



KOOPBANK



2023 ANNUAL REPORT

**CYPRUS TURKISH CO-OPERATIVE
CENTRAL BANK LIMITED**



CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED

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CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED

BOARD OF DIRECTORS

Haluk Yerli	Chairman
Mustafa Akyön	Vice Chairman
Prof.Dr. Veclal Gündüz	Member (Responsible for Internal Systems)
Bülent Arkın	Member
Mehmet Osman Safa	Member
Çiğdem Arslan	Member
Kemal Ataman	Member (General Manager)

SENIOR MANAGEMENT

Kemal Ataman	General Manager and Secretary
Orhan Bürüncük	Asst.General Manager
Mehmet Öksüzöğluları	Asst.General Manager
Nevzat Üstün	Asst.General Manager
Öztan Güröz	Asst.General Manager
Kemal Özçınar	Asst.General Manager (a)

CHIEF ACCOUNTANT

Banu Moralı	Manager
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INTERNAL SYSTEMS

Mustafa Atagül	Internal Audit and Internal Control Unit Officer
Hasan Uysal	Risk Management Unit Officer
Işıl Altunbilek Oytaç	Compliance Unit Officer

EXTERNAL AUDITORS

ERDAL & CO.	Chartered Accountants
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**CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED****BOARD OF DIRECTORS' REPORT**

We present our Board of Director's Report and Auditors' Report together with Balance Sheet as at 31 December 2023 and Profit and Loss Statement for the year ended 2023 to the Registrar of Co-operative Companies.

Profit for the year 2023 is satisfactory. Our business volume is satisfactory.

All administrative and other expenses have been deducted and provisions have been made in the accounts for doubtful debts in accordance with the Provisions Decree issued under the Banking Law. As the Board of Directors, we submit and recommend the distribution of the Bank's net profit for 2023, amounting to 620.155.933. -TL after the provision of 70.149.531.-TL for Corporate and Income Taxes in the accounts, as shown below, and the audited financial statements for the approval of the Council of Ministers through the Registrar of Cooperative Companies.

Statutory Reserve	62.015.593 TL
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General Reserves	558.140.340 TL
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Approved by the Board of Directors on 29.04.2024.

On Behalf of the Board of Directors,

Kemal Ataman
General Manager and Member of the Board of Directors

Nicosia.



CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

As per the Banking Law, the Board of Directors is responsible for;

- Carrying out the Bank's activities within the framework of corporate governance principles and complying with applicable laws and other regulations in reliable manner,
- Compliance with procedures and principles and the Uniform Chart of Accounts set out by the TRNC Central Bank and maintaining complete and accurate accounting records in due course,
- Preparation of financial reports to meet information needs in a clear, concise, reliable, accurate, comparable and timely manner and ensure that they are convenient to audit, analysis and interpretation,
- Establishment and fair presentation of financial reporting system in line with Bank's operations, as well as the establishment of the necessary internal control system to prevent occurrence of significant errors and fraud during preparation of financial reporting,
- Evaluation of the validity of going concern basis and maintaining the continuity of going concern assumption.

The Board of Directors select accounting policies appropriate to the Bank's structure and apply them consistently to make reasonable and prudent decisions and estimates.

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

The Board of Directors is responsible for the establishment of the financial reporting system including the setting up of the accounting process of the operations of financial statements, their approval, audit, submission to the competent authorities and publication of the reports, establishment of financial reporting systems and determine their duties and responsibilities, rendering sufficient information systems and oversight of their overall execution in accordance with methods and provisions specified in Accounting systems and Retention of Documents Decree enacted under the Banking Law. In connection with the aforesaid obligations, with regards to the accounting and reporting systems, the Board of Directors is responsible for taking measures required for the determination of the key policies, the clear preparation of job descriptions in accordance with the workflow diagram of duties, authorities, and responsibilities, the rendering of sufficient internal and external information systems, the clear definition of authorities and responsibilities, and the oversight of execution in this regard.

Registrar of Co-operative Companies requires the Administrative Officers each year, at the earliest and at the time to be determined by the Chapter 114 Co-operative Companies Law:

- a) To prepare Bank's Balance Sheet as at 31 December, and the detailed Profit and Loss account by the Secretary of the General Manager and sent to the Registrar
- b) To prepare a report on the Bank's activities during the year to be presented at the Annual General Meeting.

Pursuant to the Cyprus Turkish -Co operative Central Bank Limited Articles of Association, the Board of Directors is obliged to act prudently and reasonably. Otherwise, Co-operative Companies will be liable for any loss and damage that may occur as a result of their actions contrary to the Law and Regulation and the provisions of this Articles.

On Behalf of the Board of Directors,

Haluk Yerli
Chairman

Kemal Ataman
Member (General Manager)

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Banu Moralı
Chief Accountant



CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED
INDEPENDENT AUDITORS' REPORT FOR THE ACCOUNTING PERIOD ENDED
31 DECEMBER 2023

We have audited the financial statements on pages 6 to 34 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 9.

Responsibilities of Board of Directors and Auditors

As described on page 3, the Directors of the Bank are responsible for the financial statements. Our responsibility is to express an opinion on the financial statements based on our audit.

