

2023

ANNUAL REPORT



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Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

(Convenience Translation of the Auditor's Audit Report Originally Issued in Turkish)

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Türkiye İhracat Kredi Bankası A.Ş

1) Opinion

We have audited the annual report of Türkiye İhracat Kredi Bankası A.Ş. ("the Bank") for the period of January 1, 2023 – December 31, 2023.

In our opinion, the unconsolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Bank are presented fairly and consistent, in all material respects, with the audited full set unconsolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated 2 April 2015 published by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Bank in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Financial Statements

We have expressed an unqualified opinion in our auditor's report dated February 23, 2024 on the full set financial statements of the Bank for the period of January 1, 2023 – December 31, 2023.

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks', the management of the Bank is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly.
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Bank for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the financial statements. The development of the Bank and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report.
- c) The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Bank,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.
 - Other matters prescribed in the communique on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1, 2006.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Auditor’s Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué on ‘Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks’ published in official gazette no.26333 dated November 1, 2006 , Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes, “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA) and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations, on whether the unconsolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Bank’s audited unconsolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS and BRSA Independent Audit Regulation. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the unconsolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the unconsolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Fatma Ebru Yücel.

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



Fatma Ebru Yücel, SMMM
Partner

February 23, 2024
İstanbul, Turkey

Presentation

Corporate Profile

Türk Eximbank is the official export credit agency in Türkiye.

Being the official export credit agency in Türkiye, Türk Eximbank helps Turkish companies engaged in goods and services exports, overseas contracting, and investment goods manufacturing and sales increase their share in international trade by extending them credit and credit insurance support since 1987. While satisfying their business and investment finance needs on one hand, Türk Eximbank also protects our exporters against collection and market risk through credit insurance and derivatives / FX trading as they carry out their activities.

Domestic credits are offered to exporters, available in short-, medium- and long-term options for fulfilment of pre- or post-shipment needs for the exports of goods and services. Lending is made also through commercial banks and other finance companies, as well as credit programs directly extended by the Bank. Program requirements of pre-shipment export credit include export commitment liability, whereas under the post-shipment credit, exporters can have their credit sales discounted to make use of the Bank's financing facilities. Short Term Export Credit Insurance insures short-, medium- and long-term receivables arising from commodity and service exports against commercial and/or political risks. The Bank also provides insurance cover for short-term receivables arising from the domestic operations of exporters and group companies with the Domestic Receivables Insurance.

Türk Eximbank offers service with 23 branches and 6 liaison offices. Headquartered in İstanbul (Anadolu Yakası), the Bank has 23 units covering İç Anadolu, Marmara and Ege Regional Directorates and İstanbul Avrupa Yakası, İstanbul Odakule, İstanbul İkitelli OSB, İstanbul Merkez Şube, Gaziantep, İzmir, Denizli, Bursa, Kayseri, Konya, Ankara, Antalya, Adana, Gebze, Çorlu, Maltepe, Manisa, Mersin, Eskişehir, Trabzon, Kahramanmaraş, İskenderun and Diyarbakır branches, and 6 liaison offices in Samsun, Aydın, Erzurum, İstanbul Anadolu Yakası Organized Industrial Site, Isparta and Balıkesir.

Out of 802 employees of Türk Eximbank, 7 hold PhD, 379 master's degrees, 350 bachelor's degrees, 66 associate degrees.

Sustainability at Türk Eximbank

Türk Eximbank believes that sustainable exports is of the utmost importance in the rapidly changing world that is confronted with numerous issues from climate change to socioeconomic inequality. In this direction, the Bank takes into account all financial and non-financial risks that are economic and ESG-related while carrying out its activities.

Within this framework, the Bank launched the “Sustainability, Environmental and Social Risk Management” Project to carry out all of its activities in line with sustainability principles and to shape its governance structure on the center of these principles. In the same direction, the Sustainability Principles, Environmental and Social Impact Policy, Climate Change Adaptation and Mitigation Policy were approved by the Board of Directors.

Steps continue to be taken in relation to the Sustainability Management System to assess the environmental and social risks of the Bank’s lending and insurance activities and to guarantee that the same are effectively managed in line with the Bank’s strategy. In 2023, environmental and social risk assessments were conducted for 450 applications, and Türk Eximbank intermediated the management of the companies’ environmental and social risks by way of experts’ field visits within the scope of from the World Bank, Asian Infrastructure Investment Bank (AIB) and the Council of Europe Development Bank (CEB) loan requests. Believing that sustainability is a factor that does not merely affect the world’s future but also drives the development of organizations, necessary steps have been taken for monitoring and reducing carbon emissions that are of great importance in terms of Climate Change Adaptation. First conducted in 2020, carbon and GHG emissions monitoring, calculation and reporting were carried out in accordance with ISO 14064:2018 version for 2022. Emissions stemming from lending activities were included in the calculation, as well as those directly resulting from the Bank’s operations, and version ISO 14064:2018 GHG Accounting audit was successfully completed and the certificate was won for the Bank for 2022. Through this certification, Türk Eximbank;

- pledged to internal and external stakeholders to be aligned with the developments associated with climate change,
- evidenced and acknowledged the ownership of our emissions,
- ensured increased corporate capacity in environmental and social terms.

Calculation and reporting of carbon and GHG emissions for 2023 are planned to be completed in 2024.

The initiative to fulfill 50% of the Bank’s electricity need from renewables was completed with a 67% ratio through 1.000 MWh I-REC purchased in 2022, and the initiative was revised so as to fulfill 90% of total electricity consumption for 2023.

Our first Sustainability Report for 2021 covering our Bank’s sustainability activities and performance has been published in 2022. In addition to that, the Bank has been releasing a monthly Sustainability Bulletin since year-end 2021 to familiarize the Bank’s employees with global and local developments in relation to sustainability and to make sure that sustainability notion is embraced by all employees.

In a bid to fulfill our exporters' needs in relation to green transformation and sustainability, joint activities are being undertaken with our stakeholders, particularly with the Ministries. In this scope, the Bank regularly participates in the meetings of the Ministry of Environment, Urbanization and Climate Change National Carbon Pricing Specialized Working Group, Türkiye Exporters Assembly (TİM) Industry Sustainability Science Committee, Foreign Economic Relations Board (DEİK) Green Transformation Working Group, İstanbul Chamber of Industry Sustainability Platform, Banks Association of Türkiye (TBB) Role of Financial Sector in Sustainable Growth Working Group, and the events/webinars organized by various institutions to keep abreast of current developments.

Integrated Management System at Türk Eximbank

The official export credit agency of Türkiye, Türk Eximbank launched the “Integrated Management System” project to conduct its activities and improve its corporate governance in accordance with international governance systems standards. In this framework, the Integrated Management System Policy has been approved by the Bank’s Board of Directors.

Aiming to bring its quality, environmental, and occupational health and safety management systems under a single roof to facilitate their execution, Türk Eximbank first started working on Integrated Management System in 2022 and successfully passed the international ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certification audits by virtue of the Integrated Management System it has put in place the same year. Hence, Türk Eximbank endorsed the institutional structure of the Integrated Management System at its Head Office units and all its branches with ISO Integrated Management System certifications.

Carrying on with its activities for guaranteeing that all Bank employees work in a safe and healthy working environment, as well as for enhancing the service quality rendered by the Bank and minimizing the environmental impact of its operations relying on ISO Integrated Management System Certifications, our Bank also successfully passed the ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System surveillance audits conducted in 2023, and maintained its compliance with the said international standards.

Remaining a mission Bank in the context of quality, environment, and occupational health and safety, our Bank worked on international ISO 37001:2016 Anti- Bribery Management System in 2023 in a bid to broaden the scope of its Integrated Management System initiatives. Accordingly, Anti-Bribery/Anti-Corruption and Ethics Committee has been set up, and the Anti-Bribery/Anti-Corruption and Ethics Policy, and the Anti-Bribery/Anti-Corruption and Ethics Committee Procedure have been approved by the Board of Directors decision. The Anti-Bribery/Anti-Corruption and Ethics Policy has been posted on the Bank’s website for the information of all Bank employees and the public. In addition, the Whistleblowing Line has been set up for reporting bribery/corruption incidents and violation of ethical principles. Furthermore, all guides covering the rules expected to be adhered to in the implementation of the ISO 37001:2016 Anti-Bribery Management System have been prepared and put into effect.

Also in 2023, our Bank has successfully passed the certification audit for the international ISO 37001:2016 Anti-Bribery Management System standard as the result of its activities concerned with the said international standard, and was entitled to ISO 37001:2016 Anti-Bribery Management System certification for its Head Office Units and all branches.

Financial Highlights

Within the frame of its mission to provide financing support to exports being a specialized bank, Türk Eximbank does not target profit maximization

TÜRK EXIMBANK IN FIGURES

Balance Sheet Accounts (TL thousand)	2023	2022
Loans (Net)	516,280,852	304,838,890
Total Assets	607,852,496	346,036,720
Funds Borrowed	434,030,953	259,018,890
Securities Issued (Net)	100,723,950	41,722,141
Subordinated Loans	9,017,007	6,507,220
Money Market Funds	11,817,034	7,910,508
Shareholders' Equity	42,432,272	23,750,636
Paid-in Capital	20,600,000	13,800,000

Profit-Loss Statement Accounts (TL thousand)	2023	2022
Interest Income	48,132,696	17,232,240
Interest Expenses	(36,553,047)	(11,472,507)
Net Interest Income	11,579,649	5,759,733
Net Fees and Commissions and Other Operating Income	1,671,557	1,066,498
Trading Income/Losses (Net)	851,810	725,709
Expected Credit Losses	(415,165)	(277,707)
Other Provision Expenses	(232,188)	(166,545)
Personnel Expenses	(1,360,258)	(582,029)
Other Operating Expenses	(837,146)	(293,179)
Net Profit for the Period	11,258,259	6,232,480

Türk Eximbank's summary financial statements for 2019-2023 are presented on page 78.

Summary Activity Indicators

Credit Activities (USD million)*

	2023	2022
Short-Term Credit Activities		
Total Short-Term Credits	16,257	17,712
Short-Term TL Credits	10,542	8,003
Short-Term FX Credits	5,715	9,709
Medium- and Long-Term Credit Activities		
Medium- and Long-Term Credits	3,381	1,856
Total Credit Activities		
Total Credits	19,638	19,568

* The amounts allocated include credits with extended terms.

Türk Eximbank's Insurance Activities (USD million)

Short-Term Credit Insurance		
Insured Shipment	22,402	25,299
Medium- and Long-Term Export Credit Insurance		
Covered Transaction Amount	-	2.3
Reinsurance/Guarantee Programs		
Amount of Reinsured Transactions	-	-
Total Insurance/Reinsurance Activities		
Claims Paid	25	25,4
Total Insurance/Reinsurance	22,402	25,301

Türk Eximbank's Total Support (USD million)

Total Credit/Insurance/Guarantee Support	42,040	44,869
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Chairman's Message

In 2023, anti-inflation efforts, financial tightening, geopolitical tensions and increased trade protectionism remained in the foreground in global economy. While the tight monetary policies implemented reduced inflation considerably, developed countries, in particular, did not experience a harsh economic slowdown despite these policies' restraining impact on growth. Growth continued to float at the pre-pandemic level in developing countries led by China. While the developments in the Middle East that occurred in the last quarter of the year further exacerbated geopolitical risks, the world trade exhibited its weakest performance of the past 50 years in 2023, except during global crises and the pandemic period.

In 2024, global growth is projected to materialize at 3.1%, below its long-term average, due to high interest rates, fiscal supports that will diminish, high indebtedness and low productivity increases. Global trade, on the other hand, is forecasted to go up by 3.3% in 2024 after remaining unchanged in 2023. Global growth might remain flat with that in 2023, with potential decoupling among countries. In this context, our export markets and the EU and Middle Eastern countries in particular are anticipated to perform better in 2024 as compared to the previous year.

Global inflation is expected to keep declining owing to tight monetary policy and alleviated supply-side issues. While growth might receive support from potential additional loosening in financial conditions that might result from a faster-than-anticipated disinflation in 2024, possible commodity price increases that might stem from increased geopolitical risks and supply issues could bear a negative impact on global inflation and growth outlook.

We estimate that the Turkish economy will reach the order of USD 1.1 trillion with a positive performance once again in 2023, despite tough global conditions, aggravated geopolitical risks and the effects of the earthquake of February 6th that marks one of the worst disasters of our national history. Despite the weak outlook of global trade, goods exports reached USD 255.8 billion in 2023, breaking record of the Republic era.

Aiming to secure price stability through balanced and sustainable growth, the monetary policy stance was significantly tightened in the second half of 2023, and the steps taken served to achieve deceleration in the main tendency of inflation in the last quarter of the year. The budget deficit showed a transitory increase due to the impact of the measures taken for binding up the wounds of the earthquake. However, the ratio of budget deficit to national income excluding EU-defined general administration debt stock and earthquake expenditures was well below the Maastricht criteria in 2023.

Disinflation and economic rebalancing will continue to be the priority targets in 2024. In this context, we are predicting that the annual inflation will drop markedly from the second half of the year. In 2024, we are anticipating the Turkish economy to grow with a better-balanced composition and the current deficit to decline. Thus, 2024 will be a year of reduced macro risks and further strengthened financial stability.

Export-driven quality growth occupies a significant place in the development strategy of our country. Total goods and services exports including goods exports of USD 267 billion is targeted to be increased to USD 375 billion in 2024. In a bid to increase the support extended to our exporters, the capital of our country's official export credit agency Türk Eximbank has been increased by TL 10.1 billion since July 2023 to date. Daily rediscount credit limits made available to exporters were increased by 10 fold to TL 3 billion, an upper cap was introduced for the interest rate on these facilities, and the 30% additional export price sales condition in case of utilizing the facility was eradicated.

Türk Eximbank's support to our country's exports in 2023 totaled USD 42 billion, comprised of USD 19.6 billion in loans and USD 22.4 billion in insurance/guarantees. In line with our growth strategy focused on investment, employment, production and exports, we are targeting to further increase the support our Bank extends to our exporters in 2024, and aiming for our Bank's total support volume to reach USD 50 billion.

Osman ÇELİK

Chairman of the Board of Directors

General Manager's Message

In spite of the horrendous earthquake disaster that took place in our country in the first half of 2023, coupled with the slowdown in global economy and increased volatilities, economic growth performed solidly in the first three quarters of the year with the support lent by domestic demand and investment outlays. Although domestic lead indicators and the developments in global economy demonstrate that economic growth lost momentum somewhat in the last quarter of the year, growth rate for 2023 is anticipated to realize at 4.4%, which is in line with the projections in the MTP.

While both domestic and external demand are expected to weaken in 2024 following the anticipated deceleration in global economy and the tightening in financial conditions in the country, the improvement in net exports after the decline in gold and energy imports will likely curb the loss of momentum in growth, and thus, 2024 economic growth is projected to materialize as 4%.

We are augmenting the impact Türk Eximbank credits have on our country's exports

Exports have been the key propellant of economic growth in recent years. In line with the export-driven growth strategy, the mission of our Bank, being our country's official export credit agency, has gained even more significance. In this framework, Türk Eximbank's cash loans to our exporters amounted to USD 19.6 billion in 2023; receivables amounting to USD 22.4 billion were insured/reinsured, thus providing a secure trading environment for our exporters. All in all, export credits we provided totaled USD 42 billion in the reporting period.

Last year, the Republic of Türkiye Ministry of Treasury and Finance significantly reinforced our Bank's capital structure with the capital increases it has effected. Our shareholders' equity grew by 79% year-on-year and reached TL 42.4 billion. Thanks to the leverage provided by TL 6.8 billion cash capital the Ministry injected in July 2023, our Bank will carry on and further increase its financing support to all exporters, and particularly to the SMEs, in the coming year.

In 2024, on the other hand, we are planning to further increase our credit and receivable insurance support to our exporters to the order of USD 50 billion to realize our country's export target despite the negative developments tainting the global conjuncture.

Furthermore, in 2024, we will make an increased number of financing facilities available and introduce new implementations to support our exporters' projects in relation to compliance with carbon border adjustment mechanism, green transformation and digitalization.

2023 was the year of exporter SMEs at Türk Eximbank

The number of exporter firms extended support by our Bank approached 17,000 in 2023. As Türk Eximbank, we are targeting to reach a higher number of exporter SMEs in keeping with our policy to expand our base, and we are delighted that SMEs make up 93% of 2,009 exporters that made use of the Bank's support schemes for the first time ever in the past one year. With the contribution of the programs we develop, we increase the share SMEs that have an unchanged priority in our strategy get from our services year after year. While SMEs accounted for around 70% of the exporters supported by our Bank in 2020, this ratio rose to 84.2% in 2023.

In addition, we are attaching priority to exportation of high- and medium-high-technology products as well as the SMEs in line with our country's export strategies. High- and medium-high-technology exports accounted for 40.7% of Türk Eximbank's credit volume as at year-end 2023, and we are targeting to increase this ratio to 42.2% in the year coming.

We continued to be by the side of our exporters with our new products and services

While the strategic projects we have launched in 2023 and our activities with expanded scope rendered our Bank's services more accessible, the improvements we made to the processes further enhanced our service quality.

We have taken a crucial step to facilitate access to financing by companies exporting value-added and high-technology products that we prioritize in line with our target-oriented export credit strategy and we have diversified our credit collateralization structure in line with the practices in the banking sector. Following the evaluation where we measure our exporters' creditworthiness and export performance, companies can make use of Eximbank credit programs in return for alternative collateral types accepted by other commercial banks including securities pledge, guarantees by guarantee funds, mortgage, guarantees by real or legal persons, as well as bank letters of guarantee and our Bank's Export Receivable Insurance Policies. With this implementation, we have reduced exporters' cost to accessing financing and increased the accessibility of our support mechanisms.

In addition to financing programs introduced in line with interest-free banking principles, Participation-Based Export Receivable Insurance program was launched within the scope of receivable insurance that is another important area of activity of our Bank. A first in export credit insurance, the Participation-Based Export Receivable Insurance provides cover for our exporters' export receivables with a maximum term of 360 days arising from the sales of goods to non-resident buyers in accordance with Islamic Banking Principles and Standards, and will contribute to growing our country's exports in a safe environment. We will continue to increase our products and services compliant with interest-free banking principles in line with our exporters' needs with the support of relevant regulatory agencies and participation banks.

Rediscount Credit Based in Swap Agreements that we have introduced with the CBRT was further expanded in 2023. Our efforts are ongoing to expand the credit to cover other countries, which was initially implemented for imports from the People's Republic of China.

We are supporting our exporters' green transformation journey with sustainability themed/linked funds.

As Türk Eximbank, we have secured funds worth USD 4.3 billion in 2023 from overseas capital markets and financial institutions to be on-lent to exporters within the scope of our strategy to create a stable funding structure; we are targeting to obtain additional funds in the amount of USD 5.6 billion in 2024.

At Türk Eximbank, we see that long-lived relationships our Bank establishes with domestic and overseas banks and institutions provide a solid base for the successful funding deals we carry out every year.

We have placed sustainability at the heart of our strategy with the aim of getting the exporters ready for the carbon border adjustment mechanism that will be started to be implemented in 2026, and we are taking environmental, social and governance risks into consideration when carrying out our activities. With this approach, we secured sustainability-linked/themed funds and syndicated loans worth approximately USD 3.7 billion arranged from overseas financial institutions to be allocated to our exporters from 2020 to date.

We continue to work on support models for minimizing the carbon tax costs of our exporters. We are targeting to extend credit support on the back of sustainability themed facilities for investments for achieving alignment with the Carbon Border Adjustment Mechanism, primarily to global buyers' suppliers in Türkiye.

We increased our cooperation and agreements with international institutions

We are spending efforts to establish partnerships that will pave the way for the provision of diverse financing facilities in cooperation with other export credit agencies and regional multilateral financial institutions with the aim of improving the competitive strength of our exporters and contractors in international markets. In this framework, we signed memoranda of understanding with the Export-Import Bank of China (China Eximbank), one of the official export credit agencies in the People's Republic of China, and Export Credit Greece (ECG), the export credit agency of Greece, in 2023.

We undersigned a strategic partnership as Türk Eximbank, and executed a shareholding agreement with the Africa Finance Corporation (AFC), one of Africa's key multilateral financial institutions. This made us the first non-African shareholder in AFC, the continent's leading provider of infrastructure solutions. This investment that represents our Bank's first-ever stakeholding in an international entity is strategically important in terms of our country's Africa Partnership Policy. Through this investment, we are targeting to strengthen the economic ties between Türkiye and AFC-member countries and to extend support to our exporters and contracting companies' deals in Africa.

We will continue to be the top solution partner of our exporters with the strategic projects we will implement in 2024.

2024 will be a year of important steps taken for Türk Eximbank's digitalization. In addition to increasing transaction diversity on our digital channels, we will improve user experience and start seeing the results of the projects we have initiated. Furthermore, we are planning to start intermediating all kinds of foreign trade transactions of our exporters in 2024, being our country's official export credit agency.

As our Republic embarks upon its new century, we are confident that our country will achieve major progress in growing and developing through exports. Continuously increasing and improving the support mechanisms we provide as Türk Eximbank, we will continue to stand by our exporters as their top solution partner in line with this target.

Ali GÜNEY

General Manager

Historical Background

Exports gained great importance in Türkiye after the introduction of outward-oriented policies in the 1980s. In the process, the mission of supporting exports was undertaken by Türk Eximbank that was established in 1987.

Türk Eximbank was chartered by the Board of Ministers through Decision No. 87/11914, following the order of Law No. 3332 dated 31 March 1987 by maintaining the juridical and legal personality of the State Investment Bank. In effect, according to the charter, Türk Eximbank took over the State Investment Bank's credit, funding, support, insurance, guarantees of goods and services, exports and imports, overseas contracting services, manufacturing and sales of domestic investment goods, and foreign investments, but at the same time it was transformed into a joint stock company subject to the provisions of the Private Law of the State Investment Bank. Türk Eximbank was established in 1987 as the official export credit agency according to international classifications, and started to implement its programs at the beginning of 1988.

The objectives of the Bank, which is the only official export credit agency in Türkiye, are spelled out as follows:

- Increasing the volume of exports;
- Diversification of export goods and services;
- Developing new export markets;
- Increasing the exporters' share of international trade and providing necessary support for their initiatives;
- Gaining competitiveness and bringing assurance to exporters, overseas contractors and investors on the international markets; and
- Promoting and supporting the production and sale of investment goods for export through overseas investments.

As a means of aiding export development, Türk Eximbank offers specialized financial services to exporters, export-oriented manufacturers, companies engaged in FC-earning services and overseas investors and contractors through short, medium- and long-term cash credit, insurance and guarantee programs.

Türk Eximbank's role in funding exports has steadily increased over the years. According to the country's liabilities against international institutions regulating the world trade, Türkiye had to terminate the direct export incentives, and because of the commitment to comply with the commercial and competition policies of EU and the Customs Union. As a result of these developments, the funding of exports through credit, guarantee and insurance programs has become the most significant stimulant element in terms of increasing the competitiveness of Turkish exports on international markets.

The “Articles of Association and Duties of the Export Credit Bank of Türkiye”, which has since been repealed, was prepared to reflect the changes in legislation required regarding the activities of the Bank in line with the Principles Appendix to Decision No. 87/11914 regulating the establishment of the Bank, Turkish Commercial Code No. 6102, the changes in the banking legislation, and global financial and economic developments that have occurred since the Bank’s establishment, and was published in the Official Gazette dated 23 February 2013 as an attachment to Decision 2013/4286 of the Board of Ministers. Operating principles of the Bank are currently being determined in accordance with the principles set forth in the appendix of Board of Ministers decision numbered 2013/4286.

In accordance with Article 4/C of the Chartering Law, which was amended by Act No. 3659 and Article 10 of the Law No. 4749, the Ministry of Treasury and Finance covers any losses incurred by Türk Eximbank in its credit, insurance and guarantee transactions arising from political risks.

In accordance with the second paragraph of Article 2 of the Law numbered 3332, the Ministry which the Bank is related to is determined by the decision of the Presidency. In this context, Türk Eximbank has been linked with the Ministry of Trade based on the Presidency’s Memorandum numbered 2018/1 which was in effect by its issuance at the Official Gazette numbered 30479 dated 15 July 2018.

Most recently, Article 8 of the Law numbered 7341 dated 4 November 2021, which came into force upon its publication in the Official Gazette issue 31651 dated 6 November 2021 amended the first sentence of Article 4 (1) of the Law numbered 3332 and supplemented item (D) to the same Article. This amendment granted the Bank certain exemptions and exceptions in order for the Bank to carry out its operations more effectively and for preventing contraction of the funds allocated for supporting exports.

Changes in the Articles of Association

At the Extraordinary General Assembly Meeting of Türk Eximbank convened on 12 January 2017, “Article 7 - Capital of the Bank”, and “Article 8 - Capital Increase” of the Articles of Association were modified. Under the modification made, the Bank switched to the registered capital system and the registered capital ceiling was set as TL 10,000,000,000. At the Ordinary General Assembly Meeting of the Bank convened on 26 March 2021, Articles 7 and 8 of the Articles of Association were updated and the registered capital ceiling was set as TL 17,500,000,000. At the Ordinary General Assembly Meeting of the Bank convened on 14 March, Article 7 of the Articles of Association was amended once again, and the registered capital ceiling was increased to TL 30,000,000,000. Finally, the Bank’s Ordinary General Assembly Meeting convened on 21 July 2023, and Article 7 of the Articles of Association was updated and the authorized capital was increased to TL 50,000,000,000.

Based on the Bank’s Board of Directors decision dated 23 June 2023, the Bank’s registered capital was increased to TL 20,600,000,000, which is the current registered capital amount.

Capital Structure

The Undersecretariat of Treasury holds all of the Bank's shares. Neither the chair nor the members of the Board of Directors nor the general manager nor any deputy general manager owns shares in the Bank.

Türk Eximbank's Position in the Turkish Banking Sector

	TURKISH BANKING SECTOR*	TÜRK EXIMBANK**
Total Assets (TL billion)	23,519	608
Total Loans (TL billion) ***	11,869	517
Loans/Assets (%)	50.4	85.1
NPL Ratio (%)	1.6	0.1
Shareholders' Equity (TL billion)	2,122	42.4
Capital Adequacy Ratio (%)	18.85	20.84
Net Profit (TL billion)	604	11.3
Return on Assets (%)	3.19	2.40
Return on Equity (%)	41.53	46.24

* BRSA data as of December 2023

** Türk Eximbank data as of December 2023.

*** Total loans include NPLs.

Overview of Türk Eximbank's Activities in 2023

Being the official export credit agency in Türkiye, Türk Eximbank helps Turkish companies engaged in goods and services exports, overseas contracting, and investment goods manufacturing and sales increase their share in international trade by extending them credit and credit insurance support.

Being a specialized bank in export financing, Türk Eximbank has embraced it as a primary goal to achieve its predefined targets associated with export finance rather than maximizing profit. However, care is taken to pursue policies that will safeguard a healthy financial structure in keeping with the responsibility of being a bank.

Türk Eximbank initiated the “Türk Eximbank Strategic Transformation Program” with the aim of more effectively supporting our country's export strategies and flourish the foreign trade ecosystem in line with the worldwide best practices in collaboration with its stakeholders. Under this program, Türk Eximbank is transforming into a structure that proactively supports the exporters that generate high added-value for the national economy and pursue operations in line with our country's export strategies. The Bank identifies exporters' needs and challenges, and takes steps to expand its product and service array targeted at their needs and improve exporters' experience of making use of Türk Eximbank support schemes.

In line with our Bank's main goal, which is defined as “Augmenting the Impact of Eximbank Support Schemes to the Country's Exports”, the Bank's strategic priorities have been defined as increasing the support schemes provided for value-added exports, increasing the support schemes provided to SME exporters, and increasing the support schemes targeted towards green transformation.

In a bid to achieve these strategic goals, our Bank's strategic priorities for 2024 have been spelled out as follows:

- Continue with digitalization and technological transformation programs,
- Develop support mechanisms for exporters' green and digital transformation,
- Continue with Eximbank's credit and insurance business model transformation programs,
- Develop support mechanisms focused on high technology and added value,
- Introduce the foreign trade module and intermediate foreign trade transactions.

In 2023, under the Strategic Priorities and Transformation Program:

- Tracking systems that incorporate early warning indicators have been set up for effective monitoring of companies' risks and for taking action before the risk materializes.
- Collaterals were diversified based on approaches that take into consideration exporters' “creditworthiness” together with their “export worthiness”.
- Automated Limit Decision Models have been created in line with best practice examples with the aim of expediting the service to be rendered to exporters.

- Under Insurance Transformation, Actuarial Modeling Project entailing the pricing of insurance products has been completed.
- A structure has been created that will allow working with brokers in insurance/reinsurance; on the other hand, work is in progress for execution of marketing and sales activities of insurance policies also via insurance brokerage companies.
- A model has been created, which will calculate the carbon tax costs of exporters at high risk of being exposed to carbon border tax that will start to be implemented in 2026.
- Under Digital Transformation, Internet and mobile branch front-ends were revamped and user experience was improved. Screens and menus were simplified, thereby providing ease of use to exporters.
- The so-called “Customer 360” customer screens have been put into use, which will be used to instantly follow up the foreign trade data, financials, Türk Eximbank credit and insurance data of exporters that are our customers.
- Within the Scope of Product and Service Array Diversification, Participation-Based Export Receivable Insurance product has been launched for interest-averse exporters.
- In keeping with the focus placed on digitalization and automation efforts for bettering/shortening analysis and allocation processes and mitigating operational risks, associated system integrations have been finalized. System developments will be continued also in the future in line with the needs of our Bank and sector.

In 2024, our Bank will carry on with its activities and implementing its projects in line with our country’s export strategies and our Bank’s strategic priorities and goals.

Domestic Loans

Türk Eximbank supports exporters, export-oriented manufacturers, companies exporting FC-earning services, and international contractors/investors with short- and medium-long-term cash credit programs. The financing support that companies will need during the production process is extended both for pre-shipment and post-shipment periods through cash loans.

In 2023, short term loans extended by Türk Eximbank including maturity extensions totaled USD 16.3 billion, and medium-long term domestic loans totaled USD 3.3 billion.

During 2023, 13,167 firms, which together accounted for a significant share of Türkiye’s total exports, benefited from Türk Eximbank’s loan programs.

Priority was given to SMEs in lending, and TL credits were predominantly used for SME financing. As a result of additional funds provided to the SMEs, prioritization of their credit requests, and term extension support offered, TL 98.8 billion in local currency and USD 902.6 million in foreign currency were allocated in the form of credit support, and total SME credits amounted to USD 5 billion. Accordingly, 25.31% of the Bank’s credit support were allocated to SMEs.

In the distribution of loans by countries to which Turkish exporters borrowing from our Bank undertake to make exportation to, EU countries lead with 44% share.

Logistics and transportation sector took the lead with 18% share in the sectoral distribution of loans.

Credits by Country Groups

(%)



● European Union	44%
● Other	26%
● Middle East and North Africa	10%
● Canada and North America	7%
● Far East and Japan	5%
● Non-EU Europe	4%
● Central and Western Asia	4%

Domestic Credits by Sectors

(%)



● Logistics and Transportation	18
● Food	10
● Metal	8
● Chemistry and Plastics	8
● Construction and Construction Materials	8
● Textile and Textile Raw Materials	8
● Ready-to-Wear and Apparel	7
● Services	7
● Wholesale Trade	5
● Automotive	4
● Electric & Electronics	3
● Agriculture and Fishery	3
● Furniture, Household and Office Equipment	2
● Machinery and Equipment	2
● Other*	7

*Information and Communication Technologies; Paper and Forestry Products; Energy; Electrical Household Appliances; Healthcare; Retail; Glasswork sectors are included in the Other category.

Recent Adjustments and Changes in Domestic Credit Programs

- Maximum maturity for short-term FC credits was applied as 720 days, whereas it was applied as 10 years for medium-long-term FC credits. Additionally, fixed-rate borrowing was made available for medium-long term FC credits.
- Maximum maturity for TL credits was set as 720 days and installment periods started to be implemented on quarterly basis.
- Instead of USD LIBOR, CME TERM SOFR rates started to be used for periodic interest rates to be determined in credit facilities disbursed/to be disbursed in USD terms.
- Maximum maturity for FC Pre-Shipment Export Credits and TL Pre-Shipment Export Credits was set as 720 days.
- In Pre-Shipment Export Credits disbursed via Participation Banks, the maximum terms were set as 720 days for TL loans and 540 days for FC loans.
- Used by companies that will make their first-ever credit application to our Bank for delivering their request and application documents, Web Application screens were improved and unified to be used for insurance and credits, thus facilitating firms' access to our Bank's services.
- Significant distance was paved in digitalization and automatic limit decision mechanisms have been devised for faster evaluation of exporters' demands for financing.
- Suggested Risk Groups screens developed in 2023 systemically supported accurate identification of the risk group in which a firm belongs through automatic queries made from internal and external sources.
- Under the action-related articles of the Protocol Between the Government of the Republic of Türkiye and the Turkish Republic of Northern Cyprus for Improving Trade and Economic Cooperation signed by and between the Republic of Türkiye and the Turkish Republic of Northern Cyprus (TRNC), work was brought to completion for provision of financing support to service exporters residing in the TRNC by our Bank under the Pre-Shipment Export Credit program. As a result of the said work, FC disbursements were made available as an option in addition to TL disbursements.
- With the aim of diversifying financing sources under the Post-Shipment Rediscount Credit, BRT-sourced Turkish lira credit disbursements were initiated in addition to Bank-sourced FC disbursements.
- Under the Post-Shipment Rediscount Credit program, the practice of following up the risks not closed on maturity by the buyer or exporter in accounts receivables has been terminated; instead, a practice has been launched under which risks that could not be closed on maturity are reported to the Credit Risk Center.
- Standard letter of guarantee wording started to be used in credits disbursed by the Bank in return for a letter of guarantee issued by the CBRT or our Bank so as to guarantee uniformity for all transactions with the purposes of improving processes, preventing operational mistakes that may result from different wording options, and achieving alignment with Islamic banking principles and standards.

- The Bank joined in the “İGE Surety Portal” application from which member banks are able to obtain the information they may need to determine the creditworthiness of an exporter applying for surety, view the requested credit information, and deliver and revise their proposals.
- İGE Equity Surety Support Package upper limits were updated, and credit upper limits were increased to TL 30 million for SME beneficiaries and TL 60 million for non-SME beneficiaries. Furthermore, the lower limit of expert opinion assessments created for the evaluation of non-SME beneficiaries’ applications for TL 20 million and higher was increased from TL 20 million to TL 30 million, and disbursements started for applications that have been assessed within the scope of expert opinion.
- The web service integration has been completed, which was needed for reporting the collections pertaining to credits disbursed against İGE guarantee to İGE. İGE-guaranteed credit applications started to be accepted from companies that have reached the upper limit assigned to them in terms of the total amount of disbursements for the gaps created in their limits through collections.
- The “FC-Earning Services and Activities” definition in the “Portfolio Guarantee System Protocol for Equity Guarantee” signed by and between our Bank and İGE has been revised; accordingly, credits can now be disbursed against İGE guarantee to education, informatics, telecommunication, cloud and data center operation, entertainment and cultural services sectors and car-rentals abroad to non-residents.
- During 2023, exporters generating added value continued to be supported with İGE guarantee programs.
- The obligation to provide expenditure documents has been lifted in Bank-sourced credits disbursed against İGE guarantee.
- In December 2022, the first deal has been realized under the Rediscount Credit Based in Swap Agreements launched under CBRT Rediscount Credits, which were introduced with the aim of increasing international competitive strength of manufacturers and manufacturer/exporter firms producing goods for export and firms undertaking FC-earning services and activities, and of fulfilling their need for financing during their preparation for exportation, and the credit facility started to be disbursed broadly in 2023. Rediscount Credits Based in Swap Agreements made available to 67 firms in 2023 amounted to CNY 356 million (USD 49.2 million).
- The marketing activities are ongoing for the “Manufacturing Credit for Exporters Program”, which will be financed by low-cost special funds to be secured from overseas financial institutions and export credit agencies with the aim of financing our exporters’ raw material, intermediate goods and investment goods procurement.
- For the fulfillment of letter of guarantee needs of resident contractor firms’ non-resident subsidiaries, in which the former holds 50% or higher share, “Overseas Letter of Guarantee Program Implementation Principles” have been modified for satisfying their need for the issuance of a letter of guarantee in favor of their non-resident subsidiaries in which they hold 50% or higher share from out of the non-cash credit lines allocated by our Bank to the resident company.

- An agreement has been signed on 13 December 2022 to obtain funds in the amount of EUR 150 million from the Council of Europe Development Bank (CEB) with the guarantee of the Republic of Türkiye Ministry of Treasury and Finance so that our Bank will be able to finance the operating capital and investment finance needs of manufacturers that produce final goods for exportation and export these goods via an exporter although they are not in the capacity of an exporter or manufacturer/exporter or exporter and of companies undertaking FC-earning services and activities with medium-long term facilities.
- Our Bank broadened the scope of its products and services in view of the needs that companies engaged in value-added and high-technology exportation have in accessing financing within the frame of the strategic transformation it has launched under its export-oriented growth strategy. To this end, collaterals have been diversified based on approaches that take into account exporters' "creditworthiness" together with their "export worthiness". Accordingly, alternative collateral types generally accepted in the banking sector started to be accepted also by Türk Eximbank, including securities pledge, guarantees by guarantee agencies such as the Credit Guarantee Fund (KGF) and İGE, mortgage, guarantees by real or legal persons, as well as bank letter of guarantee and our Bank's Export Receivables Insurance Policy.
- The Board of Directors passed a decision to be included in the "İGE Centennial Treasury Support Package" with the aim of offering diverse collaterals to our exporters under the protocol signed by and between İGE and the Republic of Türkiye Ministry of Treasury and Finance to enable İGE to provide Treasury-backed guarantee.
- The KGF export support package is intended to support working capital requirements of exporters to help them increase their export volumes and promote value-added exportation.
- Murabaha (cost-plus financing) agreement and implementation principles aimed at business finance and financing of finished investment goods have been revised in accordance with the requirements of the Central Advisory Board Murabaha Standard and the BRSA, and the product's name was changed from Participation Finance Business Loan to Murabaha Finance (Sale with Profit Statement).
- As part of the efforts for alignment with the Central Advisory Board Murabaha Standard, BRSA requirements and Islamic Banking Principles and Standards, Work Financing program has been created in accordance with the Islamic Banking Principles and Standards to fulfill financing demands for goods to be produced or unfinished goods.
- Under the Overseas Letter of Guarantee Program, correspondent banks have been contacted to get quotations for our exporters' demands for letters of guarantee.

Actualizations on the basis of Domestic Credit Programs (USD billion)

Direct Disbursements	19.1
Bank-Sourced Loans	6.6
CBRT-Sourced Loans	12.5
Intermediary Bank/Institution Loans	0.5
Loans Extended via Intermediary Banks/Financial Institutions*	0.5
TOTAL	19.6

* A minimum portion of 30% of the credit lines allocated to intermediary banks must be disbursed to SMEs; accordingly, loans worth USD 0.493 billion were allocated to SMEs through intermediary banks during 2023 (91%).

Buyer Loans Programs

International Loans Programs, under which projects undertaken abroad by Turkish contractors and the buyers (public and private) of Turkish goods in foreign countries, are intended to increase Türkiye's exports, diversify the goods and services exported, acquire new markets for export goods, increase the share exporters get from international trade, and provide competitive strength and assurance to Turkish firms in international markets. All supports provided under International Loans are in the nature of "buyer's credits" and debtors are directly governments, the buyer country's state-guaranteed public institutions or overseas/domestic banks within the allocated limits.

To add momentum to International Loans Programs and in turn, to increase exports of Turkish goods and services, revolving loan agreements are made with non-resident banks that the Bank deems reliable for overcoming the hardships borrowers experience in getting a state guarantee and for extending support to the private sector's transactions, as well.

In this context, negotiations are ongoing for potential transactions within the frame of the credit lines allocated to two multinational banks (the African Export-Import Bank and the Eastern and Southern African Trade and Development Bank), as well as commercial banks operating in various countries.

The stagnation that resulted from the COVID-19 pandemic that took the whole world in a tight grip as of the first quarter of 2020 partially continued in 2022 although at a lessening degree; the war that broke out in February 2022 between Russia and Ukraine, our two important partners in trade which are our neighbors along the Black Sea, led to worldwide price increases particularly in energy and agricultural goods; the measures adopted by central banks that manage the reserve currencies for fighting the resulting inflation pushed interest rates up, which have resulted in high borrowing costs since 2022 for developing countries that are more vulnerable as compared to developed economies.

The interest rates offered to prospective borrowers under the International Loans Programs that were found to be high in conjunction with the elevated borrowing costs on one hand, and significantly restricted borrowing facilities available to countries our exporters and contractors pursue activities in under these countries' agreements with international agencies resulted in limited buyer credit demands for overseas contracting and exports transactions. Despite all the negative circumstances mentioned above, credits disbursed under the International Loans Programs amounted to USD 46.8 billion.

Under the existing overseas bank analysis and credit line allocation methodology, a total credit line of USD 422 million was allocated to 8 banks, 3 of which are multinational banks. Hence, the transaction coverage expanded over 54 countries via the member countries of multinational banks.

Besides credit disbursements, letters of intent continued to be issued, which contribute to their undertaking new projects abroad particularly when developing business in risky markets. During 2023, 12 Letters of Intent were issued for financing projects and goods exports planned to be undertaken by Turkish companies in a total of 7 countries in Africa, Asia and Europe. If the projects/transactions covered by the letters of intent provided to the firms are actually carried out, exports of goods and services from Türkiye is anticipated to amount to USD 2.1 billion.

In addition, our Bank participated in the meetings of the Environment Practitioners Group, Country Risk Experts, Technical Experts Group and Shipbuilding Working Group organized under the OECD, and made contributions for the formation of our country's position and opinions.

Actualizations on the Basis of Projects/Deals under Buyer Credit Programs

Within the scope of the State-Guaranteed Buyer's Credits program, financing in the amount of USD 46.8 million has been provided in 2023 to the buyers of various goods and equipment exported from Türkiye under the credit agreement for the amount of USD 200 million signed in 2018 between the Tunisian Ministry of Development, Investment and International Cooperation and our Bank.

The Paris Club's press release of May 2023 announced that the Creditors Committee that includes our country has been established for the state of Ghana's request for debt restructuring under the Common Framework. Our Bank attends the meetings of the Paris Club Creditors Committee along with the officials from the related Ministry, and the developments about that country are closely monitored.

On the other hand, USD 138.3 million has been collected from our debtors during 2023 within the scope of International Credit Programs.

Receivable Insurance

Türk Eximbank boasts being the entity that has initiated export receivables insurance in Türkiye and that has established awareness of the need for export insurance. Initially introduced to cover solely short-term export receivables against commercial and political risks, the export credit insurance system's scope was broadened in time, and medium/long-term exports of goods were also included within insurance coverage with the Specific Export Credit Insurance Program.

Through its insurance programs, the Bank provides insurance coverage for exports to countries covered under the insurance against losses arising from commercial and political risks arising from the importer firm and importer's country. In addition, domestic receivables of exporters are protected against commercial risks also through domestic credit insurance as well as export credit insurance.

Moreover, obtaining a credit from financial institutions is facilitated by putting up credit insurance policies as collateral.

During 2023, shipments with a total worth of USD 22.4 billion were insured under Short-Term Export Credit Insurance, Short-Term Domestic Credit Insurance and Medium-Long Term Export Credit Insurance.

In 2023, reinsurance continued to be obtained from domestic and overseas companies for 60% of commercial and political risks (pertaining to OECD non-member countries) assumed within the frame of receivable insurance programs.

In 2023:

- In order to satisfy our exporters' current needs and demands, the scope of FC-earning service receivables that can be covered under our Bank's Service-Added Short-Term Export Credit Insurance Policy has been expanded.
- Short Term Export Credit Insurance, Short-Term Domestic Credit Insurance, Service-Added Short-Term Export Credit Insurance and Participation-Based Receivable Insurance Policies have been revised.
- Momentum was given to creation of Islamic Banking products, and Participation-Based Export Receivables Insurance Program has been introduced.
- Türk Eximbank Country Risk Classification used in the pricing of export credit insurance products have been revised relying on the work carried out in 2023.
- Actuarial pricing was worked on for Short-Term Receivable Insurance products; additionally, work was initiated for the management of insurance premium discounts and strategic discount formulation.
- Preliminary meetings were held with various insurance brokers that are competent in Receivable Insurance with the aim of letting the marketing and sales activities of our Bank's Receivable Insurance Policies be carried out via insurance brokerage firms, in addition to our Bank's branches and Regional Insurance Marketing and Coordination units.

Short-Term Export Credit Insurance

The Short-Term Export Credit Insurance Program provides cover for all shipments of exporters up to 360 days against commercial and political risks.

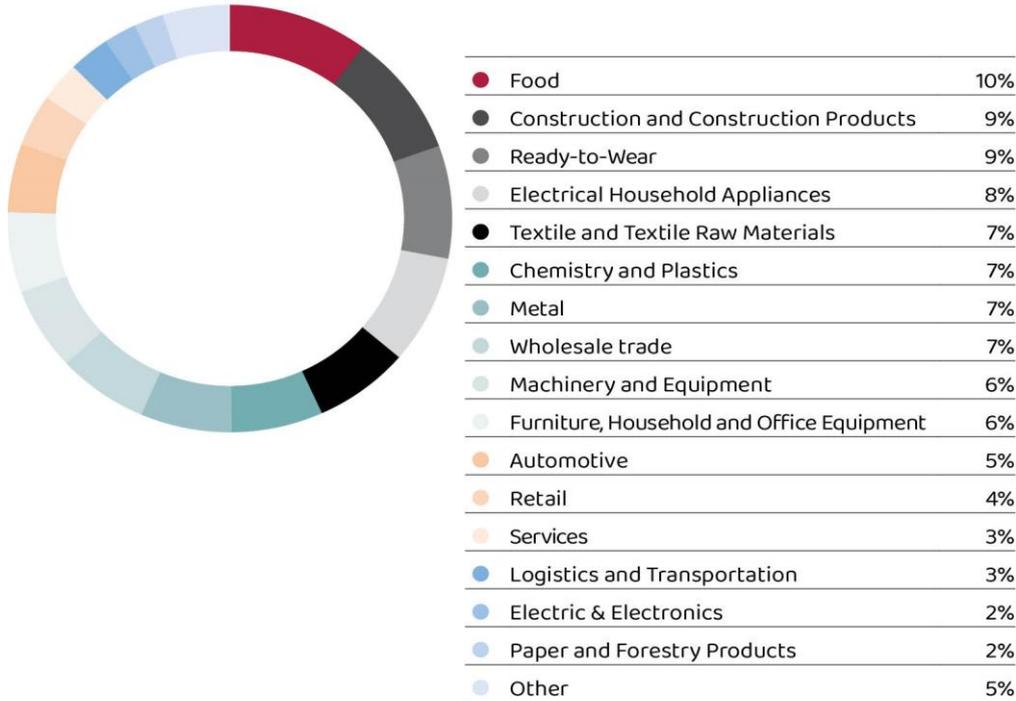
Offered since 1989 by Türk Eximbank, Short-Term Export Credit Insurance became a service recognized and extensively used by exporters in time. As a result, 6,857 export firms were making use of the service as of 2023 year-end.

Under the program, exports worth USD 19.7 billion was provided with insurance cover in 2023, and premiums in the amount of USD 64.9 million were collected for the insured shipments.

In the sectoral distribution of insured shipments, food industry took the lead with 10% share, followed by construction and construction products industry and metal, ready-to-wear and garment industry with 9% share each.

