OYAK ANKER BANK

2023
ANNUAL REPORT

OYAK ANKER Bank

OYAK ANKER Bank has been providing reliable and co-operative financial services for over 60 years. From the very beginning, the bank has offered a wide range of loan and deposit products for companies, financial institutions and private customers.

It has always managed to adapt quickly to new technological and other challenges, both today and in the future.

Contents

DIGITAL. INNOVATIVE. ROBUST.

Transparency and flexibility are the cornerstones of our banking philosophy - created for customers who expect more. We are continuously developing our products and services to keep our finger on the pulse of the times and always be one step ahead of our customers‘ needs.

We are setting standards in the digital age: we use state-of-the-art technology to create a new level of individuality and convenience for our customers. Our understanding of digitalisation is not just in keeping with the times – It is forward-looking. This is how we design banking solutions that not only inspire today, but also open up new possibilities tomorrow.

The strength of OYAK ANKER Bank is based on over 60 years of experience and in-depth expertise in Germany and Europe. As part of the globally networked and operating OYAK Group, we have access to a unique pool of expertise, resources and synergies. We are therefore ideally positioned to combine stability and innovative strength and to offer our customers solutions that meet the highest requirements today and in the future.

History & Milestones

The history of OYAK ANKER Bank is closely intertwined with the daily lives of people in Germany. Beyond its products and services, the bank has always maintained a strong connection with its customers. The path of OYAK ANKER Bank over 64 years is a reflection of German history.

Well-prepared for future challenges and customer expectations, we want to make a contribution to Germany‘s prosperity, economic success and social progress.

1958
Foundation as „ATB Bank“

1981
Membership in the Deposit Protection Fund

1989
Renaming into „Anker Bank“

1996
Bank becomes part of the OYAK Group

2006
New head office in Frankfurt/Main

2018
Successful introduction Trade finance / FI

2023
Digital transformation: Digital. Innovative. Robust.

Order, Vision & Values

Values
OYAK ANKER Bank stands for transparency, integrity and a high sense of responsibility towards customers and employees. Their satisfaction is our benchmark for success. Competition and fairness characterise our corporate identity, as do our standards of innovation and excellence.

Mission
OYAK ANKER Bank is committed to fulfilling individual customer needs and strives to exceed expectations. Through a comprehensive range of flexible, customer-centric products and services, the bank continuously supports its customers throughout all stages of their lives.

Vision
OYAK ANKER Bank aims to create sustainable added value for its customers, business partners and employees. It provides a wide range of high-quality financial products and is committed to its social responsibility mandate. The bank is orientated towards long-term values and strives for a leading position in the areas of product diversity, innovation and future security. The strong professional expertise of its employees ensures a consistently high level of quality that is characterised by consistent customer orientation.

Strategy

Digitalisation
Implementing digital transformation to keep pace with the evolving ecosystem and be a bank that prioritises the „digital approach“

Trade finance
Focusing on the expansion of trade finance in the Corporate Banking division

Growth in the Treasury / Financial Institutions segment
Development of new business areas in the field of Treasury / financial institutions

ESG

Environment
Alignment with the Paris Climate Agreement

Social affairs

Fostering a multicultural work environment that emphasises diversity

Governance

Reorganisation of the risk management policy and procedure in accordance with the ESG regulations

Business areas

Treasury & Financial Institutions

The Treasury & Financial Institutions division is responsible for the bank's asset and liability management and effectively hedges interest rate and currency risks. OYAK ANKER Bank attaches particular importance to expanding its correspondent bank network in order to support export and import customers in hedging and financing international trade transactions. Close co-operation with partner banks in Europe, America and the MENA region ensures optimal financial support for global business activities.

Corporate client business

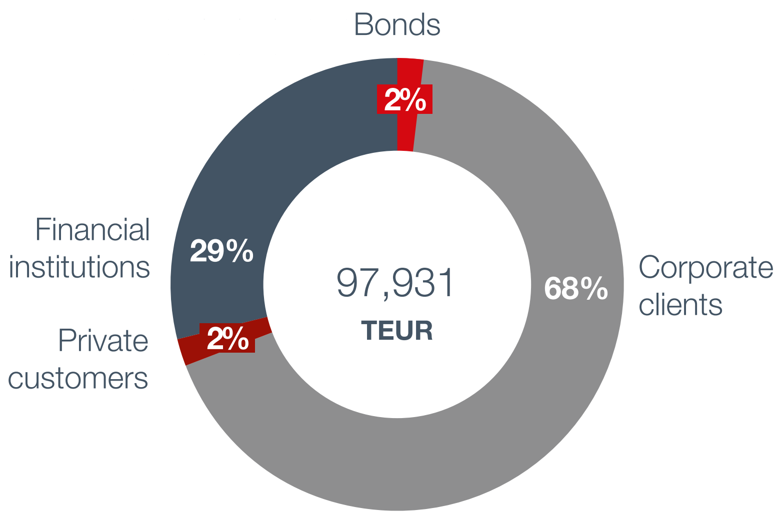
As an experienced partner, OYAK ANKER Bank provides European and international companies with a comprehensive range of products in the corporate customer business. From trade finance and working capital loans to the processing of specific payment requirements, the bank offers customised solutions that are tailored to the individual needs of business customers.

Retail Banking

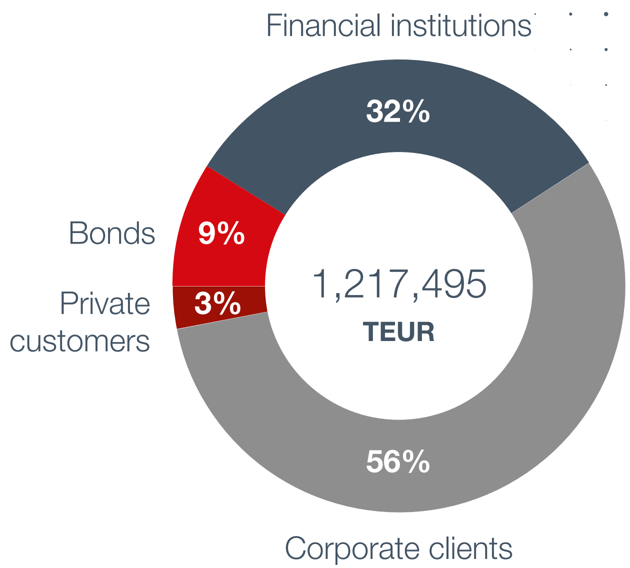
OYAK ANKER Bank places great emphasis on creating optimal customer experience, improving accessibility and developing customised financial products that are seamlessly tailored to the individual needs of its customers. In addition, the firm commitment to introducing state-of-the-art digital financial processes has resulted in greater convenience and empowerment for OYAK ANKER Bank's valued customers.

Key digits

Results by business segment of
OYAK ANKER Bank



Interest income



Total interest-bearing assets

Key financial figures	2023	2022
Balance sheet figures	TEUR	TEUR
Cash contribution	10,983	9,562
Financial institutions	444,734	566,911
Bonds	103,538	136,804
Loans to corporate clients	647,280	662,930
Loans for private customers	37,473	56,651
Balance sheet total	1,253,798	1,440,682
Risk-weighted assets	506,269	569,003
Deposits	1,092,080	1,252,057
Total capital	155,307	147,911
Net income for the year	7,396	1,749
Ratios		
ROE	5.00%	1.20%
ROAA	0.55%	0.13%
CIR	45.25%	67.22%
NPL net	0.30%	0.52%
CET-1	26.35%	23.90%
LCR	528.33%	599.27%

OYAK Group

As part of the global OYAK Group, OYAK ANKER Bank benefits from its sustainable economic strength. OYAK was founded in 1961 as an independent company and is the first and largest private pension fund in Turkey.

15.52 **billion USD** Total income	4.6 **billion USD** Export	470,484 **Quantity** Members
28.72 **billion USD** Total assets	25 **Countries** Subsidiaries	38,796 **Quantity** Employees

With their products, sales, exports and taxes paid, OYAK companies are increasingly contributing to the added value of their domestic economy.

Investments & Industry

Automotive & Logistics

Leader in overall Turkish automotive production with 34% market share / 1st place in Turkish automotive exports / 8 Subsidiaries

Cement, concrete & paper

Market leadership in Turkey, Portugal, Cape Verde, Ivory Coast, Romania, Netherlands, Turkish Republic of Northern Cyprus and in Africa / 6 subsidiaries

Chemistry

Active in 5 different regions with 14 integrated plants / 8 subsidiaries

Agriculture

67 years on the market more than 300 products / 4 subsidiaries

Energy

covers 3% of Turkey‘s total energy requirements / 5 subsidiaries

Finance

Provision of corporate finance services, financial and investment advisory services, asset management as well as insurance and reinsurance brokerage services for the domestic market / OYAK ANKER Bank GmbH provides retail and corporate banking services in Germany / 5 subsidiaries

Iron & Steel

4th place in the EU and 9th place in Europe / exports to more than 30 countries worldwide / 8 subsidiaries

Facts & Figures

PREFACE BY THE CHAIRMAN OF THE SUPERVISORY BOARD

Ladies and Gentlemen,

The year 2023 has once again shown us that change and growth can go hand in hand. In a time full of global dynamics and economic challenges, OYAK ANKER Bank not only demonstrated stability, but also asserted itself on the market as an innovative and reliable partner.

Despite a challenging economic environment by volatile markets and rising interest rates, we held our own as a bank. Thanks to our forward-looking strategy and clear decision-making, we were able to further expand our stability and competitiveness.

A particular focus in 2023 was again on our digitalisation strategy. By continuously investing in innovative technologies and processes, we have further improved our standards and created the basis for even closer and more efficient communication with our customers. Our progress in this area not only strengthens our competitiveness, but also reinforces our claim to play a pioneering role in digitalisation.

Sustainability remains a core pillar of our actions. Over the past year, we have intensified our efforts to integrate environmental and social responsibility into our business practices. With innovative approaches and long-term solutions, we are making an active contribution to a more sustainable future - for our customers, society and the environment.

Our success is based on the exceptional commitment of our employees and the loyalty and reliability of our staff.

We appreciate the outstanding work of OYAK ANKER Bank's management team, which continued to guide the company safely through a complex environment in 2023 and strategically aligned it for the future.

With this strong foundation, we are optimistic about the future. Together with our partners and our team, we will tackle the challenges of the coming years with determination and continue to work on shaping successful and sustainable development.

Yours sincerely,

I. Emrah Silav
CHAIRMAN OF THE SUPERVISORY BOARD

PREFACE BY THE MANAGEMENT BOARD

Ladies and Gentlemen,

2023 was another year of change and opportunity for OYAK ANKER Bank. In the midst of a dynamic market environment, we further strengthened our position and achieved important milestones. Our ability to respond flexibly and decisively to change has enabled us not only to overcome challenges, but also to promote sustainable growth.

Our strategic focus on a strong core business and our ongoing digitalisation initiatives were once again key drivers of our success. We made further progress in 2023, particularly in the optimisation of digital processes and the development of innovative services. These measures not only helped us to exceed our customers' expectations, but also to increase our efficiency and competitiveness.

Another highlight of the past year was the targeted expansion of our trade finance activities in the Financial Institutions division and the introduction of new risk-based approaches to pricing. These developments have strengthened our market presence and underlined our ability to offer customised solutions for our clients worldwide.

Behind every success are our dedicated employees. Their tireless commitment and expertise are the basis for our continued strength and innovative power. We would like to express our sincere thanks to them. We would also like to thank our customers, partners and service providers for their trust and cooperation.

Shaping a sustainable future remains a key component of our corporate philosophy. In 2023, we have defined our sustainability.

We continued to push ahead with our sustainability goals and launched new initiatives to combine economic success with social responsibility. Our goal remains to create long-term added value for our customers, our partners and the community.

We look forward to 2024 with optimism and a clear view of the future. Together, we will continue to work on seizing new opportunities and driving forward sustainable development.

Yours sincerely,

Dr. Süleyman Erol
MEMBER OF
MANAGEMENT BOARD

Ümit Yaman
MEMBER OF
MANAGEMENT BOARD

SITUATION REPORT

1 Business and general conditions

OYAK ANKER Bank GmbH, originally founded in 1958 as a general instalment bank in Koblenz, has a long and dynamic history. Since 1981, the Deposit Protection Fund of the Association of German Banks e.V., protects the deposits of our customers. The transformation from ATB Bank to Anker Bank in 1989 following the takeover by Omnium Genève S.A. marked an important milestone. Another significant development was the takeover by the OYAK Group in 1996, which gave us our current name. The OYAK Group, Turkey‘s leading private pension fund since 1961, forms the solid foundation of our bank. We draw our strength from the combination of over 60 years of experience in Germany and Europe with the global reach and resources of the OYAK Group. This enables us to offer our customers tailor-made solutions in international trade and specialised financial services such as trade finance and documentary business.

With its three business segments Retail Banking, Corporate Banking and Treasury/Financial Institutions, OYAK ANKER Bank GmbH offers a comprehensive portfolio of financial services tailored to the needs of its customers. With its Retail Banking division, the Bank has successfully positioned itself as an online direct bank and offers its customers a comprehensive portfolio of deposit and loan products in Euros.

In the Corporate Banking division, the Bank acts as a bridge for financial transactions between Turkish companies and their business partners in Europe. The Bank offers support for international trade transactions with a customer focus in Germany, Europe and Turkey and provides its customers with a wide range of trade financing, import/export letters of credit, factoring, forfaiting and import/export financing.

A representative office was opened in Istanbul in 2016 to support the Bank in terms of communication, maintaining contacts, market research and sales. It is part of the strategy and provides the Bank with economic information about the market in Turkey as well as Turkish and European clients based in Turkey (both corporate and financial institutions).

The Treasury/Financial Institutions business division is responsible for asset and liability management.

The Bank‘s activities are focused on liquidity management, including refinancing and the investment of liquid funds, including money market transactions. In addition, the Bank engages in active bond portfolio management with an investment focus on European corporate and government bonds. In addition to diversifying the risk of the loan portfolio, the primary objective is to generate interest income and manage liquidity. As part of this management, the Bank deliberately enters into positions with maturity transformations. In addition to the traditional treasury tasks, the focus is on high-margin business with Turkish commercial banks, both at bilateral business level and through participation in syndicated loans. The business relationship with corporates results in focus on factoring business, foreign exchange transactions for leasing companies, bill of exchange business and refinancing transactions.

In the Financial Institutions division, the Bank offers its customers a wide range of trade and export finance products in Europe and worldwide. In this context, the Bank can utilise synergy effects from the OYAK Group. The focus is on transactions in the core currencies USD and EUR. In principle, transactions in TRY, GBP, AUD and CHF are also possible. The Bank is also increasingly active in the settlement of the Group‘s trading transactions and also supports the Group‘s cash management, which is profitable for the bank.

1.1 Control system

In our bank's management system, we measure our success using the following key performance indicators and ratios, which are essential for evaluating our financial stability and efficiency:

- Return on equity (RoE): This key figure reflects the bank's ability to generate profit from the equity capital employed. It is a measure of profitability and capital efficiency. It is calculated by dividing profit by average equity excluding retained earnings.
- Regulatory core capital ratio (Tier 1 capital ratio)[1]: This ratio is an indicator of the bank's financial strength and measures the share of core capital in risk-weighted assets. It is decisive for the assessment of capital adequacy and risk-bearing capacity. The ratio is derived from the statutory requirements.
- Cost-income ratio (CIR): This key figure shows the ratio of administrative expenses[2] to net income[3]. It provides information on the efficiency of the bank in managing its operating costs in relation to the income generated. Administrative expenses are measured in relation to income from banking operations

By continuously monitoring and analysing these key figures, we ensure the long-term financial health and competitiveness of our bank.

1.2 Employees

At the end of 2023, our Bank recorded an increase in the number of employees to 71, compared to 65 in the previous year. This included 6 student trainees, a slight increase from 5 in the previous year, while the number of employees at our subsidiary, Verrechnungsstelle für gewerbliche Wirtschaft GmbH, remained constant at 2. The conversion into full-time equivalents (FTE) shows a personnel volume of 62.59 FTEs, an increase from 57.45 FTEs in the previous year, whereby 0.3 FTEs were attributable to the clearing centre, compared to 1.15 FTEs in the previous year.

