

- The Arabic option was added to the multi-language support of the Mobile Branch, adding another digital solution that makes life easier for foreign customers who need to receive the services in their own language.
- The CBRT launched the cardless cash withdrawal function at Emlak Katılım ATMs and all ATMs in Türkiye in accordance with the TR QR Code standard. The number of financial transactions conducted through the Bank's ATMs increased by 50% and the amount of transactions by 67%.
- The feasibility studies required for the implementation of Emlak Katılım's credit card project have been carried out, and technical and systemic developments have been completed for Phase 1.
- Debit card passwords have started to be sent to customers via SMS as well.
- Digital Slip application was launched.
- Customers were provided with fast and easy password obtaining services through self-service features offered through the Interactive Voice Response System (IVR).
- In 2023, the Bank's new payment instrument, the Physical POS product, was introduced to customers. In its first year, the number of Physical POS customers was 215, while the transaction volume was TL 53 million and a commission income of TL 100 thousand was generated.
- After the Physical POS product with mobile EFT POS feature, the efforts for the development of a physical POS in compliance with the VUK Art. 507 Communiqué were initiated in 2023 to meet the requirements of customers. The new generation physical POS, which will operate with e-invoice integration, is expected to be made available to customers in the first quarter of 2024.
- Emlak Katılım was the first public participation financial institution to convert all of its ATMs to the TAM System (Public Shared ATMs).

### Our 2023 Awards

- Maintaining its leading position in the sector with a sukuk balance of approximately TL 6.7 billion in circulation as of year-end 2023, Emlak Katılım made a significant contribution to the growth and development of participation-based capital markets with its innovative sukuk models. With the aforementioned sukuk issuances, the Bank received the "Best Sukuk Arranger" award at the "International Finance Awards 2023" organized by International Finance magazine, one of the leading financial publications in the UK, as the best institution intermediating sukuk issuances on a sector basis.
- We acted as an intermediary for the issuance of two Lease Certificates based on Work Contracts amounting to TL 1.3 billion of TWF IFM A.Ş., which is a wholly-owned subsidiary of the Turkish Wealth Fund and carries out the Istanbul Finance Center Project planned to contribute to the goal of transforming Istanbul into a global financial center, in December 2023. The TL 800 million sukuk issuance carried out in December 2023 was deemed worthy of the award for the most successful sukuk issuance of the year in Türkiye in the "IFN Deals of the Year 2023" organized by Islamic Finance News.
- Emlak Katılım received awards in the "Loyalty, Cultural Transformation Management" and "Changemakers" categories at the "15<sup>th</sup> Value for People Awards" organized by PERYÖN-Türkiye Human Management Association, thanks to its "Development through Feedback and Feedback-Based Performance Evaluation" system.



## MESSAGE FROM THE GENERAL MANAGER OF HAYAT FINANS

With the launch of Hayat Finans, a bank born completely digital, the era of licensed digital banking has officially kicked off in Türkiye.

Dear Stakeholders,

The Turkish economy, which has been struggling to recover from global inflationary pressures, geopolitical tensions, and, most importantly, the February 6 earthquakes that deeply shocked our country, achieved remarkable growth, especially in the last quarter, thanks to its solid foundations and crises-resilient structure.

Compared to its global counterparts, the Turkish banking sector has strengthened its innovation muscles after the pandemic with its digitalization speed and innovation competence, and has made great progress with the impact of regulations. In a conjuncture where digitalization has increased the inter-sectoral transition, Hayat Holding, one of the most well-established global organizations in Türkiye with 87 years of experience, has considered this transition as an opportunity, demonstrating its vision of establishing Türkiye's first digital bank.

With the launch of Hayat Finans, a bank born completely digital, the era of licensed digital banking has officially kicked off in Türkiye. In our country, where digital literacy is very high, the finance and banking sector responds to this demand and increases its digitalization level with each passing day. The ability of customers to freely perform their banking transactions without being dependent on any static structure shall be one of the major factors that shall position digital banks ahead of conventional banks. This shall increase financial inclusion, thus allowing a wider customer base to be reached out.

As Türkiye's first digital bank, we are working to provide seamless banking services through entirely digital processes like the best practices in the World. We ensure that all our customers have access to banking services on equal terms, and we place the benefit of our customers before everything else. Thanks to our branchless and low-cost business model, our customer base is rapidly expanding. With our platform banking capabilities, we are building digital financial networks and creating value networks. We are determined to achieve our 2024 goals with our technological infrastructure, financing capabilities, and dedication to grow in participation funds.

Although commenced operations in September 2023, Hayat Finans rapidly increased its asset size to TL 3 billion. It directly contributed to the growth of the Turkish economy by increasing the volume of cash financing disbursed to TL 1.1 billion and announced a net profit of TL 62 million. Our Bank's capital adequacy ratio was realized as 216.93%.

2023 was a special year for Türkiye's first licensed digital bank, as it marked the beginning of an extraordinary banking experience befitting Türkiye's second century. We believe that our customers' faith in not only digital but also branchless banking shall be reinforced by the confidence they have in Hayat Holding. Because we are committed to building trust and value as the banking investment of Hayat Holding, which, based on its 87 years of experience, delivers 49 Turkish brands produced with advanced technologies in 44 production facilities in 17 countries to millions of people around the world.





As Türkiye's promising bank, we will bring a new perspective to the finance and banking sector and make banking accessible to everyone through our innovative business model.

**Galip KARAGÖZ**  
General Manager and Board Member



Establishment Year	2022
Shareholding Structure	100.00%
Hayat Kimya Sanayi A.Ş.	50.00%
Kastamonu Entegre Ağaç Sanayi Ticaret A.Ş.	49.9997%
Other	0.0003%
Chairman of the Board of Directors	Ahmet Yahya KIĞILI
General Manager	Galip KARAGÖZ
Headquarters	Altunizade Mah. Mahir İz Caddesi No: 25 İç Kapı No: 1 Üsküdar/ İstanbul
Phone	0 850 224 29 28
Website	www.hayatfinans.com.tr
EFT Code	212
SWIFT Code	HTYBTRIS
Number of Employees	256

## HAYAT FİNANS SENIOR MANAGEMENT

### **Galip KARAGÖZ**

#### **Board Member – General Manager**

Galip Karagöz, who graduated with honors from the Computer Engineering department of Boğaziçi University in 1991, took on the role of co-founder responsible for technology operations at Bima-Escort Software, a technology start-up company established in the same year. Between 1999 and 2005, he managed a portfolio consisting of Investment Banking, Consumer Finance, Chamber of Commerce and Trade Registry Applications at Globis, a technology company owned by EGS Bank. Between 2005 and 2011, he took an active role as Application Development Director at Ziraat Technology, a subsidiary of Ziraat Finance Group, one of Türkiye's most established public banks, and took on the leadership role in the first and largest agile transformation study in the finance sector in 2009. From 2012 to 2016, he held senior positions as Deputy Chairman of the Board of Directors at the Central Registry Agency. During the same years, he also served as the CIO and Deputy General Manager of Takasbank. Between 2016 and 2017, he was the Group Director of IT at the e-commerce platform Hepsiburada. From 2017 to 2018, he served as the CEO of Ezgetech Technology, a London-based technology consultancy firm. Between 2018 and 2019, he worked as a BT Consultant and Solution Architect at Santander Corporate & Investment Banking's London office, which operates in more than 20 countries worldwide. He worked as an IT Consultancy and Solution Architect at Banking's London office, and as a Board Member and IT Consultant at Osmanlı Yatırım Menkul Değerler in September 2019. Karagöz, who has been serving as the General Manager and Board Member of Hayat Finans Katılım Bankası since December 12 2023, speaks English fluently. He is married and has two children.

### **Özer BARAN**

#### **Assistant General Manager**

Özer Baran, graduated from Bilkent University, Department of Industrial Engineering in 1999, completed his Master's Degree in Financial Economics at Izmir University of Economics in 2007. Mr. Baran began his career in the Banking sector and worked as an inspector at T. İş Bankası A.Ş. between 1999 and 2007. He worked as the Assistant Manager of Corporate Credits at HSBC Bank A.Ş. between 2007 and 2009, Risk Management Manager at Eurobank Tekfen A.Ş. between 2009 and 2010, Risk Management Head and Assistant General Manager of Credits in Risk Management and Credits Groups at Türkiye Finans Katılım Bankası A.Ş. between 2010 and 2020, and Assistant General Manager of Credits and Information Systems at Pasha Yatırım Bankası A.Ş. between 2021 and 2022. Since August 2022, he has been serving as the Deputy General Manager in charge of Credits and Operations at Hayat Finans Katılım Bankası A.Ş.

### **Mehmet Necati ÖZDENİZ**

#### **Assistant General Manager**

Mehmet Necati Özdeniz, born in Çanakkale in 1975, graduated from the Department of Sociology at Middle East Technical University in 1998. During his time as a student at Middle East Technical University, he served as a Statistics Assistant. Since 1999, Özdeniz has been professionally engaged in his career, holding high-level positions at prominent institutions in Türkiye, including Oyak Bank (ING), Dışbank (Fortis – TEB), Türk Ekonomi Bankası, Aktif Bank Investment Bank, Türkiye Finans Participation Bank, and CarrefourSA. From 2017 to 2022, he assumed the role of Deputy General Manager overseeing Retail Banking at Türkiye Finans Participation Bank A.S. Between 2015 and 2017, he held the esteemed position of Executive Board Member responsible for Marketing, Corporate Communications, and Customer Loyalty Programs at CarrefourSA. His responsibilities at Türkiye Finans Participation Bank A.S. from 2013 to 2015 encompassed the role of Data Management and CRM Group Manager. Additionally, he served as the CRM & Campaign Manager at Türk Ekonomi Bankası (TEB) from 2012 to 2013, and from 2008 to 2012, he held the position of CRM & Segment Management Department Manager at Aktif Investment Bank. In November 2022, Mehmet Necati Özdeniz began his role as the General Manager Consultant at Hayat Finans Participation Bank, and since September 2023, he has been serving as the Deputy General Manager of Retail Banking. Mehmet Necati Özdeniz has been serving as Deputy General Manager of Retail Banking since September 2023. As of June 3, 2024, in addition to his duties and responsibilities as Deputy General Manager of Retail Banking, he has also been serving as Deputy General Manager of Corporate Banking. Mehmet Necati Özdeniz, who graduated from Özyeğin University Executive MBA department in 2023, is married and has three children. In 2023, Mehmet Necati Özdeniz completed the Executive MBA program at Özyeğin University. He is married and has three children.

**Seçkin YENİEL****Assistant General Manager**

Seçkin Yeniel, who graduated from Dokuz Eylül University English Department of Economics in 2007, started his career as a Project Assistant in the Izmir Project of the Scientific and Technological Research Council of Türkiye (TÜBİTAK) in the same year. He worked as an Internal Auditor at Alternatif Bank between 2011 and 2014, and played an active role in branch audits, banking process audits and research studies. Yeniel, who held different positions as Senior Consultant and Risk Consultancy Manager at Deloitte Istanbul between 2014 and 2019, also served as Project Management and Analysis Department Manager and Product Manager at SoftTech between 2019 and 2022. Yeniel, who has been continuing his career as Innovation and Product Development Director at Hayat Finans since 2022, has been appointed as Deputy General Manager of Corporate Banking as of December 2023.

Having completed the Economic History program at Lund University in 2010 and the English-language Economics master's program at Dokuz Eylül University in 2009, Seçkin Yeniel speaks English well.

**Çetin Yalçın GÜLEÇ****Assistant General Manager**

Çetin Yalçın Güleç, who graduated from the Department of Computer Engineering at Ege University in 2005, began his professional career as a software specialist at Ege University. From 2009 to 2022, he served as a Software Engineer, Solution Architect, Manager, and Director in the field of Data Analytics at Softtech Inc. Having been involved in the establishment operations of Hayat Finans Participation Bank, Çetin Yalçın Güleç is currently serving as the Executive Vice President in charge of Technology and Banking Services.

## HIGHLIGHTS FOR HAYAT FİNANS IN 2023

By making the right technological investment moves and implementing projects that will shape digital banking, we aim to provide our customers with a unique experience.

### **Pioneer of Licensed Digital Banking**

Hayat Finans, Türkiye's first licensed digital bank, provides services through mobile application and Internet banking with its uninterrupted service approach and technological infrastructure. As Türkiye's first digital bank, with our entry into the banking sector, we will support the digitalization of our corporate customers and meet the needs of our retail customers promptly and effectively. Through this service approach, we aim to become a solution partner for our customers.

We would like to offer all products and services provided within the framework of Participation Banking principles to our customers in the digital environment with the best experience and the most appropriate method, process, and speed, pioneering the start of a digitalized era "in the real sense" in the Turkish banking sector with our transparent, egalitarian, and value- and solution-oriented approach.

Hayat Finans is Türkiye's first licensed digital bank established under the umbrella of Hayat Holding, which has 87 years of experience and know-how. In addition to core banking services such as Retail Banking, SME Banking, Commercial Banking, Treasury Transactions, Investment Banking, and Private Banking, we also focus on new generation banking services.

We aim to ensure that our customers stay in the flow of life and provide them with a unique experience with our projects that will shape digital banking by making the right technological investment moves, and thus we want to satisfy our customers at all times.

Adopting the principle of "No fees, more benefits" we eliminate costs aiming to earn together with our customers and share the benefits with our customers. With this approach, we aim to offer more competitive profit-sharing rates and greater financial advantages.





## REMARKS FROM THE GENERAL MANAGER OF KUYEYT TÜRK

In 2023, we continued to develop innovative products and services by focusing on customer satisfaction and experience.

After a series of financial and non-financial shocks in previous years, we witnessed a positive start to the new year for global economic activity, with energy and food prices returning to relatively normal levels and the re-opening of the Chinese economy. Inflation rates, which were at historically high levels all over the world, started to decline due to tightening monetary and fiscal policies and normalization in the supply chain.

While the interest rate hikes that started in 2022 continued, the rigidity in the core inflation rate suggested that for many countries, the risk of persistent inflation has not yet completely disappeared. Economic activity is still lagging behind its pre-pandemic pace, particularly in emerging markets and developing economies, while the differences between regions in the global recovery persist.

### **The economies of developing countries are deeply affected**

Global interest rate hikes, characterized by capital outflows, monetary erosion of local currencies, declining consumer confidence and rising country risk premiums, have a deeper impact on the economies of developing countries. High US interest rates lead to the appreciation of dollar-denominated assets and trigger capital outflows from emerging economies, causing devaluation of their currencies. Still, relatively strong US economic activity gives the Fed the flexibility to start rate cuts later. This is a development that shall cause capital flows to shift to emerging countries later. The European Central Bank is also sending similar signals in terms of the interest rate cut timetable.

### **Turkish banking sector proves its robustness**

Türkiye has a very important role in the financial ecosystem with its young population, well-equipped human resources, and geopolitical position. As Türkiye is an adaptive country to the global economy, it is affected by other developments in the world by all means. The inflationary environment, energy and food crises, supply chain problems, rising interest rates, the Kahramanmaraş earthquakes, instability in our nearby geography, and many other financial and geopolitical factors affect Türkiye's economic policies.

In 2023, we closely monitored the high inflationary environment and monetary tightening in Türkiye and complied with many macroprudential measures and regulations in terms of banking. Especially in the second half of the year, the economic management shifted to a tight monetary policy to ensure permanent price stability. Despite the increased public expenditures, mainly those related to earthquakes, it is expected that the inflation trend shall decline and the disinflation process shall start, especially in the second half of the year. Despite the tight monetary policy, Türkiye concluded the year with 4.5% growth with the impact of strong domestic demand. Thus, Turkish economy maintained its growth momentum for 14 consecutive quarters. With a growth rate significantly exceeding the G20 and OECD averages, we expect the Turkish economy to maintain its positive divergence in 2024.

### **Digital maturity shall be determinant in competition**

In new period when customers need guidance and support most, advisory banking services and digital products stand out. As one of the most important competitive areas of the industry in payment systems, infrastructure, and financial technology, digitalization shall continue to increase its importance in 2024.

On the other hand, as digitalization and technology gradually permeate every aspect of our lives, the expectations and needs of bank customers are changing rapidly. Customers now would like to perform financial transaction they wish effortlessly, in the most reliable and fastest way, wherever they want. They would like to be able to do everything they can do in the branch easily, effortlessly, and quickly through mobile banking. They also expect cost-effective and smart solutions in doing so. We attach great importance to these changing expectations of our customers. Kuveyt Türk not only effectively introduces its qualified financial products and services to savers and investors, but also maintains its leading position in the industry with actions on the path of technology and innovation.

### **Sustainability is a requirement of participation finance**

At Kuveyt Türk, we address sustainability with an approach adding value to society and transforming what we have gained from these lands into benefits for these lands, caring about the preservation of our social and cultural values. We strive to carry



all the values of our society from the past to future generations, just as much as our nature and environment, in a sustainable way. As a participation finance institution that considers sustainability as a necessity of participation finance and has always adhered to sustainability principles since our establishment, we regard the avoidance of waste, the protection of nature, and the prioritization of social benefit as the foundations of our corporate culture.

#### Developing innovative products and services

In 2023, we continued to develop innovative products and services by focusing on customer satisfaction and experience. We do believe that our solid capital and liquidity structure, high asset quality, dynamic corporate management approach, continuous development-oriented customer service model, ongoing investments in technology, digital transformation efforts that focus on people, and strong subsidiary network at home and abroad shall continue to lead us as we pioneer in our sector in Türkiye and to add value to all our stakeholders and participation finance sector in 2024.

We view the support of transparent and strong banking structure of the participation financial sector for production, investment and export as significant and we continue to work on growing and developing the participation finance sector.



In the Century of Türkiye, where the 100<sup>th</sup> anniversary of the Republic is celebrated, we shall continue to contribute to Türkiye's development in a changing and transforming world by increasing our visionary, innovative, and inspiring efforts with

the approach of "our route is digital, our focus is people."

Sincerely,

**Ufuk UYAN**  
General Manager

<b>Bank's Name</b>	Kuveyt Türk Katılım Bankası A.Ş.
<b>Establishment Year</b>	1989
<b>Main shareholders (shareholders owning 10% or more of the Bank and their shares, free float rate)</b>	Kuwait Finance House (62.24%), Kuwait Public Institute for Social Security (9%), Islamic Development Bank (9%), Directorate General of Foundations (18.72%), Other (1.04%)
<b>Chairman of the Board of Directors</b>	Hamad Abdulmohsen ALMARZOUQ
<b>General Manager</b>	Ufuk UYAN
<b>Headquarters</b>	Büyükdere Cad. No: 129/1 34394 Esentepe/Istanbul
<b>Phone/Fax</b>	0212 354 11 11 - 0212 354 12 12
<b>Website</b>	www.kuveytturk.com.tr
<b>Swift code</b>	KTEFTRIS
<b>EFT Code</b>	205
<b>Number of Domestic Branches</b>	443
<b>Number of Overseas Branches</b>	1
<b>Overseas Financial Subsidiaries</b>	1
<b>Number of Employees</b>	6,011

## KUVEYT TÜRK SENIOR MANAGEMENT

### Ufuk UYAN

#### Board Member and General Manager

Mr. Uyan graduated from the Economics Department of Boğaziçi University in 1981. He received an MA degree from the Business Administration Department of the same university in 1983. He began his professional career as a Research Assistant at the Economics Department of Boğaziçi University in 1979 and served as a Researcher Economist at the Special Researches Department at Türkiye Sınai Kalkınma Bank in 1982. Mr. Uyan was appointed as the Vice Project Manager at Albaraka Türk in 1985 and continued his career as the Project and Investments Manager at Kuveyt Türk in 1989. Mr. Uyan was promoted to Executive Vice President in 1993 and then appointed Head Assistant to the Chief Executive Officer. Mr. Uyan has been the Chief Executive Officer since 1999 and continues his duty as a Member of the Board of Directors and General Manager at Kuveyt Türk. Mr. Uyan is also a Member of the Executive Committee, Credit Committee, Remuneration and Nomination Committee, and the Corporate Social Responsibility Committee.

### Bahattin AKCA

#### Chairman of the Internal Audit Directorate

Born in Zonguldak in 1971, Bahattin Akca was graduated from Business Administration Department (English program) of Istanbul University. Akca, who started to work at the Kuveyt Türk family as an Assistant Auditor in the Internal Audit Group in 1996, served as the Head of Internal Audit Group for 6 years and pursued his career in the Internal Control Group in 2002. He acted as the Head of Internal Control Group between 2003 and 2007. As of August 2007, Akca has been performing his duties as Head of the Internal Audit Group.

### Dr. R. Ahmet ALBAYRAK

#### Executive Vice President - Treasury and International Banking

Mr. Albayrak graduated from the Industrial Engineering Department of Istanbul Technical University. He received a MA degree in Organizational Leadership and Management at the University of North Carolina at Pembroke, the USA in 1993 and was awarded a Ph.D. degree in Technology Management at Istanbul Technical University, Department of Business Administration in the Social Sciences Institute in 2007. Having joined the participation banking sector in 1988, Mr. Albayrak has been serving as the Executive Vice President at Kuveyt Türk since 2005. He managed the Banking Services Group until October 2012 and he was assigned as the Executive Vice President of Treasury and International Banking as of the same date.

### Abdurrahman DELİPOYRAZ

#### Executive Vice President - SME Banking

Abdurrahman Delipoyraz graduated from Istanbul Technical University, Department of Industrial Engineering and started his career at Kuveyt Türk in the Project and Investment Department. Served in the Corporate and Commercial Banking Sales Department and Financial Analysis and Intelligence Department until 2000, Abdurrahman Delipoyraz served as Branch Manager in Beşyüzevler and Bakırköy branches between 2000 and 2004. In December 2004, he was appointed as the Regional Manager and served in Istanbul Europe-1 and Istanbul Anatolia Regional Directorates. He has been serving as the Executive Vice President of SME Banking since January 2015.

### Aslan DEMİR

#### Executive Vice President - Strategy

Mr. Demir graduated from Marmara University, International Relations Department. He completed his Master's degree at Sheffield University in the UK with a thesis on "Critical Elements of Strategy Implementation in Banking Sector." In 2020, he obtained his second MA degree at Marmara University's Business Administration Program offered by the Social Sciences Institute, writing a thesis titled "Behaviors of Participation Banking Deposit Customers." He began his banking career in Kuveyt Türk Treasury Department in 1995, served at the Treasury Department for six years, and continued his career at the Project Management and Quality Department between 2001 and 2004. He was appointed the Project Management and Quality Manager in 2005 and he went on to serve as the Information Technologies Group Manager with the new organizational structure in 2007. He has been serving as the Executive Vice President of Strategy, Human Resources, Digital Transformation, Corporate Communication, and Corporate Performance Management since October 2012 while continuing to perform his duties at Architech Bilişim Sistemleri ve Pazarlama Ticaret A.Ş. as a Board Member.

**Ahmet KARACA**  
**Executive Vice President -**  
**Financial Affairs**

Graduated from Ankara University, Faculty of Political Sciences, Public Administration Department in 1990, Ahmet Karaca started to work as the Sworn Deputy Auditor of Banks at the Undersecretariat of Treasury in 1992 and he was assigned as the Sworn Auditor of Banks in 1995. He continued his duty with the same title at the Banking Regulation and Supervision Agency (BRSA) from 2000, and he served as the Executive Vice President of the Sworn Auditors Committee of Banks between 2002 and 2003 at the BRSA. After approximately one year of service, he was assigned as the Sworn Head Auditor of Banks in 2004. Between 2004 and 2006, he received an MA degree in economics from the State University of New York at Albany, USA, and wrote an MA thesis on International Banking and Capital Markets. Mr. Karaca joined Kuveyt Türk Katılım Bankası A.Ş. as the Chief Financial Officer in July 2006 and he sustains his service in the same position.

**Ahmet Süleyman KARAKAYA**  
**Executive Vice President -**  
**Corporate and Commercial**  
**Banking**

Karakaya graduated from the Business Administration and Finance Department at Istanbul University, Faculty of Economics, and began his banking career as an Inspector at Garanti Bank, where he went on to work at the Audit Committee, Risk Management Department, Loans Department, and Regional Directorates between 1981 and 2003. Mr. Karakaya has been working as the Executive Vice President of Corporate and Commercial Banking at Kuveyt Türk since 2003.

**Nurettin KOLAÇ**  
**Executive Vice President - Law and**  
**Risk Follow-up**

Mr. Nurettin Kolaç graduated from the Faculty of Law at Marmara University. He served as an attorney and legal counselor in the banking, financial leasing, and insurance industries for 16 years. He served as the Vice Head of Department and Head of Department (Legal) in the Banking Regulation and Supervision Agency for six years starting in 2004. He joined Kuveyt Türk in April 2010 as the Executive Vice President of Law and Risk Follow-up. Mr. Kolaç also served as a Board Member at KT Portföy Yönetim A.Ş. and Neova Sigorta A.Ş. in 2015-2018, and March 2018-October 2020, respectively. Upon a Board resolution dated October 21, 2020, Mr. Kolaç was appointed the Chairman of the Board at Neova Sigorta A.Ş. He is a chairman and member of several working committees in professional associations for the banking industry. With 35 years of experience in law and banking, Mr. Kolaç has been serving as the Executive Vice President of Corporate, Commercial, SME, and Retail Risk Follow-up, Credit Risk Monitoring, Collateral Monitoring, Customer Rights, and Legislation, and Law and Risk Follow-up.

**Mehmet ORAL**  
**Executive Vice President - Retail**  
**Banking**

Mr. Oral graduated from the Business Administration Department of Uludağ University. He began his career in the Kuveyt Türk family at the Head Office Branch in 1992. He served as the manager in the IMES, Bursa, and Merter branches between 2000 and 2005. He was assigned as the Regional Manager at the Istanbul European Side Regional Directorate in 2005 after the transition to the Regional Directorate structure. After having served as the Regional Manager for four years, he pursued his career as the HR, Training, and Quality Group Manager in 2009. He has been serving as the Executive Vice President of Retail Banking since October 2012.

**Bilal SAYIN**  
**Executive Vice President - Credits**

Graduated from the Public Administration Department of Middle East Technical University in 1990, Bilal Sayın joined the Kuveyt Türk family in 1995 and has been serving as the Chief Credit Officer at Kuveyt Türk since 2003.