Insurance Cover by Sector

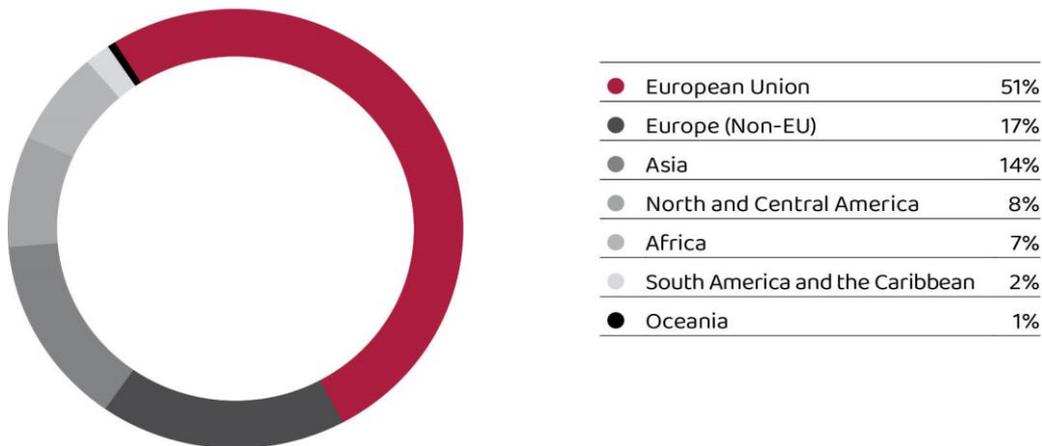
(%)



The regional distribution, however, is topped by European (European Union and non-EU combined) countries with 68% share, whereas Asia ranked second with 14% share and North and Central America ranked third with 8% share.

Insurance Cover by Country Groups

(%)



The number of buyers granted consistent limit under the Short-Term Export Credit Insurance Program is 53,190.

In 2023, Türk Eximbank indemnified USD 24.9 million in losses, which arose from shipments to various countries and the receivables from which could not be collected when due, under the Short-Term Export Credit Insurance Program. In the same period, Türk Eximbank recovered a portion of USD 6 million out of the losses indemnified before.

Short-Term Domestic Credit Insurance

Short-Term Domestic Credit Insurance program for exporters and their group companies is another area of insurance that Türk Eximbank is engaged in.

With this program, receivables of exporters and group companies having a Short-Term Export Credit Insurance Policy from credit-sale shipments up to 360 days, which are associated with their domestic operations, are insured against commercial risks within specified limits.

As of year-end 2023, 159 firms' shipments worth USD 2.7 billion were insured. Premiums in the amount of USD 6.3 million was collected for the shipments insured, while claims paid amounted to USD 35 thousand.

Specific Export Credit Insurance

Exporters' receivables arising from shipments born out of a single sales contract with a maximum term that is defined in line with OECD rules are provided coverage with Specific Export Credit Insurance. Under the program, sales through overseas subsidiaries can also be insured besides exports of Türkiye-origin investment goods and services of export companies.

Other Insurance Programs

Other insurance programs offered by Türk Eximbank are Participation-Based Receivable Insurance, Pre-Shipment Risk Insurance, Financial Institutions Buyer's Credit Insurance, Overseas Contracting Services Political Risk Insurance and Letter of Credit Confirmation Insurance programs.

The Participation-Based Receivable Insurance Program provides cover for export receivables with a maximum maturity of 360 days arising from exporters' goods sales aligned with Islamic Banking Principles and Standards to non-resident buyers against commercial and political risks

Pre-Shipment Risk Insurance Program, another product aimed at exporters, provides insurance coverage for potential losses directly associated with production costs that an exporter might sustain in the event that the order is cancelled by the buyer during the production phase in connection with commercial and political risks.

Overseas Contracting Services Political Risk Insurance Program aimed at contractors, on the other hand, provides insurance coverage for potential losses Turkish contractors may sustain in relation to their overseas projects as a result of political risks.

Financial Institutions Buyer's Credit Insurance offered for banks provides insurance coverage for losses sustained by the creditor due to the borrower's non-repayment of the buyer's credits provided by domestic and overseas financial institutions for exportation of Turkish goods and services.

Letter of Credit Confirmation Insurance Program, on the other hand, insures losses sustained by the confirming bank in the event that letters of credit opened by an overseas issuing bank, to which the confirmation of a domestic bank is added, shall have not been paid by the issuing bank due to commercial and political risks.

Financing and Treasury

In 2023, Türk Eximbank secured funds in the amount of USD 4.3 billion from international markets and an additional USD 1.3 billion within the scope of funding from treasury transactions (repurchase agreements, TRS, money swaps, borrowings) and kept offering low-cost financing facilities with

various maturities from its fund stock maintained at USD 9.3 billion level, excluding CBRT funds. The Bank's total fund stock including TL credits and USD 9.5 billion CBRT rediscount facility was registered as USD 18.8 billion. On the other hand, principal repayment by the Bank amounted to approximately USD 3.3 billion during the reporting period.

Developments Regarding the Capital

As approved at the Extraordinary General Assembly convened on 12 January 2017, Türk Eximbank switched to the "Registered Capital System" in accordance with the Turkish Commercial Code no. 6102. The decision was registered with the trade registry and promulgated in the Turkish Trade Registry Gazette issue 9252 dated 30 January 2017.

As a result of the Bank's Ordinary General Assembly convened on 21 July 2023, the Bank's registered capital ceiling was increased from TL 30 billion to TL 50 billion.

Furthermore, the cash capital injection of TL 6.8 billion realized by the Republic of Türkiye Ministry of Treasury and Finance in July 2023 increased our Bank's paid-in capital from TL 13.8 billion to TL 20.6 billion, thus maintaining the solid capitalization.

Borrowing Transactions

TL funds derived within the scope of paid-in capital and interest collections were used for funding almost the entirety of TL loans disbursed in 2023, excluding Rediscount Credits.

The details about the Bank's borrowings in 2023 are presented below:

- Türk Eximbank heavily utilized the promissory note rediscount facility of the Central Bank of the Republic of Türkiye (CBRT). As of 31 December 2023, the balance of these resources including TL Rediscount Credits amounted to USD 9.5 billion.
- With the sustainability-linked syndicated loan deal carried out in May, Türk Eximbank secured a fund with a 1-year maturity in the total amount of USD 674 million, which consists of EUR 522 million, USD 54 million and CNY 325 million and which was participated by 24 international banks. In November, the Bank renewed the syndicated loan with a roll-over ratio of over 100%, again tied to sustainability criteria, and obtained a 1-year source of USD 658 million in total, which consisted of EUR 496.2 million, USD 79 million and CNY 350 million and which was participated by 21 international banks.
- The Bank obtained funds worth approximately USD 2 billion from international capital markets on the back of Eurobond deals whose issuances were completed in January and October 2023 and private placements. Moreover, the bond issuance Türk Eximbank carried out by early 2023 was granted "Quasi-Sovereign/GRE Bond Deal of the Year" award at the "Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards", a prestigious and respected recognition programs in the finance sector organized by the GFC Media Group.
- In August, Türk Eximbank secured a USD 277 million-fund under the murabaha syndicated loan agreement coordinated by the Islamic Trade Finance Corporation (ITFC).
- A fund in the amount of EUR 75 million was secured on 16 January 2023 as the first tranche of the EUR 150 million facility with a maximum term of 7 years signed with the Council of Europe Development Bank (CEB) on 13 December 2022 under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance.

- The amount of loans secured from international banks totaled USD 626 million in 2023.
- Furthermore, the Bank secured USD 1.3 million in funds secured through treasury transactions (repurchase transactions, TRS, borrowings). As at year-end 2023, the existing fund stock is in the order of USD 515 million.

Fund Management Activities

Türk Eximbank kept a close eye on national and global developments, and paid maximum attention to liquidity, interest rate and exchange rate risks management, taking into account such issues as interest and exchange rates, global macroeconomic conjuncture, and return-cost balance in 2023.

As part of liquidity management, funds generated through currency swap, repo transactions and borrowings from money markets were invested in CBRT, Takasbank Money Market and interbank market, and high interest income was achieved.

The liquidity ratio in total assets managed by the Treasury Department, which was kept within the legal limits set out in the BRSA Regulation Concerning Measurement and Evaluation of Liquidity Adequacy of Banks, averaged 5.5% throughout 2023, and the share of securities portfolio in total assets was 2.8% in average.

In the reporting period, the Bank carried on with short- and long-term swap operations for cash flow management and assets and liabilities harmonization purposes. Türk Eximbank's swap operations in 2023 aimed at managing the Bank's FX position and cash flows more effectively and ensuring asset-liability harmony, as well as for arbitrage purposes, were worth USD 20.3 billion, of which USD 19.3 billion was in short-term and USD 1.02 billion was kept in long-term.

Hedge accounting continued to be implemented in order to prevent fluctuations on the income statement resulting from interest and cross-currency swaps carried out for harmonizing FC funds secured from international markets through bond issuances or other borrowings with the assets composition.

Derivatives (forwards, options and swap transactions) and FX trading transactions continued to be offered with the purposes of protecting exporters' competitive strength in global markets, and strengthening their ability to manage the exchange rate risk stemming from FC receivables and FC liabilities and the interest rate risk that might arise from interest rate fluctuations.

International Relations

There are over 60 agreements of various content that Türk Eximbank signed with the export credit agencies of 40 countries, as well as multilateral financial institutions. The Bank sustained its close cooperation with these institutions and its efforts for signing new agreements also in 2023.

In this framework, our Bank signed Memoranda of Understanding (MoU) with China Eximbank, one of the official export credit agencies of the People's Republic of China, and ECG, the export credit agency of Greece, targeted at co-financing the transactions that the companies of the two countries will undertake in third countries, as well as mutual sharing of knowledge and experience. Moreover, the MoUs between our Bank and multilateral financial institutions, namely Economic Community of West African States (ECOWAS) Bank for Investment and Development (EBID) and Algeria's official export credit agency CAGEX, have been renewed.

In 2023, work continued to add new ones to the reinsurance agreements signed in earlier years with USEXIM (USA), UKEF (UK), BPIFrance (France), EKF (Denmark), OeKB (Austria), MEHIB (Hungary) and

EKN (Sweden) to enable co-financing of projects that Turkish exporters and contracting firms will undertake in third countries in cooperation with foreign firms, and thus, contribute to increase their competitiveness.

Türk Eximbank attended and contributed to the meetings of OECD Export Credits and Credit Guarantees Group, which was established to facilitate information and opinion exchange between member countries' related institutions regarding officially supported export credits and of which Türkiye became a permanent member in April 1998, particularly in the negotiations for revising OECD Guidance on Environmental and Social Impact Assessment.

The Bank participated in and contributed to the negotiations for finalizing the modernization of the Arrangement on Officially Supported Export Credits which is addressed in the meetings of OECD's Participants to the Arrangement on Officially Supported Export Credits, within which the Bank acquired "invited participant" (observer) status in 2006 and "participant" status in 2018, and for supporting climate-friendly projects at more favorable terms under the Arrangement, which is important for setting the minimum requirements for export credits to be provided by Participant countries.

Being a member of the Berne Union (the International Union of Credit and Investment Insurers), Aman Union (DHAMAN [The Arab Investment and Export Credit Guarantee Corporation] and Commercial & Non-commercial Risks Insurers & Reinsurers in Member Countries of Organisation of Islamic Cooperation), AEBF (Asian Exim Banks Forum) and ADFIMI (Association of National Development Finance Institutions (DFIs) in Member Countries of the Islamic Development Bank (IDB)), Türk Eximbank participated in the said associations' meetings, seminars and workshops held in 2023. The Bank attended and contributed to the meetings of Berne Union and Aman Union, on the Executive Committees of which our Bank sits as a member, which were held for the establishment of their strategies and goals for the coming period. The Bank maintained its position as the member of the Audit Board of ADFIMI.

Participation in Africa Finance Corporation as a Shareholder

The Bank signed a shareholding agreement with Africa Finance Corporation (AFC), one of Africa's most important multilateral financial institutions, and became a shareholder with a 3.25% stake. Representing the Bank's first-ever shareholding in an international institution, this investment is strategically important for Türkiye's Africa Partnership Policy. With this long-term strategic partnership with AFC intended to provide solutions for the infrastructure gap to help increase Africa's productivity and economic growth, and the collaboration targeted to lend contribution to increase the presence and contract undertaking capacities of Turkish exporters and contractors in the region, particularly in AFC-member 42 African countries, the Bank has become the first non-African shareholder in AFC.

Information Technology

Türk Eximbank continues to ensure both speed and productivity and to efficiently use resources by backing its service infrastructure with new technologies in the light of the advances in information technology.

Our facilitative projects that will fulfill our exporters' needs were put into life

Türk Eximbank added speed to its electronic transformation processes and carried out the following as part of its internal and external digitalization efforts:

Lending processes were integrated with İhracatı Geliştirme A.Ş. (İGE), which was established to provide guarantee support to our exporters, thus increasing the diversity of guarantees on offer.

Support was extended to work on Main Banking applications; the Treasury module was started to be upgraded.

Information Systems investments were made and work on UX design was completed for Internet Branch and Mobile Branch screens, which were then made available for use by exporters.

Under the Credit Transformation Project, Knock Out modeling was carried out and it was upgraded and put into use.

In relation to the Increased Analytical Maturity target, Enterprise Data Warehouse addressing all issues that concern all stakeholders was developed in line with business needs, and Data Analytics and Management Reporting was introduced via the Data Warehouse.

In addition to the above:

- Main banking database, server, data storage and backup systems were upgraded to capture the advancements in technology as part of Business Continuity activities. Furthermore, physical server environments were migrated to the virtualization platform for operational efficiency and energy efficiency purposes, which resulted in a virtualization ratio of 98%.
- Central printer management, monitoring and reporting system was introduced for the reduced paper consumption target as part of sustainability compliance efforts.
- Bank Business Continuity testing was carried out throughout the year, and work was undertaken regarding compliance with the ISO 27001 Information Security Management System Standard and the Regulation on Banks' Information Systems and Electronic Banking Services.
- Significant IT-related findings from Independent Audit, Internal Audit and Information Security Vulnerability (Penetration) Tests were remedied.
- Disbursement, collection and other processes of country loans within the scope of State-Guaranteed and Buyer's Credits Through Foreign Banks Programs continued to be improved using new technologies.
- 14 processes were taken to RPA (Robotic Process Automation) environment so that certain tasks in our Bank's operational processes will be handled by robot software, increasing the productivity of our Bank's workflow.

International Obligations

Work is ongoing to harmonize Türk Eximbank programs with WTO, OECD and EU guidelines, and these rules are taken into consideration in the programs implemented.

International Rules

In the programs it implements, Türk Eximbank must comply with the norms of the World Trade Organization (WTO), the OECD and the EU, as well as with other international regulations in connection with Türkiye's obligations in relation to its membership of the WTO, the OECD ECG and OECD Participants Group, and in relation to the agreement of the Customs Union and the EU accession process. Accordingly, work is ongoing to harmonize Türk Eximbank programs with WTO, OECD and EU guidelines, and these rules are taken into consideration in the programs implemented.

In 2023, the Bank continued to attend the meetings of OECD Export Credits Group (ECG) which aims to evaluate policies, identify problems and provide solutions by multilateral discussions on export credits, and closely monitored the developments. In all of its practices, the Bank adheres to the three recommendations that emerged from the studies at these meetings, i.e., OECD Recommendation on Bribery and Officially Supported Export Credits, Recommendation on Environment and Social Due Diligence and Recommendation on Sustainable Lending Practices and Officially Supported Exports Credits.

Upon our country's acquisition of Participant Status in the PG in 2018 where it was an "Invited Participant" (observer) since 2006, it has become part of the decision mechanism for revisions to the OECD Arrangement that sets the rules governing officially supported export credits with maturities over two years provided by the member countries, and all rules associated with export credits became binding upon Türk Eximbank as well.

Harmonization with the EU Acquis

The Bank's activities are covered under the "Competition Policy" and "External Relations" chapters of the EU Acquis, with which harmonization is to be achieved.

Pursuant to an EU rule, which states that marketable risks associated with short-term export credit insurance must be incurred by entities that do not receive governmental assistance, all of the Bank's short-term insurance activities will need to be organized under a separate entity within the frame of harmonization efforts with the EU Acquis. With respect to restructuring activities that will come up within the frame of the said EU Directive, it is anticipated that a joint project with all stakeholders will take place in accordance with the instructions of the Ministry of Treasury and Finance.

With respect to the "External Relations" chapter, medium and long term financial supports to be provided by the Bank have been aligned to a large extent with the EU Acquis, which includes OECD Regulation on Officially Supported Export Credits, following the participant status acquired by Türkiye in relation to the said Regulation in 2018.

Türk Eximbank's Targets and Activities in 2024

The official export credit agency of Türkiye, Türk Eximbank carries on with its operations adhering to the roadmap and projects determined in the Strategic Transformation Program it has launched in 2020 in line with our country's export strategies.

Committed to sustaining its support to exporters at an increasing extent in the new century of the Turkish Republic, Türk Eximbank takes heed of international best practices, as well as the policies and measures specified in economy programs when setting out its strategic priorities and goals.

The strategic transformation program launched within the scope of restructuring will be carried out solidly in 2024.

Türk Eximbank launched the "Türk Eximbank Strategic Transformation Program" with the aim of more effectively supporting our country's export strategies and flourishing the foreign trade ecosystem in line with the worldwide best practices in collaboration with its stakeholders. Under this program, Türk Eximbank is transforming into a structure that proactively supports the exporters that generate high added-value for the national economy and that pursue operations in line with our country's export strategies. It also identifies the needs and obstacles of exporters and companies with export potential, expands its product and service array targeted at their needs, and improves exporters' experience of making use of Türk Eximbank support schemes.

In line with our Bank's main goal, which is defined as "Augmenting the Impact of Eximbank Support Schemes to the Country's Exports", the Bank's strategic priorities have been defined as increasing the support schemes provided for value-added exports, increasing the support schemes provided to SME exporters, and increasing the support schemes targeted towards green transformation.

To reach these strategic goals, the Bank's strategic priorities for 2024 were set as follows:

- Carry on with digitalization and technological transformation programs,
- Develop support mechanisms directed towards exporters' green and digital transformation,
- Continue with Eximbank credit and insurance business model transformation programs,
- Devise support mechanisms focused on high technology and added value,
- Launch foreign trade module and intermediate foreign trade transactions.

In 2024, the Bank will keep carrying out its activities and executing its projects in alignment with our country's export strategies, the Bank's strategic priorities and goals.

Financing of High Technology and Value-Added Exports will continue to be prioritized.

Türk Eximbank's business model and corporate infrastructure will be developed in view of international best practices, and Eximbank's support schemes will be made available with priority given to green and digital transformation in the financing of high technology and value added exports.

New customer acquisition will persist on the back of collaboration with İGE (İhracatı Geliştirme A.Ş.) and KGF.

With the aim of increasing the number of our exporters benefiting from the Bank's support programs, İGE-guaranteed credit facilities will be made available, whereas KGF Treasury-Backed Guarantee Transactions Protocol will be reactivated, thereby increasing the number of exporters making use of our support schemes.

Support will be extended to investments in Carbon Border Adjustment Mechanism.

Work is ongoing on support models for minimizing exporters' carbon tax costs and its targeted to extend credit support with sustainability-themed funds to investments for compliance with the Carbon Border Adjustment Mechanism primarily to global buyers' suppliers in Türkiye.

Support will be extended to the "Levelling Up Exports to Distant Countries Strategy" also in 2024.

Support will be given to the Ministry of Trade's goal of increasing the range of exports of goods and services and developing trade with countries that are geographically distant from the country and have high export potential. To this end, 2024 Target Countries defined by the Ministry of Trade will be taken into account.

Solid capitalization will be maintained.

On 23 June 2023, the Board of Directors approved increasing Türk Eximbank's capital of TL 13.8 billion, which is fully paid-in, by TL 6.8 billion to TL 20.6 billion, which incremental amount will be paid by the Republic of Türkiye Ministry of Treasury and Finance, and the capital increase process has been finalized through its promulgation in the Turkish Trade Registry Gazette issue 10871 dated 14 July 2023.

Initiatives in interest-free finance will be broadened.

One of our Bank's interest-free fund disbursement methods introduced for interest-averse exporters, the İstisna method will be used to finance our customers' investment needs; furthermore, Participation-Based Export Receivables Insurance will contribute to increasing our country's exports in a safe environment by insuring the exporters' export receivables that will arise from their sales of goods in accordance with the Islamic Banking Principles and Standards to non-resident buyers against commercial and political risks.

New digital solutions will be offered for exporters with our Bank's Strategic Transformation Projects.

Digital service infrastructure reinforcement project will be brought to completion, and the transaction sets offered to exporters through our digital channels will be diversified.

Corporate Governance

Summary Report of the Board of Directors for 2023

Being our country's official export credit agency, Türk Eximbank services our exporters in line with our country's export strategies through 23 branches 6 liaison offices. As at year-end 2023, the Bank's total export credits amounted to USD 42 billion. The Bank extended loans worth USD 19.6 billion, of which USD 3.4 billion is medium- and long-term credits. On another front, Türk Eximbank insured receivables worth USD 22.4 billion, thereby offering our exporters a safe sales environment in the same timeframe.

At year-end 2023, Türk Eximbank's paid-in capital increased from TL 13.8 billion to TL 20.6 billion on the back of the cash capital increase of TL 6.8 billion carried out by the Republic of Türkiye Ministry of Treasury and Finance.

The number of credit-customer exporters the Bank has lent money to reached 13,167, and that of insured exporters to 6,885. In this framework, total number of unique exporter companies increased by 10% to 16,929, with 84.2% of them falling in the SME category.

An overview of 2023 activities...

Despite the challenging conditions the world trade had to deal with, Türkiye reached USD 255.8 billion in exports in 2023 drawing on the momentum captured in the past two years, and broke the record of the Republic era. Being Türkiye's official export credit agency, Türk Eximbank sustained its contribution to ensuring a safe exportation process for our exporters by extending a total support of USD 42 billion, comprised of USD 19.6 billion in credits and USD 22.4 billion in insurance and guarantee.

Rediscount credits disbursed under the Pre-Shipment and Post-Shipment Rediscount Credit programs amounted to USD 12.5 billion, which accounted for 63% of the Bank's total loan volume.

The loans disbursed under International Loans Programs in 2023 amounted to USD 46.8 million, and 12 letters of intent were issued in favor of Turkish companies for projects/export deals to be carried out in 7 countries with goods and services export potential worth USD 2.1 billion.

During the reporting period, shipments worth USD 22.4 billion were covered under Receivable Insurance Programs, with Short-Term Export Credit Insurance representing 88% of it. While premiums collected totaled USD 71 million under the said programs, claims paid amounted to USD 25 million.

New Products and Services Developed in line with Exporters' Needs...

While strategic projects introduced in 2023 and activities with expanded scope rendered the Bank's support mechanisms more accessible, the process improvements enhanced service quality.

- To facilitate access to financing by companies exporting value-added and high-technology products that are prioritized in line with target-oriented export credit strategy, credit collateralization structure has been diversified in line with the practices in the banking sector. Accordingly, alternative collateral types accepted by other commercial banks started to be accepted also by Türk Eximbank, including securities pledge, guarantees by guarantee funds, mortgage, guarantees by real or legal persons, as well as bank letters of guarantee and our Bank's Export Receivable Insurance Policies. This implementation reduced exporters' cost to accessing financing and increased the accessibility of support mechanisms.
- In keeping with the strategy to diversify products and services, solutions continue to be produced for our interest-averse exporters. In 2023, Agreement for İstisna was introduced,

which is a method for interest-free fund allocation. Furthermore, “Participation Based Export Receivables Insurance” program was put into implementation within the scope of receivables insurance that represents another major activity of the Bank, as well as financing programs introduced in line with participation finance principles. A first in export credit insurance, Participation Based Export Receivables Insurance will contribute to increasing our country’s exports amid a safe environment by providing insurance cover for export receivables with a maximum term of 360 days, which arise from sales of goods in accordance with Islamic Banking Principles and Standards, against commercial and political risks.

- Rediscount Credit Based in Swap Agreements that were co-introduced with the CBRT were further expanded in 2023. Efforts are ongoing to broaden the credit to cover other countries, which was initially implemented for imports from the People’s Republic of China.

Support to Investments for Alignment with Carbon Border Adjustment Mechanism...

Having placed sustainability at the heart of its strategy with the aim of getting the exporters ready for the carbon border adjustment mechanism that will be started to be implemented in 2026, the Bank continues to work on support models intended to minimize exporters’ carbon tax costs. Credit support will continue to be extended particularly on the back of sustainability themed facilities for investments for achieving alignment with the Carbon Border Adjustment Mechanism, primarily to global buyers’ suppliers in Türkiye. With this approach, sustainability-linked/themed funds and syndicated loans worth approximately USD 3.7 billion have been arranged from overseas financial institutions to be allocated to our exporters from 2020 to date.

Obtaining Funds for Low-Cost Financing Available in Various Terms to our Exporters...

In 2023, Türk Eximbank secured funds in the amount of USD 4.3 billion from international markets and an additional USD 1.3 billion within the scope of funding from treasury transactions (repurchase agreements, TRS, borrowings) and kept offering low-cost financing facilities with various maturities from its fund stock maintained at USD 18.8 billion level, including CBRT funds of USD 9.5 billion.

Prioritizing the financing of High-Technology, Value-Added Exports...

Türk Eximbank extends its support in line with the country’s export strategies; accordingly, financing of high-technology, value-added exports is prioritized when allocating the Bank’s support facilities. High- and Medium-High-Technology Exports accounted for 40.7% of Türk Eximbank’s credit volume at year-end 2023, which is targeted to be increased to 42.2% in 2024.

Benefits of Digital Transformation Start to be Manifested...

Within the scope of Türk Eximbank’s digital transformation, internet and mobile branches’ front-ends were revamped, resulting in improved user experience. Screens and menus were simplified for ease-of-use by exporters. Important steps are planned to be taken in 2024 for digitalization of Türk Eximbank, and the outcomes of the projects launched to enhance user experience as well as increasing transaction diversity on digital channels will start to be observed.

Strategic Partnerships, Renewed Collaborations...

Partnerships continued to be established, which will pave the way for making diverse financing facilities available in cooperation with other export credit agencies and regional multilateral financial institutions with the aim of helping increase the competitive strength of our exporters and contractors in international markets.

To this end, Türk Eximbank undersigned a strategic partnership in 2023, and executed a shareholding agreement with the Africa Finance Corporation (AFC), one of Africa's key multilateral financial institutions. This move made Türk Eximbank the first non-African shareholder in AFC, the continent's leading provider of infrastructure solutions.

Türk Eximbank has more than sixty agreements of various content that it signed with the export credit and insurance agencies of forty countries, as well as multilateral financial institutions. The Bank sustained its close cooperation with these institutions, as well as its efforts for signing new agreements in 2023.

Explanations about Türk Eximbank's Balance Sheet and Profit & Loss Statement

Türk Eximbank's balance sheet size reached TL 608 billion (USD 20.7 billion) as at 31 December 2023.

Türk Eximbank's assets are composed of credits by 85%, liquid assets by 5%, and financial assets measured at amortized cost by 3% and, derivative financial assets and other assets by 7%.

The Bank's loan portfolio reached TL 517.1 billion, up by 69% in the twelve months to end-December 2023. Of the total credits, 61.1% (TL 316.1 billion) are short-term credits and 38.8% (TL 200.4 billion) are medium- and long-term credits. Although a substantial portion of the Bank's funds are channeled to the exports industry in the form of credits, the ratio of non-performing loans (NPL) (TL 0.6 billion) to total loans is well below the sector's average and stands at 0.1%.

Türk Eximbank's total liabilities were worth TL 608 billion. Of these, 7% (TL 42 billion) consisted of shareholders' equity, 92% (TL 558 billion) of external funds, and 1% (TL 8 billion) of provisions and other liabilities.

Out of the Bank's shareholders' equity of TL 42 billion, 48.5% (TL 21 billion) pertains to paid-in capital, 25% (TL 10.5 billion) to profit reserves and others item, and 26.5% (TL 11 billion) to net profit for the period.

TL 555.5 billion of foreign resources used for funding the Bank's assets consisted of TL 279.4 billion in credits sourced by the CBRT, TL 166.4 billion in credits provided from domestic and foreign banks and borrowings from money markets, TL 100.7 billion in marketable securities issued, and TL 9 billion in subordinated loans.

At the Ordinary General Assembly convened on 21 July 2023, the authorized capital was increased to TL 50 billion. The Bank's paid-in capital is TL 20.6 billion as of 31 December 2023.

The credit-weighted composition of Türk Eximbank's balance sheet bears effects also on income. The Bank's total interest income is TL 48 billion, of which 91% (TL 43.6 billion) is interest received from loans.

On the other hand, the Bank's interest expense was TL 36.6 billion since the Bank secures funds by way of borrowing from domestic and international money and capital markets and through bond issuances. Of this amount, 82% (TL 29.8 billion) was interest paid on borrowings from domestic and international markets, and 16% (TL 6 billion) was interest paid on marketable securities.

The Bank booked a net profit of TL 11 billion for the period ended as of 31 December 2023. Therefore, the Bank registered return on assets and return on equity ratios of 2.40% and 46.24%, respectively.

The Bank carries out its operations in accordance with the legislation governing it and the provisions of its Articles of Association, and we hereby present our summary report pertaining for the period ended 31 December 2023 for your review.

Osman ÇELİK

Chairman

Özgür Volkan AĞAR

Deputy Chairman

Ali GÜNEY

Member

Nail OLPAK

Member

Fahriye Alev ARKAN

Member

Mustafa GÜLTEPE

Member

D. Bahar ÖZGÜN YILMAZ

Member

Board of Directors and Audit Committee

OSMAN ÇELİK

Chairman of the Board

Deputy Minister Osman Çelik was born in Kemaliye, Erzincan in 1964. He received his undergraduate degree in economics from the Middle East Technical University, Faculty of Economics and Administrative Sciences. He worked as an economist in the State Institute of Statistics in 1986 and 1987, before joining Faisal Finans Kurumu in 1988, where he served as a Specialist and Chief Specialist in the Project Evaluation and Preparation Department until 1995. He was the Project and Marketing Manager at İhlas Finans Kurumu from 1995 through 1999.

Between 2000 and 2005, he served as Assistant General Manager of Anadolu Finans Kurumu. From 2006 to 2015, he held the positions of Assistant General Manager for Credits and Assistant General Manager for Commercial Banking, respectively, at Türkiye Finans Katılım Bankası. As of June 2015, he assumed the position of General Manager of Türkiye Finans Katılım Bankası.

Mr. Çelik was appointed as the Undersecretary of the Republic of Türkiye Ministry of Treasury and Finance on 29 June 2016. During his tenure as Undersecretary, he served as a Member of the Executive Board of the Islamic Development Bank and also acted as Türkiye's G20 Sherpa. During the same period, he also held positions as a Governor in the World Bank, European Bank for Reconstruction and Development (EBRD), Asian Development Bank, Black Sea Trade and Development Bank, Ecobank, and Asian Infrastructure Investment Bank. In tandem, he served as a member of the Financial Stability Board (FSB), Financial Stability Committee, Coordination Board for Interest-Free Financing, and the Executive Board of the Small and Medium Enterprises Development Organization (KOSGEB).

Between 2017 and 2021, Çelik held the positions of Chairman of the Board, Board Member, and Chairman of the Audit Committee at Türk Eximbank. Starting from October 2018, he served as a Board Member and Chairman of the Credit Committee at Vakıf Katılım Bankası A.Ş. As of 25 March 2022, he was appointed as the General Manager of Vakıf Katılım Bankası.

On 21 June 2023, Mr. Osman Çelik has been appointed as the Deputy Minister of Treasury and Finance. Additionally, he has been serving as the Chairman of the Board of Directors of Türk Eximbank as of July 2023.

ÖZGÜR VOLKAN AĞAR

Vice Chairman of the Board

Özgür Volkan Ağar was born in Ankara in 1972 and completed his primary and secondary education in the same city. He graduated from the Department of Public Administration at Ankara University's Faculty of Political Sciences in 1994. He received his master's degree in public administration from Carnegie Mellon University in the United States.

In January 1996, he started his career as an Assistant Foreign Trade Specialist at the General Directorate of Import of T.R. Prime Ministry's Undersecretariat for Foreign Trade. From 1999, he worked as Foreign Trade Specialist at the General Directorate of Import. In 2005, he became a Branch Manager at the General Directorate of Export. From 2007 to 2009, he held the position of Commercial Attaché at the Consulate General of Georgia in Batumi. In 2009, he assumed the role of Department Head in the General Directorate of Export.

After serving as the Deputy Director General of the Export General Directorate at the Ministry of Economy from 2010, he held the position of Director General of the Export General Directorate at the Ministry of Trade for six years starting from January 2016. Finally, on 17 March 2022, he was appointed as the Deputy Minister of Trade at the Ministry of Trade.

As of July 2023, Özgür Volkan Ağar is a member of the Board of Directors at Türk Eximbank and has been serving as the Vice Chairman since the same date.

ALİ GÜNEY

Member of the Board and General Manager

Rize, 1964. Mr. Güney graduated from Marmara University, Faculty of Economics and Administrative Sciences. He worked in the Fund Management Department of Faisal Finance between 1990 and 1993. He assumed the duty of Assistant Manager in the Fund Management and Treasury Department of İhlas Finance from 1995 until 1999, when he joined Anadolu Finance as Fund Management and Treasury Manager, which position he held until 2005. Mr. Güney functioned as Treasury Manager at Türkiye Finans Participation Bank between 2006 and 2009 and as Deputy General Manager responsible for Treasury and Financial Institutions between 2009 and 2015. He was Deputy General Manager responsible for Treasury and Strategy at Vakıf Participation Bank from 2015 until 2019.

Mr. Güney has been serving as Member of the Board and General Manager of Türk Eximbank since 17 October 2019.

NAİL OLPAK

Member of the Board and Audit Committee Member

Nail Olpak was born in Burdur in 1961. He graduated from İstanbul Technical University, Faculty of Mechanical Engineering, and received his master's degree in energy from Yıldız Technical University. Having started his business life at Umar Makina A.Ş., he worked as Assistant Plant Manager at Özgün A.Ş., and as Vice Chairman at Cankurtaran Holding during the various stages of his career. Having founded NORA Elektrik Malzemeleri A.Ş. and PAK YATIRIM İnşaat A.Ş., Olpak currently holds the chairman seats on the boards of both companies, and member seats on the boards of the companies in which these companies hold shares.

Nail Olpak served as the 5th term Chairman of MUSIAD (Independent Industrialists' and Businessmen's Association) and Chairman of the High Advisory Board of MUSIAD, Vice Chairman of IBF (International Business Forum), Executive Board Member of B20 Türkiye, Assembly Member of ITO (İstanbul Chamber of Commerce), Board Member of IDTM (İstanbul World Trade Center), Board Member of Huzur Hospital Foundation, Board Member of ENVERDER (Energy Efficiency Association) and Muallimköy Teknoloji Bölgesi (Informatics Valley), Board Member and High Advisory Board Member of MMG (Architects and Engineers Group), Founding Committee Member of Turkish-Japanese University, Member of the Board of Trustees of Information Commercialization Center (BTM), and Advisory Board Member of ITU Faculty of Mechanical Engineering.

Olpak currently continues to serve as Chairman of the Board of Directors and Executive Committee at Foreign Economic Relations Board (DEİK), Board Member at Türk Eximbank, Turkcell and İstanbul Development Agency, Member of the Coordination Board for the Improvement of the Investment Environment (YOİKK), Chairman at World Turkish Business Council (DTİK), Member of the High Advisory Board at Independent Industrialists' and Businessmen's Association (MUSIAD), Founders Board Member at International Technological Economic and Social Research Foundation (UTESAV) and at Spreading Knowledge Foundation, Member of the Board of Trustees at Tourism Development and

Education Foundation (TUGEV), Huzur Hospital Foundation, Human Development and Social Education Foundation (IGETEV), İstanbul Medeniyet University Support Foundation, Kandilli Club Foundation, and Member of the Union of Chambers of Turkish Engineers and Architects (TMMOB), Architects and Engineers Group (MMB), Mimar Sinan Engineers Union (MSMB), and Aydın High School Alumni Association (ALMED).

Nail Olpak was awarded an Honorary Doctorate in International Relations by Ahi Evran University and Mehmet Akif Ersoy University. He speaks English fluently. Nail Olpak has been a member of the Board of Directors at Türk Eximbank since 26 April 2018 and an Audit Committee member since 13 May 2019.

MUSTAFA GÜLTEPE

Member of the Board/Member of the Audit Committee

Mustafa Gültepe was born in 1968 in Tonya-Trabzon. He graduated from Dokuz Eylül University Industrial Engineering Department in 1990. Gültepe completed his MBA master's degree at İstanbul University in 1997 and got into the sector at Taha Tekstil in 1992 after graduation. He is the founding partner and chairman of the board of Talu Tekstil, which was incorporated in 1994 as a subsidiary of Taha Group. Gültepe has been in the ready-to-wear garment industry for 30 years. He owns production facilities in İstanbul, Sakarya and Malatya, and employs approximately 4,000 people.

Between 2017-2021, he served as the Chairman of the Board of Sakarya 1st Organized Industrial Zone.

Gültepe has been on the Board of Directors of the İstanbul Apparel Exporters' Association (IHKİB) since 2010; he served as the Vice-Chairman of the Board of Directors between 2014-2018, and in the elections held in April 2018, he became the Chairman of the Board of Directors of İHKİB and still continues this duty. Gültepe was elected as the Chairman of the Turkish Exporters Assembly on 13 June 2022.

Mustafa Gültepe, who also serves as the Vice Chairman of DEİK and İhracatı Geliştirme A.Ş., is married, has three children, and speaks English.

Gültepe has been a Member of the Türk Eximbank's Board of Directors since 17 October 2022.

FAHRİYE ALEV ARKAN

Member of the Board

Fahriye Alev Arkan was born in Trabzon in 1952. Ms. Arkan graduated from Ankara University Faculty of Law and completed her law internship in 1976. She started her career that same year at the Ministry of Energy and Natural Resources and served as Consultant Lawyer at the SSI General Directorate. Ms. Arkan joined the State Investment Bank in 1987 and was involved in the restructuring of the State Investment Bank as Türk Eximbank. She has assumed positions as Specialist, Manager, Legal Advisor and Department Head at Türk Eximbank and served as Deputy General Manager of Insurance and Guarantee Operations between 2 March 1998 and 19 March 2012.

Ms. Arkan has been a Türk Eximbank Board Member since 10 May 2019.

DİDEM BAHAR ÖZGÜN YILMAZ

Member of the Board and Audit Committee Member

Didem Bahar Özgün Yılmaz was born in Ankara in 1973. She graduated from the Department of Statistics at the Middle East Technical University in 1995 and completed her master's degree in economics at the University of Michigan (USA) between 2000 and 2002.

She started her career as an Assistant Specialist at the Undersecretariat of the Treasury of Prime Ministry in 1996. Between 2004 and 2007, she served as a Branch Head at the Undersecretariat of Treasury, Directorate General of Economic Research, where she functioned as a Department Head between 2007 and 2013, and Assistant General Manager between 2013 and 2018.

Having worked as Department Head, Assistant Director General and Deputy Director General at the General Directorate of Economic Programs and Research of the Ministry of Treasury and Finance from 2019 to 2023, Yılmaz has been appointed as Director General of the General Directorate of Economic Programs and Research in October 2023.

Yılmaz has been a Member of the Board of Directors of Türk Eximbank since 21 July 2023 and a member of the Audit Committee since 28 July 2023.

Mustafa Gültepe served as a member of the Audit Committee between 24 October 2022 and 28 July 2023.

Türk Eximbank Board of Directors held 12 Board meetings during 2023 and passed 162 decisions, 21 of them interim decisions. All meetings took place in İstanbul. Mehmet Esat Mert was unable to attend the meetings of 20 January 2023, 24 February 2023, 31 March 2023 and 05 May 2023 due to his justified excuses. Mustafa Gültepe was absent in the meeting of 20 January 2023, Murat Zaman was absent in the meeting of 24 February 2023, and Fahriye Alev Arkan was absent in the meeting of 20 October 2023, on all occasions with justified excuses.

Executive Committee and Managers of Internal System Units

NECDET KARADENİZ

Deputy General Manager

Necdet Karadeniz was born in Iğdır in 1959. Mr. Karadeniz holds a BSc. degree in metallurgical engineering from İstanbul Technical University and an MBA from İstanbul University. Having started his professional life in 1987, he held the positions of manager and head of department at Türkiye Emlak Bank, Türkiye Finans Participation Bank, Alternatif Bank and Ziraat Bank, respectively, and joined Türk Eximbank in December 2012.

Appointed as a Deputy General Manager of Türk Eximbank on 26 May 2017, Mr. Karadeniz currently serves as the Deputy General Manager in charge of Loan/Insurance Allocation.

MUSTAFA ÇAĞRI ALTINDAĞ

Deputy General Manager

Mustafa Çağrı Altındağ was born in Kocaeli in 1977. Mr. Altındağ graduated from İstanbul University, Business Administration (in English) Department and he started his career as an inspector on the Board of Inspectors at Tekstil Bank. Between 2004 and 2010, Mr. Altındağ worked as Marketing Manager, the Head of Finance and Accounting Department at Creditwest Factoring Services A.Ş. and then joined Citibank, where he served as Commercial Banking Customer Relations Manager, Head of Multinational Corporations Department and Corporate Banking Assistant President between 2010 and 2019.

Appointed as Deputy General Manager at Türk Eximbank on 20 December 2019, Mr. Altındağ currently serves as Deputy General Manager in charge of Marketing.

TANER YAVUZ

Deputy General Manager

Taner Yavuz was born in İstanbul in 1970. After graduating from Boğaziçi University, Department of Economics, Mr. Yavuz started his banking career as an Inspector at Yapı Kredi Bank in 1994. He worked as MIS Reporting and Budgeting Manager between 1998-2006, as the Senior Manager of Financial Planning, Analysis and Group Reporting at Credit Europe Bank (Romania) in 2007, and as the Senior Manager of Financial Planning and Corporate Performance Management at Türkiye Finans Katılım Bankası in 2009. He assumed different responsibilities in Strategy and Finance fields until 2017 and also served as acting Deputy General Manager for a while. In 2018, he was appointed to Vakıf Emeklilik ve Hayat A.Ş. as Group Manager responsible for Financial Management, which position he held until December 2019. Mr. Yavuz joined Türk Eximbank as Head of Financial Affairs Department in January 2020 and stood proxy as Head of Strategy Department.

Having been appointed as Deputy General Manager to Türk Eximbank on 28 June 2021, Mr. Yavuz currently serves as Strategy and Finance Deputy General Manager.

HAKAN UZUN

Deputy General Manager

Hakan Uzun was born in Kocaeli in 1968. Mr. Uzun graduated from the Mechanical Engineering Department of the Middle East Technical University and received his master's degree from the University of Illinois, USA between 1992- 1995. He started his banking career at Körfezbank in 1996 and served as a senior manager in Treasury and Financial Markets departments in several private banks before working as Group Manager in charge of Treasury at ING Bank Türkiye from 2008 until 2011. He worked for Türkiye Finans Participation Bank between 2011 and 2019, where he held the position of Deputy General Manager in charge of Treasury. Appointed as Deputy General Manager at Türk Eximbank on 20 December 2019, Mr. Uzun currently serves as Deputy General Manager in charge of Treasury/Financing/International Credits.

ERDEM OKUR

Deputy General Manager

Erdem Okur was born in Zonguldak in 1977. Okur graduated from the Middle East Technical University Department of Computer Engineering and received his MBA from Marmara University. He started his business life in 1998, and held positions in Information Technology departments at Aselsan, Garanti Technology, and Akbank, respectively, before joining Türk Eximbank in 2015.

Appointed as Deputy General Manager at Türk Eximbank on 19 July 2019, Mr. Okur currently serves as Deputy General Manager in charge of Information Technologies and Operation.

SADIK ÖMER YILBAŞ

Head of Internal Audit

Sadık Ömer Yılbaş was born in Elazığ in 1970. Mr. Yılbaş graduated from Gazi University, Department of Public Finance and started his business life at Halkbank in 1993. He worked as an Assistant Inspector at Toprakbank between 1995 and 1997. Having started to work as an Assistant Internal Auditor in the Internal Audit Department of Türk Eximbank on 12 May 1997, he was later promoted to the positions of Auditor, Chief Auditor, Deputy Head of Internal Audit and Acting Head of Internal Audit. Mr. Yılbaş was appointed as Head of Internal Audit on 30 May 2022, in which position he still serves.

ALPER MİLLİ*

Head of Risk Management

Alper Milli was born in Ankara in 1983. Alper Milli graduated from the Department of Economics at Dokuz Eylül University in 2005 and completed his master's degree in money and banking at the same university in 2008. He started his career in 2010 as a teaching assistant at Ankara University, Faculty of Political Sciences. Having started to work at Türk Eximbank as an assistant specialist in 2011, Milli later worked as specialist, assistant manager and vice president.

* Since 03 May 2023, Alper Milli has been carrying on with his position as unit head at the Risk Management Department as Credit Risk Vice President.

ÖZLEM UÇAR

Head of Internal Control

Özlem Uçar was born in İstanbul in 1981. Ms. Uçar graduated from the Middle East Technical University, Department of Economics and received her master's degree from the Manchester Business School. She started her business life in 2006 as an Internal Controller at Ziraat Bank, where she later worked as Senior Internal Controller, Internal Control Supervisor and finally as Internal Control and Compliance Department Manager. Ms. Uçar was appointed as the Head of Internal Control at Türk Eximbank on 31 January 2020, in which position she currently serves.

ALİ ÇAPAR

Head of Regulation and Compliance/Chief Compliance Officer

Ali Çapar was born in İzmir in 1985. Ali Çapar graduated from the Department of Business Administration at Marmara University and received his master's degree in business management from Işık University. He started his banking career as an internal auditor at Türk Ekonomi Bank in 2008, where he was promoted to Authorized Assistant Internal Auditor, Internal Auditor, and Regulation Manager. He joined Türk Eximbank in 2016, where he held various positions in the Regulatory Compliance Unit and Internal Audit Group. Appointed as the Deputy Head of the Internal Audit Group in September 2022, Çapar has been brought to the position of Head of Regulation and Compliance on 05 May 2023, in which role he currently serves.

Committees at Türk Eximbank

Audit Committee

Member	Nail Olpak (Member of the Board)
Member	Didem Bahar Özgün Yılmaz (Member of the Board)

The Audit Committee was established by the decision of the Board of Directors dated 31 October 2006. On behalf of the Board of Directors, the Audit Committee is authorized and responsible for: ensuring the efficiency and adequacy of the internal control, risk management and internal audit systems; monitoring the operations of internal systems, accounting and reporting systems, and the integrity of the information generated by them in compliance with related legislation; and, during the Board of Directors' process of choosing independent auditors, rating institutions, evaluation and support services firms, performing pre-assessment of candidates and regularly monitoring the activities of the selected institutions. The Regulations on the Procedure and Principles of the Operations of the Audit Committee was revised by the Board's decision dated 30 September 2022.

Credit Committee

Chairman	Ali Güney (General Manager)
Member	Osman Çelik (Chairman of the Board)
Member	Fahriye Alev Arkan (Member of the Board)
Alternate Member	Mustafa Gültepe (Member of the Board)
Alternate Member	Didem Bahar Özgün Yılmaz (Member of the Board)

The Credit Committee is vested with the authority to issue to a real or legal person a domestic loan up to ten percent (10%) of the Bank's equities provided that collaterals deemed appropriate by the Board of Directors are created. That kind of authority is limited for different types of guarantees.

The Credit Committee fulfills the said duty delegated thereto by the Board of Directors within the frame of the procedures and principles set out in the applicable legislation in accordance with Article 31 of the Bank's Articles of Association.

Islamic Banking Advisory Committee

Chairman	Prof. Dr. İsak Emin Aktepe
Deputy Chairman	Prof. Dr. Mürteza Bedir
Member	Prof. Dr. Hayrettin Karaman
Secretariat	Regulatory Compliance Department

Islamic Banking Advisory Committee established by the Board of Directors decision dated 09 September 2022 and approved by the General Assembly decision dated 21 July 2023 pursues its activities under the Board of Directors pursuant to the Communiqué on Compliance with the Principles and Standards of Interest-Free Banking published on 14 September 2019.