The Bank continues to face challenges due to the demanding market environment, strategic realignment, growing regulatory requirements and the need for digitalisation. The adjustments we have made to our processes and human resources are decisive steps towards securing our future viability.

In addition, the labour market in the Rhine-Main region is increasingly picking up, which increases the risk of employee turnover. In view of the labour market, particularly for highly qualified professionals and specialists in the financial sector, we have optimised our personnel strategy in a targeted manner. These measures serve to secure the long-term competitiveness and innovative strength of our Bank.

2 Economic report

2.1 Global economic growth

By the end of 2023, the economic outlook was cautious at best. The US economy is losing momentum, Europe is in a phase of stagnation or possibly mild recession, while China is struggling with significant structural challenges. The central banks' more restrictive stance in 2023 is not expected to have its full impact on many borrowers until 2024.

Export-dependent Germany is in mild recession, accompanied by political risks such as a possible election victory for Donald Trump in the USA in November 2024 and potential developments in the conflict between Russia and Ukraine, and even, in an extreme case, a Chinese attack on Taiwan.

In addition, a declining inflation trend strengthens the purchasing power of consumers and enables central banks to return to a less restrictive monetary policy.

Despite structural bottlenecks in the labour market, unemployment is only expected to rise to a limited extent, even during the economic downturn. This

1 The tier 1 ratio is equal to the total capital ratio

2 From personnel expenses, other administrative expenses and depreciation and amortization of property, plant and equipment and intangible assets

3 From interest and commission income

dampens potential downside risks for consumer confidence and private consumption. The fall in oil[4] and gas prices towards the end of 2023 to a more moderate level will also strengthen consumer purchasing power and reduce costs for companies. Global economic growth is therefore expected to stagnate at 3.1%[5] in 2024 and 3.2% in 2025, following 3.1% in 2023.

Following growth of 2.5%[6] in 2023, economic growth in the US is expected to be significantly lower in 2024 at 1.5%[7] and at 1.7%[8] in 2025. This is primarily due to the still high key interest rates, which have been raised by the US Federal Reserve by 5.25%[9] since the beginning of 2022, and the associated dampening effect on the economy. Despite a significant easing of inflationary pressure and the expected first interest rate cuts in 2024, the US economy could slip into recession due to the downstream effect of monetary policy. The labour market remains very stable and, taking into account a demographically induced shortage of labour in the coming years, we expect a „soft landing" in the US.

The property sector in China is still in the midst of a correction, which is affecting other sectors of economy. Insecure consumers tend to save rather than stimulate the economy through spending. Youth unemployment in China's cities has risen to over 20%([10]). Under the leadership of state and party leader Xi Jinping, China has restricted the room for manoeuvre for private companies in recent years and subordinated the economy more strongly to political objectives. Against the backdrop of these factors, the gross domestic product rose to 5.2% in 2023[11]. In 2022, this decline amounted to 3.0%[12] We forecast economic growth of 4.6% for 2024[13] and an increase of 4.1% for 2025[14].

4 Bloomberg, CL1
5 IMF, "World Economic Outlook Growth Projections"
6 IMF, "World Economic Outlook Growth Projections"
7 https://www.oecd.org/economic-outlook/november-2023/
8 https://www.oecd.org/economic-outlook/november-20223/
9 https://www.leitzinsen.info/usa.htm
10 https://www.nzz.ch/international/china-warum-ist-die-jugendarbeitslosigkeit-so-hoch-nzz-ld.1752728
11 https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
12 Bloomberg, ECFC
13 https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
14 https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024

2.2 Prospects for Germany

In 2023, German GDP fell by 0.3%[15]. This was mainly caused by continued significantly high inflation and deteriorating financial conditions due to rising interest rates. Weak demand both at home and abroad also contributed to this, as did the overall economic policy uncertainty. Economic activity fell by 0.3%[16] in the 4th quarter of 2023 compared to the previous quarter, adjusted for price, seasonal and calendar effects.

Moderate growth in global trade is the main factor in favour of a slight recovery in 2024 of an expected 0.5%([17]). In addition, the significant fall in inflation should sustainably support household purchasing power. At the same time, the slowdown in the creation of new jobs and lower wage increases will limit the potential for recovery in consumer spending. In addition, industrial production is expected to be weak at -1.0%[18] over the course of the year.

We forecast that the current disinflation trend will continue in 2024 and 2025, with consumer prices expected to rise by 2.6%[19] year-on-year in 2024 and by 2.2%[20] in 2025. The European Central Bank will support this trend with the expected - up to four interest rate cuts over the course of 2024[21]. In addition to lower energy and food prices, disinflation is expected to continue across all expenditure categories. Early indicators of the pricing process, such as producer and import prices, support this assumption.

We expect the federal government to adopt a more restrictive fiscal policy stance in 2024, in particular due to the increased uncertainty following the

15 DB Outlook 2024Germany, p.2
16 https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_038_811.html
17 https://www.imf.org/en/Publications/WEO/Issues/2024/01/30/world-economic-outlook-update-january-2024
18 Bloomberg(ECFC)
19 DB Outlook 2024Germany p.2
20 Bloomberg, ECFC
21 https://www.wiwo.de/politik/konjunktur/geldpolitik-volkswirte-erwarten-vier-zinssenkungen-der-ezb-im-year-2024/29601024.html

judgement of the Federal Constitutional Court (BverfG) regarding the use of off-balance sheet funds and thus the federal budget. This change of course is also likely to be due to the expiry of some fiscal expenditure, such as the price brakes on natural gas and electricity for private households.

Without a renewed suspension of the debt brake in 2024, political decision-makers could be forced to cut spending further and raise taxes, which could have a negative impact on Germany‘s economic development overall.

2.3 Turkey

Turkey, and the Turkish Central Bank in particular, has returned to a more conventional and consistent economic policy over the past year, primarily aimed at curbing inflation, reducing risks to financial stability and restoring investor confidence. The Turkish Central Bank has gradually raised its key interest rate from 8.5%[22] in March 2023 to 45%[23] in February 2024. Inflation in Turkey was 64.8%[24] in December 2023 as compared to the previous year.

The Turkish economy grew by 4.5%[25] in 2023.The growth is mainly driven by domestic demand, which is supported by an expansive monetary and fiscal policy. Overall, it is expected that the contribution of domestic demand to overall growth will be significantly lower after the municipal elections in 2024 due to a tighter monetary policy and possibly further austerity measures.

According to the OECD, GDP growth is expected to fall to 2.9%[26] in 2024, mainly due to lower household consumption as a result of tighter financial conditions, subdued economic sentiment and high inflation. For 2025, the OECD expects a growth of 3.1%[27], which is primarily due to increased investment in reconstruction following the earthquakes at the beginning of 2023. According to the World Bank, however, the Turkish economy will grow by up to 3.9%[28] in 2025.

The outlook is primarily based on the assumption of further tightening of monetary policy and gradual fiscal consolidation. In addition, wean improvement in financial stability, rising net exports, stronger support for exporters and reorientation of economic activity. Inflation is expected to gradually decline from the second half of 2024. Based on the above assumptions, headline inflation is expected to gradually decline over the forecast horizon to 55.7%[29] and 29.3%[30] in 2024 and 2025 respectively.

2.4 Financial institutions sector

The German banking sector recorded impressive profitability growth in 2023. Rising interest rates from the European Central Bank led to higher interest margins for banks and increased the sector‘s most important source of income, the net interest income. The slowing and diverging global economy will pose new challenges for the banking sector in 2024. Despite various downside risks, German banks are forecast to maintain stable profitability in 2024[31].

In view of the noticeable uncertainty in macroeconomic terms, there is an increased risk of market price corrections and resulting losses for banks. Banks‘ interest expenses are expected to rise further, as households and companies have already shifted money from sight deposits to higher-interest term deposits[32]. Higher interest rates will strengthen net interest income, but will have a negative impact on the quality of bank assets.

Although recent efforts to combat inflation in many countries have already begun

22 https://www.ceicdata.com/de/indicator/turkey/policy-rate

23 https://www.ceicdata.com/de/indicator/turkey/policy-rate

24 https://de.statista.com/statistik/daten/studie/987938/umfrage/monatliche-inflationsrate-in-der-tuerkei/

25 https://data.tuik.gov.tr/Bulten/Index?p=Quarterly-Gross-Domestic-Product-Quarter-IV:-October-December,-2023-53756&dil=2

26 OECD.(2023).OECD Economic Outlook, Volume 2023 Issue 2, No:114, OECD Publishing, Paris, pp.208-210

27 OECD.(2024).OECD Economic Outlook, Interim Report February 2024: Strengthening the Foundations for Growth, OECD Publishing, Paris, pp. 5-6.

28 World Bank.(2024).Global economic Prospects, January 2024, Washington, DC: World Bank, pp.61,64.

29 Bloomberg ,ECFC

30 Bloomberg ,ECFC

31 Fitch Ratings.(2023, December 6). Western European Banks Outlook 2024, p.5.

32 https://www.bundesbank.de/en/press/speeches/statement-at-the-presentation-of-the-deutsche-bundesbank-s-2023-financial-stability-review-918864

to bear fruit, additional risks such as disrupted supply chains, reorganization of trade relations and ongoing geopolitical tensions are weighing on global economic growth. In this context, central banks are expected to adjust their interest rate policies. For the eurozone, we expect first interest rate cuts in the course of 2024. Nevertheless, quantitative tightening measures are expected to reduce the global money supply overall.

In view of the macroeconomic environment and the associated high borrowing costs, credit growth is expected to be rather moderate. It is therefore likely that banks will maintain their restrictive lending standards. A short-term reduction in deposit interest rates is difficult due to increased customer expectations and fierce competition. This increase in costs faced by banks is putting pressure on margins overall.

In 2024, the focus will continue to be on prioritising and generating non-interest income in order to compensate for lower income in the interest business.

In order to further increase their competitiveness, banks will strengthen their cost discipline and make more forward-looking investments.

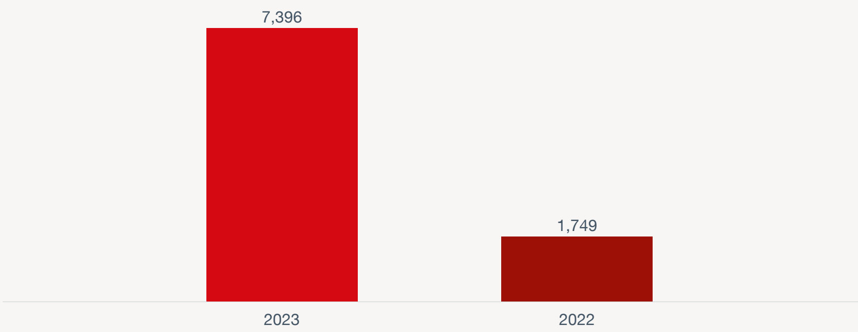
2.5. Position of the Bank

2.5.1 Earnings situation

A net profit of EUR 7,396 thousand was achieved in the financial year, a significant increase on the previous year‘s figure of EUR 1,749 thousand. The target return on equity of 5.31% was slightly underachieved at 5.0%, and the target profit of EUR 7.9 million was not quite achieved. The main reason for this is the creation of additional risk provisions.

In view of the economic situation in Turkey, the management decided to increase country risk provisions by EUR 4,611 thousand (previous year: EUR 1,779 thousand). Furthermore, EUR 1,610 thousand was recognised for specific valuation allowances and general valuation allowances for loans and guarantees, unchanged overall as compared to the previous year. In turn, EUR 581 thousand in general valuation allowances in accordance with BFA 7 reversed in 2023; in the previous year, EUR 1,296 thousand was recognised as part of the new introduction. A risk provision in accordance with Section 340f HGB of EUR 600 thousand was reversed, while a new risk provision in accordance with Section 340g HGB of EUR 934 thousand was recognised. This fully covers an equity investment resulting from a reorganization plan. The country risk provision now amounts to EUR 10,401 thousand (previous year: EUR 5,790 thousand). Net interest income, including income from equity investments and the profit transferred from the subsidiary VFG, increased by EUR 9,691 thousand to EUR 29,620 thousand (previous year: EUR 19,929 thousand). The average interest margin of the overall portfolio, excluding cash-covered loans, increased to 3.1% (previous year: 2.0%).

Net income for the year



In the 2023 financial year, we recorded a significant increase in our interest income from lending and money market transactions to EUR 96,357 thousand, as compared to EUR 46,681 thousand in the previous year. Interest income from cash-covered corporate client business in the gross amount of EUR 61,560 thousand (previous year: EUR 29,302 thousand) contributed to this development. The net interest income (interest income minus interest expense) from these transactions increased by EUR 607 thousand from the previous year’s figure of EUR 2,000 thousand to EUR 2,607 thousand.

Significant growth in interest income was achieved by our trade finance and letter of credit business segments with interest income of EUR 11,927 thousand (previous year: EUR 3,411 thousand) and income from syndicated loans to banks, which rose to EUR 8,902 thousand (previous year: EUR 4,458 thousand). Our overnight investments with the European Central Bank and correspondent banks made a positive contribution to net interest income of EUR 6,753 thousand (previous year: EUR 2,342 thousand). Fixed-interest securities contributed EUR 1,574 thousand (previous year: EUR 2,454 thousand) to the result, while income from profit pooling, profit transfer or partial profit transfer agreements increased to EUR 152 thousand (previous year: EUR 94 thousand).

Interest expenses rose to EUR 68,492 thousand (previous year: EUR 29,409 thousand), primarily due to liabilities to customers totaling EUR 66,658 thousand (previous year: EUR 29,368 thousand). In line with the increase in interest income, interest expenses for subordinated liabilities for cash-covered transactions also increased significantly, totalling EUR 58,953 thousand (previous year: EUR 27,302 thousand).

Other interest expenses increased to EUR 9,539 thousand (previous year: EUR 2,107 thousand).

In 2023, write-downs and value adjustments on receivables and certain securities as well as additions to provisions in the lending business contributed a loss of EUR 3,903 thousand (previous year: EUR 3,028 thousand). Net additions to specific valuation allowances and general specific valuation allowances remained constant at EUR 1,610 thousand. Utilisation of specific valuation allowances and write-downs amounted to EUR 5,821 thousand (previous year: EUR 2,707 thousand).

In addition, the country risk provision for Turkey increased by EUR 4,611 thousand and a general risk provision in accordance with BFA totalling EUR 581 thousand was reversed. The total balance of risk provisions increased by EUR 153 thousand (previous year: increase of EUR 1,660 thousand) due to various measures, including the creation of specific and general valuation allowances as well as country risk provisions.

In the reporting year, there was still no need for value adjustment for fixed- interest securities in fixed assets, as no permanent impairment was expected. Nevertheless, the bond portfolio recorded an unrealised loss of EUR 6,233 thousand, a significant improvement on the unrealised loss of EUR 11,425 thousand in the previous year.

Commission income rose significantly by EUR 1,516 thousand to EUR 2,387 thousand, mainly due to the increase in income from letter of credit provisions, which rose from EUR 1,501 thousand to EUR 2,029 thousand. At the same time, commission expenses fell by EUR 423 thousand to EUR 231 thousand, primarily due to lower expenses for brokered private customer loans, which fell from EUR 576 thousand to EUR 20 thousand.

General administrative expenses increased by EUR 981 thousand or 7.7% to EUR 13,734 thousand, while other administrative expenses showed the opposite trend, falling by 9.2% to EUR 6,529 thousand due to reduced consulting costs. Personnel expenses rose by EUR 1,642 thousand (29.5%) to EUR 7,204 thousand, with wages and salaries increasing by EUR 1,786 thousand to EUR 6,324 thousand, including one-off bonus payments for the 2022 and 2023 financial years.

In 2023, write-downs and value adjustments on investments and shares in affiliated companies and securities treated as fixed assets totalled EUR 777 thousand (previous year: EUR 0 thousand).

FX forwards were used to hedge against exchange rate risks from asset-side positions, resulting in expenses of EUR 1,399 thousand (previous year: EUR 1,653 thousand).