Basis of our opinion

We have conducted our audit in accordance with independent auditing principles and with provisions of the Independent Auditor Institutions Decree published under the 62/2017 Banking Law. Audit includes planning and conducting so as to obtain reasonable assurance as to whether the financial statements are free from material misstatement. The independent audit procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessment of the accounting principles used, significant accounting estimates made by the Board of Directors and the overall presentation of the financial statements. These procedures are determined according to the professional judgment of the auditor which includes consideration of the risk of material misstatement whether caused by error or fraud in the financial statements. Independent audit also include the assessment of the operation of the Bank's internal systems, whether sufficiently used and the infrastructure of the system in use is appropriate for the Bank's structure and whether the Bank has effective internal control system. We believe that audit evidence we have obtained during the audit is sufficient and appropriate to provide reasonable basis for our opinion.

Opinion in Accordance with the 62/2017 Banking Law

The 2023 financial report of Cyprus Turkish Cooperative Central Bank Limited has been examined in accordance with the Banking Law No. 62/2017 and all other relevant legislation published under this Law and except for the effects of the matters noted below, and matters explained in IB-14 section of the report, is true in all material respects.

- The total of loans with government guarantee exceeds the maximum limit stated in the Banking Law by 9,214,116,035 Turkish Liras.

Opinion in Accordance with the Companies Law, Chapter 114

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of account, have been kept by the Bank, so far as appears from our examination of those books. The Bank's audited balance sheet and profit and loss account are in agreement with the books of account.

In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by Chapter 114 the Co-operative Companies Law in the manner so required and, except for the effects of the matters noted in the opinion in Accordance with the 62/2017 Banking Law, the Bank's Balance Sheet give a true and fair view of the state of the Bank's affairs as at 31 December 2023 and in the case of the Profit and Loss account, of the profit for the year 2023 in all material respects.

Aygen Akçengel

Responsible Auditor

ERDAL & CO.

Damla Fehmi Sertbay

BSc ,BFP,FCA

Responsible Audit Partner

Dated: 29.04.2024

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CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LIMITED

**THE BOARD OF DIRECTORS' AND SENIOR MANAGEMENT'S DECLARATION REGARDING
FINANCIAL STATEMENTS FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 2023**

The financial statements and the related disclosures and notes on pages 6 to 37 are in compliance with the provisions of the Accounting Systems and Retention of Documents Decree enacted under the Banking Law and with the accounting records.

Kemal Ataman
Member (General Manager)

Haluk Yerli
Chairman

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal Systems)

Banu Moralı
Chief Accountant



**CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
COMPARATIVE BALANCE SHEET**

ASSETS	Note	CURRENT PERIOD (31/12/2023)			PREVIOUS PERIOD (31/12/2022)		
		TL	FC	TOTAL	TL	FC	TOTAL
I - CASH BALANCES		117.064.262	78.341.476	195.405.738	55.685.365	51.955.141	107.640.506
A. Cash-TL balances		117.064.262		117.064.262	55.685.365		55.685.365
B. Cash-foreign currency			78.061.397	78.061.397		51.783.177	51.783.177
C. Other liquid assets			280.079	280.079		171.964	171.964
II - BANK BALANCES	(1)	1.949.128.012	8.901.680.388	10.850.808.400	900.506.208	5.461.546.754	6.362.052.962
A. TRNC Central Bank		1.361.231.933	7.879.244.586	9.240.476.519	438.432.382	4.535.340.936	4.973.773.318
B. Other Banks		587.896.079	1.022.435.802	1.610.331.881	462.073.826	926.205.818	1.388.279.644
1) Domestic Banks		8		8	8		8
2) Foreign Banks		587.896.071	1.022.435.802	1.610.331.873	462.073.818	926.205.818	1.388.279.636
3) Reverse Repo Receivables							
III - SECURITIES PORTFOLIO (NET)	(2)	44.955.003	6.911.561.287	6.956.516.290	44.765.571	2.299.712.309	2.344.477.880
A. Treasury Bills							
B. Other bills							
C. Equity shares							
D. Other securities		44.955.003	6.911.561.287	6.956.516.290	44.765.571	2.299.712.309	2.344.477.880
IV - LOANS AND ADVANCES	(3)	6.499.706.528	7.784.428.021	14.284.134.549	5.325.709.177	4.580.761.368	9.906.470.545
A. Short term		350.404.000	538.424.977	888.828.977	257.992.761	300.481.406	558.474.167
B. Medium and long term		6.149.302.528	7.246.003.044	13.395.305.572	5.067.716.416	4.280.279.962	9.347.996.378
V - LOANS IN ARREARS (NET)	(4)	158.885	1.493.675	1.652.560	858.079	5.890.230	6.748.309
A. Loans and other receivables with limited repayment capacity (Net)		37.266	0	37.266	450.528		450.528
1) Gross receivable balances		44.896	0	44.896	612.018		612.018
2) Specific provision		-7.630	0	-7.630	-161.490		-161.490
B. Doubtful debts and other receivables (Net)		121.619	1.493.675	1.615.294	407.551	5.890.230	6.297.781
1) Gross receivable balances		139.411	1.599.098	1.738.509	472.106	9.940.074	10.412.180
2) Specific provision		-17.792	-105.423	-123.215	-64.555	-4.049.844	-4.114.399
C. Bad debts and receivables (Net)		0	0	0	0	0	0
1) Gross receivable balances		7.452.801	115.739.287	123.192.088	9.394.975	115.812.554	125.207.529
2) Specific provision		-7.452.801	-115.739.287	-123.192.088	-9.394.975	-115.812.554	-125.207.529
VI - PREPAYMENTS AND ACCRUED INCOME		31.566.239	60.500.367	92.066.606	25.047.477	14.783.110	39.830.587
A. Loans and advances		15.487.578	6.004.937	21.492.515	17.219.064	11.023.620	28.242.684
B. Securities portfolio		2.178.973	52.011.695	54.190.668	1.990.951	2.824.011	4.814.962
C. Other		13.899.688	2.483.735	16.383.423	5.837.462	935.479	6.772.941
VII - FINANCIAL LEASING RECEIVABLES (NET)							
A. Financial leasing receivables							
B. Unearned income							
VIII- RESERVE DEPOSITS AT THE CENTRAL BANK		444.619.033	1.895.480.763	2.340.099.796	319.516.153	988.841.960	1.308.358.113
IX- SUNDRY RECEIVABLES	(5)	28.086.388	19.035.678	47.122.066	29.425.450	10.343.349	39.768.799
X- PARTICIPATIONS (NET)	(6)						
A. Financial participations							
B. Other participations							
XI- SUBSIDIARIES (NET)	(6)	99.303.317		99.303.317	119.525.216		119.525.216
A. Financial subsidiaries		46.646.431		46.646.431	35.914.319		35.914.319
B. Other subsidiaries		52.656.886		52.656.886	83.610.897		83.610.897
XII- LONG TERM INVESTMENTS	(7)	74.942		74.942	74.942		74.942
A. Equity shares							
B. Other pledged securities		74.942		74.942	74.942		74.942
XIII- FIXED ASSETS	(8)	55.826.489		55.826.489	45.539.886		45.539.886
A. Book value		98.438.673		98.438.673	81.565.730		81.565.730
B. Accumulated depreciation		-42.612.184		-42.612.184	-36.025.844		-36.025.844
XIV- OTHER ASSETS	(9)	327.276.025	10.161.687	337.437.712	211.519.130	13.978.135	225.497.265
TOTAL ASSETS		9.597.765.123	25.662.683.342	35.260.448.465	7.078.172.654	13.427.812.356	20.505.985.010