The Advisory Committee is charged with deciding on standard contracts pertaining to the Bank's products and services associated with Islamic (interest-free) banking activities, internal guidelines, interest-free banking principles and standards, and implementation thereof.

Within the scope of the evaluations made by the Islamic Banking Advisory Committee regarding the compliance of the bank's activities with the Islamic Banking Principles and Standards, 26 meetings were held in 2023 and 32 decisions were taken.

A meeting was held on 03 February 2023, with the participation of the Advisory Committee and Audit Committee members, within the scope of Islamic banking transactions for 2022.

Corporate Governance Committee

Member	Özgür Volkan Ađar
Member	Mustafa Gültepe
Secretariat	Process and Quality Management Department

The Corporate Governance Committee is charged with, and responsible for, monitoring the Bank's compliance with the provisions of the Regulation on Banks' Corporate Governance Principles (the Regulation) and corporate governance principles, extending support to activities for the implementation and improvement of Corporate Governance Principles, making suggestions to the Board of Directors for improving corporate governance practices, and assessing whether an efficient and effective "corporate governance culture" has been firmly established at the Bank.

Remuneration Committee

Member	Özgür Volkan Ađar
Member	Mustafa Gültepe
Secretariat	Remuneration and Human Resources Services Department

The Remuneration Committee is charged with, and responsible for, the creation and execution of our Bank's remuneration policy, processes and practices within the frame of a healthy and effective risk management concept with the aim of ensuring an independent and effective remuneration system.

In addition to the Audit Committee, Credit Committee, Interest-Free Banking Advisory Committee, Corporate Governance Committee, and Remuneration Committee, there are the following committees at our Bank for the purposes of pursuing activities in alignment with the Bank's vision and mission, achieving regulatory compliance, effectively managing the Bank's processes, making decisions duly and quickly, and pursuing long- and short-term risks and opportunities in strategic decisions in line with the corporate governance concept: Executive Committee, Assets and Liabilities Committee (ALCO), Information Systems (IS) Strategy Committee, Information Systems (IS) Steering Committee, Business Continuity and Crisis Management Committee, Information Security Committee, Anti-Fraud Committee, Confidential Information Disclosure Committee, Disciplinary Committee, Sustainability Committee, Country Risk Classification Assessment Committee, PDPL Committee, Anti-Bribery/Anti-Corruption and Ethics Committee, New Product and Activity Development Committee, and Operational Risk Committee.

Information Systems (IS) Strategy Committee

The IS Strategy Committee meets with the aim of supervising and evaluating on behalf of the Board of Directors whether the IS investments are duly utilized and the compliance of the Bank's business goals with IS targets, and of revising them as and when necessary.

Chairman	General Manager
Member	Deputy General Manager for Information Technology and Operations
Member	Deputy General Managers for Related Business Units
Member	IT Strategy and Governance Director
Member	Strategic Planning and Sustainability Director
Secretariat	Project Management Department

Head of Internal Audit, Head of Internal Control, Head of Risk Management and Head of Compliance attend the meetings for consultation, without the right to vote on matters being discussed.

Information Systems (IS) Steering Committee

The IS Steering Committee meets for assisting the IS Strategy Committee in the implementation of the IS strategy, determination of priorities, and following up the status of ongoing projects.

Member	Deputy General Managers of Related Business Units
Member	IT Strategy and Governance Director
Member	Strategic Planning and Sustainability Director
Member	Head of Internal Control
Member	Technological Infrastructure Director
Member	Software and Business Development Director
Member	Legal Affairs Director
Member	Human Resources and Organizational Development Director
Member	Credit Risk Monitoring, Credit Analytics Process and Policies Director
Member	Regulatory Compliance Manager
Member	Project Management Manager
Secretariat	Project Management Department

Head of Internal Audit attends the meetings for consultation purposes, without the right to vote on matters being discussed.

Information Security Committee

The Information Security Committee meets for ensuring on behalf of the Board of Directors that information security policy is established and executed.

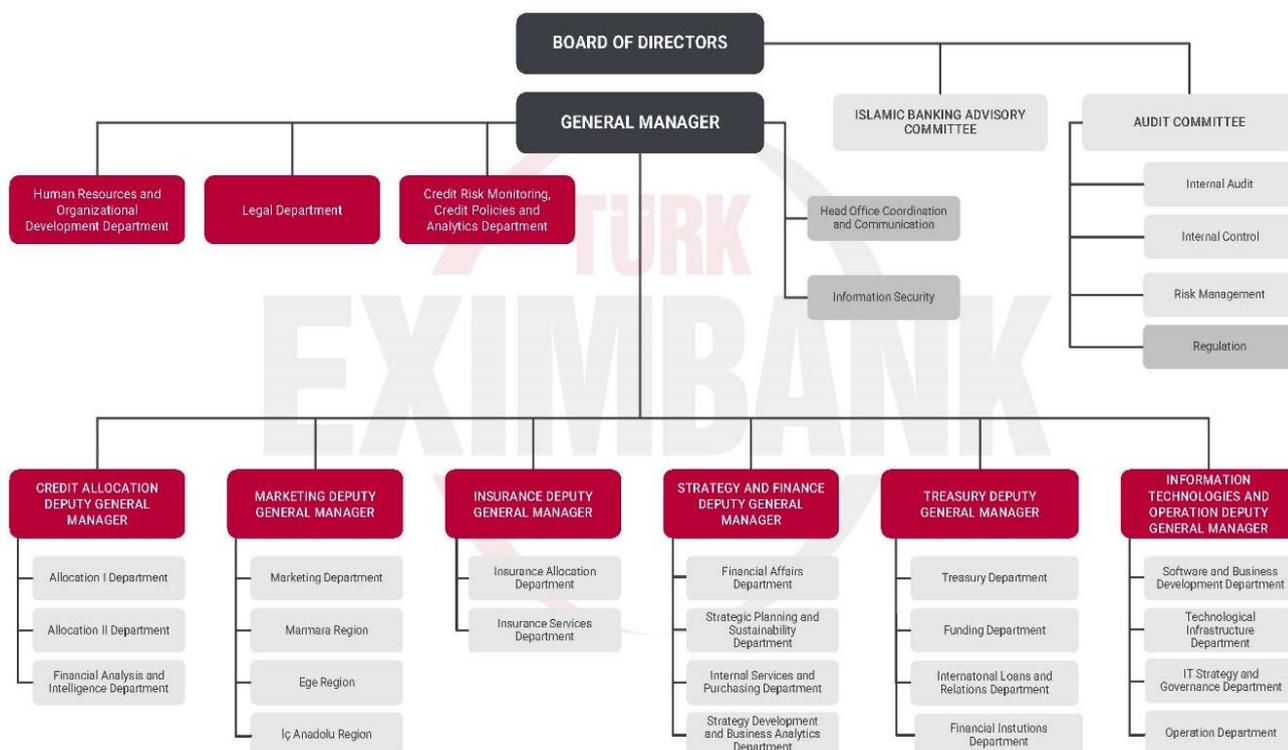
Chair	General Manager
Member	Deputy General Managers of related business units
Member	Head of Risk Management
Member	Head of Internal Control
Member	Legal Affairs Director
Member	Human Resources and Organizational Development Director
Member	Regulatory Compliance Manager
Member	Information Security Manager
Secretariat	Information Security Department

Head of Internal Audit attends the meetings for consultation purposes, without the right to vote on matters being discussed.

Changes in the Organizational Structure

Organization Chart

Türk Eximbank Organization Chart



Organizational Developments

In 2023, the following organizational changes took place at our Bank in line with the Bank's goals and strategies:

- Strategic Planning Department was renamed Strategic Planning and Sustainability Department.
- Strategy Development and Business Analytics Department was set up, which will report to the Strategy and Finance Deputy General Manager.
- Reporting directly to the Strategy and Finance Deputy General Manager, Strategic Research and Business Development Department was reorganized as two distinct departments, namely Business Analytics and Architecture Department, and Economic and Strategic Research Department, and affiliated to the Strategy Development and Business Analytics Department.

Corporate Development Implementations

Internal Customer Satisfaction

- We recognize that ensuring internal customer satisfaction is the prerequisite of achieving enhanced external customer satisfaction. An important factor that affects employee satisfaction is the quality and productivity of the relationship established with other units within the organization.
- Türk Eximbank Internal Customer Satisfaction Survey was carried out to measure and assess how satisfied employees are with the service they receive from the units; more accurately and quickly execute the processes among the units that have business relationships; improve our Bank's process quality and internal customer experience, and support its development.
- Employee participation rate in the Internal Customer Satisfaction Survey conducted in 2023 was 84%.
- The Internal Customer Satisfaction Survey is expected to reveal the Bank Units' strengths, development opportunities, and areas for action.
- We are targeting that the outcomes of the survey will be evaluated together with related Units, and steps will be taken for improvement and development actions.

Document Management System

- Our document management system that covers the guidelines, procedures, processes and similar documents prepared in relation to the Bank's transactions and dealings has been vested in a centrally managed structure with a manageable, easily accessible and user-friendly design.
- Furthermore, our target is to enable management of the notifications our Units will be providing about a topic associated with their respective field of duty over the said system.

Robotic Process Implementations

- We are targeting to alleviate the operational workload on our business units through robotic technology within the scope of our banking operations.
- Through on-site examination of transactions that we conduct together with our business units, we identify those that create operational workload and yield high gains and provide their inclusion in robotic implementations.
- We are aiming to use robotic automation in banking transactions and our operational activities for having repetitive, unchanging transactions that are performed by employees and have clear-cut rules handled by the digital workforce, and regard expansion of robotic process implementations as one of our main strategies in the coming period, as was the case in 2023.

Human Resources Practices

Human Resources Policy

The fundamental aim of the Human Resources Policy is to guarantee consistent execution of fundamental principles associated with Human Resources (HR) functions at the Bank such as recruitment and employment, training and development, performance management, labor relations, compensation management and so on.

The basic principles of the Bank's HR policy are as follows:

- At Türk Eximbank, we explicitly and accurately share the Bank's vision, mission and values with all our employees, and we target to build the qualified human resource that will be in harmony with this goal.
- We determine candidate selection criteria for hiring in accordance with the requirements of the position, and professional, technical and behavioral competencies.
- We provide our employees with career and development opportunities in alignment with their performance and potentials by way of the competencies we define.
- We assess our employees' work performances individually on the basis of a system that is formulated towards the Bank's strategic business goals and defined in accordance with job expectations.
- We clearly share with our employees the criteria and targets associated with the performance expected of them.
- We determine our employees' training needs depending on their performance results and personal and/or organization's business development needs.
- We make sure that our training and development capabilities are designed for developing skills and competences to fulfill the identified need, contribute to improved performance and/or provide knowledge for building on existing expertise.
- We target to provide our employees with need-based development opportunities to keep them highly motivated so as to ensure positive attitude and job satisfaction through professional development and lifelong learning support coupled with realistic and measurable performance targets.
- Through our career planning and succession system, we extend support for noticing high-potential employees early, offering the necessary professional knowledge, skills, development opportunities to these employees, and readying them for positions that involve more responsibilities.
- Through succession planning, we raise our future managers from amongst our own employees, and design personalized development programs to flourish our prospective managers.
- We ensure the creation of the communication environment for our employees to freely convey their ideas, suggestions and opinions.

Recruitment Activities

- In 2023, new competence sets designed according to the Bank’s corporate values were created, and enforced in recruitment, career and talent management processes.
- New talents were acquired for our Bank in accordance with the revised recruitment criteria and new title structure formulated according to the HR Strategic Transformation Project launched in 2022.
- It was aimed to digitalize recruitment processes and to decrease operational processes and increase employee productivity; the new career and recruitment model was put into implementation.
- In line with the Digital Transformation strategy, growth in information technology was prioritized to promote employment and to support domestic software and production capacity.
- Custom-designed for our IT teams with the purpose of supporting the Bank’s growth in the technology area and also of contributing to social responsibility, “ExIT Long-Term Internship Program” that made its debut was initiated and our long-term interns comprised of 3rd and 4th grade students started working as part of the Bank’s IT team.

Career and Talent Management

- The new performance system designed to measure employee performance and potential was put into implementation.
- Career and talent management model was developed, and internal and external manager appointments were made which were backed by assessment center practices that measured fundamental and leadership competencies.
- Leadership competencies of our employees were measured, who were then appointed to managerial roles at the Bank.

Training & Development

- All training and development activities at our Bank are intended to equip the employees with the competencies required by their respective positions, contribute to building on their personal development and professional knowledge, and get them future-ready. Training and Development activities carried out accordingly at the Bank in 2023 are as follows:
- With an Educational Campaign approach, our employees were given training programs mostly focused on Leadership, Technical/Professional and Personal Development.
- Managerial Development and Leadership Development training programs were designed and implemented for the Bank’s managers.
- Team Coaching and Individual Coaching training programs are offered for our senior management.
- Unlimited learning catalogues were made available for our employees with the development of the Exim Academy and integration of Udemy Business.

- Under the Internal Trainer project aimed at sharing existing professional knowledge and skills with our employees and at contributing to disseminating the corporate culture at the same time, our colleagues took part in the Internal Trainer Program and received their Internal Trainer certificates at the end of the training.
- Within the frame of an Educational Campaign approach, our employees' development was backed mainly by Banking Education, IT Training, Manager Development Training, Certification Training and online training programs in 2023.

Remuneration and Fringe Benefits

- Exim HR, our new HR system, was introduced with the aim of managing our HR processes more effectively and efficiently.
- Exim HR Helpdesk Module gathered all kinds of employee questions and requests about HR service processes under a single roof.
- "Contributory Private Pension" practice was enforced to complement the Social Security System with the aims of giving our employees access to increased welfare on the back of additional income during their retirement through investing their savings in private pension, increasing employment by creating long-term funding for the economy, and contributing to economic development.
- Our employees were provided with additional fringe benefits, which include Nursery Benefit, Maternity Benefit, Death Benefit (for 1st degree relatives), Marriage Benefit, Allowance for Children with Disabilities, and Commuter Benefit.
- "Work Location Benefit" was introduced in a bid to maintain our employees' welfare levels.

Financial Information and Assessment on Risk Management

Relations of Türk Eximbank with Its Risk Group

Türk Eximbank does not have a Risk Group, since the Bank is fully owned by the Turkish Treasury and does not have subsidiaries or affiliates which it controls, either directly or indirectly.

Support Services Obtained by Türk Eximbank in 2023

Within the scope of the BRSA's "Regulation on Support Services to be Received by Banks" that went into force upon its publication in the Official Gazette issue 28106 dated 5 November 2011, Türk Eximbank received 15 support services from 14 companies in 2023 as detailed below:

Support Service Provider	Service Received by the Bank
Fineksus Bilişim Çözümleri Ticaret A.Ş.	Procurement of Swift ServisBüro GWCP & DRCP and Swift Alliance System Support and Consultancy Service
Datasafe Arşivleme Hizmetleri A.Ş.	Archiving Services
Vizyoneks Bilgi Teknolojileri A.Ş.	Procurement of Insurance Application Maintenance Service
Vizyoneks Bilgi Teknolojileri A.Ş.	Support Service for Procurement of Insurance Application Development Service
Avi Gayrimenkul Yatırım Değerleme ve Danışmanlık A.Ş.	Mortgage and Pledge Establishment Transactions Service
BTC Bilişim Hizmetleri A.Ş.	SAP TRM Application Licensing Update, Maintenance, Support and BASIS Technical Support Services
Modefinance SRL	Rating/Scoring and Limit Decision Models Maintenance Support and Additional Development Service
İş Yazılım Donanım Elektronik Danışmanlık Ltd. Şti.	Electronic Document Management System Software Maintenance and Support Services
Mirsis Bilgi Teknolojileri A.Ş.	Procurement of Service for Software Development
JForce Bilişim Teknolojileri A.Ş.	Procurement of Service for Software Development
RDC Partner Bilişim Dan. ve Tek. Hiz. A.Ş	Procurement of Service for Software Development
Türk Telekomünikasyon A.Ş.	Procurement of Data Backup and Hosting Service
Veripark Yazılım A.Ş.	Procurement of Internet and Mobile Branch Revamping
Carbon Danışmanlık ve Bilgi Teknolojileri A.Ş.	Procurement of Service for Software Development
Metasis Teknoloji Ticaret Ltd. Şti.	Procurement of Service for Software Development

Prior to commencement of the support services listed in the table, “Technical Adequacy Reports” were drawn up showing that the service providers possess the technical equipment, infrastructure, financial strength, experience, know-how and human resource, and satisfy the requirements set out in the applicable legislation, as well as “Risk Management Programs” about the support services to be procured and “Risk Analysis Reports” studying the potential risks that may stem from these services, their management and expected benefits and costs as stipulated in the applicable legislation.

On another note, an empirical risk assessment study was conducted, which measures the relative severity of the risks that may arise from the qualities of support services providers and the services furnished thereby, based on which support services providers were audited. The assessment made and audits performed produced no findings associated with the procurement of these support services to an extent that would prevent efficient and adequate operation of the Bank’s internal systems or execution of internal control or internal audit activities.

The General Assessment of the Audit Committee for the Year 2023 Regarding Activities and Risk Management, Internal Control and Internal Audit Systems at Türk Eximbank

As the sole official export credit agency in Türkiye, Türk Eximbank supports the exports sector with its credit, guarantee and insurance programs through non-profit activities. However, the Bank also seeks to ensure the most appropriate rate of return in order to maintain its capital and financial strength, and it complies with broadly accepted banking and investment principles in all its activities. In this regard, while conducting its legal function, which is “to provide financial support to exports sector”, the Bank maintains its risk level without weakening its financial strength.

As per the provisions of the legislation issued by the BRSA regarding Banking Law No. 5411, necessary organizational changes were made at the Bank on 31 October 2006, internal systems of the Bank were established with their current status, and an Audit Committee was established. Internal Audit, Internal Control, Risk Management and Compliance departments carry out their activities under the supervision of the Audit Committee made up of two members elected by the Board of Directors from amongst its own members.

Internal Audit

The Internal Audit Department carries out its responsibilities to the Board of Directors via the Audit Committee, which was established to perform the supervisory and regulatory obligations of the Board of Directors and to perform the following tasks within the framework of Audit Committee Regulation issued within the scope of the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process:

- Analyzing and evaluating the compliance of the Bank’s activities with the relevant laws, regulations, decrees, communiqués, articles of association, banking principles, instructions and other statutes;
- Reviewing and evaluating the functioning, efficiency and adequacy of the Bank’s internal control and risk management systems;
- Providing opinions, suggestions and comments regarding effective and efficient use of the Bank’s resources,
- Reviewing the accuracy and reliability of accounting records and financial reports,
- Evaluating the operation, efficiency and adequacy of the Bank’s information systems and communication channels,
- Conducting audits and examinations of operations, accounts and activities in the Bank’s headquarters units, regional directorates and branches.

Assigned with risk-based auditing of all activities of the Bank without any limitations periodically, the Internal Audit Department performs its activities in an impartial and independent manner exercising the required professional diligence, with the aim of ensuring that the resources are used efficiently and that all activities make the maximum contribution to the Bank.

The annual Audit Plans are prepared and implemented in keeping with this understanding, using other comprehensive criteria in line with the risk assessment matrices prepared by the Internal Audit

Department and the Bank's risk assessment matrix. Auditing the Bank's units, branches and processes financially, operationally and in terms of compliance and reporting within the framework of the annual Audit Plan, the Internal Audit Department communicates the findings covered in the reports that are produced as a result of the audits to the Board of Directors via the Audit Committee and closely monitors the steps taken in relation to the findings. In addition, the Board of Directors keeps abreast of the activities of the Internal Audit Department through its quarterly and annual activity reports submitted via the Audit Committee.

According to the relevant legislation issued by the BRSA, the Bank must present a "management declaration" to its external independent auditors, signed by the Board of Directors for each audit period, concerning the current situation and internal control activities carried out on information systems and banking processes. In this regard, the control and audit activities intended to be the basis of this management declaration were prepared by the Internal Control Department and the Internal Audit Department for information systems and banking processes, and the report prepared was presented to the Board of Directors. The Management Declaration was signed by the Board of Directors and submitted to the external auditor.

The Audit Committee continued its activities in 2023 with the aim of developing the activities of the Bank and adding value to them, and it ensured that the internal control activities that form the basis of the management declaration are performed in a coordinated manner.

Internal Control

Carrying out its activities within the scope of the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process, the Internal Control Department works to ensure that assets are protected and that the Bank's activities are carried out effectively and efficiently and in compliance with the Law, other applicable legislation, internal policies, guidelines and banking customs. The Department is also responsible for guaranteeing the reliability and integrity of accounting and financial reporting system, and timely availability of information.

The duties of the Internal Control Department are set out in the Internal Control Department Regulation which is approved and enforced by the Board of Directors decision no. 108, dated 31 August 2021.

The Internal Control Department, in cooperation with the senior managers of related units, designs the internal control system and internal control activities that need to be established at the Bank, as well as how the same will be executed, and thus ensures the creation and development of the internal control environment. The Internal Control Department verifies the compliance of the Bank's activities and products with the Law, other applicable legislation, internal policies and guidelines, and banking customs.

Within the duties delegated to it, the Internal Control Department performed monitoring, analysis and control activities by observing the matters mentioned below, giving priority to processes and transactions identified based on a risk-focused approach and within the materiality criteria during 2023:

- Establishing functional separation of duties, distribution of responsibilities and creation of workflow diagrams at the Bank,
- Integrity and security of accounting and financial reporting system and information systems, and timely availability of information,

- Functionality of internal communication channels that will ensure communicating the information produced and problems confronted with related individuals,
- Identification of the deficiencies or weaknesses in the design of operation of internal control mechanisms embedded in information systems applications employed in the performance of operations related to banking processes that are comprised of credit, insurance, accounting, financial reporting and payment systems,
- Verification of the existence and operation of manual and systemic approval mechanisms for critical processes and whether restrictions are adhered to,
- Verification of the compliance of the Bank's activities and products with the Law and other applicable legislation, and controls regarding new product processes
- Implementation of guidelines set regarding the recording, retention and accessibility of documents and assets kept in physical safe deposit boxes and especially the guarantees received,
- Existence and update of business continuity plans consisting of information systems business continuity and emergency and contingency plans,
- Activities related to information systems management at the Bank and at the providers of outsourced services, processes supporting these activities, and compliance of the information systems controls in place with the legislation and internal policies, procedures and standards.

Findings of on-site or distant monitoring, review and controls performed manually or with systematic methods conducted by the Internal Control Department in 2023 on matters such as functioning of internal control mechanisms in units where banking operations are performed, compliance with rules and limitations and existence of required control points in information systems, have been shared with the related units. Instructions on correction of deficiencies and flaws were shared and results of the actions taken by the relevant units were followed up.

The quarterly reports of the Internal Control Department relating internal control activities were presented to the Audit Committee regularly. The control and audit activities concerning information systems and banking processes that form the basis of the Management Declaration to be submitted to the independent auditor were carried out by the Internal Control Department and the Internal Audit Department, and the report produced was presented to the Board of Directors via the Audit Committee.

Risk Management

According to the Charter and Procedures of the Risk Management Department approved by the Board of Directors, the Risk Management Department is responsible for:

- Describing, measuring and analyzing the Bank's risk exposure as a whole within the frame of the principles approved by the Bank's Board of Directors; managing and monitoring them in view of internal limits/early warning thresholds approved by the Board of Directors, and creating and exploring risk policies and implementation procedures,
- Performing profit, cost and capital calculations regarding the manageability of all these risks in cooperation with related departments, and timely reporting risk data to the Board of Directors via the Audit Committee.

Risk management activities at the Bank are being carried out with the target of bringing the risk management function close to best practices by establishing a risk culture across the Bank and by constantly improving the system and human resource in accordance with the Regulation on the Internal Systems and Internal Capital Adequacy Assessment Process of Banks, other applicable regulations, and the BRSA Best Practices Guides.

Within the frame of risk management activities;

Under the **Credit Risk**, risks arising from cash and non-cash loan transactions are monitored against the regulatory and Bank-specific limits. Commercial bank risk taken directly or indirectly gets the highest share within the credit risk, which is the largest category of the Bank's risk exposure. Therefore, cash and non-cash limits made available to banks are assessed in detail, and updated as needed. Credit Risk is reported to the BRSA according to the BRSA's Standard Method. **Counterparty Credit Risk**, which is a sub-item of credit risk and refers to the losses that may result from potential deteriorations in creditworthiness upon defaulting of banks particularly engaged in derivatives and repurchasing transactions, is measured using the Basel 3 Standard Method and includes the same in capital adequacy calculations.

Market risk is calculated monthly using the Standard Method devised by the BRSA and is considered in the calculation of the Capital Adequacy Ratio. In order to duly manage the interest rate and exchange rate risks that make up the main elements of the market risk; transactions performed in money and capital markets need to be diversified, taking into consideration the instruments, maturity, currency, type of interest and similar parameters. As the trading portfolio making the basis for market risk have a very little share in risk-weighted assets and as almost the entire trading portfolio is hedged at Türk Eximbank, the market risk obligation is also very low. The Bank implements hedge accounting principles for derivative transactions.

Operational Risk involves identification of risks arising from inadequate or failing internal processes, people and processes or external events associated with banking activities, and assessment and oversight of controls pertaining to these risks. Operational risk, which is one of the capital adequacy items, is calculated once a year using the basic indicator method, and reported to the BRSA. In addition to that, internal method, which is developed in accordance with the IT risk methodology, is also used and records subject to risk, which are entered into data entry screens, are subjected to modeling in view of their significance. IT risks, which represent another source of operational risk, is managed by an independent risk management process, and is included in the integrated risk matrix which consolidates the impact and probabilities for all of the Bank's risks.

Apart from credit, market and operational risks which make up the Pillar 1 of Basel II, quantitative and/or qualitative studies are carried out on other risk types such as country risk, concentration risk, structural interest rate risk, liquidity risk, environmental/social risks, climate-related risks and reputation risk that take place within the **Pillar 2**. All risks that the Bank is exposed to are closely monitored within the frame of Internal Limits and Early Warning Thresholds approved by the Board of Directors.

The **ICAAP report** prepared based on the actualizations of the previous year-end, and which makes the capital planning for the next three years, and the **Stress Testing** attended thereto, were approved by the Board of Directors and sent to the BRSA before the end of March in accordance with the BRSA legislation in force. According to the relevant articles of the ICAAP Report that refers to the **Risk Appetite**, Türk Eximbank has adopted maintaining the capital adequacy ratio in the 13%-15% interval as its risk appetite indicator, and embraced the principle that any capital adequacy ratio level below 13% should trigger initiatives to increase the capital.

In Stress Testing and Scenario Analyses, calculations are performed also for Economic Capital under the scenarios of increased loss ratios in case of downgraded country rating or in case of default for Credit Risk; for Value at Risk using Historical Simulation and Parametric Methods under exchange rate and interest rate shocks for information purposes for Market Risk; for stress scenarios such as early recalled debts or non-renewal of debts at maturity and sudden and unforeseeable rises in NPL ratios for Liquidity Risk; stress tests under various scenarios for Environmental and Social Risks and Climate Related Risks; and for capital requirements within the frame of scenarios where the severity and significance of findings are assumed to have worsened by one notch based on the Operational Risk Methodology approved by the Board of Directors for Operational Risks.

Results of stress tests performed with internal models as well as standard methods demonstrate that, with its stable and strong capital structure, the Bank can operate free of any problems while under intense stress factors.

Real-time cash inflow/outflow are monitored for the Liquidity Risk, which is managed within the frame of the Liquidity Action Plan approved by the Board of Directors and monitored closely by the Bank; continuity and sustainability of liquidity adequacy are ensured with the GAP analyses, scenario analyses and stress/reverse-stress tests conducted. The said policy document also incorporates the set of rules that grades the actions that will be taken depending on the severity of the situation experienced in case of liquidity squeeze.

As per the legislation in force, the Bank is exempted from provisions. Notwithstanding, under the prudence concept, Türk Eximbank makes TFRS 9 New Financial Instruments Set –Expected Credit Loss Provisioning calculations using a validated model, and pursues a highly conservative provisioning policy. The model used is regularly reviewed, and necessary improvements are carried out in coordination with the related units.

Regulatory Compliance

The Regulatory Compliance Unit monitors regulatory framework for ensuring continued compliance of the Bank's activities with the governing legislation and ensures that the related employees are informed of changes in the regulatory framework by way of announcements. Before draft regulatory arrangements concerning the banking business are enforced, the Bank's internal units are briefed about the drafts to determine the potential implications of the related arrangement for the Bank, and the Bank's opinions and feedback regarding the same are obtained and shared with the regulatory agencies.

Necessary briefing and coordination are carried out for the participation of related units in the meetings held before the Banks Association of Türkiye (BAT). The Bank takes part in the working groups set up at the BAT via relevant business units. When opinions are requested, the feedback received from related business units are considered and coordinated as necessary for responding to the relevant agency on behalf of the Bank.

The Unit establishes the regulatory framework governing the Bank and keeps it up-to-date, and assesses the regulatory conformity of products and services.

Feedback is provided for execution of the Bank's activities in accordance with the Banking Law and applicable legislation, the Bank's internal policies and guidelines, and the Bank's Articles of Association. Coordination is provided with related units for updating the processes in accordance with the legislation depending on regulatory changes.

The Unit carries out compliance activities in order to protect against, monitor, and control the risks within the scope of the Prevention of Laundering Proceeds from Crime (AML), Financing of Terrorism (CFT) and Proliferation of Mass Destruction Weapons. With the aim of monitoring international sanctions in this respect, controls are performed regarding the decisions of various organizations and institutions such as the UN Security Council, the US Office of Foreign Assets Control (OFAC), the European Union and the like.

Related parties' requests for information and questionnaires in relation to compliance processes and information/document requests from governmental agencies, in particular from MASAK (Financial Crimes Investigation Board,) for anti-money laundering and countering the financing of terrorism are fulfilled.

The Unit also takes actions for raising increased awareness of the Anti-Bribery/Anti-Corruption and Ethics Policy and execution of associated processes, which are aimed at explicitly and clearly manifesting the Bank's commitments for combating bribery/corruption and for ethics, establishing the rules/responsibilities for determining potential actions that can be considered in this frame and preventing them; raising employee consciousness and ensuring compliance with national/international regulations.

The Unit takes part in internal committees acting as the committee's secretariat or member, and thus, performs corporate compliance activities.

The Unit also handles compliance efforts in relation to Islamic banking transactions that are carried out based on the provision that development and investment banks are allowed to provide financing provided that the same are compliant with the requirements that rely on the fund provision methods of participation banks and restricted to resources that they shall have secured exclusively through interest-free methods as set out in Article 77 of the Banking Law and Article 16 (10) of the BRSA Regulation on Banks' Lending Transactions published in the Official Gazette issue 32406 dated 21 December 2023.

Opinions and feedback concerning the conformity of transactions carried out in this scope to the Islamic Banking Principles and Standards are shared with related units, necessary information is provided, and compliance controls are performed.

The Unit also carries out the secretariat tasks for the Islamic Banking Advisory Committee set up by the Board of Directors decision dated 09 September 2022 and approved by the General Assembly resolution dated 21 July 2023.

It is targeted to lend contribution to establishing the Bank's compliance with the national/international legislation in force, the Bank's internal policies and procedures, organizational management and ethical standards, as well as to protecting the Bank's reputation, through the Unit's activities.

Nail OLPÄK

Member of the Audit Committee

Didem Bahar ÖZGÜN YILMAZ

Member of the Audit Committee

Risk Management Policies Based on Risk Types

Basel II Pillar 1 Risks

Credit Risk

Credit risk indicates the failure of a borrower to fulfill its capital, interest payments and other obligations, the failure of an institution exporting securities to fulfill its obligations in cash credits, and losses arising from indemnity payment by the Bank to a financing institution afforded with a guarantee or to an exporter, contractor or institution afforded with insurance cover in non-cash credits.

The risk weights of the Bank's assets are determined within the boundaries of the regulations of the BRSA.

Loans are extended within the framework of the authority given to the Board of Directors for achieving the Bank's sub-lending targets as set out in its annual programs.

Losses sustained by Türk Eximbank due to political risks undertaken for the sake of credit, guarantee and insurance activities are covered by the Ministry of Treasury and Finance according to Article 4/C, added to Law No. 3332 under Law No. 3659 and Law No. 4749 on the Regulation of Public Finance and Debt Management dated 28 March 2002.

International credits are granted by approval of the Board of Directors and approval of the Minister to whom the Ministry of Treasury and Finance is reporting, according to Article 10 of Act No. 4749 dated 28 March 2002 on the Regulation of Public Finance and Debt Management. The limit of a country is restricted by both the maximum risk that can be undertaken and the maximum amount that can be utilized annually.

The fundamental collateral of the international credits is the sovereign guarantee of the counter country or the guarantee of banks that Türk Eximbank accepts as accredited. Sovereign guarantee letters are regulated by the Finance or Economy Ministry related to the counter country legislations. Letters of Guarantee cover the principal, interest and all other obligations of the borrower and are valid until the maturity date. In addition to state guarantees, additional guarantees such as debt notes may be requested depending on the status of the debtor and project, the "comfort letter", and the "deposit account" issued by the authorities of the relevant countries.

The Bank reviews various reports of the OECD on country risk classification, reports of the members of the Berne Union, and reports of independent credit rating institutions, as well as the financial statements of banks and the country reports prepared by the Bank during the assessment and review of loans granted.

Firms' and banks' risks and limits are monitored on daily and weekly bases by responsible units and the same can be revoked in real-time. Domestic and foreign banks' limits are calculated using a Bank methodology, which seeks to simplify the limit amounts unnecessarily allocated and to bring them in complete alignment with Basel III Guidelines.

The risk ratings of banks are determined by analyzing financial and other indicators, such as the group to which a bank belongs, the shareholders of a bank, whether a bank is part of a financial holding company, the situation of a bank's sister companies, whether a bank is a foreign bank, the situation of the ultimate parent company, ratings issued by international rating agencies, and evaluation of subjective criterion like management quality and information from the press.

Besides the financial and organizational information given by companies, the Bank receives intelligence from other sources (such as the Risk Centralization Records of CBRT, the Turkish Trade Registry Gazettes, the registration information from the Chamber of Commerce, data of the Ministry of Trade, banks, other companies in the same sector, etc.) for proof and for detailed research on companies. At the same time, the Bank takes into consideration the company's financial statements for the last three years, as well as the overall situation of the sector of the company in question; the economic and political circumstances of foreign target markets; and the advantages and disadvantages of the company compared to domestic and/or foreign competing companies. If the company is a subsidiary of a holding company or is a member of a group of companies, the bank loans of the group and the scenarios which may affect the activities of the group are investigated and the risk of the whole group is considered while analyzing the company.

All operations denominated in foreign currency and derivative transactions of the Bank are carried out under the limits approved by the Board of Directors. Sectoral and regional distributions of credit risks are conducted in parallel with the export composition of Türkiye, and this is monitored by the Bank regularly.

Türk Eximbank is not obliged to conform to Article 54 of Banking Law No. 5411 on loan limits. Nevertheless, the Bank obeys the general credit limit constraints mentioned in the Banking Law. As per guaranteeing policy, since credits are mostly extended based on the risk of the domestic bank, the Bank can undertake risk of up to 20% of the cash and non-cash total credit risk amount, excluding treasury transactions for a single bank, in order to fulfill its mission to provide credits depending on the economic conjuncture.

Türk Eximbank's short-, medium- and long-term credit programs are carried out with respect to financial conditions (terms, interest rates, collaterals, etc.) and procedures approved by the Board of Directors. Credit prices are determined by the Assets and Liabilities Committee in view of the cost of funds, maturity of the transaction, structure of the collateral and variation in market interest rates are taken into consideration. The Bank's mission to provide financing opportunities with costs that will lead exporters to gain competitive advantages in existing markets and risky or new countries is also considered during the process of pricing loans.

Each year, Türk Eximbank cedes the commercial and political risks borne under its insurance programs to a group of domestic and overseas reinsurance companies under renewed agreements. Türk Eximbank holds a certain portion of the aforementioned risks that can be indemnified from its own sources. This portion was 40% in 2023.

Premium rates for Export Credit Insurance vary according to criteria such as the risk classification of the buyer's country, payment terms, credit tenor, the legal status and the risk group of the buyer (private or public). The premium rates get higher as the risk of the country, the buyer or the payment method increase, or the delivery term becomes longer. The quotation strategy, which is the basis for determining premium rates, is generated taking into account domestic market conditions, international quotations of export credit insurance services, and the size of accumulated losses in past years.

Short-Term Export Credits and Credits for Foreign Currency-Earning Services are granted to companies upon approval by the General Directorate Credit Committee within the guarantee determined by the Board of Directors and maturity and interest rate elements determined by the General Directorate, provided that the credit risk level that can be reached by a given firm will not be exceeded. This authorization is limited to 1% of the Bank's equity.

The collateral required for the Pre-Shipment Export Credits Program is the Debtor Bank's Current Account Undertaking Contract, similar to a comprehensive bond, issued by intermediary commercial banks in accordance with their respective credit limits allocated by Türk Eximbank.

The cash/non-cash domestic bank limits for the Bank's short-term TL and foreign currency credits are approved by the Board of Directors. These limits can be changed under restrictions determined by the Board of Directors.

Direct lending secured by fundamental collateral amounts to 100% of the principal, interest and export commitment risk of the loan. Fundamental collaterals include letters of bank guarantee, government securities, our Bank's insurance policies, cash and securities pledge, mortgage, and İGE and KGF guarantees.

In the Bank's annual program, within the framework of the insurance and buyers' credit facilities including foreign risk, the limit of a country implies the "maximum limit that can be undertaken", and the exposure limit of a country implies "maximum amount that can be utilized annually".

Within the framework of the authority given by the Board of Directors, up to the authorized amount of buyers' limits are granted by the underwriting department. The higher amounts are granted directly by the Board of Directors.

The maximum amount of credit risk to which the Bank may be exposed is indicated in the Implementation Principles of relevant credits, and these amounts are determined by the decision of the Board of Directors.

Based on Article 93 of the Banking Law no. 5411, CAR calculations are performed and captured in legal reports for various requirements (Risk Center notices, derivatives, etc.) published by the BRSA as part of coordinated macroprudential steps to be taken to strengthen financial stability and to guarantee effective operation of the credit system through more efficient utilization of resources.

On the other hand, counterparty credit risk included in credit risk in BRSA reporting measures the losses to be sustained particularly by derivative instruments due to market volatilities and/or negative outlook of creditworthiness of counterparties. The related risk is calculated using Basel 3 Standard Method that came into effect as of July 2022.

Operational Risk

Operational risk is defined as the probability of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Amount subject to operational risk, which is calculated using the "Basic Indicator" approach in accordance with the BRSA regulations, is taken into consideration in calculating the Bank's capital adequacy ratio within the scope of Basel II Pillar 1 risks.

In addition to regulatory reports, operational risk is also measured using internal metrics within the frame of the Operational Risk Methodology Document, which is created using the data infrastructure classified on the basis of lines of business within the frame of improvements made with the purpose of effective management of operational risk associated with banking processes and which is taken into account in the determination of Operational Risk Limit and Early Warning thresholds.

Market Risk

Market risk is defined as the probability of loss at the Bank's on- and off-balance-sheet positions due to price, interest and exchange-rate movements arising from market fluctuations, leading to variations in income statement items and profitability of shareholders' equity.

For measuring its market risk exposure, the Bank calculates the "Exchange Rate Risk", "Specific Risk" and the "Interest Rate Risk" based on the "Market Risk Measurement Using the Standardized Approach" issued by the BRSA (the Bank is not exposed to any equity position risk). The market risk covering the securities, aggregate interest and exchange rate risks calculated according to the said approach is prepared and reported to the BRSA on a monthly basis, whereas the exchange rate risk calculated according to the "Regulation on Measurement and Implementation of Banks' Net Overall FC Position / Equity Standard Ratio on a Consolidated and Unconsolidated Basis" is calculated and reported to the BRSA on a weekly basis.

Value at Risk (VaR) and Expected Shortfall are also calculated at the Bank with the aim of analyzing the amounts of potential loss that may be suffered by derivatives for trading purposes under various market conditions and of deriving statistical data in view of international finance literature.

The Bank's foreign exchange positions are monitored daily. All positions are managed by authorized personnel within the limits set out in the Risk Management Implementation Principles approved by the Bank's Board of Directors, considering the market developments and expectations.

The implications the Bank's activities and/or changes in market circumstances have on the position are monitored and necessary decisions aligned with the Bank's strategy are taken.

The Bank follows a balanced strategy with respect to exchange rate risk between assets and liabilities. The Bank gives high importance to implementing the strategy of matching its assets and liabilities in terms of currency, maturity and interest. In this framework, debt management is pursued in accordance with the Bank's asset structure to the greatest possible extent. In cases where this is not possible, the Bank tries to achieve a matching strategy using the appropriate types of swap transactions (cross-currency swaps, interest swaps or currency swaps) or by changing the asset structure of the Bank in such ways as may be possible under the given conditions.

Basel II Pillar 2 Risks

Interest Rate Risk Arising from the Banking Book

The interest structure (fixed or floating) of interest-sensitive assets and liabilities, and their weight in total assets and liabilities, are evaluated to determine the probable effects of changes in market rates on the Bank's profitability. The Bank's approach is that all assets and liabilities bearing fixed interest rates will be repriced at maturity, and that those bearing floating rates are at the payment terms. By using this approach, the Bank calculates the interest-sensitive gap or surplus for each period remaining to contractual repricing dates (gapping report). The gapping report is used to predict how the Bank will be affected by the probable market rate changes at any period of time provided that all assets and liabilities sensitive to interest are sorted according to the interest renewal periods.

Maturity mismatches are monitored periodically for FX-denominated assets and liabilities, and TL-denominated assets and liabilities are monitored via tables showing weighted averages of days to maturity, which are prepared periodically.

According to the Risk Management Practices Principles approved by the Board of Directors, the Bank attaches importance to the alignment of assets and liabilities in different currencies at fixed and variable interest rates, and takes care to maintain the fixed/variable rate assets and liabilities mismatch that can be undertaken at a reasonable level, with the purpose of limiting the negative effects interest rate changes might have on the Bank's profitability.

In accordance with the "Regulation on Calculation and Evaluation of Interest Rate Risk Arising from the Banking Accounts with Standard Shock Methods" issued by the BRSA and published in the Official Gazette, issue No. 28034, on 23 August 2011, submission of a report that is intended to act as a stress test by measuring the impact of interest rate shocks on the Bank's balance sheet, has continued in 2023.

According to the regulation, the ratio of net present value changes caused by interest rate shocks on the equity of the related month must not exceed 20%. The said ratio remains well below the legal limit owing to the Bank's solid equity structure and the high level of match between its assets and liabilities.

Liquidity Risk

The Bank's overall policy for liquidity risk is to carry a low-cost liquidity level at an amount sufficient to meet the potential cash flow needs under various operational conditions. Accordingly, based on existing credit stocks and existing cash, cash flow statements are being prepared, according to which additional funding needs and timing are determined.

Besides liquidity ratios, other balance sheet ratios, amount and term structure of liquid assets and rules for diversification of funding resources are all taken into consideration in liquidity management.

The Bank covers its short-term liquidity needs from short-term credits from domestic and foreign banks and short-term funds obtained through repo from money markets. Long-term liquidity need is provided from medium-long term loans obtained from international institutions such as World Bank and European Investment Bank and funds raised from capital markets through bond issuances.

The Bank tries to fund short-term credit with short-term resources and medium-long term credits with medium-long term resources and reduce the mismatch as much as possible.

In determining the overall limits of liquidity management, minimum liquidity levels and emergency liquidity resources are identified by the Board of Directors of the Bank.

In this context, legal limits as per the "Regulation on Measurement and Evaluation of Liquidity Adequacy of Banks" are considered for liquidity risk in Turkish Lira and foreign currency.

In terms of liquidity, the Bank chooses to use borrowing limits in TL and foreign currency markets as per CBRT and short-term money market borrowing limits from domestic and foreign banks in emergency situations as much as possible.

Moreover, in case of a projection or detection of an emergency situation, "Liquidity Action Plan" which is approved by the Board of Directors is applied.

Liquidity Action Plan was prepared to mitigate risks that may occur due to non-performance of liabilities resulting from liquidity squeeze and to protect rights and interests of the Bank's shareholder, creditors and all parties which may be affected by the liquidity status and healthy management of operations.

In order to meet the urgent liquidity need, in addition to “Base Ratio to be Used in Measurement of Liquidity Risk” an additional minimum 1% of the Bank’s total assets are maintained as liquid assets. The composition of these assets is determined by Vice Presidency responsible from Treasury (assets as indicated in Article 5 of the Regulation on Measurement and Evaluation of Liquidity Adequacy of Banks).

In addition to legal liquidity obligations, the Bank’s asset and liability items are classified based on their maturities as demand, up to 1 month, 1-3 months, 3-12 months, 1-5 years, 5 year and above, and asset-liability harmony is closely monitored through stress tests.

Concentration Risk

While Türk Eximbank is exempted from Article 54 – Loan Limits of the Banking Law, the metrics Risk Management Department identified in relation to concentration risk are monitored in the Internal Limit and Early Warning Thresholds document approved by the Board of Directors.

In addition, the concentration risk is addressed in the ICAAP report, and risk is measured using methods that indicate the applicability of concentration risk management covered in the “Concentration Risk Management Guide” published by the BRSA in the Official Gazette issue 6827 dated 31 March 2016.

The ICAAP Report also covers Environmental and Social Risks, Climate Risks, Country Risk and Structural Interest Rate Risk, and stress testing is conducted taking into account parameters specific to related risks.

Evaluation of Financial Position

Türk Eximbank's total assets reached TL 608 billion (USD 20.7 billion) as of 31 December 2023.

Assets

Türk Eximbank's assets are composed of credits by 85%, liquid assets by 5%, and financial assets measured at amortized cost by 3% and, derivative financial assets and other assets by 7%.

The Bank's loan portfolio reached TL 517.1 billion, up by 69% in the twelve months to end-December 2023.

Of the total credits, 61.1% (TL 316.1 billion) are short-term credits and 38.8% (TL 200.4 billion) are medium- and long-term credits.

Although a substantial portion of the Bank's funds are channeled to the exports industry in the form of credits, the ratio of non-performing loans (NPL) (TL 0.6 billion) to total loans is well below the sector's average and stands at 0.1%.

Through effective risk assessment methods pursued, Türk Eximbank works arduously to timely and fully collect its credits.

Liabilities

Türk Eximbank's total liabilities were worth TL 608 billion. Of these, 7% (TL 42 billion) consisted of shareholders' equity, 92% (TL 558 billion) of external funds, and 1% (TL 8 billion) of provisions and other liabilities.

Out of the Bank's shareholders' equity of TL 42 billion, 48.5% (TL 21 billion) pertains to paid-in capital, 25% (TL 10.5 billion) to capital and profit reserves, and 26.5% (TL 11 billion) to net profit for the period.

TL 555.5 billion of foreign resources used for funding the Bank's assets consisted of TL 279.4 billion in credits sourced by the CBRT, TL 166.4 billion in credits provided from domestic and foreign banks and borrowings from money markets, TL 100.7 billion in marketable securities issued, and TL 9 billion in subordinated loans.

At the Ordinary General Assembly convened on 21 July 2023, the authorized capital was increased to TL 50 billion. The Bank's paid-in capital is TL 20.6 billion as of 31 December 2023.

Solvency

The ratio of Türk Eximbank's liquid assets including short term loans to short-term liabilities was registered as 96.0% as of 31 December 2023.

Profit & Loss Statement and Profitability

The credit-weighted composition of Türk Eximbank's balance sheet bears effects also on income. The Bank's total interest income is TL 48 billion, of which 91% (TL 43.6 billion) is interest received from loans.

On the other hand, the Bank's interest expense was TL 36.6 billion since the Bank secures funds by way of borrowing from domestic and international money and capital markets and through bond issuances. Of this amount, 82% (TL 29.8 billion) was interest paid on borrowings from domestic and international markets, and 16% (TL 6 billion) was interest paid on marketable securities.

The Bank booked a net profit of TL 11 billion for the period ended as of 31 December 2023. Therefore, the Bank registered return on assets and return on equity ratios of 2.40% and 46.24%, respectively.