Other operating income decreased to EUR 142 thousand (previous year: EUR 315 thousand), mainly due to the reversal of provisions in the amount of EUR 81 thousand (previous year: EUR 218 thousand).

The cost-income ratio improved to 45.25% (previous year: 67.22%), exceeding the target of 49.33%. We expect a ratio of 50.71% for the coming year. The return on equity has improved to 5.0% (previous year: 1.20%). The projection for the end of 2023 was 5.31%. The main reason for the deviation is the country risk provisions recognised. For 2024, we expect 5.77% due to a stable interest rate level and significantly reduced risk costs.

2.5.2 Financial and liquidity position

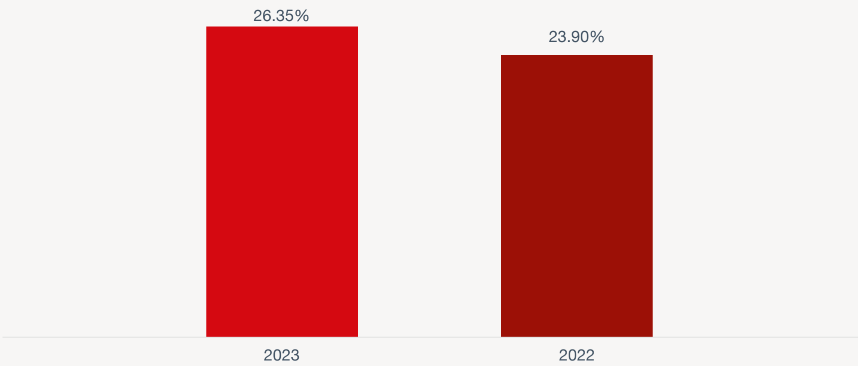
The bank ensured its solvency throughout the financial year in full compliance with the regulatory requirements. The Bank's liquidity was adequate at all times, managed and monitored through the use of a daily liquidity plan and regular liquidity forecasts. To ensure liquidity, the Bank actively utilised the option of depositing loan receivables and securities with Deutsche Bundesbank as eligible collateral.

As part of our strategy to ensure solvency at all times, cash and cash equivalents were planned and held accordingly. Compliance with the liquidity coverage ratio (LCR) in accordance with the Delegated Act (DA) was ensured at all times and ended the year with an LCR ratio of 528.33% (previous year: 599.27%). The net stable funding ratio

(NSFR) in accordance with Article 428b (2) of CRR II was 124.34% at the end of the year (previous year: 122.41%).

The regulatory total capital ratio and the Tier 1 capital ratio in accordance with the requirements of the Capital Requirements Regulation (CRR) totalled 26.35% at the end of 2023 (previous year: 23.90%). After finalisation, these ratios are expected to reach 27.76% (previous year: 24.21%), which exceeds the forecast of 23.04%, thanks to prudent management of the corporate client business and bank loans. For 2024, the capital planning forecasts a ratio of 25.04%.

Capital Ratio

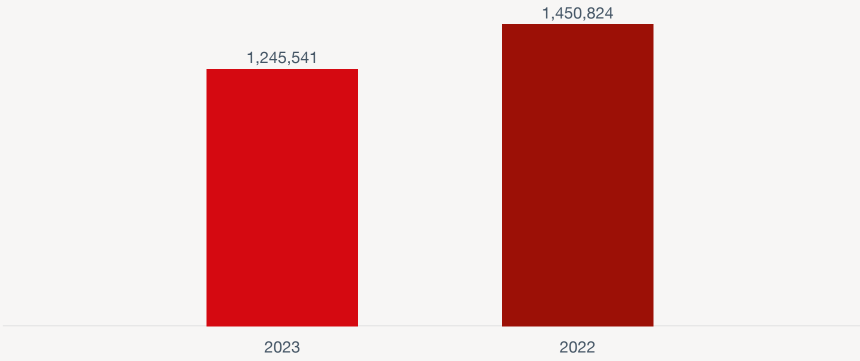


In accordance with the new Supervisory Review and Evaluation Process (SREP) requirements, the German Federal Financial Supervisory Authority (BaFin) has informed the Bank that a regulatory minimum capital ratio must be maintained. The Bank complies with this requirement, including the capital conservation buffer to be taken into account throughout the financial year. The internal minimum target ratio including the management buffer is 21.80% as at 31 December 2023, with a limit of 20.80% planned for 2024.

2.5.3 Financial position

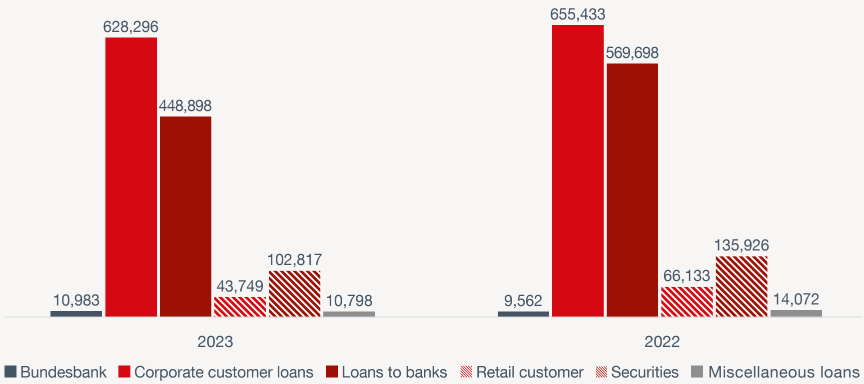
In 2023, total assets decreased by EUR 186,884 thousand to EUR 1,253,798 thousand (previous year: EUR 1,440,682 thousand). The reduction in total assets is due to the decrease in short-term deposits at the Bundesbank and the Geschäftsbank, as short-term customer deposits on the liabilities side have decreased.

Gross loan volume



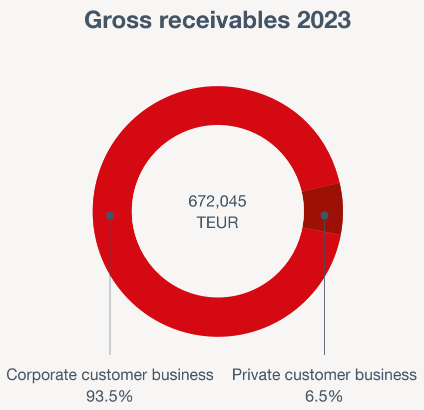
The gross loan volume of EUR 1,245,541 thousand on the reporting date was EUR 205,283 thousand lower than in the previous year (EUR 1,450,824 thousand). The gross loan volume is based on carrying amounts for loans, securities, equity investments, shares in affiliated companies and other assets and on credit equivalent amounts for derivatives. Unutilised credit lines and guarantees are also taken into account. Provisions, valuation allowances and other risk provisions as well as accrued interest are not included in the gross credit volume. The following figures relate to the gross credit volume.

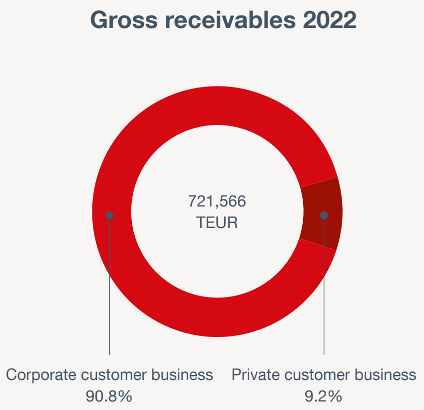
Gross loan volume



Gross receivables from central banks increased by EUR 1,421 thousand to EUR 10,983 thousand (previous year: EUR 9,562 thousand). This corresponds to an increase of 14.9%. This is due to the increase in minimum reserve holdings.

Gross receivables from banks decreased by EUR 120,800 thousand (-21.2%) to EUR 448,898 thousand (previous year: EUR 569,698 thousand). This development is mainly due to the decrease in short-term deposits with banks (-EUR 183,232 thousand) and the increase in trade financing (+EUR 70,633 thousand).





Gross receivables from corporate customers fell by EUR 27,137 thousand to EUR 628,296 thousand (previous year: EUR 655,433 thousand). This corresponds to a decrease of 4.1%. Cash-covered corporate client business increased by EUR 21,577 thousand to EUR 530,727 thousand (previous year: EUR 509,149 thousand). The volume of syndicated loans decreased by EUR 11,685 thousand to EUR 32,500 thousand (previous year: EUR 44,185 thousand) and other commercial loans by EUR 14,001 thousand to EUR 13,414 thousand (previous year: EUR 27,415 thousand). Financing in the leasing business fell by EUR 22,000 thousand from EUR 73,600 thousand to EUR 51,600 thousand. Receivables from business current accounts decreased by EUR 1,022 thousand to EUR 55 thousand (previous year: EUR 1,076 thousand).

As at the balance sheet date, the private customer business accounted for 6.5% (previous year: 9.2%) of gross receivables from customers. Receivables from private customers fell by EUR 22,384 thousand compared to the previous year and totalled EUR 43,749 thousand (previous year: EUR 66,133 thousand).

Overall, gross receivables from customers decreased by EUR 49,522 thousand (6.86%) to EUR 672,045 thousand (previous year: EUR 721,566 thousand).

Gross receivables from borrowers based in Turkey totalled EUR 538,704 thousand (previous year: EUR 487,586 thousand). Of this amount, receivables totalling EUR 141,654 thousand (previous year: EUR 134,422 thousand) were covered by cash collateral.

At the end of the year, gross securities totaling EUR 102,817 thousand (previous year: EUR 135,926 thousand) were held as fixed assets.

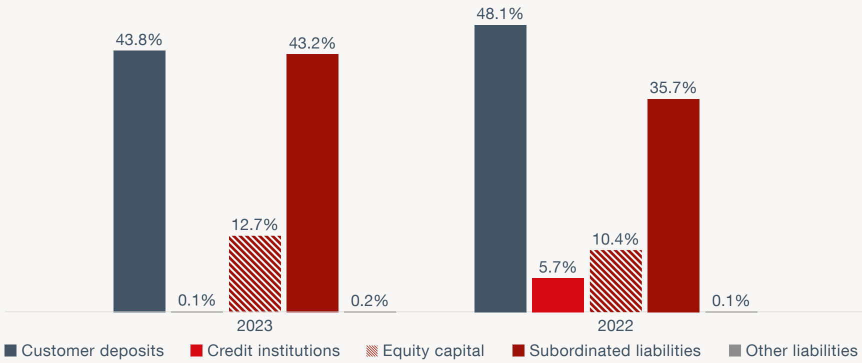
Derivative financial instruments were concluded to hedge foreign currency risks. The exposures (credit equivalent amounts) of the currency hedging positions totalled EUR 3,612 thousand (previous year: EUR 6,066 thousand).

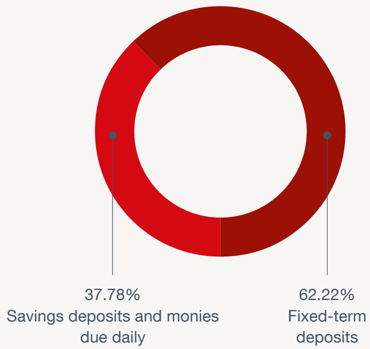
Further credit commitments resulted from off-balance sheet transactions. The guarantees issued decreased to EUR 2,178 thousand (previous year: EUR 2,740 thousand). As at 31 December 2023, these mainly comprised guarantees for private customers. Unutilised loan commitments increased to EUR 1,603 thousand (previous year: EUR 594 thousand).

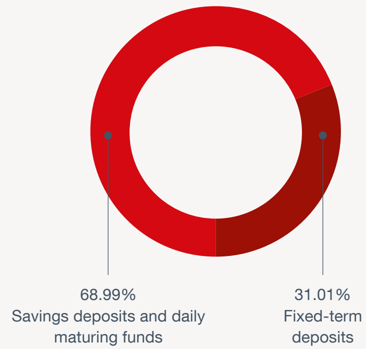
Investments made in intangible assets in 2023 totalled EUR 3,577 thousand (previous year: EUR 1,259 thousand). The balance at the end of the year was EUR 4,787 thousand (previous year: EUR 1,514 thousand).The investments are mainly advance payments for projects still to be completed. Additions to property, plant and equipment totaled EUR 61 thousand (previous year: EUR 43 thousand), EUR 18 thousand higher than in the previous year. Additions from the acquisition of IT hardware totalled EUR 55 thousand (previous year: EUR 28 thousand). Investments in low-value economic goods totalled EUR 5 thousand (previous year: EUR 15 thousand).

Equivalent to the gross loan volume, liabilities are shown without accrued interest. On the refinancing side, liabilities to banks decreased by EUR 80,037 thousand to EUR 1,090 thousand (previous year: EUR 81,127 thousand). The main reason for this was that no new open market transactions were concluded.

Liabilities







Customer deposits decreased by EUR 150,305 thousand to EUR 537,113 thousand (previous year: EUR 687,418 thousand). Savings deposits decreased to EUR 2,748 thousand (previous year: EUR 19,654 thousand). Liabilities repayable on demand decreased to EUR 200,153 thousand (previous year: EUR 454,574 thousand). This is due to the decrease in business current accounts by EUR 167,294 thousand to EUR 120,230 thousand (previous year: EUR 287,524 thousand) and the reduction in overnight deposits by EUR 85,893 thousand to EUR 78,535 thousand (previous year: EUR 164,427 thousand). Liabilities with an agreed term or cancellation period increased to EUR 334,212 thousand (previous year: EUR 213,189 thousand). In particular, term deposits with a term of one year increased by EUR 133,532 thousand and those with a term of two years by EUR 63,314 thousand.

Provisions increased to EUR 3,013 thousand (previous year: EUR 1,643 thousand), largely as a result of higher provisions for personnel totalling EUR 1,076 thousand (previous year: EUR 191 thousand). Provisions for bonus payments were recognised in the current financial year. Further personnel provisions result from holiday provisions, among other things.

Subordinated liabilities increased in total to EUR 530,727 thousand (previous year: EUR 509,149 thousand). This is due to the increase in subordinated term deposits to collateralise cash-covered lending transactions.

The Bank‘s equity under commercial law as at the balance sheet date totalled kEUR 155,307 thousand (previous year: EUR 147,911 thousand). It was made up as follows:

Share capital TEUR 115,000 (previous year: TEUR 115,000), reserves TEUR 32,911 (previous year: TEUR 31,162) and retained earnings TEUR 7,396 (previous year: TEUR 1,749).

As at 31 December 2023, the modified balance sheet equity ratio (in accordance with Section 24 (1) No. 16 KWG) was 12.5% (previous year: 10.3%). The leverage ratio is 11.35% (previous year: 9.96%).The forecast of 11.75% was not quite achieved.

2.6 Financial and non-financial performance indicators[33]

INDICATOR IN %	2023 FORECAST PREVIOUS YEAR	2023 IS	2024 PROGNOSIS
Return on equity	5.31	5.00	5.77
Capital ratio	23.04	26.35	25.04
Cost-income ratio	49.33	45.25	50.71

2.7 Overall statement on the economic situation

The 2023 financial year ended very successfully for the Bank. A balance sheet profit of EUR 7,396 thousand and moderate growth in the loan portfolio, particularly in low-risk segments, underline the Bank‘s robustness and strong position in the past year. The successful past few years have strengthened the Bank‘s equity base excellently.

At the time of preparing the annual financial statements and the management report, the management assesses the bank‘s economic situation as consistently positive. The financial and liquidity situation fulfils all regulatory requirements and internal needs. By consistently pursuing our strategic orientation, we expect a continuous increase in earnings. The Bank is ideally positioned to respond effectively to the challenges and opportunities that arise in the future.

33 The explanations of the forecasts are presented in the subsections “Position of the Bank”.

3 Report on the expected development with its main opportunities and risks

3.1 Forecast report

The Bank‘s development is based on the multi-year business and risk strategy drawn up by the Executive Board, which is reflected in the budget planning. The core of this planning is the expansion of the business areas and the development of the Bank‘s earnings situation. The Bank‘s strategy is to achieve sustainable growth by adopting a „transparent“, „comprehensible“ and „responsible“ approach towards its customers at all times, providing products and services that are tailored to the Bank‘s customers.