**Hüseyin Cevdet YILMAZ**  
**Executive Vice President - Risk,**  
**Control, and Compliance**

Graduated from the Business Administration Department of Boğaziçi University in 1989, Hüseyin Cevdet Yılmaz started his banking career as the Assistant Internal Auditor in Esbank Internal Audit and Inspection Department. After having served as Internal Auditor and Branch Manager in the same institution, he began to work as the Head of Internal Audit and Inspection Department at Kuveyt Türk in September 2000. He was appointed as the Audit and Risk Group President in 2003. Mr. Yılmaz has been serving as Chief Risk Officer since 2012.

**İrfan YILMAZ**  
**Executive Vice President - Banking**  
**Services**

Graduated from the Management Engineering Department of Istanbul Technical University, İrfan Yılmaz started his banking career at the Financial Affairs Department in Kuveyt Türk in 1990, was assigned to the Internal Audit and Inspection Department in 1996, and served as the Head of the Internal Audit and Inspection Department between 1998 and 2000. Mr. Yılmaz was appointed the Retail Banking Manager in 2000 and after five years at the Department, he took office as the Executive Vice President of Retail Banking and Enterprise Banking in 2005. He has been serving as the Executive Vice President of Banking Services since October 2012.

## HIGHLIGHTS FOR KUYEYT TÜRK IN 2023

Standing out with its innovative products and services, Kuveyt Türk achieves worldwide success with its activities in open banking.

### Pioneering in Open Innovation

As a pioneer in open innovation, Kuveyt Türk has initiated an innovative idea competition for the Trade Plus application. Trade Plus users generated 364 ideas regarding capital market instruments such as stocks, lease certificates, and investment funds. In the next stage, 47 ideas above a certain score scale were presented to the assessment of a jury consisting of experts and managers under the coordination of Kuveyt Türk Treasury Marketing Department. In the competition, where 8 ideas made it to the finals, the final assessment committee selected the winning ideas, and the winners received a total of TL 100 thousand in prizes. Awards were granted to the winners at a ceremony held at Kuveyt Türk Innhouse Innovation Center.

### API Market of Kuveyt Türk at the Top of the World in Open Banking

Standing out with its innovative products and services, Kuveyt Türk achieves worldwide success with its activities in open banking. It continues to increase its contribution to the open banking ecosystem with the API Market it established in 2017. Kuveyt Türk API Market includes over 300 APIs and became the only financial institution from Türkiye in the "Masters in Openness" category, which refers to the best level in terms of functional development and experience, in the INNOPAY Open Banking Monitor 2023. In 2023, the Bank

also won the award for the financial institution with Türkiye's "Best Open Banking APIs" as part of the "World's Best Digital Banks 2023" awards, where the international broadcaster Global Finance determined the most successful banks. With more than 300 APIs that Kuveyt Türk offers through the API Market Platform, application developers can offer banking and financial services to their customers through their platforms. Thanks to the integration with more than 50 companies to date, a wide range of products are offered to customers through account viewing services, money transfer, foreign exchange, and precious metal transactions, and other API products.

### "Export Price Acceptance Document" Procedures at Kuveyt Türk Mobile

Kuveyt Türk continues to listen to its customers' requirements and demands and develop new solutions. After breaking new ground in participation finance and announcing that Export Proceeds Acceptance Certificate (IBKB) transactions can be made via the Internet branch without going to a physical branch, Kuveyt Türk moved these transactions to the mobile branch in 2023. In this way, customers can issue and list IBKB through the mobile branch as well as physical or Internet branches and follow the processes from the mobile environment. They also save time and benefit from low service fees.

### Kuveyt Türk Initiated the Service of Collateral Application on the Mobile Branch

In 2023, Kuveyt Türk added a new one to its technological solutions and services. Corporate customers can now apply for a letter of guarantee through Kuveyt Türk Mobile, as well as the Internet branch. Increasing the rate of issuance of letters of guarantee through the Internet branch to 70%, Kuveyt Türk aims to increase the rate of issuance of letters of guarantee through digital banking to 90% with the mobile branch. A special discount of up to 25% on the letter of guarantee commission was applied for applications made through Kuveyt Türk Mobile.

### Training, Mentoring, and Grant Support for Entrepreneurs from Lonca (Guild)

Established by Kuveyt Türk in 2017 to support technology-focused and scalable business ideas, Lonca (Guild) Entrepreneurship Center has graduated 73 entrepreneurial teams to date. In the ninth term of the Lonca, which supports start-ups in several areas such as cash grants, 6-month training, mentoring, multi-location incubation, R&D, and API, 11 start-ups were accepted to its incubation program. Providing grant support to entrepreneurs to use in their product development processes and urgent expenses, Lonca has offered grants of over TL 2.5 million in cash to entrepreneurs to date. As part of the BiGG program having been executed jointly with İTÜ Çekirdek (Core) and supported by TÜBİTAK, entrepreneur candidates wishing to put their business ideas into practice were assisted in terms of meeting their basic requirements.





#### **“Sustainability” Emphasized in Kuveyt Türk’s 2025 Vision**

Emphasizing the “sustainable finance” approach in the 2025 vision, Kuveyt Türk aims to take important initiatives in the fields of environment, social, and governance until 2025. In line with its 2025 strategy, the Bank offers its customers innovative products and services, continuously taking steps that add value to society and its shareholders with a strong capital structure and dynamic corporate governance approach. Publishing the Sustainability Policy as part of its sustainability efforts, Kuveyt Türk established the Sustainability Committee and 4 different working groups reporting to this committee for the sound management of these sustainability efforts. Furthermore, Kuveyt Türk has become the first participation finance institution to obtain the “Zero Waste Certificate” for its head office and banking base buildings by fulfilling all criteria in the Zero Waste Regulation of the Ministry of Environment, Urbanization, and Climate Change.

#### **Seed Ball Gift to 81 Provinces from Earthquake Victim Scouts**

The Turkish Scouting Federation organized the “Solidarity of Century Summer Scout Camp” in August in Beykoz, Istanbul, for earthquake survivor students aged between 10 and 15. In addition to basic scouting training, earthquake survivor students participating in the camp produced 81 thousand seed balls for 81 provinces in order to thank all Turkish people for their sensitivity during the earthquake. The seed balls, produced with the support of Kuveyt Türk and under the coordination of ÇEKUD, were sent to 81 provinces, one thousand to each city, and were introduced to nature in November and December.

#### **Kuveyt Türk as The Best Employer in Türkiye for the sixth time in a row**

Kuveyt Türk, adopting a “people first-employees first” principle with the approach of “Our route is digital, our focus is people” regarding its human resources processes, was listed as “The Best Employer in Türkiye” 6 years in a row in the category of “5000+ Employees” in “The Best Employers in Türkiye” 2023 Awards held by Great Place to Work Institute (GPTW) in the field of human resources.

## HIGHLIGHTS FOR KUYEYT TÜRK IN 2023

Kuveyt Türk received 3 awards at the IFN Awards which was organized by Islamic Finance News to determine the best in the interest-free finance sector.



### Three awards from IFN to Kuveyt Türk

Kuveyt Türk received three awards at the IFN Awards which was organized by Islamic Finance News, one of the leading publications in the finance markets, to determine the best in the interest-free finance sector. Kuveyt Türk was deemed worthy for the awards "Türkiye's Best Islamic Bank," "Türkiye's Best Individual Bank," and Türkiye's Most Innovative Bank."

### Best Customer Services Award

Kuveyt Türk received the "Best Customer Service Bank" award within the scope of "International Finance Awards 2023" organized by International Finance magazine - one of the leading finance and business analysis publications in England.

### The best finance institution in API services from Türkiye

Kuveyt Türk API Market succeeded in being the only financial institution from Türkiye to take place in the "Masters in Openness" category, the best category in the "Open Banking Monitor 2023" matrix. The Open Banking Monitor 2023 matrix was developed by INNOPAY, which provides strategic consultancy services in data sharing, API services, and the payment industry worldwide.

### Five awards to the annual report of Kuveyt Türk

Kuveyt Türk's 2022 Annual Report was granted five awards at the LACP Awards (League of American Communications Professionals). The annual report received a Gold award with 98 points out of 100 in the "Worldwide Banks of Its Own Size Category." Kuveyt Türk was ranked 17<sup>th</sup> among the first 80 institutions in the EMEA (Europe-Middle East and Africa) Region. The annual report was ranked among the "Türkiye's Top 20 Reports." Besides being deemed worthy of the bronze award in the "Special Achievement Award: Best Agency Report" category in the EMEA/ Europe-Middle East and Africa region, Kuveyt Türk also received the "Technical Achievement Award," which was presented for general excellence in the art and method of communication.

**First place in yacht races**

Kuveyt Türk received an award at the “4<sup>th</sup> Presidential International Yacht Races 100<sup>th</sup> Anniversary Cup of the Republic” organized as part of October 29 Republic Day. Kuveyt Türk’s yacht named “KUVEYT TÜRK CHEESE” received the grand prize in its own class (IRC2). Kuveyt Türk also ranked third in the IRC2 category at the Bosphorus Cup organized for the 22<sup>nd</sup> time in 2023.

**Data analytics award to Kuveyt Türk**

Kuveyt Türk is among the best in the banking industry in the Social Brands social media index in which the social media performances of brands from all sectors are measured objectively and based on data throughout the year. It received the “SocialBrands Data Analytics” award in the final of Brandverse Awards 2023.





## REMARKS FROM THE GENERAL MANAGER OF T.O.M. KATILIM BANKASI

Over the next 5 years, we have a goal to reach 5 million active users in Türkiye, become one of the top 5 digital banks in Europe by reaching 5 million people, and achieve a valuation of 5 billion dollars.

The global economy entered the third quarter of 2023 with a high level of stress due to ongoing problems in the supply chain, high inflation, recession concerns, and especially uncertainty over the debt ceiling in the US. In 2023, the US policy interest rate reached its highest level in 22 years. Nevertheless, the view that interest rate hikes have come to an end, but that they shall remain at this level for some time, and that the soft landing scenario shall be the case has prevailed in the markets.

Similar to global economies, inflation continues to be considered as the key factor in Europe, which technically entered recession in June. In addition, the decline in household consumption expenditures and demand for imported goods in Europe are construed as signs of contraction in global trade. Emerging economies, on the other hand, are experiencing positive developments in fiscal discipline and debt stocks. In parallel with the declining risks in these economies, foreign investor appetite is expected to rise.

In the upcoming period, as disinflation becomes more apparent, it is expected that the credit transmission mechanism shall regain its functionality and growth goals shall repeat their stable results over the years. With the positive atmosphere and mitigated risk environment in Türkiye's economy, foreign investors are expected to place Türkiye in an important position. Recent geopolitical developments shall be monitored as important risk factors for the upcoming period. Serving our

country, the economy, and society in the field of digital participation banking, our institution closely monitors the economic steps taken and global developments and continues to establish its strategic goals in line with recognized risk management policies, sustainability, financial inclusion, profitability, and social responsibility principles.

In 2023, we witnessed many significant developments in the Turkish banking sector. The significant developments include the fact that digital banking start-ups have begun to acquire customers. TOM Group obtained its establishment permit for T.O.M. Katılım Bankası A.Ş. as Türkiye's second Digital Bank, published in the Official Gazette dated August 12, 2022. Our establishment was registered in the Trade Registry Gazette of Türkiye on December 12, 2022, and we received our operating license with the decision of the Banking Regulation and Supervision Board published in the Official Gazette dated March 31, 2023. Thus, we concluded the establishment process of our digital bank, which started in 2022, and officially acquired our first customer in 2023.

In pursuance with the goal that the sector share of participation banks should be 15% by 2025 as set out in the Participation Finance Strategy Document of the Presidency of the Republic of Türkiye Finance Office, the fact that TOM Group has reached approximately 7.5 million potential banking customers in less than a year has encouraged us to achieve this goal and increased our belief in walking towards this

goal. Over the next 5 years, we have a goal to reach 5 million active users in Türkiye, become one of the top 5 digital banks in Europe by reaching 5 million people, and achieve a valuation of 5 billion dollars.

In order to take decisive steps towards this goal, one of the most significant points for us in our exciting incorporation journey was to establish the team we would work with. During this year, we established our team and increased in line with our requirements, reaching a total of approximately 450 people. When building our team, we have paid special attention to selecting people who stand out in terms of both their academic background and professional experience, who are successful, and who also attach great importance to teamwork. It was also important for our team to have experience in at least two of the banking, digital technologies, and retail sectors. Approximately 25% of all our employees, intending to produce together and experienced in the banking sector, and approximately 55% of our executive team of managers and above have master's and/or doctorate degrees. In addition to establishing our team, we determined our common value from the very first day in order to provide a happy and productive work environment for our employees, and we jointly created our culture, which we call "TOM'ca Kültür (TOM's Culture)." We have implemented many endeavors to strengthen our values and culture. To categorize these values under five main headings; customer passionate, game changer, smart efficient, super clear, and dream team. Our effort to manage teams with an effective culture has enabled us, the TOM Group, to win the "Great Place to Work" award for two consecutive years.

## TOM•Bank

Another issue we focused on in our incorporation journey was the technology. On the technology side, both in Türkiye and in our dreams of expanding into Europe and the Middle East, we have prioritized offering a fast and simple technology and digital experience that works smoothly. Within the framework of these priorities, we developed a banking infrastructure that can serve more than 5 million customers and we acquired our first bank customer in the third quarter of 2023 using this infrastructure. Our TOM Bank mobile application was designed and developed from scratch and made ready for use by our teams as of 2024. Furthermore, in order to offer our loan products, which we shall provide with our bank, to customers through Türkiye's strongest retail chains, we completed infrastructure developments in 2023 and made them ready for use. By giving priority to Turgut Aydın Holding companies of the A101, English Home and Eve retail chains, we aim to extend our financial services to a wider audience. As a digital bank with high ambitions both in Türkiye and Europe, we sustain our operations in parallel with developing innovative products and services we are planning to offer to our customers.

All these positive developments in our bank have been attracting the attention of foreign investors since the early days. TOM Group's rapid growth, commitment to technological advancement, and ambitious business goals both in Türkiye and international arena encouraged Dubai Islamic Bank PJSC (DIB), the world's

first participation bank and the second largest by size, to make an investment. In this context, we completed the partnership process, which has been under negotiation for some time, and in December 2023, we reached an agreement with DIB to become a 20% shareholder of the TOM Group, which also includes TOM Bank. We believe that our collaboration shall

go beyond industry goals thanks to this partnership, strengthening economic ties between the UAE and Türkiye while helping us to discover new global opportunities.

Sincerely,

**Onur ÖZKAN**  
**Board Member and General Manager**

<b>Establishment Year</b>	2023
<b>Main Shareholders</b>	Ahmet Yaşar Aydın (76.5%), Dubai Islamic Bank (20%), Ali Taha Aydın (1%), Erhan Bostan (1%), Can Ersöz (1%), Tolga Akar (0.5%)
<b>Chairman of the Board of Directors</b>	Ahmet Yaşar Aydın
<b>General Manager</b>	Onur ÖZKAN
<b>Headquarters</b>	Burhaniye Mh. Nagehan Sk. B Blok No: 2B İç Kapı No: 1 Üsküdar / ISTANBUL
<b>Phone</b>	0850 399 36 36
<b>Fax</b>	0850 214 33 93
<b>Website</b>	www.tombank.com.tr
<b>E-mail</b>	tombank@hs03.kep.tr
<b>SWIFT Code</b>	TKNSTRIS
<b>Trade Registry Number</b>	427893-5
<b>Central Registration System Number</b>	850071279200001
<b>Number of Employees</b>	425



## T.O.M. KATILIM BANKASI SENIOR MANAGEMENT

### **Onur ÖZKAN** **General Manager**

Onur Özkan graduated from Boğaziçi University with a double major in Business Administration and International Relations with high honors and completed his Master's degree in Financial Engineering at the same university with a degree. Between 2004 and 2012, Mr. Özkan served as manager at the Treasury Department, Deposit Investment Products and Upper Income Segment Unit Manager, and Retail Segments Management and Sector Banking Group Manager at Finansbank and was appointed as High Income Product and Segment Management and Private Banking Director in 2012. In 2015, Mr. Özkan was appointed as the Bank's Executive Vice President in charge of Private Banking and Asset Management and in 2016 he was appointed as the Executive Vice President in charge of SME and Agricultural Banking, a position held until the end of 2017. During this period, Mr. Özkan also served as a Board Member of Finans Faktoring. Serving as the Coordinator of the Retail Group Presidency within Sabancı Holding since early 2018, Özkan also served as a Board Member at Carrefoursa and Vice Chairman of the Board at Teknosa. Mr. Özkan assumed the CEO position at Sigortam.net in August 2018. In November 2020, he assumed the CEO position of TOM Group within Aydın Holding. In addition to being the founding CEO and Board Member of Türkiye's first retail digital bank, he is also the Vice Chairman of the Board of Directors of TOM Dijital, TOM Pay, and TOM Finansman.

### **Murat KÖKDEMİR** **Executive Vice President - Information Security**

After graduating from Kocaeli University's Computer Engineering program, Kökdemir earned his master's degree in Business Administration at Gebze University of Technology. He served as Payment Systems Engineer at IBM Turk Ltd., as Payment Systems Architect at IBM East Europe/Asia Ltd., and as Card Technologies and ADK Projects Group Manager at Credit Europe Bank Ltd. After serving as Payment Systems Architecture Consultant at Ibttech A.Ş. and Payment Systems Department Manager at Intertech A.Ş., Mr. Kökdemir served as Information Systems and Security Group Manager at TOM Finansman A.Ş. and TOM Pay A.Ş. He is currently the Executive Vice President at T.O.M. Participation Bank.

### **Serkan CAN** **Executive Vice President - Credits and Analytics**

He graduated from Boğaziçi University, Department of Management Information Systems. Mr. Can started his professional career as a management consultant. He served as the Analytics Department Manager at QNB Finansbank, Loans Director at Hemenal, and Customer Value Management Group Manager at Sigortam.net. He started in 2021 as a Director at TOM Digital Teknoloji ve Danışmanlık A.Ş. and has been serving as Executive Vice President at T.O.M. Katılım Bankası A.Ş. since the end of 2022.

### **Sedat KORG** **Executive Vice President - Product Management and Business Development**

Sedat Korg graduated from Galatasaray University with a degree in Economics in 2008. Until 2015, he served at Türk Ekonomi Bankası and later held the role of CRM and Customer Loyalty Group Manager at Carrefoursa A.Ş. Subsequently, he served as the Director of Loans,

Payment Systems, and Insurance at Türkiye Finans Participation Bank Inc. In 2021, he served as the Deputy General Manager at TOM Digital Teknoloji ve Danışmanlık A.Ş. Currently, Korg is the Chief Executive Officer at T.O.M. Katılım Bankası A.Ş.

### **Taylan GÜNEY** **Executive Vice President - Information Technologies**

Graduated from İstanbul Technical University, Department of Computer Engineering, Mr. Güney earned his master's degree from Boğaziçi University, Department of Engineering and Technology Management. Mr. Güney started his professional career as a Software Development Specialist at Veripark Yazılım A.Ş. and subsequently served as a manager at Türkiye Garanti Bankası A.Ş. He served as Executive Vice President at Yapı Kredi Teknoloji Hizmetler A.Ş., N11 - Doğu Planet Elektronik Ticaret ve Bilişim Hizmetleri A.Ş., and TOM Digital Teknoloji ve Danışmanlık A.Ş., respectively. As of 2022, he continues to serve as Executive Vice President at T.O.M. Katılım Bankası A.Ş.

### **Mehmet KASAP** **Executive Vice President - Treasury and Financial Institutions**

Mehmet Kasap completed his bachelor's degree in International Relations at Middle East Technical University and his master's degree in Financial Engineering at Boğaziçi University. He started his career at Koç Allianz and continued at QNB Finansbank A.Ş., where he served as a senior executive in various departments of Treasury for 16 years. Mr. Kasap is the author of the book "Derivatives Markets and Structured Products" and served as Executive Vice President of Financial Affairs at TOM Digital Teknoloji ve Danışmanlık A.Ş. and TOM Finansman A.Ş. In early 2023, with the establishment of T.O.M. Katılım Bankası A.Ş., he assumed the position of Executive Vice President of Treasury and Financial Institutions.

**HIGHLIGHTS FOR T.O.M. KATILIM BANKASI IN 2023**

Our effort to manage teams with an effective culture has enabled us, the TOM Group, to win the “Great Place to Work” award for two consecutive years.

**Our 2023 Awards**

- Great Place to Work 2022 - 2023
- Golden Leader Awards 2023 Most Admired CEO
- Golden Leader Awards 2023 Most Admired CFO
- Golden Leader Awards 2023 Most Admired CHRO
- CX Awards Türkiye 2023 - Best Digital Customer Experience

## REMARKS FROM THE GENERAL MANAGER OF TÜRKİYE FİNANS

Our Bank increased its funds collected to TL 177 billion with an annual increase of 72% thanks to the many fund collection products it offers to increase the value of its customers' funds.

Dear Stakeholders,

Despite global challenges such as inflation, low growth, tight fiscal conditions, and weak trade growth, Türkiye's growth rate of 4.5% in the third quarter of 2023, maintaining its growth trend for the last consecutive 13 quarters, and its exports reaching approximately USD 256 billion last year, breaking a record in the history of the Republic, confirm our country's commitment to building a sustainable economy.

If we take into account the humanitarian and economic traumas caused by the February 6 earthquakes centered in Kahramanmaraş, which directly affected 11 provinces and indirectly affected our entire country and the geopolitical instabilities experienced at the regional level, which further aggravated the existing conditions throughout 2023, the significance of these achievements of our country can be better understood. From the initial moments of the earthquake disaster, Türkiye Finans worked in cooperation with relevant institutions and non-governmental organizations and provided support in the region. We provided significant facilities for the financing needs and payments of our commercial and individual customers in the disaster region and provided cash donations under the motto "Now It is Time for Solidarity." In addition to cash donations, we also delivered emergency humanitarian aid supplies, such as food, clothing, and heating, with trucks in the region. With the voluntary help of our colleagues and the support of our Benevolence Club, aid materials were delivered to those in need. We stood by our citizens in the earthquake region and supported disrupted production and employment. As a people-oriented organization, we exhibited the best example of solidarity.

Considering the two halves of 2023, the first half of the year was

characterized by a low-interest rate environment, while the second half was characterized by the cautious optimism brought about by a return to traditional policies. The Turkish banking sector successfully overcame this challenging year thanks to its qualified technological infrastructure, qualified human resources, financial discipline, and strong capital structure. With its robust and reassuring structure, our sector has maintained its sustainability as an important element of stability for the Turkish economy. Türkiye Finans was the flag-bearer of social and economic development in 2023 with its priorities of supporting production, trade, and exports, digitalization investments, and a people-oriented banking approach, at the core of the participation finance system. Thanks to our robust digital infrastructure and innovative business models, we continued to fulfill all consumer requirements efficiently and with high quality, regardless of time and location.

Maintaining its sustainable and profitable growth strategy this year as well, Türkiye Finans continued its strong financing support to the national economy on both the retail and commercial sides. 2023 was a successful period in which we increased our assets to TL 240 billion, despite all the economic variables.

Our Bank increased its funds collected by 72% year-on-year to TL 177 billion thanks to the many fund collection products it offers to increase the value of its customers' funds, while participation accounts, the flagship of fund collection products and the most prominent contributor with a 68% share in fund collection products, increased by 101% year-on-year to TL 120 billion. In addition, it has increased its TL-denominated funds collected by 88% to TL 99 billion, while TL participation accounts increased by a remarkable 103% to TL 85 billion. Using its increased funding sources to expand its financing capacity, the

Bank contributed to the sustainability of production and trade by financing companies that represent the lifeblood of the economy. This strategy played a major role in the 49% increase in the funds made available by our Bank to TL 122 billion and the 80% increase in our non-cash financing to a high level of TL 34 billion. Maintaining the robust capital structure required for sustainable growth, the Bank managed to increase its regulatory capital to TL 28 billion with an outstanding growth of 70%.

In order to further strengthen its pioneering role and competitive position in digitalization, which is at the heart of all its core strategies, such as supporting production and trade, finding solutions to consumers' financial needs, increasing financial inclusion, and sustainable growth, Türkiye Finans changed its organizational structure and established the Digital Banking Business Group in 2023. With a people-oriented technology and banking approach, we made new breakthroughs in 2023 to provide excellent customer experience, which has become the most important element of competition, and to further improve our operational excellence.

We started to offer banking services on various e-commerce platforms by integrating into the embedded finance system. We started to increase our steel collar employees to maximize operational efficiency. Thanks to the integration of RPA (Robotic Process Automation) technologies, we finalized various business processes flawlessly with automation. We established a Digital Transformation Technologies Office reporting to our Digital Banking Business Group. As a member of the Turkish AI Initiative (TRAI), we started to develop joint projects with players in the artificial intelligence ecosystem. We continued to increase our operational efficiency while perfecting employee and customer experience with our artificial intelligence-supported digital technologies. In 2023, only



6% of our bank's average monthly transaction volume took place in our branches, while 1 in 3 of our customer acquisitions were made through digital channels.

In line with our pioneering digital banking vision, we expanded our customer base with innovative and competitive products and services, such as eXtra Limit, consumer finance, and investment products to meet all the needs and expectations of our customers. While introducing Türkiye Finans to new audiences, we have taken steps to optimize the customer experience. Initiated in line with our "We Are There for Tomorrow (Yarına Varız)" motto, we have been the first participation finance institution to launch the "Digital Slip" application for card purchases while carrying out activities that make a difference in reducing paper consumption and carbon footprint. We reduced our annual paper consumption by 80% with our digitalization projects that we commissioned before this practice.

Türkiye Finans shall decisively continue its priorities to support production, trade, and exports, which are at the core of the participation finance system, and to produce customized solutions for the needs of individuals. We shall continue to develop our financing options and resources to quickly meet all the financial requirements of our customers, especially those engaged in exports, manufacturing, and trade. We contribute to strengthening the foundations of banking in our country through our innovation investments. We shall intensify our efforts to horizontally integrate artificial intelligence and automation technologies across all our units in 2024, as part of our digital banking strategy, which we focused on with the motto "people-oriented technology" in 2023.

In 2024, we shall continue to work with the goal of providing our customers



with an excellent experience through our innovative and value-creating digital banking products and services in order to respond to the rapidly changing needs of consumers along with the rapidly changing world dynamics with our people- and production-oriented growth strategy.

As we enter the second century of our Republic, we shall continue to be an institution that mobilizes all its means to build a more inclusive, productive, and sustainable economy

and supports national production and export targets. I would like to extend my gratitude to the entire Türkiye Finans family and all our valuable stakeholders who have contributed to further strengthening our Bank's competitive position and enhancing our reputation with the domestic and international awards we have received in 2023.

