



ANNUAL REPORT  
2023

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## PART I – CORPORATE PROFILE

### FINANCIAL HIGHLIGHTS

	December 31, 2023		December 31, 2022		Change (TL)
<b>Summary Financial Data</b>					
<b>(/000 TL, /000 USD)</b>	<b>TL</b>	<b>USD</b>	<b>TL</b>	<b>USD</b>	<b>%</b>
Total Assets	16.897.949	574.674	7,438,727	397,678	127
Loan Portfolio (net)	9.350.304	317.990	3,462,018	185,081	170
Loan Portfolio (gross)	9.723.601	330.685	3,843,677	205,485	153
Securities Portfolio (Net)	1.338.749	45.529	1,825,396	97,587	(27)
Receivables from Banks/Money Market	2.689.859	91.478	843,284	45,082	219
Total Deposit	14.791.508	503.037	5,645,316	301,801	162
Loans Obtained	-	-	-	-	-
Equity	1.078.442	36.676	650,171	34,759	66
Guarantees	2.703.856	91.954	1,610,517	86,099	68
Net Interest Income	(34.847)	(1.185)	219,244	11,721	(116)
Net Commission Income	136.545	4.644	36,593	1,956	273
Profit Before Tax / (Loss)	439.953	14.962	147,680	7,895	198
Net Profit / (Loss)	434.953	14.792	124,653	6,664	249

<b>Summary Financial Ratios</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Capital Adequacy Ratio	%15.20	%13.75
Loans/Deposits	%63.21	%61.33
Loans/Total Assets	%55.33	%46.54
Liquid Assets/Total Assets	%20.82	%12.96
Non-Performing Loans (Net)/Total Loans (Net)	%2.22	%10.85
Non-Performing Loans (Gross)/Total Loans (Gross)	%5.78	%19.30
Non-Performing Loans (Net)/Total Assets	%1.23	%5.05
Loan Provisions/Non-Performing Loans	%63.01	%49.39

## BRIEF HISTORY

The Bank, which started its operations as the Istanbul Branch of the Bank of Bahrain and Kuwait in 1985, started its operations as an independent financial institution in 1991 under the name Bahreyn ve Kuveyt Bankası A.Ş. The Bank changed its name in 1992 and continued to serve its customers with the title Garanti Yatırım ve Ticaret Bankası A.Ş., and in 1997 it was renamed as MNG Bank A.Ş.

The sale of MNG Bank A.Ş., which transferred 91% of its shares to Arab Bank and BankMed in 2006, was approved by the decision of the Banking Regulation and Supervision Agency (BRSA) dated December 29, 2006. In January 2007, the Bank's share transfer was completed. Accordingly, 50% of the shares were owned by Arab Bank and 41% by BankMed. On April 3, 2007, the name of the Bank was changed to Turkland Bank A.Ş. (T-Bank).

T-Bank's capital was increased from TL 500 Mio to TL 650 Mio by the decision of the Ordinary General Assembly held on April 15, 2014. T-Bank's shareholding structure was as follows until 2019: BankMed 50%, Arab Bank 33,3%, Arab Bank Switzerland 16,7%. Based on the BRSA's approval letter dated May 7, 2019, the 16,67% shares of Arab Bank (Switzerland) Ltd (ABS) was transferred to the other Bank partner, Arab Bank Plc.

T-Bank's capital was increased from TL 650 Mio to TL 1 Bio by the decision of the Ordinary General Assembly held on February 17, 2020. Today, T-Bank's current shareholding structure is as follows: BankMed 50%, Arab Bank 50%.

Arab Bank and BankMed's deep-rooted expertise in retail and corporate banking, and the extensive knowledge and experience they have gained in the banking industry since the 1930s shape T-Bank's vision.

T-Bank strengthens its operations with the synergy created by its main shareholder banks. This also plays a key role in customers choosing T-Bank as their financial partner. Continuing to expand the scope of its operations by adding the Commercial Banking business line to its service portfolio, T-Bank also continues its operations in the corporate banking areas where it actively carries out operations.

## AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No amendments have been made.

## SHAREHOLDING AND CAPITAL STRUCTURE

T-Bank's paid-in capital is TL 1 Bio.

Name Surname/Trade Title	Share Amounts	Share Ratios	Paid up Shares	Outstanding Shares
BANKMED, SAL	499,999,996.48	50.0	4,999,999,965	-
ARAB BANK PLC	499,999,998.34	50.0	4,999,999,983	-
OTHER	5.18	0.0	5.2	-
<b>Total</b>	<b>1,000,000,000.00</b>	<b>100.0</b>	<b>1,000,000,000</b>	-

## BankMed

With 80 years of strong banking experience, Bankmed is in the sector as one of the leading banks in Lebanon. It continues its banking services in line with its mission of "to empower its customers and society to dream and grow with an innovative approach by providing the best service". As part of this mission, Bankmed provides its customers with effective financial solutions and personalized services that will best meet their needs to support their individual potentials and business opportunities.

In addition to its 36 branches in Lebanon, it has established internet branches and virtual platforms in order to provide its customers with the best banking experience uninterruptedly.

Bankmed leads the sector in corporate banking. Thanks to this pioneering position, it has expanded its banking services in a way to include Corporate Banking, Retail Banking, Private Banking, International Commercial Banking, SME Banking, E-Banking, Business Development, Investment and Brokerage Services, Asset Management, Treasury and Investment Services as well as Financial Institutions, Trade Finance and Microfinance.

On the investment side, Bankmed has been the preferred business partner of many local and regional institutions and investors for many years. In this regard, the Investment Banking and Securities Trading business lines play a very important role in the bank's operations as well as in expanding its operations by strengthening the synergy between Bankmed's local and regional institutions.

As part of expanding its operations, Bankmed has demonstrated its effectiveness in the regional and non-regional markets. The Bank continues its operations in Switzerland with its subsidiary BankMed Suisse, in Saudi Arabia with its investment banking subsidiary SaudiMed Investment Company (Saudi-Med), and in Türkiye with Turkland Bank (T-Bank) serving in the field of corporate banking. Finally, it also has a branch in Dubai International Financial Center (DIFC).

For more information, you can visit the website: [www.bankmed.com.lb](http://www.bankmed.com.lb)

## Arab Bank

Founded in 1930 and headquartered in Amman/Jordan, Arab Bank has one of the largest global Arab banking networks with over 600 branches in 28 countries in five continents. Arab Bank's extensive banking network covers key financial markets and financial centers such as London, Dubai, Singapore, Geneva, Shanghai, Paris, Frankfurt, Sydney and Bahrain.

Serving individuals, companies and other financial institutions within this global network, the Bank offers a wide variety of financial solutions in its core business areas, including Retail Banking, Corporate Banking, Financial Institutions and Treasury. As one of the leading banks in the MENA region, Arab Bank plays a complementary role by financing important infrastructure projects and strategic sectors in the region.

At the end of 2023, Arab Bank Group reported a net income of USD 830 Mio after tax. Total assets were USD 68,3 Bio, and the equity increased to USD 11,4 Bio.

Arab Bank received many international awards in 2023 as well and its achievements were recognized by many internationally respected institutions.

For more information, you can visit the website: [www.arabbank.com](http://www.arabbank.com)

## **SHARES OWNED BY THE CHAIRMAN OF THE BOARD, BOARD MEMBERS, GENERAL MANAGER AND DEPUTY GENERAL MANAGERS**

The Chairman of the Board, Board Members, General Manager and Deputy General Managers do not hold shares at T-Bank as of December 31, 2023.

## CHAIRMAN'S MESSAGE

Dear Shareholders and Customers,

2023 began with the earthquake disaster that deeply affected and saddened us all in February. During this period, we provided support in terms of both aid and meeting needs, and we continue to do so.

At the same time, 2023 has been a year in which various shocks were experienced in international markets, inflation was tried to be brought under control globally and financial tightening was at the forefront.

Türkiye, on the other hand, is trying to control inflation by returning to Orthodox economic policies after the May 2023 elections.

Despite all these global adversities, we have successfully ended 2023 with rational policies and healthy balance sheet management.

As of December 31, 2023, our Bank's total assets are TL 16,9 Bio, our net loans are TL 9,7 Bio, our customer deposit volume is TL 14,8 Bio, and our net period profit in 2023 was TL 434,9 Mio.

Last but not least, on behalf of T-Bank management, we would like to thank our customers for their continued trust, our shareholders for their strong support, and all our employees for their devoted work.

Michel Accad  
Chairman of the Board of Directors

## GENERAL MANAGER'S MESSAGE

Dear Shareholders and Customers,

2023 was marked by two significant events for our nation. The first was the earthquake of February 6, whose impact continues to be deeply felt. The second was the commemoration of the 100th anniversary of our Republic.

Concurrently, 2023 presented considerable economic challenges. We experienced notably high inflation along with its economic and social repercussions. Nevertheless, positive progress was made in combating inflation through the gradual normalization of Monetary Policy.

Despite these circumstances, the banking sector continues to contribute to the economy by supporting production and investment activities.

In spite of these challenging conditions, T-Bank has successfully navigated the year 2023 through the implementation of prudent policies and healthy balance sheet management.

As of December 31, 2023, our Bank's total assets are TL 16,9 Bio, our loans are TL 9,7 Bio, our customer deposit volume is TL 14,8 Bio, and our net period profit in 2023 was TL 434,9 Mio.

Going forward, our strategy is to carefully manage our risk portfolio and expand our client base in promising sectors. We will also continue to strive to increase our trade finance business by investing in our well-developed network of shareholders in the MENA region.

Finally, on behalf of T-Bank management, I would like to thank our customers for their continued trust, our shareholders for their strong support, and all our employees for their dedicated work.

Servet Taze  
General Manager



## PART II – OPERATIONS

### T-BANK, TÜRKİYE’S BOUTIQUE BANK

With its 12 branches located in Türkiye’s most vibrant industrial and commercial centers, T-Bank offers tailored solutions in line with its "boutique service" approach.

Determining to be the solution partner of its customers as its mission, T-Bank focuses on raising the quality bar of its services and products as part of its sustainable growth strategy. Increasing its satisfaction and loyalty ratio day by day, the Bank aims to provide its customers with a unique banking experience.

T-Bank succeeds in transforming its main shareholders' effective and wide correspondent bank network in the Middle East and North Africa Region into a competitive advantage. The Bank also takes care to establish long-term relationships with banks that will add added value to its services and further strengthen its financial structure.

#### **Dynamic Organizational Structure**

Focusing on reinforcing its position in the sector, T-Bank responds to changing customer needs and expectations with the high value-added products and services in its portfolio. T-Bank also spends a lot of time in producing personalized solutions.

Effectively reflecting its boutique service approach on its services, T-Bank has succeeded in creating productivity in all business processes thanks to the healthy relationships it has established with its customers.

T-Bank offers customized services to its customers operating in different sectors. Continuing to operate in line with its effective customer management and proactive marketing strategies, T-Bank constructs its future plans within the framework of improving its market share and customer portfolio.