The Bank‘s target markets are Germany, Western Europe and Turkey. OYAK ANKER Bank GmbH focuses on large and leading companies and banks in these markets. In addition to expectations for the global economy, the economic forecasts for Germany, Europe and Turkey were also taken into account when setting these targets.

As part of the multi-year strategic plan, the financing of corporate customers is to be expanded in a profitable manner (+ EUR 13,400 thousand in 2024). The private customer business will be developed moderately (+ EUR 11,370 thousand) and the business with short-term loans to financial institutions will be continued at the existing level. OYAK ANKER Bank GmbH will keep its business shares in international trading transactions with focus on customers in Germany, Europe and Turkey stable. Trade finance and syndications with banks in particular will continue to make a positive contribution to earnings development. Due to the current economic situation, loans are increasingly being granted with short-term maturities.

External requirements are in the planning. BaFin has limited intra-group lending in accordance with Section 45 para. 1 no. 1 in conjunction with para. (2) No. 8KWG to 20% of the Bank‘s core capital. Furthermore, OYAK ANKER Bank GmbH follows a self-restriction vis-à-vis the Auditing Association in the area of deposit limits and in the lending business with Turkey.

OYAK ANKER Bank GmbH continues to realise synergy effects from its affiliation with the OYAK Group. It plays a supporting role in the processing of the Group's trading transactions and performs cash management tasks.

The carefully selected new business in the private customer portfolio, acquired through direct sales, contributes to the improvement in credit quality - a trend that was already apparent in previous years. Investments in video legitimation, electronic signatures and the refinement of scoring methods for credit decisions underline the bank's commitment to digitalisation. The expansion of automated credit decision processes is being driven forward continuously.

The securities portfolio of OYAK ANKER Bank GmbH is to be maintained in its stability, with the investment focus primarily on investment-grade bonds of European companies with a term of up to 7 years. In addition, European government bonds form a significant component of the portfolio, particularly for the fine-tuning of liquidity. The deliberate diversification of the portfolio serves the Bank as a central management element for minimising risk.

In the context of the business model and taking into account the current market conditions, certain developments are assumed in the earnings forecast for 2024:

A slight decline in net interest income is anticipated for 2024 due to rising interest expenses, which are unlikely to fully offset by increased income from trade finance, corporate and private customer business. However, net interest income is expected to rise steadily in subsequent years and is likely to exceed the current level as early as 2025. Net commission income is likely to experience a moderate decline due to higher expenses in the brokered lending business.

Strategic key figures are derived from the business plan for 2024 as follows:

The expansion of the business areas means that the bank is assuming an own return on capital of 5.77%. The regulatory core capital ratio in 2024 will be 25.04% according to the business plan. The bank is aiming for a cost-income ratio of 50.71% and a profit of EUR 8.95 million.

For 2024, the Bank has limited the regulatory total capital ratio, including the target capital ratio and management buffer, to 20.80%. This is based on the expectation of an increase in the countercyclical capital buffer for the overall portfolio to 0.50% and a reduction in the SREP surcharge from the original 1.00%. In fact, the SREP surcharge will be reduced by 3.50% in 2024, although a reduction of only 1% was calculated in the planning. This underlines the fact that the bank is well positioned to fulfil the regulatory requirements in the coming years.

The Treasury division will continue to fine-tune and optimise the management of available liquidity by using various investment opportunities, with focus on short- term investments of up to one year.

The economic conditions for OYAK ANKER Bank GmbH have improved significantly over the past year and continuous and sustainable development is expected for the coming months of 2024. The year will continue to be characterised by moderate expansion of individual business areas. Thanks to the adjustments already implemented in the internal organizational structure, the bank expects sustained positive development with gradual increase in profits. The regular retention of profits will enable continuous expansion of business activities. There are currently no identifiable risks that could jeopardise the continued existence of the bank.

However, the forecasts are naturally subject to uncertainties and are based on assumptions that are considered realistic in light of the current economic and political situation. The Bank is also closely monitoring other global crises, such as the situation in Ukraine or the war in Gaza, and will react quickly and appropriately to any impact on the business environment if necessary.

3.2 Risk and opportunity report

3.2.1 Tasks and objectives of risk management

In addition to the overriding goal of ensuring risk-bearing capacity at all times, one of the Bank's main objectives is to take advantage of market opportunities that are balanced in relation to the respective risk. The principle of active, responsible risk management applies here, which is reflected in the controlled assumption of risks, taking into account the strategic orientation, the general conditions and the available risk capital. Based on risk-oriented performance culture, risk-conscious behaviour is actively demanded of all managers and employees.

The tasks of risk management include the definition of an appropriate risk strategy and the establishment of effective internal control procedures, taking into account the risk-bearing capacity:

- identification of immediate risks, including ESG risks, as well as medium and long-term threats,
- analyzing and quantifying risks in terms of threat potential and urgency,
- active risk management in the forms of risk assumption, risk limitation and risk reduction,
- monitoring of all risk-relevant information and measures with the communication of risks.

These requirements are implemented via clearly defined risk management processes and a risk management system for measuring, managing and monitoring risk positions, which cover all business divisions. The risks are presented and assessed before measures are taken to limit risks (gross assessment). The risk management system provides impetus for the operational management of risky business and serves as the basis for strategic decisions as part of risk-adequate overall bank management.

The system‘s processes, methods and risk quantification procedures are documented and their appropriateness is reviewed on an annual basis. The processes and procedures are developed on an ongoing basis, taking into account changes in external framework conditions and business processes due to changes in regulations in the financial services industry.

3.2.2 Responsibilities

3.2.2.1 Supervisory Board

The Executive Board discusses the risk situation, the business and risk strategy and the bank‘s risk management in detail with the Supervisory Board at its regular meetings. In addition, the Supervisory Board is informed in writing about the risk situation at least quarterly.

3.2.2.2 Management

The management is responsible for proper business organisation and its further development, irrespective of the internal allocation of responsibilities. This responsibility relates to all key elements of risk management, taking into account outsourced activities and processes. The Executive Board is responsible for business and risk strategy, the limit structure and all risk parameters. The risk strategy reflects the risk tolerance and is orientated towards the bank‘s risk-bearing capacity and the risk and earnings expectations of the divisions. The risk strategy takes into account the objectives and plans for key business activities set out in the business strategy and the risks of significant outsourcing as well as the limitation of risk concentrations. The level of detail of the strategies depends on the scope and complexity as well as the risk content of the planned business activities. The risk strategy is broken down into the main types of risk. In addition, environmental, social and governance risks (ESG risks) are also integrated into the risk strategy in order to recognise the growing importance of sustainability and ethical aspects in the overall risk management framework to be taken into account. The management of risks and business strategy is the responsibility of the Executive Board.

3.2.2.3 Internal Audit

Internal Audit is organised as a process-independent part of the risk management system in accordance with the Minimum Requirements for Risk Management (MaRisk). It works independently and reports directly to the management. All activities and processes are analysed on the basis of risk- oriented audits.

Internal Audit also conducts special audits as required. The Executive Board is informed of the audit results on an ongoing basis. In its annual report, Internal Audit informs the Executive Board in summarised form about the significant and serious audit findings and their processing status. The latter in turn informs the Supervisory Board at least quarterly about current developments and results. It is ensured that the Chairman of the Supervisory Board, with the involvement of the Executive Board, can obtain information directly from the Auditing Officer.

3.2.2.4 Risk Management

Risk Management is responsible for documenting, identifying, analysing and assessing risks, including ESG risks, and submits proposals for changes or recommendations for action to the Executive Board. It is also responsible for reviewing, further developing and validating the risk quantification and creditworthiness assessment systems.

Risk Management is responsible for determining the overall bank risk and monitoring the risk-bearing capacity, including stress testing. analyses and reporting to the Executive Board. The monitoring of operational risks is also centralized in the Risk Management division. This includes identifying, analyzing and reporting them. Furthermore, the Risk Management division is responsible for preparing monthly reports on counterparty default and market price risk (including interest rate risks in the banking book) and quarterly risk reporting.

3.2.2.5 Accounting/Controlling/Reporting (ACR)

Among other things, this department is responsible for presenting and analysing deviations in counterparty, market price and liquidity risks, monitoring compliance with the limits set by the supervisory authority, the Auditing Association, the Executive Board and risk management, as well as reporting on these. The ACR supports the calculation of the normative risk-bearing capacity and calculates the relevant parameters for the planning periods.

3.2.2.6 Special functions (authorized representatives)

There are special functions in accordance with legal requirements (Liquidity Management Function, Information Security Officer, Anti Money Laundering Officer, Emergency Officer, Safety Officer, Data Protection Officer, Sustainability Officer, Chief MaRisk Compliance Officer, Chief Risk Officer, Head of Recovery Plan Committee, Outsourcing Officer, Complaint Management and Auditing Officer).

3.2.3 Risk management structure

Risk management at overall bank level with regard to risk-bearing capacity, including the limits set, is the responsibility of the Executive Board.

With regard to the risks associated with the individual business activities, risk management is carried out by the following organisational units:

RISK TYPE	ORGANISATIONAL UNIT (S)
Counterparty default risk	Loan Processing Commercial (Credits, Loan Processing Consumer Credits, Collections)
Market price risk	Corporate Banking /Treasury/Financial
Institutions liquidity risk	Corporate Banking/Treasury/Financial Institutions
Operational risk	Decentralised by the respective risk officer responsible

The following committees promote efficient, balanced risk management and the necessary communication. They also support the Executive Board and the responsible departments in managing and monitoring individual risks.

- Asset and Liability Committee (ALCO)
- Liquidity Committee
- Credit Committee

The ALCO analyses the risk situation and decides on the main features of the interest rate strategies and asset/liability positions as well as the bank's liquidity management. The current situation is assessed on the basis of reports on risk-bearing capacity, counterparty, market price and liquidity risks, as well as current key financial figures. Changes on the money, capital and foreign exchange markets as well as investment decisions are also discussed in this committee. Significant risk positions and selected exposures relating to the assets that could be most affected by market realisations during a financial market crisis are discussed in detail here.

The Liquidity Committee discusses operational and strategic liquidity planning and management as well as the handling of liquidity risks. The decisions made by the committee are implemented operationally by the relevant departments.

The Credit Committee deals with lending, including new lending, limit extensions, reviews, limit increases and all measures in connection with high-risk or non-performing loans and receivables.

3.2.4 Risk strategy

The basis for managing and monitoring risks is a business and risk strategy defined by the Executive Board. It forms the framework for the risk type-specific sub-strategies, including sustainability strategies, which in turn specify the requirements for dealing with risks within the organisational and operational structure.

Business activities result in the following types of risk, which the Bank has categorised as material within the meaning of MaRisk as part of the risk inventory:

- Counterparty default risk (credit risk)
- Market price risk
- Operational risk
- Liquidity risk

3.2.5 Risk types

3.2.5.1 Counterparty default risk (credit risk))

Counterparty default risk is defined as the risk of the bank losing capital due to the default of business partners.

Counterparty default risk primarily includes the following sub-risk types relevant to the Bank:

SUB-RISK TYPES	DEFINITION
Default risk	Risk that a contractual partner will not fulfil its obligations. The company is unable to fulfil its obligations in full or in part if payments have already been made in the form of cash, securities or services.
Country risk	In accordance with AT 2.2 MaRisk, country risks represent a special particular form of counterparty default risk. They arise from uncertain political, economic, ecological, legal and social conditions in another country and are not due to the creditworthiness of the counterparty. They express the risk of possible deterioration in economic conditions, political or social upheaval nationalisation or expropriation of assets, non-recognition of cross-border liabilities by the state, exchange control measures, negative effects on the country due to external influences (e.g. sanctions against the country) or devaluation or depreciation of the currency in the country concerned. As a consequence, the counterparty domiciled abroad cannot fulfil its obligations, or at least not in accordance with the contract, although it is prepared to do so. Country risks relate to the risk that, despite the counterparty's willingness to fulfil its obligations, the lender incurs a loss due to overriding government restrictions in the borrower's country of domicile.
Migration risk	Risk of loss of value due to rating migrations.
Sustainability risks	Sustainability risks are events or conditions environmental, social or corporate governance risks, if they materialise, could have an actual or potential negative impact on the bank's net assets, financial position and results of operations. Sustainability risks have the potential to have negative impact on all business areas and risk types.

Intra-risk concentrations in counterparty default risk are as follows for countries, industries and sectors.

These are presented as part of regular risk reporting, limited by internal risk- dependent limits and regularly monitored using stress tests.

An important element of the credit approval process and the subsequent credit risk management process is a detailed and market-independent risk assessment. This involves analysing important factors for the assessment of risk and the effects of ESG risks, taking particular account of the borrower‘s ability to service the debt. When assessing the risk, the creditworthiness and market environment of the business partner as well as the risks relevant to the credit facility or credit exposure are taken into account. The resulting risk classification not only affects the structuring of the transaction and the credit decision, but also determines the credit approval authority required to disburse, extend or significantly modify the loan and defines the scope of monitoring for the respective exposure.

Country risks are taken into account in the credit risk model via the probability of default as part of the internal risk classification process (consideration of transfer stop risk and several other qualitative criteria). In addition, the credit portfolio model has been expanded to include the modelling of country risks, so that in the event of a country default, it is assumed that all customers based in the country are affected simultaneously.

Risk quantification is based on the value-at-risk approach (confidence level 99.9%) using a Credit Metrics credit portfolio model. The counterparty default risk is quantified, analysed and managed both at borrower and portfolio level (including countries, sectors and customer segments). All counterparty default risks of a group of affiliated customers (borrower unit) are aggregated. Risk concentrations are also mapped and managed at this level. The quantified credit value-at-risk as at 31 December 2023 compared to the previous year is shown in the section „Risk-bearing capacity - economic perspective“.

The key parameters for determining the value-at-risk are the probability of default (PD) and the loss given default (LGD) of the borrower and the underlying exposure (EAD). When quantifying risk, the portion collateralised by deposits in the bank (cash collateral) is not taken into account. The portfolio scoring system developed in-house is used to determine the PD for private customers. The portfolio scoring takes into account master data and the customer's payment behaviour. Corporate customers and banks are assessed using an internal rating (via the rating tool provider IBM). For issuers of purchased bonds (issuer rating) and the bonds themselves („issue rating", „securities rating"), only the external ratings of external rating agencies are used in the investment grade segment. Even when external ratings are used, the bank's own findings and information remain decisive when analysing the borrower's financial circumstances and granting the credit limit. Countries and state institutions are only rated by external rating agencies.

The credit ratings are shown on the standardised bank-wide master scale. Cancelled loans are reported from rating class 990 onwards and transferred to VFG-Verrechnungsstelle für gewerbliche Wirtschaft GmbH, Koblenz, (VFG) for settlement. The CVaR of the borrowers as at 31 December 2023 is distributed across the rating classes as follows

RATING	CVAR
AAA	6,266
AA+	71
AA-	1,756
A+	6,704
A	15,724
A-	257,684
BBB+	40,999
BBB	410,681
BBB-	213,105
BB+	88,449
BB	11,948,073
BB-	10,489,546
B+	33,423,689
B	14,598
B-	6,563,732
CCC+	19,321
CC	337,804
C	14,468
D	4,043,620
Total	67,896,292

The white portfolio is valued using general loan loss provisions (in accordance with BFA7) and country risk provisions, while the grey and black portfolio is valued using specific loan loss provisions and general specific loan loss provisions.

	CVAR
White stock	63,757,002
Grey stock	96,067
Black stock	4,043,223
Total	67,896,292

The Bank accepts mortgages, cash collateral, sureties, bank guarantees, assignments of receivables, transfers of ownership by way of security and letters of comfort as collateral for loans. 97.2% of the collateral is cash collateral on deposit accounts at the bank for which a haircut of 0% is applied.

Third-party guarantees for trade finance products (letter of credit, trade credit, etc.) are recognised to cover the risks of the issuer/borrower under these credit instruments. For the credit risk calculation, the risk of the importer bank is replaced by the risk of the guarantor in accordance with Article 111 (3) in conjunction with Article 203 and Article 213 of the Capital Requirements Regulation (CRR). The internally determined rating of the guarantor is taken into account in the credit risk calculation.