Credit Ratings Assigned to Türk Eximbank by International Rating Agencies

The issuer credit ratings assigned to Türk Eximbank by Moody's and Fitch Ratings as of the end of 2023 are as follows:

Fitch Ratings*	
Foreign Currency IDR **	B-/Stable/B
Local Currency IDR **	B/ Stable/B
National Credit Rating **	AAA (tur)/Stable
Government Support Rating	b-

* Recent revision as of 22 September 2023

** Long-term/Outlook (if available)/Short-term

Moody's*	
Foreign Currency Issuer Rating	B3/ Stable /NP
Local Currency Issuer Rating	B3/ Stable /NP
Senior Unsecured Regular Bond/Debenture Rating	B3/Stable
Senior Unsecured MTN Program Rating	(P)B3

* Recent revision as of 16 August 2022

** Long-term/Outlook (if available)/Short-term

Financial Indicators for the 2019-2023 Period

Balance Sheet Accounts (TL thousand)

	2023	2022	2021	2020	2019
Loans (Net)	516,280,852	304,838,890	287,473,621	178,253,907	142,892,035
Total Assets	607,852,496	346,036,720	322,377,479	204,227,274	162,883,112
Funds Borrowed	434,030,953	259,018,890	250,365,374	160,630,694	127,584,542
Securities Issued (Net)	100,723,950	41,722,141	37,284,304	22,953,260	18,791,531
Subordinated Loans	9,017,007	6,507,220	5,523,837	4,463,576	4,025,854
Money Market Funds	11,817,034	7,910,508	6,517,681	1,375,566	-
Shareholders' Equity	42,432,272	23,750,636	14,550,311	11,413,457	9,080,224
Paid-in Capital	20,600,000	13,800,000	10,800,000	9,270,000	7,160,000

Profit-Loss Statement Accounts (TL thousand)

	2023	2022	2021	2020	2019
Interest Income	48,132,696	17,232,240	7,190,739	5,011,499	4,856,159
Interest Expense	(36,553,047)	(11,472,507)	(4,388,430)	(3,788,554)	(3,741,609)
Net Interest Income	11,579,649	5,759,733	2,802,309	1,222,945	1,114,550
Net Fees and Commissions and Other Operating Income	1,671,557	1,066,498	556,923	239,271	183,021
Trading Income/Losses (Net)	851,810	725,709	643,073	844,842	627,029
Expected Credit Losses	(415,165)	(277,707)	(231,578)	(369,469)	(132,997)
Other Provision Expenses	(232,188)	(166,545)	(151,073)	(14,281)	(422)
Personnel Expenses	(1,360,258)	(582,029)	(300,661)	(260,866)	(225,572)
Other Operating Expenses	(837,146)	(293,179)	(212,476)	(151,054)	(133,974)
Net Profit for the Period	11,258,259	6,232,480	3,106,517	1,511,388	1,431,635

**Publicly Announced Unconsolidated Financial Statements and
Related Disclosures Together with Independent Auditor's Report at
31 December 2023**

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

**TÜRKİYE İHRACAT KREDİ BANKASI
A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND RELATED
DISCLOSURES TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT AT 31 DECEMBER 2023**

(Convenience Translation of the Independent Auditor's Report Originally Issued in Turkish)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Türkiye İhracat Kredi Bankası A.Ş:

A) Audit of Unconsolidated Financial Statements

1) Opinion

We have audited the accompanying unconsolidated financial statements of Türkiye İhracat Kredi Bankası A.Ş. (the "Bank"), which comprise the unconsolidated statement of financial position as at December 31, 2023, and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flows for the year then ended and notes to the unconsolidated financial statements and a summary of significant accounting policies and other explanatory information.

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

2) Basis of Opinion

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Building a better
working world**

Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p><i>Financial impact of TFRS 9 “Financial Instruments” standard and recognition of impairment on financial assets and related important disclosures</i></p>	
<p>As disclosed in footnote VI and VII of Section 3; the Bank measured expected credit losses for financial assets by TFRS 9 “Financial Instruments Standards” in financial statements. The rationale reasons for selecting TFRS 9 implementation and impairment of financial assets as key audit subject are as follows;</p> <ul style="list-style-type: none"> ▪ Financial assets within balance-sheet and off-balance-sheet subject to TFRS 9 expected credit losses measurement have significant balance in the financial statements ▪ The applications TFRS 9 are complex and comprehensive ▪ The classification of financial instruments based on the Bank’s business models and the characteristics of contractual cash flows in line with TFRS 9 and requirement of important judgments to determine this business model and the characteristics of contractual cash flows ▪ Risks related to the policies established by the management with the compliance and requirements of the legislation and other applications for the calculation of expected credit losses ▪ The complexity and intensity of the control environment in the processes designed or reorganized for TFRS 9 ▪ Estimations and assumptions used in expected credit losses are new, important and complex ▪ Complex and comprehensive disclosure requirements of TFRS 9. 	<p>Our audit procedures in addition to our current audit procedures:</p> <ul style="list-style-type: none"> ▪ Evaluation of the compliance of the accounting policies adopted with regard to TFRS 9, the Bank’s past performance, and local and global practices ▪ Analysis and testing of processes, systems, and controls originated or re-designed in order to calculate expected credit losses by the Information Systems and Process Audit specialists ▪ Evaluation of the key judgments, assumptions, methods used for calculation of expected credit loss determined by the management, and whether the data source is reasonable or not, and their compliance and standard requirements in light of industry and global practices. ▪ Testing criteria used for determining the contractual cash flows including interest payments with regard to solely principal and principal balance of financial assets on a sample basis and evaluation of Bank’s business model ▪ Evaluation of significant increase in credit risk, definition of default, definition of restructuring, probability of default, loss given default, exposure at default and macro-economic variables, and related basic and significant estimates and assumptions determined for calculation process of expected credit loss and whether these assumptions determined by financial risk management are in line with the Bank’s historical performance, legislation, and reasonableness of the estimation process regarding future performance and investigation of credit risk portfolio on a sample basis ▪ Evaluation of the accuracy and completeness of attributes of the data used for the calculation process of expected credit losses ▪ Detailed testing of mathematical verification of expected credit losses’ calculation on a sample basis ▪ Evaluating the necessity and accuracy of the updates made or required updates after the modeling process ▪ Auditing of disclosures related to TFRS 9.

Key audit matter	How the matter was addressed in our audit
<p>Hedge Accounting</p> <p>The Bank applies fair value hedge transactions to manage fixed interest rate risk due to securities issued at fixed rate with interest rate swap transactions and applies cross-currency swap transactions to manage interest and exchange rate risk.</p> <p>The Bank applies cash flow hedge transactions to manage foreign currency risk due to borrowing at floating rate and loans at floating rate with cross-currency swap transactions.</p> <ul style="list-style-type: none"> The criteria for the application of the hedge accounting include defining, documenting and regularly testing the effectiveness of the hedge accounting transactions. Due to the fact that hedge accounting has complex structure and requires technical calculations, we considered this to be one of the key audit matters. 	<p>The audit procedures for testing hedge accounting included below;</p> <ul style="list-style-type: none"> To examine the documentation and appropriateness of hedging relationships of cash flow hedge and fair value hedge transactions. To take into account the objective of the hedge accounting and its compliance with TFRS requirements. To test the management's assessment of effectiveness, measuring ineffectiveness and appropriateness of accounting records. To understand and test the hedge accounting controls, hedging relationship, the effectiveness controls at inception and at subsequent periods. To evaluate the adequacy of the unconsolidated financial statement disclosures related to hedge accounting.

4) *Responsibilities of Management and Directors for the Unconsolidated Financial Statements*

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

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

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

5) *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements*

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

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

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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



EY

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

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

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

B) Report on Other Legal and Regulatory Requirements

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

The engagement partner who supervised and concluded this independent auditor's report is Fatma Ebru Yücel.

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



Fatma Ebru Yücel, SMMM
Partner

February, 23 2024
Istanbul, Turkey



CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH,

**THE UNCONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE İHRACAT KREDİ BANKASI A.Ş. (“TÜRK EXIMBANK”)
AS OF 31 DECEMBER 2023**

Address of the Bank's Management Center: İnkılap Mah. Dr. Adnan Büyükdeniz Cad.. A2 Blok: 7/B
34768 Ümraniye / İSTANBUL
The Bank's Telephone: (216) 666 55 00
The Bank's Fax: (216) 666 55 99
The Bank's website: www.eximbank.gov.tr
E-Mail Address for Contact: info@eximbank.gov.tr

The unconsolidated financial report includes the following sections in accordance with the “Communiqué on the Financial Statements and Related Explanation and Notes that will be Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION
- UNCONSOLIDATED FINANCIAL STATEMENTS
- ACCOUNTING POLICIES
- INFORMATION RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- INFORMATION AND DISCLOSURES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR'S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish lira, have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards and Turkish Financial Reporting Standards; the related appendices and interpretations of these financial statements have been independently audited.

Osman ÇELİK
Chairman of Board of
Directors

Ali GÜNEY
General Manager

Taner YAVUZ
Deputy General Manager
Responsible for Financial
Reporting

Tolga ZENGİNGÖNÜL
Financial Affairs Director

**D. Bahar ÖZGÜN
YILMAZ**
Member of the Board of
Directors / Member of the
Audit Committee

Nail OLPAK
Member of the Board of
Directors / Member of the
Audit Committee

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

Name-Surname/Title: Tolga ZENGİNGÖNÜL/ Financial Affairs Director

Tel : (0216) 666 55 89

Fax No : (0216) 666 55 99

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TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

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

SECTION ONE

GENERAL INFORMATION

I. Bank's date of foundation, initial status, history regarding the changes in this status

Türkiye İhracat Kredi Bankası A.Ş. ("the Bank" or "Eximbank") was established as Turkey's "Official Export Credit Agency" on March 25, 1987 with Act number 3332 as a development and investment bank and accordingly, the Bank does not accept deposits.

II. Explanation about the Bank's capital structure and shareholders who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters throughout the year (if any) and the group of the Bank

The Bank has a registered capital system and the registered capital ceiling is 50.000.000 Turkish Liras. In the current period, the Bank's capital is 20.600.000 Turkish Liras. This capital is divided into registered shares with a nominal value of 1 TL each, all of which have been committed and fully paid by the Ministry of Treasury and Finance of the Republic of Turkey.

III. Explanation on the board of directors, members of the audit committee, general manager and assistant general managers and their shareholding at the Bank, if applicable

	Name:	Academic Background:
Chairman of the Board of Directors:	Osman ÇELİK	Undergraduate
Dep. Chairman of the Board of Directors:	Özgür Volkan AĞAR	Graduate
Members of the Board of Directors:	Ali GÜNEY	Undergraduate
	Fahriye Alev ARKAN	Undergraduate
	Nail OLPAK	Graduate
	Mustafa GÜLTEPE	Graduate
	Didem Bahar ÖZGÜN YILMAZ	Graduate
Audit Committee:	Nail OLPAK	Graduate
	Didem Bahar ÖZGÜN YILMAZ	Graduate
General Manager:	Ali GÜNEY	Undergraduate
Assistant General Managers:	Hakan UZUN	Graduate
	Necdet KARADENİZ	Graduate
	Mustafa Çağrı ALTINDAĞ	Undergraduate
	Erdem OKUR	Graduate
	Taner YAVUZ	Undergraduate

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

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

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

III. Explanation on the board of directors, members of the audit committee, general manager and deputy general managers and their shareholding at the Bank, if applicable (Continued)

Ali GÜNEY, General Manager, Necdet KARADENİZ, is the Deputy General Manager responsible for Credit Allocation, M. Çağrı ALTINDAĞ is the Deputy General Manager responsible for Marketing, Taner YAVUZ is the Deputy General Manager responsible for Strategy and Finance, Hakan UZUN is the Deputy General Manager responsible for Treasury and Deputy General Manager for Insurance, and Erdem OKUR is the Deputy General Manager responsible for Information Technologies and Operations.

The Bank's chairman and members of the board of directors, the members of the audit committee, general manager and deputy general managers do not own shares of the Bank.

IV. Information on the shareholders or entities owning control shares

Name Surname/Commercial title	Share amount	Share percentage	Paid-in capital	Unpaid portion
Ministry of Treasury and Finance	20.600.000	100%	20.600.000	-

V. Brief information on the Bank's service type and fields of operation

The Bank has been founded to support the development of export, venture investments, foreign trade through diversification of the exported goods and services, by increasing the share of exporters and entrepreneurs in international trade, to encourage foreign investments and production and sales of foreign currency earning commodities and to create new markets for the exported commodities, to provide exporters and overseas contractors with support to increase their competitiveness.

As a means of aiding export development services, the Bank performs loan, guarantee and insurance services in order to financially support export and foreign currency earning services. While performing the above mentioned operations, in addition to its own equity, the Bank provides short, medium or long term, domestic and foreign currency lending through borrowings from domestic and foreign money and capital markets.

On the other hand, the Bank also performs fund management (treasury) operations related with its core banking operations. These operations are Turkish Lira and foreign currency capital market operations, Turkish Lira and foreign currency money market operations, foreign currency market operations and derivative transactions, all of which are approved by the Board of Directors. As a result of Decision No. 4106 dated March 11, 2011 of the Banking Regulation and Supervisory Board published in Official Gazette No. 27876, dated March 16, 2011, permission was granted to the Bank to allow it to be engaged in the purchase and sale of foreign exchange-based options. The losses due to the political risks arising on loan, guarantee and insurance operations of the Bank, are transferred to the Republic of Turkey Ministry of Treasury and Finance according to article 4/c of Act number 3332 that was appended by Act number 3659 and according to Act regarding the Public Financing and Debt Management, No 4749, dated March 28, 2002. In addition, Banking Regulation and Supervision Agency authorized the Bank to operate in "Purchase and sale of precious metals and stones" and "purchase and sale of the transaction based on the precious metals" on April 8, 2014 and published in the Official Gazette No. 28966 within the scope of paragraphs (h) and (i) paragraph of article number 4 of the Banking Law No. 5411.

VI. Short explanation about those entities subject to full consolidation or proportionate consolidation with the differences regarding the consolidation transactions performed in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards, those deducted from the equities or not included in these three methods

Export Development Inc., a subsidiary of the Bank. Since it is not a financial institution, it is not consolidated within the scope of the "Communiqué on the Preparation of Consolidated Financial Statements of Banks".

VII. Existing or potential, actual or legal barriers for the immediate transfer of equities among the subsidiaries of the Bank or the repayment of debts

The Bank does not have any subsidiaries.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2023

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

ASSETS	Notes	Audited Current Period (31 December 2023)			Audited Prior Period (31 December 2022)		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		5.858.595	33.987.896	39.846.491	3.280.164	15.265.533	18.545.697
1.1 Cash and Cash Equivalents		5.116.113	23.607.635	28.723.748	3.038.954	11.494.754	14.533.708
1.1.1. Cash and Balances with Central Bank	(1)	402.301	16.564.447	16.966.748	17.617	6.530.875	6.548.492
1.1.2. Banks	(4)	1.372.084	7.043.188	8.415.272	1.061.289	4.963.879	6.025.168
1.1.3. Money Market Placements		3.342.031	-	3.342.031	1.960.381	-	1.960.381
1.1.4. Expected Credit Losses (-)		303	-	303	333	-	333
1.2 Financial Assets at Fair Value through Profit/Loss	(2)	-	412.891	412.891	-	253.714	253.714
1.2.1. Government Securities		-	291.947	291.947	-	176.484	176.484
1.2.2. Equity Securities		-	-	-	-	-	-
1.2.3. Other Financial Assets		-	120.944	120.944	-	77.230	77.230
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income	(6)	741.529	8.780.004	9.521.533	241.210	2.084.176	2.325.386
1.3.1. Government Securities		145.602	5.554.452	5.700.054	21.620	2.084.176	2.105.796
1.3.2. Equity Securities		595.927	3.225.552	3.821.479	219.590	-	219.590
1.3.3. Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	(3)	953	1.187.366	1.188.319	-	1.432.889	1.432.889
1.4.1. Derivative Financial Assets Measured at Fair Value Through Profit or Loss		953	894.639	895.592	-	940.100	940.100
1.4.2. Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	292.727	292.727	-	492.789	492.789
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		215.554.012	317.374.645	532.928.657	110.560.270	206.389.288	316.949.558
2.1 Loans	(7)	211.822.505	305.256.002	517.078.507	107.064.028	198.547.978	305.612.006
2.2 Lease Receivables	(12)	-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets Measured at Amortised Cost	(8)	4.531.495	12.118.643	16.650.138	4.269.358	7.841.310	12.110.668
2.4.1. Government Securities		3.986.987	12.118.643	16.105.630	4.269.358	7.841.310	12.110.668
2.4.2. Other Financial Assets		544.508	-	544.508	-	-	-
2.5 Expected Credit Losses (-)		799.988	-	799.988	773.116	-	773.116
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
3.1. Asset Held for Resale		-	-	-	-	-	-
3.2. Assets of Discontinued Operations		-	-	-	-	-	-
IV. OWNERSHIP INVESTMENTS (Net)		205.044	-	205.044	169.198	-	169.198
4.1 Associates (Net)	(9)	205.044	-	205.044	169.198	-	169.198
4.1.1. Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2. Unconsolidated Associates		205.044	-	205.044	169.198	-	169.198
4.2 Subsidiaries (Net)	(10)	-	-	-	-	-	-
4.2.1. Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2. Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	(11)	-	-	-	-	-	-
4.3.1. Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2. Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(13)	93.291	-	93.291	32.751	-	32.751
VI. INTANGIBLE ASSETS (Net)	(14)	72.110	-	72.110	51.087	-	51.087
6.1. Goodwill		-	-	-	-	-	-
6.2. Others		72.110	-	72.110	51.087	-	51.087
VII. INVESTMENT PROPERTY (Net)	(15)	1.802	-	1.802	1,906	-	1,906
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET		-	-	-	-	-	-
X. OTHER ASSETS		32.804.968	1.900.133	34.705.101	8.714.458	1.572.065	10.286.523
TOTAL ASSETS		254.589.822	353.262.674	607.852.496	122.809.834	223.226.886	346.036.720

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2023

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

LIABILITIES	Notes	Audited Current Period (31 December 2023)			Audited Prior Period (31 December 2022)		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(1)	-	-	-	-	-	-
II. FUNDS BORROWED	(3)	210.774.821	223.256.132	434.030.953	94.668.734	164.350.156	259.018.890
III. MONEY MARKET FUNDS		-	11.817.034	11.817.034	483.850	7.426.658	7.910.508
IV. SECURITIES ISSUED (Net)		-	100.723.950	100.723.950	-	41.722.141	41.722.141
4.1 Bills		-	13.394.786	13.394.786	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	87.329.164	87.329.164	-	41.722.141	41.722.141
V. FUNDS		287.543	551.225	838.768	464.046	480.868	944.914
5.1 Borrower Funds		287.530	551.225	838.755	464.033	480.868	944.901
5.2 Other		13	-	13	13	-	13
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT/LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES	(2)	574.376	734.556	1.308.932	-	483.047	483.047
7.1 Derivative Financial Liabilities Measured at Fair Value through Profit/Loss		574.376	670.441	1.244.817	-	454.290	454.290
7.2 Derivative Financial Liabilities Measured at Fair Value through Other Comprehensive Income		-	64.115	64.115	-	28.757	28.757
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES	(5)	12.622	-	12.622	8.871	3.125	11.996
X. PROVISIONS	(6)	1.765.720	-	1.765.720	1.115.588	-	1.115.588
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Rights		564.090	-	564.090	271.016	-	271.016
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		1.201.630	-	1.201.630	844.572	-	844.572
XI. CURRENT TAX LIABILITY	(7.1)	83.692	-	83.692	36.106	-	36.106
XII. DEFERRED TAX LIABILITY	(7.2)	-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Asset Held for Sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED LOANS	(9)	3.001.128	6.015.879	9.017.007	3.000.127	3.507.093	6.507.220
14.1 Borrowings		-	6.015.879	6.015.879	-	3.507.093	3.507.093
14.2 Other Debt Instruments		3.001.128	-	3.001.128	3.000.127	-	3.000.127
XV. OTHER LIABILITIES	(4)	711.831	5.109.718	5.821.549	364.170	4.171.504	4.535.674
XVI. SHAREHOLDERS' EQUITY	(8)	42.297.379	134.890	42.432.269	23.873.436	(122.800)	23.750.636
16.1 Paid-in Capital		20.600.000	-	20.600.000	13.800.000	-	13.800.000
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss		524.590	-	524.590	(47.769)	-	(47.769)
16.4 Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss		1.785	134.890	136.675	208.460	(122.800)	85.660
16.5 Profit Reserves		9.912.745	-	9.912.745	3.680.265	-	3.680.265
16.5.1 Legal Reserves		1.036.718	-	1.036.718	725.094	-	725.094
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		8.876.027	-	8.876.027	2.955.171	-	2.955.171
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit/Loss		11.258.259	-	11.258.259	6.232.480	-	6.232.480
16.6.1 Prior Periods' Profit/Loss		-	-	-	-	-	-
16.6.2 Current Period's Net Profit/Los		11.258.259	-	11.258.259	6.232.480	-	6.232.480
TOTAL LIABILITIES		259.509.112	348.343.384	607.852.496	124.014.928	222.021.792	346.036.720

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF OFF-BALANCE SHEET ITEMS
AS AT 31 DECEMBER 2023

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

	Notes	Audited Current Period (31 December 2023)			Audited Prior Period (31 December 2022)		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		19.470.388	446.926.325	466.396.713	17.273.932	290.155.101	307.429.033
I. GUARANTEES AND SURETIES	(1.2)	1.118.720	52.015.419	53.134.139	818.168	33.953.117	34.771.285
1.1 Letters of guarantee		-	19.371	19.371	-	361.339	361.339
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		-	19.371	19.371	-	361.339	361.339
1.2 Bank Acceptances		-	-	-	-	-	-
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	-	-	-	-	-
1.3.1 Documentary Letters of Credit		-	-	-	-	-	-
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		1.118.720	51.996.048	53.114.768	818.168	33.591.778	34.409.946
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		16.794.527	228.767.631	245.562.158	16.455.764	172.915.685	189.371.449
2.1 Irrevocable Commitments		14.663	130.179	144.842	-	-	-
2.1.1 Asset Purchase and Sale Commitments		14.663	130.179	144.842	-	-	-
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		-	-	-	-	-	-
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		-	-	-	-	-	-
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10 Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		-	-	-	-	-	-
2.2 Revocable Commitments		16.779.864	228.637.452	245.417.316	16.455.764	172.915.685	189.371.449
2.2.1 Revocable Loan Granting Commitments		16.779.864	228.637.452	245.417.316	16.455.764	172.915.685	189.371.449
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		1.557.141	166.143.275	167.700.416	-	83.286.299	83.286.299
3.1 Hedging Derivative Financial Instruments		-	128.407.091	128.407.091	-	70.318.846	70.318.846
3.1.1 Transactions for Fair Value Hedge		-	109.339.614	109.339.614	-	54.761.137	54.761.137
3.1.2 Transactions for Cash Flow Hedge		-	19.067.477	19.067.477	-	15.557.709	15.557.709
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		1.557.141	37.736.184	39.293.325	-	12.967.453	12.967.453
3.2.1 Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1 Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.2.2 Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		1.557.141	37.736.184	39.293.325	-	12.967.453	12.967.453
3.2.2.1 Foreign Currency Swap-Buy		1.371.580	17.972.320	19.343.900	-	6.485.435	6.485.435
3.2.2.2 Foreign Currency Swap-Sell		185.561	19.763.864	19.949.425	-	6.482.018	6.482.018
3.2.2.3 Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4 Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3 Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1 Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2 Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		569.544.848	1.258.304.320	1.827.849.168	232.565.603	600.614.170	833.179.773
IV. ITEMS HELD IN CUSTODY		-	-	-	-	-	-
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		-	-	-	-	-	-
4.3 Cheques Received for Collection		-	-	-	-	-	-
4.4 Commercial Notes Received for Collection		-	-	-	-	-	-
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		457.307	4.664.718	5.122.025	253.448	3.658.343	3.911.791
5.1 Marketable Securities		-	-	-	-	-	-
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Real Estates		452.557	4.156.172	4.608.729	246.620	3.414.965	3.661.585
5.6 Other Pledged Items		4.750	508.546	513.296	6.828	243.378	250.206
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		569.087.541	1.253.639.602	1.822.727.143	232.312.155	596.955.827	829.267.982
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		589.015.236	1.705.230.645	2.294.245.881	249.839.535	890.769.271	1.140.608.806

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF PROFIT OR LOSS
AS AT 31 DECEMBER 2023

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

PROFIT AND LOSS STATEMENT		Dipnot	Audited	Audited
			Current Period (31 December 2023)	Prior Period (31 December 2022)
I.	INTEREST INCOME	(1)	48.132.696	17.232.240
1.1	Interest Income On Loans		43.633.841	14.988.374
1.2	Interest Income On Reserve Deposits		-	-
1.3	Interest Income On Banks		1.025.649	285.068
1.4	Interest Income On Money Market Transactions		1.408.733	754.447
1.5	Interest Income On Securities Portfolio		2.056.161	1.191.206
1.5.1	Financial Assets Measured At Fair Value Through Profit or Loss		21.665	12.394
1.5.2	Financial Assets Measured At Fair Value Reported in Other Comprehensive Income		369.368	162.584
1.5.3	Financial Assets Measured At Amortised Cost		1.665.128	1.016.228
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		8.312	13.145
II.	INTEREST EXPENSE	(2)	36.553.047	11.472.507
2.1	Interest On Deposits		-	-
2.2	Interest On Funds Borrowed		29.835.638	7.972.580
2.3	Interest On Money Market Transactions		-	-
2.4	Interest On Securities Issued		5.929.116	3.171.327
2.5	Financial Lease Interest Expenses		7.874	3.145
2.6	Other Interest Expenses		780.419	325.455
III.	NET INTEREST INCOME (I - II)		11.579.649	5.759.733
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		1.298.715	857.244
4.1	Fees and Commissions Received		2.421.159	1.679.824
4.1.1	Non-cash Loans		203	764
4.1.2	Other		2.420.956	1.679.060
4.2	Fees and Commissions Paid		1.122.444	822.580
4.2.1	Non-cash Loans		-	-
4.2.2	Other		1.122.444	822.580
V.	DIVIDEND INCOME		947	853
VI.	NET TRADING INCOME/LOSSES (Net)	(3)	851.810	725.709
6.1	Trading Account Income/Losses		(21.723)	587
6.2	Income/Losses From Derivative Financial Instruments		(1.006.871)	3.590.716
6.3	Foreign Exchange Gains/Losses		1.880.404	(2.865.594)
VII.	OTHER OPERATING INCOME	(4)	371.895	208.401
VIII.	TOTAL OPERATING PROFIT (III+IV-V+VI+VII+VIII)		14.103.016	7.551.940
IX.	EXPECTED CREDIT LOSSES (-)	(5)	415.165	277.707
X.	OTHER PROVISION EXPENSES (-)	(6)	232.188	166.545
XI.	PERSONNEL EXPENSES (-)		1.360.258	582.029
XII.	OTHER OPERATING EXPENSES (-)	(6)	837.146	293.179
XIII.	NET OPERATING PROFIT/LOSS (IX-X-XI)		11.258.259	6.232.480
XIV.	INCOME RESULTED FROM MERGERS		-	-
XV.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XVI.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XVII.	OPERATING PROFIT/LOSS BEFORE TAXES (XI+...+XIV)		11.258.259	6.232.480
XVIII.	PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)	(7)	-	-
18.1	Current Tax Charge		-	-
18.2	Deferred Tax Income Effect (+)		-	-
18.3	Deferred Tax Expense Effect (-)		-	-
XIX.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVI±XVII)		11.258.259	6.232.480
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income From Assets Held For Sale		-	-
20.2	Income From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
20.3	Others		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses On Assets Held for Sale		-	-
21.2	Expenses On Sale of Associates, Subsidiaries and Joint-Ventures		-	-
21.3	Others		-	-
XXII.	PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXIII.	PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Charge		-	-
23.2	Deferred Tax Income Effect (+)		-	-
23.3	Deferred Tax Expense Effect (-)		-	-
XXIV.	NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XX±XXII)		-	-
XXV.	NET PROFIT / LOSS (XVII+XXII)	(8)	11.258.259	6.232.480
	Earnings per Share		0,65349	0,46012

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2023

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

	Notes	Audited Current Period (31 December 2023)	Audited Prior Period (31 December 2022)
I. CURRENT PERIOD PROFIT/LOSS		11.258.259	6.232.480
II. OTHER COMPREHENSIVE INCOME		623.374	(32.155)
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss		572.359	(37.520)
2.1.1 Revaluation Surplus on Tangible Assets		-	-
2.1.2 Revaluation Surplus on Intangible Assets		-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses		(12.219)	(38.747)
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss		584.578	1.227
2.1.5 Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss		-	-
2.2 Other Income/Expense Items to be Recycled to Profit or Loss		51.015	5.365
2.2.1 Translation Differences		-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Fair Value through Other Comprehensive Income		34.374	14.747
2.2.3 Gains/losses from Cash Flow Hedges		16.641	(9.382)
2.2.4 Gains/Losses on Hedges of Net Investments in Foreign Operations		-	-
2.2.5 Other Income/Expense Items to be Recycled to Profit or Loss		-	-
2.2.6 Taxes on Other Comprehensive Income to be Recycled to Profit or Loss		-	-
III. TOTAL COMPREHENSIVE INCOME (I+II)		11.881.633	6.200.325

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

STATEMENT OF CHANGES IN EQUITY	Notes					Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity	
		Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserve	1	2	3	4	5	6					
Current Period (31 December 2023)																
I. Balances at Beginning of Period	II-I	13.800.000	-	-	-	-	(48.996)	1.227	-	21.603	64.057	3.680.265	6.232.480	-	-	23.750.636
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)		13.800.000	-	-	-	-	(48.996)	1.227	-	21.603	64.057	3.680.265	6.232.480	-	-	23.750.636
IV. Total Comprehensive Income		-	-	-	-	-	(12.219)	584.578	-	34.374	16.641	-	-	-	-	11.881.633
V. Capital Increase in Cash		6.800.000	-	-	-	-	-	-	-	-	-	-	-	-	11.258.259	6.800.000
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Gain or Loss related to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	6.232.480	(6.232.480)	-	-	-
11.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2. Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	6.232.480	(6.232.480)	-	-	-
11.3. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period		20.600.000	-	-	-	-	(61.215)	585.805	-	55.977	80.698	9.912.745	-	11.258.259	-	42.432.269

1 Accumulated Revaluation Increase/Decrease of Fixed Assets

2 Accumulated Remeasurement at Gain/Loss of Defined Benefit Pension Plan

3 Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)

4 Foreign Currency Translation Differences

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

6 Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

STATEMENT OF CHANGES IN EQUITY	Notes				Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Equity	
		Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserve	1	2	3	4	5					6
Prior Period (31 December 2022)															
I.	Balances at Beginning of Period	10,800,000	-	-	-	-	(10,249)	-	-	6,856	73,439	573,748	3,106,517	-	14,550,311
II.	Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balances at Beginning of Period (I+II)	10,800,000	-	-	-	-	(10,249)	-	-	6,856	73,439	573,748	3,106,517	-	14,550,311
IV.	Total Comprehensive Income	-	-	-	-	-	(38,747)	1,227	-	14,747	(9,382)	-	-	6,232,480	6,200,325
V.	Capital Increase in Cash	3,000,000	-	-	-	-	-	-	-	-	-	-	-	-	3,000,000
VI.	Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital Reserves from Inflation Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Gain or Loss related to Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	3,106,517	(3,106,517)	-	-
11.1.	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2.	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	3,106,517	(3,106,517)	-	-
11.3.	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at end of the period		13,800,000	-	-	-	-	(48,996)	1,227	-	21,603	64,057	3,680,265	-	6,232,480	23,750,636

1 Accumulated Revaluation Increase/Decrease of Fixed Assets

2 Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan

3 Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)

4 Foreign Currency Translation Differences

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

6 Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2023

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

	Notes	Audited Current Period (31 December 2023)	Audited Prior Period (31 December 2022)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating profit before changes in operating assets and liabilities	14.052.208	6.498.154
1.1.1	Interest received	44.225.013	15.221.422
1.1.2	Interest paid	(33.149.658)	(7.422.031)
1.1.3	Dividend received	947	853
1.1.4	Fees and commissions received	2.101.592	1.483.668
1.1.5	Other income	349.215	205.728
1.1.6	Collections from previously written-off loans and other receivables	526.479	172.305
1.1.7	Payments to personnel and service suppliers	(1.488.006)	(644.341)
1.1.8	Taxes paid	(902.452)	(391.308)
1.1.9	Other	2.389.078	(2.128.142)
1.2	Changes in operating assets and liabilities	(32.857.889)	(5.668.550)
1.2.1	Net (increase) decrease in financial assets measured at Fair Value Through Profit or Loss	-	-
1.2.2	Net (increase) decrease in due from banks	-	-
1.2.3	Net (increase) decrease in loans	(208.686.253)	(15.767.428)
1.2.4	Net (increase) decrease in other assets	(25.006.998)	(564.469)
1.2.5	Net increase (decrease) in bank deposit	-	-
1.2.6	Net increase (decrease) in other deposits	-	-
1.2.7	Net increase (decrease) in financial liabilities measured at Fair Value Through Profit or Loss	-	-
1.2.8	Net increase (decrease) in funds borrowed	173.932.797	8.024.030
1.2.9	Net increase (decrease) in matured payables	-	-
1.2.10	Net increase (decrease) in other liabilities	26.902.565	2.639.317
I.	Net cash flow from banking operations	(18.805.681)	829.604
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net cash flow from investing activities	(4.345.951)	(87.088)
2.1	Cash paid for purchase of associates, subsidiaries and joint ventures	(35.846)	(96.198)
2.2	Cash obtained from sale of associates, subsidiaries and joint ventures	-	-
2.3	Purchases of tangible asset	(110.509)	(19.583)
2.4	Sales of tangible assets	957	3.260
2.5	Cash paid for purchase of financial assets measured at Fair Value through Other Comprehensive Income	(6.368.350)	(259.723)
2.6	Cash obtained from sale of financial assets measured at Fair Value through Other Comprehensive Income	1.595.133	-
2.7	Cash paid for purchase of financial assets measured at amortised cost	(810.020)	(1.272.504)
2.8	Cash obtained from sale of financial assets measured at amortised cost	1.412.584	1.599.972
2.9	Others	(29.900)	(42.312)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net cash flow from financing activities	27.524.868	(9.044.754)
3.1	Cash obtained from funds borrowed and securities issued	48.491.543	-
3.2	Cash used for repayment of funds borrowed and securities issued	(27.738.338)	(12.028.184)
3.3	Equity instruments issued	-	-
3.4	Dividends paid	-	-
3.5	Payments for financial leases	(28.337)	(16.570)
3.6	Others	6.800.000	3.000.000
IV.	Effect of translation differences on cash and cash equivalents	9.796.695	3.345.055
V.	Net increase/(decrease) in cash and cash equivalents	14.169.931	(4.957.183)
VI.	Cash and cash equivalents at beginning of period	14.521.661	19.478.844
VII.	Cash and cash equivalents at end of period	28.691.592	14.521.661

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED 31 DECEMBER 2023

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

VII. STATEMENT OF PROFIT DISTRIBUTION	Current Period	Prior Period
	31 December 2023^(*)	31 December 2022
I. DISTRIBUTION OF PROFIT		
1.1. Current Year Income	11.258.259	6.232.480
1.2. Taxes And Duties Payable (-)	-	-
1.2.1. Corporate Tax (Income tax)	-	-
1.2.2. Income withholding tax	-	-
1.2.3. Other taxes and duties	-	-
A. NET INCOME FOR THE YEAR (1.1-1.2)	11.258.259	6.232.480
1.3. Prior Year Losses (-)	-	-
1.4. First Legal Reserves (-)	-	311.624
1.5. Other Statutory Reserves (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	-	5.920.856
1.6. First Dividend To Shareholders (-)	-	-
1.6.1. To Owners Of Ordinary Shares	-	-
1.6.2. To Owners Of Privileged Shares	-	-
1.6.3. To Owners Of Preferred Shares	-	-
1.6.4. To Profit Sharing Bonds	-	-
1.6.5. To Holders Of Profit And Loss Sharing Certificates	-	-
1.7. Dividends To Personnel (-)	-	-
1.8. Dividends To Board Of Directors (-)	-	-
1.9. Second Dividend To Shareholders (-)	-	-
1.9.1. To Owners Of Ordinary Shares	-	-
1.9.2. To Owners Of Privileged Shares	-	-
1.9.3. To Owners Of Preferred Shares	-	-
1.9.4. To Profit Sharing Bonds	-	-
1.9.5. To Holders Of Profit And Loss Sharing Certificates	-	-
1.10. Second Legal Reserves (-)	-	-
1.11. Statutory Reserves (-)	-	-
1.12. Extraordinary Reserves	-	5.920.856
1.13. Other Reserves	-	-
1.14. Special Funds	-	-
	-	-
II. DISTRIBUTION OF RESERVES		
2.1. Appropriated Reserves	-	-
2.2. Second Legal Reserves (-)	-	-
2.3. Dividends To Shareholders (-)	-	-
2.3.1. To Owners Of Ordinary Shares	-	-
2.3.2. To Owners Of Privileged Shares	-	-
2.3.3. To Owners Of Preferred Shares	-	-
2.3.4. To Profit Sharing Bonds	-	-
2.3.5. To Holders Of Profit And Loss Sharing Certificates	-	-
2.4. Dividends To Personnel (-)	-	-
2.5. Dividends To Board Of Directors (-)	-	-
	-	-
III. EARNINGS PER SHARE		
3.1. To Owners Of Ordinary Shares	0,6535	0,4601
3.2. To Owners Of Ordinary Shares (%)	65,35	46,01
3.3. To Owners Of Privileged Shares	-	-
3.4. To Owners Of Privileged Shares (%)	-	-
	-	-
IV. DIVIDEND PER SHARE		
4.1. To Owners Of Ordinary Shares	-	-
4.2. To Owners Of Ordinary Shares (%)	-	-
4.3. To Owners Of Privileged Shares	-	-
4.4. To Owners Of Privileged Shares (%)	-	-

(*) As of the date of the report, distributable net profit for the period has not been shown, as no decision has been made on the distribution of profits for 2023.

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

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED 31 DECEMBER 2023

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. The preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Accounting Applications for Banks and Safeguarding of Documents

The Bank prepares its legal records, financial statements and underlying documents in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Financial Reporting Standards (“TFRS”), other explanations and circulars on accounting and financial reporting principles announced by the Banking Regulation and Supervision Agency (“BRSA”) (all together “BRSA Accounting and Financial Reporting Legislation”). Turkish Financial Reporting Standards (“TFRS”) consist of Turkish Accounting Standards (“TAS”), standards and interpretations as the names of TAS interpretations and TFRS interpretations published by Public Oversight Accounting and Auditing Standards Authority (“POA”) of Turkey, Turkish Financial Reporting Standards.

Accounting policies applied and valuation methods used in the preparation of the unconsolidated financial statements are expressed in detail below. Amounts in the financial statements and related explanations and disclosures are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.

The financial statements are prepared in TL in accordance with the historical cost basis except for the financial assets at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, derivative financial assets and liabilities.

The preparation of the financial statements in conformity with TFRS requires the Bank management to use of certain make assumptions and estimates on the assets and liabilities of the balance sheet and contingent liabilities as of the balance sheet date. These estimates are reviewed regularly and, when necessary, corrections are made and the effects of these corrections are reflected to the statement of Profit or Loss.

According to IAS 29 "Financial Reporting in High-Inflation Economies" Standard, businesses whose functional currency is the currency of a high-inflation economy report their financial statements according to the purchasing power of the money at the end of the reporting period. Pursuant to the statement made by the UPS on November 23, 2023, the financial statements of the companies applying IFRS for the annual reporting period ending on or after December 31, 2023 must be submitted in accordance with the accounting principles in IAS 29, adjusted according to the inflation effect. In the same statement, it was stated that institutions or organizations authorized to carry out regulations and audits in their own fields may determine different transition dates for the implementation of inflation accounting, and in this context, the BRSA; Pursuant to the Board decision dated December 12, 2023; announced that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies as of December 31, 2023 will not be subject to inflation adjustment. Accordingly, IAS 29 was not applied in the Bank's financial statements as of December 31, 2023.

2. Accounting policies and valuation principles applied in the preparation of the financial statements

The accounting policies and valuation principles applied in the preparation of the financial statements are determined and applied in accordance with the principles of TFRS. These accounting policies and valuation principles are explained in Notes II to XXIV below.

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to “TAS 29 Financial Reporting in Hyperinflation Economies”. Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) announced that financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies as of 31 December 2023 would not be subject to the inflation adjustment in accordance with BRSA Board decision on 12 December 2023.

Accordingly, "TAS 29 Financial Reporting Standard in High Inflation Economies" is not applied in the financial statements of the Company/Group/Bank as of 31 December 2023.

II. Strategy for use of financial instruments and foreign currency transactions

The Bank uses derivatives to balance its foreign currency asset/liability positions for managing its exposure to currency risk.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates of the Bank prevailing at the balance sheet date. Gains and losses arising from such transactions are recognized in the statement of profit or loss under the account of “foreign exchange gains/losses”.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

II. Strategy for use of financial instruments and foreign currency transactions (continued)

As of December, 31 2023, the exchange rates used in translation of foreign currency denominated balances into Turkish Lira are TL 29,3232 for US Dollar, TL 32,4461 for Euro, TL 20,7363 for 100 JPY and TL 37,3754 for GBP.

III. Explanations on forward transactions, options and derivative instruments

The Bank uses derivative financial instruments in order to avoid exposure to foreign currency and interest rate risks. As of the balance sheet date, there are outstanding currency and interest rate swap purchase and sales contracts and forward transactions in TL and foreign currency.

Derivatives are initially recorded with their fair values and related transaction costs as of the contract date are recorded in profit or loss. The following periods of initial reporting, they are measured at their fair values. The result of this assessment, offsetting debit and credits stemming from each contract debit and credits are reflected to the financial statements as a contract-based single asset and liability. The method of accounting gain or loss changes according to related derivative transaction whether to be held for cash flow hedges or not and to the content of hedge account.

The derivative financial instruments are presented under two headings in the Bank's financial statements.

a.) Financial assets measured at fair value through profit or loss

a.1.) Derivative financial assets held for trading

Derivative financial instruments other than derivative instruments intended for the fair value hedging and cash flow hedge purposes of the Bank are accounted for as "trading purpose", economically providing effective protection against risks for the Bank. Liabilities and receivables arising from derivative transactions are recorded in off-balance sheet accounts at contractual amounts. Derivative financial instruments are measured at fair value in subsequent periods and if the fair value is positive, they are classified under "derivative financial assets measured at fair value through profit or loss". If fair value is negative derivative transactions are classified under "derivative financial liabilities measured at fair value through profit or loss". After valuation, differences of changes in fair value are reflected in the statement of profit or loss.

a.2.) Derivative financial assets held for hedging purpose

The Bank notifies in written the relationship between hedging instrument and related account, risk management aims of hedge and strategies and the methods used to measure the hedge effectiveness. The Bank evaluates the method of hedge whether to be effective on the expected changes in fair values in this process or not or each result of hedge effectiveness whether to be between the range of 80% and 125%.

Changes in fair values of derivative transactions under fair value hedges are recorded in profit or loss together with changes in hedging asset or liability. The difference in current values of derivative transactions fair value hedge is shown in "Trading Gains/Losses on derivative financial instruments" account. In the balance sheet, change in fair value of hedged asset or liability during the hedge accounting to be effective is shown with the related asset or liability. In case of inferring hedge accounting, adjustments made to the value of hedged item using straight-line amortization method within the days to maturity are reflected to "Income/losses from derivative financial instruments" account in the statement of profit or loss.

b.) Financial assets measured at fair value through other comprehensive income

b.1.) Derivative financial instruments held for hedging

The Bank is hedged with cross currency swaps against cash flow risks arising from foreign currency and Turkish currency floating rate liabilities. In this context, the effective part of the fair value change of the hedging instrument is recorded in the relevant accounts under equity. In the periods when the cash flows of the hedged item affect the profit or loss statement, the profit / loss of the related hedging instrument is also deducted from equity and reflected in the statement of profit or loss.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED 31 DECEMBER 2023

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on forward transactions, options and derivative instruments (Continued)

b.) Financial assets measured at fair value through other comprehensive income

b.1.) Derivative financial instruments held for hedging

Hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. While expiring, sale, discontinuing cash flow hedge accounting or when no longer effective the cumulative Gains/Losses recognised in shareholders' equity and presented under hedging reserves are continued to be kept in this account. When the cash flows of hedged item incur, the gain/losses accounted for under shareholders' equity, are transferred to statement of profit or loss.

In cash flow hedge accounting, the effective portion of the changes in the fair value of the hedging instrument is accounted for under "accumulated other comprehensive income or expense to be reclassified to profit or loss" in shareholders' equity. Effectiveness tests are performed at the beginning of the hedge accounting period and at each reporting period. Hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

TFRS 9 permits to defer application of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Bank continues to apply hedge accounting in accordance with TAS 39 in this context.

IV. Explanations on interest income and expenses

Interest income is accounted by applying the effective interest rate to the gross value of the financial asset according to the effective interest method determined in TFRS 9.

The interest amount is calculated over the net value of the non-performing loan and is accounted in the related interest income accounts.

V. Explanations on fee and commission income and expenses

While commission revenues are recorded periodically throughout the life of the financial instrument to which they belong, banking service revenues are recorded as income in the period in which they are collected, and all other income and expenses other than these income items are recorded on an accrual basis.

Fees and commissions other than those that are an integral part of the effective interest rate of financial instruments are accounted in accordance with TFRS 15 Standard.

VI. Explanations on financial assets

The Bank recognises its financial assets as "Financial Assets Measured at Fair Value Through Profit/Loss", "Financial Assets Measured at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost". Such financial assets are recognized or derecognized according to third section relating to classification and measurement of TFRS 9 Financial Instruments published in the Official Gazette No. 29953 dated January 19, 2017 by the POA.

During the initial recognition of a financial asset into the financial statements, business model determined by the Bank management and the nature of contractual cash flows of the financial asset are taken into consideration.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
STATEMENT OF PROFIT DISTRIBUTION
FOR THE YEAR ENDED 31 DECEMBER 2023

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VI. Explanation on financial assets (Continued)

a.) Financial assets measured at fair value through profit/loss

Financial assets measured at fair value through profit or loss are financial assets that are managed with the other business model other than the business model that aims to collect the contractual cash flows and the business model that aims to collect and sell the contractual cash flows and the contractual terms of the financial assets, do not result in cash flows that include interest payments arising only from the principal and principal balance at specific dates; are financial assets that are acquired in order to generate profits from fluctuations in prices and similar factors in the short term in the market or are part of a portfolio aimed at achieving profit in the short term regardless of the reason for the acquisition.

Financial assets measured at fair value through profit or loss are initially recognized at cost in the financial statements. All regular way purchases and sales of financial assets are recognized and derecognized at the settlement date.

The government bonds and treasury bills recognized under financial assets measured at fair value through profit/loss which are traded on Borsa İstanbul AŞ (“BİST”) are valued with weighted average prices settled on BİST as of the balance sheet date; and those government bonds and treasury bills traded on BİST but which are not subject to trading on BİST as of the balance sheet date are valued with weighted average prices at the latest trading date.

The financial assets classified under trading financial assets and whose fair values cannot be measured reliably are carried at amortized cost using the effective yield method. The difference between the purchase cost and the amortized cost at the selling date is recorded as interest income.

If the selling price of a financial asset measured at fair value through profit/loss is above its amortized cost as of the sale date, the positive difference between the selling price and the amortized cost is recognized as income under trading gains on securities and if the selling price of a trading security is lower than its amortized cost as of the sale date, the negative difference between the selling price and the amortized cost is recognized as expense under trading losses on securities.

b.) Financial assets measured at fair value through other comprehensive income

If a financial asset is acquired under both of the following conditions, the change in fair value is measured by reflecting to other comprehensive income:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets,
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets Measured at Fair Value Through Other Comprehensive Income are valued at fair value in the periods subsequent to their acquisition. If the underlying fair value is not realized in the active market conditions, it is accepted that the fair value is not determined reliably and the fair value is determined by using the discounted value of other comprehensive income and reflected at amortized cost, are accounted for by rediscount.