Sincerely,

**Murat AKŞAM**  
Board Member and General Manager

<b>Establishment Year</b>	1991 (under the name Anadolu Finans); 2005 Türkiye Finans
<b>Chairman of the Board of Directors</b>	Wael Abdulaziz RAIES
<b>General Manager</b>	Süleyman Murat Akşam
<b>Headquarters</b>	İnkilap Mahallesi Sokullu Caddesi No: 6/3 Ümraniye/İstanbul
<b>Phone</b>	0216 676 20 00 (pbx)
<b>Fax</b>	0216 676 29 05
<b>Website</b>	www.turkiyefinans.com.tr
<b>E-mail</b>	4442444@turkiyefinans.com.tr
<b>Corporate E-mail</b>	turkiyefinans@hs03.kep.tr
<b>SWIFT Code</b>	AFKBTRIS
<b>Trade Registry Number</b>	401492 Istanbul Trade Registry Office
<b>Central Registration System Number</b>	0068006387095226

## TÜRKİYE FİNANS SENIOR MANAGEMENT

### **Süleyman Murat AKŞAM** **Board Member and CEO**

Murat Akşam graduated from Istanbul Technical University department of Management Engineering in 1990. He worked as Sales Representative in Beko between 1991-1993, and as Regional Responsible in RAM Foreign Trade Corporation between 1993-1997. He started working as Credit Officer and Credit Allocation Assistant Manager in the Turkish Economy Bank in 1997. He served as the Corporate Credit Manager between 2000-2005, as Corporate and Commercial Credit Allocation Director between 2005-2014, and as Corporate Banking Group Director between 2014-2017. Murat Akşam worked as Commercial Banking Executive Vice President at Türkiye Finans Katılım Bankası between May 2, 2017 and March 24, 2021. As of February 21, 2020, he was appointed as a member of the Board and Acting CEO. Murat Akşam has been appointed as CEO principally as of March 24, 2021. He has 31 years of professional experience in banking and business administration.

### **Ahmet MERT** **Retail Banking - Executive Vice President**

Ahmet Mert graduated from the Istanbul University Electrical and Electronics Engineering undergraduate program and Yeditepe University Executive Master's Program in Business Administration, and completed the MIT Sloan School of Management Global Executive Academy program. Mert worked at Garanti Bank from 2001 to 2005, and joined the global consulting firm Experian in 2006. He served as Experian's Senior Solutions Manager responsible for Türkiye and the Middle East, and managed the Product and Service Development, Distribution and Support Teams. He joined the Türkiye Finans family in 2010 as the Head of Risk Analytics. He served as the Executive Vice President responsible for Credit Quality, Collections and Legal from 2016 to 2022. He was appointed as the Executive Vice President responsible for Retail and SME Banking in March 2022. Mert has also been serving as the Vice Chairman of TF Varlık Kiralama A.Ş. since September 30, 2016. He has 22 years of experience in banking and consulting.

### **Emre ERTÜRK** **Credit Executive Vice President**

Born in 1976 in Samsun, Emre Ertürk graduated from the Department of Civil Engineering at Istanbul Technical University. He holds an MBA degree from Istanbul University and a Master's degree in Management Information Systems from Boğaziçi University. Beginning his career in banking at Dışbank in 1999, he held office as the Inspector and Unit Manager of the Inspection Board respectively until 2005. He later worked as the Assistant Head of the Inspection Board at Fortis Bank between 2005-2011 and at TEB between 2011-2012. Joining the Türkiye Finans Participation Bank family in 2012, he has been working as the Board of Auditors SVP ever since. Emre Ertürk, who has been serving as the Board of Auditors SVP of our Bank since 2012, was appointed as the Credit Executive Vice President as of December 7, 2020.

### **Fahri ÖBEK** **Information Technology - Executive Vice President**

Born in Tosya-Kastamonu in 1969. He graduated from Computer Science and Engineering Department, Ege University and received his Master's degree in Business Management from Koç University. He started his business career Bilpa and then continued at Egebank. He held various positions in Koçbank between 1991-2006. After the merger of Koçbank - Yapı Kredi in 2006 he took the position of Senior System Analyst in the Software Development. He was the Deputy General Manager in Charge of IT Management in Yapı Kredi Bank between 2008-2010. He served as the Department Head in Charge of Information Technologies, Vodafone Türkiye (CIO) between 2010-2011. He has been the Executive Vice President responsible for IT Systems in Türkiye Finans Katılım Bankası since June 2011. Areas of Responsibility at Türkiye Finans Katılım Bankası as Executive Vice President: Information Systems Product and Service Development -1 Department, Information Systems Product and Service Development -2 Department, Information Systems Product and Service Development -3 Department, Information Systems Transformation Department, Information Systems Corporate Development Department, Information Systems Technology and Infrastructure Management Department, Business Continuity Department, Information Systems Corporate Architecture Department, Information Systems Project Management Department, Software Development Department, Information Systems Operation Department, Information Systems Analysis and Quality Assurance Department, Alternative Distribution Channels and Payment Systems Development Department, Business Continuity Department and Operation Systems. Total banking and business management experience is 31 years.



**Melis Tosun ARSLAN**  
**Digital Banking - Executive Vice President**

Melis Tosun Arslan completed her undergraduate education in the Department of Electrical and Electronics Engineering at METU in 2000 and obtained her MBA from Bahçeşehir University in 2015. She began her career as a software specialist. Between 2000 and 2002, she worked at İşNet, and from 2002 to 2006, she worked at Anadolu Sigorta as a software specialist. In 2006, Arslan transitioned to the financial sector and started working at Türk Ekonomi Bankası as the R&D and Product Development Manager for Cash Management. Within the same bank, she successively held positions as the Solution Design and Implementation Manager for Cash Management and the Product and Application Manager for Cash Management. In 2019, Arslan joined the Türkiye Finans family and continued her role as the Director of Cash Management and Transaction Banking. In 2022, she became the Director of Operational Excellence and Business Development. As of September 21, 2023, Melis Tosun Arslan was appointed as the Executive Vice President of Digital Banking.

**Mete Mehmet KANAT**  
**Finance and Strategy - Executive Vice President**

Mete Kanat was born in Ankara in 1977. He studied Business Administration at Hacettepe University and holds an MBA degree from Istanbul Bilgi University. Kanat worked as a Bank Examiner at the Banking Regulation and Supervision Agency from 2001 to 2007, and as Deputy General Manager at Creditwest Bank (Ukraine) from 2007 to 2011. Mete Kanat joined Türkiye Finans as the Director of Legal Reporting and Financial Control in 2011. In 2014, he became Head of Risk Management Group. On March 31, 2016, he was appointed as the Vice President of Risk Management Group, continuing with his former duty. On September 30, 2016, Mete Kanat was appointed as the Executive Vice President of Finance and Strategy.

**Murat ALTUN**  
**Commercial Banking - Executive Vice President**

Murat Altun graduated from Çukurova University, Department of Economics in 1997. He started his banking career in 1998 at Türk Ticaret Bankası as an Inspector. He held positions as Commercial and SME Banking Assistant Manager, Branch Manager, Sales Manager, Group Manager, and Regional Director in various banks for about 20 years. He joined the Türkiye Finans family in 2018 as the Commercial Banking Sales Director. He served as Corporate Banking Sales Director between 2019 and 2022. As of April 18, 2022, Altun has been appointed as the Executive Vice President of Commercial Banking.

**Ogün ATAÖĞLU**  
**Credit Quality and Collections - Executive Vice President**

Born in Trabzon in 1974, Ogün Ataoğlu graduated from Istanbul University, Faculty of Economics and Administrative Sciences, Department of Economics in English. He embarked on his career in 1999, working for EGS Bank as Assistant Inspector at the Board of Auditors. In 2003, he started working for Family Finans as Senior Controller at the Department of Internal Control. He served as Deputy Head of the Internal Control Department and then as the Compliance Manager/Compliance Officer in 2009. In 2012, he was appointed as the Head of Internal Control. Since March 2016, he has been the Senior Vice President of the Internal Control Department. He served as the Director of the Internal Control and Compliance Division between February 1, 2019, and April 18, 2022. Ataoğlu has been appointed as Executive Vice President of Credit Quality and Collections as of April 18, 2022.

**Yiğit SATILMAZ**  
**Treasury Executive Vice President**

Having graduated from Princeton University in 2008, Yiğit Satılmaz embarked on his career as a trader at the Treasury Department of JP Morgan London. He served as a trader in JP Morgan New York from 2010 to 2012. In 2012, he started to work for ING Türkiye as Treasury Sales Department Manager. He served as Treasury Marketing and Product Development Group Manager and Financial Institutions Group Manager at the same company, respectively from 2014 to 2015 and from 2015 to 2018. Having worked for ING London from between 2018 and 2019, Mr. Satılmaz was appointed as the Group Manager in charge of the Treasury Group at ING Türkiye in 2019. As of June 2020, Yiğit Satılmaz serves as the Treasury Executive Vice President at Türkiye Finans.

**Züleyha BÜYÜKYILDIRIM**  
**Human Resources - Executive Vice President**

Born in Istanbul in 1981, Züleyha Büyükyıldırım graduated from Istanbul Bilgi University as a double major with degrees in Economics and International Relations in 2004. She started her career at Kuveyt Türk Katılım Bankası A.Ş. After joining Türkiye Finans family in 2006, Büyükyıldırım worked at the Treasury Department and then served as Deputy Manager and Manager at the Strategy and Program Management Department. On September 30, 2016, Züleyha Büyükyıldırım was appointed as principal to the role of Executive Vice President of Human Resources, a position she had been assuming by proxy since June 2016.

## HIGHLIGHTS FOR TÜRKİYE FİNANS IN 2023

### Türkiye Finans was the first participation finance institution to launch the “Digital Slip” application.

#### **With its Digital Banking Vision, Türkiye Finans’ 2023 Strategies Focused on Investing in People and Supporting Production**

Following the earthquake disaster in early 2023, Türkiye Finans shaped its communication strategy with a production- and people-oriented approach, aiming to benefit society. Within this framework, the Company proceeded in line with its goal of supporting different segments of society by offering innovative products and services that meet the expectations of existing and potential customers. While acting to meet financial requirements without time and space constraints, pioneering services were offered in order to attract new customers to the participation banking sector. Despite challenging conditions, Türkiye Finans continued its people-oriented communication strategy in 2023 and focused on future targets in line with digital transformations with an emphasis on digital banking. Prioritizing employee and customer satisfaction, special campaigns and attention-grabbing communication activities were developed in pursuit of the goal of benefiting society.

#### **Türkiye Finans Continuously Increases its Digitalization Index**

In 2023, Türkiye Finans continued to stand by its customers for all their requirements with a digitalized banking approach that is independent of time and place. With its integrated channel strategy, Türkiye Finans continued to digitalize its services that offer a fast, uninterrupted, and high-level customer experience. In this context, Türkiye Finans renewed the Bancassurance Platform in collaboration with AcerPro, HDI Katılım Sigorta, and Bereket Emeklilik, launched insurance sales through digital channels with the vision of banking without the time and place constraints, and started to offer a much more practical insurance experience to its customers.

In line with its pioneering digital banking vision, Türkiye Finans automatically defined limits for all kinds of financing requirements of its customers, such as eXtra Limit, housing, vehicle, and personal loans, with its “Ready Limit” product in 2023. With this product, customers were allowed to see the Ready Limits defined specifically for them on the login pages of their Internet and mobile branches at any time and use them whenever they wish.

In addition, Türkiye Finans offered the checkbook application service for commercial customers entirely through digital channels, enabling commercial enterprises with a credit limit at the Bank to apply for checkbooks through Türkiye Finans Mobile and Internet Branches.

Standing out with its innovative products, people-oriented banking concept, and sustainability approaches, Türkiye Finans was the first participation finance institution to launch the “Digital Slip” application. This application allowed customers to receive and track the digital versions of the paper slips delivered physically for purchases they made using their debit or credit cards through the mobile application.

In addition, Türkiye Finans Mobile was updated to offer customers a more modern design, making it a more user-friendly application. Supporting its customers with digital products enhanced with new technologies, Türkiye Finans has made it possible for financial services to be offered by non-financial service providers such as e-commerce platforms by using BaaS and APIs with Embedded Finance, one of the new banking trends. In this context, a consumer finance agreement has been concluded with Trendyol.

The Bank proceeded to expand the network of its Fast Financing and Payment Platform product, which is the first of its kind in the participation banking sector and offers a wide range of banking services, from financing applications to bill and contribution payments, from credit card applications to insurance offers, without requiring customers to visit physical branches and regardless of working hours, with the Compay and Maslak integrations.

#### **For a Sustainable World, We Said “We Are There for Tomorrow”**

Türkiye Finans adds new ones to its sustainability activities without slowing down. At the Environment Week event held with the participation of climate activist Güven İslamoğlu, the Bank emphasized that in addition to its efforts to minimize its environmental impact with the carbon footprint reduction project, it also focuses on environmentally friendly practices by minimizing paper consumption through innovative projects such as HR Paperless and RPA to make business processes more efficient and effective.

Within the scope of social responsibility projects, hot meals were distributed to those in need in Istanbul on October 16, World Food Day, in collaboration with the Çorbada Tuzun Olsun (Have a Hand in) Association. Türkiye Finans, which contributes to food security and social assistance through its projects, continues to contribute to environmental sustainability by doing business with the principle of “We are for Tomorrow.”

#### **Saying “Now It Is Time for Solidarity,” Türkiye Finans Has Been in the Field since the First Day of the Earthquake**

Türkiye Finans has supported the region in collaboration with relevant institutions and non-governmental

organizations since the first moments of the February 6 earthquake disaster hitting Kahramanmaraş, which deeply shocked our country. First of all, each Türkiye Finans employee affected by the earthquake was reached and their own requirements and those of their families were met. Substantial assistance was provided to address the financing requirements and payments of businesses and individual customers in the disaster region. By saying “Now it is the Time for Solidarity,” many aids have been provided. In addition, emergency relief supplies such as food, clothing, and heating were delivered to the region by trucks.

**In order to ensure equal opportunities in education, we stood by our children with the TEGV Collaboration this year as well**

In 2023, Türkiye Finans continued to touch different segments of society with its social responsibility projects, aiming to leave a positive impact on people's lives through projects carried out in areas, such as health, education, and the environment. On Mother's Day and October 29<sup>th</sup> Republic Day, the Bank collaborated with the Educational Volunteers Foundation of Türkiye (TEGV), contributing to the education of 400 children. Türkiye Finans continues to strive for a more sustainable world through its social responsibility projects and endeavors to ensure that future generations have a better life in social, economic, and environmental aspects.

**Our 2023 Awards**

- In the Women's Power at Work Survey conducted by Inbusiness magazine, Türkiye Finans, listed in the “Companies with the Highest Ratio of Women on the Board of Directors” and “Companies with the Highest Ratio of Women in the Mid-Level” lists, was recognized among the “100 Equality Pioneer Companies Where Women Can Rise.”
- Züleyha Büyükyıldırım, Human Resources Executive Vice President at Türkiye Finans, was included in the “50 Most Innovative HR Leaders” list issued by Fast Company for the 3<sup>rd</sup> time.
- Fahri Öbek, Information Technology Executive Vice President of Türkiye Finans, was included in Fortune

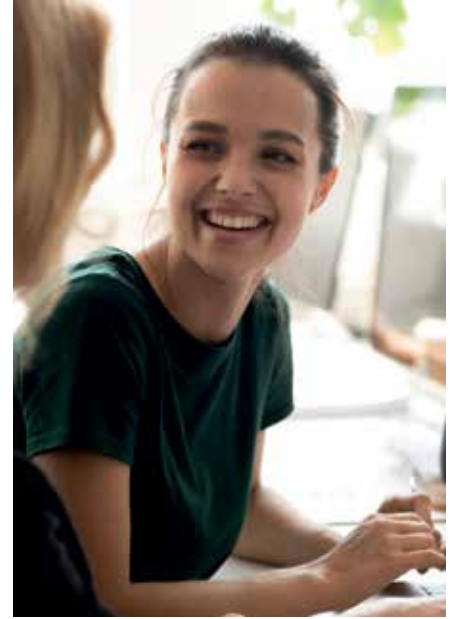
Türkiye magazine's “Next 2022: Technology Leaders C-Suite Series 50 CTO” list, which prioritizes growth, digital transformation, artificial intelligence, and technology.

- Fahri Öbek was included in the “Most Innovative Leaders” list at the CIO Awards, where successful digital transformation projects were honored.
- Türkiye Finans was recognized as one of the 50 most innovative companies in Türkiye in the “50 Most Innovative Companies” list, which was organized for the 4<sup>th</sup> time this year by Fast Company magazine, one of the most prestigious publications in the business and finance world.
- Türkiye Finans was recognized as the “Most Innovative Participation Bank” by “Global Business Outlook,” one of the UK's leading financial publications.
- In the “Women Friendly Companies” survey, which focuses on the employment of women employees, women managers, and women board members in Türkiye's largest companies, Türkiye Finans ranked 69<sup>th</sup> in the “100 Women Employee Friendly Companies” list with 1,506 women employees and 82<sup>nd</sup> in the “100 Women Manager Friendly Companies” list with 50 women managers. Türkiye Finans was the only participation bank included in both lists in the survey.
- In the 15<sup>th</sup> “Türkiye's Most Favorite Companies” survey conducted by Realta Consulting with the participation of nearly 63 thousand university students and 29 thousand young professionals, Türkiye Finans ranked as the 34<sup>th</sup> most favorite company in Türkiye.

Türkiye Finans has received many awards from prestigious organizations such as J.P. Morgan, Stevie, and Citibank.

**Effective Communication Efforts on Social Media**

As part of its social media communication strategy, instead of focusing solely on product and service promotion, Türkiye Finans, embracing and embodying the values of our country, prepares and presents special videos to its followers on days that are significant for our society and country. In this context, in 2023,



on April 23<sup>rd</sup> National Sovereignty and Children's Day and on the Ramadan Eid, the Bank organized the “Our Children, the Light of Hope” campaign.

On May 19, the Bank emphasized the importance of our youth, the face of our Republic, and on August 30, Victory Day, the Bank organized running and sightseeing clubs to gather in Afyon and participate in the victory march. On October 29<sup>th</sup>, when we celebrated the 100<sup>th</sup> anniversary of our Republic, Türkiye Finans shared its video with its followers with the hashtag #100'ümüzdeGelecekVar.

**Leader Communication Approach**

By placing its leaders at the center of its media communication strategy, Türkiye Finans presented the Bank's vision, strategic approach, and the value it adds to society to a wide audience. By reinforcing the presence of executives on different media platforms ranging from business magazines to interviews, television channels, summits, and newspapers, the Company conveyed its corporate messages to target audiences through different channels.

## REMARKS FROM THE GENERAL MANAGER OF VAKIF KATILIM

In addition to increasing our competencies in all digital channels where we are in contact with our customers, we shall continue to expand our branch network and increase our geographical coverage.

The world concluded a challenging year with geopolitical tensions, inflationary pressures, and recessionary concerns. Countries have endeavored to maintain a balance between their growth policies and inflation. Indeed, in order to achieve this balance, it was essential to implement actions at the proper level and gradually. The gradual process of monetary tightening and the resulting increase in funding costs have paved the way for recession concerns. At this point, the tightening steps have restrained the rise in global inflation. However, ongoing regional tensions, the course of global inflation indicators, and developments in energy and commodity prices stand out as issues that need to be closely monitored.

In addition to the impact of the struggle against the global inflation outlook, Türkiye suffered an earthquake on February 6, which directly affected 11 provinces. In response to this earthquake disaster, which deeply saddened us all, we tried to heal the wounds and alleviate the pain in unity and togetherness with a great spirit of solidarity. All institutions and organizations of our state continue to work with great effort for the reconstruction and development of the regions damaged by the earthquake.

In such a period when concerns for a recession on a global scale emerged, the Turkish economy actually maintained its growth momentum. This is confirmed by the 4.5% year-on-year growth recorded according to the third quarter data. All economic actors are moving in line with a stable and decisive policy without compromising sustainable growth focused on investment, employment, production, and exports.

Vakıf Katılım also continued its activities with great effort with the vision of becoming the reference institution of the sector in 2023 without compromising the principles of participation finance. We mobilized our products and services for the development of individuals, businesses, and industrialists. We have facilitated the access of our SMEs to finance through our cooperation with Chambers, Commodity Exchanges, and Professional Associations.

With the mission of responding to the demands and needs of the real sector to support sustainable, quantitative, and qualitative growth and to realize its competitive potential on a global scale, we increased the cash and non-cash financing support we offered to TL 260.4 billion in 2023. We paid attention to expanding our geographical coverage and increasing financial inclusion. In 2023, we opened 26 new branches, increasing our total number of branches to 191. We concluded 2023 with a performance beyond our targets.

In 2024, we shall shape our financing portfolio for the commercial and SME segment with selective projects that are sustainable and have the potential to generate high development impact. We shall ensure that the financing we provide constitutes input to value-added production. We shall maintain our appetite for channeling our resources into investments and projects that shall serve to build economic activity based on production, employment, and exports.

The benefits of our ongoing investments in technology and digital infrastructure are evident in our product development processes, improved operational processes, and increased customer satisfaction. We have adopted a business conduct culture that focuses on data, and we shall increase the use of artificial intelligence and robotics accordingly.

In addition to increasing our competencies in all digital channels where we are in contact with our customers, we shall continue to expand our branch network and increase our geographical coverage. We have set the main goal of expanding and diversifying our customer base on the axis of "know your customer." Increasing financial inclusion, accessibility to financial services, and ease of transactions shall be our priorities.



In addition to its financial activities, with the strength it derives from its name and hundreds of years of foundation culture, Vakıf Katılım adopted the mission of both carrying the heirlooms of ancestors to the present and passing them on to future generations. Our Foundation Works Inventory Project, which we started in line with our corporate social responsibility and sustainability approach, is also a part of this mission. In Hatay, where we set out as part of the project, the works of the Foundation that we had the opportunity to photograph before the earthquake were first exhibited and then published as a book. We hope that this book shall serve as a resource for the restoration and replacement of the monuments we photographed in Hatay that were severely damaged or completely destroyed in the earthquake. We continue our Foundation Works Inventory Project with Konya after Hatay.

I believe that Vakıf Katılım shall continue to serve the development of our country's economy and make a strong contribution to the growth of the participation finance sector in 2024. On this occasion, I wish prosperity for our country in 2024 and a successful year for all financial and real sector organizations in Türkiye.

Sincerely,

**Mehmet Ali AKBEN**  
General Manager



#### Vakıf Katılım Bankası A.Ş.

**Establishment Year** 2016

#### Main Shareholders

Foundations Governed and Represented by the Republic of Türkiye Directorate General of Foundations include Fused Foundations (99%), Bayezid Han-ı Sani (Bayezid the II.) Foundation (0.25%), Mahmud Han-ı Evvel Bin Mustafa Han (Mahmut I) Foundation (0.25%), Mahmud Han-ı Sani Bin Abdülhamid Han-ı Evvel (Mahmut II) Foundation (0.25%), Murad Pasha bin Abdusselam (Murat Pasha) Foundation (0.25%), Murat Pasha Bin Abdusselam (Murat Pasha) Foundation (0.25%)

**Chairman of the Board of Directors**

Öztürk ORAN

**General Manager**

Mehmet Ali AKBEN

**Headquarters**

İnkilap Mahallesi, Dr. Adnan Büyükdeniz Caddesi, No: 10 Ümraniye-İstanbul

**Phone/Fax**

0216 800 55 55 - 0216 800 55 56

**Website**

www.vakifkatilim.com.tr

**SWIFT Code**

VAKFTRISXXX

**EFT Code**

210

**Number of Domestic Branches**

191

**Number of Overseas Branches**

-

**Number of Overseas Representative Offices**

-

**Overseas Financial Subsidiaries**

-

**Number of Employees**

2,830



## VAKIF KATILIM SENIOR MANAGEMENT

### **Mehmet Ali AKBEN** **General Manager and Board Member**

Mehmet Ali Akben completed his undergraduate education at Uludağ University, Faculty of Economics and Administrative Sciences, Department of Business Administration. Having received his master's degree from Marmara University Banking and Insurance Institute, Mr. Akben started his banking career at Faisal Finans Kurumu in 1986. He served as the Financial Affairs Manager at Kuveyt Türk between 1989 and 1999. Between 1999 and 2011, he served as Executive Vice President at Anadolu Finans Kurumu and Türkiye Finans Katılım Bankası. In 2012, Mr. Akben was appointed as a Board Member of the Savings Deposit Insurance Fund (SDIF) and in 2015, as the Chairman of the Banking Regulation and Supervision Agency (BRSA). Mehmet Ali Akben, who served as BRSA Chairman for two terms until May 2023, was appointed as a member of the Presidential Economic Policies Board in 2018 and as the Vice Chairman of the Board of Directors of Türk Telekom in June 2023. As of October 31, 2023, he has been serving as the CEO and Board Member at Vakıf Katılım Bankası A.Ş. Akben is married, with three children.

### **Bülent TABAN** **Executive Vice President - Credits**

He was born in 1966. Bülent Taban completed his high school education at the Kabataş Erkek Lisesi (Boys High School) in 1983 and graduated from the Faculty of Business Administration at Istanbul University in 1987 and completed a post-graduate degree in Business Administration at the Social Sciences Institute of Istanbul Technical University in 1990. Mr. Taban began his banking career on the Board of Inspectors at the Turkish Commercial Bank, and subsequently served as the Manager of Retail Banking at Kentbank between 1995-2002. In 2002, Mr. Taban started working at Albaraka Türk, where he served as Executive Vice President in charge of Retail Banking, Loans and Commercial Marketing, respectively. Mr. Taban has been serving as the Executive Vice President in charge of Loans at Vakıf Katılım since 2018.

### **Ahmet OCAK** **Executive Vice President - Financial Affairs**

Ahmet Ocak was born in 1965. He graduated from the Department of Business Administration at the Faculty of Open Education of the Anadolu University. He received his Master's degree in Business Administration from Fatih University, Institute of Social Sciences. Between 1990 and 2015, he held executive positions, including Senior Unit Manager, at Albaraka Türk Katılım Bankası A.Ş. In 2015, he served as General Manager at Albaraka Gayrimenkul Portföy Yönetimi A.Ş. In December 2015, Mr. Ocak joined Vakıf Katılım Bankası A.Ş. as Assistant General Manager in charge of Finance and is currently serving as Deputy General Manager in charge of Financial Affairs.