The Bank has decided to apply a haircut of 100% to all other types of collateral and to disregard these when calculating the credit risk.

In addition to the size concentrations inherent in the value-at-risk model, analyses of risk concentrations in countries, sectors, size classes and borrower units are also part of risk reporting.

To manage risk concentrations, country limits were defined on the basis of individual countries 35 and country groups, which limit the exposure in the individual countries to a maximum. The limits are based on the export credit guarantees of the Federal Republic of Germany (Hermes cover) and indices that take sustainability risks into account (ESG indices).

The concentration risk on the Turkey portfolio as at 31 December 2023 is as follows

CONCENTRATION RISK	CVAR (IN TEUR)	IN % OF TOTAL CVAR	CREDIT RISK LIMIT (IN TEUR)	UTILISATION LIMIT
Türkei Risiko	62,475	92.02%	110,000	56.80%

In addition, the Bank‘s exposure to Turkey is quantified daily and compared with the limit set by the Auditing Association of German Banks, Cologne.

In addition to the standard scenario, further historical and hypothetical scenarios are calculated. The results are communicated and recognised in the monthly counterparty risk report and in the quarterly overall bank risk report.

3.2.5.2 Market price risks

Market risk is defined as the risk of the bank losing capital due to changes in market parameters (such as interest rates and exchange rates).

Market risk comprises the following sub-risk types:

SUB-RISK TYPES	DEFINITION
Interest rate risk	Risk that a realised interest result figure is lower than expected lower than expected due to changes in market interest rates. The interest rate risk can be broken down into interest rate spread risk and market value risk. The interest rate risk can be divided into interest margin risk and market value risk. The accounting effect of market value risk is also referred to as valuation risk.
Foreign currency risk	Risk that the value of foreign currency assets / liabilities -The risk that the value of a foreign currency asset/ liability falls due to changes in exchange rates, as these are not financed in the same currency.
Structural foreign currency risk	Risk that the value of capital reserves and retained earnings in foreign currencies in certain subsidiaries may lead to an impairment of the items due to changes in exchange rates.
Share price risk	The risk that the value of an equity portfolio will fall unexpectedly due to market movements.
Credit spread risk	Risk of losses due to spread fluctuations, regardless of their origin (counterparty-related / market liquidity-related).
CVA risk (risk of credit risk-related valuation adjustment)	Risk that the value of a derivative financial instrument can lead to a loss or impairment of the position due to a deterioration in creditworthiness or the default of a counterparty.
Sustainability risks	Sustainability risks are events or conditions related to the risks those are associated with environmental, social or corporate governance events or conditions whose occurrence could have an actual or potential negative impact on the bank's net assets, financial position and results of operations. Interest rate risks in the bank's banking book arise in connection with interest rate-sensitive transactions in our banking book and at overall bank level from maturity transformation.

Commodity risks and other price risks are not relevant sub-risk types of market price risk for the Bank.

In addition to loan commitments, the bank also invests in securities and money market transactions within the banking book. The banking book also includes currency swaps to hedge the exchange rate risk.

Open foreign currency positions from customer transactions are closed by corresponding offsetting transactions. Nominal open positions are subject to strict limits (currency peaks). Corresponding processes for daily monitoring of the limit are implemented.

Value-at-risk is calculated for the interest rate risk and foreign currency risk (risks at a confidence level of 99.9 %). Cash flows are calculated for all items in the bank portfolio. The risk is determined using a Monte Carlo simulation. The Bank assumes a holding period (forecast or risk horizon) of 261 business days (= one year). The model parameters are estimated with a history of 3,000 calendar days (with regard to the market data included in the risk parameter estimate).

In addition to the standard scenario, further historical and hypothetical scenarios are calculated, which are reviewed and adjusted annually for their appropriateness. The results are communicated and recognised in the monthly market price risk report and the quarterly overall bank risk report.

The interest rate risk arises from interest rate-sensitive transactions in the banking book and at overall bank level from maturity transformation.

The banking book comprises all fixed and variable-interest balance sheet and interest-sensitive off-balance sheet items. Items with an indefinite fixed-interest period are recognised in accordance with the Bank's internal maturity criteria with regard to the fixed-interest period and the capital commitment period.

For the determination of interest rate risk within the meaning of the BaFin Circular 06/2019 (BA) of 6 September 2019, a parallel shift in the yield curve of „200 basis points“ upwards or downwards is applied. In accordance with the circular, the change in the present value of the interest rate book is compared in relation to regulatory capital. The ratios have developed as follows:

IN PERCENT	31.12.2023	31.12.2022
+200 basis points	-0.50	-1.33
-200 basis points	-0.03	+0.55

The following interest rate scenarios were used to calculate the early warning indicator in accordance with BaFin Circular 06.2019 (BA):

	31.12.2023	IN RATIO TO OWN FUNDS	31.12.2022	IN RATIO TO OWN FUNDS
	IN TEUR	IN %	IN TEUR	IN %
Parallel shift upwards	-707	-0.49%	-1,928	-1.33%
Parallel shift downwards	-45	-0.03%	788	0.55%
Distribution	528	0.37%	776	0.54%
Flattening	-1,389	-0.97%	-2,467	-1.71%
Short-term shock upwards	-1,564	-1.09%	-2,912	-2.01%
Short-term shock downwards	795	0.56%	1,497	1.04%

3.2.5.3 Operational risks

Operational risk is the risk of loss from the inadequacy or failure of internal processes and systems, people or external events. This definition includes legal risks, but does not include strategic risks or reputational risks. Asset risks and losses are only allocated to operational risks by the Bank if the damage that has occurred is clearly and exclusively attributable to the failure of internal processes, people or systems.

Coordinated instruments are used to identify and assess operational risks. The relevant loss data required to create a data history is collected in a loss database, regardless of the amount of the loss. This forms the basis for targeted and detailed root cause analyses and remediation. A risk database also used. A risk report is used to record potential operational risks.

Regular training for all employees serves to make the topic of „operational risks“ more accessible to employees and to familiarise them with the significance of operational risk in daily work processes.
Self-assessment focusing on qualitative and quantitative statements on the risk situation is used to determine a value-at-risk for the normal, historical and hypothetical scenarios by means of a Monte Carlo simulation (confidence level 99.9%).

3.2.5.4 Liquidity risks

Liquidity risk is the risk that the company may not be solvent at all times because the required funds are not available.

Liquidity risk primarily includes the following sub-risk types.

SUB-RISK TYPES	DEFINITION
Liquidity risks in foreign currency	The risk that the bank is unable to exchange currencies and the corresponding foreign exchange markets are inaccessible.
Insolvency risk	Risk that the bank is unable to fulfil its short-term payment obligations on time.
Refinancing risk	Risk that refinancing funds are not available as planned. The company's products are not available to the expected extent or at all, or cannot be procured at the expected conditions.
Sustainability risks	Sustainability risks are events or conditions in the environmental, social or corporate governance areas whose occurrence could have an actual or potential negative impact on the bank's net assets, financial position and results of operations. Sustainability risks have the potential to have a negative impact on all business areas and risk types.

Drawdown risk is the risk that loan commitments are unexpectedly utilised or deposits are unexpectedly drawn down. This risk manifests itself in the risk types described above and is therefore not listed as a separate risk type.

Insolvency risk is one of the bank's material risks. However, it is not backed by economic capital, as the bank believes liquidity risks cannot be meaningfully backed by capital. The insolvency risk can only be hedged with a liquidity buffer-backing possible loss risks with equity or risk coverage potential does not make sense and is not included in the risk-bearing capacity concept in accordance with AT 4.1 para. 4 MaRisk. This special treatment is due to the fact that the insolvency risk is hedged by an appropriately high liquidity buffer.

It is ensured that liquidity risks are taken into account in the risk management and controlling processes.

Liquidity risks are quantified on an ongoing basis. The fulfillment of payment obligations at all times is ensured by the following measures:

- Monitoring the daily cash flow overview
- Monitoring open currency positions and control through limiting
- Monitoring through the daily short-term liquidity plan
- Monitoring the LCR and extrapolation of the LCR
- Monitoring the NSFR and extrapolation of the NSFR
- Monitoring liquidity risks on the basis of the Bank's own and market-wide standard and stress scenarios with corresponding limits
- Weekly monitoring of deposit trends and the sensitivity of customer deposits to external and internal interest rate changes.

Liquidity management at overall bank level is carried out by the Liquidity Committee. The measures are implemented by Corporate Banking/Treasury & Financial Institutions. In this committee, the refinancing side is analysed and assessed on an ongoing basis and first and foremost. Refinancing rates, but also the management of open refinancing sources, the utilisation of monetary policy instruments and the availability of that can be immediately liquidated play a decisive role here. In addition, the maturity structure of assets and liabilities is analysed for maturity mismatches.

Daily monitoring of short-term liquidity is carried out to supplement the regulatory liquidity ratios. In the reporting period, the Bank's short, medium and long-term liquidity requirements were mainly covered by borrowing in collateralised form through participation in open market transactions and the acceptance of customer deposits.

The Bank uses an internal liquidity model to measure and manage the liquidity situation. This creates transparency on a daily basis about the expected and unexpected liquidity flows in the respective maturity band as well as the liquidity reserves that can be used to compensate for liquidity shortfalls. To determine these liquidity cash flows, assumptions are made in particular about the withdrawal of customer deposits, also taking into account deposit concentrations. Both a standard scenario and several different stress scenarios are presented.

The objective is always a positive cash surplus in all relevant scenarios in the corresponding periods. In addition to the scenarios, limits are defined for liquidity.

The standard scenario shows that the cumulative cash flow, taking into account the liquidity reserves, will be positive in the next six months and therefore no liquidity bottleneck is recognisable from this perspective. These will develop as follows over the next six months:

PERIOD	31.12.2023 IN TEUR	31.12.2022 IN TEUR
Until one month	94,250	18,227
Up to two months	106,865	5,781
Up to three months	112,462	20,159
Up to four months	120,888	26,759
Up to five months	134,552	21,564
Up to six months	182,016	52,250

Refinancing structure

The Bank refinances itself primarily through customer deposits. It is partially refinanced by participating in the long-term refinancing transactions of the Deutsche Bundesbank. The Bank is not refinanced via the capital market.

The Bank has a stable and balanced refinancing structure.

3.2.6 Risk reporting

Reporting is generally carried out by Risk Management and Accounting/Controlling/Reporting to the Executive Board and designated managers.

The Bank uses a monthly report to present its risk-bearing capacity („economic perspective“). The risk coverage potential, taking into account hidden burdens, is also updated monthly.

As part of the quarterly risk reporting, it is checked whether the regulatory indicators (risk-bearing capacity „normative perspective“) for the future period under review are complied with. Risk reporting also includes a summary of the current situation, recommendations for management measures and a forward-looking risk assessment.

3.2.7 Risk-bearing capacity „economic perspective“

For the overall risk profile, the Bank ensures at all times that the risks classified as material are covered by the available risk coverage potential, thereby ensuring risk-bearing capacity.

The economic perspective compares economically derived risks and the correspondingly derived risk cover amount in the 1-year horizon. With this risk management approach, the Bank pursues the protection of senior creditors (creditor protection approach).

Significant risks that become relevant in the economic perspective of the risk-bearing capacity analysis arise for the Bank in the following areas:

- Counterparty default risk (credit risk)
- Market price risk
- Operational risk

The risk-bearing capacity from an economic perspective is as follows as at the reporting date:

IN TEUR	31.12.2023			31.12.2022		
	Normal scenario	Historical Stress scenarios	Hypothetical Stress scenario	Normal-scenario	Historical Stress scenarios	Hypothetical Stress scenario
Risk coverage potential		148,104			142,233	
./. risk buffer[34]	6,269	6,269	0	6,955	6,955	0
./. internal overall bank risk limit	124,000	130,000	148,104	127,000	130,000	142,233
Remaining buffer	17,835	11,835	0	8,278	5,278	0

The risks (normalscenario) developed as follows:

RISK TYPES	31.12.2023			31.12.2022		
	Limit in TEUR	Risk in TEUR	Utilisation in %	Limit in TEUR	Risk in TEUR	Utilisation in %
Credit risk	110,000	67,896	62%	115,000	67,946	59%
Market price risk	7,000	1,817	26%	7,000	2,864	41%
Operational risk	7,000	4,003	57%	5,000	2,994	60%
Total	124,000	73,716	59%	127,000	73,804	58%

34 The "Risk buffer" item includes the defined management buffer as well as the buffer for risks derived from the risk inventory.

The risks in the stress scenarios were as follows:

RISK TYPES	HISTORICAL STRESS SCENARIO IN TEUR	HYPOTHETICAL STRESS SCENARIO IN TEUR
Creditrisk	89,873	115,891
Market price risk	4,311	4,573
Operational risk	5,975	7,043
Total bank limit	130,000	148,104
Utilisation in %	77%	86%

3.2.8 Risk-bearing capacity "normative perspective"

In addition to the risk-bearing capacity „economic perspective", OYAK ANKER Bank GmbH determines a forward-looking multi-year capital planning process (risk-bearing capacity „normative perspective"), which ensures planning and monitoring of future sustainability of its own risks. Future capital requirements are planned annually over a planning horizon of at least three years, in line with the business and risk strategy.

In doing so, the Bank takes into account how changes in its own business activities or strategic goals as well as changes in the economic environment affect the regulatory and internal capital requirements. In particular, the Bank takes into account the growth planned in accordance with the strategy in its capital planning. In this context, the development and the resulting capital requirements are analysed, which are important with regard to both internal and external capital planning.

NORMATIVE RISK-BEARING CAPACITY PLANNING		PLAN		
IN TEUR	2024	2025	2026	2027
Total risk amount in accordance with CRR	587,940	605,360	606,734	609,220
of which total amount of risk positions for counterparty default risks	543,346	545,947	546,675	547,029
of which total amount of risk positions for market price risks	660	660	660	660
of which total amount of risk positions for operational risks	43,934	58,753	59,399	61,531
Own funds	147,227	157,781	168,842	180,635
Equity ratio	25.04%	26.06%	27.83%	29.65%

Possible adverse developments (e.g. the handling of various risk events and their impact on subsequent years) that deviate from the Bank's expectations are adequately taken into account in the planning. At least one adverse scenario reflects adverse developments in the sense of a recession or a similarly severe and comparable development.

The adverse scenario assumes a deep and prolonged recession in the eurozone, particularly in Germany. Another key element is the persistently high inflation, mainly due to energy price shocks and second-round effects.

The ongoing effects of the war in Ukraine, supply bottlenecks due to supply chain problems and, above all, lasting problems with energy supply are leaving deep marks on the German economy. As a result, we are assuming negative economic growth of -2.30% for 2024 and -2.60% in 2025.

The negative economic development in the adverse scenario has a lasting impact on the German labour market. We assume an increase in the unemployment rate to 4.86% in 2024. In the years that follow, the labour market rate will increase.

The unemployment rate will continue to rise sharply to 6.56% in 2025, 7.36% in 2026 and 6.26% in 2027. Due to the poor economic conditions, we expect inflation to remain high at 5.18% in 2024, falling to 4.10% in 2025 and 2.89% and 2.39% in 2027.

The adverse scenario assumes a sustained severe economic crisis in the Turkish economy with a gross domestic product of -0.82% in 2024 and
in the following year 2026, we assume only a marginal improvement in the Turkish economy with still negative growth of -2.18% and 2.43% thereafter. The impact on the Turkish labour market would be drastic. The unemployment rate would increase to 14.70 % and 18.60 % in 2024 and 2025 respectively, and then continue to fall to 16.70 % and 11.20 % in the following years. In addition, we expect inflation to rise sharply in the adverse scenario for Turkey to 75.40% in 2024, after 51.17% in 2023.