Unrealized gains or losses arising from changes in the fair value of securities that are at fair value through other comprehensive income and which reflect the difference between the amortized cost of securities and their fair value are classified in the “Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss” under equity.

However, the Bank may, at initial recognition, irrevocably choose the method of reflecting changes in fair value to other comprehensive income for specific investments on equity instruments that would normally be measured at fair value through profit or loss.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VI. Explanation on financial assets (Continued)

c.) Financial assets measured at amortised cost

A financial asset is measured at amortized cost if both of the conditions shown below are met:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows,
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using “effective interest rate method (Internal rate of return)”. Interest income obtained from financial assets measured at amortized cost is accounted in statement of profit or loss.

Purchase and sale transactions of these financial assets are recorded and derecognised according to the “delivery date”. The Bank’s financial assets measured at amortized cost portfolio includes government bonds, foreign currency bonds and lease certificates which is issued domestic and abroad by the Ministry of Turkish Republic Treasury and Finance.

d.) Loans

Loans are financial assets created by providing money, goods or services to the debtor. Such loans are measured at amortized cost using the effective yield (internal rate of return) method.

VII. Explanations on impairment of financial assets

The expected credit loss model is applied to financial assets, such as banks, loans and securities, as well as financial leasing receivables, contractual assets and financial guarantee agreements, at amortized cost or at fair value through other comprehensive income.

At each reporting date, it is evaluated whether there is a significant increase in the credit risk since the initial recognition of the financial instrument. When making this evaluation, the change in the expected default risk of the financial instrument is used.

The guiding principle of the expected credit loss model is to reflect the overall appearance of an increase or recovery in the credit risk of financial instruments. The amount of the loss provision depends on the degree of the increase in the credit risk from the first issue of the loan. Although the expected credit loss is an estimate of the expected losses from the loan during the life of a financial instrument, the following points are important for the measurement.

- Weighted and unbiased amount according to the probabilities determined by considering possible results,
- Time value of money,
- Reasonable and supportable information on past events, current circumstances and forecasts for future economic conditions that can be obtained at the reporting date without excessive cost and effort.

Calculation of Expected Credit Loss

The main principle of the expected credit loss model is to reflect the general outlook of deterioration or improvement in the credit quality of financial instruments. The allowance for loan losses, which is known as loss reserve or provision, depends on the degree of increase in credit risk.

There are two measurements according to the general approach:

- 12-month Expected Credit Loss (Stage 1) applies to all assets unless there is a significant deterioration in credit quality.
- Lifetime Expected Loss Provision (Stage 2) applies when a significant increase in credit risk occurs.
- Lifetime Expected Loss Provision (Stage 3) is applied when the impairment loss occurs.

These financial assets are divided into three categories mentioned below depending on the gradual increase in credit risk observed since their initial recognition.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2023

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on impairment of financial assets (Continued)

Calculation of 12-month expected credit losses (Stage 1)

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. Applies to all assets unless there is a significant deterioration in credit quality. 12-month expected loss values are part of the estimated life expectancy loss (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is less than 12 months).

Significant increase in credit risk (Stage 2)

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. For stage 1 loans expected loss (provision) amounts are calculated for 1-year and for Stage 2 loans expected loss (provision) is calculated for the remaining life of the loan. The main criteria taken into consideration in determining the credit risk of the financial asset to be significantly increased and transferred to the second stage are the close monitoring, the number of delay days exceeding 30 days and the Bank's internal early warning system note.

Non-performing loans (Stage 3 / Specific provision)

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized. The Bank considers that there is a default on the relevant debt in the following two cases:

- Objective Default Definition: It means that the debt is overdue by more than 90 days.
- Subjective Default Definition: It means that it is determined the debt will not be paid off. If the borrower deemed to be unable to fulfill the debt obligations, borrower should be considered as defaulted whether there is an overdue payment or number of days. Collective assessment of financial instruments is based on homogeneous group assets based on portfolio segmentation based on similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods associated with the expected loss calculation approach on a common basis for each phase.

Loans with different types of cash flows or other loans with different characteristics may be subject to individual evaluation rather than collective assessment. Individual assessments, staging, multiple scenario analysis and expected loss estimation principles are carried out in accordance with TFRS 9 requirements. Total cash flows are discounted based on the interest rate of the amount. The net present value of these cash flows is compared with unpaid amounts for each scenario. The expected loss provision estimates are weighted according to the probability of the scenario in order to obtain the final impairment value. The expected credit loss can be defined as the difference between the contractual cash flows due in accordance with the contract and the expected cash flows discounted with original effective interest rates. The following situations are taken into account when estimating cash flows:

- All contractual terms of the financial instrument during the life of the financial instrument,
- Cash flows expected to be obtained from collateral sales.

The main parameters used in the calculation of expected credit loss are the probability of default, the exposure at default and loss given default.

The probability of default is an estimate of the likelihood of default over a given time horizon. In the probability of default models, segmentation is based on the sector information for the corporate portfolio and product information for the retail portfolio.

The exposure at default of an instrument is the anticipated outstanding amount owed by the obligor at the time of default.

In case of default of the borrower, Loss Given Default has been calculated as dividing expected credit loss to exposure at default. In other words, it refers to the ratio of net loss due to a defaulted loan to the balance at the time of default.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VII. Explanations on impairment of financial assets (Continued)

Macroeconomic expectations: While macroeconomic information is included, models and estimates reflecting the relationships between model risk parameters and macroeconomic variables are taken into consideration. The main macroeconomic indicators of these estimation models are the Gross Domestic Product (GDP) growth rate and the consumers price index rate. Macroeconomic estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

Behavioral Maturity Calculation Methodology: Expected Loss Provision; For loans in stage 1 with a remaining maturity of less than one year, loans with a maturity of more than one year are calculated as one-year for loans with a remaining maturity of more than one year and in stage 2 for lifetime of loans (up to maturity date). In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, behavioral maturity is calculated by analyzing historical data for products with no real maturity. Expected loss reserve are calculated based on these maturities depending on the type of loan.

VIII. Explanations on offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously. Otherwise, there is no netting of financial assets and liabilities.

IX. Explanations on sales and repurchase agreements and securities lending transactions

Funds given against securities purchased under agreements (“Reverse repo”) to resell are accounted under “Money market placements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the “effective interest method”. The Bank has no securities lending transactions.

X. Explanations on assets held for sale and discontinued explanations on liabilities related with these assets

According to the TFRS 5 “Assets Held for Sale and Discontinued Operations”, a tangible asset (or a group of assets to be disposed) classified as “asset held for sale” is measured at lower of carrying value and fair value less costs to sell. These assets are shown separately on the balance sheet. In order to classify an asset as an asset held for sale, the related asset (or the group of assets to be disposed of) should be able to be sold immediately and the probability of sale for such assets (or group of assets to be disposed of), should be high under current conditions. In order for the sale to be highly probable, a plan should have been made by the suitable management for the sale of the asset (or group of assets to be disposed of) and an active program should have been started to determine the buyers and to carry out the plan.

Furthermore, the asset (or group of assets to be disposed of) should be actively marketed at a price consistent with its fair value. Various events and conditions may extend the period for the completion of the sales process to more than a year. If there is sufficient evidence that the related delay has occurred beyond the Bank’s control and that the Bank’s plans for selling the related asset (or group of assets to be disposed of) is still in progress, the related assets are continued to be classified as assets held for sale.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are presented in the statement of profit or loss separately. The Bank has no discontinued operations.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XI. Explanations on goodwill and other intangible assets

Goodwill and other intangible assets are recorded at cost in accordance with “TAS 38” “Intangible Assets”. Intangible assets consist of computer software licenses. Intangible assets result in net book value as of the balance sheet date by deducting their acquisition cost to accumulated amortization. Intangible assets are amortized by the straight-line method, considering their useful life and amortization rates published by Republic of Turkey Ministry of Treasury and Finance. During the current year, there has been no change in the depreciation method. The Bank does not expect any changes in accounting estimates, useful lives, depreciation method and residual value during the current and the following periods.

As of December 31, 2023, and December 31, 2022, the Bank does not have any goodwill in its accompanying financial statements.

Implemented yearly amortization rates as follows;

Licence :	6,66%
Software :	33,33%

XII. Explanations on tangible assets

All property and equipment are initially recognized at cost model in accordance with TAS 16 “Property, Plant and Equipment”. Subsequently acquired property and equipment are carried at cost less accumulated depreciation at the balance sheet date. Depreciation is calculated over the cost of property and equipment using the straight-line method over its estimated useful life. There has been no change in the depreciation method during the current period.

Implemented yearly amortization rates as follows;

Buildings	:	2%
Furniture, fixtures and vehicles	:	6-33%

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment. Gains and losses on the disposal of property and equipment are booked to the income statement accounts for the period at an amount equal to the book value. Where the carrying amount of an asset is greater than its estimated “Recoverable amount”, it is written down to its “Recoverable amount” and the provision for the diminution in value is charged to the income statement. Expenditures for the repair and renewal of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase the future benefit of the asset are capitalized over the cost of the tangible asset. The capital expenditures include the cost components that increase the useful life, capacity of the asset or quality of the product or that decrease the costs.

There are not any pledges, mortgages or any other contingencies and commitments over property and equipment that restrict their usage. The Bank does not expect any changes in accounting estimates that will have a material impact in future periods in relation with the property and equipment.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIII. Affiliates and subsidiaries

Subsidiaries are accounted for at cost in accordance with TAS 27 “Turkish Accounting Standard for Individual Financial Statements” and are reflected in the financial statements after the impairment, if any.

As of the reporting date, the Bank has no subsidiaries.

XIV. Explanations on investment property

Investment properties consist of assets held to obtain rent and/ or unearned increment profit. Investment properties are initially recognized at cost model in accordance with TAS 40 “Investment Property”. These properties are carried on accompanying unconsolidated financial statements at cost less accumulated depreciation and impairment. Investment properties are depreciated in accordance with the useful life principles with straight-line depreciation method. Gains and losses resulted from disposal of investment properties or withdrawn from service of a tangible asset are determined as the difference between sales proceeds and the carrying amount of the asset and included in the statement of profit or loss.

XV. Explanations on leases

At the beginning of a contract, the Bank evaluates whether the contract is defined as a lease or does include lease transaction. In the event that the contract is transferred for a certain period of time to control the use of the asset defined for a price, this contract is a lease transaction. The Bank, considers the following conditions when assessing whether a contract has transferred its right to control the use of a defined asset for a specified period:

- a) The contract includes defined assets; An entity is generally defined in the contract clearly. However, an asset can be defined as tacit when it is made available to the customer.
- b) In the event that the supplier has an essential right to substitute the asset for the period of use, the entity is not defined.
- c) Customer has the right to obtain almost all of the economic benefits obtained from the use of the asset for the period of use to control the use of a defined asset.
- d) The right to obtain nearly all of the economic benefits that will be derived from the use of the asset identified.
- e) The right to manage the use of the defined asset. The Bank has the right to manage the use of the asset in the following cases:
 - i. The Bank has the right to operate the asset during its use (or directing others to operate the asset in the way they set their own) and the supplier does not have the right to change these operating instructions or the Bank has designed the asset (or certain characteristics of the asset) in advance to determine how and for what purpose the asset will be used during its useful life.
 - ii. The Bank has the right to manage how and for what purpose the asset will be used during its usage period. (Being able to change how the asset will be used for the duration of its use)

The Bank reflects a right-of use asset and a lease liability into the financial statements at the effective date of the lease.

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ACCOUNTING POLICIES (Continued)

XV. Explanations on leases (Continued)

Right-of use asset

The Bank initially measures the right-of-use asset applying a cost model in the financial statements and it includes the following:

- a) Lease liabilities in the balance sheet, initially measured at the present value,
- b) All lease payment amount before or at the commencement date
- c) All initial direct costs beared by the Bank

When applying the cost method, the right-of use asset:

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

The Bank applies the depreciation terms of TAS 16 Property, Plant and Equipment standard when depreciating the right-of use. The Bank depreciates the right-of asset according to the shorter of its useful life or the lease term, starting from its effective date of lease.

Lease liability

At the commencement date, the Bank measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the alternative borrowing interest rate in case of implicit interest rate cannot be defined easily. This rate can vary between 43-59% for liabilities

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) Fixed payments, less any lease incentives receivable,
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- c) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Bank measures the lease liability as indicated below:

- a) Measures the lease liability by increasing the carrying amount to reflect interest on the lease liability,
- b) Measures the lease liability by reducing the carrying amount to reflect the lease payments made
- c) It measures the book value to reflect re-evaluations and restructurings, or to reflect the revised essence of fixed lease payments.

The interest on the lease liability for each period of the lease term, is the amount calculated by applying a fixed periodic interest rate to remaining amount of the lease liability. Periodic interest rate, in the case of easily identifiability, is the implied interest rate of lease. The Bank, uses the alternative borrowing interest rate, in the absence of easily identifiability.

After the effective date of lease, the Bank re-measures its lease liability to reflect changes in lease payments. The Bank reflects the re-measured amount of the lease liability as adjustment in right-of use asset in its financial statements.

The Bank determines the revised lease payments related to the remaining lease term according to the revised contractual payments. In this case, the Bank uses an unchanged discount rate.

Leases with a period equal or less than twelve months are evaluated in the scope of the exception given by the standard and payments made according to related contracts are still being accounted as expense in the period of the payments.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities except for the expected credit loss recognized for loans and other receivables are accounted in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the “Matching principle”. When the amount of the obligation cannot be estimated reliably it is considered that a “Contingent” liability exists. When the amount of the obligation can be estimated reliably and when there is a high possibility of an outflow of resources from the Bank, the Bank recognizes a provision for such liability.

As of the balance sheet date, there is not any contingent liability based on past events for which there is a possibility of an outflow of resources and whose obligation can be reliably estimated.

XVII. Explanations on obligations related to employee rights

Under the Turkish Labor Law, the Bank is required to pay a specific amount to employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labor Law.

Obligations related to employee termination and vacation rights are calculated for in accordance with TAS 19 “Employee Benefits”.

Revised TAS 19 is effective being published on the Official Gazette dated March 12, 2013 by Public Oversight Accounting and Auditing Standards Authority. According to revised TAS 19, once the Actuarial Gains and Losses occur, they are recorded under equity and are not associated with the statement of profit or loss. Benefit costs arising interest cost due to being 1 year more closer to the payment of benefit and service cost as a result of given service by employee are required to be shown in statement of profit or loss.

	Current Period	Prior Period
Discount ratio	25,05%	16,00%
Inflation	22,00%	15,08%
Salary increase rate	22,00%	15,08%

As of December 31, 2023, the calculated employment termination obligation amount is TL 107.422 (December 31, 2022: TL 82.072). For the period ended December 31, 2023, the Bank also allocated provisions for vacation pay liabilities relating to prior periods amounting to TL 75.316 (December 31, 2022 TL 43.936).

For 2023, the Bank has set aside a provision of TL 192,526 (December 31, 2022: TL 54,394) for the success bonus to be paid in the 2024 period and TL 188,826 (December 31, 2022: TL 90,614) for the dividend to be paid to the personnel in 2024 from the profit of 2023.

XVIII. Explanations on taxation

According to Act number 3332 and article 4/b of Act number 3659, dated March 25, 1987 and September 26, 1990, respectively, the Bank is exempt from Corporate Tax. Due to the 3rd Article of the same act; the above mentioned exemption became valid from January, 1 1988. In accordance with clause 9 of the Provisional Article 1 of Corporate Tax Law No. 5520, which states “The provision of Article 35 shall not apply to exemptions, allowances and deductions included in other laws in relation to Corporation Tax prior to the effective date of the Law No. 5520”, the exemption from Corporation Tax continues. Accordingly, deferred tax asset or liability is not recognized in these financial statements.

Pursuant to the Law No. 7341 published in the Official Gazette No. 31651 on November 6, 2021, the Bank's buyer or exporter loans for export financing, the guarantees given by the exporters for the loans to be obtained from domestic and foreign banks and financial institutions for the purpose of financing exports, and to encourage exporters to sell goods and services. The money received in favor of the export credit insurances he has made and the financing of the financial leasing transactions to be made abroad and the guarantees given in this context are exempt from the bank and insurance transactions tax.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIX. Additional explanations on borrowings

Derivative instruments are measured at their fair values and other financial liabilities including debt securities issued are measured at “Amortized cost” using the “Effective interest method”.

Also the Bank has applied hedge accounting relating to the measurement of derivative financial instruments for its securities issued, and has recognized the amounts calculated in this context.

XX. Explanations on issuance of share certificates

As the Bank’s total paid-in capital is owned by the Ministry of Treasury and Finance, there is no cost related to share issuance. The dividend distribution in the Bank is made by the decision of the General Assembly. Dividend distribution for 2022 was carried out in 2023 by the decision of the General Assembly.

XXI. Explanations on avalized drafts and acceptances

The Bank keeps its guarantee bills and acceptances in the off-balance liabilities.

XXII. Explanations on government grants

The Bank benefits from the government incentive provided by the Ministry of Trade as of December 31, 2023. In accordance with the decision of the Ministry of Economy Money-Credit and Coordination Board dated 2016/8, the interest expense of bank which is corresponding with difference between the bank interest rate and reference commercial interest rate is supported on investment good through exports medium-long-term buyer’s loans. These incentives are recognized by adopting an income approach in accordance with TAS 20 “Accounting for Government Grants and Disclosure of Government Assistance”.

XXIII. Explanations on segment reporting

The Bank emphasizes the scope of business method for segment reporting by considering the Bank’s main source and characteristics of risks and earnings. The Bank’s activities mainly concentrate on corporate and investment banking.

XXIV. Explanations on other issues

The Bank does not accept deposits. The Bank has been mandated to export loan operations, export loan insurance and export grants. On the other hand, the Bank also performs domestic and foreign currency money, capital and FX market operations within the context of Treasury operations.

The Bank engages in derivative transactions, currency and interest rate swaps, forward and option transactions and obtains funds by means of syndicated loans, subordinated loans, bond issuance and bank borrowings.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK

I. Information about shareholders' equity items

Equity amount and capital adequacy standard ratio are calculated within the framework of "Regulation on Banks' Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" and in addition to these, BRSA regulations dated April 28, 2022 and numbered 10188.

As of December 31, 2023, the Bank has realized the amount subject to credit risk in the legal capital adequacy ratio calculations by using the Central Bank's foreign exchange buying rates as of December, 31 2022.

Equity amount and capital adequacy standard ratio are calculated within the framework of "Regulation on Banks' Equity" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". The Bank's current period equity amount calculated as of December 31, 2023 is 50.333.834 TL (December 31, 2022: 30.144.511 TL), and the capital adequacy standard ratio is 20.84% (December 31, 2022: 20.94%).

	Current Period Amount	Amount as per the regulation before 1/1/2014 ^(*)
COMMON EQUITY TIER I CAPITAL	42.414.822	
Paid-in Capital to be Entitled for Compensation after All Creditors	20.600.000	
Share Premium	-	
Reserves	9.912.745	
Other Comprehensive Income according to Turkish Accounting Standards ("TAS")	721.825	
Profit	11.258.259	
Net Current Period Profit	11.258.259	
Prior Period Profit	-	
Bonus Shares from Associates, Affiliates and Joint-Ventures not Accounted in Current Period's Profit	55.964	
Common Equity Tier I Capital Before Deductions	42.548.793	
Deductions from Common Equity Tier I Capital	133.974	
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	-	
Leasehold Improvements on Operational Leases (-)	649	
Goodwill Netted with Deferred Tax Liabilities	-	
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	72.110	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	
Securitization gains	-	
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-	
Net amount of defined benefit plans	61.215	
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Total of Net Long Positions of the Investments in Core Capital Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Current Period Amount	Amount as per the regulation before 1/1/2014 ^(*)
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-	
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-	
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	
Exceeding Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	
Mortgage Servicing Rights not deducted (-)	-	
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	
Other items to be Defined by the BRSA (-)	-	
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	
Total Deductions from Common Equity Tier I Capital	133.974	
Total Common Equity Tier I Capital	42.414.819	
ADDITIONAL TIER I CAPITAL	4.866.915	
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	4.866.915	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	
Additional Tier I Capital before Deductions	4.866.915	
Deductions from Additional Tier 1 Capital	-	
Direct and Indirect Investments of the Bank on its own Additional Core Capital (-)	-	
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier 1 Capital (-)	-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank owns more than 10% of the Issued Share Capital (-)	-	
Other items to be defined by the BRSA (-)	-	
Items to be Deducted from Tier 1 Capital during the Transition Period	-	

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Current Period Amount	Amount as per the regulation before 1/1/2014 ^(*)
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	
Total Deductions from Additional Tier I Capital	-	
Total Additional Tier I Capital	4.866.915	
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	47.281.734	
TIER II CAPITAL	3.052.100	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	2.321.407	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	730.693	
Total Deductions from Tier II Capital	3.052.100	
Deductions from Tier II Capital	-	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Other items to be defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	3.052.100	
Total Equity (Total Tier I and Tier II Capital)	50.333.834	
The sum of Tier I Capital and Tier II Capital (Total Capital)	50.333.834	
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	-	
Net Book Values of Movables and Immovable's Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years (-)	-	
Other items to be Defined by the BRSA (-)	-	
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Current Period Amount	Amount as per the regulation before 1/1/2014⁽⁹⁾
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
CAPITAL	50.333.834	
Total Capital (Total of Tier I Capital and Tier II Capital)	50.333.834	
Total Risk Weighted Assets	241.473.468	
CAPITAL ADEQUACY RATIOS		
Common Equity Tier I Capital Ratio (%)	17,57	
Tier I Capital Ratio (%)	19,58	
Capital Adequacy Ratio (%)	20,84	
BUFFERS		
Bank-specific total Common Equity Tier I Capital Ratio	2,50	
Capital conservation buffer requirement (%)	2,50	
Bank systematic countercyclical buffer requirement (%)	-	
Systemically important bank buffer requirement (%)	-	
Additional Common Equity Tier I Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	13,07	
Amounts Lower Than Excesses as per Deduction Rules	259.780	
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	259.780	
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-	
Remaining Mortgage Servicing Rights	-	
Net Deferred Tax Assets arising from Temporary Differences	-	
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	730.693	
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	730.693	
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	
Debt Instruments Covered by Temporary Article 4 (effective between 1 January 2018-1 January 2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Prior Period	Amounts related to treatment before 1/1/2014 (*)
COMMON EQUITY TIER I CAPITAL	23.698.930	
Paid in Capital to be Entitled for compensation after all Creditors	13.800.000	
Share Premium	-	
Legal Reserves	3.680.265	
Other Comprehensive Income according to TAS	272.517	
Profit	6.232.480	
Net Current Period Profit	6.232.480	
Prior Years' Profit	-	
Bonus shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	1.227	
Common Equity Tier I Capital Before Deductions	23.986.489	
Deductions From Common Equity Tier I Capital	287.560	
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	186.857	
Leasehold Improvements on Operational Leases	620	
Goodwill and Intangible Assets and Related Deferred Tax Liabilities	-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	51.087	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
Differences not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	
Gains arising from securitization transactions	-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	
Net defined benefit plan assets	48.996	
Investments in own common equity	-	
Shares obtained against Article 56, Paragraph 4 of the Banking Law	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial institutions where the Banks does not own 10% or less of the Issued share Capital Exceeding the 10% Threshold of above Tier 1 Capital	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial institutions where the Banks does not own 10% or less of the Issued share Capital Exceeding the 10% Threshold of above Tier 1 Capital	-	

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Prior Period	Amounts related to treatment before 1/1/2014 ^(*)
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-	
Net Deferred tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital	-	
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	
The Portion of Net Portion of the Investments in Equity of Unconsolidated Banks and Financial Institutions where the Bank own 10% or more of the Issues Share Capital Not Deducted from Tier I Capital	-	
Mortgage Servicing Rights not deductions	-	
Excess Amount arising from Deferred Tax Assets from Temporary Differences	-	
Other Items to be Defined by the BRSA	-	
Deductions from Tier I Capital in cases where there are no adequate Additional Tier 1 or Tier II Capitals	-	
Total Deductions from Common Equity Tier I Capital	287.560	
Total Common Equity Tier I Capital	23.698.929	
ADDITIONAL TIER I CAPITAL	2.968.425	
Preferred Stock not Included in Tier I Capital and the related Share Premiums	-	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	2.968.425	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Temporary Article 4)	-	
Additional Tier I Capital before Deductions	2.968.425	
Deductions from Additional Tier 1 Capital	-	
Direct and Indirect Investments of the Bank on its own Additional Core Capital	-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	
Total of Net Long Positions of the Investments in the Equity Items of Unconsolidated Banks and Financial Institutions where the Bank own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	
Total of Net Long Positions of the Direct and Indirect Investments in Additional Tier I Capital of Unconsolidated Banks of Financial Institutions where the Banks owns more than 10% of the Issued Share Capital	-	
Other Items to be Defined by the BRSA	-	
Items to be Deducted from Tier 1 Capital during the Transition Period	-	

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Prior Period	Amounts related to treatment before 1/1/2014 (*)
Goodwill and other Intangible Assets and Related Deferred taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	
Net Deferred Tax Assets/Liabilities not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-	
Deductions from Additional Core Capital in cases where there are no adequate Tier II Capital		
Total Deductions from Additional Tier I Capital	-	
Total Additional Tier I Capital	2.968.425	
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	26.667.354	
TIER II CAPITAL		
Debts Instruments and the Related Issuance Premiums Defined by the BRSA	2.901.759	
Debts Instruments and the Related Issuance Premiums Defined by the BRSA (Temporary Article 4)	-	
General Provisions (Amounts stated in the first paragraph of article 8 of the Regulation on Equities of Banks)	575.397	
Total Deductions from Tier II Capital	3.477.156	
Deductions from Tier II Capital	-	
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank own 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank own 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	
Other Items to be Defined by the BRSA (-)	-	
Total Deductions from Tier II Capital	-	
Total Tier II Capital	3.477.156	
Total Equity (Total Tier I and Tier II Capital)	30.144.510	
The sum of Tier I Capital and Tier II Capital (Total Capital)	30.144.510	
Loans Granted against the Article 50 and 51 of the Banking Law	-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for sale but Retained more than Five Years	-	
Other Items to be Defined by the BRSA	-	
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

	Prior Period	Amounts related to treatment before 1/1/2014 (*)
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1 st and 2 nd Paragraph of the 2 nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	
CAPITAL	30.144.510	
Total capital	30.144.510	
Total risk weighted items	143.948.477	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	16,46	
Tier I Capital Adequacy Ratio (%)	18,52	
Capital Adequacy Standard Ratio (%)	20,94	
BUFFERS		
Total buffer requirement	2,500	
Capital conservation buffer requirement (%)	2,500	
Bank specific countercyclical buffer requirement (%)	-	
Systemically important bank buffer requirement (%)	-	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	11,96	
Amounts Lower than Excesses as per Deduction Rules	239.442	
Remaining Total of the Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital	239.442	
Remaining Total of the Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or more of the Issued Share Capital	-	
Remaining Mortgage Servicing Rights	-	
Net Deferred Tax Assets arising from Temporary Differences	-	
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	575.397	
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	575.397	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	
Debt instruments subjected to Article 4		
(to be implemented between 1 January 2018 and 1 January 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

Information about the instruments to be included in the capital adequacy calculation:	
Issuer	Türkiye İhracat Kredi Bankası AŞ
Instrument code (CUSIP, ISIN etc.)	TRSEXIM92818
Legislation to which the instrument is subject to	BRSA ve CMB Legislation
Estimated status in equity calculation	
Since 1 January 2015, being subjected to consideration by reducing it by 10%	No
Eligible at unconsolidated / consolidated	Consolidated and unconsolidated basis is taken into account.
Type of instrument	Private Sector Bond
Amount considered in equity calculation (As of the latest reporting date – TL Million)	2.902
Nominal value of the instrument (TL Million)	2.902
Account number in trial balance	3460110
Date of issue of the instrument	27 September 2018
The maturity structure of the instrument (Demand / Forward)	Forward
Starting maturity of the instrument	27 September 2018
Whether the issuer has the right of reimbursement due to BRSA approval	Has an early redemption option at the end of the fifth year
Reimbursement option date, contingent repayment options and refundable amount	The Bank will be able to use the early redemption option based on BRSA approval, five years after the date of issue.
Subsequent reimbursement option dates	-
Interest/dividend payments	
Fixed or variable interest/dividend payments	Fixed Coupon
Interest rate and index value for interest rate	12,5449%
Whether there are any restrictions that stop the payment of dividends	None.
Fully optional, partially optional or mandatory	None.
Whether there is an element that will encourage repayment, such as increase in the interest rate	None.
Being cumulative or noncumulative	None.
The ability to be converted into shares	
Triggering events / events that can cause a conversion if converted to a stock	None.
Full or partial conversion if convertible	None.
If convertible, conversion rate	None.
If convertible, mandatory convertible or optionally convertible	None.
Convertible instrument types if converted to stock	None.
Issuer of the debt instrument to be converted if it can be converted into a stock	None.
Value reduction feature	
Trigger events / events that will cause a reduction if it has a value reduction feature	None.
Total or partial value reduction if value reduction is available	None.
Temporary or permanent if it has a value reduction feature	None.
Value increment if the value can be temporarily reduced	None.
In which order in terms of the right to take in the case of liquidation (Instrument just above this instrument)	After borrowings before additional Tier-1 capital
Whether subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It has the requirements of article 8 of the Regulation.
Define if subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It does not have the requirements of article 7 of the Regulation.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

I. Information about shareholders' equity items (Continued)

Information about the instruments to be included in the capital adequacy calculation:	
Issuer	Türkiye İhracat Kredi Bankası A.Ş.
Instrument code (CUSIP, ISIN etc.)	-
Legislation to which the instrument is subject to	BRSA Legislation
Estimated status in equity calculation	
Since 1 January 2015, being subjected to consideration by reducing it by 10%	No
Eligible at unconsolidated / consolidated	Consolidated and unconsolidated basis is taken into account.
Type of instrument	Loan that can be Included in Additional Tier I Capital Calculation
Amount considered in equity calculation (As of the latest reporting date - Million TL)	4.867
Nominal value of the instrument (Million TL)	4.867
Account number in trial balance	34700010
Date of issue of the instrument	24 April 2019
The maturity structure of the instrument (Demand / Forward)	Demand
Starting maturity of the instrument	24 April 2019
Whether the issuer has the right of reimbursement due to BRSA approval	Has an early redemption option at the end of the fifth year
Reimbursement option date, contingent repayment options and refundable amount	The Bank will be able to use the early redemption option based on BRSA approval, five years after the date of issue.
Subsequent reimbursement option dates	-
Interest/dividend payments	
Fixed or variable interest/dividend payments	Fixed Coupon
Interest rate and index value for interest rate	4,61% (Compound)
Whether there are any restrictions that stop the payment of dividends	None.
Fully optional, partially optional or mandatory	None.
Whether there is an element that will encourage repayment, such as increase in the interest rate	None.
Being cumulative or noncumulative	None.
The ability to be converted into shares	
Triggering events / events that can cause a conversion if converted to a stock	None.
Full or partial conversion if convertible	None.
If convertible, conversion rate	None.
If convertible, mandatory convertible or optionally convertible	None.
Convertible instrument types if converted to stock	None.
Issuer of the debt instrument to be converted if it can be converted into a stock	None.
Value reduction feature	
Trigger events / events that will cause a reduction if it has a value reduction feature	Capital adequacy ratio or Consolidated Capital adequacy rate to fall below 5,125 percent
Total or partial value reduction if value reduction is available	Totally or partially
Temporary or permanent if it has a value reduction feature	Temporary
Value increment if the value can be temporarily reduced	None
In which order in terms of the right to take in the case of liquidation (Instrument just above this instrument)	After borrowings before additional Tier-1 capital
Whether subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It has the requirements of article 7 of the Regulation.
Define if subject to requirements of Articles 7 and 8 of the Regulation on Equity of Banks	It has the requirements of article 7 of the Regulation.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

II. Explanations on credit risk

As the Bank does not accept deposits, it is not subject to the provisions of Article 77 of the Banking Act No. 5411. However, the Bank applies general loan restrictions stated in the 54th article of the Banking Law.

Limit controls on the basis of the company and bank, financial statements provided for the related credits, profit and loss statements as the appendix of these statements, along with cash/non-cash guarantees given for the relevant transactions are regularly inspected by the Internal Control and Monitoring Unit. Credit ratings for the credits and other receivables are followed by the Risk Analysis and Evaluation Division together with the Credit and Risk Assessment Directorate.

In accordance with the collateral policy, domestic short, medium and long term loans are based on risk of bank.

The cash and non-cash domestic bank limits for the Bank's short, medium and long-term Turkish Lira and Foreign Currency loans are approved by the Board of Directors.

The Bank's Board of Directors authorized loan extensions to real and corporate persons in the scope of the Article 5 of the Regulation for Banks' Loan Transactions ("Loan Transactions Regulation") and these authorization levels were determined as restricted by loans made available with certain collateral mentioned in the Article 5 of the Loan Transactions Regulation.

The risk limits of the foreign country loans are determined by annual programs which are approved by the SCLGC within the foreign economic policy.

The fundamental collateral of the foreign country loans are the government guarantees of the counter country and the guarantees of banks that the Bank accepts as accredited.

The limit of a country is restricted by both the maximum limit that can be undertaken and the maximum amount that can be used annually which are determined by the Bank's Annual Program.

Each year, 60% of risks that emerge in the Short Term Export Insurance Program is transferred to international reinsurance companies under renewed agreements.

According to article 4/C of Act number 3332 that was appended by Act number 3659 and the Act number 4749 regarding the regulation of Public Financing and Debt Management dated March 28, 2002, the losses incurred by the Bank in its credit, guarantee and insurance transactions as a result of political risks are covered by the Turkish Ministry of Treasury and Finance.

The Bank reviews reports of OECD country risk groupings, reports of the members of the International Union of Credit (Berne - Union) and Investment Insurers, reports of independent credit rating institutions and the financial statements of the banks during the assessment and review of loans granted. At the same time, the Bank benefits from the reports prepared in-house related with the country loans and short-term country risk groupings.

Risks and limits of the banks and companies are monitored daily and weekly by the responsible departments.

The cash and non-cash limits of the Bank for transactions in terms of foreign currency and the other financial instruments are approved by the Board of Directors.

Business and geographic distribution of the loan risks run parallel with the export composition of Turkey and this is followed up by the Bank regularly.

Non-cash loans turned into cash loans are classified under follow-up accounts with the approval of the Loan Committee. Uncollected non-cash loans are subject to the same risk weights as cash loans and classified under the relevant follow-up accounts.

The Bank provides expected credit loss for loans and other receivables in accordance with TFRS 9.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

In accordance with article 4/C, which was added to the Law No. 3332 regulating the establishment of Türk Eximbank by the Law No. 3659, with the Article 10 of the Law on the Regulation of Public Finance and Debt Management numbered 4749, and pursuant to the Council of Ministers Decree No. 2009/15198, amended by the Council of Ministers Decision no 2013/5148; Receivables arising from the political risks of Turk Eximbank due to credit, insurance and guarantee activities and debts related to debt deferment are reported to the Ministry of Treasury and Finance by the end of September each year.

As of December 31, 2023, the Bank has restructured loans amounted 1.162.089 (December 31, 2022: 1.843.620) from standard loans and loans under close monitoring and TL 2.251 (December 31, 2022: TL 10.765) from non-performing loans which have been subject to changes in contract conditions.

Although the Bank has an exception of provision practices in accordance within the Article 21 entitled “Exceptions”, “Regulation on the Procedures and Principles for Determination of Classifications of Loans Provisions to be Set Aside (Regulation)” published in the Official Gazette no. 29750 and dated June 22, 2016 which says “specific and general provision rates for transactions made in accordance with Law No: 3332 dated March, 25 1987 are considered as zero percent”, the Bank calculates impairment and expected loss provision within the framework of TFRS 9.

As of December 31, 2023 and 2022, the Bank's receivables from the top 100 cash loan customers accounted for 47% and 52% of the Bank's total cash loan portfolio, respectively.

As of December 31, 2023 and 2022, the Bank's receivables from the top 200 cash loan customers accounted for 58% and 62% of the Bank's total cash loan portfolio respectively.

As of December 31, 2023 and 2022, the Bank's receivables from the top 100 non-cash loan customers accounted for 59% and 58%, respectively, of the Bank's total non-cash loan portfolio.

As December 31, 2023 and 2022, the Bank's receivables from the top 200 non-cash loan customers accounted for 71% and 70% of the Bank's total non-cash loan portfolio, respectively.

The share of cash and non-cash receivables from the Bank's top 100 and 200 loan customers in total cash and non-cash loans was 48% and 59%, respectively (2022: 52% and 63%).

In line with the purpose of its establishment, the Bank provides loans only to corporate customers; In connection with the above disclosures, the bank tracks its loan portfolio under the following categories:

	Current Period		Prior Period	
	Corporate	Personnel loans	Corporate	Personnel loans
Standard loans	511.654.420	12.048	302.913.980	19.129
Loans under close monitoring	4.777.657	-	2.031.106	-
Loans under follow-up	634.364	18	647.773	18
Gross	517.066.441	12.066	305.592.859	19.147
Expected credit loss	(797.637)	(18)	(772.037)	(18)
Net	516.268.804	12.048	304.820.822	19.129

As of December 31, 2023 and December 31, 2022, there is not any past due loans classified under standard loans and the details of the loans under close monitoring are as follows:

	Current Period	Prior Period
Past due up to 30 days	2.469.910	1.582.150
Past due 31-60 days	1.390.816	287.015
Past due 61-90 days	916.931	161.941
Total	4.777.657	2.031.106

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

Loan rating policy of the Bank

Risk evaluation of banks and other financial institution:

In the evaluation system of domestic banks and financial institutions, the CAMELS approach, which is a generally accepted analysis method, is adopted, and the BRSA and Basel regulations and TFRS 9 application are also covered by criteria and ratios. In the rating system, financial figures and ratios selected based on the financial statements of financial institutions prepared on a solo basis and the independent audit reports consisting of footnotes and explanations related to them are entered into the database. Financial ratios and selected basic sizes integrated into the database are aggregated on the basis of groups determined by considering the scales, fields of activity, partnership structures and status of financial institutions.

Weighted quantitative and qualitative criteria are used for rating domestic banks and financial institutions. While the quantitative criteria consist of the ratios related to the financial structure of banks and financial institutions (capital adequacy, asset quality, liquidity, profitability), the qualitative criteria include sector position, shareholding structure, sensitivity to market risks and expert opinion, as well as shadow variables. The weights of the criteria are determined by taking into account the risk factors that come to the fore in the sector.

Financial ratios, quantitative and qualitative criteria, which are calculated by taking into account the comprehensive audit reports of domestic banks and financial institutions published at the end of the year, are rated in the range of 1-10 (1 being the least risky, 10 being the highest risky). The final ratings of the banks are determined by weighting the ratings of the criteria with the coefficient of the relevant criteria.

As of December 31, 2023, loans granted by the Bank to domestic banks and other financial institutions amount to TL 18.097.894 (December 31, 2022: TL 16.978.194). The concentration levels of the loans to Banks and other financial institutions in accordance with the defined financial analysis groups of the Bank are as follows:

			Current Period	Prior Period
			Concentration Level	Concentration Level
		Rating Class	(%)	(%)
	Rating Groups			
Low	A-B	1 – 6	99	90
Medium	C-D	6 – 8	<1	9
High	E	8 - 10	<1	1

The risk evaluation of companies:

In the risk evaluation of the companies, the Bank obtains financial and organizational information both from the companies and also from various sources (such as CBRT records, Trade Registry Gazette, Chamber of Trade records, information obtained from the Undersecretariat of Foreign Trade, Banks, companies operating in the same sector) and uses comprehensive investigation and verification methods. In addition to the analysis of last three year financial statements of companies, the Bank also analyzes the current status of the sectors in which the companies operate, economic and political changes affecting the target sectors in the international markets, the advantages and disadvantages of the companies compared to their rival companies operating in or outside Turkey. In case the company is a member of a group of companies not organized as holding companies, the developments that affect the group's operations are monitored and outstanding bank debts of group are also assessed and company analysis reports are prepared taking into account the group risk as well. The Bank does not utilize a separate rating system regarding the risk assessment of the companies.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

Miscellaneous Information by Major Sectors or Type of Counterparty

Key Sectors / Counterparties	Loans		Provisions
	Impaired (IFRS 9)		Expected Loss Provision
	Significant Increase in Credit Risk (Second Stage)	Default (Third Stage)	
Agriculture	-	6.723	6.723
Farming and Livestock	-	5.803	5.803
Forestry	-	-	-
Fishery	-	920	920
Manufacturing	1.229.126	214.108	215.055
Mining and Quarrying	21.765	5.610	5.614
Production	1.199.109	204.612	205.549
Electricity, Gas and Water	8.252	3.886	3.892
Construction	2.947.270	14.776	15.359
Services	601.261	356.854	357.148
Wholesale and Retail Trade	154.321	331.958	332.010
Hotel, Food and Beverage services	175.711	20.468	20.700
Transportation and Telecom	-	2.762	2.762
Financial Institutions	-	586	586
Real Estate and Rental Services	-	825	825
Self-employment Services	-	-	-
Educational Services	-	140	140
Health and Social Services	271.229	115	125
Other	-	41.921	41.921
Total	4.777.657	634.382	636.206

The Bank's maximum exposure to credit risk as of December 31, 2023 and December 31, 2022

	Current Period	Prior Period
Banks	8.415.272	6.025.168
Interbank money market placements	3.342.031	1.960.381
Loans to domestic banks and other financial institutions	18.097.894	16.978.194
Loans to foreign banks and other financial institutions	21.264.203	13.974.730
Loans to companies and individuals	477.716.410	274.659.082
Financial assets at fair value through other comprehensive income	9.521.533	2.325.386
Financial assets at fair value through profit or loss	412.891	253.714
Trading derivative financial assets	19.187	7.286
Financial assets measured at amortised cost	16.650.138	12.110.668
Other assets ^(*)	36.174.370	11.915.981
Credit risk exposures relating to off-balance sheet items:		
Financial guarantees	53.134.139	34.771.285
Commitments	-	-
Total	644.748.068	374.981.875

(*) Intangible assets and expected credit losses are not included.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

The Risk Profile According to Substantial Regions

		Risk Groups ^(*)																	
	Current Period	Conditional or Unconditional Receivables from Central Administrations or Central Banks	Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	Conditional or Unconditional Receivables from Multi-lateral Development Banks	Conditional or Unconditional Receivables from International Organizations	Conditional or Unconditional Receivables from Banks and Intermediary Institutions	Conditional and Unconditional Corporate Receivables	Conditional and Unconditional Retail Receivables	Conditional and Unconditional Receivables Collateralized with Real Estate	Non-performing Receivables	Receivables determined to have high levels of risk by the Board	Securities with Mortgage Guarantees	Securitization Positions	Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	Investments in the Nature of Collective Investment Organization	Shares	Other Receivables (net)	Total
1	Domestic	38.485.884	-	-	-	-	83.825.067	452.962.585	30.516.170	17.913	-	247.411	-	-	-	-	2.913.092	34.091.051	643.059.173
2	European Union Countries	-	-	-	-	-	3.542.196	13.377	4.003	-	-	-	-	-	-	-	-	-	3.559.576
3	OECD Countries	-	-	-	-	-	48.061	1.589	1.422	-	-	-	-	-	-	-	-	-	51.072
4	Offshore Banking Regions	-	-	-	-	-	-	2.142	-	-	-	-	-	-	-	-	-	-	2.142
5	USA, Canada	-	-	-	-	-	426.001	31.025.911	2.493.378	-	-	-	-	-	-	-	-	-	33.945.290
6	Other Countries	12.760.970	-	-	-	-	686.568	54.889	10.800	-	-	-	-	-	-	-	-	-	13.513.227
7	Affiliate, Subsidiary and Jointly Controlled Partnerships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Undistributed Assets/Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Total	51.246.854	-	-	-	-	88.527.893	484.060.493	33.025.773	17.913	-	247.411	-	-	-	-	2.913.092	34.091.051	694.130.480

^(*) EU countries, OECD countries except USA and Canada

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

The Risk Profile According to Substantial Regions

Risk Groups ^(*)																		
	Conditional or Unconditional Receivables from Central Administrations or Central Banks	Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	Conditional or Unconditional Receivables from Multi-lateral Development Banks	Conditional or Unconditional Receivables from International Organizations	Conditional or Unconditional Receivables from Banks and Intermediary Institutions	Conditional and Unconditional Corporate Receivables	Conditional and Unconditional Retail Receivables	Conditional and Unconditional Receivables Collateralized with Real Estate	Non-performing Receivables	Receivables determined to have high levels of risk by the Board	Securities with Mortgage Guarantees	Securitization Positions	Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	Investments in the Nature of Collective Investment Organization	Shares	Other Receivables (net)	Total
Prior Period																		
1 Domestic	28.161.133	-	-	-	-	92.438.866	301.262.109	13.485.748	99.106	-	47.861	-	-	-	-	388.788	9.928.781	445.812.392
2 European Union Countries	-	-	-	-	-	582.585	9.867.026	1.147.408	-	-	-	-	-	-	-	-	-	11.597.019
3 OECD Countries	-	-	-	-	-	4.746	3.261.826	335.247	-	-	-	-	-	-	-	-	-	3.601.819
4 Offshore Banking Regions	-	-	-	-	-	-	343.012	25.117	-	-	-	-	-	-	-	-	-	368.129
5 USA, Canada	-	-	-	-	-	40.364	1.591.561	117.403	-	-	-	-	-	-	-	-	-	1.749.328
6 Other Countries	9.513.884	-	-	-	-	661.982	5.412.367	383.624	-	-	-	-	-	-	-	-	-	15.971.857
7 Affiliate, Subsidiary and Jointly Controlled Partnerships	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Undistributed Assets/Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Total	37.675.017	-	-	-	-	93.728.543	321.737.901	15.494.547	99.106	-	47.861	-	-	-	-	388.788	9.928.781	479.100.544

^(*) EU countries, OECD countries except USA and Canada

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

II. Explanations on credit risk (Continued)

The Risk Profile According to Sector or Third Party

	Conditional or Unconditional Receivables from Central Administrations or Central Banks	Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	Conditional or Unconditional Receivables from Multi-lateral Development Banks	Conditional or Unconditional Receivables from International Organizations	Conditional or Unconditional Receivables from Banks and Intermediary Institutions	Conditional and Unconditional Corporate Receivables	Conditional and Unconditional Retail Receivables	Conditional and Unconditional Receivables Collateralized with Real Estate	Non-performing Receivables	Receivables determined to have high levels of risk by the Board	Securities with Mortgage Guarantees	Securitization Positions	Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	Investments in the Nature of Collective Investment Organization	Shares	Other Receivables (net)	TL	FC	Total	
Sectors and third parties	-	-	-	-	-	2.147.811	65.301.923	4.398.420	2.582	-	35.668	-	-	-	-	-	-	32.097.338	39.789.067	71.886.405	
I. Agriculture	-	-	-	-	-	1.530.586	46.535.857	3.134.429	1.840	-	25.418	-	-	-	-	-	-	22.873.402	28.354.729	51.228.131	
I.1 Farming and Livestock	-	-	-	-	-	215.715	6.558.577	441.754	259	-	3.582	-	-	-	-	-	-	3.223.685	3.996.202	7.219.887	
I.2 Forestry	-	-	-	-	-	401.510	12.207.489	822.237	483	-	6.668	-	-	-	-	-	-	6.000.251	7.438.136	13.438.387	
I.3 Fishery	-	-	-	-	-	6.631.082	201.610.990	13.579.536	7.973	-	110.119	-	-	-	-	-	-	99.096.256	122.843.442	221.939.698	
D. Industry	-	-	-	-	-	6.473.176	196.810.023	13.256.166	7.783	-	107.497	-	-	-	-	-	-	96.736.475	119.918.169	216.654.644	
D.1 Mining and Quarry Sector	-	-	-	-	-	157.906	4.800.967	323.370	190	-	2.622	-	-	-	-	-	-	2.359.781	2.925.273	5.285.054	
D.2 Manufacturing Industry	-	-	-	-	-	1.100.644	33.463.911	2.253.966	1.323	-	18.278	-	-	-	-	-	-	16.448.252	33.150.842	49.599.094	
D.3 Electric, Gas and Water	-	-	-	-	-	64.489.787	119.033.937	8.017.547	4.707	-	65.016	-	-	-	-	-	-	69.939.158	124.584.928	194.524.086	
D.4 Construction	12.760.970	-	-	-	-	880.261	26.763.407	1.802.653	1.058	-	14.618	-	-	-	-	-	-	13.154.806	16.307.192	29.461.998	
D.1.1 Wholesale and retail trade	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D.1.2 Hotel and Restaurant Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D.1.3 Transportation and Communications	-	-	-	-	-	2.871.168	87.294.825	5.879.755	3.452	-	47.680	-	-	-	-	-	-	42.907.336	53.189.545	96.096.881	
D.1.4 Financial institutions	-	-	-	-	-	60.574.705	-	-	-	-	-	-	-	-	-	-	-	2.913.092	11.431.347	63.487.796	
D.1.5 Real Estate and Leasing Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D.1.6 Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D.1.7 Training Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
D.1.8 Health and Social Services	-	-	-	-	-	163.653	4.975.705	335.139	197	-	2.718	-	-	-	-	-	-	2.445.669	3.031.743	5.477.412	
D.5 Other	38.485.884	-	-	-	-	14.158.569	64.649.732	4.776.304	1.328	-	18.330	-	-	-	-	-	34.091.051	55.047.654	101.133.542	156.181.197	
D.6 Total	51.246.854	-	-	-	-	88.527.893	484.060.493	33.025.773	17.913	-	247.411	-	-	-	-	-	2.913.092	34.091.051	272.628.658	421.501.822	694.130.480

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

III. Explanations on credit risk (Continued)

Distribution of the Risks related to Maturity by Remaining Periods to Maturity

Risk Groups	Remaining Period to Maturity				
	1 month	1-3 months	3-6 months	6-12 months	More than 1 year
Conditional or Unconditional Receivables from Central Administrations or Central Banks	13.365.984	6.395.354	7.497.041	2.200.279	21.788.196
Conditional or Unconditional Receivables from Regional Administrations or Local Administrations	-	-	-	-	-
Conditional or Unconditional Receivables from Administrative Units and Non-commercial Ventures	-	-	-	-	-
Conditional or Unconditional Receivables from Multi-lateral Development Banks	-	-	-	-	-
Conditional or Unconditional Receivables from International Organizations	-	-	-	-	-
Conditional or Unconditional Receivables from Banks and Intermediary Institutions	63.604.423	6.740.717	5.227.551	9.806.996	3.148.206
Conditional and Unconditional Corporate Receivables	136.748.441	47.132.234	34.892.066	173.150.941	92.136.811
Conditional and Unconditional Retail Receivables	8.139.940	3.240.239	3.922.791	15.996.037	1.726.766
Conditional and Unconditional Receivables Guaranteed with Real Estate Mortgages	-	-	-	6.145	11.768
Non-performing Receivables (Net)	-	-	-	-	-
Receivables determined to have high levels of risk by the Board	-	2.693	147.670	91.158	5.890
Securities with Mortgage Guarantees	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Current Receivables from Banks and Intermediary Institutions and Current Corporate Receivables	-	-	-	-	-
Investments in the Nature of Collective Investment Organization	-	-	-	-	-
Shares	2.913.092	-	-	-	-
Other Receivables(net)	34.091.051	-	-	-	-

There are not any credit rating company or export credit agency assigned.