### **Sabri ULUS** **Executive Vice President - Treasury and Strategy**

In 1995, he started his global banking career with Akbank and continued his career as a senior executive at leading financial institutions such as Turkish Bank UK Ltd., HSBC, and UBS AG in the UK from 1998 to 2009. In 2009, he was appointed as the Treasury Manager of Türkiye Finans Katılım Bankası A.Ş. Between 2011 and 2014, he served as the Head of Treasury and Capital Markets at Bank Islam Brunei and simultaneously as a Director at Fajr Capital-Dubai. Between 2014 and 2020, he served as the Head of Treasury-Islamic Solutions and Business Development Group at Saudi National Bank based in Saudi Arabia. Sabri Ulus, who has experience in international money and capital markets, started working as Assistant General Manager in charge of Treasury and Strategy Group at Vakıf Katılım in May 2020. Having received his Master's Degree from Özyeğin University in 2023, Mr. Ulus, who is also the Chairman of the Board of Directors at Vakıf Varlık Kiralama A.Ş., was appointed as a member of the Harvard Business School online platform and received certificates on "Negotiation Mastery," "Leadership Principles," "Management Principles," "Power and Influence for Positive Impact," "Strategy Implementation," and "Leadership Ethics and Corporate Responsibility."

**Hüseyin TUNÇ**  
**Executive Vice President -**  
**Marketing**

He was born in Kastamonu in 1968. Hüseyin Tunç graduated from Istanbul University Faculty of Political Sciences Public Administration Department in 1989. Having started his banking career in 1989 in Töbank T.A.Ş. as Assistant Inspector, Hüseyin Tunç served at Türkiye Halk Bankası A.Ş. between 1992-1995. He served as Inspector, Branch Manager and Unit Manager at Albaraka Türk Katılım Bankası A.Ş. between 1995-2016. He served as CFO at Aynes Gıda A.Ş. which was under the management of Saving Deposit Insurance Fund (SDIF) between January and April 2017. As of April 2017, he joined Vakıf Katılım Bankası A.Ş. and served as Commercial and Corporate Credits Allocation Manager until December 2020. As of December 31, 2020, he serves as Executive Vice President in charge of Marketing at Vakıf Katılım Bankası.

**Mehmet BÜTÜN**  
**Director in Charge of Information**  
**Technologies and Digital Banking**

He was born in Istanbul in 1980. Mehmet Bütün graduated with a bachelor's degree from the Department of Management Information Systems at Boğaziçi University. He served as Business Analyst & Project Manager at Turkcell and Türk Telekom (Avea). In 2010, he served as Business Development and Miles&Smiles Loyalty Program & CRM Unit Manager at Turkish Airlines. In 2012, he joined Teradata Türkiye as the Senior Industry Leader in charge of the Telecommunication and Media sectors. He provided consultancy services to sector customers in the field of meta data and analytics solutions for more than 3 years. He was then appointed as the Executive Vice President of Digital Services at Turkish Airlines at the beginning of 2016. He managed the airport passenger systems as well as all digital customer channels and services of the Turkish Airlines and AnadoluJet brands. On November 1, 2018, he joined Vakıf Katılım Bankası as the director in charge of Information Technologies and Digital Banking. He is married, with three children.

**Muhlis YAZGAN**  
**Director in Charge of Operations**

He was born in Ankara in 1980. He graduated from Istanbul University, Faculty of Communication. In 2011, he received his master's degree program in Business Administration. Mr. Yazgan started his banking career in 2004 at the Retail Marketing department and until 2015 he served as Branch Portfolio Manager, managerial positions at Headquarters SME Banking, Commercial Banking and Regional Offices. Joining Vakıf Katılım Bankası A.Ş. as Retail Banking Unit Manager in December 2015, Mr. Yazgan served in this position until November 2019 and then as Credit Monitoring and Collections Unit Manager and Credit Monitoring Unit Manager, respectively. Since January 14, 2022, he has been serving as the Director in Charge of Operations at Vakıf Katılım Bankası. Mr. Yazgan is married with one daughter.

**Ersin ÇATALBAŞ**  
**Director, Human Resources**

Born in Sakarya in 1975. He completed his undergraduate study in the Department of Econometrics at the Faculty of Economics and Administrative Sciences of Dokuz Eylül University and his post-graduate degree at the Banking Education Department of the Educational Sciences Institute of Gazi University. After graduating from the Banking School of Ziraat Bank, where he enrolled in 1998, he served as a specialist at the Department of Capital Markets until 2002. In 2002, he was involved in the establishment of the Internal Control Department of the same bank. Having served as an Internal Controller, Senior Internal Controller and the Department Manager at the Internal Control Department between years 2002 and 2014, he also served as the branch manager at Ziraat Bank between years 2014-2015. He started his career at Vakıf Katılım Bankası A.Ş. in January 2016 as the Internal Control Manager and was appointed as the Chairman of the Audit Board in April 2019. Since August 26, 2022, he has been serving as the Director in charge of the Human Resources Business Family at Vakıf Katılım.

## HIGHLIGHTS FOR VAKIF KATILIM IN 2023

In 2023, Vakıf Katılım provided approximately TL 1.8 billion in support to 134 different renewable energy projects, playing a pioneering role in reducing dependence on foreign energy.

### Developed E-Financing Product

A service has been introduced whereby legal entity customers can apply for financing and carry out fund disbursement transactions via the Internet Branch without having to visit a branch.

### Introduced Remote Legal Entity Customer Acquisition

Vakıf Katılım was the first financial institution to open accounts for legal entity customers within the scope of Remote Customer Acquisition.

### Customers Start Receiving Merchant Reports from Digital Channels

A structure has been designed to enable customers to access reports on all their member workplaces via Mobile Branch and Internet Branch. Thus, customers can easily access successful transaction amounts, blocked amounts, and the details of these amounts via the reports they will view.

### Credit Card Applications Started to Be Received via Digital Channels

A structure where customers can apply for a credit card through Mobile and Internet Branches without requesting proof of income has been introduced. The operational burden in the credit card sales process was eliminated, enabling sales to be carried out more effectively. Similarly, customers who open their accounts remotely can apply for a credit card if they request to do so, and the card shall be allocated and delivered to their address without visiting the branch.

### Established Mobile Branch Communication Infrastructure

A communication infrastructure specific to the target audience and with expanded content was launched for customers through the Mobile Branch. Personalized communication opportunities were offered through Banner, Pop Up, and Push Notification works delivered to the customer.

### Facilitations in Stock Trading Business

Mobile and Internet Branch menus have been improved and made more dynamic in terms of user experience in the trading of stocks suitable for participation banking.

Remote customer acquisition and the number of customers opening investment accounts increased year-on-year. Customers can now open investment accounts without visiting a branch. In the accounts opened through such acquisition, commission deductions on stock transactions were made automatically.

### No More Commissions on Investment Fund Transactions

In 2023, commission fees were abolished from investment fund trading carried out by customers. With the daily return advantage in investment funds, both new customer acquisition and transaction volume increased.

### Investment Agency (Wakala) Accounts Improvements

Within the scope of the amendment to the communique published on Investment Agency (Wakala) accounts, an improvement has been made in the automatic renewal of Investment Agency (Wakala) accounts at their maturity.

### Shopping Is Easier with Instant Financing

A system, where customers who will purchase products through contracted dealers on a 24/7 basis can use loans digitally to meet their requirements, such as household appliances, vehicles, consumer durables, and electronic products, without having to visit a bank branch, has been launched.

### Launched Urban Transformation Financing

Urban transformation financing with contribution supported by the Ministry of Environment, Urbanization, and Climate Change was made available to customers.

### Karz-ı Hasen (Benevolent Loan) Project

A protocol was concluded with MÜSİAD after reaching an agreement within the framework of the Karz-ı Hasen (Benevolent Loan) Project. Within the scope of the project, in the first phase, Karz-ı Hasen (Benevolent Loan) was made available to businesses in the earthquake region, with priority given to members affected by the earthquake. Through the collaboration protocols concluded, members of chambers and associations were enabled to benefit from Vakıf Katılım's advantageous products and services and to access the financing they need more easily.

### Special Advantages for Farmers from Vakıf Katılım: Agriculture Package

As part of the Agriculture Package developed to support farmers in production and post-production periods through financial products developed to encourage industrialization and modern agriculture in agriculture, long-term financing opportunities were provided to customers.



### **Sustainable Approaches to Energy Finance**

Projects related to Green Energy Transformation and Energy Efficiency investments were carried out in line with the "Presidency Economic Reform" and "Green Deal Action Plan" programs established under the "Paris Agreement on Climate Change." In this context, Vakıf Katılım collaborated with the private sector and public institutions to provide financing for investments in the fields of Land/Roof SPP, WPP, Biomass, and Smart Cities. In 2023, it provided complimentary consultancy services to more than 500 projects exceeding 130 MW of power and played a leading role in reducing foreign dependency by providing approximately TL 1.8 billion in support to 134 different project investments.

### **Supplier Financing System**

It is a financing system established between the buyer and the supplier for companies that have a continuous buying and selling relationship. With Supplier Finance, Vakıf Katılım establishes a financing system between buyers and suppliers who are in a continuous purchase and sale relationship for commercial activities. With this system, the buyer company makes its payments at a later date, while the supplier company has the opportunity to receive the prices of the invoices before the due date, if needed.

### **RPA Dashboard Completed**

The RPA dashboard, which was started to be developed in order to monitor the operational performance of RPA Processes and to effectively manage error solutions, was completed and started to be used in 2023.

### **Digital TOGG Financing**

With Digital TOGG Financing, customers were provided with vehicle financing service through digital channels.

### **Increasing/Decreasing Transaction Limit**

A product that allows customers to increase or decrease their transaction limits within globally defined limits was introduced through digital channels.

### **University Payments on Digital Channel**

In order for university students to make the payments to their schools more easily, the payment system has been moved to digital channels. University payments can now be made without visiting a branch.

## HIGHLIGHTS FOR VAKIF KATILIM IN 2023

The “Open Source Microservice Infrastructure” project received an award in the “Best Private Cloud Project of the Year” category at the “Future of Cloud & AI 2023” organized by CXO Medya.



### **Vakıf Katılım Customers Can Participate in Campaigns through Digital Channels**

Customers were allowed to view and participate in credit card campaigns through digital channels.

### **Vakıf Katılım Training and Development Academy**

All training and development activities are collected under the umbrella of the Academy. In this context, VEGA (Vakıf Katılım Training and Development Academy) was established. VEGA portal website, where announcements about all training

and development activities, information about trainings and training supports shall be available, was launched.

### **Digital Orientation Application**

Vakıf Katılım Digital Orientation Application was launched, thereby digitalizing the orientation process of the organization. The digital orientation program aims to provide inexperienced and newly recruited employees with information about the organization before they start work, accelerate their adaptation to the organization, and increase the efficiency of their work.

### **Foundation Historical Artefacts Inventory Project**

The Foundation Historical Artefacts Inventory Project was launched to preserve the foundation historical artefacts and carry them into the future. Within the scope of the project, 117 foundation historical artifacts, spanning from the past to the present, in Hatay were specially photographed in 2,600 frames and collected in Hatay Foundation Historical Artifacts book together with their histories. The project continues with Konya.

### **Faculties Project**

As part of the Faculties Project, the Faculty of Allocation was launched. In line with the results of the training requirements analysis study conducted, the programs prepared with a personalized learning approach aim to provide employees with expertise in Financial Analysis and Credit Allocation.

### **Bankers of the Future Project**

The Bankers of the Future Project aims to attract high school students to join the organization in addition to the university students employed as Participation to the Future. The project was piloted in September 2023 with the children of employees from the Head Office units. During the project, students shall participate in the program for a total of four weeks, working 1.5 days per week in the Head Office units.

### **Erasmus Ka2 IDA Project**

Vakıf Katılım R&D Center launched the Erasmus Ka2 IDA project, an international social responsibility project with 11 partners, developed to enable individuals with intellectual disabilities to use IT tools.



### AI-Supported Machine Learning Platform Project

Vakıf Katılım R&D Center commissioned the TÜBİTAK-funded Eureka AIMLP: Artificial Intelligence-Supported Machine Learning Platform project, which aims to create a new international artificial intelligence-supported automated learning platform with 4 partners.

### Vakıf Katılım R&D Center Continues to Achieve Significant Gains

Vakıf Katılım R&D Center applied to the QNRF-TÜBİTAK program, a Joint Call for "Academy-Industry Collaboration" for 2023, which brings together Turkish and Qatari researchers and industrialists, with partners from Qatar and Türkiye with the project titled "Solar Energy Trade (ST): A Fair and Efficient Blockchain Enabled Renewable Energy Ecosystem - Opportunities for Fintech to Scale Green Finance for Clean Energy," and the application has been accepted.

### Our 2023 Awards

- Director of Information Technologies and Digital Banking was named one of Türkiye's "50 Most Influential Technology Leaders."
- The Human Resources Director was recognized as one of the "50 Most Innovative HR Leaders" by Fast Company Magazine.
- The "Open Source Microservice Infrastructure" project developed by Vakıf Katılım IT teams received an award in the "Best Private Cloud Project of the Year" category at the "Future of Cloud & AI 2023" organized by CXO Medya.
- It received an award in the "Best Cost-Efficient Projects" category of the 14<sup>th</sup> Future of CIO Summit & Awards organized by CXO Medya & Future Of Consultancy for its cost-oriented and innovative projects.
- Received the "2<sup>nd</sup> Most Agile Project" award at RDCONF 2023 with the paper titled "The Role and Potential of Artificial Intelligence and Gamification in Education: The Example of Vakıf Katılım Bank."



## REMARKS FROM THE GENERAL MANAGER OF ZİRAAT KATILIM

Funds allocated in 2023 sustained its rapid growth in line with sustainable growth and customer focus strategies.

Ziraat Katılım continues its rapid growth in line with its vision of being the sector's leading participation finance organization. As of the end of 2023, Ziraat Katılım increased its total assets by 80% year-on-year, reaching a balance sheet size of TL 383.7 billion, and completed the period with a profit of TL 3.9 billion as it continued its progress towards its goal of stable growth, profitability, and efficiency.

### **Always supporting the real sector**

Ziraat Katılım meets its customers' needs and expectations through the most appropriate channel by presenting the most appropriate solutions and value propositions and continues its activities with the vision of being an effective participation finance institution not only in its region but also in international markets.

In 2023, we continued to support the financing of the real sector, especially SMEs. As of year-end 2023, cash funds extended by Ziraat Katılım increased by 80% year-on-year to TL 261.7 billion, while non-cash funds increased by 73% to TL 78.3 billion, bringing the total support provided to the Turkish economy to TL 340 billion.

By the end of 2022, funds collected increased by 122% year-on-year, reaching TL 173 billion.

### **We do not compromise on our asset quality**

Ziraat Katılım adopted a growth strategy which prescribes protection and development of asset quality. The Bank's allocation and fund extension processes as well as early warning and risk monitoring infrastructure are being developed accordingly.

Funds allocated in 2023 sustained its rapid growth in line with sustainable growth and customer focus strategies. During this period, when risk management policies are executed uncompromisingly, non-performing loan ratio was realized as 0.8%, quite lower than the industry average. In 2023, Ziraat Katılım's capital adequacy ratio was 14.84%.

### **We increased our total lease certificate issuance to TL 70.3 billion in 2023**

Ziraat Katılım successfully completed the issuance of 33 lease certificates with a total amount of TL 17.1 billion in 2023. Taking an active role in the capital markets as part of its strategy to enrich its resource structure, Ziraat Katılım, together with its subsidiaries Ziraat Katılım Varlık Kiralama A.Ş. and ZKB Varlık Kiralama A.Ş., received approval from the CMB for lease certificate issuance ceilings of TL 30 billion, TL 15 billion, 400 million, 250 million and TL 200 million in order to issue lease certificates in TL in the local market. In this framework, the total of issuances from the establishment of our Bank until year-end 2023 at different amounts reached TL 70.3 billion.

### **We further enriched our human resources with new recruits**

Ziraat Katılım continued to develop its human resources, its most valuable asset, with new additions in 2023. In our rapidly growing organizational structure, in line with the requirements of our branches and Head Office units, 674 new colleagues joined us, and the number of our employees reached 2,433 by the end of 2023.



In 2023, 34 domestic branches and Somali branches abroad have been included to our branch network, increasing the total number of branches to 191.

**We would like to thank to all having a share in our success in 2023**

We continue to work with devotion to increase our contribution to real economy with our values and ethical principles which reflect our long-standing corporate culture.

As we carry on our projects devotedly, keeping our loyalty to our mission of expanding participation banking, our ultimate target is to create increasing value to Turkish economy and support sustainable development in multiple ways.

On behalf of the Ziraat Katılım management, I would like to extend my gratitude to all our stakeholders, our employees in particular, who walked with us determinately on our journey to reach higher targets and contributed to our successful performance.

Sincerely,

**Metin ÖZDEMİR**  
General Manager



<b>Ziraat Katılım Bankası A.Ş.</b>	
<b>Establishment Year:</b>	2015
<b>Main Shareholders*</b>	Republic of Türkiye Ziraat Bankası A.Ş. (99%)
<b>Chairman of the Board</b>	Alpaslan Çakar
<b>General Manager:</b>	Metin Özdemir
<b>Headquarters:</b>	Hobyar Eminönü Mah. Hayri Efendi Cad. No: 12 PK: 34112 Fatih/ISTANBUL
<b>Phone/Fax:</b>	0212 404 10 00-0212 404 10 99
<b>Website</b>	www.ziraatkatilim.com.tr
<b>SWIFT Code:</b>	ZKBATRIS
<b>EFT Code:</b>	0209
<b>Number of Domestic Branches:</b>	189
<b>Number of Overseas Branches:</b>	2
<b>Number of Employees:</b>	2,433 (HO+Branches)

## ZİRAAT KATILIM SENIOR MANAGEMENT

### **Metin ÖZDEMİR** **General Manager and Board Member**

Metin Özdemir graduated from Istanbul University (Faculty of Business Administration) in 1990. Metin Özdemir started his career at Kuveyt-Türk Finans Kurumu in 1992, and from 1996, he carried on with his career as an executive in the retail sector. Mr. Özdemir functioned as a member of Istanbul Metropolitan Municipal Council between 2004 and 2014. Mr. Özdemir was a Member of the Ziraat Bank's Board of Directors and acted as a Member of the Corporate Governance Committee and the Remuneration Committee from April 2012 until 27 May 2019. He served as the Chairman of the Board of Directors of the Participation Banks Association of Türkiye from May 2018 until May 2021. Mr. Özdemir has been a member of the Board of Directors of Ziraat Katılım Bankası since February 18, 2015 and was appointed as the CEO of the Bank on June 12, 2017.

### **Ertuğrul İSPAHA** **Executive Vice President - Corporate Banking**

He was born in Adana in 1968. He graduated from Ankara University Faculty of Political Sciences Department of Labor Economics and Industrial Relations in 1991. He started his professional life at Egebank in 1995 as an Inspector. Between 2001 and 2006 he served as the Branch Manager of Adana and Bursa branches of Family Finans Kurumu A.Ş. In 2006, Mr. İspaha joined Ziraat family as Corporate Branch Manager in İzmir. Afterward, he acted as Regional Director of İzmir 1<sup>st</sup> Region, Executive Vice President in charge of Financial Analysis- Intelligence, Credit Monitoring and Follow-up Gaziantep, Adana 2, Adana 1, and Adana Regional Manager, respectively. As of April 1, 2022, he serves as the Executive Vice President- Corporate Banking of Ziraat Katılım.

### **Osman KARAKÜTÜK** **Executive Vice President - Treasury Management and International Banking**

Born in Ankara in 1975, Osman Karakütük graduated from Ankara University Faculty of Political Science. He completed his undergraduate studies at Sakarya University and served at the CBRT Headquarters as a clerk between 1998 and 1999. In 1999, he started working at Ziraat Bank as an Assistant Inspector and then promoted to Inspector, Chief Inspector, Executive Vice President of the Inspection Board, Branch Manager, İzmir 1<sup>st</sup> Region Manager, Head of Branch Operations and Head of Channel Management, respectively. Mr. Karakütük was appointed as Ziraat Katılım Executive Vice President in charge of Financial Coordination and Human Resources on 15 August 2017 and he has been serving as the Executive Vice President in charge of Treasury Management and International Banking since 24 August 2017.

### **Mehmet Said GÜL** **Executive Vice President-Information Technologies and Operations**

He was born in Kahramanmaraş in 1973. He graduated from Hacettepe University Faculty of Engineering Department of Computer Engineering in 1995. He started his banking career as a programmer at Anadolu Finans Kurumu in 1997. After serving for many years as a system analyst and software development service manager, he continued his career as a Software Development Manager at Türkiye Finans Katılım Bankası A.Ş. in 2006. He served as the Information Systems Coordination Manager as of 2009. In 2014, Mr. Gül served at the establishment of Ziraat Katılım and acted as a consultant at Ziraat Bank and Ziraat Katılım's Information Technologies Department Head. In 2015, he was appointed as the Group Director of the Information Technologies and Operational Transactions at Ziraat Katılım. Since 23 August 2017 Mr. Gül is the Executive Vice President in charge of Information Technologies and Operations.

### **Önder KIRMAN** **Executive Vice President- Credit Extension and Management**

He was born in Afyonkarahisar in 1972. He graduated from Dokuz Eylül University Faculty of Economics and Administrative Sciences Department of Business Administration. Mr. Kirman started his banking career as a Service Officer at Ziraat Bank in 1999. Between 2001 and 2008, he served as an Internal Controller. Between 2008 and 2015, Mr. Kirman acted as a Supervisor of Agricultural, SME and Commercial Marketing, Commercial Marketing Department Manager and Regional Credit Extension Manager. In May 2015, he joined Ziraat Katılım Bankası A.Ş. as Head of Operations Center Department. In April 2016, he was appointed as the Head of Division for Corporate and Entrepreneurial Loans Allocation and Management 1. Since June 30, 2016, he serves as Executive Vice President- Credit Extension and Management.

### **Seher Elif EKİCİ** **Executive Vice President - Credit Policies and Risk Liquidation**

He was born in Istanbul in 1981. She graduated from Marmara University Faculty of Business Administration, Department of Business Administration in English. She completed her associate degree at Anadolu University Faculty of Theology and is currently studying for her master's degree on Islamic Economics and Finance at Marmara University. She received her Independent Accountant and Financial Advisor certificate in 2009. She started her professional career at KPMG independent audit firm in 2003 and served as an auditor in 2003-2004. Later, she started her banking career in 2005 at Anadolu Finans Kurumu Financial Control service under Financial Affairs Department. She assumed a role in the merger of Anadolu Finans and Family Finans. Between 2007 and 2015 she acted as Specialist, Supervisor and Manager at Risk Management Center Department of Türkiye Finans. He started working on February 3, 2015 as a Manager at Ziraat Bank and took part in the establishment stage of Ziraat Katılım Bankası. She was a

part of the establishment of Ziraat Katılım and was appointed as Head of Risk Management Division on 23 June 2015. On July 2, 2021, he was appointed as the Head of Credit Policies and Risk Liquidation Group. She has been working as Executive Vice President for Credit Policies and Risk Liquidation since 1 April 2022.

**Mustafa Kürşat ÇETİN**  
**Executive Vice President - Retail Banking**

He was born in Yozgat in 1979. He graduated from Selçuk University Faculty of Economics and Administrative Sciences Department of Economics. He received his graduate degree in Banking from Istanbul University Faculty of Social Sciences. In 2003, he started his career at Türkiye Finans Katılım Bankası Head Office Leasing Service. Since 2005, he has served in different positions in Corporate Marketing at Osmanbey, Beylikdüzü, and İkitelli Branches of the same bank in Istanbul. Between 2012 and 2015 he served as Türkiye Finans Nişantaşı Branch Manager. In 2015, with the incorporation of Ziraat Katılım he started working at İkitelli Branch as a manager. Between 2016-2019, he served as the Head of Entrepreneurial Marketing Department, the Head of Corporate and Entrepreneurial Marketing Department, as the Head of Branch Banking and Sales Management Department. Çetin was appointed as the Head of the Retail Banking Group on January 13, 2022, while serving as the Head of the Marketing Group, which he was appointed in February 2021, and continues to serve as the Executive Vice President of Retail Banking as of September 29, 2023.

**Suat TÜCCAR**  
**Head of Product Management and Digital Banking Group**

He was born in Istanbul in 1974. He graduated from Gazi University Faculty of Economics and Administrative Sciences Department of Public Administration. In 2000, he started his career at Dışbank Commercial Marketing upon completing the MT program. He served as a portfolio manager at the same bank in Mercan, Bayrampaşa and European Corporate branches, respectively. After serving as Bayrampaşa Mega Center and Güneşli Branch Manager following the merger of Fortis and Türkiye Ekonomi Bankası, he started to work as Service Manager at Ziraat Katılım Bankası A.Ş. Corporate and Entrepreneur Marketing Department on May 2, 2016. On March 23, 2017, he was appointed as the Head of Human Resources Department. On February 10, 2021, Mr. Tüccar was appointed as the Group Head of Strategy Planning and Human Resources. He has been serving as the Group Head of Product Management and Digital Banking since May 2022.

**Arif BAŞTUĞ**  
**Head of Strategic Planning and Human Resources Group**

He was born in Aksaray in 1979. He graduated from Ankara University Faculty of Law. He started his banking career at Ziraat Bankası A.Ş. as a Service Clerk. He acted as Assistant Inspector, Inspector and Senior Inspector at the Board of Inspectors at Ziraat Bankası. In 2011, he served as Department Manager at Ziraat Bankası Human Resources Department and afterwards he acted as Head of Department at Training Department. In 2015, at the establishment of Ziraat Katılım, he served as the Head of Department of Human Resources and Organization. Between 2016 and 2022, Mr. Baştuğ acted as the Head of Operation Center Department. AS of 9 May 2022, he was appointed as Ziraat Katılım Head of Strategic Planning and Human Resources Group and continues to work at this position.