The inflation assumptions for the adverse scenario are significantly higher than the expectations of the plan scenario for the years 2024 to 2027, and are based on the historical stress from 2017 to 2020. The key interest rates of the Turkish central bank are 40.25% at the end of 2023. In the adverse scenario, we assume further key interest rate hikes by the Turkish central bank in subsequent years due to the continued rise in inflation figures. For the years 2024 and 2025, we expect 60.25% and 55.25% respectively. In 2026 and 2027, we see a significant reduction in key interest rates to 45.25% and 30.25% respectively.

The value of the EUR against the USD fell significantly over the course of 2023 to as low as 1.07. In response to the high inflation in the eurozone, we expect the European Central Bank to raise key interest rates significantly more sharply. Here we assume 4.65% for 2024. In response to a decline in inflation figures in the following years, we expect lower key interest rates in the eurozone of 3.70% to 3.10% in the years 2025 to 2027.

In contrast to the ECB, the US Federal Reserve will cut its key interest rates to 5.25% in 2024 and to 3.65% in 2025 in the adverse scenario. This will significantly reduce the interest rate differential between the two currency areas and in 2025, the key interest rates in the eurozone in the adverse scenario will be even higher than those of the US Federal Reserve. This inevitably leads to an appreciation of the European currency in the adverse scenario, particularly in 2025 to 1.26 and 2026 to 1.27 against the dollar.

The assumed factors of the adverse scenario lead to a worsening of the macroeconomic crisis, combined with persistently high inflation and an exacerbation of the energy crisis. As a result, the economy in Germany and Turkey (OYAK ANKER Bank GmbH‘s main markets) will not be able to recover quickly enough in the following years. The Bank takes the recession into account by defining an adverse scenario and corresponding assumptions. Based on these macroeconomic assumptions, an extension of the recession can be assumed in the adverse scenario.

The results of the adverse scenario can be seen in the following overview:

NORMATIVE RISK-BEARING CAPACITY PLANNING ADVERSE				
IN TEUR	2024	2025	2026	2027
The total risk amount is in accordance with the CRR.	606,766	612,720	607,592	609,884
Positions for counterparty default risks	562,172	566,117	566,845	567,199
of which total amount of risk positions for market price risks	660	660	660	660
of which total amount of risk positions for operational risks	43,934	45,943	40,087	42,025
Own funds	147,227	150,220	153,546	157,245
Equity ratio	24.26%	24.52%	25.27%	25.78%

3.2.9 Overall picture of the Bank‘s risk and opportunity situation

The Bank consistently pursues the course set out in its business strategy, which is reviewed at regular intervals in order to adapt to developments on the markets and the dynamic regulatory environment. This strategic orientation reflects the general organisational guidelines and business strategies of the Executive Board.

The risks arising for the Bank from its strategic orientation are identified, limited, quantified, monitored and managed from a conservative perspective in accordance with the risk strategy.

The primary risk for the Bank lies in the area of counterparty default risk, whereby the particular challenge lies in the concentration of risk in the Turkish portfolio.

The quantitative assessment of expected and unexpected losses in the context of counterparty default risks is based on a model-based approach. Statistical methods are used that are based on carefully estimated input parameters. Particular attention is paid to a conservative estimate to ensure a robust risk assessment.

The special challenges arising in particular from the concentration of risk in the Turkish portfolio are taken into account in the credit risk model. This is done via the probability of default as part of the internal risk classification process, which includes the transfer stop risk and other qualitative criteria. In addition, the credit portfolio model has been expanded to include the modelling of country risks. In addition, the credit portfolio model was expanded to include the modeling of country risks. In the event of a country default, it is assumed that all customers domiciled in that country are affected simultaneously.

The Bank pursues a conservative approach here. Using historical and hypothetical stress tests, in particular taking into account the Turkey risk concentrations and a possible deterioration in the macroeconomic situation, potential unfavourable developments in the risk profile of the Bank are analysed.

The Bank is regularly monitored and, if necessary, managed preventively.

Opportunities if the actual creditworthiness developments of the credit risk-bearing positions are more favourable than historically observed or estimated. In such a scenario, the necessary loan loss provisions would be lower than the calculated counterparty default risks. The country risk provisions built up over the last few years, in combination with a solid capitalisation, form a sufficient risk buffer. This cautious approach to effectively manage potential risks and at the same time utilise opportunities could arise from positive developments in creditworthiness.

The current political and economic development in Turkey is showing positive trends, which are particularly reflected in the assessments of external rating agencies. In Turkey, the central bank is returning to a more consistent policy in order to curb inflation and restore investor confidence. Despite an expected slowdown in economic growth due to tighter financial conditions, a gradual recovery is expected, supported by improved financial stability and investment. This underlines the Bank‘s prudent risk provisioning and assessment as a solid foundation. This development that the Bank’s risk positioning is likely to be characterised by opportunities rather than risks in the future. Already visible country rating upgrades for Turkey emphasise this positive trend.

From a risk perspective, market price risk plays a rather minor role for the Bank. The predominant risk in market price risks lies in the interest rate risk of interest-bearing items, which results from the different maturities of asset and liability items. There are also foreign currency risks due to the banking business model, which is closely linked to Turkey. However, the Bank has set strict limits for open foreign currency positions in the banking book, which means that foreign currency risks account for a comparatively small proportion of the overall market price risk position and can be considered negligible in relation to the Bank‘s total risk cover.

No trading book transactions are planned as part of the strategy. The build-up additional products and markets will be added after a thorough examination of the opportunities and risks, but in a rather cautious manner. In view of the interest rate trend and the structure of the Bank‘s interest book, potential opportunities could arise with regard to net interest income and the economic value of the interest book.

The Bank‘s robust liquidity position and the targeted availability of liquidity reserves enable it to react flexibly to potential business opportunities.

In the operational risk area, the calculation is based on carefully developed risk scenarios, which means that there is a high probability that the actual loss events that occur will be lower than the calculated risks. In the event of actual loss events, a thorough analysis is carried out, followed by possible process improvements for continuous optimisation.

Overall, with regard to the Bank‘s main risk drivers, the risks that have actually materialised are lower than the calculated risks.

The planned switch to a more modern core banking system as a project opens up numerous opportunities associated with increased efficiency, automation and digitalisation. This change will not only enable the Bank to increase its efficiency and digitalise its products, but also to react more flexibly to regulatory requirements and respond more agilely to changes in the financial environment. By using advanced technologies, the Bank is not only aiming to create customised, user-friendly digital platforms that significantly improve the customer experience and strengthen customer loyalty. It also expects to be able to introduce more flexible and innovative financial products and adapt effortlessly to future technological developments. This allows the Bank to continuously benefit from new technologies and innovations, while at the same time endeavouring to adapt more easily to constantly changing regulatory requirements.

Depending on the Bank's potential opportunities, supported by the conservative approach to risk assessment and management, the management will its attention not only in the short term, but also in the long term on structural, organisational aspects and financial results. The aim is to ensure the sustainability of quantitative successes, which are supported and promoted by qualitative progress.

Frankfurt am Main, 27 May 2024

OYAK ANKER Bank GmbH

Dr. Süleyman Erol
MANAGING DIRECTOR

Ümit Yaman
MANAGING DIRECTOR

BALANCE SHEET AS AT 31 DECEMBER 2023

ASSETS / ACTIVE SIDE	EUR	EUR	EUR	EUR	Previous year TEUR
1. Cash reserve					
a) Cash in hand			610.04		1
b) Balances with central banks			10,982,635.67	**10,983,245.71**	9,562
of which: with Deutsche Bundesbank	10,982,635.67	(previous year: TEUR 9,562)			
2. Loans and advances to banks					
a) Due daily			125,677,971.99		308,902
b) Other receivables			319,055,616.52	**444,733,588.51**	258,009
3. Receivables from customers				**684,752,616.14**	719,581
of which: secured by mortgages	0.00	(previous year: TEUR 0)			
Municipal loans	0.00	(previous year: TEUR 0)			
4. Bonds and other fixed-income securities					
Bonds and debentures					
a) from public issuers		18,531,921.90			23,873
of which: eligible as collateral with Deutsche Bundesbank	18,531,921.90	(previous year: TEUR 23,873)			
b) from other issuers		85,006,067.95	103,537,989.85	**103,537,989.85**	112,931
of which: eligible as collateral with Deutsche Bundesbank	63,892,346.51	(previous year: TEUR 64,072)			
5. Investments				**1,402,577.97**	479
of which in credit institutions	0.00	(previous year: TEUR 0)			
in financial services institutions	0.00	(previous year: TEUR 0)			
in securities institutions	0.00	(previous year: TEUR 0)			
6. Shares in affiliated companies				**1,314,162.04**	2,156
of which in credit institutions	0.00	(previous year: TEUR 0)			
in financial services institutions	765,624.33	(previous year: TEUR 1,252)			
in securities institutions	0.00	(previous year: TEUR 0)			
7. Intangible assets					
a) Purchased concessions, industrial property rights and similar rights and assets as well as licences to such rights and assets			72,452.84		150
b) Payments on account			4,714,241.05	**4,786,693.89**	1,365
8. Property, plant and equipment				**163,411.30**	227
9. Other assets				**1,783,934.65**	3,157
10. Prepaid expenses and deferred charges				**340,023.85**	290
Total assets				**1,253,798,243.91**	**1,440,682**

LIABILITIES / PASSIVE SIDE	EUR	EUR	EUR	EUR	Previous year TEUR
1. Liabilities to banks					
a) due daily			1,090,000.00		0
b) with an agreed term or period of notice			0.00	**1,090,000.00**	81,129
2. Liabilities to customers					
a) Savings deposits					
aa) with an agreed notice period of three months		777,048.44			4,915
ab) with an agreed notice period of more than three months		1,976,079.46	2,753,127.90		14,781
b) Other liabilities					
ba) due daily		200,152,777.25			454,575
bb) with an agreed term or period of notice		338,508,805.62	538,661,582.87	**541,414,710.77**	214,118
3. Other liabilities				**213,770.89**	183
4. Prepaid expenses and deferred charges				**2,250,834.25**	2,793
5. Deferred tax liabilities				**0.00**	0
6. Provisions					
a) Provisions for pensions and similar obligations			461,213.00		481
b) Tax provisions			566,063.93		9
c) Other provisions			1,985,303.67	**3,012,580.60**	1,153
7. Subordinated liabilities				**549,575,206.69**	518,634
8. Fund for general banking risks				**934,028.91**	0
9. Equity					
a) Called-up capital					
Subscribed capital		115,000,000.00			115,000
less uncalled outstanding deposits	0.00	(previous year: TEUR 0)	115,000,000.00		
b) Capital reserve			572,496.97		572
c) Retained earnings					
ca) Other revenue reserves		32,338,502.14	32,338,502.14		30,590
d) Retained earnings/accumulated deficit			7,396,112.69	**155,307,111.80**	1,749
Total liabilities				**1,253,798,243.91**	**1,440,682**

	EUR	Previous year TEUR
1. Contingent liabilities		
Liabilities from guarantees and warranty agreements	2,100,015.22	2,639
2. Other obligations		
Irrevocable loan commitments	0.00	0

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 01.01.2023 TO 31.12.2023

EXPENSES	EUR	EUR	EUR	EUR	Previous year TEUR
1. Interest expenses				**68,492,317.74**	29,409
of which deducted positive interest from banking business		0.00			
2. Commission expenses				**230,568.25**	654
3. General administrative expenses					
a) Personnel expenses					
aa) Wages and salaries		6,324,104.66			4,538
ab) Social security contributions and expenses for pensions and support		880,392.05	7,204,496.71		1,024
of which: for pension schemes	25,034.16	(previous year: 34 TEUR)			
b) Other administrative expenses			6,529,218.56	**13,733,715.27**	7,191
4. Amortisation, depreciation and impairment of intangible assets and property, plant and equipment				**357,907.97**	181
5. Other operating expenses				**1,454,328.86**	1,700
6. Write-downs and value adjustments on receivables and certain securities as well as additions to provisions in the lending business				**3,903,490.19**	3,028
7. Depreciation, amortisation and impairment of investments, shares in affiliated companies and securities treated as fixed assets				**776,558.42**	0
8. Taxes on income and earnings				**4,040,632.48**	1,549
9. Other taxes not recognised under item 7				**-678,370.45**	-481
10. Allocation to the fund for general banking risks				**934,028.91**	0
11. Net income for the year				**7,396,112.69**	1,749
Total expenses				**100,641,290.33**	**50,542**

INCOME		EUR	EUR	EUR	Previous year TEUR
1.	Interest income from				
	a) Credit and money market transactions		96,356,516.90		46,681
	of which deducted negative interest from banking transactions	0.00			
	b) fixed-income securities and debt register claims		1,574,082.29	**97,930,599.19**	2,454
2.	Current income from				
	a) Shares		0.00	**0.00**	0
	b) Investments		29,903.76	**0.00**	37
	c) Affiliated companies		0.00	**29,903.76**	73
3.	Income from profit pooling, profit transfer or partial profit transfer agreements			**151,673.46**	94
4.	Commission income			**2,386,875.07**	871
5.	Income from write-ups on receivables and certain securities and from the reversal of provisions in the lending business			**0.00**	0
6.	Income from write-ups on investments, shares in affiliated companies and securities treated as fixed assets			**0.00**	18
7.	Other operating income			**142,238.85**	315
	Total income			**100,641,290.33**	**50,542**

		EUR	Vorjahr TEUR
1.	Net income for the year	7,396,112.69	1,749
2.	Retained earnings/accumulated deficit	7,396,112.69	1,749

ANNEX TO THE ANNUAL FINANCIAL STATEMENTS

General information on the structure of the annual financial statements and the accounting and valuation methods

General information

OYAK ANKER Bank GmbH, with its registered office in Frankfurt am Main (hereinafter also referred to as“Bank“) is registered in the commercial register of the local court of Frankfurt am Main under HRB No. 77306.

The annual financial statements have been prepared in accordance with the provisions of the German Commercial Code, the German Limited Liability Companies Act and taking into account the current version of the Ordinance on Accounting for Banks, Financial Services Institutions and Securities Institutions.

OYAK ANKER Bank GmbH did not have a trading portfolio in 2023. The internal criteria for inclusion in the trading portfolio have not changed.

Use was made of the offsetting options for certain expenses and income in accordance with Sections 340c (2) and 340f (3) HGB and Sections 32 and 33 Rech- KredV.

Accounting and valuation methods

Assets and liabilities are recognised and measured in accordance with Sections 252 et seq. and 340 et seq. HGB and are unchanged from the previous year.

The basis for translation into euros on initial recognition is the exchange rate on the transaction date. Assets denominated in foreign currency and liabilities are translated at the mean spot exchange rate at the end of the year. Forward exchange transactions are translated at the forward rate at the end of the year. The market value of forward exchange transactions is recognised in the balance sheet. The scope of application of the special cover in accordance with Section 340h HGB includes foreign currency items and pending foreign exchange transactions (forward exchange transactions and foreign exchange swaps). The transactions were allocated to each other in a clear hedging relationship and tested for effectiveness using the critical terms match method. Currency translation is recognised net in other operating income (through profit or loss).

Assets

The cash reserve is recognised at nominal value.

Loans and advances to banks and customers are recognised at nominal value, less specific and general valuation allowances, plus accrued interest.

Recognisable individual risks in the lending business are taken into account by recognising specific valuation allowances. In the private customer business, a generalised specific valuation allowance (SLLP) based on historical default and loss rates is also calculated for receivables with an increased probability of default that have not defaulted. A specific valuation allowance is recognised for defaulted receivables. The latent risks are covered by valuation allowances in accordance with IDW RS BFA 7. The bank applies the simplified procedure and uses the one-year expected loss. The presumption of equality between creditworthiness premiums and risk expectation was checked. A country risk provision is recognised for borrowers domiciled in Turkey. It takes into account all receivables from borrowers in Turkey. To determine the receivables for which the risk provision is calculated, existing securities, contingent liabilities and pending transactions from the derivatives business are also taken into account. Legally enforceable collateral is deducted from this amount. The residual exposure represents the risk-bearing exposure as the basis for assessment. This volume is calculated using the probability of default of the current country rating reduced by one notch in order to assess current uncertainties.

Securities in the investment portfolio are measured at the moderate lower of cost or market principle. In the event of permanent impairment, they are written down to the lower fair value. Fixed-income securities acquired below par (or above par) are written up (or written down) to their nominal value on an accrual basis.