(*) Used by banks authorized by law.

Haluk Yerli
Chairman

Kemal Ataman
Member (General Manager)

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Banu Moralı
Chief Accountant



CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
COMPARATIVE BALANCE SHEET

LIABILITIES	Note	CURRENT PERIOD (31/12/2023)			PREVIOUS PERIOD (31/12/2022)		
		TL	FC	TOTAL	TL	FC	TOTAL
I - DEPOSITS	(10)	6.954.611.942	24.843.904.990	31.798.516.932	5.371.112.890	12.960.579.008	18.331.691.898
A. Saving deposits		3.888.337.530	16.767.369.885	20.655.707.415	3.318.720.032	8.929.071.305	12.247.791.337
B. Official deposits		1.181.041.528	1.266.450.754	2.447.492.282	768.145.137	534.185.801	1.302.330.938
C. Commerical deposits		1.285.239.645	6.071.530.008	7.356.769.653	953.785.821	2.905.226.667	3.859.012.488
D. Other institution deposits		532.132.703	108.906.209	641.038.912	272.572.703	214.154.974	486.727.677
E. Bank deposits		67.860.536	629.648.134	697.508.670	57.889.197	377.940.261	435.829.458
F. Gold reserve accounts							
II - FUNDS OBTAINED FROM REPOS	(11)						
III - FUNDS BORROWED	(12)						
A. TRNC Central Bank							
B. Other funds borrowed							
1) Domestic bank and institutions							
2) Foreign bank and institutions							
3) Capital loans							
IV - FUNDS	(13)	356.864		356.864	356.864		356.864
V - SECURITIES ISSUED (NET)	(14)						
A. Bonds							
B. Asset backed securities							
C. Debentures							
VI - EXPENSE ACCRUALS AND DEFERRED INCOME		81.337.213	48.210.878	129.548.091	33.516.283	21.650.721	55.167.004
A. Deposits		80.613.373	48.210.878	128.824.251	33.121.883	21.650.721	54.772.604
B. Borrowed funds							
C. Other		723.840		723.840	394.400		394.400
VII - FINANCIAL LEASING PAYABLES (NET)							
A. Financial leasing payables							
B. Deferred financial leasing expenses							
VIII - TAXES, DUTIES AND SOCIAL SECURITY PREMIUMS PAYABLE		179.615.463	3.783.079	183.398.542	113.847.991	2.319.592	116.167.583
IX - IMPORT TRANSFER ACCOUNTS							
X - SUNDRY LIABILITIES	(15)	979.021.761	76.431.343	1.055.453.104	514.079.812	39.102.032	553.181.844
XI - PROVISIONS		112.716.288		112.716.288	120.895.715		120.895.715
A. Retirement pay compensation							
B. General provision for loans		33.156.244		33.156.244	14.618.261		14.618.261
C. Corporation and Income Tax provisions		79.051.533		79.051.533	88.601.775		88.601.775
D. Other provisions		508.511		508.511	17.675.679		17.675.679
XII - OTHER LIABILITIES	(16)	83.435.778	23.806.089	107.241.867	48.943.739	11.438.423	60.382.162
XIII - SHAREHOLDERS' FUNDS	(17)	1.253.060.844		1.253.060.844	783.187.680		783.187.680
A. Share capital paid-up		27.992.004		27.992.004	27.251.201		27.251.201
1) Nominal share capital		50.000.000		50.000.000	50.000.000		50.000.000
2) Unpaid share capital		-22.007.996		-22.007.996	-22.748.799		-22.748.799
B. Statutory reserves		113.892.679		113.892.679	65.397.253		65.397.253
1) Statutory reserves		113.892.679		113.892.679	65.397.253		65.397.253
2) Share premium							
3) Other legal reserves							
C. General reserves		1.017.612.762		1.017.612.762	581.153.928		581.153.928
D. Statutory revaluation fund		7.718		7.718	7.718		7.718
E. Revaluation balances	(18)	93.555.681		93.555.681	109.377.580		109.377.580
F. Loss							
1) Current period loss							
2) Previous period losses							
XIV - PROFIT		620.155.933		620.155.933	484.954.260		484.954.260
A. Current period profit		620.155.933		620.155.933	484.954.260		484.954.260
B. Previous period profits							
TOTAL LIABILITIES		10.264.312.085	24.996.136.379	35.260.448.465	7.470.895.234	13.035.089.776	20.505.985.010
COMMITMENTS AND CONTINGENT LIABILITIES	(1)						
I - GUARANTEES AND ACCEPTANCES	(2)	58.737.366	70.971.279	129.708.645	54.536.466	41.773.198	96.309.664
II - COMMITMENTS	(3)	516.858.789	127.842.533	644.701.322	738.238.685	282.703.291	1.020.941.976
III - FOREX & INTEREST RATES OPERATIONS	(4)						
IV - ASSETS HELD UNDER TRUST AND PLEDGED ASSETS		316.939.142	8.379.663.084	8.696.602.226	281.526.129	3.497.645.586	3.779.171.715
TOTAL		892.535.297	8.578.476.896	9.471.012.193	1.074.301.280	3.822.122.075	4.896.423.355