Risk Amounts by Risk Weights

Risk Weight	%0	%2	%10	%20	%35	%50	%75	%100	%150	Mitigation in Shareholders' Equity
The amount before credit risk mitigation	248.863.680	49.680		14.942.826		14.348.752	13.124.910	224.849.814	5.890	133.974
The amount after credit risk mitigation	262.812.920	49.680		13.663.497	3.116	30.056.061	3.723.791	205.870.597	5.890	133.974

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on currency risk

1. If the parent bank is subject to the exchange risk, the effects of such occurrence are estimated and the Board of Directors determines the limits regarding the positions monitored daily

The Bank's foreign exchange position is followed daily and the transactions are performed in accordance with the expectations in the market and within the limits determined by the Risk Management Principles approved by the Board of Directors of the Bank.

2. The scale of the hedging performed through hedge-oriented derivatives for debt instruments in foreign currency and net foreign currency investments

The basic principle for foreign currency assets and liabilities is to secure a balance between currency type, maturity and interest type. For this purpose, borrowing strategies are determined in accordance with the Bank's asset structure to the extent possible. When this determination is not possible, the Bank aims to change the asset structure or utilize derivative instruments such as swap, forward, option. The majority of the Bank's foreign currency assets are denominated in US Dollars and Euros, and their funding is realized in US Dollar and Euro borrowings.

	TL	USD	GBP	EURO	JPY	CNY	Total
TRADING DERIVATIVE FINANCIAL INSTRUMENTS	1.557.141	13.459.187	5.034.466	17.857.856	41.508	1.343.167	39.293.325
Forward Transactions	-	-	-	-	-	-	-
Forward Foreign Exchange Purchase Transactions	-	-	-	-	-	-	-
Forward Foreign Exchange Sell Transactions	-	-	-	-	-	-	-
Swap Transactions	1.557.141	13.459.187	5.034.466	17.857.856	41.508	1.343.167	39.293.325
Swap Money Purchase Transactions FC - TL	1.371.580	175.939	-	-	-	-	1.547.519
Swap Money Purchase Transactions FC-FC	-	11.377.240	5.034.466	-	41.508	1.343.167	17.796.381
Swap Money Sale Transactions FC-TL	185.561	1.906.008	-	-	-	-	2.091.569
Swap Money Sale Transactions FC-FC	-	-	-	17.857.856	-	-	17.857.856
Swap Interest Purchase Transactions FC-FC	-	-	-	-	-	-	-
Swap Interest Sale Transactions FC-FC	-	-	-	-	-	-	-
Option Purchase Transactions	-	-	-	-	-	-	-
Money Purchase of Options	-	-	-	-	-	-	-
Money Sale of Options	-	-	-	-	-	-	-
HEDGING DERIVATIVE FINANCIAL INSTRUMENTS	-	64.578.455	-	63.828.636	-	-	128.407.091
Forward Transactions	-	-	-	-	-	-	-
Forward Foreign Exchange Purchase Transactions	-	-	-	-	-	-	-
Forward Foreign Exchange Sell Transactions	-	-	-	-	-	-	-
Swap Transactions	-	64.578.455	-	63.828.636	-	-	128.407.091
Swap Money Purchase Transactions	-	44.785.295	-	-	-	-	44.785.295
Swap Money Sale Transactions	-	-	-	44.035.476	-	-	44.035.476
Swap Interest Purchase Transactions	-	19.793.160	-	-	-	-	19.793.160
Swap Interest Sale Transactions	-	-	-	19.793.160	-	-	19.793.160
TOTAL	1.557.141	78.037.642	5.034.466	81.686.492	41.508	1.343.167	167.700.416

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on currency risk (Continued)

2. The scale of the hedging performed through hedge-oriented debt instruments in foreign currency and net foreign currency investments (Continued)

Fair value hedge accounting

TFRS 9 permits to defer application of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Bank continue to apply hedge accounting in accordance with TAS 39 in this context.

The Bank uses “Fair Value Hedge Accounting” as of the balance sheet date starting from January 1, 2013.

Financial derivatives which are used for Fair Value Hedge Accounting are cross currency interest swap and forward transactions.

	31 December 2023		
	Principal ⁽¹⁾	Asset	Liability
Derivative Financial Instruments			
Swaps	109.339.614	876.405	570.027
Total	109.339.614	876.405	570.027

⁽¹⁾ Sum of purchase and sale.

The method of derivatives’ fair value measurement shown above is explained in the accounting policy in Section Three Note III.

The impact of fair value hedge accounting is summarized below:

31 December 2023					
Hedging instrument	Hedged items	Hedged risk	Net fair value of hedged items		Amount of hedge funds
			Asset	Liability	
Interest rate swaps	Issued securities denominated in USD with fixed interest rate	Fixed interest rate risk	-	-	-
Cross Currency Swap Transactions	Fixed interest rate US dollar debt securities	Currency and interest rate risk	876.405	570.027	

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanations on currency risk (Continued)

2. The scale of the hedging performed through hedge-oriented derivatives for debt instruments in foreign currency and net foreign currency investments (Continued)

Fair value hedge accounting (Continued)

The Bank evaluates the effectiveness of the hedge accounting at initial date and at every reporting period. Effectiveness test is performed by using “Dollar off-set method”.

Changes in fair values of derivative transactions determined as hedge for fair value are recorded in profit or loss together with changes in hedging asset or liability. The difference in current values of derivative transactions subject to fair value hedge is shown in “Profit/Losses from Derivative Financial Transactions” account. In the balance sheet, change in fair value of hedge asset or liability during the hedge accounting to be effective is shown with the related asset or liability. If the underlying hedge does not conform to the hedge accounting requirements, according to the adjustments made to the carrying value (amortized cost) of the hedged item, for which the risk is hedged by a portfolio hedge, which are amortized with the straight line method within the time to maturity and recognized under “Profit/Losses from Derivative Financial Transaction” account in the statement of profit or loss.

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the fair value hedge accounting in accordance with TAS 39 and its own risk management policies and principles. Every individual relationship is approved and documented in the same way in accordance with the Bank’s risk management policies. Effectiveness tests were chosen among methods allowed within the context of TAS 39 in accordance with the Bank’s risk management policies. The Bank’s assumptions, which used for determining fair values of derivative instruments, were used while calculating fair value of hedged items on the effectiveness tests. The effectiveness tests are performed and effectiveness of risk relations are measured on a monthly basis. The effectiveness tests are performed rewardingly at the beginning of risk relations. If the management voluntarily decides to discontinue the hedging relation or the hedging instrument is sold or closed before its maturity, in the context of the fair value hedge, adjustments on the carrying value of the hedged item is reflected on the on “Profit/Losses from Derivative Financial Transactions” account by using straight line method of amortization.

Cash flow hedge accounting

Starting from August 13, 2015, the Bank applies “Cash Flow Hedge” accounting.

Financial derivatives which are used for Cash Flow Hedge Accounting are cross currency swaps.

	31 December 2023		
	Principal ⁽¹⁾	Asset	Liability
Derivative Financial Instruments			
Cross Currency Swap Interest Transactions	19.067.477	292.727	64.115
Total	19.067.477	292.727	64.115

⁽¹⁾ Sum of purchase and sale.

The method for cash flow hedge presented above is explained in the accounting policies mentioned in Section Three, Note III.

The impact of cash flow hedge accounting is summarized below:

31 December 2023		Hedged Risk	Fair value of hedging instrument		Amount at hedging account
Hedging Instrument	Hedged Asset and Liability		Asset	Liability	
Cross Currency Swap Transactions	Floating Rate US Dollar Loan	Currency and Interest Rate Risk	292.727	64.115	80.698

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SECTION FOUR (Continued)

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

III. Explanations on currency risk (Continued)

2. The scale of the hedging performed through hedge-oriented derivatives for debt instruments in foreign currency and net foreign currency investments (Continued)

Cash flow accounting (Continued)

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the cash flow hedge accounting application in accordance with TAS 39 and its own risk management policies and principles. Every individual relationship is approved and documented in the same way. In accordance with the Bank's risk management policies. The effectiveness tests are performed on a monthly basis. If the management voluntarily decides to discontinue the hedging relation or the hedging instrument is sold or closed before its maturity, the cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs or is no longer expected to occur the net cumulative gain or loss is reclassified from other comprehensive income to "Profit/Losses from Derivative Financial Transactions" account in profit or loss.

There is no reclassified amount from equity to profit or loss statement from discontinued hedging transactions in the current period.

3. Policy on foreign currency risk management

The Bank has followed a balanced policy of assets and liabilities with respect to currency risk during the period. As of December 31, 2023, the Net Foreign Currency Position/Shareholders' Equity ratio is 6,94 percent and as of December 31, 2022 the ratio is 2,97 percent. Foreign currency position is followed daily by the type of foreign currency. The Bank monitors the changes in the market conditions and their effect over the activities and positions of the Bank and make decisions in line with the strategies of the Bank.

4. Approach adopted under internal capital adequacy assessment process for monitoring the adequacy of internal capital for current and future activities

Fully paid capital by the Turkish Republic Treasury, the Bank's legal capital is evaluated prospectively, in order to protect capital adequacy under some stress scenarios like rapid and largescale currency and interest rate changes the Bank calculates capital requirement. First pillar credit for calculation of legal capital adequacy, adding to market and operational risk, interest rate risk in the banking book ("IRRBB") and concentration risk are considered.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

III. Explanations on currency risk (Continued)

5. The Bank's foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date are presented below

DATE	25 December 2023	26 December 2023	27 December 2023	28 December 2023	29 December 2023
USD	29,08890	29,19100	29,28030	29,33900	29,32320
AUD	19,71650	19,86450	19,99550	20,10310	20,03650
DKK	4,29686	4,31590	4,33564	4,37478	4,35288
SEK	2,88896	2,91965	2,92475	2,95556	2,93484
CHF	33,86370	34,10160	34,27400	34,94820	34,85050
100 JPY	20,37770	20,50070	20,49840	20,80970	20,73630
CAD	21,93570	22,02760	22,18540	22,24170	22,14740
NOK	2,82724	2,86358	2,87614	2,90666	2,87406
GBP	36,88760	37,05210	37,26210	37,60380	37,37540
SAR	7,75435	7,78115	7,80621	7,82269	7,81869
EUR	32,02110	32,17140	32,32550	32,61030	32,44610
KWD	94,59800	94,93010	95,18950	95,50460	95,36000
XDR	39,04020	39,17720	39,28540	39,36410	39,34290
BGN	16,33840	16,41700	16,50710	16,66230	16,58740
100 IRR	0,06926	0,06950	0,06972	0,06985	0,06982
RON	6,43176	6,47078	6,50095	6,55196	6,51931
RUB	0,31297	0,31407	0,31514	0,32264	0,32222
CNH	4,07505	4,08426	4,09853	4,12888	4,13282

6. The simple arithmetic averages of the Bank's foreign exchange bid rates for the last thirty days preceding the balance sheet date are presented in the table below

Currency	Average December 2023
USD	28,95453
AUD	19,36858
DKK	4,23790
SEK	2,82078
CHF	33,43367
100 JPY	20,07006
CAD	21,56157
NOK	2,74093
GBP	36,63860
SAR	7,71857
EUR	31,59238
KWD	93,98032
XDR	38,65775
BGN	16,14673
100 IRR	0,06894
RON	6,35342
RUB	0,31745
CNH	4,05323

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

III. Explanations on currency risk (Continued)

7. Information related to Bank's Currency Risk

Current Period	EURO	USD	Other FC	Total
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased)	14.438.515	2.125.932	-	16.564.447
Banks	1.469.816	3.742.573	1.830.799	7.043.188
Financial Assets at Fair Value Through Profit or Loss	-	412.891	-	412.891
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	8.780.004	-	8.780.004
Loans	189.226.782	112.976.912	3.052.308	305.256.002
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	6.085.034	6.033.609	-	12.118.643
Derivative Financial Assets for Hedging Purposes (*)	-	84.247	-	84.247
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (**)	891.694	953.682	48.019	1.893.395
Total Assets	212.111.841	135.109.850	4.931.126	352.152.817
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds from Interbank Money Market	8.341.655	3.475.379	-	11.817.034
Funds Borrowed from Other Financial Institutions (**)	134.008.086	91.004.077	4.259.848	229.272.011
Marketable Securities Issued (*)	3.863.427	89.978.474	6.905.018	100.746.919
Miscellaneous Payables	876.638	2.039.165	7.552	2.923.355
Derivative Financial Liabilities for Hedging Purposes (*)	-	211.355	-	211.355
Other Liabilities (**)	673.965	1.751.206	183.927	2.609.098
Total Liabilities	147.763.771	188.459.656	11.356.345	347.579.772
Net Balance Sheet Position	64.348.070	(53.349.806)	(6.425.219)	4.573.045
Net Off Balance Sheet Position	(61.893.332)	54.432.466	6.419.141	(1.041.725)
Derivative Assets	-	56.338.474	6.419.141	62.757.615
Derivative Liabilities	61.893.332	1.906.008	-	63.799.340
Non-Cash Loans (***)	26.341.397	23.909.574	1.764.448	52.015.419
Prior Period				
Total Assets	133.314.349	87.192.138	1.283.568	221.790.055
Total Liabilities	106.839.438	113.951.942	999.293	221.790.673
Net On Balance Sheet Position	26.474.911	(26.759.804)	284.275	(618)
Net Off Balance Sheet Position	(25.788.480)	27.467.994	(287.904)	1.391.610
Derivative Assets	-	27.467.994	-	27.467.994
Derivative Liabilities	25.788.480	-	287.904	26.076.384
Non-Cash Loans	16.865.069	15.926.927	1.161.121	33.953.117

(*) In accordance with the provisions of the "Regulation on Calculation and Application of Foreign Currency Net General Position / Equity Standard Ratio on a Consolidated and Unconsolidated Basis by Banks Foreign Currency Income Accruals of Derivative Financial Instrument, and hedge accounting records for these accruals and Foreign Currency Expense Accruals of Derivative Financial Instrument and hedge accounting records for these accruals and were not taken into account in the currency risk calculation.

(**) Subordinated Debt Instruments are included in the Funds From Other Financial Institutions line.

(***) Not included in the net off-balance sheet position.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

III. Explanation on currency risk (Continued)

7. Information related to Bank's Currency Risk (Continued)

The effect of the Bank's currency positions as of December 31, 2023 and December 31, 2022 on net profit and equity under the assumption of devaluation of TL against other currencies by 10% with all other variables held constant is as follows:

	Current Period		Prior Period	
	Gain/(Loss) Effect	Effect on Equity ⁽¹⁾	Gain/(Loss) Effect	Effect on Equity ⁽¹⁾
USD	63.029	57.610	52.133	70.819
EUR	245.474	245.474	68.643	68.643
Other foreign currency	(608)	(608)	(363)	(363)
Total	307.895	302.476	120.413	139.099

⁽¹⁾ Effects on equity also include the effects on the profit or loss statement.

As December 31, 2023 and December 31, 2022, the effect of the appreciation of TL by 10% against other currencies with all other variables held constant on net profit and equity of the Bank is the same as the total amount with a negative sign as presented in the above table.

IV. Explanation on interest rate risk

The Bank estimates the effects of the changes in interest rates over the profitability of the Bank by analyzing TL and foreign currency denominated interest rate sensitive assets and liabilities considering both their interest components as being fixed rate or variable rate and also analyzing their weights among the Bank's total assets and liabilities. Long or short positions (gapping report) arising from interest rate risk are determined by currency types at the related maturity intervals (1 month, 1-3 months, 3-12 months, 1-5 years and over 5 years) as of the period remaining to reprising date, considering the reprising of TL and foreign currency-denominated "interest sensitive" assets and liabilities at maturity date (for fixed rate) or at interest payment dates (for floating rate). By classifying interest sensitive assets and liabilities according to their reprising dates, Bank's exposure to possible variations in market interest rates are determined.

Since the tables showing the weighted average days to maturity of foreign currency denominated (separate for each currency and their total USD equivalent) and TL assets and liabilities are prepared periodically, the maturity differences between assets and liabilities (mismatch) are determined.

According to the Risk Management Policy approved by the Board of Directors, the Bank emphasizes the matching of foreign currency denominated assets and liabilities with fixed and floating interest rates. The Bank also pays special attention to the level of maturity mismatch of assets and liability with floating and fixed interests in order to restrict negative effects of interest rate changes on the Bank's profitability.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

IV. Explanation on interest rate risk (Continued)

1. Interest rate sensitivity of assets, liabilities and off-balance sheet items

(Periods remaining to repricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Year	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	292.306	-	-	-	16.674.442	16.966.748
Banks	3.057.285	-	-	-	-	5.357.987	8.415.272
Financial Assets Measured at Fair Value Through Profit/Loss	-	-	120.945	291.946	-	-	412.891
Money Market Placements	3.342.031	-	-	-	-	-	3.342.031
Financial Assets Measured at Fair Value Reported in Other Comprehensive Income	-	117.512	412.347	4.065.839	1.104.356	3.821.479	9.521.533
Loans	69.152.050	126.867.072	314.082.764	6.342.239	-	634.382	517.078.507
Financial Assets Measured at Amortised Cost	28.776	1.078.933	6.777.609	7.199.424	1.565.396	-	16.650.138
Other Assets ⁽²⁾	567.448	575.689	31.953.190	296.231	-	2.072.818	35.465.376
Total Assets	76.147.590	128.931.512	353.346.855	18.195.679	2.669.752	28.561.108	607.852.496
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	1.137.436	5.090.365	5.589.233	-	-	-	11.817.034
Miscellaneous Payables	-	-	-	-	-	3.519.819	3.519.819
Securities Issued	16.496.985	6.397.017	25.363.434	52.466.514	-	-	100.723.950,00
Other Funds	43.792.303	82.129.299	306.462.451	1.646.900	-	-	434.030.953
Other Liabilities ⁽¹⁾	806.562	545.383	6.347.067	2.905.790	-	47.155.938	57.760.740
Total Liabilities	62.233.286	94.162.064	343.762.185	57.019.204	-	50.675.757	607.852.496
On Balance Sheet Long Position	13.914.304	34.769.448	9.584.670	-	2.669.752	-	60.938.174
On Balance Sheet Short Position	-	-	-	(38.823.525)	-	(22.114.649)	(60.938.174)
Off-balance Sheet Long Position	44.719.230	16.000.459	23.202.666	-	-	-	83.922.355
Off-balance Sheet Short Position	(44.725.735)	(16.358.688)	(22.693.639)	-	-	-	(83.778.062)
Total Position	13.907.799	34.411.219	10.093.697	(38.823.525)	2.669.752	(22.114.649)	144.293

⁽¹⁾ In other liabilities line the "non-interest bearing" column amounting TL 47.155.938 includes equity amounting to TL , 42.432.269 and provisions amounting to TL 1.765.720.

⁽²⁾ In other assets line the "non-interest bearing" column amounting TL 2.072.818 includes expected loss provisions amounting to TL 799.988

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

IV. Explanation on interest rate risk (Continued)

1. Interest rate sensitivity of assets, liabilities and off-balance sheet items (Continued)

(Periods remaining to reprising dates)

Prior Period	Up to 1 month	1-3 Months	3 -12 Months	1-5 Years	Over 5 Year	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-	6.548.492	6.548.492
Banks	1.922.641	2.771.145	-	-	-	1.331.382	6.025.168
Financial Assets Measured at Fair Value Through Profit/Loss	-	-	-	253.714	-	-	253.714
Money Market Placements	1.950.381	10.000	-	-	-	-	1.960.381
Financial Assets Measured at Fair Value Reported in Other Comprehensive Income	-	-	626.774	690.904	788.118	219.590	2.325.386
Loans	25.420.244	80.501.448	192.463.033	6.579.490	-	647.791	305.612.006
Financial Assets Measured at Amortised Cost	165.850	10.720	1.065.975	9.146.581	1.721.542	-	12.110.668
Other Assets	623.445	126.210	8.110.721	572.854	-	1.767.675	11.200.905
Total Assets	30.082.561	83.419.523	202.266.503	17.243.543	2.509.660	10.514.930	346.036.720
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Funds	483.849	3.781.983	1.280.644	2.364.032	-	-	7.910.508
Miscellaneous Payables	-	-	-	-	-	2.990.804	2.990.804
Securities Issued	-	-	9.119.194	32.602.947	-	-	41.722.141
Other Funds	14.684.175	47.580.165	193.630.455	3.124.095	-	-	259.018.890
Other Liabilities ⁽¹⁾	36.106	102.748	630.265	3.514.048	2.901.759	27.209.451	34.394.377
Total Liabilities	15.204.130	51.464.896	204.660.558	41.605.122	2.901.759	30.200.255	346.036.720
On Balance Sheet Long Position	14.878.431	31.954.627	-	-	-	-	46.833.058
On Balance Sheet Short Position	-	-	(2.394.055)	(24.361.579)	(392.099)	(19.685.325)	(46.833.058)
Off-balance Sheet Long Position	21.356.395	894.309	20.088.251	-	-	-	42.338.955
Off-balance Sheet Short Position	(20.745.091)	(868.369)	(19.333.885)	-	-	-	(40.947.345)
Total Pozisyon	15.489.735	31.980.567	(1.639.689)	(24.361.579)	(392.099)	(19.685.325)	1.391.610

⁽¹⁾ In other liabilities line the "non-interest bearing" column amounting TL 27.209.451 includes equity amounting , 23.750.636 TL and provisions amounting to TL 1.115.588

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

IV. Explanation on interest rate risk (Continued)

2. Average interest rates for monetary financial instruments

As of December 31, 2023, average interest rates applied to monetary financial instruments are shown below;

	EUR	USD	GBP	JPY	CNY	TL
Current Period						
Assets						
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-	41,00
Banks	-	5,54	-	-	-	41,71
Financial Assets Measured at Fair Value Through Profit/Loss	-	5,43	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	42,72
Financial Assets Measured at FVOCI	-	6,35	-	-	-	13,41
Loans	7,44	8,85	11,13	6,65	6,86	22,17
Financial Assets Measured at Amortised Cost	0,06	5,66	-	-	-	-
Liabilities	-	-	-	-	-	-
Bank Deposits	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-
Money Market Funds	5,52	6,18	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-
Securities Issued	6,26	7,56	9,15	-	-	-
Other Funds	5,54	6,99	-	-	5,19	19,60

As of December 31, 2022, average interest rates applied to monetary financial instruments are shown below;

	EUR	USD	GBP	JPY	CNY	TL
Prior Period						
Assets						
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and CBRT	-	-	-	-	-	-
Banks	21,05	18,45	-	-	-	20,48
Financial Assets Measured at Fair Value Through Profit/Loss	-	5,47	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	17,18
Financial Assets Measured at FVOCI	-	6,56	-	-	-	20,10
Loans	4,09	6,06	9,66	6,19	-	13,08
Financial Assets Measured at Amortised Cost	0,06	5,66	-	-	-	9,33
Liabilities						
Bank Deposits	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-
Money Market Funds	3,42	2,69	-	-	-	12,00
Miscellaneous Payables	-	-	-	-	-	-
Securities Issued	-	6,36	-	-	-	-
Other Funds	0,10	0,13	0,09	-	-	10,70

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

V. Explanations on position risk of equity securities

1. Assumptions, factors affecting valuation, significant changes and general information about valuation methods and accounting methods used and separation of risks according to purpose including strategic reasons and relationship between earnings presented in equity

The Bank owns 9,78% of the Garanti Faktoring A.Ş shares. At the end of the month shares are valued with the stock market value and the fair value difference is monitored in financial assets measured at fair value through other comprehensive income.

The Bank has participated in Credit Guarantee Fund (“CGF”) shares with its 1,49% shares.

In the framework of provision in the Capital Markets Law No.6362 Articles of Associations’ which express four percent of capital is transferred without charge subsequent to registration and announcement of articles of association, 15.971.094 units BIST group (C) shares, each one of BIST group C shares being worth 1 Kuruş, total amounting to TL 160 were transferred to the Bank without charge.

As of January 17, 2020, the Bank has participated in JCR Avrasya Derecelendirme A.Ş. with a share of 2,86%. Related transaction is monitored at cost.

As of December 27, 2023, the Bank participated in Africa Finance Corporation (AFC) with a share of 3,29%.

2. Comparison with market price if the balance sheet value, the fair value and market value for publicly traded is significantly different

None.

3. Types and amounts of positions traded, private equity investments in sufficiently diversified portfolios and other risks

None.

4. Cumulative realized gains and losses resulting from the sales and liquidations during the period

There are no cumulative realized gains or losses arising from sales and liquidations made during the period.

5. Total unrealized gains and losses, total revaluation value increases and their amounts included in core and supplementary capital

	Portfolio	Realized gains/losses during the period	Revaluation value increases		Unrealized gains/losses		
			Total	Included in supplementary capital	Total	Included in the core capital	Included in supplementary capital
1	Private equity investments	-	-	-	-	-	-
2	Shares quoted to the stock market	-	-	-	-	-	-
3	Other shares	376.366	574.324	-	-	-	-
4	Total	376.366	574.324	-	-	-	-

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

V. Explanations on position risk of equity securities (Continued)

6. The bank has chosen a capital requirement calculation method as stated in the official statements concerning credit risk standard qualifications and internal-based rating approach to credit risk total has affected the stock investments diffraction

The Bank does not have subsidiaries or subsidiaries traded on the BIST. According to the credit risk standard method, the stock investments in the banking accounts are 4.081.830 TL, all of which have a 100% risk weight (December 31, 2022: 219.950 TL, all of which have a 100% risk weight).

VI. Explanations on liquidity risk and liquidity coverage ratio

a) The Bank's risk capacity is the legal limits stipulated by the BRSA Regulation on the Measurement and Evaluation of Liquidity Adequacy of Banks. General policy of the Bank's liquidity risk, cost-effective in amounts that can meet the needs of potential cash flow under various operational conditions are based on maintaining a liquidity level. For this purpose, the existing loan stock and move weekly from existing cash balances, including the monthly and annual basis, debt payment obligations, estimated disbursements, credit collections, taking into account the political risk of loss compensation with potential capital inflows Turkish lira and foreign currency denominated cash flow statements are prepared separately and the need for additional resources from the movement and timing of cash flows results are determined. The Bank's cash flows, credit collections and additional fundings can be found, are designed under optimistic, neutral and pessimistic scenarios in terms of liquidity management mechanisms. As well as liquidity ratios, liquidity management, other balance sheet ratios, liquid assets in the amount and maturity structure and rules relating to the diversification of funding sources are taken into account.

b) b) The sole shareholder of the Bank is the Ministry of Treasury and Finance of the Republic of Turkey. Therefore, there is no partnership structure. In addition, the Bank holds a 9,78% stake in Garanti Faktoring AŞ, a 1,49% stake in CGF shares, a 2,86% stake in JCR Avrasya Rating A.Ş. (JCR-ER) and a 3,29% stake in Africa Finance Corporation (AFC), one of Africa's multilateral financial institutions. In addition, the Bank has a 5 percent shareholding in IGE AŞ, which was established in October 2021 together with the Turkish Exporters Assembly (TİM) to provide guarantees for export loans. In terms of liquidity, care is taken to ensure that the share of resources with an original maturity of more than 1 year in the total resources of the repayments due in the same year does not exceed 20%..

c) The Bank maintains its short term liquidity needs through short term loans from international and domestic banks and long term liquidity needs through capital markets funds such as medium and long term loans and bonds issued by international institutions such as the World Bank and the European Investment Bank. The Bank tries to fund short-term loans from short-term, medium-long-term loans from medium-long-term sources, and tries to reduce the inconsistency in this issue as much as possible.

d) The Bank's main funding is denominated in USD and EUR and TL denominated loans are financed with equity on the liabilities side and in order to avoid to foreign currency risk USD and EUR denominated loans are granted.

e) In terms of liquidity, the Bank prefers to use borrowing limits from Central Bank, Foreign Exchange markets and other domestic and foreign sources only in emergency situations. In addition, due to the status of the Bank's as an investment and development bank, the risk of sudden absence of deposits and draws are eliminated, which is a significant contribution to the reduction of liquidity risk. In addition, the bank's fundamental liquidity risk reduction techniques are finding the fund first and then providing credit facilities and before amortization of external obligations such as syndicated loans etc., repaying a debt by accumulating money. Additionally, In order to meet the urgent liquidity need as specified in the Liquidity Action Plan, liquid asset (Asset in Article 5 of the Regulation on Measurement and Evaluation of Banks' Liquidity Adequacy) which is a minimum of 1 percent of the asset size of the Bank is held to be determined by the Assistant General Manager responsible for the Treasury, in addition to "The Ratio to be taken as a basis in Measuring Liquidity Risk".

f) Stress tests are made by the end of the year and sent to BRSA within the frame of the Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process and BRSA good practice guideline until the end of March of the following year. Our Bank's the results of stress tests are reported to top management and considered on internal bank decisions.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

g) The first measure for unexpected liquidity needs that may arise, having more short-term assets with a high liquidity rather than short term greater amount of liabilities. In this context:

- Increasing the level of liquid assets and/or
- Trying to extend the maturity of existing debt and/or,
- Limited new loan demand is covered and/or,
- Maturity of the loans be shortened and/or,
- Limits of traded financial institutions are constantly reviewed and/or,
- Part of the securities turn into more liquid form through outright sale or repurchase.

1. Liquidity Coverage Ratio (%) Max and Minimum Weeks

In accordance with the “Regulation on Calculation of Bank’s Liquidity Coverage Ratio”, published in Official Gazette no. 28948, dated March 21, 2014, the weeks in which the highest and the lowest liquidity coverage ratio is calculated over the last three months are presented below.

Current Period							
Week Info	TL+FC (Max)	Week Info	TL+FC (Min)	Week Info	FC (Max)	Week Info	FC (Min)
24 December 2023	366,31	29 October 2023	40,89	26 November 2023	187,27	29 October 2023	18,03

Prior Period							
Week Info	TL+FC (Max)	Week Info	TL+FC (Min)	Week Info	FC (Max)	Week Info	FC (Min)
30 December 2022	259,22	21 October 2022	12,51	30 December 2022	214,59	11 November 2022	4,48

According to the Banking Regulation and Supervision Agency’s 7123 numbered and December 12, 2016 dated decision, unless otherwise stated, the consolidated and non-consolidated total money and foreign money liquidation rates shall be considered zero for development and investment banks. The aforementioned rates are still being reported to the BRSA.

In addition, Eximbank is subject to the liquidity coverage ratio outlined in Regulation Considering the Calculation and Assessment of Bank Liquidity Coverage Ratio and the Bank is keeping these ratios above the stated limit.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

2. Liquidity Coverage Ratio

Current Period		Total Unweighted Value ^(*)		Total Weighted Value ^(*)	
		TL+FC	FC	TL+FC	FC
High-Quality Liquid Assets					
1	Total high-quality liquid assets (HQLA)			21.214.107	20.729.558
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured wholesale funding, of which:	55.357.064	54.681.149	37.249.375	36.979.009
6	Operational deposits	-	-	-	-
7	Non-operational deposits	-	-	-	-
8	Unsecured funding	55.357.064	54.681.149	37.249.375	36.979.009
9	Secured wholesale funding			-	-
10	Other cash outflows of which:	2.057.762	2.116.812	1.990.541	1.950.670
11	Outflows related to derivative exposures and other collateral requirements	1.945.730	1.909.136	1.945.729	1.909.135
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	112.032	103.838	44.812	41.535
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	52.037.123	51.026.802	2.601.856	2.551.340
16	Total Cash Outflows			41.841.772	41.481.019
Cash Inflows					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	50.318.392	24.808.716	28.745.567	12.984.521
19	Other cash inflows	21.873	10.657	21.872	10.657
20	Total Cash Inflows	50.340.265	24.819.373	28.767.439	12.995.178
				<i>Upper limit applied</i>	
21	Total HQLA			21.214.107	20.729.558
22	Total Net Cash Outflows			16.111.514	28.636.673
23	Liquidity Coverage Ratio (%)			131,67	72,39

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

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

2. Liquidity Coverage Ratio (Continued)

Prior Period	Total Unweighted Value ^(*)		Total Weighted Value ^(*)	
	TL+FC	TL+FC	TL+FC	YP
High-Quality Liquid Assets				
1	Total high-quality liquid assets (HQLA)		3.716.652	3.102.633
Cash Outflows				
2	Retail deposits and deposits from small business customers, of which:		-	-
3	Stable deposits		-	-
4	Less stable deposits		-	-
5	Unsecured wholesale funding, of which:		20.229.617	17.963.939
6	Operational deposits		-	-
7	Non-operational deposits		-	-
8	Unsecured funding		20.229.617	17.963.939
9	Secured wholesale funding		-	-
10	Other cash outflows of which:		1.123.343	1.118.447
11	Outflows related to derivative exposures and other collateral requirements		1.054.272	1.049.516
12	Outflows related to restructured financial instruments		-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets		69.071	68.931
14	Other revocable off-balance sheet commitments and contractual obligations		-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations		1.721.370	1.684.352
16	Total Cash Outflows		23.074.330	20.766.738
Cash Inflows				
17	Secured receivables		-	-
18	Unsecured receivables		24.780.935	13.266.718
19	Other cash inflows		8.619	7.322
20	Total Cash Inflows		24.789.554	13.274.040
			<i>Upper limit applied value</i>	
21	Total HQLA		3.716.652	3.102.633
22	Total Net Cash Outflows		6.097.782	8.752.041
23	Liquidity Coverage Ratio (%)		60,95	35,45

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

Explanations on liquidity coverage ratio:

- Due to the low level of complexity of the Bank, cash inflows and outflows have not shown significant fluctuations during the period and cash inflows have been realized above the cash outflows throughout the period.
- The most important items of high quality liquid assets of the Bank, which does not accept deposits due to being a Development and Investment Bank, are the Turkish Lira and foreign currency securities issued by the Treasury of the Republic of Turkey.
- Main funding sources of the Bank are funds from CBRT rediscount loans, short-term loans from domestic and overseas banks, medium and long-term funds borrowed from international organizations like World Bank, European Investment Bank and funds obtained from capital market transactions by issuing debt securities.
- Most of the derivative instruments used for hedging purposes are swap transactions within the scope of currency and interest rate risk.
- The Bank distributes funding sources between CBRT, domestic banks and international development and investment banks carefully and in a balanced manner. The Bank's principle to take first quality collaterals such as letters of guarantee. To prevent concentration risk, the Bank monitors the breakdown of the collaterals taken from banks and made policy limit controls to keep the risk up to 20% of each banks' total cash and non-cash loans.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

2. Liquidity Coverage Ratio (Continued)

f) Taking into account the legal and operational liquidity transfer inhibiting factors, the needed funds and the liquidity risk exposure based on the Bank itself, the branches in foreign countries and consolidated partnerships:

None.

g) Taken in the calculation of liquidity coverage ratio but not included in the disclosure template in the second paragraph and the information regarding the other cash inflows and cash outflows items which are thought to be related to the Bank's liquidity profile:

None.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

3. Groupings of assets and liabilities on the remaining period to maturity

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated ⁽¹⁾	Total
Current Period								
Assets								
Cash (Cash on Hand in Transit, Purchased Cheques) and Balances with the Central Bank	16.674.442	292.306	-	-	-	-	-	16.966.748
Banks	5.357.987	3.057.285	-	-	-	-	-	8.415.272
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	120.945	291.946	-	-	412.891
Money Market Placements	-	3.342.024	-	7	-	-	-	3.342.031
Financial Assets Measured at Fair Value Through Other Comprehensive Income	3.821.479	-	117.512	412.347	4.065.839	1.104.356	-	9.521.533
Loans	-	32.381.710	57.625.025	252.925.971	142.614.061	30.897.358	634.382	517.078.507
Financial Assets Measured at Amortised Cost	-	28.776	1.078.933	6.777.609	7.199.424	1.565.396	-	16.650.138
Other Assets	-	483.200	575.689	31.660.463	673.206	-	2.072.818	35.465.376
Total Assets	25.853.908	39.585.301	59.397.159	291.897.342	154.844.476	33.567.110	2.707.200	607.852.496
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Other Funds	-	30.479.079	58.803.945	269.960.873	62.273.142	12.513.914	-	434.030.953
Money Market Funds	-	1.137.436	5.090.366	5.589.232	-	-	-	11.817.034
Securities Issued	-	16.496.985	6.397.017	25.363.434	52.466.514	-	-	100.723.950,00
Miscellaneous Payables	-	-	-	-	-	-	3.519.819	3.519.819
Other Liabilities ^(2,3,4)	-	588.807	183.184	6.786.780	3.046.031	-	47.155.938	57.760.740
Total Liabilities	-	48.702.307	70.474.512	307.700.319	117.785.687	12.513.914	50.675.757	607.852.496
Liquidity Gap	25.853.908	(9.117.006)	(11.077.353)	(15.802.977)	37.058.789	21.053.196	(47.968.557)	-
Net Off Balance Sheet Position	-	(6.505)	(133.000)	(90.000)	373.798	-	-	144.293
Derivative Financial Assets	-	24.926.070	492.409	44.052.215	14.451.661	-	-	83.922.355
Derivative Financial Liabilities	-	24.932.575	625.409	44.142.215	14.077.863	-	-	83.778.062
Non-Cash Loans	-	-	19.370	-	-	-	53.114.769	53.134.139
Prior Period								
Total Assets	8.099.464	12.527.705	41.669.655	164.885.616	90.881.024	25.557.790	2.415.466	346.036.720
Total Liabilities	-	7.867.283	38.213.776	173.753.468	82.269.656	13.732.282	30.200.255	346.036.720
Liquidity Gap	8.099.464	4.660.422	3.455.879	(8.867.852)	8.611.368	11.825.508	(27.784.789)	-
Net Off-Balance Sheet Position	-	3.417	-	1.186.789	-	201.404	-	1.391.610
Derivative Financial Assets	-	6.485.435	-	23.956.752	9.294.350	2.602.418	-	42.338.955
Derivative Financial Liabilities	-	6.482.018	-	22.769.963	9.294.350	2.401.014	-	40.947.345
Non-Cash Loans	-	49.649	-	199.371	176.975	-	34.409.947	34.835.942

⁽¹⁾ Assets such as tangible and intangible assets, investments, subsidiaries, office supply inventory, prepaid expenses, miscellaneous receivables and other assets are classified in this column.

⁽²⁾ Liabilities that are necessary for banking activities and that cannot be liquidated in the short-term, such as equity, provisions, miscellaneous payables are classified in this column.

⁽³⁾ In the non-distributable column of the Other liabilities line, the main items of TL 47,155,938 include shareholders' equity amounting to TL 42,432,269 and provisions amounting to TL 1,765,720.

⁽⁴⁾ There are TL 2,901,759 subordinated debt instruments in TL 3,046,031 in the column of other liabilities between 1-5 years

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

4. The undiscounted cash flows of liabilities based on the remaining period to maturity dates are as follows:

Current Period	Book Value	Demand and up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	434.030.953	30.537.987	55.794.558	276.759.509	70.858.337	15.581.403	-	449.531.794
Funds borrowed from Interbank money market	11.817.034	1.140.779	5.225.942	5.687.211	-	-	-	12.053.932
Marketable securities issued	100.723.950	17.611.883	7.147.447	30.032.781	59.645.130	-	-	114.437.241
Miscellaneous payables	3.519.819	-	-	-	-	-	3.519.819	3.519.819
Other liabilities	14.019.536	83.692	181.514	6.471.047	4.357.555	-	4.723.666	15.817.474
Total liabilities	564.111.292	49.374.341	68.349.461	318.950.548	134.861.022	15.581.403	8.243.485	595.360.260

Prior Period	Book Value	Demand and up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Unallocated	Total
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds borrowed from other financial institutions	259.018.890	5.858.074	29.699.969	125.732.824	90.706.647	17.640.706	-	269.638.220
Funds borrowed from Interbank money market	7.910.508	6.269	3.719.639	1.408.668	2.896.307	-	-	8.030.883
Marketable securities issued	41.722.141	784.211	-	11.147.411	35.603.170	-	-	47.534.792
Miscellaneous payables	2.990.804	-	-	-	-	-	2.990.804	2.990.804
Other liabilities	10.160.694	36.106	183.245	330.625	5.177.722	3.264.787	3.458.815	12.451.300
Total liabilities	321.803.037	6.684.660	33.602.853	138.619.528	134.383.846	20.905.493	6.449.619	340.645.999

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. Explanations on liquidity risk and liquidity coverage ratio (Continued)

5. The undiscounted cash inflows and outflows of derivatives of the Bank

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives						
- Outflow	10.690.586	625.409	8.686.467	-	-	20.002.462
- Inflow	10.264.470	492.409	8.672.456	-	-	19.429.335
Interest rate derivatives						
- Outflow	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
Derivatives held for hedging						
Foreign exchange derivatives						
- Outflow	14.889.150	987.405	9.702.623	22.871.334	-	48.450.512
- Inflow	15.266.391	998.997	10.367.667	23.362.254	-	49.995.309
Interest rate derivatives						
- Outflow	729.088	-	693.259	21.907.596	-	23.329.943
- Inflow	569.052	-	569.052	22.069.368	-	23.207.472
Total outflow	26.308.824	1.612.814	19.082.349	44.778.930	-	91.782.917
Total inflow	26.099.913	1.491.406	19.609.175	45.431.622	-	92.632.116

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
Derivatives held for trading						
Foreign exchange derivatives						
- Outflow	6.482.018	-	-	-	-	6.482.018
- Inflow	6.485.435	-	-	-	-	6.485.435
Interest rate derivatives						
- Outflow	-	-	-	-	-	-
- Inflow	-	-	-	-	-	-
Derivatives held for hedging						
Foreign exchange derivatives						
- Outflow	245.972	184.733	2.425.127	18.437.401	244.418	21.537.651
- Inflow	383.392	202.899	2.770.306	19.901.567	266.167	23.524.331
Interest rate derivatives						
- Outflow	152.714	-	10.325.566	6.611.602	-	17.089.882
- Inflow	160.329	-	9.954.251	6.538.584	-	16.653.164
Total outflow	6.880.704	184.733	12.750.693	25.049.003	244.418	45.109.551
Total inflow	7.029.156	202.899	12.724.557	26.440.151	266.167	46.662.930

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VII. Explanations on leverage ratio

a) Explanations on Differences between Current and Prior Years' Leverage Ratios

The Bank's unconsolidated leverage ratio, calculated pursuant to the "Regulation on the Measurement and Evaluation of Banks' Leverage Level", was 6.84%. (31.12.2022: 6,50%). According to the regulation, the minimum leverage ratio is 3%. The increase in the leverage ratio is due to the slower increase in risk amounts (due to the increase in paid-in capital during the year) than the principal capital.

b) Comparison of the total amount of assets and the total amount of risk included in the Consolidated Financial Statements in accordance with TAS

The Bank has unconsolidated financial reporting however, there is no consolidated financial reporting since there is no subsidiaries.

c) The leverage ratio table is presented below:

	Current Period^(*)	Prior Period^(*)
On-Balance Sheet Items		
On-balance sheet items (excluding derivatives and SFTs, but including collateral)	581.996.147	342.006.026
Assets amounts deducted in determining Basel III Tier 1 capital	(124.117)	(62.831)
Total on balance sheet exposures	581.872.030	341.943.195
Derivative exposures and credit derivatives		
Replacement cost associated with derivative financial instruments and credit derivatives	215.964	65.920
The potential amount of credit risk with derivative financial instruments and credit derivatives	883.639	428.606
The total amount of risk on derivative financial instruments and credit derivatives	1.099.603	494.526
Investment securities or commodity collateral financing transactions		
The amount of risk investment securities or commodity collateral financing transactions (Excluding on balance sheet items)	4.543.504	3.511.491
Risk amount of exchange brokerage operations	-	-
Total risks related with securities or commodity financing transactions	4.543.504	3.511.491
Off -Balance Sheet Items		
Gross notional amount of off-balance sheet items	335.596.034	224.491.092
Adjustments for conversion to credit equivalent amounts	(254.878.553)	(169.725.994)
The total risk of off-balance sheet items	80.717.481	54.765.098
Capital and Total Exposures		
Tier 1 capital	45.684.935	26.029.106
Total exposures	668.232.618	400.714.310
Leverage Ratio		
Leverage ratio	6,84%	6,50%

^(*) Three-month average of the amounts in Leverage Ratio table.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VIII. Presentation of financial assets and liabilities at their fair values

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets				
Due from interbank money market	3.342.031	1.960.381	3.342.031	1.960.381
Banks	8.415.272	6.025.168	8.415.272	6.025.168
Financial assets measured at fair value through other comprehensive income	3.821.479	219.590	3.821.479	219.590
Financial assets measured at amortised cost	16.650.138	12.110.668	15.081.650	15.923.751
Loans	517.078.507	305.612.006	561.082.927	354.004.977
Financial Liabilities				
Bank deposits	-	-	-	-
Other deposits	-	-	-	-
Funds borrowed from other financial institutions	434.030.953	259.018.890	488.873.041	292.328.802
Issued marketable securities ⁽¹⁾	100.723.950	41.722.141	100.316.629	40.415.459
Miscellaneous payables	3.519.819	3.519.819	2.990.804	2.990.804

⁽¹⁾ Securities traded in the markets are taken into consideration.