**Osman ÇETİNER**  
**Head of Internal Systems Group**

He was born in Antalya in 1973. He graduated from Uludağ University Faculty of Economics. In 2005, he received his Independent Accountant and Financial Advisor certificate and in 2014 he received the Independent Auditor license given by Public Oversight Board. He started his banking career in 1999 as Assistant Accounting Specialist in the Financial Affairs Department of Kuveyt Türk A.Ş. He served at different positions in Kuveyt Türk for 16 years, 7 of them as a Manager. In 2010, he was involved in Türkiye's first lease certificate issuance by Kuveyt Türk Bankası. Mr. Çetiner was involved in the incorporation process of Ziraat Katılım. He started working as Head of Financial Coordination at Ziraat Katılım on 8 April 2015 and served as the Head of Internal Control and Compliance between 2017 and 2022. As of May 9 2022, he was appointed as Ziraat Katılım Head of Internal Systems Group and continues to work at this position.



## HIGHLIGHTS FOR ZİRAAT KATILIM IN 2023

### Ziraat Katılım was the first public participation bank to issue international sukuk in Türkiye.

#### Blazed a Trail in International Sukuk Issuance

As the first public participation bank in Türkiye to blaze a trail in international sukuk issuance, Ziraat Katılım successfully realized its first sukuk issuance of USD 500 million from international markets. This sukuk issuance, which has a maturity of three years, contributed positively both to the Bank's balance sheet and the diversity and maturity structure of its resources. Characterized as a strong initial offering for Ziraat Katılım that attracted interest from 135 investors across 24 countries, the issuance received more than 5 times the demand.

#### Somalia Branch Started Operations

Ziraat Katılım, blazing a trail in the history of Turkish banking with its Sudan Branch, started operating on the African continent in 2020, opened its second branch abroad in Mogadishu, the capital of Somalia, on October 29, 2023, the 100<sup>th</sup> anniversary of our Republic. Somalia Branch shall serve as a bridge for the development of foreign trade and strengthening economic relations between Türkiye and Somalia.

#### Provided Major Support to Businesses Affected by Disasters

Within the scope of the protocols signed between KOSGEB and Ziraat Katılım, financial support was extended to businesses affected by rainfall, floods, storms and landslides in Amasya, Kastamonu, Sinop, Samsun, İstanbul (Başakşehir, Şile and Ağva), Bursa (Gemlik), Diyarbakır (Bismil), Batman (Merkez), Zonguldak (Alaplı and Ereğli) and Düzce provinces, and to businesses affected by the fire in İnegöl district of Bursa.

#### Provided Emergency Working Capital Financing to 81 Firms

In return for the treasury guarantee of the Government of the Republic of Türkiye, the Islamic Development Bank (IDB) management provided a resource allocation in favor of Ziraat Katılım. In this context, the "Emergency Working Capital Financing" package was created to support SMEs in Türkiye. In the first tranche of the package, EUR 45 million was successfully disbursed to 44 companies, while EUR 31 million was disbursed to 37 companies in the second tranche.

#### Made Available on Demand Export Financing for Member Companies of Exporters' Associations

In order to contribute to the national economy, the "On Demand Export Financing" product was created to provide SMEs and non-SMEs that are members of exporters' associations with access to long-term financing with favorable profit share rates. In this context, USD 48 million was made available.

#### Included Service Sector in our "Instant Financing" Product

Ziraat Katılım's "Instant Financing" product, allowing individual customers to easily and quickly finance the products they would like to purchase from businesses that have an agreement with the Bank at any time of the day, without having to visit the branch, through digital channels, was made available in the service sector as well. Thus, individual financing has started to be provided for purchases in the service sector such as education, hajj, umrah, and tourism within the scope of the ijarah contracts.

#### Offered TOGG Vehicle Financing Product to Our Customers

Based on the collaboration agreement concluded between Türkiye'nin Otomobili Girişim Grubu A.Ş. (TOGG) and Ziraat Katılım, the "TOGG Vehicle Financing" product was created to meet the financing demands of real persons who want to purchase the national automobile brand TOGG. In this context, a total of TL 237 million was made available to 352 customers.

#### Offered Environmental Financing Products to Customers

Considering the benefits of financing the green transformation, such as reducing the external dependence of the national economy for energy resources, contributing to sustainable development goals, and minimizing environmental damages, "Environmental Financing Products within the Scope of Sustainability" were made available to our customers in order to support efforts in this respect.

#### Launched Agriculture Financing

The "Agricultural Finance" product was launched in line with the principles of Participation Banking. Ziraat Katılım was the first participation bank to implement state-subsidized agricultural financing. In order to develop agricultural production activities in our country, all kinds of financial support is provided for conscious, high quality, and efficient production by expanding agricultural lands, strengthening animal husbandry, and minimizing imports and maximizing exports in agriculture. Within the scope of a sustainable ecosystem, it is aimed

to increase the yield and production of agricultural products with the development of agriculture and the mechanization and modernization of agriculture in our country.

#### **Started TARSİM Policies Production**

State-Subsidized Agricultural Insurance contracts are issued on a participation basis through member insurance companies and/or agencies holding a participation insurance license, and all kinds of acts and actions related to state-subsidized agricultural Insurance policies issued on a participation basis are carried out within the framework of participation principles under the supervision of the Advisory Committee. In this context, the system integration for issuing TARSİM policies to the Bank's customers was completed and policy production started.

#### **Financing of Critical Collaboration in the Agriculture Sector**

With the project financing provided by the Bank to domestic and national tractor manufacturer ASKO Holding, a customer of Ziraat Katılım South Anatolia Corporate Branch, it acquired a 96.7% stake in Bühler Endüstri, the owner of the Canadian giant tractor manufacturer "Versatile Tractor" and agricultural equipment manufacturer "Farm King" brands. Ziraat Katılım acted as an intermediary for the project that provides high technology transfer to our country with this acquisition.

#### **Extended the Insurance Product Range**

In 2023, İlk Ateş (First Fire) SME Insurance, Limit Protection Insurance, Corporate Package Insurance, Individual Guarantee Insurance, Personal Accident Insurance, Entrepreneur Support Insurance, Farmer Support Insurance, Farmer Friendly Insurance, Agricultural Finance Life Insurance, and State-Subsidized Receivables Insurance products were prepared and offered to Ziraat Katılım customers.

#### **Maintaining Leadership in Financial Leasing Products**

Ziraat Katılım maintains its leadership in the participation finance sector in financial leasing transactions, which offer various advantages such as flexible maturity terms, collateral structures, VAT benefits, and payment options aligned with cash flow.



#### **Completed the First Phase of SME Value Proposition Project**

Ziraat Katılım continued to increase its support to the real sector with a focus on producers and exports. Work on the first phase of the SME Value Proposition project to meet the financial requirements of SMEs 360 degrees with its products and services, has been completed. In this context, the novelties in the topics of Cash Transaction, Foreign Trade, and Insurance and Energy consultancy were introduced to facilitate customers' financial transactions.

#### **Established "SME Participation Digital" Brand**

The "KOBİ Participation Digital" brand was established to facilitate Ziraat Katılım customers' "ERP Solutions," "Open Banking," and "Smart Cash Flow" financial operations. With the SME Participation Digital, products and services for E-Documentation (invoice issuance, storage, tracking, etc.), bookkeeping (account statement, inventory tracking, barcode definition, credit card withdrawal, etc.), payment (instant withdrawal, sending payment link, invoice matching, etc.) and bank account transactions were made available to customers.

#### **Implemented Substantial Innovations in Information Systems and Digital Banking**

- With the instant market application, Ziraat Katılım customers were provided with the opportunity to make transactions and place orders over real-time exchange rates.

- With improvements in the Internet Banking module related to the DIS, companies and dealers can now perform transactions such as invoice uploading/ reporting/ cancellation/ payment in a shorter time.
- The device activation structure has been updated in order to enable customers to log in and make transactions faster with the device identification method from Participation Mobile. Thanks to the new method, customers can perform their transactions quickly and securely through Mobile and Internet Branches.
- The Participation Mobile Send Document function has been made available to customers to complete missing papers or documents that need to be updated through Participation Mobile without having to visit a branch.
- The Somali corporate website was put into service of customers.
- Forgot Password, Get Password, Sim Card Verification, and Mobile Phone Number Update transactions can be performed with the new Turkish ID card and face recognition through Participation Mobile.
- Informative boxes (stories) were added to the Participation Mobile application for marketing activities.
- Customers were provided with the opportunity to monitor their Ziraat Katılım accounts from other bank applications and to transfer money from these accounts.

# **FINANCIAL DATA AND STATEMENTS**





## KEY CONSOLIDATED INDUSTRY DATA AND CHARTS

Industry Comparison Report		Participation Banks			
NO	HEADINGS	December 2022	December 2023	Change	Industry Share
1	TOTAL ASSETS	1,187,613	2,040,195	71.8%	8.7%
1.1	TL ASSETS	611,067	1,123,187	83.8%	7.7%
1.2	FC ASSETS	576,545	917,008	59.1%	10.1%
2	TOTAL FUNDS COLLECTED*	891,066	1,516,367	70.2%	10.2%
2.1	TOTAL PRIVATE CURRENT ACCOUNT	372,959	582,255	56.1%	11.8%
2.1.1	TL - PRIVATE CURRENT ACCOUNT	99,945	111,819	11.9%	8.1%
2.1.2	FC - PRIVATE CURRENT ACCOUNT	198,704	349,218	75.7%	12.7%
2.1.3	PRECIOUS METALS - PRIVATE CURRENT ACCOUNT	74,310	121,219	63.1%	15.3%
2.2	TOTAL PARTICIPATION ACCOUNT	518,107	934,112	80.3%	9.4%
2.2.1	TL - PARTICIPATION ACCOUNT	354,907	670,433	88.9%	8.9%
2.2.2	FC - PARTICIPATION ACCOUNT	139,096	229,724	65.2%	10.0%
2.2.3	PRECIOUS METALS - PARTICIPATION ACCOUNT	24,104	33,955	40.9%	33.5%
2.3	TL - TOTAL FUNDS COLLECTED	454,852	782,252	72.0%	8.8%
2.4	FC - TOTAL FUNDS COLLECTED	337,800	578,942	71.4%	11.4%
2.5	PRECIOUS METALS - TOTAL FUNDS COLLECTED	98,414	155,174	57.7%	17.3%
3	TOTAL FUNDS ALLOCATED***	643,814	1,060,229	64.7%	8.7%
3.1	TOTAL INDIVIDUAL FUNDS ALLOCATED	52,073	88,379	69.7%	3.3%
3.1.1	TL INDIVIDUAL FUNDS ALLOCATED	51,995	88,319	69.9%	3.3%
3.1.2	FC INDIVIDUAL FUNDS ALLOCATED	78	59	-24.1%	2.1%
3.2	TOTAL CORPORATE/COMMERCIAL FUNDS ALLOCATED	365,842	578,057	58.0%	9.2%
3.2.1	TL CORPORATE/COMMERCIAL FUNDS ALLOCATED	193,986	310,468	60.0%	11.0%
3.2.2	FC CORPORATE/COMMERCIAL FUNDS ALLOCATED	171,856	267,590	55.7%	7.7%
3.3	TOTAL FUNDS ALLOCATED TO SMEs	225,899	393,793	74.3%	12.3%
3.3.1	TL FUNDS ALLOCATED TO SMEs	172,723	314,079	81.8%	11.4%
3.3.2	FC FUNDS ALLOCATED TO SMEs	53,176	79,714	49.9%	17.9%
3.4	TL FUNDS ALLOCATED	418,703	712,866	70.3%	8.6%
3.5	FC FUNDS ALLOCATED	225,111	347,363	54.3%	8.9%
4	TOTAL NON-PERFORMING LOANS	9,114	9,855	8.1%	5.1%
4.1	TL NON-PERFORMING LOANS	7,866	8,040	2.2%	4.4%
4.2	FC NON-PERFORMING LOANS	1,249	1,815	45.3%	19.6%
5	TOTAL FINANCIAL LEASING RECEIVABLES	48,040	115,640	140.7%	98.4%
5.1	TL FINANCIAL LEASING RECEIVABLES	25,046	80,979	223.3%	99.2%
5.2	FC FINANCIAL LEASING RECEIVABLES	22,995	34,661	50.7%	96.4%
6	TOTAL SHAREHOLDER'S EQUITY	84,334	143,863	70.6%	6.7%
6.1	TL SHAREHOLDER'S EQUITY	84,798	143,425	69.1%	6.7%
6.2	FC SHAREHOLDER'S EQUITY	-464	438	194.4%	15.4%
7	TOTAL NET PROFIT***	29,699	53,241	79.3%	8.6%
8	Non-Performing Loans (Gross)/Loans / Total Cash Loans (%)	1.4	1.0		
9	Net Period Profit (Loss) / Average Total Assets (%)	3.0	3.3		
10	Net Period Profit (Loss) / Average Shareholder's Equity (%)	61.1	60.6		
11	Fee, Commission and Banking Services Revenues / Total Revenues (%)	6.6	10.3		
12	Fees, Commissions and Banking Services Income / Operating Expenses (%)	58.0	81.4		
13	Total Cash Loans / Total Deposits (Excluding Development and Investment Banks) (%)	71.4	68.0		
15	Demand Deposits / Total Deposits	41.9	38.4		
16	Number of Branches	1,379	1,459	5.8%	13.3%
16.1	Number of Domestic Branches	1,375	1,454	5.7%	13.4%
16.2	Number of Overseas Branches	4	5	25.0%	6.3%
17	Total Number of Personnel	17,868	19,728	10.4%	9.5%
17.1	Number of Domestic Personnel	17,827	19,690	10.5%	9.5%
17.2	Number of Overseas Personnel	41	38	-7.3%	4.3%
18	Number of ATMs	2,360	2,518	6.7%	5.0%

Source: BRSA

\* Excluding funds collected from banks and rediscounts.

\*\* Excluding non-performing loans. Rediscounts and financial lease receivables are included, and loans extended to banks are excluded.

\*\*\* The net profit figure has been compared with the same month of the previous year.



Deposit Banks				Development and Investment Banks				Banking Sector		
December 2022	December 2023	Change	Industry Share	December 2022	December 2023	Change	Industry Share	December 2022	December 2023	Change
12,337,664	20,166,457	63.5%	85.6%	819,125	1,343,581	64.0%	5.7%	14,344,402	23,550,233	64.2%
7,363,058	12,756,792	73.3%	88.0%	364,750	622,152	70.6%	4.3%	8,338,875	14,502,131	73.9%
4,974,606	7,409,665	48.9%	81.9%	454,375	721,429	58.8%	8.0%	6,005,526	9,048,102	50.7%
7,970,792	13,335,603	67.3%	89.8%	0	0	0.0%	0.0%	8,861,858	14,851,970	67.6%
2,768,518	4,355,150	57.3%	88.2%	0	0	0.0%	0.0%	3,141,477	4,937,406	57.2%
925,726	1,272,305	37.4%	91.9%	0	0	0.0%	0.0%	1,025,671	1,384,124	34.9%
1,461,451	2,410,774	65.0%	87.3%	0	0	0.0%	0.0%	1,660,155	2,759,992	66.2%
381,342	672,071	76.2%	84.7%	0	0	0.0%	0.0%	455,652	793,290	74.1%
5,201,556	8,979,530	72.6%	90.6%	0	0	0.0%	0.0%	5,719,664	9,913,642	73.3%
3,397,640	6,841,448	101.4%	91.1%	0	0	0.0%	0.0%	3,752,547	7,511,881	100.2%
1,747,435	2,070,765	18.5%	90.0%	0	0	0.0%	0.0%	1,886,531	2,300,488	21.9%
56,482	67,318	19.2%	66.5%	0	0	0.0%	0.0%	80,586	101,273	25.7%
4,323,365	8,113,753	87.7%	91.2%	0	0	0.0%	0.0%	4,778,217	8,896,005	86.2%
3,208,886	4,481,539	39.7%	88.6%	0	0	0.0%	0.0%	3,546,686	5,060,480	42.7%
437,823	739,389	68.9%	82.7%	0	0	0.0%	0.0%	536,237	894,563	66.8%
6,672,619	10,293,871	54.3%	84.5%	492,447	825,923	67.7%	6.8%	7,808,880	12,180,024	56.0%
1,477,518	2,604,790	76.3%	96.4%	7,457	9,506	27.5%	0.4%	1,537,048	2,702,675	75.8%
1,476,219	2,601,999	76.3%	96.4%	7,457	9,506	27.5%	0.4%	1,535,671	2,699,825	75.8%
1,299	2,791	114.8%	97.9%	0	0	0.0%	0.0%	1,377	2,850	107.0%
3,456,146	5,011,094	45.0%	79.9%	421,294	681,536	61.8%	10.9%	4,243,282	6,270,688	47.8%
1,658,409	2,276,695	37.3%	80.9%	134,878	225,574	67.2%	8.0%	1,987,273	2,812,736	41.5%
1,797,737	2,734,400	52.1%	79.1%	286,416	455,962	59.2%	13.2%	2,256,009	3,457,952	53.3%
1,738,955	2,677,987	54.0%	83.5%	63,696	134,881	111.8%	4.2%	2,028,550	3,206,661	58.1%
1,551,153	2,384,180	53.7%	86.3%	24,426	63,223	158.8%	2.3%	1,748,303	2,761,482	58.0%
187,802	293,807	56.4%	66.0%	39,270	71,658	82.5%	16.1%	280,248	445,179	58.9%
4,685,781	7,262,874	55.0%	87.8%	166,762	298,304	78.9%	3.6%	5,271,246	8,274,043	57.0%
1,986,838	3,030,997	52.6%	77.6%	325,685	527,620	62.0%	13.5%	2,537,634	3,905,980	53.9%
149,852	176,063	17.5%	91.8%	4,443	5,974	34.5%	3.1%	163,410	191,893	17.4%
144,812	168,630	16.4%	92.3%	4,407	5,965	35.4%	3.3%	157,084	182,635	16.3%
5,040	7,434	47.5%	80.3%	37	10	-73.8%	0.1%	6,326	9,258	46.4%
0	0	0.0%	0.0%	1,279	1,895	48.2%	1.6%	49,319	117,535	138.3%
0	0	0.0%	0.0%	657	616	-6.3%	0.8%	25,703	81,595	217.5%
0	0	0.0%	0.0%	621	1,279	105.9%	3.6%	23,616	35,940	52.2%
1,227,326	1,854,220	51.1%	86.1%	95,415	154,753	62.2%	7.2%	1,407,074	2,152,836	53.0%
1,252,384	1,852,393	47.9%	86.2%	95,955	154,179	60.7%	7.2%	1,433,137	2,149,997	50.0%
-25,059	1,826	-107.3%	64.3%	-540	575	-206.5%	20.2%	-26,062	2,839	110.9%
380,040	526,353	38.5%	84.8%	21,874	40,893	86.9%	6.6%	431,614	620,487	43.8%
2.2	1.7			0.9	0.7			2.1	1.6	
3.2	3.2			3.0	3.7			3.7	3.3	
41.6	41.6			31.9	49.9			49.9	42.7	
11.9	11.9			8.9	9.2			9.2	11.7	
96.8	96.8			107.2	85.1			85.1	95.6	
76.0	76.0			0.0	82.4			82.4	75.2	
32.7	32.7			0.0	35.5			35.5	33.2	
9,587	9,421	-1.7%	86.0%	68	69	1.5%	0.6%	11,034	10,949	-0.8%
9,515	9,347	-1.8%	86.0%	68	69	1.5%	0.6%	10,958	10,870	-0.8%
72	74	2.8%	93.7%	0	0	0.0%	0.0%	76	79	3.9%
182,653	182,573	0.0%	87.5%	5,699	6,322	10.9%	3.0%	206,220	208,623	1.2%
181,863	181,720	-0.1%	87.5%	5,699	6,322	10.9%	3.0%	205,389	207,732	1.1%
790	853	8.0%	95.7%	0	0	0.0%	0.0%	831	891	7.2%
46,873	47,486	1.3%	95.0%	0	0	0.0%	0.0%	49,233	50,004	1.6%

## KEY CONSOLIDATED INDUSTRY DATA AND CHARTS

## PARTICIPATION BANKS: ASSET STRUCTURE AND CHANGES IN SELECTED ITEMS (TL MILLION, %)

	Participation				Sector			
	2023	2022	2021	2020	2023	2022	2021	2020
Cash and Cash Equivalents	204,209	143,886	104,208	50,370	2,182,632	1,661,269	1,229,467	575,585
Required Reserves	220,540	124,678	97,503	46,801	1,588,980	946,023	702,382	321,244
Funds Extended*	944,589	595,774	344,492	228,665	12,062,489	7,759,561	5,018,565	3,663,001
Leasing Receivables	115,640	48,040	24,861	11,482	117,535	49,319	25,920	11,876
Non-performing Loans (Gross)	9,855	9,114	11,225	8,713	191,893	163,410	160,104	152,560
Securities	380,176	210,217	123,806	77,552	3,968,743	2,371,395	1,476,598	1,022,643
Other Assets	165,186	55,906	11,243	13,563	3,437,961	1,396,413	602,428	359,534
Total Assets	2,040,195	1,187,615	717,338	437,146	23,550,233	14,347,390	9,215,463	6,106,442

## PARTICIPATION BANKS: LIABILITIES STRUCTURE AND CHANGES IN SELECTED ITEMS (TL MILLION, %)

	Participation				Sector			
	2023	2022	2021	2020	2023	2022	2021	2020
Participation Fund	1,516,367	891,066	556,418	321,405	14,851,970	8,861,858	5,303,348	3,455,314
Payables to Banks	83,045	36,611	27,366	22,277	2,383,696	1,431,899	1,048,479	657,630
Repo (Repurchase Agreement) Transactions	23,363	36,068	25,899	6,958	723,166	540,180	586,649	255,122
Shareholder's Equity	143,863	84,225	36,310	27,607	2,152,836	1,405,729	713,946	599,590
Other Liabilities	273,557	139,645	71,345	58,899	3,438,565	2,107,723	1,563,041	1,138,785
Total Liabilities	2,040,195	1,187,615	717,338	437,146	23,550,233	14,347,390	9,215,463	6,106,442

\* Rediscounts are included.

**PARTICIPATION BANKS: INCOME/LOSS STRUCTURE AND CHANGES IN SELECTED ITEMS (TL MILLION, %)**

INCOME / EXPENSE	Participation				Sector			
	2023	2022	2021	2020	2023	2022	2021	2020
Profit Sharing Income	121,484	64,811	25,996	17,394	1,618,466	807,504	443,032	308,099
Profit Sharing Expense	128,964	49,842	22,209	11,116	1,904,990	638,925	375,974	208,676
Net Profit Sharing Income / Expense	68,974	54,517	14,866	13,606	718,282	764,278	265,518	214,796
Non-Profit Sharing Income	41,273	15,471	8,134	5,374	724,926	312,816	160,044	102,538
Net fee and commission income	7,492	3,821	1,829	1,477	68,728	38,142	19,942	16,036
Banking service income	20,578	5,091	2,116	1,383	361,627	136,453	66,835	42,635
Other non-profit sharing income	13,203	6,560	4,189	2,514	294,571	138,221	73,267	43,867
Non-Profit Sharing Expenses	64,298	37,847	15,486	11,865	806,741	501,804	238,777	181,166
Personnel	16,953	7,350	4,009	3,210	187,497	85,687	46,781	39,332
Fee and commission expenses	6,759	3,271	1,248	1,024	113,057	46,228	23,099	13,659
Other non-profit sharing expenses	54,104	27,226	10,229	7,631	732,301	369,889	168,898	128,175
Other Non-Profit Sharing Income/Expense	29,723	14,218	4,131	1,721	165,566	74,374	-21,073	-18,755
Capital Market Transactions. Profit / Loss	17,822	10,226	3,940	-2,712	86,197	10,639	38,394	-22,487
Foreign Exchange Transactions Profit/Loss	12,932	3,992	191	4,433	123,558	63,733	-59,467	3,730
Profit/Loss Before Taxes	69,695	40,559	7,422	4,788	726,498	572,663	118,485	75,853
Tax Provision	16,454	10,860	1,954	1,072	106,012	141,049	25,543	17,350
Net Profit/Loss for the Period	53,241	29,699	5,468	3,717	620,487	431,614	92,942	58,503

## KEY CONSOLIDATED INDUSTRY DATA AND CHARTS

## PARTICIPATION BANKS SUMMARY BALANCE SHEET (TL THOUSAND)

ASSETS	CURRENT PERIOD JANUARY 1 - DECEMBER 31, 2023		
	TL	FC	Total
I. FINANCIAL ASSETS (Net)	248,518,117	506,495,576	755,013,693
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	812,594,034	407,515,019	1,220,109,053
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	1,703,552	0	1,703,552
IV. PARTNERSHIP INVESTMENTS	3,350,925	64,221	3,415,146
V. TANGIBLE FIXED ASSETS (Net)	20,678,174	72,796	20,750,970
VI. INTANGIBLE FIXED ASSETS (Net)	2,856,518	28	2,856,546
VII. INVESTMENT PROPERTIES (Net)	0	0	0
VIII. CURRENT TAX ASSET	0	0	0
IX. DEFERRED TAX ASSET	14,299,955	0	14,299,955
X. OTHER ASSETS	8,893,717	1,943,648	10,837,365
<b>TOTAL ASSETS</b>	<b>1,112,894,992</b>	<b>916,091,288</b>	<b>2,028,986,280</b>

ASSETS	PREVIOUS PERIOD JANUARY 1 - DECEMBER 31, 2022		
	TL	FC	Total
I. FINANCIAL ASSETS (Net)	133,914,797	313,390,300	447,305,097
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	449,168,635	261,555,327	710,723,962
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	756,549	0	756,549
IV. PARTNERSHIP INVESTMENTS	2,488,425	64,221	2,552,646
V. TANGIBLE FIXED ASSETS (Net)	10,201,107	29,471	10,230,578
VI. INTANGIBLE FIXED ASSETS (Net)	1,275,984	38	1,276,022
VII. INVESTMENT PROPERTIES (Net)	0	0	0
VIII. CURRENT TAX ASSET	0	0	0
IX. DEFERRED TAX ASSET	3,364,873	0	3,364,873
X. OTHER ASSETS	7,609,813	1,570,073	9,179,886
<b>TOTAL ASSETS</b>	<b>608,780,183</b>	<b>576,609,430</b>	<b>1,185,389,613</b>