Haluk Yerli
Chairman

Kemal Ataman
Member (General Manager)

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Banu Moralı
Chief Accountant



**CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
COMPARATIVE PROFIT AND LOSS STATEMENT**

	CURRENT PERIOD (31/12/2023)	PREVIOUS PERIOD (31/12/2022)
Note		
I - INTEREST INCOME	(1) 2.584.691.012	1.367.744.792
A. Interest income from loans	2.052.000.719	1.233.684.110
1) Interest income from TL loans	1.453.496.309	866.764.617
a - Short term	1.388.509.779	838.203.236
b - Medium and long term	64.986.530	28.561.381
2) Interest income from foreign currency loans	566.285.730	334.733.168
a - Short term	526.718.642	311.653.004
b - Medium and long term	39.567.088	23.080.164
3) Interest income from loans in arrears	32.218.680	32.186.325
B. Interest income from reserve deposits at the Central Bank	34.743.696	19.372.447
C. Interest income received from banks	375.636.840	98.213.680
1) TRNC Central Bank	220.960.605	47.147.800
2) Domestic banks		
3) Foreign banks	154.676.235	51.065.880
4) Interest income from reverse repos		
D. Interest income from securities portfolio	122.274.900	16.474.032
1) TRNC Development Bank securities	5.397.708	4.584.066
2) Other securities	116.877.192	11.889.966
E. Other interest income	(3) 34.857	523
II - INTEREST EXPENSES	(1) 1.294.677.056	814.551.186
A. Interest expense payable to deposits	1.074.493.342	689.368.686
1) Saving deposits	652.673.429	443.972.750
2) Official deposits	206.634.876	125.189.809
3) Commercial deposits	161.632.102	108.190.187
4) Other institution deposits	38.159.558	6.886.350
5) Bank deposits	15.393.377	5.129.590
B. Interest expense payable to foreign currency deposits	205.734.929	122.298.456
1) Saving deposits	119.908.484	78.601.901
2) Official deposits	19.532.510	7.291.000
3) Commercial deposits	53.063.449	27.858.434
4) Other institution deposits	64.074	0
5) Bank deposits	13.166.412	8.547.121
6) Gold reserve accounts		
C. Repo Interest Expense		
D. Interest expense payable on borrowings	14.448.785	2.884.044
1) TRNC Central Bank	14.448.785	2.869.444
2) Domestic banks		
3) Foreign banks		
4) Other institutions	0	14.600
E. Interest on debentures and securities issued		
F. Other interest expense	(3)	
III - NET INTEREST INCOME [I - II]	1.290.013.956	553.193.606
IV - OTHER INCOME	(1) 3.989.581.074	3.483.091.107
A. Fees and commissions received	81.374.617	43.907.136
1) From cash loans	18.048.337	10.476.712
2) From non-cash loans	2.235.344	1.058.288
3) Other	61.090.936	32.372.136
B. Profit from capital market operations		
C. Foreign exchange profits	3.806.894.046	3.348.151.759
D. Dividends received from subsidiaries and participations	137.125	
E. Extraordinary income		
F. Other non-interest income	(3) 101.175.286	91.032.212
V - OTHER OPERATING EXPENSES	(1) 4.589.289.566	3.497.079.053
A. Fees and commissions paid	5.632.871	2.438.980
1) On cash loans		
2) On non-cash loans		
3) Other	5.632.871	2.438.980
B. Loss on capital market operations		
C. Foreign exchange losses	3.854.619.394	3.072.974.758
D. Personnel expenses	304.534.786	156.975.007
E. Retirement pay compensation		
F. Rental expenses	3.906.301	3.127.618
G. Depreciation	6.731.499	3.855.605
H. Taxes and duties	10.483.703	3.035.205
I. Extraordinary expenses		
J. Provision for doubtful debts	(2) 4.044.707	5.028.089
K. Other provisions	(2) 28.442.198	7.047.635
L. Other non-interest expenses	(3) 370.894.107	242.596.156
VI - NET OTHER INCOME [IV - V]	-599.708.492	-13.987.946
VII - PROFIT BEFORE TAXATION [III + VI]	690.305.464	539.205.660
VIII - TAXATION	70.149.531	54.251.400
IX - NET PROFIT AFTER TAXATION [VII - VIII]	620.155.933	484.954.260