#### **Representative of International Experience in Türkiye**

Benefiting from the international experience of its shareholders Arab Bank, BankMed and Arab Bank Switzerland, T-Bank plays an active role in commercial operations in the Middle East and North Africa, with the support of its partners. Continuing its operations with the synergy gained from its strong partnership structure, the Bank is also one of the important representatives of the international experience in Türkiye.

#### **Segmental Expertise**

T-Bank divides its customer portfolio into two sub-segments, Commercial and Corporate, in order to improve its service quality. The Bank also aims to include suppliers and manufacturers into its Commercial portfolio.

#### **Detailed Credit Process**

T-Bank's lending process consists of two stages. In the first stage, measurements such as rating, cash flow, investment projection, feasibility and capacity report are made for a detailed analysis

of the financials. In addition, many criteria such as the company's product/service diversity, market share, morality, and the current state of the industry are evaluated in detail in the measurements and evaluations. T-Bank gives priority to criteria such as financial data, market intelligence, past and expected performance of the company in the credit lending process.

In the second stage, T-Bank produces the optimum solution suitable for the needs of the company requesting the loan and submits the applications for approval. In the solution producing stage, T-Bank analyzes in detail the variables such as investment financing, working capital and foreign trade, as well as the sector in which the company is operating, and develops a solution proposal in the light of the outputs obtained from those variables.

### **Widespread Sector Diversity**

T-Bank's customer portfolio consists of companies with a solid financial structure. T-Bank, in its marketing efforts to expand its customer portfolio, determines its customers by meticulously considering many parameters. Continuing its operations with the aim of maintaining its current portfolio structure, the Bank works devotedly to preserve the quality of its assets.

### **Corporate and Commercial Banking**

Corporate and Commercial Banking, which was carried out as two separate business lines, has been operating as a single business line since April 2019. The companies served are divided into three separate segments. These segments are determined based on the annual turnover of the companies, and the purpose of this segment-based distribution is to focus on customer needs and to meet those needs more quickly and effectively. The Bank's Corporate and Commercial Banking customer portfolio consists of trade and industrial organizations, companies operating in the textile and food industry, service sector companies, financial institutions, transportation and construction-contracting companies. T-Bank aims to serve all industrial companies that are exporters and have high export potential.

T-Bank's Corporate and Commercial Banking staff, each of whom are competent employees, meticulously review and evaluate customer needs and expectations. After the evaluation, the Bank offers personal solutions that will contribute to the potential needs, productivity and development of its customers.

The main products offered by T-Bank to its corporate customers are TL/FC Cash and Noncash Loan Products, Cash Management Products, Project Finance, Foreign Trade Products, Deposit-Investment Transactions, Insurance Products and Derivative Products. The active participation of T-Bank staff and managers is extremely important for the formation of long-term and lasting relationships that the Bank establishes with its customers.

T-Bank is one of the most reliable banks in Türkiye with its strong transparency and resilience to risks. T-Bank also attaches great importance to the risk-return balance. Making maximum use of the international experience of its shareholders, its extensive branch network and rapid decision-making mechanism, T-Bank this way achieves a perfect synergy.

The number of branches of the Bank is 12 as of 2023. T-Bank continues to provide instant solutions to all kinds of financial needs of its customers with its effective branch network located in 9 different commercial centers in Türkiye.

**Distribution of Credit Portfolio by Sectors (December 31, 2023 - /000 TL)**

Sector	Cash Loans		Noncash Loans	
	Total	%	Total	%
<b>Agriculture</b>	<b>908.830</b>	<b>%9,35</b>	<b>215.291</b>	<b>%7.88</b>
Farming and Livestock	901.613	%9,27	215.211	%7.88
Forestry	635	%0.01	66	%0.00
Fishery	6.582	%0.07	14	%0.00
<b>Industry</b>	<b>3.647.767</b>	<b>%37.51</b>	<b>1.566.158</b>	<b>%57.32</b>
Mining	12.500	%0.13	55.574	%2.03
Manufacturing	3.509.894	%36.10	1.509.259	%55.24
Electricity, Gas and Water	125.373	%1.29	1.325	%0.05
<b>Construction</b>	<b>263.579</b>	<b>%2.71</b>	<b>116.908</b>	<b>%4.28</b>
<b>Service</b>	<b>4.889.414</b>	<b>%50.28</b>	<b>712.055</b>	<b>%26.06</b>
Wholesale and Retail Trade	536.514	%5.52	287.407	%10.52
Hotel and Restaurant Services	293.721	%3.02	487	%0.02
Transportation and Communication	2.568	%0.03	2.687	%0.10
Financial Institutions	3.636.730	%37.40	178.286	%6.52
Real Estate and Rental Services	116.131	%1.19	2.001	%0.07
Self-Employment Services	288.302	%2.96	202.076	%7.40
Training Services	5.300	%0.05	5	%0.00
Health and Social Services	10.148	%0.10	39.106	%1.43
<b>Other</b>	<b>14.011</b>	<b>%0.14</b>	<b>121.949</b>	<b>%4.46</b>
<b>TOTAL</b>	<b>9.723.601</b>	<b>%100.00</b>	<b>2.732.361</b>	<b>%100.00</b>

**Credit Department**

The Bank's strategies, policies and procedures regarding loans are determined and implemented by the Credit Allocation Department. The allocation of loans, the measurement and control of the risks entered and to be entered, and the follow-up of the reports on Loan Allocation are also under the responsibility of the Credit Allocation Department.

Responding quickly to customers' loan demands with innovative solutions, T-Bank periodically updates its existing products and technologies in order to facilitate access to information in credit lending processes. Working with a team of experts in the lending process, T-Bank makes maximum use of products such as the trade registry system, Takbis and KKB (Credit Bureau) in order to closely monitor its customers, as well as the workflow systems and credit archiving system.

Evaluating customer demands effectively, T-Bank creates a comfortable working environment for its customers with convenient limits and loan conditions. Within the Bank's customer portfolio, there are companies that place sustainable cooperation at the top of their lists of priority, produce added value, have repayment power, and adhere to ethical values. Moreover, it places great importance to the training of both the Department's employees and Branch employees.

**Scoring and Rating Models**

T-Bank uses an appropriate rating model in the Corporate/Commercial segments. This model not only helps to make credit decisions, but also undertakes important functions such as more accurate credit analysis and higher added value. This model is regularly reviewed, verified and updated to ensure its optimal adequacy and accuracy.

## Remedial

T-Bank effectively uses the Early Warning System to detect potential risks beforehand and take necessary precautions. At the same time, ensuring the development of the system in line with current conditions and needs, T-Bank aims to reduce potential risks in this way. As per this approach, the Bank aims to limit the loan risk. Timely and complete communication of early warning signals to the relevant units helps to bring the risk under control. Thanks to the customer visits held at regular intervals and the risk assessment meetings organized on a branch basis, risk monitoring is carried out regularly and the risk is eliminated in a healthy way by creating action plans.

Preferring to establish close relations with its customers while performing loan management, T-Bank is thus able to detect problems beforehand. The Bank consolidates information about its customers obtained from the market, Credit Bureau, TBB (the Banks Association of Türkiye) /Risk Center and various intelligence sources in its database and evaluates this information as an early warning signal in the lending and monitoring process. In the event of any deterioration in the credit worthiness of the customers, the loan limits of the customers are revised and action plans are created to exit the risk by restructuring and/or to obtain additional collateral.

The Remedial Department carries out all exit stages of performing and non-performing loans in concordance with the Credit Allocation and Corporate Banking Departments, and if deemed necessary, it plays an active role in creating actions by informing the Senior Management, Credit Allocation Department and Branches.

The Remedial Department is also responsible for the management of the real estate properties that the Bank has acquired against its receivables. Considering the market conditions and economic conjuncture, T-Bank aims to sell the properties in the balance sheet as soon as possible and at the optimum price.

The Remedial Department also plays a key role in the assignment of non-performing receivables to asset management companies.

The Remedial Department also prepares reports on loans and maintains relations with real estate property appraisal companies.

## Legal Consultancy

The legal team plays an active role in the litigation and follow-up processes in which the Bank is a party, both as a plaintiff and a defendant. In this context, the Legal unit, in line with the developing conditions of Türkiye, has increased the collection ratio by speeding up the follow-up processes of the files followed-up by the Head Office as NPL files and has accelerated our collection processes by switching to the scoring system of contracted attorneys in order to audit our contracted attorneys in the most appropriate way.

With the aim of rapid and regular inspection of the bank's contracted attorneys, the procedure of obtaining regular reports from the contracted attorneys every month has been initiated and an active follow-up process has been implemented. Uyap Corporate Portal and Etcbase systems are actively used in order to ensure efficiency in auditing. The reports sent monthly are inspected by our expert staff and solutions to the problems experienced by our contracted attorneys have been presented and our success rate in litigations and collections has increased.

In addition, as part of the legal consultancy support of all units in our Branches and Head Office, opinions on a total of 1.591 transactions were given by the consultants of the Legal team and solutions were found for legal problems. Our consultants played a proactive role and resolved many conflicts before they even started.

T-Bank's Legal team is developing and adapting to changing conditions every day, primarily in order to prevent the emergence of legal disputes and to fully protect the Bank's rights in case of any legal dispute.

### **Treasury**

2023 was a year in which the fight against persistent high inflation caused by global health problems and geopolitical tensions came to the fore. The risk of recession increased due to tight monetary policies implemented worldwide. In addition, the decrease in supply problems and the return of energy prices from peak levels with the measures taken were positive developments.

The earthquake disaster affecting 11 provinces where 17% of the Turkish population lives and the general elections caused turmoil in the economy. After the general elections, the economic policy set was changed and a gradual interest rate increase policy was implemented.

In this period, the Treasury Department took the necessary steps in the fields of liquidity and risk management in order to manage the maturity, exchange rate and interest risks, especially the volatility on the liquidity in the financial markets, to comply with the financial measures taken by the regulators, and to minimize the effects of macroeconomic factors on the balance sheet. It has been important to maintain a healthy funding structure in the short and long term by preserving the strong structure of the Bank's deposit base against liquidity shocks. Derivative transactions were made against price (interest, exchange rate) and liquidity risks on customers' balance sheets in parallel with loan transactions, and the Treasury Marketing Department worked in cooperation with marketing teams to increase customers' awareness in this area and to ensure that they could use hedging products effectively and correctly.

The Treasury Department, at weekly Asset-Liability Committee meetings, inform the Bank's Senior Management on market conditions, the Bank's asset-liability maturity structure and pricing strategies.

### **Financial Institutions**

The Financial Institutions Department is responsible for regulating and developing relations with correspondent banks and financial institutions, diversifying the Bank's funding sources, allocation and monitoring of the country and financial institutions loan limits, and financing of foreign trade.

The Bank responds to the financing needs of both itself and its customers with the loan limits it receives from international banks. T-Bank established a correspondent network consisting of more than 400 banks in 75 countries in order to develop qualified and special solutions tailored to the needs of its customers. T-Bank takes care to expand its existing correspondent bank network in line with needs and demands. In the 2023 operating period, T-Bank mediated a total foreign trade amounting to USD 200 Mio. In addition to noncash services such as L/C and LG, it mediates ECA loans, business loans and murabaha loans from correspondent banks for foreign trade financing, under the guarantee of T-Bank, to meet the financing needs of its customers. The Financial Institutions Department contributes to the diversification of the Bank's funding sources with foreign loans.