Investments and shares in affiliated companies are recognised at the lower of cost or fair value. In the case of permanent impairments, write-downs are made to the lower fair value. If the reason for the permanent impairment of securities or investments no longer applies, the impairment loss is reversed up to a maximum of the acquisition cost.

Intangible assets and property, plant and equipment are recognised at cost. The assets of operating and office equipment are reduced by scheduled straight-line depreciation. The useful lives are between 3 and 5 years for intangible assets and between 3 and 13 years for property, plant and equipment. Payments on account are recognised at nominal value.

Low-value assets that amount to at least EUR 250.00 for the individual asset, but do not exceed EUR 1,000.00, are capitalised in collective items and released in the year of formation and in the following four financial years, reducing profits by one fifth in each case. Low-value assets not EUR 250.00 are recognised directly as an expense.

Other assets and prepaid expenses are recognised at nominal value.

Deferred taxes are recognised for temporary differences between the carrying amounts in the financial statements and the tax base that are expected to reverse in the future to the extent permitted by law. Deferred taxes are determined on the basis of an income tax rate of 31.93%, which includes corporation tax, trade tax and solidarity surcharge. No use is made of the option to recognise deferred tax assets in accordance with Section 274 (1) sentence 2 HGB for reasons of conservative accounting.

Liabilities side

Liabilities are recognised at their settlement amount plus accrued interest. Other liabilities and deferred income are recognised at the settlement amount.

The provision for pensions and similar obligations is calculated on the basis of an actuarial report. The calculation is based on the projected unit credit method (PUC) using the 2018 G mortality tables of Heubeck-Richttafeln GmbH, Cologne, and an interest rate of 1.83%p.a. A pension increase of 2.0 % p.a. is also assumed. An unchanged salary level was recognised. The difference between the plan assets measured at fair value, which serve to fulfil the pension obligations, and the underlying acquisition costs, results in a distribution-restricted amount of EUR 0 thousand (previous year: EUR 0 thousand). As there are sufficient freely available reserves, an allocation is not required in the 2023 financial year.

Tax provisions and other provisions take into account all identifiable risks from pending transactions and contingent liabilities that are necessary according to prudent business judgement and are recognised at the settlement amount in accordance with Section 253 (1) HGB.

In accordance with Section 253 (1) sentence 2 in conjunction with Section 253 (2) sentence 1 HGB, provisions with a remaining term of more than one year are discounted at the average market interest rate of the past seven financial years corresponding to their remaining term.

As part of a value-oriented analysis in accordance with IDW RS BFA 3, it was analysed whether the measurement of the entire interest position of the banking book results in an excess liability. The banking book comprises all on-balance sheet and off-balance sheet interest-related financial instruments up to their residual maturity. The assessment takes into account all interest income from interest-related financial instruments in the banking book as well as the expenses (risk costs and administrative costs) expected to be required to generate it. Risk costs are recognised on the basis of the one-year expected loss for all positions up to their maturity. Administrative costs are distributed across the portfolio and recognised on a pro rata basis up to the remaining term. Discounting (present value method) is based on the yield curve on the balance sheet date. The calculation as at 31 December 2023 does not show a surplus of obligations. A provision in accordance with§ Section 249 (1) sentence 1 HGB is not to be recognised.

Provisions are recognised for contingent liabilities in the amount of the expected utilisation.

The expected utilisation is recognised in the income statement.

Premiums and discounts on receivables and liabilities are recognised in prepaid expenses and deferred income and amortised on a straight-line basis over the term.

The subscribed capital is recognised at nominal value. The previous year's net retained profits were allocated in full to retained earnings.

Liabilities below the line

The provisions recognised for contingent liabilities as risk provisions are deducted from the total amount of contingent liabilities.

Notes to the balance sheet

Assets side of the balance sheet

Receivables from banks

Loans and advances to banks are broken down by residual term as follows:

	31.12.2023 TEUR	31.12.2022 TEUR
Due daily	125,678	308,897
up to three months	42,123	16,815
more than three months up to one year	264,363	241,199
more than one year to five years	12,570	0
more than five years	0	0

Receivables from banks totalling EUR 48,870 thousand (previous year: EUR 142,351 thousand) are receivables denominated in foreign currencies. The foreign currency receivables are predominantly short-term bank balances.

The following risk provisions were deducted:

	31.12.2023 TEUR	31.12.2022 TEUR
Lump-sum value adjustment according to BFA 7	314	550
Country risk provisioning	8,797	3,722

Receivables from customers

Receivables from customers are broken down by remaining term as follows:

	31.12.2023 TEUR	31.12.2022 TEUR
with indefinite term	1,715	3,748
up to three months	149,093	185,706
more than three months to one year	463,514	399,040

	31.12.2023 TEUR	31.12.2022 TEUR
more than one year and up to five years	68,931	127,352
more than five years	1,500	3,735

Receivables from customers include receivables from affiliated companies totalling EUR 564,118 thousand (previous year: EUR 409,372 thousand). This does not include any receivables from the shareholder. There are also receivables in foreign currencies totalling EUR 273,807 thousand (previous year: EUR 276,112 thousand). This item includes subordinated receivables totalling EUR 270,552 thousand (previous year: EUR 249,551 thousand). These subordinated receivables are fully collateralised by cash deposits in the same currency and maturity.

The following risk provisions were deducted:

	31.12.2023 TEUR	31.12.2022 TEUR
Individual value adjustment Corporate clients	27	1,434
Individual value adjustment Private customers[1]	6,062	8,985
Lump sum Individual value adjustment	132	0
Lump-sum value adjustment according to BFA 7	397	732
Country risk provisioning	1,604	2,068

1 In the previous year, specific valuation allowances and generalised specific valuation allowances were combined

Bonds and other fixed-income securities:

	31.12.2023 TEUR	31.12.2022 TEUR
Marketable & listed	103,538	136,804
including eligible as collateral with Deutsche Bundesbank	82,424	87,945

The bonds and other fixed-income securities are marketable and listed.

No securities were allocated to the liquidity reserve as at the balance sheet date.

The fixed-interest securities in the investment portfolio with a carrying amount of EUR 103,538 thousand (previous year: EUR 136,804 thousand) were valued according to the modified lower of cost or market principle. The hidden reserves for bonds and other fixed-interest securities in the investment portfolio totalled EUR 0 thousand as at the balance sheet date (previous year: EUR 18 thousand).

At the end of 2023, there were bonds and other fixed-interest securities in the investment portfolio that were recognised above their fair value. The hidden burden amounts to EUR 6,233 thousand (previous year: EUR 11,425 thousand). The ank has analysed the positions and does not expect any permanent impairment.

In 2024, bonds with a nominal value of EUR 27,000 thousand (previous year: EUR 29,688 thousand) will fall due.

Shareholdings

With the exception of ORPEA, the investments are not listed on the stock exchange. These are shares in companies from bail-out acquisitions from 2007 to 2010 and 2023 and amount to EUR 1,403 thousand (previous year: EUR 479 thousand). The item was acquired in 2023 through a bail-out acquisition of ORPEA shares from the conversion of two promissory note loans.

Affiliated companies

The shares in affiliated companies relate to VFG-Verrechnungsstelle für gewerbliche Wirtschaft GmbH, Koblenz, which collects non-performing receivables for the Bank.

VFG Verrechnungsstelle für gewerbliche Wirtschaft GmbH reported a net profit of EUR 0 (previous year: EUR 0) in the 2023 financial year after the profit transfer of EUR 152 thousand (previous year: EUR 94 thousand). The company's equity amounts to EUR 77 thousand (previous year: EUR 77 thousand). The bank is the sole shareholder.

Other shares in affiliated companies:

United Payment Europe S.r.l., Bucharest/Romania
The equity of the finance company amounts to EUR 7,887 thousand (previous year: EUR 3,905 thousand). In 2023, the company generated a loss of TRON 18 (previous year: loss of TRON 0.4). The bank has a 45 per cent share.

Innovance Technologies GmbH, Frankfurt/Main
The equity of the IT company amounts to EUR 250 thousand.
In 2023, the profit amounted to EUR 268 thousand (previous year: loss of EUR 49 thousand). The bank holds a 35 per cent stake.

OYAK Yatirim Menkul Degerler A.S., Istanbul/Turkey
The equity of the finance company amounts to TRY 300 million (previous year TRY 300 million adjusted from 316). In 2023, profit totalled TRY 1,999 million (previous year

TRY 1,053 million adjusted from 1,135 million). The bank holds an unchanged 1.426% of equity based on the number of shares.

Statement of changes in fixed assets

The assets to be valued for fixed assets are summarised in the statement of changes in fixed assets.

The development of fixed assets is shown in the following statement of changes in fixed assets:

IN TEUR						AMORTISATION/ WRITE-UP						BOOK VALUES	
	AS OF 01.01.2023	ACCESSO RIES	DEPARTU RES	BOOKINGS	AS OF 31.12.2023	AS OF 01.01.2023	DESCRIPTION	ADDITION	CHANGES / DEPARTURES	CUMULATIVE LEVEL 31.12.2023	VALUABILITIES. D. CURRENCY EX-CHANGE RATE 01.01.2023 CUM.	VALUABILITIES. D. CURRENCY EX-CHANGE RATE 31.12.2023 CUM.	AS OF 31.12.2023	AS OF 31.12.2022
Debt securities	136,804	4,812	38,078	0	103,538	0	0	0	0	0			103,538	136,804
Shareholdings	1,006	934	0	0	1,940	527	10	0	0	537			1,403	479
Shares in affiliated companies	3,766	364	0	0	4,129	473	713	0	0	1,186	-492	-1,629	1,314	2,156
Intangible assets														
a) Licences	2,091	156	284	0	1,963	1,942	233	0	284	1,891			72	149
b) Down payment made on intangible assets Fixed assets	1,365	3,421	72	0	4,714	0	0	0	0	0			4,714	1,365
Property, plant and equipment														
a) Operating and office equipment assets	646	56	184	0	518	452	105	0	184	373			145	194
b) Low value	125	5	48	0	82	92	20	0	48	64			18	33

Intangible assets

All intangible asset items, including prepayments made, are amounts for concessions, industrial property rights and similar rights and assets acquired for consideration as well as licences to such rights and assets. The useful life is between three and five years. The increase results from investments in the new core banking system.

Other assets

This item contains the following significant individual amounts:

	31.12.2023 TEUR	31.12.2022 TEUR
FX valuation (hedging transactions)	1,075	806
Tax refund claims	689	2,038

Prepaid expenses and deferred charges

Prepaid expenses include pro rata expenses that represent expenses for a certain period after the balance sheet date.

The total amount of assets denominated in foreign currencies is EUR 333,501 thousand (previous year: EUR 439,866 thousand). The transactions taken into account have an unchanged maximum term until 29 June 2028.

268,121 thousand (previous year: EUR 269,341 thousand) covered by cash in the same currency and term.

Liabilities side of the balance sheet

Liabilities to banks

Liabilities to banks are broken down by remaining term as follows:

	31.12.2023 TEUR	31.12.2022 TEUR
Due daily	1,090	0
up to three months	0	1,129
more than three months up to one year	0	80,000
more than one year to five years	0	0
more than five years	0	0

As at the balance sheet date, there were foreign currency liabilities to banks totalling EUR 0 thousand (previous year: EUR 1,129 thousand).

Liabilities to customers

Savings deposits are broken down by residual term as follows:

	31.12.2023 TEUR	31.12.2022 TEUR
Due daily	0	0
up to three months	2,753	18,006
more than three months up to one year	0	1,690
more than one year to five years	0	0
more than five years	0	0

Other liabilities to customers are broken down by remaining term as follows:

	31.12.2023 TEUR	31.12.2022 TEUR
Due daily	200,153	454,575
up to three months	65,341	68,255

	31.12.2023 TEUR	31.12.2022 TEUR
more than three months up to one year	156,143	86,427
more than one year to five years	107,588	44,613
more than five years	9,437	14,823

Other liabilities to customers include liabilities to affiliated companies totalling EUR 120,494 thousand (previous year: EUR 288,709 thousand). EUR 1,311 thousand (previous year: EUR 2,442 thousand) of these relate to liabilities to the shareholder. Liabilities to affiliated companies are current. These are foreign currency liabilities totalling EUR 24,521 thousand (previous year: EUR 101,126 thousand).

Other liabilities

This item contains the following significant individual amounts:

	31.12.2023 TEUR	31.12.2022 TEUR
Taxes to be paid (capital gains tax, sales tax, wage tax and church tax)	116	75
Other liabilities	71	71

Prepaid expenses and deferred charges

Deferred income includes income before the balance sheet date if it represents income for a certain period after this date.

This item contains the following significant individual amounts:

	31.12.2023 TEUR	31.12.2022 TEUR
Accrual processing fee Letters of credit	1,325	1,246
Accrual discount for syndicated loans	850	1,520

Other provisions

This item contains the following significant individual amounts:

	31.12.2023 TEUR	31.12.2022 TEUR
Provisions for personnel	1,076	191
Provision for tax	566	9
Provisions for pensions and similar rights	461	481
Provisions for audit expenses Costs of annual financial statements	364	314
Provisions for outstanding invoices	266	381
Other	280	279

The difference between recognising the pension obligation at the 10-year average interest rate and the 7-year average interest rate is EUR 5 thousand.

This difference is blocked for distribution.

Subordinated liabilities

Subordinated liabilities are broken down by remaining term as follows:

	31.12.2023 TEUR	31.12.2022 TEUR
Due daily	0	0
up to three months	139,515	172,548

	31.12.2023 TEUR	31.12.2022 TEUR
more than three months up to one year	410,060	346,086
more than one year to five years	0	0
more than five years	0	0

Subordinated liabilities totalling EUR 267,556 thousand (previous year: EUR 268,812 thousand) are foreign currency liabilities. The subordinated deposits serve as cash collateral for existing loan receivables. There are no plans to convert them into capital or any other form of debt.

Borrowings that exceed 10% of the total amount of subordinated liabilities:

INPOSITION OF	AMOUNT	CURRENCY	INTEREST RATE IN %	RUNNING TIME UNTIL
	118,575	TUSD	8.5	29.04.24
	97,445	TUSD	10	10.04.24
	88,477	TEUR	9	05.06.24
	63,852	TEUR	9	08.03.24

The subordinated deposits are not recognised as supplementary capital. An early repayment obligation is excluded.

Interest of EUR 58,953 thousand (previous year: EUR 27,302 thousand) was recognised in 2023.

FUND FOR GENERAL BANKING	31.12.2023 TEUR	ADDITIONS TEUR	WITH-DRAWALS TEUR	01.01.2023 TEUR
	0	934	0	934

Equity capital

Equity developed as follows:

	31.12.2023 TEUR	FEATURES TEUR	REVIEWS TEUR	01.01.2023 TEUR
Signed capital	115,000	0	0	115,000
Capital reserve	572	0	0	572
Retained earnings	32,339	1,749	0	30,590
Balance sheet profit/loss	7,396	-	-	1,749

The management proposes to allocate the net retained profits for the 2023 financial year to retained earnings.

The total amount of liabilities denominated in foreign currencies is EUR 293,865 thousand (previous year: EUR 371,068 thousand). The transactions have a maximum term until 20.02.2032.

Liabilities below the line

Contingent liabilities

This item includes:

	31.12.2023 TEUR	31.12.2022 TEUR
Sureties and guarantees	2,100	2,639

The contingent liabilities item does not include any individual amounts that are of material significance.

Other obligations

The obligations recognised in items 1b) and 2c) below the balance sheet line are subject to the risk identification and management procedures applicable to all credit relationships, that risks are identified in good time.

Acute risks of utilisation from the contingent liabilities shown below the balance sheet line are covered by provisions. The obligations recognised mainly relate to small guarantee agreements.

The risks were assessed in the course of an individual evaluation of the creditworthiness of these customers. The amounts reported under 1b) do not show the actual future cash flows to be expected from these contracts, as the bank estimates that the majority of contingent liabilities will expire without being utilised.

Notes to the income statement

The income statement is in account form.