Haluk Yerli
Chairman

Kemal Ataman
Member (General Manager)

Prof.Dr.Veclal Gündüz
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Banu Moralı
Chief Accountant



I- NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK:

A) ACCOUNTING POLICIES:

(1) General information about the bank should be included.

Accounts other than subsidiaries are prepared on the basis of the Historical Cost Convention and Subsidiaries are prepared according to the equity method.

(2) Depreciation is provided for using the following rates.

Building	%3,03-20
Fixtures and fittings	%10-25
Information technology devices and systems	%10-33.33
Vehicles	%15
Leasehold improvements	%20

(3) Except for the non-performing loans as stated in the Bank's Loans and Other Receivables Qualities and Provisions Decree published by the Central Bank of the TRNC, all accounts have been prepared according to the accruals principle.

(4) In accordance with Article 7(4) of the Decree on the Qualities of Banks' Loans and Other Receivables and Provisions, the Bank has made a specific provision for the bad loans regardless of the value of collateral forentire amount of non-performing loans.

(5) Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities other than non-performing loans have been translated at the rates of exchange ruling as at 31 December 2023. Foreign currency non-performing loans have been translated at the exchange rate on the date they were classified as non-performing loan.

B) NOTES AND DISCLOSURES RELATED TO THE CURRENT PERIOD:

(1) Date of approval of the balance sheet is 29 April 2024.

(2) LEGAL STRUCTURE OF THE BANK:

a) Cyprus Turkish Co-operative Central Bank Limited is a co-operative Company registered under Chapter 114 Co-operative Companies Law and is subject to the TRNC Banking Law No. 62/2017 with regard to its banking activities.

b) The Board of Directors, consisting of Administrative Officers appointed in accordance with the Cooperative Companies Law, is named as the Board of Directors in the financial report.

c) The term of office service of the Administrative Officers appointed to the Board of Cyprus Turkish Cooperative Central Bank Limited was extended by the Council of Ministers for 2 (two) years on March 15, 2022 by the recommendation of the Deputy Registrar of Cooperative Companies. The two-year period expired on March 15, 2024, and has not yet been extended on the balance sheet signing date.

d) The Bank's Board of Directors and senior executives and internal system managers are stated on page 1 of the financial report.

Changes in board members and senior managers during the year are stated below;

- On November 3, 2023, Işıl Aytunbilek Oytam was appointed as the Compliance Unit Officer, replacing Şerife Korucan.
- The membership of Ahmet Özorun, who was appointed on January 06, 2023, to the Board of Directors ended on August 04, 2023, and the membership of Haluk Yerli was approved by the Central Bank of TRNC on September 01, 2023.
- Due to the death of Internal Control Unit Manager Canan Özkıran on July 04, 2023, Internal Control and Internal Audit Units were merged.

e) The qualifications of bank executives and auditors are in accordance with by the TRNC Banking Law No. 62/2017.

f) The external auditor of the bank is a firm approved by the Central Bank for carrying out audit.

(3) Changes in accounting policies and their monetary effects, if any, should be explained.

No changes have been made in the accounting policies.

(4) The opinion of the independent audit firm on the validity of the concepts of continuity of the business, periodicity and consistency, which are considered as the going concern, matching and consistency the basic assumptions of accounting, should be included.

The Bank fully complies with the going concern, matching and consistency concepts that are considered the fundamental principles of accounting.

(5) There have been no changes in the valuation methods applied.

(6) Securities portfolio (Including participations, subsidiaries, long term investments) valuation methods:

Securities are valued at the acquisition cost or by taking into account the realized value losses, however the premium paid or the discount received at the purchase of the securities is calculated on an accrual basis and included in the acquisition cost.

- TRNC Development Bank Bonds are not registered in any stock exchange and banks are legally required to acquire these bonds equivalent to %2 of their commitments.

**- Affiliates, Subsidiaries and Securities/Investments**

- The subsidiary values of Şeker Insurance (Cyprus) Ltd, the sole financial subsidiary of the bank, and its non-financial subsidiaries Milk and Oil Products Production and Marketing Cooperative (Koop-Süt) Limited, Mixed Animal Feed, Harup Products and LPGas Production and Marketing Cooperative Limited and Agricultural Supplies, Machinery and Food Marketing Cooperative Limited's have been valued according to the equity method.

Since the Bank carry limited liability to the non-financial subsidiaries of Agricultural Supplies, Machinery and Food Marketing Cooperative Limited and Mixed Animal Feed, Harup Products and LPGas Production and Marketing Cooperative Limited in accordance with their articles of association, the Bank is responsible up to the amount of capital it has in these subsidiary holdings. This year, no further provision has been made for the part of the loss incurred in the two named companies exceeding the invested capital amount. The value of these two companies in the Bank's balance sheet is zero on December 31, 2023.