T-Bank's main shareholders, Arab Bank PLC and BankMed SAL, successfully continue their operations in 5 continents with a total of more than 600 branches in 28 countries, primarily in the Middle East and North Africa regions. Thanks to the diversity of the regions and countries in which its main shareholders operate, T-Bank offers competitive prices in foreign trade products to its customers who carry out their commercial activities on an international scale.

### **Information Technologies**

As part of T-Bank's current strategies and policies, the Information Technologies unit closely monitors the latest technological developments and offers them to employees and customers in order to ensure that business processes are in line with the BRSA's Information Systems regulations and they are more efficient, faster and safer.

#### **Effective System Architecture**

Located at T-Bank Head Office, the Core Banking System runs on three application servers using two database servers with IBM processors, which have high performance and growth capacity, and one IBM storage device. The Core Banking System, which has a multilayer structure, offers a secure infrastructure in practice.

While the main operating system server of the Bank is Unix-based, Windows and Linux platforms are used effectively in other servers and personal computers. Another database server and the backups of critical services are stored in the Emergency Center located outside of Istanbul for possible emergency uses.

For its network architecture that forms the infrastructure of computer systems, its security structure that provides web, e-mail and anti-virus protection, and its automation infrastructure and superstructure, T-Bank uses hardware and software developed by the industry's leading companies. Considering the fact that there is a rapid change in the information technologies industry, T-Bank constantly updates its infrastructure and superstructure in order to adapt to this change and transformation.

#### **Technology Infrastructure**

The Core Banking Package, which is a fast, easy and scalable system, forms the basis of the Bank's technological structure. This package also supports T-Bank's short- and long-term growth strategies.

Having a parametric infrastructure, the Package includes useful functions such as loan disbursement difference control and tracking flow system integration, blacklist controls, automation of legal reporting, creation of new collateral, limit, client and account relations, new tracking system and automatic tracking mechanism and also helps to improve service quality.

### **Information Security**

T-Bank's Information Security Department is responsible for preparing and implementing policies, procedures and work flows regarding information security, updating business continuity plans, performing emergency tests, designing and managing the information security infrastructure, managing threats and risks to information security, including cyber security risks, managing security audit trails, raising users and customers' awareness about information security, and monitoring and managing security events. It carries out these activities within the scope of the Information Security Program.

## Financial Control

In 2023, Financial Control, which includes the functions of Financial Control, Legal Reporting and Settlement, Accounting, Expense Management, Budget Planning and Management Reporting, Corporate Data Analysis and Reporting, has aimed to provide maximum benefit and make processes more efficient, with its projects of transition from traditional methods to digital.

Corporate Data Analysis and Reporting Department was established in order to ensure standardization of Institutional Reporting and to increase report quality. In addition to standard reports prepared with Power BI and SSRS infrastructures, it also prepares warning reports that are sent to other departments of the Bank at certain periods. While the quality of standard and operational reporting increases thanks to the coordination of this department and the reporting, the design of the data architecture and the visual reporting infrastructure have also been created. Using dashboard designs, the Qlik Sense reporting tool has been licensed and development has begun in order to provide 'Executive Reporting' to our Bank's senior management.

The Budget Planning and Management Reporting Department plans the Bank's next 5 years and aims to reach the target with the most appropriate strategy with the Budget and Strategic Plans it prepares. In addition, with the prepared MIS reports, it aims to create alternative areas and increase the perspective of the Senior Management.

The Financial Control Department ensures that bank's accounting records and financial data are established in accordance with the current legislation and it is responsible for checking the compatibility of all reports prepared for both inside and outside of the bank with accounting records. Since June 2023, the functions of the Expense Management Department have also been carried out under the Financial Control Department umbrella. In addition, the purchasing and contract management platform (EBA), which has been worked on for 1 year, has been implemented as of 2023.

The Legal Reporting Department carries out the bank's reporting function to official institutions and organizations.

The Accounting Department organizes and pays all taxes to which the Bank is subject in accordance with the current legislation and laws.

With all this new organizational and management approach, it is aimed to decrease the costs of our Bank and increase our profitability. As the first return of these works, despite the increasing costs, the expense/income ratio was 44% in 2023.

## 2023 APPLICATIONS

T-Bank Banking System, located at the center of the Core Banking System, consists of applications integrated.

In order to ensure a safer, faster and more integrated operation, the development studies of the Core Banking Systems and the systems located around them continued in the 2023 operating period as well, and new products and functions were added to the applications.



Desiring to make its business processes more efficient, faster and safer, T-Bank prioritized work flow systems and process development studies in line with this purpose. In 2024, it will continue to give priority to new work flows and improvement studies in existing flows.

As part of continuous renewal efforts, hardware and software updates suitable for new technologies continued to be made in the Information Technologies infrastructure, especially the expansion of the security and virtualization infrastructure. VPN (remote connection) infrastructure performance and security have been improved to meet the need for Bank employees to work from home. The remote connection infrastructure has been designed to support the Bank's hybrid working model.

## HUMAN RESOURCES

### Human Resources Structure

First of all, we believe that our success will be continuous by knowing the value of the "human" element and spreading this awareness to all our employees and creating a team spirit. T-Bank has always seen qualified and competent human resources as its most important value. This understanding allows the Bank to stand out from its competitors. T-Bank has a participatory Human Resources approach that supports current goals and strategies. The Human Resources and Training Department plays a strategic role in the Bank's success with its contemporary, rational, target and human-oriented policies.

### Employee Profile

While T-Bank serves its customers with the motto of "you are truly special here", which is a boutique banking approach, it also adopts the same motto in the services and opportunities it offers to its human resources. The basis of the bank's service quality is an employee profile with an average of 18.6 years of banking experience. 45% of our employees are from Generation X and 52% from Generation Y. T-Bank continues its activities as a balanced and harmonious team that blends the order, work discipline and risk perception of Generation X with the innovative, open-to-development and development characteristics of Generation Y. The average age is 42.3. 52% of all managers and employees working in professional banking roles are women. When we include our employees in support service positions in this rate, our female employee rate corresponds to 48%.

T-Bank, whose latest employee loyalty index was 83% through an independent research institution, has a highly loyal employee profile. The fact that our T-Bank employees have been working at our bank for an average of 9.5 years is a concrete indicator of this.

As of the end of 2023, T-Bank continues its activities with a total of 268 employees at its Head Office and 12 branches.

<b>Number of Employees and Branches</b>	<b>2023</b>
Head Office Employees	174
Branch Employees	94
Total number of Employees	268
Number of Branches	12
<b>Demographics</b>	<b>2023</b>
Male (%)	52
Female (%)	48
Average Age of Employees	42,3



## Recruitment Process

T-Bank's Human Resources and Training Department carries out all its operations on the basis of openness, effective sharing and equality.

In line with the aim of assigning the right employee to the right position, T-Bank prefers individuals who are suitable for the qualifications required by the position, experienced, compatible and above all, open to development and learning. In order to adapt to today's conditions and prepare for the competencies of the future, it also focuses on artificial intelligence, recruitment and interview techniques, and information technology recruitment techniques, in addition to today's current research results.

The "Recommend a Friend" application, which allows qualified candidates to be reached in a shorter time with the suggestions of our highly committed and satisfied employees and to be employed within the Bank, is a successful project that has continued since the establishment of the bank. If the candidate recommended by a T-Bank employee joins us, the bank employee who recommended the candidate is also rewarded.

## Performance Management

Performance Evaluation, which is carried out in line with the Bank's goals and strategies, is carried out by measuring the contributions of employees to business results. In the creation of career and training plans for employees, "goal achievement" and "competency evaluations" are taken into account.

T-Bank supports all kinds of activities that will contribute to the personal development of employees in order to carry the service quality to the next level. Thanks to the measurement and evaluation studies carried out according to the needs of the period, the changes experienced can be easily followed and adaptation to the current situation can be ensured.

Employees who are successful in their duties and meet the necessary conditions in the performance evaluation are appointed to higher positions upon the requests of their managers and the approval of the Promotion Committee. In 2023, 3 of our department managers who reported to the Internal Systems Group at the General Directorate of T-Bank and carried out their duties on behalf of the General Directorate were appointed to their current positions with the positive opinion of the Audit Committee. In addition, 3 of our Directors were promoted to the title of Manager, and 20 of our employees were promoted to the title of one higher than their current title.

## Applications

The Human Resources and Training Department uses the "leave system, employee information system, performance management system, overtime system, training system and business card request system" projects to manage business processes in a holistic manner, enabling the management of employee information from a single application, the evaluation of performance management applications in an electronic environment depending on targets and competencies, and more comprehensive monitoring of leave, overtime, training and business card request processes, Project work continues under the umbrella of Information Technologies, where our Bank's Human Resources Management System, Humanist, will form the basis for the identity management project in order to have a single personnel data source in all banking applications.

## Training

In 2023, according to the World Economic Forum's Future of Professions Report, which we have been following closely for the last 3 years, we have categorized our "Professional Development", "Process Development", "Personal Development" and "Wellbeing" based training and development plans based on 21st century competency requirements, and in addition to our 2023 report-based training and development plans, our new training project "Development Journeys" has been created. The Development Journeys program has been grouped under 5 main categories, considering the experiences and development needs of our employees. A project that supports personal, professional and technical development with different focus groups, namely "I am Deepening in Leadership", "From Management to Leadership", "Professionals", "Newcomers to Banking" and "Intern Academy", has been implemented.

The "I'm Deepening in Leadership" category is planned for our experienced managers and consists of competency-specific trainings that are published by the World Economic Forum under the name of the professions of the future and that also overlap with the behaviors that support our bank's strategy. Under this category, content based on experience rather than theory is presented that supports the leadership field such as utilizing emotional intelligence and giving feedback, and that experienced managers can coach both themselves and their teams.

The "From Management to Leadership" category is for those newly appointed to management positions, and trainings consisting of content aimed at strengthening basic management skills and communication with their teams, effective performance and motivation management, and creating high-performance teams have been organized.

The "Professionals" category is designed for our experienced employees, who make up 60% of our bank, and its content focuses on personal development trainings under the titles of success and result orientation, teamwork, cooperation, flexibility, and continuous development.

Our content in the "Banking Newbies" and "Intern Academy" categories is a development program consisting of content that will facilitate the adaptation of our new graduates and interns to business life and provide benefits while preparing for professional life. In this context, professional stance, basic banking, technical skills and personal development trainings have been frequently preferred.

Regarding the subject of "Sustainability", which is an important agenda item all over the world and which the banking sector will focus on in the coming years, incentive activities have been carried out for our employees from all positions and levels to receive the "Individual Awareness for a Sustainable World" training through our e-learning platform. In order to facilitate the accessibility of disabled individuals to banking services, the "Correct Approach to Disability" training has been made accessible to all our employees this year, as it is every year.