Interest income

Interest income is netted against negative interest, which mainly consists of deposits with banks and the Bundesbank totalling EUR 0 thousand (previous year: EUR 36 thousand). The increase in income was mainly due to interest rates. Interest income from lending and securities transactions mainly results from business relationships with customers and banks based in Turkey (EUR 48,273 thousand), the Netherlands (EUR 16,375 thousand) and Luxembourg (EUR 12,377 thousand).

Commission income

Commission income results from letter of credit transactions and guarantee commissions.

This commission income mainly results from business relationships with banks and customers.

Current income from investments and affiliated companies

Current income from investments and affiliated companies relates to distributions from property funds (rescue acquisitions) in Germany.

Income from profit pooling, profit transfer or partial profit transfer agreements

Income from profit pooling, profit transfer or partial profit transfer agreements results from profit transfers from VFG-Verrechnungsstelle für gewerbliche Wirtschaft GmbH, our subsidiary in Koblenz.

Other operating income

Other operating income mainly results from the reversal of provisions totalling EUR 81 thousand (previous year: EUR 218 thousand). This includes the reversal of the provision for outstanding invoices totalling EUR 40 thousand (previous year: EUR 55 thousand).

Interest expenses

Positive interest from receivables from banks was recognised in the amount of EUR 0 thousand (in the previous year EUR 201 thousand) deducted from interest expenses. The increase in expenses was mainly due to interest rates.

General administrative expenses

General administrative expenses totalled EUR 13,734 thousand in the reporting year (previous year: EUR 12,753 thousand). Of this amount, EUR 7,204 thousand (previous year: EUR 5,562 thousand) was attributable to personnel expenses, with salaries increasing by EUR 1,786 thousand to EUR 6,324 thousand, including one-off bonus payments for the 2022 and 2023 financial years. The reduction in other administrative expenses by EUR 662 thousand to EUR 6,529 thousand was partly due to a reduction in consulting costs.

Other operating expenses

Other operating expenses include expenses from hedging costs for FX hedging transactions totalling EUR 1,399 thousand (previous year: EUR 1,653 thousand).

Taxes on income and earnings

Taxes on income relate exclusively to the result from ordinary activities.

Other financial obligations

Financial obligations from multi-year contracts

31.12.2023	FAILURE 2024 TEUR	FAILURE 2025 - 2027 TEUR	FAILURE FROM 2028 TEUR
Rent	412	1,096	176
Maintenance (IT)	821	348	0
Leasing	33	89	0
Services	2,129	1,905	536

31.12.2022	FAILURE 2023 TEUR	FAILURE 2024 - 2026 TEUR	FAILURE FROM 2027 TEUR
Rent	362	1,060	500
Maintenance (IT)	876	47	0
Leasing	35	97	22
Services	1,003	1,280	688

Contingent liabilities

Further contingent liabilities are presented below:

The required pro rata cover capital of the provident fund amounts to EUR 7 thousand (previous year: EUR 20 thousand). Twenty times the annual contribution is EUR 14 thousand (previous year: EUR 30 thousand). is a shortfall in this amount. No provisions were recognised for the underlying pension commitments, as these relate to cases prior to 1 January 1987 (application of Article 28 EGHGB).

The bank is liable for a loan from Grundbesitzgesellschaft bR Berlin, Karl-Marx-Allee II (property fund investments/rescue acquisitions) with Baden-Württembergische Bank, a dependent institution of Landesbank Baden-Württemberg, in the amount of EUR 9,000 (previous year: EUR 9,000). The data is based on the 2021 annual report, as no more recent figures are available.

The Bank is a member of the Deposit Protection Fund of the Association of German Banks (Einlagensicherungsfonds des Bundesverbandes deutscher Banken e.V.) and the Compensation Scheme of German Banks (Entschädigungseinrichtung deutscher Banken GmbH). The Deposit Protection Fund and the Compensation Scheme may, in principle, levy special contributions in the event that the resources of the Deposit Protection Fund or the Compensation Scheme are insufficient.

Foreign exchange transactions

To cover exchange rate fluctuations, the bank had foreign exchange swaps in its portfolio at the end of the year. These serve to hedge balance sheet foreign currency items. They are translated at the forward exchange rate.

	31.12.2023 TEUR	31.12.2022 TEUR
TUSD	40,219	69,258
TTRY	25,000	25,000
TGBP	400	0

As at the balance sheet date, these transactions resulted in a positive market value of EUR 1,075 thousand (previous year: positive market value of EUR 806 thousand).

Other information

Refinancing

A collateral account (consisting of securities and receivables eligible for refinancing with the German Federal Bank) totalling EUR 77,264 thousand (previous year: EUR 92,598 thousand) is held with the German Federal Bank for refinancing facilities. Loan utilisations in the form of open market transactions as at the balance sheet date amounted to EUR 0 thousand (previous year: EUR 79,455 thousand).

There are no other transferred/pledged assets for liabilities.

Auditor‘s total fee

The expenses recognised for the auditor‘s services for the financial year amounting to EUR 322 thousand (previous year: EUR 284 thousand) are made up as follows:

	2023 TEUR	2022 TEUR
Audit services	311	274
Other confirmation services	11	10

The audit services pursuant to Section 340k in conjunction with Sections 316 et seq. §§ Sections 316 et seq. HGB related to the audit of the annual financial statements and the reporting package as at 31 December 2023 in the amount of EUR 305 thousand (previous year: EUR 253 thousand) and the half-year reporting package as at 30 June 2023 and 30 June 2022 in the amount of EUR 5.5 thousand (previous year: EUR 4.9 thousand). 2022 audit services also include an additional payment of EUR 15.1 thousand for 2021. The other assurance services in the amount of EUR 10.9 thousand (previous year: EUR 10.0 thousand) related to the procedural audit and sample audit in accordance with Section V No. 11 (1) and 12 of the General Terms and Conditions of Deutsche Bundesbank („MACC“) for 2022 (previous year: 2021).

Disclosures pursuant to section 26a (1) KWG

Certain information must be published in a separate disclosure report in accordance with Part 8 of the Capital Requirements Regulation (CRR) and Section 26a of the German Banking Act (KWG) as part of the regulatory disclosure requirements (Pillar III). The Bank will publish the disclosure report as at 31 December 2023 with the required regulatory information in the Federal Gazette.

The return on investment as a quotient of net profit and average total assets is 0.62% (previous year: 0.13%).

Supplementary report

There were no events of particular significance after the balance sheet date.

Information on the company and its executive bodies

Employees

In accordance with Section 267 (5) HGB, the Bank employed an annual average of 29 female employees (previous year: 27) and 35 male employees (previous year: 33). At the end of the year, the Bank had 29 female employees (previous year: 26) and 38 male employees (previous year: 35). Converted to full-time equivalents, 60 employees (previous year: 56) were employed as at the balance sheet date.

Management

The Bank makes use of the exemption under Section 286 (4) HGB and does not disclose salaries and pensions.

Supervisory Board

Expenses for the Supervisory Board in the 2023 calendar year totalled EUR 0 thousand (previous year: EUR 0 thousand).

Loans to the Supervisory Board and Management Board

As at the balance sheet date, there were no receivables from or outstanding loan commitments to members of the Supervisory Board. There were receivables from and open loan commitments to the managing directors totalling EUR 13 thousand (previous year: EUR 17 thousand).

Group

OYAK ANKER Bank GmbH is part of the OYAK Ordu Yardımlaşma Kurumu Group, Ziya Gökalp Cad.No. 64, Kurtulus 06600 Ankara / Turkey.

Due to the ratio of total assets and income of VFG-Verrechnungsstelle für gewerbliche Wirtschaft GmbH to those of OYAK ANKER Bank GmbH, no consolidated financial statements were prepared in accordance with Sections 290 (5) in conjunction with 296 (2) HGB. in conjunction with Section 296 (2) HGB.

The financial statements of OYAK ANKER Bank GmbH are included in the consolidated financial statements of Ordu Yardımlaşma Kurumu (OYAK Ankara/Turkey). The latter prepares the consolidated financial statements for the smallest and largest group of consolidated companies. The consolidated financial statements of Ordu Yardımlaşma Kurumu (OYAK Ankara/Turkey) can be viewed on the website: www.oyak.com.tr.

Members of the Supervisory Board

The Supervisory Board was composed as follows in the 2023 financial year Mr I. Emrah Silav, Chairman
Group Head Finance Sector of Ordu Yardımlaşma Kurumu (OYAK) Istanbul (Turkey)

Mr M. Emre Timurkan, Deputy Chairman
Responsibility as member of the supervisory board of several OYAK companies London (United Kingdom)

Mr Can Örüng, Member of the Supervisory Board from 24 March 2023 Group Head of OYAK Human Resources and Sustainability Istanbul (Turkey)

Mr H. Alper Karaçoban, Member of the Supervisory Board until 24 March 2023 Responsibility as a member of the Supervisory Board of several OYAK companies Istanbul (Turkey)

Managing Director

The following have been appointed as managing directors:

Dr Süleyman Erol, Managing Director Back Office Ümit Yaman, Managing Director Market,

Frankfurt am Main, 27 May 2024 The Management Board

Dr. Süleyman Erol

Ümit Yaman

NOTES TO THE FINANCIAL STATEMENTS WITHIN THE MEANING OF SECTION 26A PARA. 1 RECORD 2 KWG OYAK ANKER BANK GMBH AS AT 31 DECEMBER 2023

Company name, type of activity and geographical location of the branches

OYAK ANKER Bank GmbH, based in Frankfurt, does not have a branch abroad. All information presented in the annual financial statements within the meaning of Section 26a (1) sentence 2 KWG relates exclusively to its business activities as a credit and deposit-taking institution in the Federal Republic of Germany.

Turnover

Sales totalled EUR 31,737 thousand (previous year: EUR 20,258 thousand). Turnover includes the sum of net interest income, net commission income, net trading income and other operating income.

Number of wage and salary earners in full-time equivalents

In accordance with Section 267 (5) HGB, the bank employed an annual average of 64 employees (previous year: 60). At the end of the year, we had 29 female employees (previous year: 26) and 38 male employees (previous year: 35). Converted to full-time equivalents, there were 60 (previous year: 56) employees as at the balance sheet date

Taxes on income and earnings

Taxes on income and earnings relate exclusively to the income tax expense. Usual result. Taxes on profit and loss totalled EUR 4,041 thousand (previous year: EUR 1,549 thousand).

Profit or loss before taxes

Profit before taxes totalled EUR 11,437 thousand (previous year: EUR 3,298 thousand).

Public aid received

OYAK ANKER Bank GmbH did not receive any public subsidies as an expense allowance for social security contributions in 2023/2022.

AUDITOR'S REPORT OF THE INDEPENDENT AUDITOR

To OYAK ANKER Bank GmbH, Frankfurt am Main

Report on the audit of the annual financial statements and the management report

Audit judgements

We have the annual financial statements of OYAK ANKER Bank GmbH, Frankfurt am Main, which comprise the balance sheet as at 31 December 2023 and the income statement for the financial year from 1 January to 31 December 2023, and notes to the financial statements, including the recognition and measurement policies presented therein. In addition, we have the management report of OYAK ANKER Bank GmbH for the financial year from 1 January to 31 December 2023.

In our opinion, based on the findings of our audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 in compliance with German Legally Required Accounting Principles, and

- the accompanying management report as a whole provides a suitable view of the company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and suitably presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the audit judgements

We conducted our audit of the annual financial statements and of the management report in compliance with Section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as „EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the „Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In our view, the following matter was the most significant in our audit:

① Risk provisioning in the lending business

We have structured our presentation of this key audit matter as follows:

① **Facts and problem definition**

② **Audit approach and findings**

③ **Reference to further information**

In the following, we present the key audit matter:

① Risk provisioning in the lending business

① In the company‘s annual financial statements, loan receivables totalling € 1,129,486 thousand (90.1% of total assets) are reported under the balance sheet items „Loans and advances to customers“ and „Loans and advances to banks“. As at 31 December 2023, risk provisions consisting of specific and general loan loss provisions were recognised for the loan portfolio. The measurement of risk provisions in the lending business is determined in particular by the structure and quality of the loan portfolios, macroeconomic factors and the estimates of the legal and regulatory authorities.

The amount of the deposits is determined on the basis of the credit risk.

The amount of the specific valuation allowances for receivables from customers corresponds to the difference between the outstanding loan amount and the lower value to be recognised on the reporting date. Existing collateral is taken into account. In the private customer business, a generalised specific valuation allowance is calculated based on historical default and loss rates. The general value adjustments cover the latent credit risk. General loan loss provisions are recognised for foreseeable counterparty default risks in the lending business of credit institutions that have not yet been specifically identified for individual borrowers. For this purpose, a general valuation allowance is recognised for loans that are not individually impaired, excluding country risk, in the amount of the expected loss for the remaining term, taking into account creditworthiness premiums, for business customers and in the amount of the expected loss for an observation period of twelve months for private customers. Country valuation allowances are also recognised for loans not subject to specific valuation allowances for borrowers domiciled in Turkey, where there is an increased country risk, particularly due to inflation and macroeconomic conditions, based on the probability of default of the country rating. The value adjustments in the lending business are, on the one hand, highly significant for the company‘s net assets and results of operations in terms of amount and, on the other hand, involve considerable scope for judgement on the part of the legal representatives. In addition, the valuation parameters applied, which are subject to considerable uncertainty, have a significant influence on the recognition and amount of any necessary valuation allowances. Against this background, this matter was of particular significance in the context of our audit.

② As part of our audit, we first assessed the design of the company‘s relevant internal control system and, based on this, tested the effectiveness of the controls. In doing so, we considered the business organisation, the IT systems and the relevant valuation models. In addition, we assessed the valuation of loans and advances to banks and customers, including the appropriateness of estimated values, on the basis of samples of credit exposures. In doing so, we assessed, among other things, the company‘s available documentation regarding the economic circumstances and the recoverability of the corresponding collateral. Furthermore, to assess the specific and general valuation allowances made, we evaluated the calculation methods applied by the company and the underlying assumptions and parameters. In particular, we also assessed the legal representatives‘ assessment of the effects of the overall economic circumstances on the economic circumstances of the borrowers and the recoverability of the corresponding collateral and evaluated their consideration in the measurement of the loan receivables. On the basis of the audit procedures we performed, we were able to satisfy ourselves overall of the reasonableness of the assumptions made by the executive directors when testing the recoverability of the loan portfolio and the appropriateness and effectiveness of the controls implemented by the company.

③ The company's disclosures on risk provisioning in the customer lending business are contained in the sections on accounting policies, loans and advances to banks, loans and advances to customers and other disclosures in the notes to the financial statements

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements and the management report

The management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, management is responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent manipulation of the accounting records or misrepresentation of assets) or error.

In preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for assessing matters relating to the company's ability to continue as a going concern, where applicable.
In addition, they are responsible for preparing the financial statements on the basis of the going concern principle, unless this is precluded by factual or legal circumstances.

Furthermore, the management is responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The Supervisory Board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements and the management report.

Auditor's responsibilities for the audit of the annual financial statements and of the management report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and the audit conducted in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always reveal a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and management report.

During the audit, we exercise professional judgement and maintain professional scepticism. In addition, we

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to form a basis for our opinions. The risk of not detecting material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.

- assess the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimates and related disclosures made by the legal representatives.

- We draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and, based on the audit evidence obtained, whether there is material uncertainty regarding events or circumstances that could raise significant doubts about the company's ability to continue as a going concern. If we determine that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles.

- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- perform audit procedures on the prospective information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

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

From the matters communicated with those with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other statutory and other legal requirements

Other information pursuant to Article 10 EU-APrVO

We were elected as auditor by the shareholders‘ meeting on 23 June 2023. We were engaged by the Supervisory Board on 23 June 2023. We have been the auditor of OYAK ANKER Bank GmbH, Frankfurt am Main, without interruption since the financial year 2019.

We declare that the audit opinions expressed in this auditor‘s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (audit report).

Responsible auditor

The German Public Auditor responsible for the engagement is Kay Böhm.

Frankfurt am Main, 28 May 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Kay Böhm
Auditor

Muriel Atton
Certified Public Accountant

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