The depreciation method used, the change in the method in the current period and its monetary impact should be explained.

The Straight Line Depreciation method has been used. No changes have been made in the method.

(7) Currency risk exposure due to foreign currency transactions and what the hedging strategies consist of should be explained.

In order to protect against the exchange rate risk that may arise from foreign currency accounts consisting of different types and different amounts included in the assets and liabilities of the balance sheet, the Bank implements foreign currency asset-liability management; position, exchange rate, price, liquidity, maturity risks and the position limits that should be kept according to the foreign currency types specified in the Banking Law. The Bank has a long position in USD of 4.796.005.000 TL due to the conversion of a certain amount of government-guaranteed TL loans into USD in 1998.

(8) USD and GBP Foreign exchange rates used in the preparation of the Balance Sheet and the bid rates published by the bank on the last five working days of the current accounting period.

	<u>Current Period</u>	<u>Previous period</u>
	TL	TL
US Dollar :	29,2230	18,5500
<u>Preceding the Balance Sheet date:</u>		
1. Day Bid Rate	29,2230	18,5500
2. Day Bid Rate	29,2230	18,5885
3. Day Bid Rate	29,1425	18,6000
4. Day Bid Rate	29,0760	18,6000
5. Day Bid Rate	29,0160	18,5600
	<u>Current Period</u>	<u>Previous period</u>
	TL	TL
STG :	37,2825	22,4320
<u>Preceding the Balance Sheet date:</u>		
1. Day Bid Rate	37,2825	22,4320
2. Day Bid Rate	37,2825	22,4250
3. Day Bid Rate	37,2430	22,5000
4. Day Bid Rate	37,2120	22,3850
5. Day Bid Rate	36,9770	22,4350

(9) Total insurance value of the asset values:

	<u>Current Period 31.12.2023</u>		
	<u>Book Value</u>	<u>Acc. Depreciation</u>	<u>Insurance Value</u>
	TL	TL	TL
Assets	98.476.652	42.612.184	212.052.972
Fixtures fittings and equipment	42.314.068	27.081.001	54.525.950
Immovable Properties	45.884.974	11.771.421	157.527.022
Leasehold improvements costs	10.239.631	3.759.762	None
Assets To Be Disposed of	37.979	None	None
	<u>Previous Period 31.12.2022</u>		
	<u>Book Value</u>	<u>Acc. Depreciation</u>	<u>Insurance Value</u>
	TL	TL	TL
Assets	81.603.710	36.023.844	117.034.719
Fixtures fittings and equipment	30.565.466	22.063.370	31.683.253
Immovable Properties	47.357.567	10.479.713	85.351.466
Leasehold improvements amount	3.642.698	3.480.761	None
Assets To Be Disposed of	37.979	None	None

(10) Material, contingent, and conditional losses and gains the value of which could not be estimated.

None.



(11) An up to date explanation need to be made in case of new information obtained post balance sheet with regard to a matter

a) Post balance sheet matters and transactions not yet completed and their effects on the financial statements.

None.

b) The effect on foreign currency transactions and items and financial statements of material changes to the exchanged rates

None.

(12) Material items affecting the balance sheet in a significant way that need to be disclosed in order to make the balance sheet more

Unless otherwise specified, amounts are expressed in Turkish Lira.

(13) Bank's Capital Adequacy Standard Ratio: % 14,22

a) Information on Risk-Weighted Assets;

Risk Weighted Assets, Liabilities and Non-Cash Loans	Current Period
I.MARKET RISK	5.074.100
II. OPERATIONAL RISK	1.794.275
III. CREDIT RISK (a+b+c+ç)	4.203.874
a. 20% RISK-WEIGHTED ASSETS	2.322.822
b.50% RISK-WEIGHTED ASSETS	872.478
c.100% RISK-WEIGHTED ASSETS	1.008.574
ç.COUNTERPARTY CREDIT RISK	
IV.TOTAL RISK-WEIGHTED ASSETS (I + II + III)	11.072.249

b) Information on Capital and Reserves;

	Current Period
I.TOTAL TIER I CAPITAL (II + III)	1.494.947
II. CORE TIER I CAPITAL	1.494.947
III. ADDITIONAL TIER I CAPITAL	
IV. TIER II CAPITAL	80.028
V. CAPITAL (I + IV)	1.574.975

c) Summary Details of Capital Adequacy Standard Ratio;

	TL, %	TL, %
	Current Period	Previous period
Total Risk-Weighted Assets	11.072.249	7.046.311
Capital	1.574.975	1.030.112
Capital / RWA (CAR (%))	% 14,22	% 14,62

**(14) Opinion of the Independent Audit firm auditing the financial statements (as per the legislation):****A. Legal structure of the bank:**

Cyprus Turkish Co-operative Central Bank Ltd. (Koopbank) was established on 09 September 1959 under Chapter 114 Co-operative Companies Law and started its activities subject to the TRNC Banking Law in force at that time. The Bank is an institution subject to the "TRNC Banking Law" number 62/2017, published in the Official Gazette No. 193 dated November 17, 2017.