LIABILITIES		CURRENT PERIOD		
		JANUARY 1 - DECEMBER 31, 2023		
		TL	FC	Total
I.	FUNDS COLLECTED	817,530,556	738,794,363	1,556,324,919
II.	LOANS RECEIVED	56,794,773	136,112,895	192,907,668
III.	DUES TO MONEY MARKETS	4,628,112	10,528,455	15,156,567
IV.	SECURITIES ISSUED (Net)	0	0	0
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	0	0	0
VI.	DERIVATIVE FINANCIAL LIABILITIES	430,186	1,770,287	2,200,473
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	3,968,748	84,585	4,053,333
VIII.	PROVISIONS	21,494,869	4,270,512	25,765,381
IX.	CURRENT TAX LIABILITIES	8,657,754	96,272	8,754,026
X.	DEFERRED TAX LIABILITIES	0	0	0
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	0	0	0
XII.	SUBORDINATED DEBT INSTRUMENTS	1,341,987	48,966,232	50,308,219
XIII.	OTHER LIABILITIES	17,948,464	14,958,441	32,906,905
XIV.	SHAREHOLDER'S EQUITY	140,170,894	437,895	140,608,789
<b>TOTAL LIABILITIES</b>		<b>1,072,966,343</b>	<b>956,019,937</b>	<b>2,028,986,280</b>

LIABILITIES		PREVIOUS PERIOD		
		JANUARY 1 - DECEMBER 31, 2022		
		TL	FC	Total
I.	FUNDS COLLECTED	467,215,530	440,808,367	908,023,897
II.	LOANS RECEIVED	31,557,929	55,807,236	87,365,165
III.	DUES TO MONEY MARKETS	9,459,827	15,316,677	24,776,504
IV.	SECURITIES ISSUED (Net)	0	0	0
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	0	0	0
VI.	DERIVATIVE FINANCIAL LIABILITIES	79,621	848,378	927,999
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	2,328,603	37,401	2,366,004
VIII.	PROVISIONS	12,308,935	2,882,401	15,191,336
IX.	CURRENT TAX LIABILITIES	7,864,515	32,541	7,897,056
X.	DEFERRED TAX LIABILITIES	92,119	0	92,119
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	0	0	0
XII.	SUBORDINATED DEBT INSTRUMENTS	1,341,748	29,372,987	30,714,735
XIII.	OTHER LIABILITIES	14,691,278	9,118,598	23,809,876
XIV.	SHAREHOLDER'S EQUITY	84,688,907	-463,985	84,224,922
<b>TOTAL LIABILITIES</b>		<b>631,629,012</b>	<b>553,760,601</b>	<b>1,185,389,613</b>



## KEY CONSOLIDATED INDUSTRY DATA AND CHARTS

## PARTICIPATION BANKS SUMMARY STATEMENT OF OFF-BALANCE SHEET (TL THOUSAND)\*

OFF-BALANCE SHEET	CURRENT PERIOD		
	JANUARY 1 - DECEMBER 31, 2023		
	TL	FC	Total
A. OFF-BALANCE SHEET LIABILITIES (I+II+III)	404,401,745	443,590,035	847,991,780
I. TOTAL GUARANTEES AND WARRANTIES	168,397,954	124,599,995	292,997,949
II. COMMITMENTS	153,843,828	42,120,161	195,963,989
III. DERIVATIVE FINANCIAL INSTRUMENTS	82,159,963	276,869,879	359,029,842
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)	7,005,918,975	3,642,974,911	10,648,893,886
IV. CUSTODY ASSETS	216,692,848	2,369,815,203	2,586,508,051
V. PLEDGED ASSETS	6,788,613,752	1,272,253,972	8,060,867,724
VI. ACCEPTED BILL GUARANTEES AND WARRANTIES	612,375	905,736	1,518,111
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>	<b>7,410,320,720</b>	<b>4,086,564,946</b>	<b>11,496,885,666</b>

OFF-BALANCE SHEET	PREVIOUS PERIOD		
	JANUARY 1 - DECEMBER 31, 2022		
	TL	FC	Total
. OFF-BALANCE SHEET LIABILITIES (I+II+III)	232,365,616	298,373,887	530,739,503
I. TOTAL GUARANTEES AND WARRANTIES	91,124,550	73,642,505	164,767,055
II. COMMITMENTS	106,927,891	21,520,481	128,448,372
III. DERIVATIVE FINANCIAL INSTRUMENTS	34,313,175	203,210,901	237,524,076
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)	3,499,110,509	1,501,659,351	5,000,769,860
IV. CUSTODY ASSETS	127,468,424	706,026,255	833,494,679
V. PLEDGED ASSETS	3,371,630,446	795,082,999	4,166,713,445
VI. ACCEPTED BILL GUARANTEES AND WARRANTIES	11,639	550,097	561,736
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>	<b>3,731,476,125</b>	<b>1,800,033,238</b>	<b>5,531,509,363</b>

**PARTICIPATION BANKS SUMMARY STATEMENT OF PROFIT OR LOSS (TL THOUSAND)\***

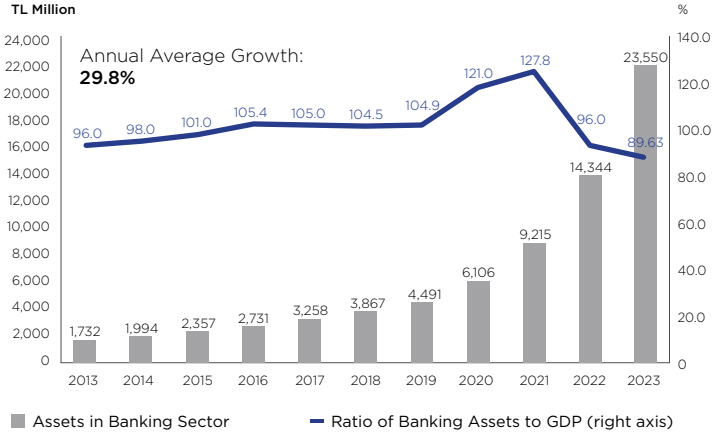
<b>CURRENT PERIOD JANUARY 1 - DECEMBER 31, 2023</b>		
I.	PROFIT SHARING INCOME	202,938,361
II.	PROFIT SHARING EXPENSE (-)	128,933,517
III.	NET PROFIT SHARING INCOME (I - II)	74,004,844
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	15,720,580
V.	DIVIDEND INCOME	5,356
VI.	TRADING INCOME/(LOSS) (Net)	30,229,507
VII.	OTHER OPERATING INCOME	11,191,941
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	131,152,228
IX.	ANTICIPATED LOSS PROVISIONS (-)	13,907,534
X.	OTHER PROVISION EXPENSES (-)	8,700,479
XI.	PERSONNEL EXPENSES (-)	11,748,069
XII.	OTHER OPERATING EXPENSES (-)	12,447,515
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	68,491,697
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	0
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	0
XVI.	INCOME/LOSS ON NET MONETARY POSITION	0
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	68,491,697
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	1,614,498
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	53,089,125
XX.	INCOME FROM DISCONTINUED OPERATIONS	0
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	0
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	0
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	0
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	0
<b>XXV.</b>	<b>NET INCOME/(LOSS) (XIX+XXIV)</b>	<b>53,089,125</b>

\* There can be differences between the independently audited financial statements of the member banks of Participation Banks Association of Türkiye and the financial statements shared by the BRSA.

<b>PREVIOUS PERIOD JANUARY 1 - DECEMBER 31, 2022</b>		
I.	PROFIT SHARING INCOME	106,989,932
II.	PROFIT SHARING EXPENSE (-)	49,838,467
III.	NET PROFIT SHARING INCOME (I - II)	57,151,465
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	2,850,459
V.	DIVIDEND INCOME	5,113
VI.	TRADING INCOME/(LOSS) (Net)	14,220,625
VII.	OTHER OPERATING INCOME	6,203,316
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	80,430,978
IX.	ANTICIPATED LOSS PROVISIONS (-)	16,478,496
X.	OTHER PROVISION EXPENSES (-)	7,516,546
XI.	PERSONNEL EXPENSES (-)	8,046,410
XII.	OTHER OPERATING EXPENSES (-)	7,929,757
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	40,459,769
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	0
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	0
XVI.	INCOME/LOSS ON NET MONETARY POSITION	0
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	40,459,769
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	-538,060
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	29,699,069
XX.	INCOME FROM DISCONTINUED OPERATIONS	0
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	0
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	0
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	0
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	0
<b>XXV.</b>	<b>NET INCOME/(LOSS) (XIX+XXIV)</b>	<b>29,699,069</b>

## KEY CONSOLIDATED INDUSTRY DATA AND CHARTS

## TURKISH BANKING SECTOR AND RATIO TO GDP



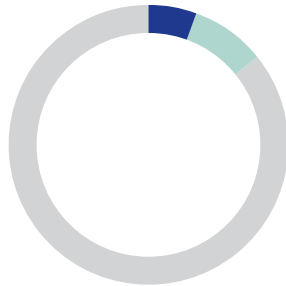
## 72%

### SUSTAINABLE ASSET GROWTH

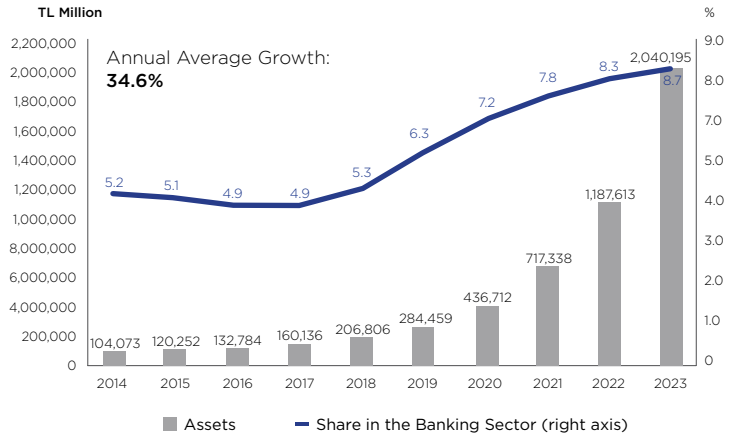
The participation banking sector successfully continued its journey on the path of sustainable growth in 2021.

## SHARES IN TURKISH BANKING SECTOR (%)

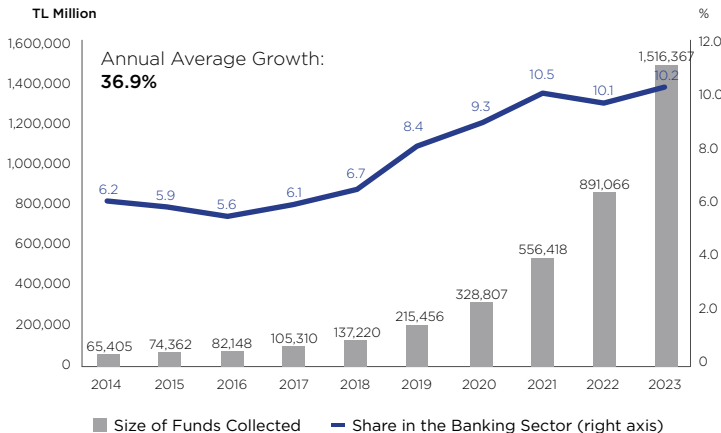
- Development and Investment Banks **5.7%**
- Participation Banks **8.7%**
- Deposit Banks **85.6%**



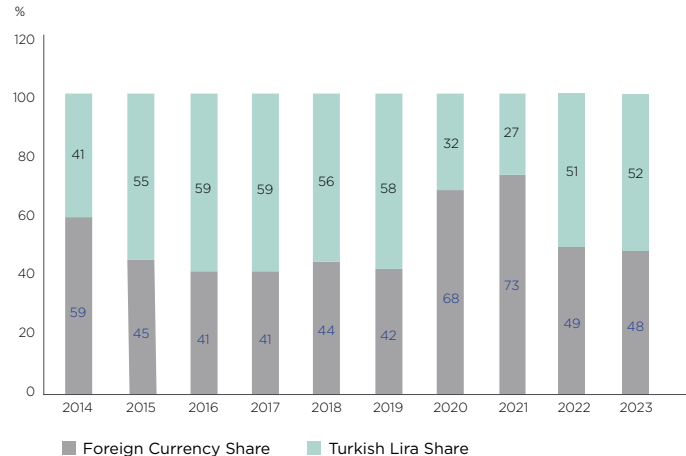
## DEVELOPMENT OF PARTICIPATION BANKS' ASSETS AND THEIR SHARE IN THE SECTOR



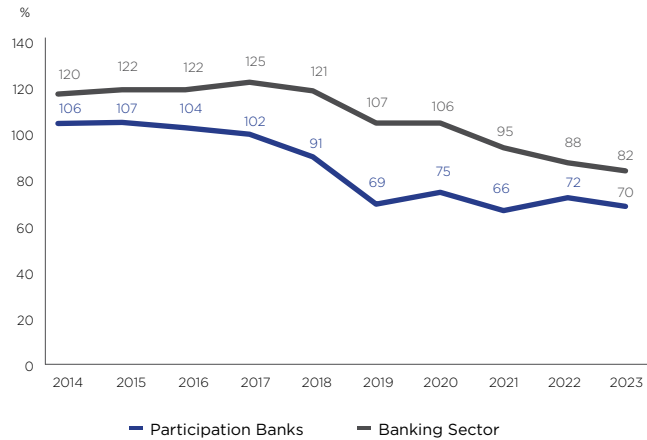
## DEVELOPMENT OF FUNDS COLLECTED BY PARTICIPATION BANKS



## CONCENTRATION OF FUNDS COLLECTED ON TL/FC BASIS

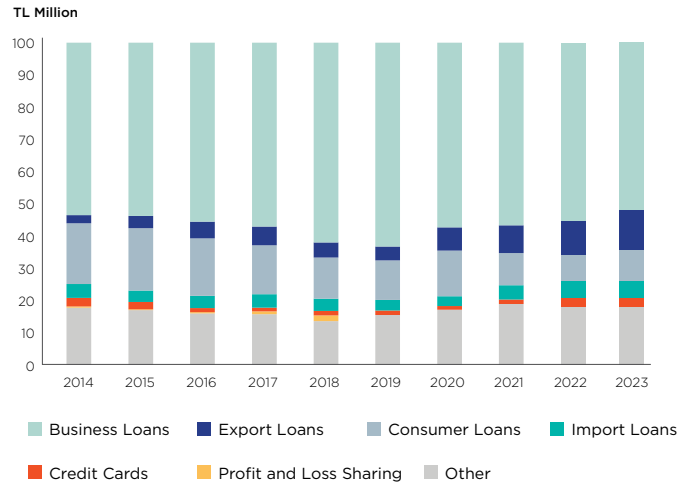


### DEVELOPMENT OF FUNDS DISBURSED/ FUNDS COLLECTED\*



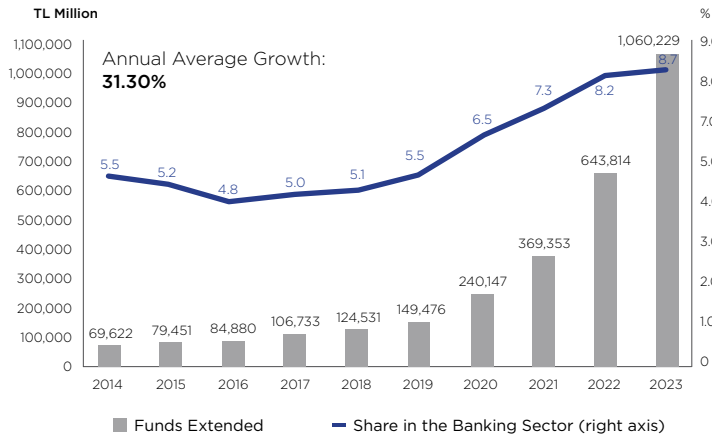
\* Funds Disbursed include the Rediscunts of Loan Interest (Profit Sharing) and Income Accruals as well as Financial Lease Receivables.

### CONCENTRATION OF FUNDS DISBURSED BY GROUP

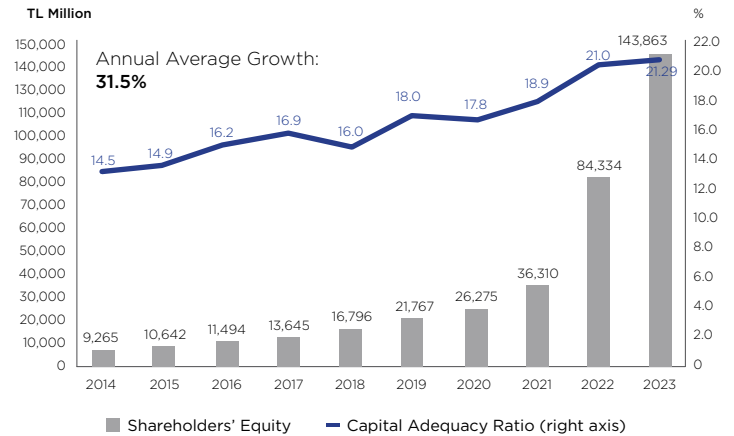


Source: BRSA

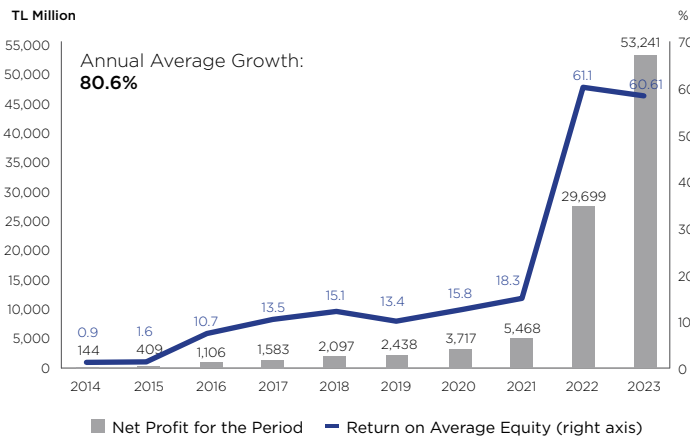
### DEVELOPMENT OF FUNDS DISBURSED BY PARTICIPATION BANKS AND THEIR SHARE IN THE SECTOR



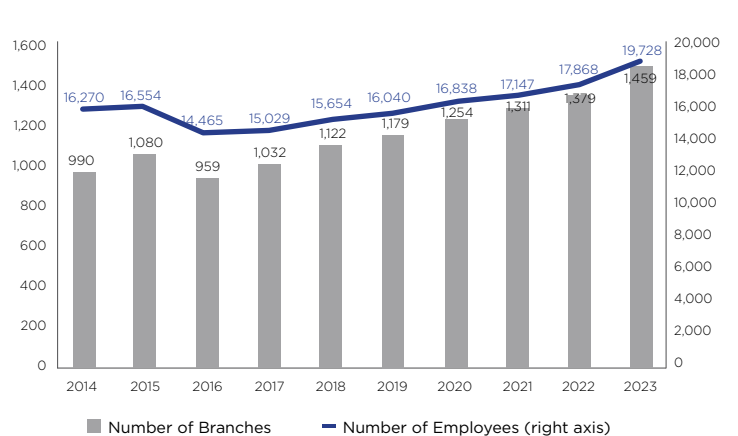
### DEVELOPMENT OF SHAREHOLDER'S EQUITY OF PARTICIPATION BANKS



### NET PROFIT DEVELOPMENT OF PARTICIPATION BANKS



### BRANCH AND PERSONNEL DEVELOPMENT OF PARTICIPATION BANKS



## BANK FINANCIAL STATEMENTS

## ALBARAKA TÜRK KATILIM BANKASI A.Ş. SUMMARY BALANCE SHEET (TL THOUSAND)

ASSETS		Current period		
		31.12.2023		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	33,759,226	56,966,566	90,725,792
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	82,100,490	51,489,567	133,590,057
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	641,631	0	641,631
IV.	PARTNERSHIP INVESTMENTS	47,600	64,221	111,821
V.	TANGIBLE FIXED ASSETS (Net)	4,448,035	66,241	4,514,276
VI.	INTANGIBLE FIXED ASSETS (Net)	357,219	0	357,219
VII.	INVESTMENT PROPERTIES (Net)	0	0	0
VIII.	CURRENT TAX ASSET	0	0	0
IX.	DEFERRED TAX ASSET	1,194,755	0	1,194,755
X.	OTHER ASSETS	668,743	365,201	1,033,944
<b>TOTAL ASSETS</b>		<b>123,217,699</b>	<b>108,951,796</b>	<b>232,169,495</b>

ASSETS		Previous period		
		31.12.2022		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	12,561,907	37,196,320	49,758,227
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	49,455,730	42,620,222	92,075,952
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	341,132	0	341,132
IV.	PARTNERSHIP INVESTMENTS	25,100	64,221	89,321
V.	TANGIBLE FIXED ASSETS (Net)	2,705,460	27,231	2,732,691
VI.	INTANGIBLE FIXED ASSETS (Net)	166,752	0	166,752
VII.	INVESTMENT PROPERTIES (Net)	0	0	0
VIII.	CURRENT TAX ASSET	0	0	0
IX.	DEFERRED TAX ASSET	453,731	0	453,731
X.	OTHER ASSETS	609,957	112,343	722,300
<b>TOTAL ASSETS</b>		<b>66,319,769</b>	<b>80,020,337</b>	<b>146,340,106</b>



LIABILITIES		Current period		
		31.12.2023		
		TL	FC	Total
I.	FUNDS COLLECTED	81,304,541	80,501,315	161,805,856
II.	LOANS RECEIVED	2,178,308	28,357,631	30,535,939
III.	DUES TO MONEY MARKETS	0	0	0
IV.	SECURITIES ISSUED (Net)	0	0	0
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	0	0	0
VI.	DERIVATIVE FINANCIAL LIABILITIES	114,039	7,337	121,376
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	702,237	72,516	774,753
VIII.	PROVISIONS	6,525,366	43,598	6,568,964
IX.	CURRENT TAX LIABILITIES	1,095,841	96,074	1,191,915
X.	DEFERRED TAX LIABILITIES	0	0	0
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	0	0	0
XII.	SUBORDINATED DEBT INSTRUMENTS	0	8,896,597	8,896,597
XIII.	OTHER LIABILITIES	4,355,660	4,531,016	8,886,676
XIV.	SHAREHOLDER'S EQUITY	13,326,608	60,811	13,387,419
TOTAL LIABILITIES		109,602,600	122,566,895	232,169,495

LIABILITIES		Previous period		
		31.12.2022		
		TL	FC	Total
I.	FUNDS COLLECTED	51,544,182	61,131,615	112,675,797
II.	LOANS RECEIVED	940,461	3,471,519	4,411,980
III.	DUES TO MONEY MARKETS	0	7,817,681	7,817,681
IV.	SECURITIES ISSUED (Net)	0	0	0
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	0	0	0
VI.	DERIVATIVE FINANCIAL LIABILITIES	12,819	1,660	14,479
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	450,407	26,399	476,806
VIII.	PROVISIONS	2,558,145	17,375	2,575,520
IX.	CURRENT TAX LIABILITIES	704,214	32,539	736,753
X.	DEFERRED TAX LIABILITIES	0	0	0
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	0	0	0
XII.	SUBORDINATED DEBT INSTRUMENTS	0	4,694,238	4,694,238
XIII.	OTHER LIABILITIES	3,076,607	1,741,272	4,817,879
XIV.	SHAREHOLDER'S EQUITY	8,090,431	28,542	8,118,973
TOTAL LIABILITIES		67,377,266	78,962,840	146,340,106

## BANK FINANCIAL STATEMENTS

## ALBARAKA TÜRK KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF OFF-BALANCE SHEET (TL THOUSAND)

OFF-BALANCE SHEET		Current period		
		31.12.2023		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	38,792,293	33,545,326	72,337,619
I.	TOTAL GUARANTEES AND WARRANTIES	15,325,346	14,746,594	30,071,940
II.	COMMITMENTS	7,273,434	1,748,585	9,022,019
III.	DERIVATIVE FINANCIAL INSTRUMENTS	16,193,513	17,050,147	33,243,660
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	365,308,886	122,192,080	487,500,966
IV.	CUSTODY ASSETS	17,450,435	61,975,672	79,426,107
V.	PLEDGED ASSETS	347,858,451	60,216,408	408,074,859
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	0	0	0
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>404,101,179</b>	<b>155,737,406</b>	<b>559,838,585</b>

OFF-BALANCE SHEET		Previous period		
		31.12.2022		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	16,770,259	13,216,005	29,986,264
I.	TOTAL GUARANTEES AND WARRANTIES	11,430,631	9,692,379	21,123,010
II.	COMMITMENTS	3,744,209	561,809	4,306,018
III.	DERIVATIVE FINANCIAL INSTRUMENTS	1,595,419	2,961,817	4,557,236
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	195,850,209	76,219,165	272,069,374
IV.	CUSTODY ASSETS	8,003,258	25,965,959	33,969,217
V.	PLEDGED ASSETS	187,846,951	50,253,206	238,100,157
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	0	0	0
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>212,620,468</b>	<b>89,435,170</b>	<b>302,055,638</b>

**ALBARAKA TÜRK KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF PROFIT OR LOSS (TL THOUSAND)**

<b>PROFIT OR LOSS STATEMENT</b>		<b>Current period</b>
		<b>January 1 - December 31, 2023</b>
I.	PROFIT SHARING INCOME	20,074,424
II.	PROFIT SHARING EXPENSE (-)	11,544,245
III.	NET PROFIT SHARING INCOME (I - II)	8,530,179
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	2,251,403
V.	DIVIDEND INCOME	1,129
VI.	TRADING INCOME/LOSS (Net)	4,882,532
VII.	OTHER OPERATING INCOME	1,948,855
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	17,614,098
IX.	ANTICIPATED LOSS PROVISIONS (-)	3,599,967
X.	OTHER PROVISION EXPENSES (-)	4,223,947
XI.	PERSONNEL EXPENSES (-)	2,515,247
XII.	OTHER OPERATING EXPENSES (-)	2,191,305
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	5,083,632
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	0
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	0
XVI.	INCOME/LOSS ON NET MONETARY POSITION	0
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	5,083,632
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	1,655,074
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	3,428,558
XX.	INCOME FROM DISCONTINUED OPERATIONS	0
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	0
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	0
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	0
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	0
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>3,428,558</b>