The fair values of financial assets measured at amortized cost are determined as Level 1 for presentation purposes.

The fair values of the loans and funds provided from other financial institutions for presentation purposes have been determined as Level 2.

Fair value measurement classification

In the table below, valuation method of financial instruments valued by fair value is given. Valuation methods according to the levels are defined as follows:

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

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

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

Current Period	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets measured at fair value through profit or loss	412.891	-	-	412.891
Financial assets at fair value through other comprehensive income ⁽¹⁾	5.700.054	-	-	5.700.054
Derivative financial Assets held for fair value hedges	-	895.592	-	895.592
Derivative Financial Assets for Hedging Purposes	-	292.727	-	292.727
Financial liabilities				
Derivative financial liabilities held for trading	-	1.244.817	-	1.244.817
Derivative financial assets held for fair value hedges	-	64.115	-	64.115

⁽¹⁾Refers to the balance of financial assets traded in stock exchanges and monitored within financial assets at fair value through other comprehensive income.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

VIII. Presentation of financial assets and liabilities at their fair values (Continued)

Fair value measurement classification (Continued)

Prior Period	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets measured at fair value through profit or loss	253.714	-	-	253.714
Financial assets at fair value through other comprehensive income ⁽¹⁾	2.105.796	-	-	2.105.796
Derivative financial Assets held for fair value hedges	-	7.287	-	7.287
Derivative Financial Assets for Hedging Purposes	-	1.425.602	-	1.425.602
Financial liabilities				
Derivative financial liabilities held for trading	-	5.774	-	5.774
Derivative financial liabilities held for fair value hedges	-	477.273	-	477.273

(1) Fair value represents the balance of financial assets traded in stock exchanges, which are followed in financial assets at fair value through other comprehensive income.

IX. Explanations on activities carried out on behalf and account of other parties

The Bank does not carry out transactions on behalf of and account of others and there are not any trust transactions.

X. Information on risk management

1. The Bank's risk management policy

Eximbank, as Turkey's official Export Support Organization, provides export sector with credit, guarantee and insurance programs. While the Bank is not primarily engaged in profit-making activities, it maintains the level of risk that it must undertake when it fulfills its legal functions of "providing financial support to the export sector" with an approach that does not weaken the financial power and conforms to generally accepted banking and investment policies.

Eximbank supports exporters, export oriented manufacturers and exporters with contractors, entrepreneurs and foreign exchange earning companies operating with short, medium and long term cash / non-cash loans, insurance and guarantee programs. The bank applies the principle of obtaining first-quality guarantees such as letters of guarantee from commercial banks, bills of exchange, KGF and IGE guarantees for its loans. Cash, non-cash credit and treasury transaction limits for guarantee letters and warranties issued by the banks to constitute the guarantees of the credits granted by the banks through Türk Eximbank and the loans granted directly to the firm are determined and monitored within the framework of financial analysis and risk assessment studies of domestic banks. In order to carry out the activities at the optimum level, a risk appetite framework integrated with the budget process has been established considering the risk capacity of the Bank by the Board of Directors of the Bank and thus, it was ensured that the right risk position was taken.

Türk Eximbank's short, medium and long-term loan programs are implemented in accordance with the financial conditions (term, interest, collateral, etc.) approved by the Board of Directors and in accordance with the framework application principles. In loan pricing, the resource cost is determined by the Asset-Liability Committee, taking into account the maturity of the transaction, the collateral structure, and the change in interest rates in the markets, and the mission of the Bank to provide financing opportunities to exporters at costs that will make them competitive in existing markets and risky/new countries is pursued.

Commercial and political risks arising within the scope of insurance programs are transferred to reinsurer companies with agreements renewed every year. As a general principle, a certain percentage of the aforementioned risks are kept on Türk Eximbank. As of 2023, this rate is 40%.

Within the framework of export credit insurance activities, premium rates are determined by considering the risk group of the country where the buyer is resident, the payment method and maturity of the shipment, the type of the buyer (public or private) and the risk group of the buyer. The higher the risk of the country, the buyer or the payment method, or the longer the delivery term, the higher the premium rates. Pricing strategy, which is the basis for the

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

X. Information on risk management (Continued)

determination of premium rates; market conditions, international prices of export credit insurance services and the size of losses experienced in the past years.

General risk policy including risk appetite and indicators; It is determined by the Board of Directors. The risk management process, which is organized within the framework of risk management regulations and serves to create a common risk culture across the organization; Is a structure in which risks are defined in line with international regulations, and measurement, analysis, monitoring and reporting activities are carried out in this framework. Risk management activities are structured under the responsibility of Audit Committee.

It is essential that all employees of the Bank fulfill their duties with a sense of responsibility that aims to develop controls to eliminate or reduce the possibility of the Bank incurring losses due to the risks that may be incurred in relation to its activities. In this context, the Risk Management Department develops the necessary systems to carry out its activities, monitors the compliance of the risks with the policies and standards and the Bank limits, and continues to work on compliance with the relevant legal regulations and Basel criteria. In addition to the standard approaches used for statutory reporting, reporting risk measures are also developed through internal models and are supported by applied stress tests.

Both company and bank-based limit controls, cash and non-cash guarantees received for the said loans, the account status documents provided for the financial analysis / allocation process and the attached profit and loss statements are audited by the Board of Inspectors and the Internal Control Department over the selected files. The credit worthiness of loans and other receivables is monitored by the Credit Monitoring unit. The risks and limits of companies and banks are monitored daily and weekly by the responsible units and can be canceled instantly. Domestic and foreign bank limits are calculated using a Bank methodology based on the simplification of unnecessary allocated limit amounts and their full compliance with Basel III Rules. In terms of the creditworthiness of countries, OECD country risk groupings, reports of Berne Union member institutions, reports of independent credit rating agencies, country reports prepared within the Bank and financial statements of banks whose risk is taken are monitored regularly.

The risk management process, which is organized within the framework of risk management regulations and serves to create a common risk culture throughout the organization; It is in a structure that prioritizes "good corporate governance", where the executive units that undertake the risk, and the internal audit and surveillance units are independent from each other, the risk is defined in accordance with international regulations, and measurement, analysis, monitoring, reporting and auditing activities are carried out within this framework. The units within the internal systems undertake the task of coordination at the point of dissemination and adoption of the necessary corporate culture in order to ensure that the operational risks are managed by the risk-bearing staff. The procedures and risk definitions to be followed in exceeding the risk thresholds are included in the risk policies.

The Bank considers the establishment of risk culture throughout the Bank as an important factor, and aims to understand the importance of risk management in the execution of activities and to ensure risk awareness and sensitivity in the decision-making and action processes of all personnel.

Trainings given to employees, risk reporting to the Board of Directors, Senior Management and committees, the risk appetite framework created by the Bank and ISEDES make an important contribution to the dissemination of risk culture.

The capital adequacy standard ratio is obtained by dividing the equity by the risk weighted asset amount calculated by multiplying the cash and non-cash loans with the risk weight ratios in the relevant legislation. Calculation is made according to the standard method for credit and market risk, and according to the basic indicator approach for operational risk. Counterparty Credit Risk is measured according to the Basel 3 Standard Method. While calculating the Liquidity Coverage Ratio, one of the liquidity metrics, the action plans prepared within the scope of the Liquidity Action Plan are also taken into account to monitor the medium-long term liquidity balance of the Bank. In addition, daily liquidity monitoring is carried out by Risk Management, taking into account the cash inflows and outflows arising from all product segments.

Within the framework of the "Regulation on the Measurement and Evaluation of the Interest Rate Risk Arising from Banking Accounts with the Standard Shock Method", a stress test report to measure the effect of interest rate shocks (+5 and -4 for TL, +2 and -2) on the bank's balance sheet is published monthly. It is sent to the BRSA. According to the regulation, the ratio of the net present value changes that will be created in the bank balance sheet by the interest shocks to the equities in the relevant month should not exceed 20%. The related ratio is well below the legal limit due to the strong equity structure of the Bank and the high matching of assets and liabilities.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

X. Information on risk management (Continued)

The risk of the bank is reported to the senior management on an integrated basis with Risk Assessment and Problem Loans Reports. In addition, the risks arising from treasury transactions and the total risks directly or indirectly on commercial banks are monitored daily by the relevant units and reported to the management. Within the scope of the "Regulation on the Procurement of Support Services by Banks" Board of Directors, through the Audit Committee at least once a year, determines the general policies and principles regarding the services that the Bank receives/will receive support services. The Risk Analysis Report submitted to the company is being prepared.

As the Risk Management Presidency, active participation is ensured in the Assets and Liabilities Committee, which is held every month, and the Senior Management is informed about the current situation regarding risk management.

The effects of developments related to COVID-19 on the Bank's risk profile and risk appetite framework are closely monitored within the Bank's risk measurement, reporting and management processes. In addition, based on Article 93 of the Banking Law No. 5411, the capital adequacy ratio regarding various regulations published by the BRSA (Risk Center notifications, derivative transactions, etc.) within the scope of the coordinated macro-prudential steps taken to strengthen financial stability and to use resources more efficiently and to operate the credit system effectively. calculations are carried out and reflected in the legal reports.

Stress tests are carried out at year-ends within the framework of the text of the Regulation on Banks' Internal Systems and Internal Capital Adequacy Assessment Process and BRSA good practice guidelines and sent to the BRSA until the end of March of the following year. At the Bank, the results of the stress test are also reported to the senior management and are taken into account in internal decisions. Within the scope of İSEDES, in addition to credit risk, market risk and operational risk, which are also included in the calculation of regulatory capital liability, interest rate risk arising from banking accounts, yield curve risk, reinvestment risk, non-repayment risk, optionality risk, duration-convexity, value at risk. analysis, concentration risks and liquidity risk assessments on the basis of country and banks accepted as collateral within the scope of credit risk. Recently, environmental and social risks and climate-related risks have been closely monitored.

The Bank issuing the loans with the guarantee of the commercial banks in Turkey (guarantee letter, warranty etc.) is not subject to any risk arising from the companies. On the other hand, a systemic risk that may be experienced in the banking sector is monitored closely and the intention and controls are used to prevent concentration on the bank basis. Credit policies are based on improving asset quality, supporting effective risk management and compliance with legal practices.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued)

X. Information on risk management (Continued)

2. Overview of risk weighted amounts

	Risk Weighted Amount		Minimum Capital Requirements
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	225.196.091	135.670.039	18.015.687
2 Of which standardized approach (SA)	225.196.091	135.670.039	18.015.687
3 Of which internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	2.454.360	1.944.345	196.349
5 Of which standardized approach for counterparty credit risk (SA-CCR)	2.454.360	1.944.345	196.349
6 Of which internal model method (IMM)	-	-	-
7 Equity positions in banking book under basic risk weighting or internal rating-based approach	-	-	-
8 Equity investments in funds – look-through approach	-	-	-
9 Equity investments in funds – mandate-based approach	-	-	-
10 Equity investments in funds – 1250% weighted risk approach	-	-	-
11 Settlement risk	-	-	-
12 Securitization positions in banking accounts	-	-	-
13 Of which IRB ratings-based approach (RBA)	-	-	-
14 Of which IRB Supervisory formula approach (SFA)	-	-	-
15 SA/simplified supervisory formula approach (SSFA)	-	-	-
16 Market risk	5.162.938	1.189.180	413.035
17 Of which standardized approach (SA)	5.162.938	1.189.180	413.035
18 Of which internal model approaches (IMM)	-	-	-
19 Operational Risk	8.660.079	5.144.913	692.806
20 Of which Basic Indicator Approach	8.660.079	5.144.913	692.806
21 Of which Standardized approach (SA)	-	-	-
22 Of which Advanced measurement approach	-	-	-
23 The amounts below the thresholds for deduction from capital (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	241.473.468	143.948.477	19.317.877

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

3. Linkages between Financial Statements and Risk Amounts

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

	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
		Subject to credit risk	Subject to counterparty credit risk	Securitization Positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and CBRT	16.966.748	16.966.748	-	-	-	-
Banks	8.414.969	8.415.272	-	-	-	(303)
Money market placements	3.342.031	3.342.031	-	-	-	-
Financial assets at fair value through profit/loss	412.891	-	-	-	412.890	-
Financial assets measured at fair value through other comprehensive income	9.521.533	10.109.951	-	-	-	-
Derivative financial assets	1.188.319	-	1.188.319	-	-	-
Loans	516.278.519	516.444.125	-	-	-	(165.606)
Lease receivables	-	-	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Financial assets measured at amortised cost	16.650.138	16.650.139	-	-	-	-
Assets held for sale and discontinued operations	-	-	-	-	-	-
Investment in associates	205.044	259.781	-	-	-	-
Subsidiaries	-	-	-	-	-	-
Joint ventures	-	-	-	-	-	-
Tangible assets	93.291	92.642	-	-	-	649
Intangible assets	72.110	-	-	-	-	72.109
Investment property	1.802	1.802	-	-	-	-
Tax asset	-	-	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-
Other assets	34.705.101	34.705.492	-	-	-	(391)
Total assets	607.852.496	606.987.983	1.188.319	-	412.890	(93.542)
Liabilities						
Deposits	-	-	-	-	-	-
Funds borrowed	434.030.953	-	-	-	-	434.030.953
Money market funds	11.817.034	-	11.817.034	-	-	-
Securities issued (net)	100.723.950	-	-	-	-	100.723.950
Funds	838.768	-	-	-	-	838.768
Financial liabilities at Fair Value through Profit and Loss	-	-	-	-	-	-
Derivative financial liabilities	1.308.932	-	1.308.932	-	-	-
Factoring payables	-	-	-	-	-	-
Lease payables	12.622	-	-	-	-	12.622
Provisions	1.765.720	-	-	-	-	1.765.720
Current tax liability	83.692	-	-	-	-	83.692
Deferred Tax Liability	-	-	-	-	-	-
Liabilities for tangible assets held for sale and related to discontinued operations	-	-	-	-	-	-
Subordinated loans	9.017.007	-	-	-	-	9.017.007
Other liabilities	5.821.549	-	-	-	-	5.821.549
Shareholders' equity	42.432.269	-	-	-	-	42.432.269
Total liabilities	607.852.496	-	13.125.966	-	-	594.726.530

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

4. Linkages Between Financial Statements and Risk Amounts

The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

		Total	Credit Risk	Securitization Positions	Counterparty credit risk	Market risk	Not Subject to Capital Requirements or Deducted from Capital
1	Asset carrying value amount under regulatory in financial statement	607.852.496	606.987.983	-	1.188.319	412.890	(93.542)
2	Liabilities carrying value amount under regulatory in financial statement	607.852.496	-	-	-	-	-
3	Total net amount scope of financial statement	-	-	-	-	-	-
4	Off-balance sheet amounts	26.836.640	26.836.640	-	-	-	-
5	Differences in valuations	-	-	-	-	-	-
6	Differences due to different netting rules (except those put in line 2)	-	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-	-
8	Differences due to prudential filters	-	-	-	-	-	-
9	Risk Amounts	634.689.136	633.824.623		1.188.319	412.890	(93.542)

There is a slight difference between the amounts in the respective columns by securities. The reason for this difference is that while the said securities are written off by netting in the accounting presentation, they are taken into account in the capital adequacy calculations without such an accounting netting.

According to TAS, there is no difference between the Bank's risk assessed amounts and risk amounts. There is a little difference by securities. The reason for this difference is that while the said securities are written off by netting in the accounting presentation, they are taken into account in the capital adequacy calculations without such an accounting netting.

- Valuation methodologies including a description of the use of market value and model value methodologies.

- Definition of independent price approval processes

- Processes for valuation adjustments or differences. (Includes definition of process and methodology for valuation of trading positions according to the type of financial instrument.)

Bank Position transactions are all kinds of money market, capital market, foreign exchange market and derivative market transactions (excluding transactions for trading purposes) performed by the Treasury Directorate for currency, interest and liquidity risk management.

For the purpose of hedging against the market risk that the Bank may be exposed to through the trading portfolio, all trading securities portfolio, trading / foreign currency and foreign currency / Turkish currency transactions are evaluated on a daily basis with the current market rates.

In order to limit possible loss that may arise from market risk, the maximum amounts that can be carried per day, the maximum amount of transactions and the limit of termination of damages shall be applied within the limits set by the Board of Directors for all Turkish Currency and Foreign Exchange transactions for trading purposes. In other words, these limitations are determined on a product basis and are also subject to limitations according to the duties and authorities of the traders, and compliance with these limits is automatically made by the system.

Financial assets measured at amortised costs are valued by internal rate of return.

The Bank applies the principle which is accepting first group guarantee like letter of guarantee from commercial banks, warranty etc. for its loans. For this reason, the "institutional receivables" risk category is largely transformed into "receivables from banks and intermediary institutions".

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

5. Public Disclosures on Credit Risk

In order to avoid the risk of concentration, the bank-based distribution of collateral is monitored closely and the policy of undertaking risk up to 20% of total cash and non-cash credit risk, except treasury transactions for a single bank, is followed by limit controls. In addition, credit limits to be used by a single company are determined by the Credit Committee within the limits of the Board of Directors and legal limits.

In order to ensure that credits are in line with company and bank limits, there are controls on the system that prevent limit overruns. These checks are periodically tested by the Internal Control Department. The limits of the banks that receive guarantees are monitored daily by the Financial Institutions Directorate. Limit change requirements are regularly monitored and necessary updates are made by the Board of Directors.

Both the company and bank-based limit controls, the cash and non-cash guarantees received for the said loans, the account status documents provided for the financial analysis / allocation process and the attached profit and loss statements are prepared by the Board of Inspectors and the Internal Control Department over the files selected for the sample is inspected. The credit worthiness of loans and other receivables is monitored by the Credit Monitoring unit. The risks and limits of companies and banks are monitored daily and weekly by the responsible units and can be canceled instantly. Domestic and foreign bank limits are calculated using a Bank methodology based on the simplification of unnecessary allocated limit amounts and their full compliance with Basel III Rules. In terms of the creditworthiness of countries, OECD country risk groupings, reports of Berne Union member institutions, reports of independent credit rating agencies, country reports prepared within the Bank and financial statements of banks whose risk is taken are monitored regularly.

The Risk Assessment Report prepared by the Risk Management Department and senior management and board of directors lending programs are periodically informed on the basis of total risks and problem loans. The Financial Institutions Department monitors the existing risks on an intermediary bank basis on a daily basis.

5.1. Credit quality of assets

		Gross Carrying Value in Financial Statements Prepared in Accordance with Turkish Accounting Standards (TAS)		Allowances/ amortization and impairments	Net Values
		Defaulted	Non-defaulted		
1	Loans	634.382	401.458.072	797.655	401.294.799
2	Debt Securities		18.546.255	48.628	18.497.627
3	Off-balance sheet exposures		33.610.810	564.733	33.046.077
4	Total	634.382	453.615.137	1.411.016	452.838.503

5.2. Changes in stock of default loans and debt securities

1	Defaulted loans and debt securities at end of the previous reporting period	647.791
2	Loans and debt securities that have defaulted since the last reporting period	723.633
3	Receivables back to non-defaulted status	-
4	Amounts written off	(210.562)
5	Other changes	(526.480)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	634.382

5.3. Additional Explanation about the Credit Quality of Asset

Additional qualitative disclosures about the credit quality of assets

Due to the fact that loan debt is not performed or cannot be paid by the debtor in the loan repayment period, the loans that are not paid in due period are considered as overdue receivables in terms of accounting practices.

With the transition to TFRS 9, the impairment model and expected loss provision calculation methodology used by the Bank in determining the provisions for its financial assets and overdue receivables are explained in the Section III Note VII.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

5.3 Additional Explanation about the Credit Quality of Asset (Continued)

Additional qualitative disclosures about the credit quality of assets (Continued)

Loans and other receivables restructured or rescheduled in order to provide liquidity to the borrower and to collect the receivables of the borrower pursuant to the related provisions of the regulation are followed by debt to the relevant loan accounts after the conditions specified in the said Regulation are fulfilled. As of December 31, 2023, there are restructured or rescheduled loans among the standard loans and loans in close follow-up with a total amount of TL 1.162.089 and there are restructured or rescheduled loans and receivables with a total amount of TL 2.251 among the non-performing loans.

Additional quantitative disclosures about the credit quality of assets

- a) According to the geographical area of the receivables, according to the sector and according to the remaining maturity.

Explanations about the breakdown of receivables according to geographical regions, sectors and residuals are included in the “Explanations on Credit Risk” section.

- b) Amounts of receivables that are provisioned on geographical regions and sector basis and related provisions and amounts deleted from assets

Current Period	Non-Performing Loans^(*)	Expected Loss Provisions
Domestic	4.833.022	57.189
EU Countries	266.481	266.481
OECD Countries	54.323	54.323
Off-shore Banking Regions	1.683	1.683
USA, Canada	10.646	10.646
Other Countries	245.884	245.884
Total	5.412.039	636.206

Current Period	Non-Performing Loans^(*)	Expected Loss Provisions
Agriculture	6.723	6.723
Farming and Stockbreeding	5.803	5.803
Forestry	-	-
Fishery	920	920
Industry	1.443.234	215.055
Mining and Quarrying	27.375	5.614
Production	1.403.721	205.549
Electricity, Gas and Water	12.138	3.892
Construction	2.962.046	15.359
Services	958.115	357.148
Wholesale and Retail Trade	486.279	332.010
Hotel, Food and Beverage services	196.179	20.700
Transportation and Telecom	2.762	2.762
Financial Institutions	586	586
Real Estate and Rental Services	825	825
Self-employment Services	-	-
Educational Services	140	140
Health and Social Services	271.344	125
Other	41.921	41.921
Total	5.412.039	636.206

^(*) Non-performing loans include non-performing loans and loans under close monitoring.

As of December 31, 2023, the total of non-performing loans written off from assets is amounting to TL 210.562.

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X. Information on risk management (Continued)

5. Public Explanations on Credit Risk (Continued)

5.3. Additional Explanation about the Credit Quality of Asset (Continued)

c) Aging analysis for overdue receivables

Past due items (*)	Current Period	Prior Period
Up to 3 months	4.777.657	2.032.423
3-12 months	5.481	4.699
1-5 years	624.438	20.792
5 years and over	4.463	620.982
Total	5.412.039	2.678.896

(*) Non-performing receivables include non-performing loans and loans under close monitoring.

d) Analysis of restructured loans according to making provision

Current Period	Restructured Receivables	Expected Loss Provisions
Restructured Standard Loans and Other Receivables	-	-
Loans and Other Receivables Under Close Monitoring	1.162.089	456
Restructured Non-performing Loans	2.251	2.251
Total	1.164.340	2.707

Prior Period	Restructured Receivables	Expected Loss Provisions
Restructured Standard Loans and Other Receivables	-	-
Loans and Other Receivables Under Close Monitoring	1.843.620	2.849
Restructured Non-performing Loans	10.765	10.765
Total	1.854.385	13.614

5.4. Credit risk mitigation techniques

5.4.1. Politics and processes of offsetting balance sheet and off-balance sheet items

The Bank does not make balance sheet and off-balance sheet offsetting as risk mitigation technique.

5.4.2. Basic characteristics of policies and processes related to the assessment and management of collateral

The Bank receives letters of guarantee for all cash loans granted by the banks in Turkey and abroad. Within this scope, the limits given to the banks are checked regularly and amendments are made with the decision of the Board of Directors when necessary.

5.4.3. Intensification of market and credit risk arising from credit risk mitigation tools used

The letters of guarantee and bills of exchange issued by the banks, as well as the cash, non-cash loan and treasury transaction limits, are determined and monitored within the framework of the financial analysis and risk assessment studies of domestic banks by Türk Eximbank to constitute the guarantee for the loans extended through banks and the loans extended directly to companies. In order to avoid the risk of concentration, the distribution of collateral on a bank basis is closely monitored, and the policy of assuming up to 20% of the total cash and non-cash credit risk for a single bank, excluding treasury transactions, is followed by limit controls. In the stress test report, which is sent to the BRSA every year, concentration risk measurements are made by using the Herfindahl-Hirschman Index, Shannon-Wiener Index, Simpson's Index and Berger-Parker Index, which differ on the basis of banks that receive collateral and customers using loans.

5.4.4. Risk Decreasing Techniques – General Overview

	Exposures unsecured	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1 Loans	6.158	401.288.641	368.200.468	-	-	-	-
2 Debt securities	18.497.627	-	-	-	-	-	-
3 Total	18.503.785	401.288.641	368.200.468	-	-	-	-
4 Of which defaulted	-	-	-	-	-	-	-

According to the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks, the external rating grades of the counterparties of Fitch Ratings International Rating Agency are used in determining the risk weights for the entire risk class from central government or central banks. There has been no change in the rating agency used during the period.

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X. Information on risk management (Continued)

5. Public Explanations on Credit Risk (Continued)

5.4. Credit risk mitigation techniques (Continued)

5.4.5. Standard approach - Exposure credit risk and credit risk mitigation effects

Risk Groups		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet Amount	Off-balance sheet amount	Risk-weighted amount	Risk-weighted amount density (%)
1	Exposures to sovereigns and their central banks	38.641.835	597.819	34.230.085	14.663	19.477.138	56,88
2	Exposures to regional and local governments	-	-	-	-	-	-
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and securities firms	24.938.096	50.535.048	368.090.654	-	148.370.411	40,31
7	Exposures to corporates	349.402.285	134.658.209	32.317.467	15.712.888	48.030.354	100,00
8	Retail exposures	24.131.052	8.894.720	2.475.063	1.254.837	2.798.951	75,04
9	Exposures secured by residential property	3.116	-	3.116	-	1.091	35,00
10	Exposures secured by commercial property	14.797	-	14.797	-	7.398	50,00
11	Past-due loans	-	-	-	-	-	-
12	Exposures in higher-risk categories	247.411	-	247.411	-	1.216.441	491,67
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Equity investments in the form of collective investment undertakings	-	-	-	-	-	-
16	Other exposures	34.091.051	-	34.091.051	-	2.381.215	6,98
17	Equity investments	2.913.092	-	2.913.092	-	2.913.092	100,00
18	Total	474.382.735	194.685.796	474.382.736	16.982.388	225.196.091	45,83

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

5. Public Explanations on Credit Risk (Continued)

5.4. Credit risk mitigation techniques (Continued)

5.4.6. Standard Approach - Receivables according to risk classes and risk weights

Risk Groups/ Risk Weights	0%	10%	20%	35% ⁽¹⁾	50%	75%	100%	150%	500%	Others	Total risk amount ⁽²⁾
1 Exposures to sovereigns and their central banks	14.767.610	-	-	-	-	-	19.477.138	-	-	-	34.244.748
2 Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-	-
3 Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to banks and securities firms	199.577.068	-	8.050.376	-	27.405.749	-	133.057.461	-	-	-	368.090.654
7 Exposures to corporates	-	-	-	-	-	-	48.030.355	-	-	-	48.030.355
8 Retail exposures	1	-	-	-	-	3.723.791	6.108	-	-	-	3.729.900
9 Exposures secured by residential property	-	-	-	3.116	-	-	-	-	-	-	3.116
10 Exposures secured by commercial property	-	-	-	-	14.797	-	-	-	-	-	14.797
11 Past-due loans	-	-	-	-	-	-	-	-	-	-	-
12 Exposures in higher-risk categories	-	-	-	-	-	-	-	5.890	241.521	-	247.411
13 Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-
14 Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15 Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-
16 Equity investments	-	-	-	-	-	-	2.913.092	-	-	-	2.913.092
17 Other exposures	31.709.836	-	-	-	-	-	2.381.215	-	-	-	34.091.051
18 Total	246.054.515	-	8.050.376	3.116	27.420.546	3.723.791	205.865.369	5.890	241.521	-	491.365.124

⁽¹⁾ Secured by residential property

⁽²⁾ Exposures post-CCR and CRM

6. Explanations on counterparty credit risk

6.1. Qualitative Explanations on Counterparty credit risk

For transactions made with foreign banks, the amount and the maturity limit are established by the resolution of the Board of Directors. Limits are checked by Treasury Directorate. The majority of transactions that create counterparty risk in the Bank are money, interest swaps and forward transactions intended for hedging purposes. Fair value appraisal method is used in determining the amount subject to counterparty risk in accordance with the principles stated in Appendix-2 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks. There is no reverse trend risk due to counterparty credit risk policies. If Repo transactions are carried out in our bank under Takasbank guarantee, the Central Counterparty Risk is calculated by taking into account the tables revised by Takasbank and containing the values that the Banks will use in calculating the capital requirement for the risks related to the qualified transactions with the Central Counterparties. In addition, OTC money market transactions, which do not have the characteristics of a Central Counterparty, are also carried out, and the counterparty credit risk is measured by taking into account the collateral and haircut ratios for the relevant transactions.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

6. Explanations on counterparty credit risk (Continued)

6.2. Counterparty credit risk (CCR) approach analysis

		Replacement Cost	Potential Credit Risk	EEPE	Alpha used for computing regulatory EAD	Exposure after Credit Risk Mitigation	Risk Weighted Amounts
1	Standardized Approach -CCR (for derivatives)	99.194	714.872		1,40	814.066	404.478
2	Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					12.007.201	2.024.617
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					82.574	16.515
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						2.445.610

6.3 Credit valuation adjustment (CVA) for capital obligation

		Risk Amounts (After use of credit risk mitigation techniques)	Risk Weighted Amounts
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-
1	(i) Value at Risk component (including the 3*multiplier)		-
2	(ii) Stressed Value at Risk component (including the 3*multiplier)		-
3	Total portfolio value with standardized approach CVA capital charge	124.836.508	-
4	Total subject to the CVA capital charge	16.939	7.757

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

6. Explanations on counterparty credit risk (Continued)

6.4. CCR Exposures by Risk Class and Risk Weights

Risk Weights	0%	10%	20%	50%	75%	100%	150%	Other	Total Credit Risk
Risk Groups									
Conditional and unconditional exposures to sovereigns and their central banks	12.009.460	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to regional and local governments	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to international organizations	-	-	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and securities firms	4.649.977	-	5.615.590	2.649.929	-	5.284	-	-	2.453.366
Exposures to corporates	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	-
Exposures secured by residential property	-	-	-	-	-	-	-	-	-
Exposures secured by commercial property	-	-	-	-	-	-	-	-	-
Exposures in high-risk categories	-	-	-	-	-	-	-	-	-
Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-
Equity investments in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other Exposures	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-
Total	16.659.437	-	5.615.590	2.649.929	-	5.284	-	-	2.453.366

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

6. Explanations on counterparty credit risk (Continued)

6.5. Collateral for CCR

	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral received		Posted collateral		Collateral received	Posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	1.655.401	-	1.402.871	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	4.649.977	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	1.655.401	-	1.402.871	-	4.649.977	-

6.6. Exposures to central counterparties

None.

6.7. Counterparty credit risk based on risk class and probability of default

None.

6.8. Counterparty credit risk based on credit variety

None.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

7. Change Table of Risk Weighted Amounts Based on Internal Rating (IRB) Approach

None.

7.1. Internal Rating (IRB) Portfolio and Default Probability credit risk amounts based on interval

None.

7.2. Effect of Credit Derivatives Used as Internal Rating (IRB) Credit Risk Mitigation Technique on Risk Weighted Amount

None.

7.3. Specialized loans based on Internal Rating (IRB) and stock investments subject to simple risk weighting approach

None.

7.4. Risk Weighted Assets within Internal Model Methodology

None.

8. Market Risk Disclosures

8.1. Qualitative information to be disclosed to the public regarding market risk

Market risk refers to the possibility of loss that may arise due to the interest, exchange rate and price changes arising from the fluctuations in the financial markets in the positions of the Bank in the on-balance sheet and off-balance sheet accounts, and as a result, the changes that may occur in the Bank's income/expenses item and return on equity. In order to hedge the market risk that the Bank may be exposed to as a result of its financial activities, the entire trading portfolio of Turkish Lira (TL) and Foreign Currency securities is evaluated daily at current rates in the market. In order to limit the possible loss that may arise from the market risk, for all TL and foreign currency transactions for trading purposes, including securities transactions, the daily maximum amount that can be carried, maximum transaction amounts and stop loss limits are applied within the limits determined by the Board of Directors. In calculating the market risk that the Bank is exposed to in the Capital Adequacy Analysis Form, "Currency Risk", "Interest Risk" and "Specific Risk" are calculated based on the "Market Risk Measurement Method with the Standard Method" published by the BRSA. In addition, Value at Risk (VAR) calculations are carried out to comply with international studies and for information purposes only, apart from legal reporting.

Derivative transactions are initially measured at fair value and transaction costs that are attributable to them are recognized in profit or loss as they are incurred. They are valued with their fair values in subsequent periods. This valuation result is reflected in the financial statements as a single asset or liability on a contract basis by netting off the receivables and payables arising from each contract within their fair values. The method of accounting for the resulting profit or loss varies depending on whether the derivative is intended for hedging or not and the content of the hedged asset.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

8. Market Risk Explanations (Continued)

8.2. Standardized Approach

		Risk Weighted Amounts
	Outright Products	
1	Interest rate risk (general and specific)	1.765.366
2	Equity risk (general and specific)	-
3	Foreign exchange risk	3.397.572
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitizations	-
9	Total	5.162.938

8.3. Internal model approach for trading account

None.

8.4. Comparison of Risk Exposure Value (VAR) estimates with profit / loss

None.

9. Explanations on Operational Risk

Calculation of the operational risk capital requirement is measured using the Basic Indicator Approach once a year in parallel with domestic regulations.

The information contained in the following table when using the basic indicator method:

Current Period	2 PP Amount	1 PP Amount	CP Amount	Total/No. of Years of Positive Gross	Rate (%)	Total
Gross Income	2.307.058	4.000.352	7.548.716	3/3	15	692.806
Value at operational risk (Total*12.5)						8.660.079

Prior Period	2 PP Amount	1 PP Amount	CP Amount	Total/No. of Years of Positive Gross	Rate (%)	Total
Gross Income	1.924.446	2.307.058	4.000.352	3/3	15	411.593
Value at operational risk (Total*12.5)						5.144.913

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. Information on risk management (Continued)

10. The interest rate risk of the banking book items

Interest rate risk arising from banking accounts is measured and monitored on a monthly basis within the scope of the “Regulation on the Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts with the Standard Shock Method”.

Current Period				
	Currency	Applied Shock (+/- x basis point)	Revenue/ Loss	Revenue/Shareholders' Equity – Loss/Shareholders' Equity
1	TL	500	302.204	0,60%
	TL	(400)	(268.444)	(0,53)%
2	EUR	200	200.795	0,40%
	EUR	(200)	(207.012)	(0,41)%
3	USD	200	513.348	1,02%
	USD	(200)	(549.765)	(1,09)%
	Total (for Negative Shocks)		(1.025.221)	(2,04)%
	Total (for Positive Shocks)		1.016.347	2,02%

Prior Period				
	Currency	Applied Shock (+/- x basis point)	Revenue/ Loss	Revenue/Shareholders' Equity – Loss/Shareholders' Equity
1	TL	500	76.506	0,25%
	TL	(400)	(116.083)	(0,39)%
2	EUR	200	152.986	0,51%
	EUR	(200)	(158.737)	(0,53)%
3	USD	200	320.111	1,06%
	USD	(200)	(335.422)	(1,11)%
	Total (for Negative Shocks)		(610.242)	(2,02)%
	Total (for Positive Shocks)		549.603	1,82%

XI. Explanations on securitization

1. Securitization positions on banking accounts

None.

2. Securitization positions in trading accounts

None.

3. Securitization positions in banking accounts and related capital requirement

None.

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

XII. Explanations on operating segments

Information regarding operating segments as of December 31, 2023 and December 31, 2022 has been given in the following table:

Current Period	Corporate Banking	Investment Banking	Undistributed	Total Operations of the Bank
Interest income	43.642.153	4.490.543	-	48.132.696
Interest income on loans	43.633.841	-	-	43.633.841
Interest received from banks	-	1.025.649	-	1.025.649
Interest received from money market transactions	-	1.408.733	-	1.408.733
Interest received from marketable securities	-	2.056.161	-	2.056.161
Other interest income	8.312	-	-	8.312
Interest expense	(30.616.057)	(5.929.116)	(7.874)	(36.553.047)
Interest on loans borrowed	(29.835.638)	-	-	(29.835.638)
Interest Given to Repo Transactions	-	-	-	-
Interest paid for money market transactions	-	-	-	-
Interest on securities issued	-	(5.929.116)	-	(5.929.116)
Lease interest expenses	-	-	(7.874)	(7.874)
Other interest expenses	(780.419)	-	-	(780.419)
Net fees and commissions income	1.383.443	(88.995)	4.267	1.298.715
Fees and commissions received	2.408.108	-	13.051	2.421.159
Fees and commissions paid	(1.024.665)	(88.995)	(8.784)	(1.122.444)
Trade profit/ loss (net)	-	(1.028.594)	1.880.404	851.810
Profit/ loss on capital market transactions	-	(21.723)	-	(21.723)
Profit /loss on derivative financial transactions	-	(1.006.871)	-	(1.006.871)
Foreign exchange profit/ loss	-	-	1.880.404	1.880.404
Other operating income	371.895	947	-	372.842
Provision for impairment of loan and other receivables	(415.165)	-	-	(415.165)
Other provisions	-	-	(232.188)	(232.188)
Other operating expenses	-	-	(2.197.404)	(2.197.404)
Net period profit	14.366.269	(2.555.215)	(552.795)	11.258.259
Total segment assets	549.291.407	56.652.254	1.908.835	607.852.496
Banks and money market placements	-	28.723.748	-	28.723.748
Financial assets designated at fair value through profit or loss	-	412.891	-	412.891
Financial assets measured at fair value through other comprehensive income	-	9.521.533	-	9.521.533
Financial assets measured at amortised cost	-	16.650.138	-	16.650.138
Derivative financial assets measured at fair value through profit/loss	-	895.592	-	895.592
Derivative financial assets measured at fair value through other comprehensive income	-	292.727	-	292.727
Loans	517.078.507	-	-	517.078.507
Tangible assets (net)	-	-	95.093	95.093
Intangible assets (net)	-	-	72.110	72.110
Affiliates	-	205.044	-	205.044
Other assets	33.010.555	157.958	1.741.632	34.910.145
Loan loss provision	(797.655)	(2.333)	-	(799.988)
Total segment liabilities	434.869.721	122.866.923	50.115.852	607.852.496
Funds borrowed and funds	434.869.721	-	-	434.869.721
Borrowings from money markets	-	11.817.034	-	11.817.034
Securities issued	-	100.723.950	-	100.723.950
Subordinated loans	-	9.017.007	-	9.017.007
Derivative financial liabilities measured at fair value through profit/loss	-	1.244.817	-	1.244.817
Derivative financial liabilities measured at fair value through other comprehensive income	-	64.115	-	64.115
Provisions	-	-	1.765.720	1.765.720
Shareholders' equity	-	-	42.432.269	42.432.269
Other liabilities	-	-	5.917.863	5.917.863

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SECTION FOUR (Continued)

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

XII. Explanations on operating segments (Continued)

Prior Period	Corporate Banking	Investment Banking	Undistributed	Total Operations of the Bank
Interest income	15.001.519	2.230.721	-	17.232.240
Interest income on loans	14.988.374	-	-	14.988.374
Interest received from banks	-	285.068	-	285.068
Interest received from money market transactions	-	754.447	-	754.447
Interest received from marketable securities	-	1.191.206	-	1.191.206
Other interest income	13.145	-	-	13.145
Interest expense	(8.298.035)	(3.171.327)	(3.145)	(11.472.507)
Interest on loans borrowed	(7.972.580)	-	-	(7.972.580)
Interest paid for money market transactions	-	-	-	-
Interest on securities issued	-	(3.171.327)	-	(3.171.327)
Lease interest expenses	-	-	(3.145)	(3.145)
Other interest expenses	(325.455)	-	-	(325.455)
Net fees and commissions income	1.011.565	(39.940)	(114.381)	857.244
Fees and commissions received	1.672.536	-	7.288	1.679.824
Fees and commissions paid	660.971	39.940	121.669	822.580
Trade profit/ loss (net)	-	3.591.303	(2.865.594)	725.709
Profit/ loss on capital market transactions	-	587	-	587
Profit/ loss on derivative financial transactions	-	3.590.716	-	3.590.716
Foreign exchange profit/ loss	-	-	(2.865.594)	(2.865.594)
Other operating income	208.401	853	-	209.254
Provision for impairment of loan and other receivables	(277.707)	-	-	(277.707)
Other provisions	-	-	(166.545)	(166.545)
Other operating expenses	-	-	(875.208)	(875.208)
Net period profit	7.645.741	2.611.610	(4.024.871)	6.232.480
Total segment assets	313.626.376	30.702.769	1.707.575	346.036.720
Banks and money market placements	-	14.533.708	-	14.533.708
Financial assets designated at fair value through profit or loss	-	253.714	-	253.714
Financial assets measured at fair value through other comprehensive income	-	2.325.386	-	2.325.386
Financial assets measured at amortised cost	-	12.110.668	-	12.110.668
Derivative financial assets measured at fair value through profit/loss	-	940.100	-	940.100
Derivative financial assets measured at fair value through other comprehensive income	-	492.789	-	492.789
Loans	305.612.006	-	-	305.612.006
Tangible assets (net)	-	-	34.657	34.657
Intangible assets (net)	-	-	51.087	51.087
Affiliates	-	-	169.198	169.198
Other assets	8.785.552	48.338	1.452.633	10.286.523
Loan loss provision	(771.182)	(1.934)	-	(773.116)
Total segment liabilities	259.963.804	56.622.916	29.450.000	346.036.720
Funds borrowed and funds	259.963.804	-	-	259.963.804
Borrowings from money markets	-	7.910.508	-	7.910.508
Securities issued	-	41.722.141	-	41.722.141
Subordinated loans	-	6.507.220	-	6.507.220
Derivative financial liabilities measured at fair value through profit/loss	-	454.290	-	454.290
Derivative financial liabilities measured at fair value through other comprehensive income	-	28.757	-	28.757
Provisions	-	-	1.115.588	1.115.588
Shareholders' equity	-	-	23.750.636	23.750.636
Other liabilities	-	-	4.583.776	4.583.776

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SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and notes related to assets

1. Cash equivalents and the account of CBRT

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	-	-	-	-
CBRT	402.301	16.564.447	17.617	6.530.875
Other	-	-	-	-
Total	402.301	16.564.447	17.617	6.530.875

Account of CBRT

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	132.301	16.564.447	17.617	6.530.875
Unrestricted Time Deposits	270.000	-	-	-
Restricted Time Deposits	-	-	-	-
Total	402.301	16.564.447	17.617	6.530.875

2. With their net values and comparison, information on financial assets at fair value through profit or loss subject to repo transactions and given as collateral/blocked

Financial Assets at Fair Value through Profit/Loss	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Subject to Repo Transaction	-	291.946	-	176.485
Financial Assets Given / Blocked as Collateral	-	-	-	-
Total	-	291.946	-	176.485

3. Derivative financial assets

3.1. Derivative financial assets measured at fair value through profit/loss

3.1.1. Derivative financial assets held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	-	-	-
Swap Transactions	953	18.234	-	7.286
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	953	18.234	-	7.286

3.1.2. Derivative financial instruments held for risk management

Derivative financial instruments held for risk management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges	-	876.405	-	932.814
Cash flow hedges	-	-	-	-
Net foreign investment hedges	-	-	-	-
Total	-	876.405	-	932.814

3.2. Derivative financial assets measured at fair value through other comprehensive income

3.2.1. Derivative financial assets held for trading

None.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

3. Derivative financial assets (Continued)

3.2. Derivative financial assets measured at fair value through other comprehensive income (Continued)

3.2.2. Derivative financial instruments held for risk management

Derivative Financial Instruments Held for Risk Management	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	292.727	-	492.789
Net Foreign Investment Hedges	-	-	-	-
Total	-	292.727	-	492.789

4. Information on banks and foreign bank accounts

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	1.372.084	1.962.588	1.061.289	4.660.280
Foreign banks	-	5.080.600	-	303.599
Foreign head offices and branches	-	-	-	-
Total	1.372.084	7.043.188	1.061.289	4.963.879

Foreign Bank Account

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	1.355.068	109.965	130.467	-
USA, Canada	668.066	56.292	-	-
OECD Countries ⁽¹⁾	1.654.595	137.342	1.272.404	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	3.677.729	303.599	1.402.871	-

⁽¹⁾ OECD countries except EU countries, USA and Canada.

5. With net values and comparison, financial assets measured at fair value through other comprehensive income subject to repo transactions and given as collateral/blocked

Financial Assets Measured at Fair Value through Other Comprehensive Income	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Subject to Repo Transaction	-	4.039.196	-	2.084.176
Financial Assets Given / Blocked as Collateral	28.280	-	-	-
Total	28.280	4.039.196	-	2.084.176

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

6. Information related financial assets measured at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities		
Quoted to Stock Exchange	5.748.335	2.251.045
Not Quoted	-	-
Share Certificates		
Quoted to Stock Exchange	-	-
Not Quoted	3.821.479	219.590
Impairment Provision (-)	(48.281)	145.249
Total	9.521.533	2.325.386

As of December 31, 2023 and December 31, 2022, the Bank's financial assets, the fair value difference of which is reflected in other comprehensive income, consist of the shares of Garanti Faktoring A.Ş., Kredi Garanti Fonu A.Ş. ("KGF"), JCR Avrasya Rating A.Ş. and Africa Finance Corporation (AFC), with their share ratios of 9,78%, 1,49%, 2,86% and 3,29%, respectively.

In addition, the Bank's Borsa Istanbul A.Ş. ("BIST") shares, which are held in its portfolio, are monitored among the financial assets whose fair value difference is reflected in other comprehensive income.

On December 27, 2023, Africa Finance Corporation (AFC) was acquired for 110 Million USD (3.225.552 TL).

All debt securities in the Bank's portfolio of financial assets at fair value through other comprehensive income consist of government bonds.

7. Information related to loans

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

	Current Period		Prior Period	
	Cash	Non-Cash Loans	Cash	Non-Cash Loans
Direct Lendings to Shareholders	-	-	-	-
Corporates	-	-	-	-
Individuals	-	-	-	-
Indirect Lendings to Shareholders	-	-	-	-
Loans to Employees	12.048	-	19.129	-
Total	12.048	-	19.129	-

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.2. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled

		Loans Under Close Monitoring		
		Loans not Subject to Restructuring	Restructured	
			The ones whose payment plans have changed	Refinancing
Cash Loans	Standard Loans			
Non-specialized Loans	498.223.970	1.653.915	837.686	-
Working capital loans	62.252.644	577.941	227.954	-
Export loans	362.163.390	982.400	414.618	-
Import loans	-	-	-	-
Loans granted to financial sector	18.097.894	-	-	-
Consumer loans	12.048	-	-	-
Credit cards	-	-	-	-
Other	55.697.994	93.574	195.114	-
Specialized loans	13.442.498	1.961.653	324.403	-
Other receivables	-	-	-	-
Total	511.666.468	3.615.568	1.162.089	-

	Standard Loans	Loans Under Close Monitoring
12 months expected credit loss	161.449	-
Increase in credit risk	-	1.824

7.3. Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled

Number of Amendments Related to the Extension of the Payment Plan	Standard Loans	Loans Under Close Monitoring
	-	-
Extended for 1 or 2 Times	27.552	2.036.468
Extended for 3, 4 or 5 Times	10.445	265.225
Extended for More than 5 Times	-	412.078

The Time Extended via the Amendment on Payment Plan	Standard Loans	Loans Under Close Monitoring
0-6 Months	4.349	940.999
6-12 months	10.800	503.405
1-2 Years	13.072	502.185
2-5 Years	9.776	436.904
5 Years and More	-	330.278

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.4. Distribution of loans by maturity structure

Current Period	Standart Loans	Loans Under Close Monitoring	
		Loans and Other Receivables	Restructured Loans
Short-term Loans	315.020.948	657.758	407.512
Medium and Long-term Loans	196.645.520	2.957.810	754.577
Total	511.666.468	3.615.568	1.162.089

Prior Period	Standart Loans	Loans Under Close Monitoring	
		Loans and Other Receivables	Restructured Loans
Short-term Loans	184.023.269	28.203	311.736
Medium and Long-term Loans	118.909.840	159.283	1.531.884
Total	302.933.109	187.486	1.843.620

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.5. Information on consumer loans, personal credit cards, personnel loans and personnel credit cards

There are not any consumer loans, consumer credit cards and personnel credit cards.