- B. Information on the Bank's capital structure and shareholders holding more than 10% are as stated in notes to the balance sheet III (17) (e). Total issued capital of the Bank is 27.992.004 TL. % 88.80 of the paid share capital amounting to 24.857.631 TL. is owned by individuals and %11.20 of amounting to 3.134.373 TL is owned by Cooperative Companies.
- C. The Board of Directors and senior executives and internal systems officers are listed on page 1 of the financial report.
Changes in senior executives and board members during the year, are ;
- On November 3, 2023, Işıl Aytunbilek Oytam was appointed as the Compliance Unit Officer, replacing Şerife Korucan.
 - The membership of Ahmet Özörun, who was appointed on January 06, 2023, to the Board of Directors ended on August 04, 2023, and the membership of Haluk Yerli was approved by the Central Bank of TRNC on September 01, 2023.
 - Due to the death of Internal Control Unit Manager Canan Özkıran on July 04, 2023, Internal Control and Internal Audit Units were merged.
- Ç. To the best of our knowledge, there has been no significant change or development post balance sheet date that may affect the Bank's position.
- D. Accounting policies have not changed compared to the previous year.
- E. The Bank's management representation on the reliability of the Bank's internal control system is satisfactory and the opinion expressed as a result of our audit is explained in article (M).
- F. The warranty bonds of the total loans amounting to 223,797,231 Turkish Liras that belong to Soil Products Authority for the year 2023 were renewed on December 29, 2023, and the warranty bond of the 5,824,039,554 Turkish Liras loan that belong to the Telecommunication Department was renewed on December 29, 2023.
- G. In Accordance with the temporary Article 6 of 62/2017 Banking Law, the loans with government guarantee shall be paid annually, with a minimum amount of 20% (twenty percent) of the balance as at the effective date of the Law and the within five years at the latest, and the total of annual interest accrued. It has been determined that the collections realized for government-guaranteed loans are below the minimum payment amounts specified in this article.
- H. 12.364.066.035 TL of the total cash loan receivables of 14.409.110.042 TL included in the financial statements are loans given to State Institutions with government guarantee. 124.975.493 TL of the remaining 2.045.044.007 TL loan receivables are non-performing loans. Therefore, in accordance with the 62/2017 Banking Law, 123.322.933 TL, a total of 98.68% special provision has been made.
- İ. Four subsidiaries valued by the Equity Method are based on their Financial Reports. Subsidiaries are not audited by us. Interim financial reports of Zirai Supply, Makine ve Gıda Pazarlama Koop Ltd. and Binboğa Mixed Animal Feed Carob Product and LP Gaz Üretim ve Pazarlama Kooperatif Ltd. were available.

Since the Bank carry limited liability to the non-financial subsidiaries of Agricultural Supplies, Machinery and Food Marketing Cooperative Limited and Mixed Animal Feed, Harup Products and LP Gas Production and Marketing Cooperative Limited in accordance with their articles of association, the Bank is responsible up to the amount of capital it has in these subsidiary holdings. This year, no further provision has been made for the part of the loss incurred in the two named companies exceeding the invested capital amount. The value of these two companies in the Bank's balance sheet is zero on December 31, 2023.

- İ. In accordance with 62/2017 Banking Law Article 25 "Rules relating to Goods and Services", the efforts to dispose immovable property acquired amounting to TL 37,979 is still ongoing as at the date of this report.

- J. The Bank has a long position of TL 4,796,005,000 in the US Dollar currency due to the conversion of some TL loans with state guarantee into US Dollars in 1998.

As stated in Article 5, Section 1 of the 27 December 2018 Foreign Currency Net Position Ratio Decree, this rate cannot exceed 20%. However, in accordance with the Provisional Article 2 of the Fourth Part of the same Decree, in banks with a proportional discrepancy arising from risks with State guarantee granted before 23 November 2001, the bank has an exemption regarding this rate if these risks are not paid.

- K. All transactions with the Bank's risk group and employees and the persons forming the risk group with them were carried out subject to the Bank's internal controls. Loans given to the bank's shareholders, employees, subsidiaries and affiliates are stated in note 3 of disclosures to the assets.

No significant differences have been identified between the market rates and conditions and rates and conditions given to Bank's risk group, its employees and persons posing risks, and other customers.

- L. Loans amounting to 10,036,025 TL, which are included in loans, have installment lateness of more than 30 days and less than 90 days. As of the date this report was prepared, the installment lateness of 6,168,530 TL loans have been settled, loans amounting to 105,502 TL have been paid, and loans amounting to 3,761,993 TL installment lateness are still ongoing.

M. Establishment of Internal Systems

- i. The member of the Board of Directors, who does not have any executive duties, has been appointed as the member responsible for internal systems. The qualifications, duties and powers of this member are in compliance with the Decree on Internal Audit, Risk Management, Internal Control and Management Systems in Banks issued by the Central Bank of the TRNC.

The Bank maintains its Internal Systems in the TRNC under the Internal Audit, Risk Management and Internal Control and Compliance units. The qualifications of the employees in the Internal Systems Units comply with the Decree.



ii. Internal Audit and Internal Control

- Internal Audit has planned, performed audits and reported in accordance with the Decree.
- The Internal Audit Unit has submitted its reports to the member responsible for Internal Systems, in accordance with the Decree.
- Internal Audit personnel participated in the establishment of control processes.
- In 2023, the Internal Audit Unit and Internal Control Unit were merged and continue their activities as a single department.
- The scale of the information systems of the bank is designed according to the nature and complexity of its activities and products offered.
- The bank's main system and auxiliary systems and information system flow need to be strengthened.
- Emergency and contingency plan has been put into practice.
- The effectiveness of internal controls, especially in terms of compliance controls, needs to be strengthened.

iii. Compliance Unit

It carried out its activities and reports in accordance with the Decree. The Bank has established the necessary structure and implemented appropriate procedures in order to ensure compliance with legal regulations.

v. Risk Management

- Scenario Analysis Technique and Assumption Analysis Technique are used in the risk management model. Periodically, the contextual structures of scenario is updated.
- The Bank has monitored and evaluated the risk compositions in the matrix approved by the Decree.
- The bank carried out stress tests and scenario analysis, made simulations.
- The assesment of the loans extended by the Bank and their classification according to the appropriate risk categories were reported to the Central Bank.
- Penetration testing was carried out and finalised by scheduling the improvements.