<b>PROFIT OR LOSS STATEMENT</b>		<b>Previous period</b>
		<b>31.12.2022</b>
I.	PROFIT SHARING INCOME	11,052,438
II.	PROFIT SHARING EXPENSE (-)	5,670,146
III.	NET PROFIT SHARING INCOME (I - II)	5,382,292
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	644,548
V.	DIVIDEND INCOME	1,056
VI.	TRADING INCOME/LOSS (Net)	2,881,082
VII.	OTHER OPERATING INCOME	1,657,558
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	10,566,536
IX.	ANTICIPATED LOSS PROVISIONS (-)	3,950,152
X.	OTHER PROVISION EXPENSES (-)	2,066,767
XI.	PERSONNEL EXPENSES (-)	1,166,388
XII.	OTHER OPERATING EXPENSES (-)	1,067,988
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	2,315,241
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	+
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	0
XVI.	INCOME/LOSS ON NET MONETARY POSITION	0
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	2,315,241
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	949,745
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	1,365,496
XX.	INCOME FROM DISCONTINUED OPERATIONS	0
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	0
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	0
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	0
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	0
<b>XXV.</b>	<b>NET INCOME/(LOSS) (XIX+XXIV)</b>	<b>1,365,496</b>

## BANK FINANCIAL STATEMENTS

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş. SUMMARY BALANCE SHEET (TL THOUSAND)

ASSETS		CURRENT PERIOD		
		31.12.2023		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	26,431,481	72,995,979	99,427,460
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	55,286,670	28,763,425	84,050,095
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	8,283	-	8,283
IV.	PARTNERSHIP INVESTMENTS	22,600	-	22,600
V.	TANGIBLE FIXED ASSETS (Net)	922,856	-	922,856
VI.	INTANGIBLE FIXED ASSETS (Net)	250,364	-	250,364
VII.	INVESTMENT PROPERTIES (Net)	-	-	-
VIII.	CURRENT TAX ASSET	-	-	-
IX.	DEFERRED TAX ASSET	1,713,189	-	1,713,189
X.	OTHER ASSETS	2,477,240	10,439	,487,679
<b>TOTAL ASSETS</b>		<b>87,112,683</b>	<b>101,769,843</b>	<b>188,882,526</b>

ASSETS		PREVIOUS PERIOD		
		31.12.2022		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	10,852,434	32,751,849	43,604,283
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	37,583,957	16,495,311	54,079,268
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	5,242	-	5,242
IV.	PARTNERSHIP INVESTMENTS	100	-	100
V.	TANGIBLE FIXED ASSETS (Net)	432,288	-	432,288
VI.	INTANGIBLE FIXED ASSETS (Net)	100,413	-	100,413
VII.	INVESTMENT PROPERTIES (Net)	-	-	-
VIII.	CURRENT TAX ASSET	-	-	-
IX.	DEFERRED TAX ASSET	663,317	-	663,317
X.	OTHER ASSETS	1,338,150	3,874	1,342,024
<b>TOTAL ASSETS</b>		<b>50,975,901</b>	<b>49,251,034</b>	<b>100,226,935</b>

LIABILITIES		CURRENT PERIOD		
		31.12.2023		
		TL	FC	Total
I.	FUNDS COLLECTED	57,999,233	93,497,685	151,496,918
II.	LOANS RECEIVED	10,174,836	1,004,966	11,179,802
III.	DUES TO MONEY MARKETS	-	-	-
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	27,199	-	27,199
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	507,319	-	507,319
VIII.	PROVISIONS	3,536,924	292,693	3,829,617
IX.	CURRENT TAX LIABILITIES	1,336,476	-	1,336,476
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	7,078,467	7,078,467
XIII.	OTHER LIABILITIES	746,531	2,266,416	3,012,947
XIV.	EQUITY	10,304,897	108,884	10,413,781
TOTAL LIABILITIES		84,633,415	104,249,111	188,882,526

LIABILITIES		PREVIOUS PERIOD		
		31.12.2022		
		TL	FC	Total
I.	FUNDS COLLECTED	34,941,257	44,282,608	79,223,865
II.	LOANS RECEIVED	6,403,488	749,565	7,153,053
III.	DUES TO MONEY MARKETS	-	-	-
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	2,261	11,536	13,797
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	278,248	-	278,248
VIII.	PROVISIONS	938,875	106,829	1,045,704
IX.	CURRENT TAX LIABILITIES	1,368,458	-	1,368,458
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	4,110,376	4,110,376
XIII.	OTHER LIABILITIES	564,928	444,632	1,009,560
XIV.	EQUITY	6,001,650	22,224	6,023,874
TOTAL LIABILITIES		50,499,165	49,727,770	100,226,935



## BANK FINANCIAL STATEMENTS

## TÜRKİYE EMLAK KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF OFF-BALANCE SHEET (TL THOUSAND)

OFF-BALANCE SHEET		CURRENT PERIOD		
		31.12.2023		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	30,623,995	18,872,890	49,496,885
I.	TOTAL GUARANTEES AND WARRANTIES	15,438,616	4,450,678	19,889,294
II.	COMMITMENTS	9,525,408	9,017,365	18,542,773
III.	DERIVATIVE FINANCIAL INSTRUMENTS	5,659,971	5,404,847	11,064,818
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	648,260,645	57,007,019	705,267,664
IV.	CUSTODY ASSETS	30,723,306	13,172,276	43,895,582
V.	PLEDGED ASSETS	617,537,339	43,834,743	661,372,082
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	-	-
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>678,884,640</b>	<b>75,879,909</b>	<b>754,764,549</b>

OFF-BALANCE SHEET		PREVIOUS PERIOD		
		31.12.2022		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	13,582,886	17,334,633	30,917,519
I.	TOTAL GUARANTEES AND WARRANTIES	7,168,358	3,306,651	10,475,009
II.	COMMITMENTS	5,577,597	4,633,812	10,211,409
III.	DERIVATIVE FINANCIAL INSTRUMENTS	836,931	9,394,170	10,231,101
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	329,532,626	27,260,409	356,793,035
IV.	CUSTODY ASSETS	22,338,186	7,653,917	29,992,103
V.	PLEDGED ASSETS	307,194,440	19,606,492	326,800,932
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	-	-
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>343,115,512</b>	<b>44,595,042</b>	<b>387,710,554</b>

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF PROFIT OR LOSS (TL THOUSAND)**

<b>PROFIT / LOSS</b>		<b>Current period</b>
		<b>January 1- December 31, 2023</b>
I.	PROFIT SHARING INCOME	16,659,286
II.	PROFIT SHARING EXPENSE (-)	10,372,720
III.	NET PROFIT SHARING INCOME (I - II)	6,286,566
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	2,281,160
V.	DIVIDEND INCOME	-
VI.	TRADING INCOME/LOSS (Net)	4,727,746
VII.	OTHER OPERATING INCOME	642,521
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	13,937,993
IX.	ANTICIPATED LOSS PROVISIONS (-)	429,826
X.	OTHER PROVISION EXPENSES (-)	2,333,578
XI.	PERSONNEL EXPENSES (-)	1,582,049
XII.	OTHER OPERATING EXPENSES (-)	2,010,969
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	7,581,571
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	7,581,571
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	2,452,037
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	5,129,534
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>5,129,534</b>

<b>PROFIT / LOSS</b>		<b>Previous period</b>
		<b>January 1- December 31, 2022</b>
I.	PROFIT SHARING INCOME	8,298,261
II.	PROFIT SHARING EXPENSE (-)	4,380,088
III.	NET PROFIT SHARING INCOME (I - II)	3,918,173
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	300,709
V.	DIVIDEND INCOME	-
VI.	TRADING INCOME/LOSS (Net)	1,861,270
VII.	OTHER OPERATING INCOME	152,260
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	6,232,412
IX.	ANTICIPATED LOSS PROVISIONS (-)	787,594
X.	OTHER PROVISION EXPENSES (-)	688,728
XI.	PERSONNEL EXPENSES (-)	616,358
XII.	OTHER OPERATING EXPENSES (-)	415,289
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	3,724,443
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	3,724,443
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	914,494
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	2,809,949
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>2,809,949</b>

## BANK FINANCIAL STATEMENTS

## HAYAT FİNANS SUMMARY BALANCE SHEET (TL THOUSAND)

ASSETS		Current period		
		31.12.2023		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	1,341,903	174,508	1,516,411
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	686,459	474,658	1,161,117
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
IV.	PARTNERSHIP INVESTMENTS	-	-	-
V.	TANGIBLE FIXED ASSETS (Net)	68,785	-	68,785
VI.	INTANGIBLE FIXED ASSETS (Net)	133,224	-	133,224
VII.	INVESTMENT PROPERTIES (Net)	-	-	-
VIII.	CURRENT TAX ASSET	980	-	980
IX.	DEFERRED TAX ASSET	52,487	-	52,487
X.	OTHER ASSETS	43,489	-	43,489
<b>TOTAL ASSETS</b>		<b>2,327,327</b>	<b>649,166</b>	<b>2,976,493</b>

ASSETS		Previous period		
		31.12.2022		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	1,512,062	15,172	1,527,234
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	-	-	-
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
IV.	PARTNERSHIP INVESTMENTS	-	-	-
V.	TANGIBLE FIXED ASSETS (Net)	6,165	-	6,165
VI.	INTANGIBLE FIXED ASSETS (Net)	32,018	-	32,018
VII.	INVESTMENT PROPERTIES (Net)	-	-	-
VIII.	CURRENT TAX ASSET	-	-	-
IX.	DEFERRED TAX ASSET	-	-	-
X.	OTHER ASSETS	3,693	-	3,693
<b>TOTAL ASSETS</b>		<b>1,553,938</b>	<b>15,172</b>	<b>1,569,110</b>

LIABILITIES		Current period		
		31.12.2023		
		TL	FC	Total
I.	FUNDS COLLECTED	743,168	545,710	1,288,878
II.	LOANS RECEIVED	-	-	-
III.	DUES TO MONEY MARKETS	-	-	-
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	-	-	-
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	3,703	-	3,703
VIII.	PROVISIONS	6,717	791	7,508
IX.	CURRENT TAX LIABILITIES	22,191	-	22,191
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	-	-
XIII.	OTHER LIABILITIES	62,973	-	62,973
XIV.	SHAREHOLDER'S EQUITY	1,591,240	-	1,591,240
TOTAL LIABILITIES		2,429,992	546,501	2,976,493

LIABILITIES		Previous period		
		31.12.2022		
		TL	FC	Total
I.	FUNDS COLLECTED	-	-	-
II.	LOANS RECEIVED	-	-	-
III.	DUES TO MONEY MARKETS	-	-	-
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	-	-	-
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	-	-	-
VIII.	PROVISIONS	-	-	-
IX.	CURRENT TAX LIABILITIES	16,312	-	16,312
X.	DEFERRED TAX LIABILITIES	2,652	-	2,652
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	-	-
XIII.	OTHER LIABILITIES	21,070	-	21,070
XIV.	SHAREHOLDER'S EQUITY	1,529,076	-	1,529,076
TOTAL LIABILITIES		1,569,110	-	1,569,110

## BANK FINANCIAL STATEMENTS

## HAYAT FİNANS SUMMARY STATEMENT OF OFF-BALANCE SHEET (TL THOUSAND)

OFF-BALANCE SHEET		Current period		
		31.12.2023		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	5,400	-	5,400
I.	TOTAL GUARANTEES AND WARRANTIES	5,400	-	5,400
II.	COMMITMENTS	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	-	-	-
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	3,960,450	88,519	4,048,969
IV.	CUSTODY ASSETS	36,190	88,519	124,709
V.	PLEDGED ASSETS	3,924,260	-	3,924,260
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	-	-
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>3,965,850</b>	<b>88,519</b>	<b>4,054,369</b>

OFF-BALANCE SHEET		Previous period		
		31.12.2022		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	-	-	-
I.	TOTAL GUARANTEES AND WARRANTIES	-	-	-
II.	COMMITMENTS	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	-	-	-
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	-	-	-
IV.	CUSTODY ASSETS	-	-	-
V.	PLEDGED ASSETS	-	-	-
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	-	-
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>-</b>	<b>-</b>	<b>-</b>



**HAYAT FİNANS SUMMARY STATEMENT OF PROFIT OR LOSS (TL THOUSAND)**

<b>PROFIT / LOSS</b>		<b>Current period</b>
		<b>01.01.2023-31.12.2023</b>
I.	PROFIT SHARING INCOME	235,782
II.	PROFIT SHARING EXPENSE (-)	14,261
III.	NET PROFIT SHARING INCOME (I - II)	221,521
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	-2,769
V.	DIVIDEND INCOME	-
VI.	TRADING INCOME/LOSS (Net)	206,855
VII.	OTHER OPERATING INCOME	397
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	426,004
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	3,207
X.	OTHER PROVISION EXPENSES (-)	1,187
XI.	PERSONNEL EXPENSES (-)	224,286
XII.	OTHER OPERATING EXPENSES (-)	190,283
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	7,041
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	7,041
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	55,134
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	62,175
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>62,175</b>

<b>PROFIT / LOSS</b>		<b>Previous period</b>
		<b>10.08.2022-31.12.2022</b>
I.	PROFIT SHARING INCOME	97,367
II.	PROFIT SHARING EXPENSE (-)	-
III.	NET PROFIT SHARING INCOME (I - II)	97,367
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	-13
V.	DIVIDEND INCOME	-
VI.	TRADING INCOME/LOSS (Net)	651
VII.	OTHER OPERATING INCOME	4
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	98,009
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	-
X.	OTHER PROVISION EXPENSES (-)	-
XI.	PERSONNEL EXPENSES (-)	37,548
XII.	OTHER OPERATING EXPENSES (-)	21,108
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	39,353
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	39,353
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	-10,277
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	29,076
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>29,076</b>

## BANK FINANCIAL STATEMENTS

## KUVEYT TÜRK KATILIM BANKASI A.Ş. SUMMARY BALANCE SHEET (TL THOUSAND)

ASSETS		Current period		
		31.12.2023		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	82,833,739	188,565,919	271,399,658
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	246,636,605	133,935,930	380,572,535
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	428,585	-	428,585
IV.	PARTNERSHIP INVESTMENTS	3,212,925	-	3,212,925
V.	TANGIBLE FIXED ASSETS (Net)	3,465,513	715	3,466,228
VI.	INTANGIBLE FIXED ASSETS (Net)	984,132	28	984,160
VII.	INVESTMENT PROPERTIES (Net)	-	-	-
VIII.	CURRENT TAX ASSET	-	-	-
IX.	DEFERRED TAX ASSET	5,747,818	-	5,747,818
X.	OTHER ASSETS	2,037,028	319,278	2,356,306
<b>TOTAL ASSETS</b>		<b>345,346,345</b>	<b>322,821,870</b>	<b>668,168,215</b>

ASSETS		Previous period		
		31.12.2022		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	48,555,663	121,379,398	169,935,061
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	120,538,839	84,958,103	205,496,942
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	117,719	-	117,719
IV.	PARTNERSHIP INVESTMENTS	2,462,925	-	2,462,925
V.	TANGIBLE FIXED ASSETS (Net)	1,765,668	1,397	1,767,065
VI.	INTANGIBLE FIXED ASSETS (Net)	397,365	38	397,403
VII.	INVESTMENT PROPERTIES (Net)	-	-	-
VIII.	CURRENT TAX ASSET	-	-	-
IX.	DEFERRED TAX ASSET	1,083,223	-	1,083,223
X.	OTHER ASSETS	2,285,717	1,084,725	3,370,442
<b>TOTAL ASSETS</b>		<b>177,207,119</b>	<b>207,423,661</b>	<b>384,630,780</b>

LIABILITIES		Current period		
		31.12.2023		
		TL	FC	Total
I.	FUNDS COLLECTED	246,948,333	260,562,540	507,510,873
II.	LOANS RECEIVED	9,265,255	63,762,092	73,027,347
III.	DUES TO MONEY MARKETS	4,186,987	-	4,186,987
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	99,842	877,957	977,799
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	873,237	10,148	883,385
VIII.	PROVISIONS	3,941,330	1,614,502	5,555,832
IX.	CURRENT TAX LIABILITIES	3,384,651	-	3,384,651
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	17,967,564	17,967,564
XIII.	OTHER LIABILITIES	4,126,607	2,561,482	6,688,089
XIV.	SHAREHOLDER'S EQUITY	47,752,551	233,137	47,985,688
TOTAL LIABILITIES		320,578,793	347,589,422	668,168,215

LIABILITIES		Previous period		
		31.12.2022		
		TL	FC	Total
I.	FUNDS COLLECTED	146,153,746	155,364,117	301,517,863
II.	LOANS RECEIVED	3,153,871	26,939,456	30,093,327
III.	DUES TO MONEY MARKETS	124,831	-	124,831
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	32,369	167,551	199,920
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	506,640	10,214	516,854
VIII.	PROVISIONS	3,027,134	1,594,718	4,621,852
IX.	CURRENT TAX LIABILITIES	1,965,386	-	1,965,386
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	11,424,892	11,424,892
XIII.	OTHER LIABILITIES	3,625,691	1,825,322	5,451,013
XIV.	SHAREHOLDER'S EQUITY	28,780,813	-65.971	28,714,842
TOTAL LIABILITIES		187,370,481	197,260,299	384,630,780

## BANK FINANCIAL STATEMENTS

## KUVEYT TÜRK KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF OFF-BALANCE SHEET (TL THOUSAND)

OFF-BALANCE SHEET		Current period		
		31.12.2023		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	169,038,320	149,442,897	318,481,217
I.	TOTAL GUARANTEES AND WARRANTIES	37,869,833	23,717,066	61,586,899
II.	COMMITMENTS	99,196,596	8,317,056	107,513,652
III.	DERIVATIVE FINANCIAL INSTRUMENTS	31,971,891	117,408,775	149,380,666
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	2,381,937,721	2,900,613,677	5,282,551,398
IV.	CUSTODY ASSETS	80,900,680	2,201,236,887	2,282,137,567
V.	PLEDGED ASSETS	2,300,424,666	698,929,858	2,999,354,524
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	612,375	446,932	1,059,307
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>2,550,976,041</b>	<b>3,050,056,574</b>	<b>5,601,032,615</b>

OFF-BALANCE SHEET		Previous period		
		31.12.2022		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	107,189,200	96,208,431	203,397,631
I.	TOTAL GUARANTEES AND WARRANTIES	18,291,092	12,533,961	30,825,053
II.	COMMITMENTS	73,375,074	7,349,441	80,724,515
III.	DERIVATIVE FINANCIAL INSTRUMENTS	15,523,034	76,325,029	91,848,063
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	1,312,038,282	1,068,954,968	2,380,993,250
IV.	CUSTODY ASSETS	39,623,059	627,887,032	667,510,091
V.	PLEDGED ASSETS	1,272,403,584	440,847,619	1,713,251,203
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	11,639	220,317	231,956
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>1,419,227,482</b>	<b>1,165,163,399</b>	<b>2,584,390,881</b>

**KUVEYT TÜRK KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF PROFIT OR LOSS (TL THOUSAND)**

<b>PROFIT / LOSS</b>		<b>Current period</b>
		<b>01.01.2023-31.12.2023</b>
I.	PROFIT SHARING INCOME	63,057,751
II.	PROFIT SHARING EXPENSE (-)	27,876,292
III.	NET PROFIT SHARING INCOME (I - II)	35,181,459
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	3,428,469
V.	DIVIDEND INCOME	2,053
VI.	TRADING INCOME/LOSS (Net)	9,612,948
VII.	OTHER OPERATING INCOME	3,655,946
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	51,880,875
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	6,836,429
X.	OTHER PROVISION EXPENSES (-)	228,546
XI.	PERSONNEL EXPENSES (-)	6,123,344
XII.	OTHER OPERATING EXPENSES (-)	5,189,148
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	33,503,408
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	33,503,408
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	-6,894,037
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	26,609,371
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>26,609,371</b>

<b>PROFIT / LOSS</b>		<b>Previous period</b>
		<b>01.01.2022-31.12.2022</b>
I.	PROFIT SHARING INCOME	35,614,092
II.	PROFIT SHARING EXPENSE (-)	11,856,340
III.	NET PROFIT SHARING INCOME (I - II)	23,757,752
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	984,135
V.	DIVIDEND INCOME	1,710
VI.	TRADING INCOME/LOSS (Net)	5,082,070
VII.	OTHER OPERATING INCOME	1,561,509
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	31,387,176
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	6,653,223
X.	OTHER PROVISION EXPENSES (-)	591,509
XI.	PERSONNEL EXPENSES (-)	3,168,208
XII.	OTHER OPERATING EXPENSES (-)	2,904,903
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	18,069,333
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	18,069,333
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	-4,025,886
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	14,043,447
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>14,043,447</b>



## BANK FINANCIAL STATEMENTS

## T.O.M. KATILIM BANKASI A.Ş. SUMMARY BALANCE SHEET (TL THOUSAND)

ASSETS		Current period		
		(31/12/2023)		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	1,271,693	328,239	1,599,932
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	-	-	-
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)	-	-	-
IV.	PARTNERSHIP INVESTMENTS	-	-	-
V.	TANGIBLE FIXED ASSETS (NET)	13,219	-	13,219
VI.	INTANGIBLE FIXED ASSETS (Net)	594,749	-	594,749
VII.	INVESTMENT PROPERTIES (Net)	-	-	-
VIII.	CURRENT TAX ASSET	-	-	-
IX.	DEFERRED TAX ASSET	46,382	-	46,382
X.	OTHER ASSETS	99,944	2,945	102,889
<b>TOTAL ASSETS</b>		<b>2,025,987</b>	<b>331,184</b>	<b>2,357,171</b>

ASSETS		Previous period		
		(31/12/2022)		
		TL	FC	Total
I.	FINANCIAL ASSETS (Net)	1,506,921	-	1,506,921
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	-	-	-
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)	-	-	-
IV.	PARTNERSHIP INVESTMENTS	-	-	-
V.	TANGIBLE FIXED ASSETS (NET)	2,819	-	2,819
VI.	INTANGIBLE FIXED ASSETS (Net)	1,545	-	1,545
VII.	INVESTMENT PROPERTIES (Net)	-	-	-
VIII.	CURRENT TAX ASSET	-	-	-
IX.	DEFERRED TAX ASSET	1,547	-	1,547
X.	OTHER ASSETS	270	-	270
<b>TOTAL ASSETS</b>		<b>1,513,102</b>	<b>-</b>	<b>1,513,102</b>

LIABILITIES		Current period (31/12/2023)		
		TL	FC	Total
I.	FUNDS COLLECTED	60	294,382	294,442
II.	LOANS RECEIVED	-	-	-
III.	DUES TO MONEY MARKETS	-	-	-
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	-	-	-
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	5,765	-	5,765
VIII.	PROVISIONS	50,665	-	50,665
IX.	CURRENT TAX LIABILITIES	14,701	-	14,701
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	-	-
XIII.	OTHER LIABILITIES	290,357	32,718	323,075
XIV.	SHAREHOLDER'S EQUITY	1,668,523	-	1,668,523
<b>TOTAL LIABILITIES</b>		<b>2,030,071</b>	<b>327,100</b>	<b>2,357,171</b>

LIABILITIES		Previous period (31/12/2022)		
		TL	FC	Total
I.	FUNDS COLLECTED	-	-	-
II.	LOANS RECEIVED	-	-	-
III.	DUES TO MONEY MARKETS	-	-	-
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	-	-	-
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	-	-	-
VIII.	PROVISIONS	4,164	-	4,164
IX.	CURRENT TAX LIABILITIES	200	-	200
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	-	-
XIII.	OTHER LIABILITIES	10,614	-	10,614
XIV.	SHAREHOLDER'S EQUITY	1,498,124	-	1,498,124
<b>TOTAL LIABILITIES</b>		<b>1,513,102</b>	<b>-</b>	<b>1,513,102</b>

## BANK FINANCIAL STATEMENTS

## T.O.M. KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF OFF-BALANCE SHEET (TL THOUSAND)

OFF-BALANCE SHEET		Current period		
		(31/12/2023)		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	-	-	-
I.	TOTAL GUARANTEES AND WARRANTIES	-	-	-
II.	COMMITMENTS	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	-	-	-
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	-	-	-
IV.	CUSTODY ASSETS	-	-	-
V.	PLEDGED ASSETS	-	-	-
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		-	-	-

OFF-BALANCE SHEET		Previous period		
		(31/12/2022)		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	-	-	-
I.	TOTAL GUARANTEES AND WARRANTIES	-	-	-
II.	COMMITMENTS	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	-	-	-
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	-	-	-
IV.	CUSTODY ASSETS	-	-	-
V.	PLEDGED ASSETS	-	-	-
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		-	-	-

**T.O.M. KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF PROFIT OR LOSS (TL THOUSAND)**

<b>PROFIT / LOSS</b>		<b>Current period</b>
		<b>01/01/2023-31/12/2023</b>
I.	PROFIT SHARING INCOME	135,577
II.	PROFIT SHARING EXPENSE (-)	622
III.	NET PROFIT SHARING INCOME (I - II)	134,955
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	(81)
V.	DIVIDEND INCOME	-
VI.	TRADING INCOME/LOSS (Net)	290,951
VII.	OTHER OPERATING INCOME	-
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	425,825
IX.	LOAN RESERVES (-)	-
X.	PERSONNEL EXPENSES (-)	171,468
XI.	OTHER OPERATING EXPENSES (-)	127,231
XII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI)	127,126
XIII.	EXCESS AMOUNT RECORDED AS INCOME	-
AFTER MERGER		
XIV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XV.	INCOME/LOSS ON NET MONETARY POSITION	-
XVI.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	127,126
XVII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(44.366)
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)	171,492
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>171,492</b>

<b>PROFIT / LOSS</b>		<b>Previous period</b>
		<b>01/01/2022-31/12/2022</b>
I.	PROFIT SHARING INCOME	10,236
II.	PROFIT SHARING EXPENSE (-)	-
III.	NET PROFIT SHARING INCOME (I - II)	10,236
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	-
V.	DIVIDEND INCOME	-
VI.	TRADING INCOME/LOSS (Net)	2,767
VII.	OTHER OPERATING INCOME	-
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	13,003
IX.	LOAN RESERVES (-)	-
X.	PERSONNEL EXPENSES (-)	9,793
XI.	OTHER OPERATING EXPENSES (-)	6,625
XII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI)	(3.415)
XIII.	EXCESS AMOUNT RECORDED AS INCOME	-
AFTER MERGER		
XIV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XV.	INCOME/LOSS ON NET MONETARY POSITION	-
XVI.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	(3.415)
XVII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(1.545)
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)	(1.870)
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>(1.870)</b>