Internal and external training programs have been organized to raise awareness for our employees working in the General Directorate departments and to keep them up-to-date in their areas of expertise. Executive coaching programs continued this year, and competency-based interview techniques training was provided to department employees participating in recruitment interviews. Foreign language training programs and professional development trainings were provided for tasks and needs, and webinars and awareness-raising information continued to be shared on special days. In addition, all mandatory trainings in terms of the relevant laws and regulations have been provided. Orientation

programs to accelerate the adaptation of new employees and e-trainings provided through the e-learning platform continued this year, as they did last year.

### Internal Communication

In order to increase internal communication and employee motivation, T-Bank periodically carries out a number of activities. These are as follow:

- The T-Öneri (T-Suggestion) System application continues, in which suggestions on new and need-to-development issues are shared throughout the Bank. With the suggestion system, all employees can make development-oriented suggestions without obtaining approval on issues such as reducing the Bank's expenses, increasing income, saving workforce, improving and simplifying processes, increasing customer satisfaction, improving competitiveness. Suggestions received are evaluated by the "Suggestion Committee", which consists of executives and managers who manage all the executive and operational functions of the bank, and those whose suggestions have been accepted are rewarded and announced to the Bank's employees.
- Various information such as birthdays, promotions and appointments of employees, T-Kulüp events, news in the press is shared with employees through "Birlik-T", an active information sharing portal.
- In order to closely follow and implement today's innovations, artificial intelligence applications have begun to be used in in-house announcement text and visual preparations.
- T-Bank, which provides privileges to its employees with administrative leaves such as birthday leave, new academic year leave for our employees who are parents, report card day, school preference/registration leave, paternity leave determined above the legal periods, marriage leave, which are among our administrative leaves that support the satisfaction of our colleagues, has added the "Welcome" administrative leave categories to be used by our new employees this year.
- The reward for our "Recommend a Friend" application, which allows qualified employees to be reached more quickly and employed within the Bank, has been updated.
- T-Bank also continues its tradition of sending a special gift to its employees who have just given birth, to the baby's name.
- The Human Resources and Training Department continues the "welcome call" application on the first day in order to "welcome" the newly recruited employees and speed up the adaptation process.
- Our new employees are welcomed with a "welcome box" on their desks on their first day of work, containing our Bank's calendar, pen, agenda, badge and ID cards.
- The theme of this year's painting competitions, which have become a T-Bank tradition and are organized specifically for our employees' children and their relatives, was "helping each other is beautiful." Gifts were sent to all participating children.
- For the 100th anniversary of our Republic, the book "The Birth of the Republic" by the famous historian, academic and author İlber Ortaylı was presented to all our employees as a gift.
- With the participation of T-Bank employees, humanitarian aid was collected and delivered to those in need to be delivered to those who suffered from the earthquakes that deeply affected our entire country;

- With the valuable observations and guidance of our Adana Branch Manager and Security Officer, the aid collected by T-Bank employees was directly delivered to all those in need, including our animal friends in Osmaniye and Nurdağı villages.
  - T-Bank has assumed the role of a center where aid is collected within the scope of the "We Connect to Life with Kindness" project of the Emergency Needs Project (AİP) Foundation.
  - T-Bank provided support to Istanbul University Çapa Medical Faculty, where many orphaned amputee children affected by the earthquake were sent, for the purchase of prosthetics and missing devices for various operations required for their continued treatment after they were discharged.
  - Physical and psychological support was provided to all our colleagues in the earthquake area who were affected by the disaster. Financial support and one-on-one support sessions with an expert clinical psychologist were organized for our employees in the Adana and Gaziantep branches who were directly affected by the natural disaster in the region.
  - At the same time, a psychological first aid webinar series was organized to support stress management for all employees interested in alleviating the psychological effects of the earthquake.
- With the support of all our animal-loving employees, food and water bowls were placed in front of our branches and headquarters building and the "T-Bank's Feathered Friends Food and Water Support" project continued.
  - Within the scope of sustainability, the garbage bins in the kitchens were separated as plastic-paper-household waste, and the use of plastic bottles was ended to reduce plastic use.
  - The founder of our country, the Great Leader Mustafa Kemal Atatürk, was respectfully commemorated in front of our headquarters building this year as well. A collage was prepared with the commemorative photos from our branches and published on the bank's social media accounts.
  - Our traditional practices such as offering sahlepl and boza to all our employees on special days in accordance with the concept of the day, and chocolate in cold weather, coordinated with our branches on World Chocolate Day, continued in 2023.
  - Our bank supported the successes of our employees outside of their banking careers and sponsored some of them. The activities of these employees were shared with all our employees under the title of "Achievements That Made Our Bank Proud" on our in-house portal Birlik-T in order to inspire and encourage our other colleagues.
  - At the end of 2023, in order to strengthen the message of "T-Bank Us, We Are Together", to bid farewell to the year as a team and welcome the new year together, a "New Year's Food Budget" was given to all branch and department teams.

**In order to both increase employee satisfaction and keep motivation high, many practices that the bank has implemented since the pandemic period have been made permanent.**

- Our free work clothes application continues both at the head office and our branches.
- Hybrid and remote working methods continued at the head office in 2023.

- Considering the possible cash needs of our colleagues in the inflationary environment in our country, early salary payments on special days, advance payments, daily meal fee increases, special personnel loans for our employees and rearrangements in credit deposit account limits were made.
- With the clarification of the new working methods, a survey was conducted for all our employees regarding transportation alternatives. As a result of this survey, the day of arrival at the bank and the distance to the bank were calculated and financial transportation support continued to be provided to our employees.

## PART III – T-BANK MANAGEMENT AND CORPORATE GOVERNANCE

### BOARD OF DIRECTORS

#### Board of Directors

Name	Duty	Appointment Date	Education
Michel Accad	Chairman of the BoD	02.03.2020	Master's Degree
Mohammed Abdel-Fattah Hamad Alghanamah	Vice-Chairman of the BoD	30.03.2018	Bachelor's Degree
Haitham Helmi Mohammad Foudeh	Member of the BoD	01.03.2014	Master's Degree
Tania Massoud Moussallem	Member of the BoD	31.05.2019	Bachelor's Degree
Mustafa Selçuk Tamer	Member of the BoD	01.04.2020	Bachelor's Degree
Nadya Nabil Tawfik Talhouni	Member of the BoD	01.10.2009	Bachelor's Degree
Nabil Rafei	Member of the BoD	14.01.2022	Master's Degree
Servet Taze	Member of the BoD / General Manager	18.04.2019	Bachelor's Degree

#### Michel Accad, Chairman

Michel Accad, currently serving as a member of the Board of Directors of Medinvestment Bank Med SAL and Saudi Lebanese BankSAL, graduated from the University of Texas with a master's degree in Business Administration. He started his career at Citi Group in 1988. Afterwards, he worked as a manager at various ranks in Arab Bank PLC, Gulf Bank, Al Ahli Bank of Kuwait. He worked as the General Manager of Al Ahli Bank of Kuwait, which he started in 2014. He also works as Executive General Manager and Board Member at Bankmed Lebanon, which he started in 2019, as well as a Board Member of Saudi Lebanese Bank SAL and Medinvestment Bank SAL.

#### Mohammad Abdel-Fattah Hamad Alghanamah, Vice-Chairman

He holds a Bachelor of Science in General Mathematics from Riyadh University. He has completed the Computer Programming training course at the London School of Computer Technology. He started his career at Saudi American Bank in 1976. He worked at Arap Bank Plc Jordan between 1987-1989, in Gulf International Bank Bahrain between 1989-1990, in Cairo Amman Bank Jordan between 1990-1995, in United Saudi Arabia Arabia between 1995-1999, and in Banque Saudi Arabia Arabia between 1999-2007. He continued his career in Saudi Arabia Arabia. He is currently working as Assistant General Manager of Credits at Arab Bank Jordan, where he has been working since 2007.

#### Tania Massoud Moussallem, Board Member

Member of the Board of Directors. She completed her undergraduate studies in Business Administration at the American University of Beirut and her graduate studies at the French School of Economic and Commercial Sciences. Moussallem started her career at Societe Generale De Banque as a Finance Department Manager in 1996 and worked in the same bank until 2008 by rising and continued her career as Assistant General Manager at BLC Bank between 2008-2018. She has been a Member of the Board of Directors since May 2019.

**Nadya Nabil Tawfik Talhouni, Board Member**

Talhouni, who received a BA in Economics from Bryn Mawr College in the USA, has a Political Sciences degree from the same university as a minor. Prior to Arab Bank, which has an important place in her career, she worked as a Financial Institutions Securities Manager at Citibank NA. Working at Arab Bank since 2002, Talhouni has been serving as the Bank's Executive Vice President and Global Head of the Cash Management and Trade Finance Department. She has been working as the General Manager of Arab Bank Bahrain since November 2020.

**Haitham Helmi Mohammed Foudeh, Board Member**

Foudeh, who holds a BA in Civil Engineering from the University of Jordan and an MA in International Construction and Engineering from the University of Leeds, worked as Planning Engineer at Saudi B.L. Construction Group, Planning Director at Taylor Woodrow International, Project Manager at Abdul Latif Jameel Group Real Estate Investments, and Project Portfolio Manager at Islamic Development Bank, respectively. Foudeh currently serves as Head of Project and Structured Finance at Arab Bank Jordan.

**Mustafa Selçuk Tamer, Board Member**

Having graduated from Ankara University, Faculty of Political Sciences, Department of Business Administration, Mr. Tamer started his banking career in 1976. T-Bank A.Ş. Prior to his duty as a Member of the Board of Directors, he served as Executive Vice President and Vice Chairman of the Board of Directors at Yapı Kredi Bank for 18 years.

**Nabil Rafei, Board Member**

Nabil Rafei, who has a Bachelor of Mathematics Engineering from the University of Grenoble and a master's degree in business administration from the University of Montpellier, started his career in 1996 at Francebank SAL in the loans department, and then, Afterwards, he worked in corporate marketing at Byblos Bank, in different marketing segments at Bankmed SAL until 2017, and in corporate banking after 2017. He has been working as Head of Corporate Banking Group at Bankmed SAL since 2021.

**Servet Taze, Board Member and General Manager**

Holding a Bachelor of Business Administration degree from Çukurova University, Mr. Taze started his career at Finansbank A.Ş. in 1995, he worked as an Executive Vice President at ING Bank and ING Faktoring between 2006-2013, General Manager at Turkish Bank A.Ş. between 2013-2016, and finally General Manager at Şeker Bank A.Ş. between 2016-2019. As of April 2019, he continues to serve as the General Manager at T-Bank.