As of December 31, 2023, the Bank has personnel loans amounting to TL 12.048.

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans- Indexed to FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Mortgage Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards – TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Retail Credit Cards – FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personel Loans-TP	2.500	9.548	12.048
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	2.500	9.548	12.048
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personel Loans-YP	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personel Credit Cards -TP	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personel Credit Cards-YP	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Deposit Accounts– TL (Real Persons)	-	-	-
Deposit Accounts– FC (Real Persons)	-	-	-
Total	2.500	9.548	12.048

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.6. Information on commercial installment loans and corporate credit cards

None.

7.7. Distribution of domestic and foreign loans

	Current Period^(*)	Prior Period
Public	28.083.300	20.308.341
Private	488.360.825	284.655.874
Total	516.444.125	304.964.215

^(*)Non-performing loans and non-performing loans' accrual amounts are not included.

7.8. Distribution of domestic and foreign loans according to borrowers based on the following table

	Current Period^(*)	Prior Period
Domestic Loans	495.179.922	290.961.946
Foreign Loans	21.264.203	14.002.269
Total	516.444.125	304.964.215

^(*)Non-performing loans and non-performing loans' accrual amounts are not included.

7.9. Loans granted to investments in associates and subsidiaries

None.

7.10. Information on provisions allocated for defaults (stage three)

	Current Period	Prior Period
Loans with Limited Collectability	5.089	1.833
Loans Doubtful Collectability	332	6.052
Uncollectible Loans	628.961	639.906
Total	634.382	647.791

7.11. Information on non-performing loans (Net)

7.11.1 Information on non-performing loans and other receivables that are restructured or rescheduled

	III. Group	IV. Group	V. Group
	Loans and Other	Loans and Other	Uncollectible Loans
	Receivables with Limited	Receivables with	and Other
	Collectability	Doubtful Collectability	Receivables
Current Period	-	-	-
Gross Amounts Before Provisions	-	-	2.251
Restructured Loans	-	-	2.251
Prior Period	-	-	-
Gross Amounts Before Provisions	515	1.435	8.815
Restructured Loans	515	1.435	8.815

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.11. Information on non-performing loans (Net) (Continued)

7.11.2 Information on the movement of total non-performing loans

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Balance at the Beginning of the Period	1.832	6.051	639.907
Additions During the Period	475.997	-	247.636
Transfers from Non-performing Loans Accounts	-	793	5.127
Transfers to Other Non-Performing Loans Accounts	(5.920)	-	-
Collections During the Period	(466.820)	(6.512)	(53.147)
Write-offs	-	-	(210.562)
Sold	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Balance at the End of the Period	5.089	332	628.961
Provisions	(5.089)	(332)	(628.961)
Net Balance Sheet Amount	-	-	-

7.11.3 Information on non-performing loans that are granted as foreign currency loans

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Current Period			
Balance at the End of the Period	-	-	626.690
Provisions	-	-	(626.690)
Net Balance Sheet Amount	-	-	-
Prior Period			
Balance at the End of the Period	515	6.052	626.803
Provisions	(515)	(6.052)	(626.803)
Net Balance Sheet Amount	-	-	-

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.11. Information on non-performing loans (Net) (Continued)

7.11.4. Information on the gross and net amounts of the non-performing loans according to types of borrowers

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Collectability	Loans and Other Receivables with Doubtful Collectability	Uncollectible Loans and Other Receivables
Current Period (Net)	-	-	-
Loans Granted to Real Persons and Corporate Entities (Gross)	5.089	332	628.961
Specific Provision Amount	(5.089)	(332)	(628.961)
Loans Granted to Real Persons and Corporate Entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific Provision Amount	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Specific Provision Amount	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net)	-	-	-
Loans Granted to Real Persons and Corporate Entities (Gross)	1.833	6.052	639.614
Specific Provision Amount	(1.833)	(6.052)	(639.614)
Loans Granted to Real Persons and Corporate Entities (Net)	-	-	-
Banks (Gross)	-	-	292
Specific Provision Amount	-	-	(292)
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount	-	-	-
Other Loans and Receivables (Net)	-	-	-

7.11.5. Information on interest accruals, rediscounts and valuation differences and their equivalents calculated by banks allocating expected credit loss according to TFRS 9

None.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

7. Information related to loans (Continued)

7.11.6. The main features of the collection policy for the uncollectible loans and other receivables

In order to liquidate the problematic receivables, all possible alternatives are assessed to be able to collect the maximum amount in line with the current legislation. In case the receivable is not collected within the allowed period, the receivable is collected by compensating the collateral. In case the collateral is not adequate for liquidating the receivable, negotiations with the debtors are attempted. The legal process commences for the receivables for which collection, settlement or rescheduling is not possible.

The Bank obtains Current Account Letter of Undertaking of the Debtor for loans granted to financial sector and obtains Letter of Undertaking of the Company for loans granted to companies to secure the repayment of the loans granted. The Bank attempts to liquidate the receivables from banks who acted as an intermediary for loans granted and whose banking licenses are cancelled upon application to the Savings Insurance and Deposit Fund.

7.11.7. Explanations on the write-off policy

Where sound indicators exist that would suggest that the collection of the Bank's foreign compensation receivables is almost impossible or that the costs to be incurred for the collection of the receivable amount would be higher than the amount of the receivable, the receivable amount is written-off from the assets upon the decision of the Board of Directors. The Bank has derecognized non-performing loans amounting to 210.562 TL (31.12.2022: 29.082) in the current period.

8. Explanations on financial assets measured at amortized cost

As of December 31, 2023, all of the marketable securities classified as financial asset measured at amortized cost are formed of government bonds, foreign currency bonds that are issued domestically and abroad by the Ministry of Treasury and Finance and lease certificates issued by the Ministry of Treasury and Finance.

8.1. Information on net values and comparative figures, which are subject to repo transactions and given / blocked as collateral

Financial assets measured at amortized cost subject to repo transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds and Similar Securities	2.982.277	11.916.775	3.403.593	6.691.686
Total	2.982.277	11.916.775	3.403.593	6.691.686

Financial assets measured at amortized cost given as collateral/blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds and Similar Securities	785.485	-	493.031	316.067
Total	785.485	-	493.031	316.067

There are not any financial assets measured at amortised cost held for structured position.

8.2. Information on government debt securities measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	3.986.987	12.118.643	4.269.358	7.841.310
Treasury Bonds	-	-	-	-
Other Public Borrowing Bonds	-	-	-	-
Total	3.986.987	12.118.643	4.269.358	7.841.310

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to assets (Continued)

8. Explanations on financial assets measured at amortized cost (Continued)

8.3 Information on financial assets measured at amortized cost government debt securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt Securities	4.531.495	12.118.643	4.269.358	7.841.310
Traded on the Stock Exchange	4.531.495	12.118.643	4.269.358	7.841.310
Not Traded on the Stock Exchange	-	-	-	-
Impairment Provision (-)	-	-	-	-
Total	4.531.495	12.118.643	4.269.358	7.841.310

8.4 The movement of financial assets measured at amortised cost

i) Financial assets measured at amortised cost

	Current Period	Prior Period
Balance at the beginning of the period	12.110.668	9.957.445
Foreign exchange differences on monetary assets	4.215.289	2.053.966
Purchases during the year	810.020	1.272.504
Disposals through sales and redemptions	(1.412.584)	(1.599.972)
Increase/Decrease in value impairment provision ⁽¹⁾	926.745	426.725
Balance at the end of the period	16.650.138	12.110.668

⁽¹⁾ Includes changes in interest accruals, TL 2.333 amounting of expected loss provision not included.

9. Following information investments in associates account (net)

Title	Address(City/Country)	If the Bank's Share ratio is different, the voting ratio	Bank Risk Group Share Ratio
İhracatı Geliştirme A.Ş.	İstanbul/Türkiye	5%	5%

Total Assets	Total Equity	Fixed Asset Total ⁽²⁾	Interest income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value ⁽¹⁾
7.248.953	7.169.849	23.515	2.007.906	1.916.637	1.151.536	-

⁽¹⁾Since it is not traded on the stock exchange, it has no fair value.

⁽²⁾Fixed Asset total represents the total of tangible and intangible assets.

9.1 Movement table for unconsolidated associates

	Current Period	Prior Period
Beginning of Period Value	169.198	73.000
Movements During the Period	35.846	96.198
Purchases	35.846	94.971
Shares Acquired Free of Charge	-	1.227
Profit Received from Current Year Share	-	-
Sales	-	-
Revaluation Increase/Decrease	-	-
Impairment Provisions (-)	-	-
End of Period Value	205.044	169.198
Capital Commitments	-	-
End of Period Capital Contribution Share %	-	-

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Explanations and notes related to assets (Continued)

14. Explanations on intangible assets

The Bank classified computer software licenses under intangible assets.

a) Cost and accumulated amortization at the beginning and end of the period:

As of 31 December 2023, gross book value and accumulated amortization of intangible assets are TL 96.045 and TL 23.935, respectively; at the beginning of the period, the gross book value and the accumulated amortization are TL 66.195 and TL 15.108 respectively.

b) Reconciliation of movements for the current period and the prior period:

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	51.087	12.754
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	29.900	42.312
Sales and Write-Off	-	-
Amounts Recorded under Revaluation Fund for Increase or Decrease in Value	-	-
Recorded Impairments in the Statement of Profit or Loss	-	-
Cancelled Impairments from Statement of Profit or Loss	-	-
Amortization Expense (-)	(8.860)	(3.979)
Net Currency Translation Differences of Foreign Subsidiaries	-	-
Other Changes in the Book Value	(17)	-
End of the Period	72.110	51.087

15. Information on investment properties

The former Istanbul service building, which is included in the tangible fixed assets of the bank, has been leased to the Investment Office of the Presidency of the Republic of Turkey and has been classified as investment properties in accordance with TAS 40.

	Current Period^(*)	Prior Period
Cost	4.728	4.728
Depreciation Expense	(2.926)	(2.822)
Net Value at the end of the Period	1.802	1.906

(*) The market value of the service building is 426,500 TL, according to the real estate valuation report obtained from an independent firm dated 5 January 2024.

16. Information on deferred tax asset

As stated at Section 3 Note XVII, the Bank is exempt from corporate tax, and accordingly, no deferred tax asset or liability is recognized in the accompanying financial statements.

17. Explanations on assets held for sale and explanations related to discontinued operations

None.

18. If the other assets' items in the balance sheet exceed 10% of the total of the balance sheet, excluding the off-balance sheet commitments, the sub-accounts constituting at least 20% of these accounts

None.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities

1. Information on deposits/funds received

The Bank does not accept deposits.

2. Derivative financial liabilities

2.1. Explanations on derivative financial liabilities at fair value through profit or loss

2.1.1. Information on trading derivative financial liabilities

Trading Derivative Financial Liabilities	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	-	-	-	-
Swap Agreements	574.376	100.414	-	5.774
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	574.376	100.414	-	5.774

2.1.2. Information on derivative financial liabilities for hedging purposes

Derivative Financial Liabilities for Hedge	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	570.027	-	448.516
Cash Flow Hedge	-	-	-	-
Net Investment in Foreign Operations Hedge	-	-	-	-
Total	-	570.027	-	448.516

2.2. Information on derivative financial liabilities at fair value through other comprehensive income

2.2.1. Information on derivative financial liabilities for hedging purposes

Derivative Financial Liabilities for Hedge	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	-	64.115	-	28.757
Net Investment in Foreign Operations Hedge	-	-	-	-
Total	-	64.115	-	28.757

3. Information on banks and other financial institutions

3.1. General information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowings from CBRT	210.774.821	68.626.679	94.668.734	69.723.800
From Domestic Banks and Institutions	-	34.826.205	-	18.473.427
From Foreign Banks, Institutions and Funds	-	119.803.248	-	76.152.929
Total	210.774.821	223.256.132	94.668.734	164.350.156

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. Explanations and notes on liabilities (Continued)

3. Information on banks and other financial institutions (Continued)

3.2 Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	210.774.821	130.788.329	94.668.734	102.435.074
Medium and Long-Term ^(*)	-	98.483.682	-	65.422.175
Total	210.774.821	229.272.011	94.668.734	167.857.249

^(*) Medium and long-term loans include subordinated loans amounting to TL 4.866.915 (31 December 2022: TL 2.968.425) and interest accruals of these loans amounting to TL 1.148.964 (31 December 2022: TL 538.668).

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

3. Information on banks and other financial institutions (Continued)

3.3 Additional explanations over areas of concentration of the liabilities of the Bank

The bank is not authorized to accept deposits, and the financial liabilities included in its financial statements are funds from domestic and foreign financial institutions (78%), securities issued (18,1%), debts to money markets (2,1%), subordinated borrowings (1,6%) and outstanding funds (0,2%).

4. Information regarding securities issued

As of 31 December 2023, the liabilities of the Bank resulting from bond issuances is presented as follows:

Information regarding securities issued	Current Period	Prior Period
Securities Issued	98.734.010	41.487.443
Discount on Issuance of Securities (-)	335.376	663.688
Bond Interest Accrual	2.325.316	898.386
Total	100.723.950	41.722.141

5. If the other liabilities items in the balance sheet exceed 10% of the total of the balance sheet, the sub-accounts constituting at least 20% of these (names and amounts)

At least 20% of other liabilities item on Balance Sheet, together with the amounts not to exceed 10% of the total balance sheet is provided below.

	Current Period		Prior Period	
	TL	FC	TL	FC
Country Loans- Risk Premiums	-	2.039.079	-	1.384.972
Loan Transactions	18.757	16.960	1.779	10.611
Insurance Transactions	8.835	27.868	5.598	32.809
Debts to public institutions and organizations	-	-	-	33.611
Unearned Revenue	-	33.781	-	39.535
Total	27.592	2.117.688	7.377	1.501.538

6. Information on lease payables (net)

As of December 31, 2023, all lease transactions of the Bank consist of operating lease transactions.

	Current Period	Prior Period
Lease obligation under the contract	15.586	16.738
Deferred interest expense	(2.964)	(4.742)
Total	12.622	11.996

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	11.193	8.938	9.553	6.763
Between 1-4 years	4.393	3.684	7.185	5.233
More than 4 years	-	-	-	-
Toplam	15.586	12.622	16.738	11.996

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

7. Explanations on provisions

7.1. Expected credit losses for non-cash loans that are not indemnified or converted into cash or expected credit losses for non-cash loans

	Current Period	Prior Period
Expected credit losses (insurance and non-cash loans)	564.393	425.413

As of December 31, 2023, the Bank has provision of 563.328 TL (31 December 2022: 403.222 TL) for possible future indemnity payments due to the export receivables insured, and a provision of TL 1.065 TL (31 December 2022: 22.191 TL) for the letters of guarantee it has issued.

7.2. Information on provisions for decrease in foreign exchange differences of foreign currency indexed loans and financial leasing receivables principal amounts

There is not any foreign currency indexed loan of the Bank.

7.3. Information on employee benefits provisions

	Current Period	Prior Period
Reserve for employee termination benefits	107.422	82.072
Reserve for success fee	192.526	54.394
Unused vacation	75.316	43.936
Reserve for dividend payment	188.826	90.614
Total	564.090	271.016

7.4. Other provisions, If other provisions exceed 10% of total provisions, the names and amounts of the sub-accounts causing the overdraft

Other provisions are TL 1.201.630 (December 31, 2022: TL 844.572), sub-accounts, TL 564.393 (December 31, 2022: TL 425.413) insurance and non-cash transactions, TL 390,000 (December 31, 2022: TL 238.000) free reserves for possible risks, 64.025 It consists of TL (31 December 2022: TL 33.997) lawsuit and court provisions and other provisions amounting to TL 183.212 (December 31, 2022: TL 147.162).

8. Explanations on tax liability

8.1 Explanations on current tax liability

8.1.1. Information on provision for taxes

None.

8.1.2. Information on taxes payable

	Current Period	Prior Period
Corporate Taxes Payable ⁽¹⁾	-	-
Taxation on Revenue from Securities	-	-
Property Tax	-	-
Banking Insurance Transaction Tax	16.662	5.941
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	7.681	3.996
Other	34.120	14.752
Total	58.463	24.689

⁽¹⁾ As stated at Section 3 Note XVII, the Bank is exempt from corporate tax.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

8. Explanations on tax liabilities

8.1 Explanations on current tax liability (continued)

8.1.3. Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	9.312	4.156
Social Security Premiums – Employer	13.878	6.321
Bank Social Aid Pension Fund Premiums – Employee	-	-
Bank Social Aid Pension Fund Premiums – Employer	-	-
Pension Fund Membership Fee and Provisions - Employee	-	-
Pension Fund Membership Fee and Provisions - Employer	4	4
Unemployment Insurance – Employee	690	321
Unemployment Insurance - Employer	1.345	615
Other	-	-
Total	25.229	11.417

8.2. Information on deferred tax liability:

None.

9. Information on subordinated debt instruments

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in the additional capital calculation	-	6.015.879	-	3.507.093
Subordinated Loans	-	6.015.879	-	3.507.093
Subordinated Debt Instruments	-	-	-	-
Debt instruments to be included in the contribution capital calculation	3.001.128	-	3.000.127	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	3.001.128	-	3.000.127	-
Total	3.001.128	6.015.879	3.000.127	3.507.093

10. Information on shareholders' equity

10.1. Presentation of paid-in capital

	Current Period	Prior Period
Common Stock	20.600.000	13.800.000
Preferred Stock	-	-

10.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling

Capital System	Paid-in Capital	Capital Ceiling
Registered Capital System	20.600.000	50.000.000

The Bank has decided to use the capital stock system that is registered on the extraordinary general meeting held on January 12, 2017. The decision has been submitted to the trade register and has been published on Turkey Trade Registry Gazette No. 9252 on January 30, 2017.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes on liabilities (Continued)

10. Information on shareholders' equity (Continued)

10.2 Explanation of the paid-in capital amount, whether the registered capital system is applied in the bank and the registered capital ceiling if this system is applied (Continued)

10.2.1. Information on share capital increase from revaluation funds during the current period

Increase Date	Increase Amount	Cash	Profit reserves used for increase	Capital reserves used for increase
13 July 2023	6.800.000	6.800.000	-	-

10.2.2. Information on the portion added from capital reserves to paid-in capital

There is no portion added from capital reserves to the paid-in capital in the current period.

10.2.3. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period

None.

10.3. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and the anticipations regarding the uncertainty of these indicators on the shareholders' equity

The credit, interest and the foreign currency risk policies of the Bank were determined to minimize the losses that may result from these risks. The Bank aims to obtain a reasonable positive return on equity in real terms in relation with its banking transactions and to protect its equity from the effects of inflation. Accordingly, the Bank does not expect losses that may materially affect its equity. In addition, the free capital of the Bank is high and is getting steadily stronger.

10.4. Information on privileges given to shares representing the capital

The common shares of the Bank are owned by the Republic of Turkey Ministry of Treasury and Finance.

10.5. Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Valuation Difference	1.785	134.890	208.460	(186.857)
Foreign Currency Differences	-	-	-	-
Total	1.785	134.890	208.460	(186.857)

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and notes related to off-balance sheet accounts

1. Explanations on off-balance sheet commitments

1.1 Type and amount of irrevocable commitments

As of December 31, 2023, the Bank has no irrevocable commitments 144.842 (December 31, 2022: None).

1.2 The structure and amount of probable losses and commitments resulting from off-balance sheet items, including those below:

None.

1.2.1 Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit

	Current Period	Prior Period
Letters of Guarantee	19.371	361.339
Endorsements	-	-
Guarantees and bails given for export	490.445	811.584
Guarantees given for Export Loan Insurance	52.624.323	33.598.362
Total	53.134.139	34.771.285

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

None.

1.3 Total amount of non-cash loans

	Current Period	Prior Period
Non-cash loans given against cash loans	19.371	361.339
With original maturity of 1 year or less than 1 year	19.371	361.339
With original maturity of more than 1 year	-	-
Other non-cash loans	53.114.768	34.409.946
Total	53.134.139	34.771.285

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and notes related to off-balance sheet accounts (Continued)

1. Explanations on off-balance sheet commitments (Continued)

1.4. Information on sectorial risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	-	-	-	-	-	-	-	-
Farming and Raising livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	442.172	40	22.488.692	43	396.411	48,4	13.419.055	39,6
Mining and Quarrying	-	-	-	-	-	-	-	-
Production	439.045	39,25	21.837.368	41,98	395.703	48,4	13.264.694	39,1
Electric, Gas and Water	394	0,04	142.046	0,27	708	0,0	154.361	0,5
Construction	2.733	0,24	509.278	0,98	2.305	0,3	317.507	0,9
Services	645.657	58	28.446.320	55	401.439	49,1	18.982.781	56,0
Wholesale and Retail Trade	637.511	56,99	27.246.475	52,38	398.113	48,7	17.543.431	51,7
Hotel, Food and Beverage Services	4.239	0,38	29.428	0,06	954	0,1	22.477	0,1
Transportation and Telecommunication	1.774	0,16	810.954	1,56	2.372	0,3	1.345.251	4,0
Financial Institutions	-	-	172.208	0,33	-	-	32.193	0,1
Real Estate and Leasing Services	2.133	0,19	175.313	0,34	-	-	21.166	0,1
Self-employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	1.478	0,003	-	-	716	0,0
Health and Social Services	-	-	10.464	0,02	-	-	17.547	0,0
Other	30.891	2,76	1.080.407	2,08	18.013	2,2	1.233.774	3,5
Total	1.118.720	100,0	52.015.419	100,0	818.168	100	33.953.117	100

1.5. Information on the non-cash loans classified under Group I and Group II

	Group I		Group II	
	TL	FC	TL	FC
Non-Cash loans	1.118.720	52.015.419	-	-
Letters of Guarantee	-	19.371	-	-
Bank Acceptances	-	-	-	-
Letters of Credit	-	-	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	1.118.720	51.996.048	-	-

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EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and notes related to off-balance sheet accounts (Continued)

1. Explanations on off-balance sheet commitments (Continued)

1.6. Information on derivative transactions

	Current Period	Prior Period
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions: (I)	39.293.325	12.967.453
Forward Transactions	-	-
Swap Transactions	39.293.325	12.967.453
Futures Transactions	-	-
Option Transactions	-	-
Interest Related Derivative Transactions (II)	-	-
Forward Interest Rate Agreements	-	-
Interest Rate Swaps	-	-
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions: (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	39.293.325	12.967.453
Types of Hedging Derivative Transactions		
Fair Value Hedges	109.339.614	54.761.137
Cash Flow Hedges	19.067.477	15.557.709
Foreign Currency Investment Hedges	-	-
B. Total Hedging Derivative Transactions (IV)	128.407.091	70.318.846
Total Derivative Transactions (A+B)	167.700.416	83.286.299

1.7. Explanations on credit derivatives and risk of exposure from these derivatives

Derivative transaction is made for hedging the balance sheet risks to the maximum extent by minimizing the inconsistencies between the assets and liabilities of the Bank. As a result of these transactions, the Bank is exposed to the risk of changes in fair value. As a result of these transactions, there are cross currency swaps and interest swaps against the fixed interest rate bonds issued by the Bank.

Except for derivative financial transactions subjected to hedge accounting, the Bank is also preserved from the risk financially, through but also it has financial derivative instruments recorded as trading derivative assets and trading derivative liabilities. For this purpose, the Bank mainly uses foreign currency and interest rate swaps. With these instruments, the Bank aims to prevent the currency risk and interest rate risk

1.8. Explanations on contingent assets and liabilities

The Bank recognizes contingent assets if the probability of the inflow of economic benefits is virtually certain. In case the inflow of economic benefits is probable but not virtually certain, such contingent asset is disclosed.

As of December 31, 2023 and December 31, 2022 there is not any contingent asset.

The Bank recognizes provision for contingent liability when the probability of occurrence is high and the contingent liability can be reliably estimated; if the contingent liability cannot be reliably estimated, the contingent liability is disclosed. When the likelihood of the occurrence of the contingent liability is remote or low, it is disclosed.

In this respect, as of 31 December 2023, there are legal proceedings outstanding against the Bank amounting to TL 4.842, 4.459 USD, EUR 1.082 as confirmed from the lawyer letter prepared by the legal department of the Bank.

There are legal proceedings outstanding filed by the Bank. These legal proceedings amount to TL 257.266, USD 58.973 and EUR 16.349.

1.9. Explanations on services in the name of others

The Bank does not have any custody and deposit activities in the name of real and legal persons.

The Bank also provides insurance to some extent for the export receivables of exporter companies against commercial and political risks under the scope of export loan insurance program.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. Explanations on notes related to statement of profit or loss

1. Within the scope of interest income

1.1. Information on interest income on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income on Loans				
Short-term Loans	24.176.630	5.290.903	6.640.849	2.666.137
Medium and Long-term Loans	61.539	14.096.872	507.421	5.161.594
Interest on Loans Under Follow-up	7.897	-	12.373	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	24.246.066	19.387.775	7.160.643	7.827.731

1.2. Information on interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	541.166	42.481	-	31.135
Domestic Banks	241.045	52.275	122.949	79.530
Foreign Banks	-	148.682	-	51.454
Headquarters and Branches Abroad	-	-	-	-
Total	782.211	243.438	122.949	162.119

1.3. Interest income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit or Loss	-	21.665	-	12.394
Financial Assets Measured at Fair Value through Other Comprehensive Income	5.416	363.952	4.082	158.502
Financial Assets Measured at Amortized Cost	718.401	946.727	525.261	490.967
Total	723.817	1.332.344	529.343	661.863

1.4. Information on interest income received from associates and subsidiaries

There is no interest income from associates and subsidiaries.

2. Within the scope of interest expense

2.1. Information on interest expense on borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
CBRT	17.481.023	2.533.828	4.161.502	734.464
Domestic Banks	173.198	2.223.855	135.238	632.370
Foreign Banks	-	6.813.438	-	2.059.343
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	610.296	-	249.663
Total	17.654.221	12.181.417	4.296.740	3.675.840

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to statement of profit or loss (Continued)

2.2. Information on interest expense given to associates and subsidiaries

There is no interest expense given to associates and subsidiaries.

2.3. Interest paid to marketable securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interests paid to marketable securities issued	364.027	5.565.089	364.027	2.807.300

2.4. With respect to deposit and participation accounts

2.4.1 Maturity structure of the interest expense on deposits

The Bank does not accept deposits.

2.4.2 Maturity structure of the share paid of participation accounts

There are no participation accounts.

3. Information on trading income/loss (Net)

	Current Period	Prior Period
Gain	278.910.116	133.257.860
Trading Gains on Securities	16.525	587
Trading Gains on Derivative Financial Transactions	4.410.362	5.603.839
Foreign Exchange Gains	274.483.229	127.653.434
Loss (-)	278.058.306	132.532.151
Trading Losses on Securities	38.248	-
Trading Losses from Derivative Financial Transactions	5.417.233	2.013.123
Foreign Exchange Loss	272.602.825	130.519.028

4. Information on other operating income

	Current Period	Prior Period
Released Provisions	318.772	172.666
Rent Income	3.362	2.049
Other	49.761	33.686
Total	371.895	208.401

5. Information on Expected Loss Provisions and Other Provisions

	Current Period	Prior Period
Expected Credit Loss	415.165	277.707
12 month expected credit loss (Stage 1)	235.916	140.817
Significant increase in credit risk (Stage 2)	-	9.382
Non-performing loans (Stage 3)	179.249	127.508
Marketable Securities Impairment Expense (*)	4.559	3.071
Financial Assets Measured at Fair Value through Profit or Loss	4.559	3.071
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Financial Assets Measured at Amortised Cost Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	183.119	128.037
Total	602.843	408.815

(*) Consists of litigation and court provision expenses and free provision expenses for possible risks.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to statement of profit or loss (Continued)

6. Information related to other operating expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits (*)	13.130	9.503
Bank Social Aid Provision Fund Deficit Provision	-	-
Vacation Pay Liability, net	31.380	25.934
Impairment Expenses of Tangible Fixed Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	29.759	17.336
Impairment Expenses of Intangible Fixed Assets	-	-
Impairment Expenses of Goodwill	-	-
Amortization Expenses of Intangible Assets	8.879	3.979
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held for Sale	-	-
Depreciation Expenses of Assets Held for Sale	-	-
Impairment Expenses of Non-current Asset Held for Sale and Discounted Operations	-	-
Other Operating Expenses	127.748	62.312
IFRS 16 Operational Lease Expenses	430	399
Maintenance Expenses	2.825	609
Advertisement Expenses	11	25
Other Expenses	124.482	61.279
Loss on Sale of Assets	-	-
Other (**)	670.760	209.552
Total	881.656	328.616

(*) The amount of severance pay and accumulated vacation allowance shown in other provisions that are not included in other operating expenses in the profit or loss statement are also included in this table.

(**) The other column under other operating expenses includes BRSA participation share amounting to TL 182.549 (31 December 2022: TL 103.912)

7. Fees for services received from an independent audit firm

In accordance with the decision of the POA, dated March 26, 2021, the fees for the reporting period regarding the services received from the independent auditor or independent audit firm are given in the table below, excluding VAT.

	Current Period	Prior Period
Independent audit fee for the reporting period	361	361
Other assurance services	8.148	314
Total	8.509	675

8. Explanation on tax provisions for continuing and discontinued operations

None.

9. Explanation on net income/loss for the period

9.1. If the nature, size and the reoccurrence rate of the income and expense resulting from the ordinary banking activities are important to explain the performance of the Bank in the current period, the nature and the amount of these transactions

None.

9.2. If the changes in the estimates of the financial statement accounts may affect the profit/loss in the following periods, related periods and the necessary information

None.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. Explanations and notes related to statement of profit or loss (Continued)

9.3. If the other accounts in the income statement exceed 10% of the total of the income statement, the sub-accounts constituting at least 20% of these accounts

	Current Period	Prior Period
Insurance Transactions Commission Income	2.063.307	1.436.991
Loan Transactions Commission Income	344.801	235.668
Other	13.051	7.165
Fees and Commissions Received	2.421.159	1.679.824
Insurance Transactions Commission Expenses	920.655	679.262
Funds Borrowed Commission Expenses	12.267	8.563
Securities Issued Commission Expenses	44.125	18.198
Other	145.397	116.557
Fees and Commissions Paid	1.122.444	822.580
Net Fees and Commissions Income	1.298.715	857.244

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and notes related to changes in shareholders' equity

1. Information about the adjustment related to the application of Financial Instruments Accounting Standards in the current period

1.1. The increase after the revaluation of the Financial Assets Measured at Fair Value through Other Comprehensive Income

The fair value gains of the Financial Assets Measured at Fair Value through Other Comprehensive Income, other than the hedging instruments, amounting to TL 34.374 are recorded under the "Marketable Securities Value Increase/Decrease Fund" account under equity.

1.2. Information for the increases in the accounts related to cash flow hedges

	Current Period	Prior Period
Hedging Reserves (Effective portion)	16.641	(9.382)

1.2.1 The reconciliation and confirmation for the cash flow hedges accounts at the beginning and end of the period

Opening Balance	Current Period	Prior Period
Hedging Reserves (Effective portion)	64.057	73.439

Ending Balance	Current Period	Prior Period
Hedging Reserves (Effective portion)	80.698	64.057

1.2.2. Under the cash flow hedges, the current period charge of the income or loss under equity related with a derivative or a non-derivate financial asset and liability designated as cash flow hedge instruments

Under the cash flow hedge , the income or loss are related with a derivative or a non-derivate financial asset and liability designated as cash flow hedge instruments recorded under the hedging reserves amounting to TL 80.698.

1.2.3. Reconciliation of foreign exchange differences at the beginning and end of the period

None.

2. Information related to distribution of profit

2.1. The amount of dividend declared before the approval date of the financial statements but after the balance

None.

2.2. Earnings per share proposed to be distributed to shareholders after the balance sheet date

Profit distributions are approved by the General Assembly of the Bank. As of the report date, no profit distribution decision has been made by the General Assembly for 2023 profit.

3. Amount transferred to legal reserves

	Current Period	Prior Period
Amount Transferred to Legal Reserves under Dividend Distribution	311.624	155.326

4. Information on issuance of share certificates

4.1 For all share groups; any restrictions, preferential terms and rights for distribution of dividends and payment of share capital.

None.

5. Explanations on other share capital increases

The capital increase of TL 6.800.000, paid in cash by the Ministry of Treasury and Finance of the Republic of Turkey, was realized and the capital increase process was completed by being registered by the Istanbul Trade Registry on July 14, 2023.

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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

VI. Explanations and notes related to statement of cash flows

1. Information on the cash and cash equivalents

1.1. Information on cash and cash equivalents at the beginning of the period

The components constituting the cash and cash equivalents and the accounting policies used for the determination of these components:

Cash and foreign currency together with demand deposits at banks including the CBRT are defined as “Cash” and interbank money market and time deposits in banks with original maturities of less than three months are defined as “Cash equivalents”.

Beginning of the Period	Current Period	Prior Period
Cash	-	-
CBRT and other banks	12.573.660	17.151.676
Money market placements	1.960.381	2.329.447
Banks accrual	(12.380)	(2.279)
Total Cash and Cash Equivalents	14.521.661	19.478.844

1.2. Information on the cash and cash equivalents at the end of the period

	Current Period	Prior Period
Cash	16.966.748	6.548.492
Cash	-	-
Central Bank	16.966.748	6.548.492
Cash Equivalents	11.757.303	7.985.549
Banks and other financial institutions	8.415.272	6.025.168
Money market placements	3.342.031	1.960.381
Cash and Banks	28.724.051	14.534.041
Banks Accrual	(32.459)	(12.380)
Total Cash and Cash Equivalents	28.691.592	14.521.661

1.3. Explanations about other cash flows items and the effect of changes in foreign exchange rates on cash and cash equivalents

The “Other” item under “Operating profit before changes in operating assets and liabilities” amounting to TL 10.630.975 (31 December 2022: TL 2.128.142) mainly consists of fees and commissions paid, foreign exchange losses, other operating income excluding collections from doubtful receivables and other operating expenses excluding personnel expenses.

“Net increase/decrease in other liabilities” amounting to TL 5.115.219 (December 31, 2022: TL 2.639.317) in “Changes in assets and liabilities subject to banking activities” includes changes in other liabilities, taxes, duties, fees and premiums payable.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

VII. Explanations and notes related to the Bank's risk group

In accordance with the paragraph 5 of article 49 of the Banking Law No. 5411, the Bank does not have any shareholding which it controls directly or indirectly and with which it constitutes a risk group.

1. Explanations and notes related to the domestic, foreign, off-shore branches or affiliates and foreign representatives of the Bank

Information on the Bank's domestic and foreign branches and foreign representatives of the Bank

	Number	Number of Employees			
Domestic Branch	23	802			
			Country of Incorporation		
Foreign Representation Office	-	-	-		
				Total Assets	Statutory Share Capital
Foreign branch	-	-	-	-	-
Off-shore Banking Region Branches	-	-	-	-	-

2. Information on the Bank's branch or representative office openings, closings, significant changes in the organizational structure

None

VIII. Explanations and footnotes on post-balance sheet issues

BRSA announced that banks, financial leasing, factoring, financing, savings financing and asset management companies will start applying inflation accounting starting from 1 January 2025 in accordance with BRSA Board decision on 11 January 2024.

On January 31, 2024, the Bank issued bonds in the amount of 500 Million USD, with a maturity of 4 years and a fixed interest rate of 7.50 percent.

The bank's fully paid-up capital of TL 20.600.000 was paid in cash by the Ministry of Treasury and Finance of the Republic of Turkey. The capital increase process was completed with the increase of 3.300.000 to TL 23.900.000 to be paid, registered by the Istanbul Trade Registry Office and published in the Trade Registry Gazette No. 11013 dated February 1, 2024.

At the Bank's Board of Directors meeting dated February 6, 2024, it was decided to increase its paid-in capital, which was TL 23.900.000 as of the date of the report. by TL 11.800.000 to TL 35.700.000, and capital increase processes were initiated.

TÜRKİYE İHRACAT KREDİ BANKASI A.Ş.
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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SECTION SIX
OTHER EXPLANATIONS

I. Summary information about the Bank's credit ratings from international credit rating agencies

The ratings given by international rating agencies are as follows as of 31 December 2022.

Moody's		Fitch Ratings		
Long Term (Foreign and Local Currency) Issuer Rating	B3 Stable	Long Term Foreign Currency Issuer Rating	B-	Stable
Foreign Currency Bond Rating	B3 Stable	Long Term Local Currency Credit Rating	B	Stable
Foreign Currency Bond Rating (Medium Term Issuance Program)	(P)B3	Short Term Foreign Currency Credit Rating	B	
Basic Credit Evaluation Note	b3	Short Term Local Currency Credit Rating	B	
Adjusted Basic Credit Rating	b3	Short-Term Priority Unsecured Debt Rating	B	
Long Term Counterparty (Foreign Currency) Risk Rating	B3	State Support Note	b-	
Long Term Counterparty (Local Currency) Risk Rating	B2	National Long Term Credit Rating	AAA (tur)	Stable
Long Term Counterparty Risk Assesment	B2(cr)			
Short Term Issuer Notes (Foreign and Local Currency)	NP			
Other Short Term	(P)NP			

Views of the Bank's credit ratings are shown as of the last updated dates. (Moody's: August 16, 2022, Fitch Ratings: July 22, 2023)

SECTION SEVEN
Independent Auditors' Report

I. Explanations on the independent auditors' report

1. Explanations on auditors' report

The unconsolidated financial statements for the period ended December 31, 2023 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst & Young Global Limited) and Independent Auditors' Report dated February 23, 2024 is presented before the unconsolidated financial statements.

(2) Explanations and notes prepared by independent auditor
None.

Directory

	Phone	Fax	E-Mail	Address
HEAD OFFICE	(+90 216) 666 55 00	(+90 216) 666 55 99	info@eximbank.gov.tr	İnkılap Mah. Dr. Adnan Büyükdeniz Cad. A2 Blok No:7/B 34768 Ümraniye/İSTANBUL
REGIONAL DIRECTORATES				
İÇ ANADOLU REGIONAL DIRECTORATE	(+90 216) 800 75 00	(+90 216) 666 59 10	icanadolubolgemudurlugu@eximbank.gov.tr	Oğuzlar Mah. 1377 Cad. No: 11 06520 Balgat, Çankaya / ANKARA
EGE REGIONAL DIRECTORATE	(+90 216) 800 76 35	(+90 216) 666 59 35	egebolgemudurlugu@eximbank.gov.tr	Atatürk Cad. No: 190 İzmir Ticaret Odası Hizmet Binası (İZTO) Kat: 7 35220 Alsancak, Konak / İZMİR
MARMARA REGIONAL DIRECTORATE	(+90 216) 800 76 00	(+90 216) 666 59 19	marmarabolgemudurlugu@eximbank.gov.tr	Saray Mah. Ahmet Tevfik İleri Cad. No: 19/2 34768 Ümraniye / İSTANBUL
BRANCHES				
ADANA BRANCH	(+90 216) 800 76 01	(+90 216) 666 59 01	adanasube@eximbank.gov.tr	Döşeme Mah. 60101 Sok. No: 1 Adana Sanayi Odası 01130 Seyhan / ADANA
ANTALYA BRANCH	(+90 216) 800 76 07	(+90 216) 666 59 07	antalyasube@eximbank.gov.tr	Topçular Mah. Aspendos Bulv. No: 163 Batı Akdeniz İhracatçıları Birliği Muratpaşa / ANTALYA
ANKARA BRANCH	(+90 216) 800 76 06	(+90 216) 666 59 13	ankarasube@eximbank.gov.tr	Oğuzlar Mah. 1377 Cad. No: 11 06520 Balgat, Çankaya / ANKARA
BURSA BRANCH	(+90 216) 800 76 16	(+90 216) 666 59 16	bursasube@eximbank.gov.tr	Organize Sanayi Bölgesi Kahverengi Cad. No: 11 Uludağ İhracatçı Birlikleri D Blok Zemin Kat Nilüfer / BURSA
ÇORLU BRANCH	(+90 216) 800 76 59	(+90 216) 666 59 49	corlusize@eximbank.gov.tr	Zafer Mah. Şehitler Cad. No: 6 Çorlu Ticaret ve Sanayi Odası 2. Kat 59860 Çorlu / TEKİRDAĞ
DENİZLİ BRANCH	(+90 216) 800 76 20	(+90 216) 666 59 20	denizlisube@eximbank.gov.tr	Akhan Mah. 246 Sok. No: 8 Pamukkale / DENİZLİ Denizli İhracatçılar Birliği Binası (DENİB)
DİYARBAKIR BRANCH	(+90 216) 800 76 29	(+90 216) 666 59 29	diyarbakirsube@eximbank.gov.tr	Karacadağ Kalkınma Ajansı Hizmet Binası Zemin Kat Fırat Mah. Urfa Bulv. No: 142 Kayapınar / DİYARBAKIR
ESKİŞEHİR BRANCH	(+90 216) 800 76 26	(+90 216) 666 59 26	eskisehirsube@eximbank.gov.tr	Eskişehir OSB İsmail, Kanatlı Sok. No: 1, 26110 Odunpazarı Zemin Kat, 26010 Odunpazarı / ESKİŞEHİR
GAZİANTEP BRANCH	(+90 216) 800 76 27	(+90 216) 666 59 27	gaziantepsube@eximbank.gov.tr	Güneydoğu Anadolu İhracatçı Birlikleri Mücahitler Mah. Şehit Ertuğrul Polat Cad. No: 3 27090 Şehitkamil / GAZİANTEP
GEBZE BRANCH	(+90 216) 800 76 41	(+90 216) 666 59 40	gebzesube@eximbank.gov.tr	İnönü Mah. Gebze Güzeller OSB Mah. Aşık Veysel Sok. No: 1 Gebze / KOCAELİ
İSKENDERUN BRANCH	(+90 216) 800 76 31		iskenderunsube@eximbank.gov.tr	Sariseki Mah. Vali Utku Acun Bulv. No: 1/2 (İskenderun OSB) İskenderun / HATAY
İSTANBUL AVRUPA YAKASI BRANCH	(+90 216) 800 76 34	(+90 216) 666 59 34	istanbulavrupayakasisube@eximbank.gov.tr	Dış Ticaret Kompleksi, Yenibosna Merkez Mah. Sanayi Cad. No: 3 Bahçelievler / İSTANBUL
İSTANBUL İKİTELLİ OSB BRANCH	(+90 216) 800 76 37	(+90 216) 666 59 37	ikitellisube@eximbank.gov.tr	İkitelli OSB Mah. Süleyman Demirel Bulv. No: 16 34490 Başakşehir / İSTANBUL
İSTANBUL ODAKULE BRANCH	(+90 216) 800 76 33	(+90 216) 666 59 33	istanbulodakulesube@eximbank.gov.tr	Meşrutiyet Cad. No: 63, Odakule Plaza Kat: 16 34430 Beyoğlu / İSTANBUL
İZMİR BRANCH	(+90 216) 800 76 30	(+90 216) 666 59 30	izmirsube@eximbank.gov.tr	Atatürk Cad. No: 190 İzmir Ticaret Odası Hizmet Binası (İZTO) Kat: 7 35220 Alsancak, Konak / İZMİR
KAHRAMANMARAŞ BRANCH			kahramanmarasSube@eximbank.gov.tr	Barbaros Mah. Batı Çevre Yolu (Kayseri yolu 2.km) Kahramanmaraş Ticaret Borsası Binası 1. Kat Onikişubat / KAHRAMANMARAŞ
KAYSERİ BRANCH	(+90 216) 800 76 38	(+90 216) 666 59 38	kayserisube@eximbank.gov.tr	Alsancak Mah. Kocasinan Bulv. No: 161 Kayseri Sanayi Odası 38110 Kocasinan / KAYSERİ
KONYA BRANCH	(+90 216) 800 76 42	(+90 332) 352 74 49 (+90 216) 666 59 42	konyasube@eximbank.gov.tr	Konya Ticaret Odası Vatan Cad. No: 1 Selçuklu / KONYA
MALTEPE BRANCH	(+90 216) 800 76 32	(+90 216) 666 59 32	maltepesube@eximbank.gov.tr	Altayçeşme Mah. Zuhul Sok. No: 22 Kat: 2 D: 4 Niyazibey İş Merkezi Maltepe / İSTANBUL

MANİSA BRANCH	(+90 216) 800 76 45	(+90 216) 666 59 45	manisasube@eximbank.gov.tr	Keçiliköy OSB Mah. Cumhuriyet Bulv. No: 14 45030 Yunusemre / MANİSA
MERKEZ BRANCH	(+90 216) 800 76 11	(+90 216) 666 58 92	merkezsube@eximbank.gov.tr	Saray Mah. Ahmet Tevfik İleri Cad. No: 19/2 34768 Ümraniye / İSTANBUL
MERSİN BRANCH	(+90 216) 800 76 36	(+90 216) 666 59 36	mersinsube@eximbank.gov.tr	Limonluk Mah. Vali Hüseyin Aksoy Cad. No: 4 33120 Yenişehir / MERSİN
TRABZON BRANCH	(+90 216) 800 76 61	(+90 216) 666 59 41	trabzonsube@eximbank.gov.tr	Pazarkapı Mah. Sahil Cad. Ticaret Borsası Binası No: 103 Kat: 5 61200 TRABZON
LIAISON OFFICES				
AYDIN LIAISON OFFICE	(+90 850) 200 61 88	(+90 850) 200 59 30	AydinIrtibatBurosu@eximbank.gov.tr	Ata Mah. 610 Sok. No: 1/1 Efeler / AYDIN
BALIKESİR LIAISON OFFICE	(+90 216) 800 73 56	(+90 216) 666 59 45	BalikesirIrtibatBurosu@eximbank.gov.tr	Gümüşçeşme Mah. Avlu Cad. No: 4/42 Balıkesir Ticaret Odası Altıeylül / BALIKESİR
ERZURUM LIAISON OFFICE	(+90 442) 232 25 32 - 2532	(+90 442) 232 25 90	eximirtibat@daiib.org.tr	Erzurum 1. Organize Sanayi Bölgesi 2. Sanayi Cad. No: 1 Aziziye / ERZURUM
ISPARTA LIAISON OFFICE	(+90 216) 800 74 44	(+90 216) 666 59 07	IspartaIrtibatBurosu@eximbank.gov.tr	Isparta Ekonomi Kampüsü Süleyman Demirel Bulv. 102. Cadde No: 185 Merkez ISPARTA
İSTANBUL ANADOLU YAKASI ORGANIZED INDUSTRIAL ZONE LIAISON OFFICE	(+90 216) 593 00 00	(+90 216) 593 00 09	eximbank@iayosb.com	Aydınlı Mah. Gazi Bulv. 5. Sok. No: 2 Tuzla / İSTANBUL 34953
SAMSUN LIAISON OFFICE	(+90 216) 800 76 55	(+90 216) 666 59 17	samsunirtibatburosu@eximbank.gov.tr	Samsun Ticaret ve Sanayi Odası Binası Yenimahalle Mah. 839. Sok. No: 120 Kat: 5 55080 Canik / SAMSUN

Türk Eximbank Support Services Center: (+90 850) 200 55 00

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