## BANK FINANCIAL STATEMENTS

## TÜRKİYE FİNANS KATILIM BANKASI A.Ş. SUMMARY BALANCE SHEET (TL THOUSAND)

ASSETS	CURRENT PERIOD		
	(31/12/2023)		
	TL	FC	Total
I. FINANCIAL ASSETS (Net)	30,688,434	62,170,704	92,859,138
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	108,200,668	28,932,258	137,132,926
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	1,521	-	1,521
IV. PARTNERSHIP INVESTMENTS	22,600	-	22,600
V. TANGIBLE FIXED ASSETS (Net)	6,073,948	-	6,073,948
VI. INTANGIBLE FIXED ASSETS (Net)	403,625	-	403,625
VII. INVESTMENT PROPERTIES (Net)	-	-	-
VIII. CURRENT TAX ASSET	-	-	-
IX. DEFERRED TAX ASSET	1,751,378	-	1,751,378
X. OTHER ASSETS	1,186,604	781,201	1,967,805
<b>TOTAL ASSETS</b>	<b>148,328,778</b>	<b>91,884,163</b>	<b>240,212,941</b>

ASSETS	PREVIOUS PERIOD		
	(31/12/2022)		
	TL	FC	Total
I. FINANCIAL ASSETS (Net)	19,400,247	42,949,288	62,349,535
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	59,921,784	25,702,192	85,623,976
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	11,691	-	11,691
IV. PARTNERSHIP INVESTMENTS	100	-	100
V. TANGIBLE FIXED ASSETS (Net)	2,712,010	-	2,712,010
VI. INTANGIBLE FIXED ASSETS (Net)	206,612	-	206,612
VII. INVESTMENT PROPERTIES (Net)	-	-	-
VIII. CURRENT TAX ASSET	-	-	-
IX. DEFERRED TAX ASSET	376,582	-	376,582
X. OTHER ASSETS	1,267,343	214,273	1,481,616
<b>TOTAL ASSETS</b>	<b>83,896,369</b>	<b>68,865,753</b>	<b>152,762,122</b>

LIABILITIES		CURRENT PERIOD		
		(31/12/2023)		
		TL	FC	Total
I.	FUNDS COLLECTED	99,131,265	77,817,163	176,948,428
II.	LOANS RECEIVED	15,841,165	9,090,751	24,931,916
III.	DUES TO MONEY MARKETS	5,447	-	5,447
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	182,135	288,681	470,816
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	591,066	1,921	592,987
VIII.	PROVISIONS	2,572,322	307,370	2,879,692
IX.	CURRENT TAX LIABILITIES	616,689	-	616,689
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	7,364,950	7,364,950
XIII.	OTHER LIABILITIES	4,062,772	2,542,835	6,605,607
XIV.	SHAREHOLDER'S EQUITY	19,712,535	83,874	19,796,409
TOTAL LIABILITIES		142,715,396	97,497,545	240,212,941

LIABILITIES		PREVIOUS PERIOD		
		(31/12/2022)		
		TL	FC	Total
I.	FUNDS COLLECTED	52,815,798	50,031,460	102,847,258
II.	LOANS RECEIVED	10,523,466	11,473,217	21,996,683
III.	DUES TO MONEY MARKETS	3,130,312	-	3,130,312
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	30,450	393,238	423,688
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	447,596	788	448,384
VIII.	PROVISIONS	2,312,109	242,551	2,554,660
IX.	CURRENT TAX LIABILITIES	1,057,840	-	1,057,840
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	-	4,678,005	4,678,005
XIII.	OTHER LIABILITIES	3,052,620	1,497,477	4,550,097
XIV.	SHAREHOLDER'S EQUITY	11,281,039	(205,844)	11,075,195
TOTAL LIABILITIES		84,651,230	68,110,892	152,762,122



## BANK FINANCIAL STATEMENTS

## TÜRKİYE FİNANS KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF OFF-BALANCE SHEET (TL THOUSAND)

OFF-BALANCE SHEET		CURRENT PERIOD		
		(31/12/2023)		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	52,644,549	70,010,834	122,655,383
I.	TOTAL GUARANTEES AND WARRANTIES	18,297,356	15,589,232	33,886,588
II.	COMMITMENTS	12,417,228	6,586,053	19,003,281
III.	DERIVATIVE FINANCIAL INSTRUMENTS	21,929,965	47,835,549	69,765,514
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	1,262,760,078	407,525,310	1,670,285,388
IV.	CUSTODY ASSETS	25,091,053	42,384,982	67,476,035
V.	PLEDGED ASSETS	1,237,669,025	364,681,524	1,602,350,549
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	458,804	458,804
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>1,315,404,627</b>	<b>477,536,144</b>	<b>1,792,940,771</b>

OFF-BALANCE SHEET		PREVIOUS PERIOD		
		(31/12/2022)		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	20,337,750	58,115,827	78,453,577
I.	TOTAL GUARANTEES AND WARRANTIES	9,900,441	8,950,510	18,850,951
II.	COMMITMENTS	6,086,459	2,405,943	8,492,402
III.	DERIVATIVE FINANCIAL INSTRUMENTS	4,350,850	46,759,374	51,110,224
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	772,820,143	252,796,994	1,025,617,137
IV.	CUSTODY ASSETS	13,595,863	19,259,338	32,855,201
V.	PLEDGED ASSETS	759,224,280	233,207,876	992,432,156
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	329,780	329,780
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>793,157,893</b>	<b>310,912,821</b>	<b>1,104,070,714</b>

**TÜRKİYE FİNANS KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF PROFIT OR LOSS (TL THOUSAND)**

<b>PROFIT / LOSS</b>		<b>CURRENT PERIOD</b>
		<b>January 1 - December 31, 2023</b>
I.	PROFIT SHARING INCOME	26,641,122
II.	PROFIT SHARING EXPENSE (-)	19,097,210
III.	NET PROFIT SHARING INCOME (I - II)	7,543,912
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	2,640,562
V.	DIVIDEND INCOME	746
VI.	TRADING INCOME/LOSS (Net)	3,642,953
VII.	OTHER OPERATING INCOME	1,743,570
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	15,571,743
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	(2.012.575)
X.	OTHER PROVISION EXPENSES (-)	(69.955)
XI.	PERSONNEL EXPENSES (-)	(2.939.597)
XII.	OTHER OPERATING EXPENSES (-)	(2.906.340)
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	7,643,276
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	7,643,276
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	1,799,134
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	5,844,142
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>5,844,142</b>

<b>PROFIT / LOSS</b>		<b>PREVIOUS PERIOD</b>
		<b>January 1 - December 31, 2022</b>
I.	PROFIT SHARING INCOME	14,979,063
II.	PROFIT SHARING EXPENSE (-)	7,621,113
III.	NET PROFIT SHARING INCOME (I - II)	7,357,950
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	447,523
V.	DIVIDEND INCOME	799
VI.	TRADING INCOME/LOSS (Net)	1,698,865
VII.	OTHER OPERATING INCOME	1,233,711
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	10,738,848
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	(2,091,864)
X.	OTHER PROVISION EXPENSES (-)	(1,464,670)
XI.	PERSONNEL EXPENSES (-)	(1,373,041)
XII.	OTHER OPERATING EXPENSES (-)	(1,601,663)
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	4,207,610
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/LOSS ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	4,207,610
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	1,303,505
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	2,904,105
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>2,904,105</b>

## BANK FINANCIAL STATEMENTS

## VAKIF KATILIM BANKASI A.Ş. SUMMARY BALANCE SHEET (TL THOUSAND)

ASSETS	CURRENT PERIOD		
	(31/12/2023)		
	TL	FC	Total
I. FINANCIAL ASSETS (Net)	36,387,054	69,018,277	105,405,331
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	142,230,329	60,932,131	203,162,460
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	196,303	0	196,303
IV. PARTNERSHIP INVESTMENTS	22,500	0	22,500
V. TANGIBLE FIXED ASSETS (Net)	3,607,963	0	3,607,963
VI. INTANGIBLE FIXED ASSETS (Net)	168,544	0	168,544
VII. INVESTMENT PROPERTIES (Net)	0	0	0
VIII. CURRENT TAX ASSET	0	0	0
IX. DEFERRED TAX ASSET	1,415,806	0	1,415,806
X. OTHER ASSETS	1,019,293	125,065	1,144,358
<b>TOTAL ASSETS</b>	<b>185,047,792</b>	<b>130,075,473</b>	<b>315,123,265</b>

ASSETS	PREVIOUS PERIOD		
	(31/12/2022)		
	TL	FC	Total
I. FINANCIAL ASSETS (Net)	19,873,330	41,572,976	61,446,306
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	82,299,035	40,966,578	123,265,613
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	6,121	0	6,121
IV. PARTNERSHIP INVESTMENTS	0	0	0
V. TANGIBLE FIXED ASSETS (Net)	1,991,582	0	1,991,582
VI. INTANGIBLE FIXED ASSETS (Net)	62,388	0	62,388
VII. INVESTMENT PROPERTIES (Net)	0	0	0
VIII. CURRENT TAX ASSET	0	0	0
IX. DEFERRED TAX ASSET	0	0	0
X. OTHER ASSETS	1,183,474	81,701	1,265,175
<b>TOTAL ASSETS</b>	<b>105,415,930</b>	<b>82,621,255</b>	<b>188,037,185</b>

LIABILITIES		CURRENT PERIOD		
		(31/12/2023)		
		TL	FC	Total
I.	FUNDS COLLECTED	147,105,287	107,084,212	254,189,499
II.	LOANS RECEIVED	862,224	11,096,050	11,958,274
III.	DUES TO MONEY MARKETS	0	0	0
IV.	SECURITIES ISSUED (Net)	6,191,201	0	6,191,201
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	0	0	0
VI.	DERIVATIVE FINANCIAL LIABILITIES	6,971	443,217	450,188
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	509,030	0	509,030
VIII.	PROVISIONS	3,462,802	536,176	3,998,978
IX.	CURRENT TAX LIABILITIES	1,358,640	0	1,358,640
X.	DEFERRED TAX LIABILITIES	0	0	0
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	0	0	0
XII.	SUBORDINATED DEBT INSTRUMENTS	0	3,206,968	3,206,968
XIII.	OTHER LIABILITIES	2,252,624	1,797,672	4,050,296
XIV.	SHAREHOLDER'S EQUITY	29,227,244	-17,053	29,210,191
TOTAL LIABILITIES		190,976,023	124,147,242	315,123,265

LIABILITIES		PREVIOUS PERIOD		
		(31/12/2022)		
		TL	FC	Total
I.	FUNDS COLLECTED	76,306,769	62,305,543	138,612,312
II.	LOANS RECEIVED	302,409	8,991,229	9,293,638
III.	DUES TO MONEY MARKETS	6,147,681	0	6,147,681
IV.	SECURITIES ISSUED (Net)	4,463,024	0	4,463,024
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	0	0	0
VI.	DERIVATIVE FINANCIAL LIABILITIES	1,722	211,395	213,117
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	309,766	0	309,766
VIII.	PROVISIONS	1,848,638	378,953	2,227,591
IX.	CURRENT TAX LIABILITIES	1,282,442	0	1,282,442
X.	DEFERRED TAX LIABILITIES	91,099	0	91,099
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	0	0	0
XII.	SUBORDINATED DEBT INSTRUMENTS	0	1,867,822	1,867,822
XIII.	OTHER LIABILITIES	2,319,257	2,292,393	4,611,650
XIV.	SHAREHOLDER'S EQUITY	19,042,008	-124,965	18,917,043
TOTAL LIABILITIES		112,114,815	75,922,370	188,037,185

## BANK FINANCIAL STATEMENTS

## VAKIF KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF OFF-BALANCE SHEET (TL THOUSAND)

OFF-BALANCE SHEET		CURRENT PERIOD		
		(31/12/2023)		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	68,745,861	115,551,914	184,297,775
I.	TOTAL GUARANTEES AND WARRANTIES	43,123,398	26,109,297	69,232,695
II.	COMMITMENTS	19,267,852	15,161,130	34,428,982
III.	DERIVATIVE FINANCIAL INSTRUMENTS	6,354,611	74,281,487	80,636,098
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	2,046,898,044	94,392,114	2,141,290,158
IV.	CUSTODY ASSETS	47,214,086	25,647,283	72,861,369
V.	PLEDGED ASSETS	1,999,683,958	68,744,831	2,068,428,789
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	0	0	0
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>2,115,643,905</b>	<b>209,944,028</b>	<b>2,325,587,933</b>

OFF-BALANCE SHEET		PREVIOUS PERIOD		
		(31/12/2022)		
		TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)	45,596,252	78,621,277	124,217,529
I.	TOTAL GUARANTEES AND WARRANTIES	22,764,310	15,537,240	38,301,550
II.	COMMITMENTS	15,742,555	6,141,069	21,883,624
III.	DERIVATIVE FINANCIAL INSTRUMENTS	7,089,387	56,942,968	64,032,355
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	757,581,463	43,938,466	801,519,929
IV.	CUSTODY ASSETS	35,755,059	11,694,924	47,449,983
V.	PLEDGED ASSETS	721,826,404	32,243,542	754,069,946
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	0	0	0
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>803,177,715</b>	<b>122,559,743</b>	<b>925,737,458</b>

**VAKIF KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF PROFIT OR LOSS (TL THOUSAND)**

<b>PROFIT / LOSS</b>		<b>CURRENT PERIOD</b> <b>(01/01/2023-31/12/2023)</b>
I.	PROFIT SHARING INCOME	32,482,980
II.	PROFIT SHARING EXPENSE (-)	21,445,953
III.	NET PROFIT SHARING INCOME (I - II)	11,037,027
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	2,199,863
V.	DIVIDEND INCOME	714
VI.	TRADING INCOME/LOSS (Net)	5,205,265
VII.	OTHER OPERATING INCOME	1,089,024
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	19,531,893
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	1,917,884
X.	OTHER PROVISION EXPENSES (-)	1,802,151
XI.	PERSONNEL EXPENSES (-)	2,380,193
XII.	OTHER OPERATING EXPENSES (-)	3,151,314
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	10,280,351
XIV.	EXCESS AMOUNT RECORDED AS INCOME	0
XV.	AFTER MERGER	0
XVI.	INCOME/LOSS ON NET MONETARY POSITION	0
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	10,280,351
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	2,194,722
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	8,085,629
XX.	INCOME FROM DISCONTINUED OPERATIONS	0
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	0
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	0
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	0
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	0
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>8,085,629</b>

<b>PROFIT / LOSS</b>		<b>PREVIOUS PERIOD</b> <b>(01/01/2022-31/12/2022)</b>
I.	PROFIT SHARING INCOME	16,783,677
II.	PROFIT SHARING EXPENSE (-)	7,790,342
III.	NET PROFIT SHARING INCOME (I - II)	8,993,335
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	228,580
V.	DIVIDEND INCOME	774
VI.	TRADING INCOME/LOSS (Net)	1,482,647
VII.	OTHER OPERATING INCOME	722,461
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	11,427,797
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	1,125,737
X.	OTHER PROVISION EXPENSES (-)	1,643,136
XI.	PERSONNEL EXPENSES (-)	924,103
XII.	OTHER OPERATING EXPENSES (-)	1,053,802
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	6,681,019
XIV.	EXCESS AMOUNT RECORDED AS INCOME	0
XV.	AFTER MERGER	0
XVI.	INCOME/LOSS ON NET MONETARY POSITION	0
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	6,681,019
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	1,944,000
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	4,737,019
XX.	INCOME FROM DISCONTINUED OPERATIONS	0
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	0
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	0
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	0
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	0
<b>XXV.</b>	<b>NET PERIOD INCOME/LOSS (XIX+XXIV)</b>	<b>4,737,019</b>



## BANK FINANCIAL STATEMENTS

## ZİRAAT KATILIM BANKASI A.Ş. SUMMARY BALANCE SHEET (TL THOUSAND)

ASSETS		Current period		
		(December 31, 2023)		
		TL	FC	Total
I.	FINANCIAL ASSETS (NET)	38,243,744	56,778,131	95,021,875
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)	178,139,272	103,461,708	281,600,980
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)	427,229	-	427,229
IV.	PARTNERSHIP INVESTMENTS	22,600	-	22,600
V.	TANGIBLE FIXED ASSETS (NET)	2,159,859	5,840	2,165,699
VI.	INTANGIBLE FIXED ASSETS (NET)	692,634	-	692,634
VII.	INVESTMENT PROPERTIES (NET)	-	-	-
VIII.	CURRENT TAX ASSET	-	-	-
IX.	DEFERRED TAX ASSET	2,478,105	-	2,478,105
X.	OTHER ASSETS	1,505,019	342,464	1,847,483
	<b>TOTAL ASSETS</b>	<b>223,668,462</b>	<b>160,588,143</b>	<b>384,256,605</b>

ASSETS		Previous period		
		(December 31, 2022)		
		TL	FC	Total
I.	FINANCIAL ASSETS (NET)	22,622,345	37,540,469	60,162,814
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)	99,369,290	50,812,921	150,182,211
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)	274,644	-	274,644
IV.	PARTNERSHIP INVESTMENTS	100	-	100
V.	TANGIBLE FIXED ASSETS (NET)	594,099	843	594,942
VI.	INTANGIBLE FIXED ASSETS (NET)	342,454	-	342,454
VII.	INVESTMENT PROPERTIES (NET)	-	-	-
VIII.	CURRENT TAX ASSET	-	-	-
IX.	DEFERRED TAX ASSET	788,020	-	788,020
X.	OTHER ASSETS	925,248	73,157	998,405
	<b>TOTAL ASSETS</b>	<b>124,916,200</b>	<b>88,427,390</b>	<b>213,343,590</b>

LIABILITIES		Current period (December 31, 2023)		
		TL	FC	Total
I.	FUNDS COLLECTED	185,040,926	119,331,448	304,372,374
II.	LOANS RECEIVED	12,087,572	22,801,405	34,888,977
III.	DUES TO MONEY MARKETS	435,678	10,528,455	10,964,133
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	-	153,095	153,095
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	785,859	-	785,859
VIII.	PROVISIONS	1,456,125	1,476,173	2,932,298
IX.	CURRENT TAX LIABILITIES	866,770	198	866,968
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	1,341,987	4,451,686	5,793,673
XIII.	OTHER LIABILITIES	2,408,661	1,259,020	3,667,681
XIV.	SHAREHOLDER'S EQUITY	19,863,305	(31,758)	19,831,547
<b>TOTAL LIABILITIES</b>		<b>224,286,883</b>	<b>159,969,722</b>	<b>384,256,605</b>

LIABILITIES		Previous period (December 31, 2022)		
		TL	FC	Total
I.	FUNDS COLLECTED	105,446,174	67,693,024	173,139,198
II.	LOANS RECEIVED	5,722,527	4,182,250	9,904,777
III.	DUES TO MONEY MARKETS	57,003	7,498,996	7,555,999
IV.	SECURITIES ISSUED (Net)	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES	-	62,998	62,998
VII.	LIABILITIES FROM LEASING TRANSACTIONS (Net)	335,946	-	335,946
VIII.	PROVISIONS	1,624,034	541,975	2,166,009
IX.	CURRENT TAX LIABILITIES	1,487,212	2	1,487,214
X.	DEFERRED TAX LIABILITIES	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	1,341,748	2,597,654	3,939,402
XIII.	OTHER LIABILITIES	2,056,100	1,317,502	3,373,602
XIV.	SHAREHOLDER'S EQUITY	11,496,416	(117,971)	11,378,445
<b>TOTAL LIABILITIES</b>		<b>129,567,160</b>	<b>83,776,430</b>	<b>213,343,590</b>

## BANK FINANCIAL STATEMENTS

## ZİRAAT KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF OFF-BALANCE SHEET (TL THOUSAND)

OFF-BALANCE SHEET		Current period		
		(December 31, 2023)		
		TL	FC	Total
A	OFF-BALANCE SHEET LIABILITIES (I+II+III)	44,556,727	56,166,174	100,722,901
I.	TOTAL GUARANTEES AND WARRANTIES	38,343,405	39,987,128	78,330,533
II.	COMMITMENTS	6,163,310	1,289,972	7,453,282
III.	DERIVATIVE FINANCIAL INSTRUMENTS	50,012	14,889,074	14,939,086
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	300,753,601	61,244,711	361,998,312
IV.	CUSTODY ASSETS	15,313,288	25,398,103	40,711,391
V.	PLEDGED ASSETS	285,440,313	35,846,608	321,286,921
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	-	-
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>345,310,328</b>	<b>117,410,885</b>	<b>462,721,213</b>

OFF-BALANCE SHEET		Previous period		
		(December 31, 2022)		
		TL	FC	Total
A	OFF-BALANCE SHEET LIABILITIES (I+II+III)	28,889,269	34,877,714	63,766,983
I.	TOTAL GUARANTEES AND WARRANTIES	21,569,718	23,621,764	45,191,482
II.	COMMITMENTS	2,401,997	428,407	2,830,404
III.	DERIVATIVE FINANCIAL INSTRUMENTS	4,917,554	10,827,543	15,745,097
B.	CUSTODY AND PLEDGED ASSETS (IV+V+VI)	131,287,786	32,489,349	163,777,135
IV.	CUSTODY ASSETS	8,152,999	13,565,085	21,718,084
V.	PLEDGED ASSETS	123,134,787	18,924,264	142,059,051
VI.	ACCEPTED BILL GUARANTEES AND WARRANTIES	-	-	-
<b>TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)</b>		<b>160,177,055</b>	<b>67,367,063</b>	<b>227,544,118</b>

**ZİRAAT KATILIM BANKASI A.Ş. SUMMARY STATEMENT OF PROFIT OR LOSS (TL THOUSAND)**

<b>PROFIT / LOSS</b>		<b>Current period January 1 - December 31, 2023</b>
I.	PROFIT SHARING INCOME	43,986,005
II.	PROFIT SHARING EXPENSE (-)	38,557,020
III.	NET PROFIT SHARE INCOME/EXPENSE (I - II)	5,428,985
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	2,931,888
V.	DIVIDEND INCOME	714
VI.	TRADING INCOME/LOSS (Net)	2,158,546
VII.	OTHER OPERATING INCOME	2,113,854
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	12,633,987
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	3,136,003
X.	OTHER PROVISION EXPENSES (-)	182,212
XI.	PERSONNEL EXPENSES (-)	2,086,880
XII.	OTHER OPERATING EXPENSES (-)	2,811,685
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	4,417,207
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	4,417,207
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(412,710)
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	4,004,497
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET INCOME/(LOSS) FOR THE PERIOD (XIX+XXIV)</b>	<b>4,004,497</b>

<b>PROFIT / LOSS</b>		<b>Previous period January 1 - December 31, 2022</b>
I.	PROFIT SHARING INCOME	20,231,260
II.	PROFIT SHARING EXPENSE (-)	12,488,773
III.	NET PROFIT SHARE INCOME/EXPENSE (I - II)	7,742,487
IV.	NET FEE AND COMMISSION INCOME/EXPENSE	245,945
V.	DIVIDEND INCOME	774
VI.	TRADING INCOME/LOSS (Net)	1,214,691
VII.	OTHER OPERATING INCOME	876,254
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)	10,080,151
IX.	ANTICIPATED LOSS PROVISION EXPENSES (-)	1,869,894
X.	OTHER PROVISION EXPENSES (-)	1,061,736
XI.	PERSONNEL EXPENSES (-)	798,367
XII.	OTHER OPERATING EXPENSES (-)	886,388
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)	5,463,766
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD	-
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	5,463,766
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(1,623,494)
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	3,840,272
XX.	INCOME FROM DISCONTINUED OPERATIONS	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	-
<b>XXV.</b>	<b>NET INCOME/(LOSS) FOR THE PERIOD (XIX+XXIV)</b>	<b>3,840,272</b>

## CONTACT INFORMATION

The contact information of the head offices of participation banks operating in Türkiye is presented below.

You can access the contact information of the participation banks for physical and virtual service points in Türkiye and abroad by reading the relevant QR code on the browser of your mobile device.

### Albaraka Türk Katılım Bankası A.Ş.

#### Head Office

İnkılap Mah. Dr. Adnan Büyükdeniz  
Cad. Albaraka Türk Sitesi 1. Blok No:  
6 İç Kapı No: 1 Ümraniye/İstanbul

Phone: : +90 (216) 666 01 01  
Fax: +90 (216) 666 16 00  
www.albaraka.com.tr



### Dünya Katılım Bankası A.Ş.

#### Head Office

Yamanevler, Ahmet Tevfik İleri  
Cd No: 1 / 3, 34764 Ümraniye/  
İSTANBUL

Phone: 444 3 166  
www.dunyakatilim.com.tr



### Türkiye Emlak Katılım Bankası A.Ş.

#### Head Office

Barbaros Mahallesi, Begonya Sok.  
No: 9/A1 34746  
Ataşehir/İSTANBUL

Phone: +90 (216) 266 26 26  
Fax: +90 (216) 275 25 25  
www.emlakkatilim.com.tr



### Hayat Finans Katılım Bankası A.Ş.

#### Head Office

Altunizade, Mahir İz Cd. No: 25,  
34662 Üsküdar / İstanbul

Phone: +90 (216) 939 60 00  
www.hayatfinans.com.tr



### Kuveyt Türk Katılım Bankası A.Ş.

#### Head Office

Büyükdere Cad. No: 129/1  
34394 Esentepe-Şişli/İSTANBUL

Phone: +90 (212) 354 11 11  
Fax : +90 (0212) 354 12 12  
www.kuveytturk.com.tr



### T.O.M. Katılım Bankası A.Ş.

#### Head Office

Burhaniye Mh. Nagehan Sk. B Blok  
No: 2B İç Kapı No: 1 Üsküdar /  
İSTANBUL

Phone: +90 850 399 36 36  
Fax: +90 850 214 33 84  
www.tombank.com.tr



### Türkiye Finans Katılım Bankası A.Ş.

#### Head Office

İnkılap Mahallesi, Sokullu Caddesi  
No: 6 Ümraniye/İSTANBUL

Phone: +90 (216) 676 20 00  
www.turkiyefinans.com.tr



### Vakıf Katılım Bankası A.Ş.

#### Head Office

İnkılap Mahallesi, Dr. Adnan  
Büyükdeniz Cad. No: 10  
Ümraniye/İSTANBUL

Phone: +90 (216) 800 55 55  
Fax: +90 (216) 800 55 56  
www.vakifkatilim.com.tr



### Ziraat Katılım Bankası A.Ş.

#### Head Office

Hobiyar Mahallesi, Şeyhulislam Hayri  
Efendi Caddesi No: 12  
34112 Bahçekapı-Fatih/İSTANBUL

Phone: +90 (212) 404 10 00  
Fax: +90 (212) 404 10 99  
www.ziraatkatilim.com.tr