## EXECUTIVE MANAGEMENT

### The Executive Management Team

Name	Duty
Ali Has	Executive Vice President, Operation and Information Technology
Benan Başak	Executive Vice President, Remedial Management
Hakkı Efe İçli	Executive Vice President, Financial Control
Saruhan Doğan	Executive Vice President, Treasury and Financial Institutions
Serkan Çelik	Executive Vice President (*), Head of Internal Audit
Umut Ülbegi	Executive Vice President, Corporate and Commercial Banking

#### Ali Has, Executive Vice President, Operation and Information Technology

Ali Has graduated from Istanbul University, Faculty of Business Administration, Department of Business Administration in English, and holds an Executive MBA from Boğaziçi University. He started his career at Yapı Kredi Bank's Foreign Transactions Department in 1994 and continued at İş Factoring Finansal Hizmetler A.Ş. Mr. Has worked as an Inspector and Vice Chairman of the Internal Audit Department for 15 years at TEB A.Ş., which he joined in 1996, and also took part in the Main Banking Application and some Electronic Workflow development projects. Joining our Bank in August 2011 as the Head of the Internal Audit Department, Ali Has has been serving as the Operation and Information Technology Executive Vice President since January 2021.

#### Benan Başak, Executive Vice President, Remedial Management

Başak completed his undergraduate education at the Middle East Technical University, Department of Mining Engineering, and received his master's degree from Maltepe University, Department of Business Administration. Başak, who started his banking career at Bayındırbank in 1998 and continued at Wachovia Bank (USA) and Denizbank, respectively, worked at Citibank in different positions in the Credits and Marketing departments between 2006-2016, and most recently as the Head of the Commercial Loans Department. He has served as the Executive Vice President of Credit Allocation at T-Bank since the beginning of December 2016, and in October 2019, he was appointed as T-Bank Remedial Management Executive Vice President.

#### Hakkı Efe İçli, Executive Vice President, Financial Control

He started his banking career at Interbank in 1997. Following his experience in Bayındırbank and United Fund Bank between 1999 - 2007, he started to work in the Financial Control and Reconciliation Department of our Bank in 2007. He was appointed as the manager in 2015 and assumed the responsibility of the Financial Control Group in October 2019 and has been serving as the Financial Control Executive Vice President since March 2021. Mr. İçli holds a Bachelor of Business Administration degree from Istanbul University.

#### Saruhan Doğan, Executive Vice President, Treasury and Financial Institutions

Doğan started his banking career at Citibank Turkey and later worked at Türk Ekonomi Bankası, Alternatif Bank, Finansbank, Deutsche Bank Turkey. Prior to joining T-Bank, he served as a Member of the Board of Directors responsible for Corporate Finance at Phillip Capital Menkul Değerler A.Ş.



He has a bachelor's degree in Economics from Istanbul University and a master's degree in Economic Management from the London School of Economics. Since June 2019, he has been working as the Treasury, and Financial Institutions Executive Vice President at our Bank.

**Serkan Çelik, Executive Vice President, Head of Internal Audit**

Serkan Çelik graduated from Istanbul Technical University, Department of Management Engineering, and completed his master's degree at Sakarya University. He started his career at DenizBank in 2005 and then joined the T-Bank family in 2007. Serkan Çelik was appointed as the Deputy General Manager responsible for Internal Systems in October 2022, after serving as the Vice Chairman of the Board of Inspectors, Head of Internal Control and Head of the Board of Inspectors at our bank. He holds internal auditor (CIA), information systems auditor (CISA) and financial services auditor (CFSA), Capital Market Activities Level 3 and Derivative Instruments certificates.

**Umut Ülbegi, Executive Vice President, Corporate and Commercial Banking**

Umut Ülbegi holds a bachelor's degree in Business Administration from Dokuz Eylül University and a master's degree in Banking and Finance from Bilgi University. He started his career at Pamukbank in 1999. Afterward, he worked at Finansbank, Akdeniz Faktoring, and Turkishbank, respectively. Prior to joining T-Bank, he served as Executive Vice President of Corporate, Commercial, and SME Banking at Şekerbank and as General Manager of Şeker Faktoring. Since May 2021, he has been working as the Corporate and Commercial Banking Executive Vice President at our Bank.

## INFORMATION ABOUT RISK MANAGEMENT, COMPLIANCE, INTERNAL CONTROL AND INSPECTION BOARD EXECUTIVES

### **Maver Burcu Aktürk Karahanoğlu, Head of Risk Management**

Having completed her undergraduate education at Dokuz Eylül University, Department of Economics, Aktürk completed her master's degree at Izmir University of Economics. Beginning her banking career at Garanti Bank in 2006, Aktürk most recently worked as ING Bank Credit Risk Management Manager. Aktürk has been working as the Head of Risk Management Department at our Bank since 2016. She has Capital Markets Activities Level 3 and Derivative Instruments certificates.

### **Serkan Çelik, Internal Systems EVP**

Serkan Çelik graduated from Istanbul Technical University, Department of Management Engineering, and completed his master's degree at Sakarya University. He started his career at DenizBank in 2005 and then joined the T-Bank family in 2007. Serkan Çelik was appointed as the Deputy General Manager responsible for Internal Systems in October 2022, after serving as the Vice Chairman of the Board of Inspectors, Head of Internal Control and Head of the Board of Inspectors at our bank. He holds internal auditor (CIA), information systems auditor (CISA) and financial services auditor (CFSA), Capital Market Activities Level 3 and Derivative Instruments certificates.

### **Alptekin Özel, Deputy Head of the Inspection Board**

Alptekin Özel graduated from Middle East Technical University, Department of Business Administration. He started his career as an assistant inspector at Şekerbank in 2013 and joined the T-Bank family in 2018. He was appointed as the Deputy Chairman of the Inspection Board in August 2022. He was duly appointed as the Chairman of the Inspection Board as of October 2023. He holds Internal Auditor (CIA) and Capital Market Activities Level 3 certificates.

### **Mehmet Çetinkaya, Deputy Head of Internal Control**

Mehmet Çetinkaya graduated from Sakarya University, Department of Industrial Engineering. He started his Internal Systems career in 2009 as Assistant Information Systems Auditor and joined the T-Bank family in 2015. He was appointed as Deputy Chairman of Internal Control in August 2022. He is an Information Systems Auditor (CISA), Information Security Executive (CISM), Information Systems Risk and Control Specialist (CRISC), Controls Self-Assessment Specialist (CCSA), and Risk Management Assurance (CRMA) certifications.

### **Server Pelin Gültekin, Deputy Head of Compliance**

Server Pelin Gültekin graduated from Sakarya University, Department of Business Administration and completed her Master's Degree at Sakarya University. She started her banking career in the loans department of Citibank Turkey in 2006, moved to the Compliance Department at the same bank in 2012, and later held various positions in the compliance departments of Burgan Bank and HSBC Bank. She joined the T-Bank family in 2016 and was appointed as the Deputy Head of Compliance and Compliance Officer in August 2022. She also holds an Anti-Money Laundering Specialist (CAMS) certificate.

### **Terms and Professional Backgrounds of Auditors**

Pursuant to the decision taken at the Bank's General Assembly meeting held on March 31, 2023, DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (Deloitte) was appointed as the independent external auditor.

### **Attendance to the Board of Directors, Audit Committee and Other Committees**

All Board and Committee members have attended all the meetings unless a valid excuse was presented.

## COMMITTEES

The following are T-Bank committees as of December 2023

### Audit Committee (\*)

The Audit Committee, on behalf of the Board of Directors, is responsible for overseeing the efficiency and adequacy of the Bank's internal control, risk management, prevention of money laundering and terrorist financing systems and internal audit systems, the functioning of these systems, accounting, and reporting systems within the framework of the Banking Law and related regulations, and the integrity of the information produced. The committee convenes at least once every three months.

Tania Massoud Mousallem	Board Member, Committee Chairman
Mustafa Selçuk Tamer	Board Member

(\*) Nadya Nabil Tawfik Talhouni's membership in the Audit Committee has ended as of 01.03.2023.

### Credit Committee

It is the committee, under the chairmanship of the General Manager, where loan proposals within certain limits within the framework of the Banking Law and related regulations are evaluated. The committee convenes every 2 weeks on Tuesdays. If the schedule of the members is not suitable, the meeting can be moved to another day.

Mustafa Selçuk Tamer	Board Member, Committee Chairman
Tania Massoud Mousallem	Board Member
Nabil Rafei	Board Member
Servet Taze	Board Member, General Manager

### Corporate Governance Committee

It is the committee that monitors the Bank's compliance with the corporate governance policies in line with the determined targets, the law, the regulations enacted pursuant to the law, other relevant legislation, the articles of association, in-bank regulations, and the Banking Ethics Rules, in a way that protects the rights and interests of all shareholders and depositors. The committee convenes at least once a year.

Tania Massoud Mousallem	Board Member, Committee Chairman
Nadya Nabil Tawfik Talhouni	Board Member
Mustafa Selçuk Tamer	Board Member

### Compensation Committee

It is the committee established to discuss all issues related to compensation policies and all aspects of employee compensation arrangements within the framework of the Bank's Compensation Policies and to prepare reports on these issues to the Board of Directors. The Committee convenes annually before the Board of Directors Meeting.

Tania Massoud Mousallem	Board Member, Committee Chairman
Mohammad Abdel-Fattah Hamad Alghanamah	Board Member
Nadya Nabil Tawfik Talhouni	Board Member

### Executive Committee

The main purpose of the Executive Committee is to ensure the implementation of T-Bank's strategic plan. Protecting the interests of T-Bank; ensuring the realization of business objectives, reviewing new business initiatives that may have a significant impact on T-Bank, and ensuring that the plans for their implementation are prepared, and that critical projects are monitored and completed in a timely manner are among the duties and responsibilities of the Committee. The Executive Committee convenes every week. If the General Manager deems it appropriate, the Executive Committee may convene more than once a week or be postponed to the next week.

Servet Taze	General Manager and Board Member
Ali Has	EVP
Benan Başak	EVP
Hakkı Efe İçli	EVP
Saruhan Doğan	EVP
Umut Ülbegi	EVP
Serkan Çelik	EVP
Michel Sassine	Head of Credits
Neslihan Can Açar	Head of Human Resources and Training

### IT Strategy and Steering Committee

It makes recommendations to the Board of Directors on Information Systems (IS) Policies. In line with the IS Strategy Plan on behalf of the Board of Directors, it monitors the compatibility of the IS Investments and the Bank's business objectives with the IT targets and regularly reports to the Board of Directors on this matter. It follows the proper implementation of the IT Strategy Plan, revises it when necessary and submits it to the approval of the Board of Directors.

It guides senior management in the implementation of the IT Strategy. It prioritizes IT investments and projects. It resolves resource conflicts between projects by following developments on ongoing IT projects. It provides necessary guidance to ensure compliance of IT architecture and IT projects with the legislation. It monitors service levels for IT services. It resolves differences of opinion and disagreements between the General Manager, regulatory departments, regulatory approvers, and Internal Systems Managers on the Bank's internal IT regulations. It convenes at least twice a year and reports to the Board of Directors at least once a year.

Tania M. Mousallem	Board Member
Servet Taze	General Manager (Chairman of the Committee)
Ali Has	EVP
Benan Başak	EVP
Hakkı Efe İçli	EVP
Saruhan Doğan	EVP
Umut Ülbegi	EVP
Ali Çakır	Information Technologies Director
Nevin Benay Germeyan	Head of IT Application Management
Mustafa Çiçek	Head of IT Infrastructure and Help Desk
Bülent Karamanlioğlu	Head of IT Quality and Network Management
Resmiye Ece Cansun Yaman	Information Security Manager
Neslihan Can Açar	Head of Human Resources and Training
Server Pelin Gültekin	Head of Compliance
Selen Turhan	Lawyer

### Assets and Liabilities Management Committee

Effective distribution and efficient use of resources, increasing economic profitability by considering the returns of risk-weighted assets, managing all risks such as interest, exchange rate, liquidity, funding, loan, country, commodities, and monitoring external factors such as customer and competitor behaviors, financial and monetary policies, market trends and expectations and determine their possible effects on profitability is the responsibility of the Assets and Liabilities Management Committee (ALCO). ALCO regularly convenes every week. When deemed necessary, participants from business lines and support units are also invited to the meetings. ALCO meetings are held weekly on Mondays.

Servet Taze	General Manager
Ali Has	EVP
Benan Başak	EVP
Hakkı Efe İçli	EVP
Saruhan Doğan	EVP
Umut Ülbegi	EVP
Burcu Aktürk	Head of Risk Management
Michel Sassine	Head of Credit

### Committees of Risk Management

#### High Level Risk Committee

It is the committee where the works executed by the Risk Management Group are shared with Senior Management. The Executive Risk Committee meets upon the invitation of the Head of Risk Management Group in case of any agenda item that requires committee meeting.

Servet Taze	General Manager
Ali Has	EVP
Benan Başak	EVP
Hakkı Efe İçli	EVP
Saruhan Doğan	EVP
Umut Ülbegi	EVP
Serkan Çelik	EVP
Burcu Aktürk	Head of Risk Management
Neslihan Can Açar	Head of Human Resources and Training
Michel Sassine	Head of Credit

### Operational Risk Committee

The Operational Risk Committee discusses the issues concerning the Bank's internal and external risks related to operational activities, potential risks and how to avoid such risks. The committee meets upon the invitation of the Head of Risk Management in case of any agenda item that requires meeting.

Servet Taze	General Manager
Ali Has	EVP
Umut Ülbegi	EVP
Serkan Çelik	EVP
Burcu Aktürk	Head of Risk Management
Alptekin Özel	Deputy Head of Audit Board
Mehmet Çetinkaya	Deputy Head of Internal Control
Server Pelin Gültekin	Head of Compliance
Ali Çakır	IT Director
Elif Öner	Treasury and Branch Support Operations Director

### Information Security and Information Technology Risk Committee

It is the committee that shares risks, impact values, and possible actions to be taken regarding Information Security and IT processes and takes decisions. The committee convenes when there is an agenda item that requires a meeting.

Servet Taze	General Manager
Ali Has	EVP
Serkan Çelik	EVP
Burcu Aktürk	Head of Risk Management
Server Pelin Gültekin	Head of Compliance
Alptekin Özel	Deputy Head of Audit Board
Mehmet Çetinkaya	Deputy Head of Internal Control
Ali Çakır	IT Director
Neslihan Can Açar	Head of Human Resources and Training
Bülent Karamanlioğlu	Head of IT Quality and Network Management
Ece Cansun Yaman	Information Security Manager
Selen Turhan	Lawyer
Uğur Gökhan Kuzucu	Senior Inspector of Information Technologies

## SUMMARY REPORT OF THE BOARD OF DIRECTORS PRESENTED TO THE GENERAL ASSEMBLY

2023 was marked by two significant events for our nation. The first was the earthquake of February 6, whose impact continues to be deeply felt. The second was the commemoration of the 100th anniversary of our Republic.

Concurrently, 2023 presented considerable economic challenges. We experienced notably high inflation along with its economic and social repercussions. Nevertheless, positive progress was made in combating inflation through the gradual normalization of Monetary Policy.

Despite these circumstances, the banking sector continues to contribute to the economy by supporting production and investment activities.

In spite of these challenging conditions, T-Bank has successfully navigated the year 2023 through the implementation of prudent policies and healthy balance sheet management.

As of December 31, 2023, our Bank's total assets are TL 16,9 Bio, our loans are TL 9,7 Bio, our customer deposit volume is TL 14,8 Bio, and our net period profit in 2023 was TL 434,9 Mio.

Going forward, our strategy is to carefully manage our risk portfolio and expand our client base in promising sectors. We will also continue to strive to increase our trade finance business by investing in our well-developed network of shareholders in the MENA region.

Finally, on behalf of T-Bank management, I would like to thank our customers for their continued trust, our shareholders for their strong support, and all our employees for their dedicated work.

Michel Accad  
Chairman of the Board of Directors

Servet Taze  
General Manager



## TRANSACTIONS MADE BY THE BANK WITH ITS RISK GROUP

T-Bank Group Risks by Sector (TL /000)

	Cash Loans	Risk Share (%)	Noncash Loans	Risk Share (%)	Total Loans	Risk Share (%)
Financial Institutions	130	%0.00	91,250	%3.34	91,380	%0.68
Communication	-	%0.00	-	%0.00	-	%0.00
Informatics	-	%0.00	-	%0.00	-	%0.00
Other	-	%0.00	-	%0.00	-	%0.00
<b>Total</b>	<b>130</b>	<b>%0.00</b>	<b>91,250</b>	<b>%3.34</b>	<b>91,380</b>	<b>%0.68</b>

## INFORMATION ON BENEFITS PROVIDED FOR THE TOP MANAGEMENT BY THE BANK

As of December 31, 2023, total wages and benefits provided to the Bank's top-level managers is TL 42.109,000 (December 31, 2022: TL 24.853,000).

## PERSONS AND INSTITUTIONS THAT PROVIDE SUPPORT SERVICES

SUPPLIER	DEFINITION OF SERVICE
Akbasan Değerli Kağıt Basım ve Tic.Ltd.Sti.	Printing of Checkbook and Letter of Guarantee
Safepoint Güvenlik Sistemleri Anonim Şirketi	Alarm Receiving and Monitoring Service
Infosys Technologies Limited (Edgeverve Systems Limited)	Core Banking Application Development
Veripark Yazılım Anonim Şirketi	Customer Monitoring Screens Development
Veripark Yazılım Anonim Şirketi	Internet Banking Application Service
Fu Gayrimenkul Yatırım Danışmanlık Anonim Şirketi	Mortgage Transactions Service
İnnova Bilişim Çözümleri Anonim Şirketi	Institution Collections Application Service
İnnova Bilişim Çözümleri Anonim Şirketi	E-Invoice System Development Service
Active Bilgisayar Hizmetleri Ve Ticaret Limited Şirketi	Securities Application Service
G Teknoloji Bilişim Sanayi Ve Ticaret Anonim Şirketi	Development of Legal Reports
Desmer Güvenlik Hizmetleri Ticaret Anonim Şirketi	Cash Transportation Service, Security Service
Bts Bilişim Eğitim Ve Danışmanlık Hizmetleri Ticaret Limited Şirketi	E-Workflow Applications Development and Maintenance Service
Vodafone Net İletişim Hizmetleri Anonim Şirketi	ODM Hardware Hosting Service
BTRisk Bilgi Güvenliği ve Bilgi Teknolojileri Yönetişim Hizmetleri Limited Şirketi	Information Systems Penetration Testing
Türk Telekomünikasyon Anonim Şirketi	Security Operations Center Service (SOC 7*24 Monitoring)
Gaia Bilgi Sistemleri Sanayi Ve Ticaret Limited Şirketi	KKB QR Cheque Service Preparation Maintenance
Tepe Savunma Ve Güvenlik Sistemleri Sanayi Anonim Şirketi	Security Service
Fineksus Bilişim Çözümleri Ticaret Anonim Şirketi	Swift Service Office, Link Service to Swift
Austria Card Anonim Şirketi	Card Printing Transactions
Paycore Anonim Şirketi	Debit Card Swap File Processing Service
Datasafe Arşivleme Hizmetleri Anonim Şirketi	Archiving Service
Vera Teknoloji	Data Warehouse Maintenance and Support

## PART IV – FINANCIAL INFORMATION AND RISK MANAGEMENT

### RISK MANAGEMENT POLICIES

Reporting to the Audit Committee, Risk Management conducts its operations in accordance with the "Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks" published by BRSA.

Risk management adopts measuring the risks of loan, market, interest, concentration, liquidity and operational risks, and creating risk limits and control processes as main principle in its activities. Considering risk management as an indispensable part of banking processes, T-Bank seeks to raise awareness of risk at all levels of the organization. Risk Management Group submits daily, weekly, quarterly and semi-annual reports to the Senior Management and Audit Committee regarding the risks, concentrations, legal limits incurred by the Bank and the Bank's own internal limits. Value at Risk (VaR) analyses, market risk limits, stress tests and scenario analyses, liquidity and interest rate risk reports, economic capital and capital adequacy analyses are among the reports submitted to the Executive Management and Audit Committee. These reports, which cover daily VA analyses, weekly interest rate risk, economic capital calculation and market risk limits, are also submitted to the Asset-Liability Management Committee on a weekly basis.

Stress tests and scenario analyses related to economic capital, scenarios related to capital adequacy, liquidity and profitability, the status of T-Bank's credit portfolio and developments related to this portfolio, and credit risk results are included in the reports submitted to the Audit Committee every three months. Thanks to these reports prepared in detail, the senior management can also regularly monitor the Bank's performance and limits. Providing funds to meet customers' loan demands and fulfilling the Bank's legal responsibilities constitute T-Bank's asset-liability management policy. Financial ratios, loan maturities, assets and liabilities are discussed and decided upon in the weekly Asset-Liability Management Committee meetings. In addition, a presentation on the Bank's basic risks is made to the Audit Committee and the Board of Directors every three months.

This presentation also includes economic capital calculations covering loan, market and operational risks. In addition, the Audit Committee and Senior Management are informed about risk limit breaches. The limits are reviewed at regular intervals by the Risk Management Group and revised if necessary and the necessary information is shared with the Senior Management. The Risk Management Group systematically calculates the Basel II Capital Adequacy calculations for Loan Risk, Market Risk and Operational Risk within the framework of the "Regulation on the Measurement and Assessment of Capital Adequacy of Banks".

#### **Credit Risk**

It is a type of risk indicating the possibility that the opposite parties in the agreements with the Bank may not fulfil their obligations. Credit risk management has a critical role within the sustainable growth policy of T-Bank. By delegating their credit approval responsibilities, the Board of Directors functions as a guide in identifying the limits of credit extensions for different sectors, companies and groups. When identifying credit limits, a number of criteria such as customers'

financial power, trade capacity, sectors, geographical regions, capital structures and moralities are also subject to assessment. Customers' financial positions are reviewed based on their financial tables and other required account information in accordance with the related legislation. The Bank periodically updates the previously identified credit limits depending on the general economic developments and changes in financial tables and activities of customers. Within the credit limits, various contracts and amounts are offered to the customers. In lending process, the limits based on the products and customers are considered as valid and the risk, limit and collateral conditions are continuously reviewed.

The credit risk management is a process of continuous risk assessment and monitoring, which covers the entire credit portfolios. Concentrations based on sectors, groups and other criteria are monitored. The Risk Management Group makes a great deal of numerical analyses such as analysis of Probability of Default (PD) and various stress tests.

The Bank started to use Moody's credit risk module "Risk Analyst", in order to assess its Corporate and Commercial portfolios, and the portfolio of Construction sector. In 2017, the Risk Management Group integrated the Moody's system into the bank's main banking system in the second half of 2017, by carrying out statistical studies using retrospective data in order to create models for the relevant portfolios.

The Risk Management Group which monitors the correspondent bank's credit limits specified by the Board of Directors notifies the Senior Management and relevant departments with an information letter in case of excess. In addition, repo, derivative and monetary market transactions done under T-Bank's Treasury Department are strictly monitored to avoid the risk from the possibility of default of the opposite parties.

### **Market Risk**

Market risk refers to the fluctuations in value occurring in the bank positions due to price changes. Market risk is divided into two sub-categories, namely "purchase-sale risk" and "assets-liabilities mismatch risk" within T-Bank.

The Risk Management Group has been conducting VaR calculations daily/weekly since November 2004. The VaR calculations are made with a reliability of %99 for a one-day retention period by the Risk Management. VaR is calculated based on the VaR calculation methods of parametric, historical simulation and Monte Carlo. The results obtained are used to determine the rate of capital requirement for the purchase-sale risk. In RmD calculations where advanced probability simulations are used, methods including non-linear movements that may occur in the market are also applied, comprehensive scenario analyzes are carried out and all change movements are monitored daily. The value precision of VaR method is verified by "backtesting" method and the number of days when actual losses are higher than the calculated VaR.

The Bank determined its market risk management operations and enabled the required actions in accordance with the "Regulation on Assessment and Evaluation of Capital Adequacy of Banks" and the "Regulation on Equities of Banks" in order to hedge within the frame of financial risk management objectives.

## Interest Risk

Within the scope of internal policies determined in advance, T-Bank adopts the policy of holding the risk level within prudential limits at acceptable values. The Bank maintained this approach also in 2023. To facilitate optimum monitoring of interest risk, the Risk Management Group periodically prepares weekly interest rate GAP and Duration GAP analyses and sensitivity analyses covering the entire balance sheet.

### Interest Rate Risk Arising from Banking Accounts

It is closely monitored and managed with care by T-Bank.

Interest rate risk arising from all on-balance sheet and off-balance sheet items sensitive to interest and interest rate risk arising from banking accounts are calculated on a monthly basis, excluding items followed in buying and selling accounts and subordinated debts, which are taken into account in the calculation of equity in accordance with the "Regulation on Banks' Equity".

## Quick Risk

Quick Risk is defined as the risk resulting from the banks' failure to pay their debts in full and on time. Quick risk arises depending on the inadequacy in cash flow and current cash quality, and disparity between internal and external cash flows. Besides, liquidity risk may occur due to inability to break into the market under suitable conditions and to settle and break out of the positions swiftly with reasonable prices and adequate amounts in case of the obstacles and divisions in markets. With the understanding of prudential banking, T-Bank holds a large amount of liquidity. Under existing policies of the Bank, the balance between maturity structure and interest rates of asset and liabilities is always ensured within the strategies of Assets-Liabilities Management. In addition, a great effort is made to manage the difference occurring due to return and cost of assets and liabilities in TL and foreign currency in the balance sheet positively.

The ratio calculated in accordance with the "Regulation on Calculation of Liquidity Coverage Ratio of Banks" issued by BRSA and the Liquidity Coverage Ratios (LCR) under Basel - III are calculated in sum and FC and submitted to BRSA in weekly report. In addition, the form "Quick Risk Analysis" is reported to BRSA on a weekly basis.

Various crisis scenarios created within the scope of the specified strategy are submitted by the Risk Management Group to the Senior Management and the Audit Committee. When funding and liquidity resources are taken into account, the Bank can meet a great portion of its liquidity need from the deposits. Moreover, T-Bank has the capacity of raising additional funds for itself by using syndication and pre-finance products.

## Operational Risk

Operational risk refers to the risk of loss that may occur due to improper and incorrect internal processes, failures of employees and systems, and external conditions. Management of operational risk is conducted by the Bank's units in charge within the scope of specified policies, procedures and internal controls. The risks involved in the banking processes and the audits concerning these risks arise from the inventory of Internal Audit Department and Internal Control Centre and they are updated annually.

Operational risk is calculated by the Risk Management Group in accordance with Basel - II Basic Indicator Approach. The Bank assesses quantifiable and unquantifiable risks included in operational risk using related assessment methods on the basis of process and operation. With the reports submitted to the Senior Management, the Risk Management Group helps raising awareness of operational risks, audits and residual risks.

Using an application to centrally manage the operational risks, T-Bank provides efficient controls by gathering all its operational risks in a single center. Thanks to the independent system used, the Risk Management Group keeps regular record of the imposed operational risks and losses as integrated with daily risk management processes and independent from executives.

The operational risks of Support service companies are assessed based on the compliance with Support Services Regulation. Conducting works of risk analysis in cooperation with the related units for the companies providing support service, the Risk Management Group prepares annual risk management program for support services and submits it to the Board of Directors. In addition, the Audit Committee assesses the qualifications of the companies providing support service and reports the results to the Board of Directors.

### **Internal Capital Management**

Internal Capital Adequacy Assessment Process (ICAAP) analyses- all of the risks incurred by the Bank by the most effective assessment and evaluation methods and facilitates identifying the adequate capital amount required within a certain period. Based on this approach, the "Pillar I" includes only Credit Risk, Market Risk and Operational Risk while the "Pillar II" (ICAAP) covers the risk types which are not included or partially included in the Pillar I and/or any potential risks that the Bank may be exposed to. Market Risk, Quick Risk, Concentration Risk and IT Risk are the risk groups incurred by our Bank.

Within the scope of Internal Capital Management, the Bank manages maximum potential amount of losses in case of Credit, Operational, Market and other risks with an approach based on stress test according to the predictions made by observing the changes in the markets. Reporting of stress test results and scenario analysis are performed by the Risk Management Group on a daily, weekly and quarterly basis. The Risk Management also calculates the capital adequacy ratio monthly and, if requested, it notifies the Senior Management about the capital requirement in accordance with the strategic plans that are specified in advance. If requested, operations related to the internal capital management are also performed. In addition, planning and application of the Internal Capital Adequacy Assessment Process are also performed by the Risk Management Group. The Risk Management Group informs the Senior Management on these issues directly or through related Committees.

## THE AUDIT COMMITTEE'S REPORT ON INTERNAL SYSTEMS

T-Bank Audit Committee is responsible for providing the effectiveness and adequacy of the Bank's internal systems (Internal Audit, Internal Audit, and Compliance and Risk Management Systems) on behalf of the Board of Directors. The Audit Committee is also obliged to oversee the operation of these systems as well as accounting and reporting systems, and the integrity of the information produced within the framework of the law and relevant regulations. While fulfilling this obligation, the Bank has adopted a triple main line of defense approach. According to this; Business Line and/or Department Managers constitute the first line of defense, other General Directorate Support Departments such as the Risk Management Group, Internal Control, and Compliance Group, and Legal Advisory constitute the secondary line of defense, and the Inspection Board constitute the third line of defense. At T-Bank, Internal Systems are carried out by the Bank's Internal Audit Department, Internal Audit and Compliance Department, and Risk Management Group, under the coordination of the Audit Committee. It effectively defines, evaluates, and provides the management of risks related to banking processes with committees such as Internal Systems, Operational Risk Committee, and Support Services Steering Committee. These committees carried out their activities successfully in 2023 as well.

### Internal Audit

The main purpose of the Internal Audit Department is to provide reasonable assurance to the Senior Management that the Bank's activities are carried out within the framework of the law and other relevant legislation and the internal strategy, policy, principles, and objectives determined by the Bank, and that the effectiveness and adequacy of the internal control and risk management systems. In line with the ultimate aim of supporting the development of T-Bank's activities parallel to the determined targets by adding value to the business processes, the Internal Audit Department operates to improve the internal control and risk management environment within the Bank and to make the factors that will ensure the efficient functioning of these functions effectively. The recommendations of the auditors and the conclusions they reach are shared with T-Bank Senior Management and the Audit Committee, turning them into a guide covering the decision-making processes. Actions based on the results of the audit process are implemented meticulously and monitored systematically.

T-Bank's internal audit activities are aimed to be compatible with international professional auditing standards. This main criterion also guides the work of the Internal Audit Department. The audits included in the 2023 audit plan, which were implemented within the framework of a risk-based approach and approved by the Bank's Board of Directors, were completed on time. In addition, all processes of the Bank were reviewed with the audits carried out within the scope of the Management Statement. In addition, the audit performances of the units or processes whose audits were completed were also measured with analytical audit notes. Units or processes with below-average audit grades were reviewed more intensively during the preparation phase of the annual audit plan. Benefiting from the information systems at the maximum level in audit studies also provides increased efficiency and productivity.

Putting the professional development of its employees at the top of the list of priorities, T-Bank continues to support in all circumstances the acquisition of certificates that will contribute to the audit quality of the auditors working under the Internal Audit Department and reinforce compliance with international auditing standards.

Two of the members of the Internal Audit Department has Certified Internal Auditor (CIA) certificates and Capital Market Activities Level 3 licence, one has Certified Information Systems Auditor (CISA) and Certified Internal Control Specialist (CICS) License. Thanks to this competent group of qualified audit professionals, T-Bank has an effective internal audit function.

## **Compliance**

The Compliance Department provides consultancy on these risks in order for the Bank to effectively manage the "Compliance Risks" determined within the framework of the regulations determined by the local authorities and the recommendations developed by the international authorities, and it also carries out activities related to monitoring these risks and reporting them to relevant parties when necessary.

The Compliance Department carries out its operations as the Legislation Compliance Unit and the AML/CTF Unit. The Legislation Compliance Unit follows the newly published/updated legislation, ensures that it is reflected in the internal practices of the Bank by announcements and directions it makes, answers the questions regarding the legal regulations directed by the departments, and takes part in these processes with its opinions and suggestions for the development of banking products to be offered to customers in accordance with the legislation.

The AML/CTF Unit, on the other hand, carries out monitoring and control activities by making use of technological opportunities with a risk-based approach, within the framework of the Laws No. 5549, 6415, 7262 and their sub-regulations, and the recommendations published by reputable institutions known in the international arena on the prevention of money laundering and financing of terrorism. In addition, the Bank provides its employees with the necessary training to increase their awareness in the field of AML & CFT regarding their areas of responsibility.

The head of the Compliance Department is also a "Compliance Officer" authorized by the Board of Directors to fulfill the duties and responsibilities stipulated in the Regulation on the Program of Compliance with the Obligations Regarding the Prevention of Laundering of Proceeds of Crime and the Financing of Terrorism No. 5549, and he/she has Anti-Money Laundering Specialist (CAMS) certificate.

## **Internal Control**

The main purpose of the Internal Control Department is to ensure that the Bank's activities are carried out within an effective, efficient and strong internal control environment within the framework of local legislation and recommendations developed by international authorities.

The Internal Control Department carries out its activities as a part of the Bank's internal control system, on-site and remote second-level control activities for branches and General Directorate units. The designed control activities are carried out by internal control personnel, who are competent and experienced in their fields, through the activities carried out centrally at the branches and the General Directorate. The work carried out by the Internal Control Department contributes significantly to keeping the losses arising from operational risks at low levels and to continuing the Bank's activities in an efficient, legally compliant and effective control environment.



Findings and risks identified as a result of the inspection and control activities carried out throughout the year are shared with the relevant units, reported to the Senior Management, and presented to the Audit Committee through the quarterly activity reports.

Some of the Internal Control Department officers have Certified Information Systems Auditor (CISA), Certified in Risk and Information Systems Control (CRISC), Certified Information Security Manager (CISM), Certification in Control Self-Assessment (CCSA), Certification in Risk Management Assurance (CRMA) certificates and Capital Market Activities Level 3 certificates.

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**DELOITTE**

## **INDEPENDENT AUDITORS' REPORT**

### **ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS**

To the General Assembly of Turkland Bank A.Ş.

#### **1- Limited Positive Opinion**

Since we have audited the full set of financial statements of Turkland Bank A.Ş. ("The Bank") for the 01/01/2023–31/12/2023 accounting period, we have also audited the annual activity report for this accounting period.

In our opinion, the unconsolidated financial information included in the annual activity report of the board of directors and the Board of Directors' examinations regarding the status of the Bank and the Group are consistent with the audited full set of unconsolidated financial statements and the information we obtained during the independent audit, in all material respects, and reflect the truth except for the effects of the matter specified in the Basis for the 'Limited Positive Opinion' paragraph in the Independent Auditor's Report dated March 15, 2024.

#### **2- Basis of the Limited Positive Opinion**

As stated in the footnote numbered II.8.e.2 of Section Five, the attached unconsolidated financial statements prepared as of December 31, 2023 include a free provision of TL 100,000 thousand, which was written off as an expense by the Bank's management in the current period due to the possible effects of negative developments that may occur in the economy and markets, outside the provisions of the BRSA Accounting and Financial Reporting Legislation. If the relevant free provision had not been set aside as of December 31, 2023, other provisions would have been TL 100,000 thousand less and the net profit for the period would have been TL 100,000 thousand more.

The independent audit we conducted is in accordance with the "Regulation on Independent Audit of Banks" published in the Official Gazette dated April 2, 2015 and numbered 29314, and conducted in accordance with the Independent Auditing Standards (IAS) which is a part of the Turkish Auditing Standards published by the Public Oversight, Accounting and Auditing Standards Authority (KGK). Our responsibilities under these Standards are explained in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Annual Activity Report section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Independent Auditors issued by the KGK (Code of Ethics) and the ethical provisions in the legislation on independent auditing. We have also fulfilled other responsibilities related to ethics within the scope of the Code of Ethics and legislation. We believe that the independent audit evidence we obtained during the independent audit provides a sufficient and appropriate basis for forming our opinion.

### **3- Our Audit Opinion on Non-Full Set Consolidated Financial Statements**

We hereby express a limited positive opinion in our auditor's report dated March 15, 2024, on the non-full set of consolidated financial statements of the Bank for the accounting period 01/01/2023–31/12/2023, due to the matters set forth in the Basis for Limited Positive Opinion paragraph.

### **4- Responsibility of the Board of Directors for the Annual Report**

The Bank management is responsible for the following in relation to the annual report according to the Articles 514 and 516 of the Turkish Commercial Code (TCC) numbered 6102 and the provisions of the “Regulation on the Procedures and Principles Regarding the Preparation and Publication of the Annual Report by Banks” (“Regulation”) published in the Official Gazette dated 1 November 2006 and numbered 26333:

- a) It prepares the annual report within the first three months following the balance sheet day and submits it to the general assembly.
- b) It prepares the annual report in a way that accurately, completely, directly, truthfully, and honestly reflects the flow of the bank's activities for that year and its financial situation in all aspects. In this report, the financial situation is evaluated according to the financial statements. The report also clearly indicates the development of the bank and the possible risks it may face. The evaluation of the board of directors regarding these issues is also included in the report.
- c) The annual report also includes the following:
  - Events of special importance occurring in the bank after the end of the operating year,
  - Bank's research and development activities,
  - Financial benefits such as wages, premiums, bonuses and allowances, travel, accommodation and representation expenses, in-kind and cash benefits, insurance, and similar guarantees paid to the members of the board of directors and senior executives.

While preparing the annual report, the Board of Directors also takes into account the secondary legislation regulations made by the Banking Regulation and Supervision Agency, the Ministry of Commerce, and related institutions.

### **5- Responsibility of the Independent Auditor for the Independent Audit of the Annual Report**

Our aim is to give an opinion on whether the unconsolidated financial information included in the annual report and the examinations made by the Board of Directors are consistent with the audited unconsolidated financial statements of the Bank and the information we obtained during the independent audit and reflect the truth and to issue a report involving our opinion within the framework of the provisions of the TCC and the Regulation.

Our independent audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published in the Official Gazette No. 29314 dated April 2, 2015, and Independent Auditing Standards. These standards, by complying with ethical provisions, require the independent audit to be planned and conducted in order to obtain reasonable assurance whether the unconsolidated financial information in the annual report and the analysis made by the Board of Directors are consistent with the unconsolidated financial statements and the information obtained during the audit and whether they reflect the truth.

The accountable auditor who has conducted and concluded this independent audit is Mehmet Erol.

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

Mehmet Erol, Certified Public Accountant  
Cap Auditor

İstanbul, March 22, 2024

**TURKLAND BANK A.Ş. FOOTNOTES CONCERNING  
THE INDEPENDENT AUDIT REPORT, THE UNCONSOLIDATED  
FINANCIAL STATEMENTS AND THE FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2023**



## FIVE-YEAR SUMMARY FINANCIAL INFORMATION

<b>/000 TL</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>December 31, 2019</b>
Total Assets	16,897,949	7,438,727	5,078,035	3,067,706	3,900,559
Loans	9,350,304	3,462,018	2,335,648	1,681,078	1,723,601
Securities Portfolio	1,338,749	1,825,396	860,002	19,787	940,234
Total Deposits	14,791,508	5,645,316	3,453,840	2,279,998	3,105,091
Loans Obtained	-	-	-	262	6,547
Equity	1,078,442	650,171	537,864	480,991	112,377
Guarantees	2,703,856	1,610,517	1,655,716	1,308,632	1,323,483
Net Interest Income	(34,847)	219,244	130,944	105,345	4,772
Net Commission Income	136,545	36,593	19,054	21,616	26,573
Profit/(Loss) Before Tax	439,953	147,680	75,448	39,136	(440,999)
Net Profit/(Loss)	434,953	124,653	60,270	20,080	(447,917)
	<b>December 31,</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>December 31,</b>
<b>%</b>	<b>2023</b>				<b>2019</b>
Capital Adequacy Ratio	15.2	13.8	17.3	17.4	15.5
RoA	3.2	1.9	1.7	0.6	(12.1)
RoE	39.2	19.5	11.0	4.3	(167.7)
Loans/Deposit	63.2	61.3	67.6	73.7	55.5
Loans/Total Assets	55.3	46.5	46.0	54.8	44.2
Liquid Assets/Total Assets	20.8	13.0	18.2	20.4	7.8
NPL (net)/Total loans (net)	2.2	10.9	21.6	25.9	25.4
NPL (net)/ Total assets	1.2	5.1	14.2	11.2	10.8

### **Financial situation assessment**

In 2022, T-Bank's assets are TL 16,898 Mio, cash loans are TL 9,350 Mio, and sureties are TL 2,704 Mio.

In 2023 its securities portfolio is TL 1,339 Mio. Its deposit volume is TL 14,792 Mio 2023.

Having made a net profit of TL 125 Mio in 2022, the Bank ended 2023 with a net profit of TL 435 Mio.

### **Loan risk and capital adequacy**

The legal limit of the Capital Adequacy Ratio is 8%, and the Bank's Capital Adequacy Ratio was 15.2% as of December 2023. The share of non-performing loans in total loans is 5.78%, and the provisioning ratio for non-performing loans is 63.01%.

### **T-Bank Credit Ratings:**

#### **FC**

Long Term / Short Term / Outlook B / B / Negative

#### **TL**

Long Term / Short Term / Outlook B / B / Negative

#### **National**

Long Term/Outlook/ Financial Capacity/Support BBB+(tur) / Negative / ccc+ / 4

#### **Country Risk**

Long Term FX/Long Term Local Currency/Outlook BB- / BB- / Negative

T-Bank's credit ratings are determined by Fitch Ratings.

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## BRANCH ADDRESS AND TELEPHONE NUMBER

Head Office	Address	City	Telephone
	19 Mayıs Mah. 19 Mayıs Cad. Şişli Plaza A Blok No: 7 34360 Şişli	İstanbul	0212 368 34 34
Branch Name	Address	City	Telephone
Adana	Kurtuluş Mah. Atatürk Cad. Mehmet Sümer Apt. No: 81/A Seyhan	Adana	0322 459 35 00
Antalya	Sinan Mah. Ali Çetinkaya Cad. No:12 /B Muratpaşa	Antalya	0242 243 51 50
Bakanlıklar	Kavaklıdere Mah. Atatürk Bulvarı No 185 06680 Çankaya	Ankara	0312 419 67 14
Bursa	İhsaniye Mahallesi, İzmir Yolu Caddesi, Atalay 7. Sitesi B Blok No: 114/A Nilüfer	Bursa	0224 222 57 57
Caddebostan	Bağdat Caddesi Pamir Apt. No: 251- 2/4 Göztepe - Kadıköy	İstanbul	0216 386 81 81
Denizli	Saraylar Mah.2. Ticari Yol Durmu Ali Çoban İş Merkezi No: 31 Merkez	Denizli	0258 261 33 60
Etiler	Etiler Mah. Nispetiye Cad. No: 85/A 34342 Beşiktaş / İSTANBUL	İstanbul	0212 257 40 31
Gaziantep	İncilipınar Mah. Muammer Aksoy Bulvarı No 18/C Şehitkamil	Gaziantep	0342 232 29 00
İzmir	Cumhuriyet Bulvarı Erboy İşhanı No 82/A Pasaport - Konak	İzmir	0232 489 11 33
Konya	Musallabağları Mah. Nalçacı Cad. No 88/A Selçuklu	Konya	0332 233 63 30
Şişli	19 Mayıs Mah. 19 Mayıs Cad. Şişli Plaza A Blok No: 7 34360 Şişli	İstanbul	0212 282 44 00
Merkez	19 Mayıs Mah. 19 Mayıs Cad. Şişli Plaza A Blok No: 7 34360 Şişli	İstanbul	0212 368 35 60





ANNUAL REPORT  
2023