Thus, in accordance with Article 11 of the Independent Audit Decree.

- The procedures and principles determined in the legislation regarding internal systems have been complied with.
- Personnel in charge of internal audit and compliance participated in the establishment of control processes.
- The bank has appropriate control activities to manage its own risks.
- Risk management models, methodologies and assumptions used for risk measurement and management are regularly evaluated and updated.
- Necessary updates are made in the accounting and related internal audits of the organisation for a new financial product or a new service developed by the Bank.
- Except for the matters stated above, the bank has reliable information systems that provide sufficient financial, operational and appropriate information in a timely and consistent manner. Bank management has a risk management system that is easy to understand and allows them to assess the changing nature of the bank's risk profile.
- Anti Money Laundering Law and other regulations that the Bank required to comply has not been breached.



II-NOTES AND EXPLANATIONS ABOUT INTERNAL SYSTEMS

Internal Systems :

Established within the scope of the Decree on Internal Audit, Risk Management, Internal Control and Management Systems in Banks" dated August 12, 2008 and consisting of internal audit, internal control, risk management and compliance units, the internal systems are structured in a way that is compatible with the diversity of the Bank's activities and can respond to changing conditions.

This restructuring aims to maintain banking activities in compliance with the strategies determined by the senior management, to provide reliable financial and administrative reporting, and to minimize, monitor and control unexpected risks that may adversely affect the Bank's reputation.

Prof. Dr. Veclal Gündüz was appointed as the Member of the Board of Directors in charge of Internal Systems on 24 November 2022 and continued her role in 2023, pursuant to the second paragraph of the 4th article of the relevant communiqué.

Internal Audit and Internal Control Unit Officer: Mustafa Atagül
Risk Management Unit Officer: Hasan Uysal
Compliance Unit Officer: Işıl Altunbilek Oytaç

Units responsible have the qualifications specified in the relevant communiqué. The reports prepared by the Internal System Unit responsible for the activities carried out, in progress and planned to be carried out are submitted to the Board of Directors by the Member of the Board Responsible for Internal Systems within the periods specified in the communiqué.

Functioning of the Internal Audit and Internal Control Systems

The Bank's Internal Audit and Internal Control Unit carries out its activities under the Bank's Board of Directors in accordance with the communiqué "Internal Audit, Risk Management, Internal Control and Management Systems in Banks" regulated under the 3rd paragraph of Article 15 of the Banks Law No. 39/2001.

The Internal Audit and Internal Control Unit audits within the framework of a risk-focused audit approach, whether the activities carried out by all Head Office units, Bank branches and subsidiaries are carried out in line with the law and other relevant legislation as well as internal strategies, policies, principles and targets. The Internal Audit Unit continues its activities that will contribute to the decision-making processes of the senior management by informing the Bank's senior management. The Unit in 2023, which has eight inspectors in its staff and operates in accordance with the "Internal Audit, Risk Management, Internal Control and Management Systems in Banks" decree, in addition to auditing the compliance of the Bank's activities with the business processes to which they are subject, as well as the effectiveness, efficiency and effectiveness of the transaction steps that make up the essential processes. It also evaluated the secondary processes by inspecting it. The suggestions that the inspectors included in the audit reports or conveyed in relation to any transaction/application were shared with the relevant Branch and Department, and the progress of the proposal was followed.

In the upcoming period, the Internal Audit and Internal Control Unit will carry out the activities of executing the internal audit plan, which will be prepared in line with the targets and policies determined by the Bank's Senior Management and within the framework of the modern audit approach, reporting the results to the Board of Directors through the Internal Systems Officer, and monitoring the measures to be taken based on the audit reports, with a high responsibility and duty awareness will continue.

Internal Control activities at the Bank are structured to cover all branches and head office units of the Bank and all activities within the framework of the decree on Internal Audit, Risk Management, Internal Control and Management Systems in Banks".

Control programs for branches are prepared in such a way as to ensure that all branches are subject to periodic controls, and systematic and other deficiencies are identified and suggestions for improvement are made.

Controls carried out in branches and Head Office units; In order to ensure that the Bank is in a fast and up-to-date structure in line with its objectives in every respect, it is tried to be constantly reviewed and renewed in parallel with technological developments.

It is aimed to make a significant contribution to the healthier execution of the Bank's activities and to increase the service quality with the studies and suggestions developed to increase the efficiency of Internal Control activities.

Operation of the Risk Management System

The basic approach of the Bank in risk management activities is to establish a risk culture throughout the Bank and to identify, measure, monitor and control the risks that are or will be exposed.

Bank's risk management activities; It includes balance sheet risks such as credit risk, market risk, operational risk and liquidity risk. These risks are defined and controlled by creating risk matrices.

The Bank's currency risk and liquidity risks are tried to be kept under control through scenario analyzes and stress tests prepared by the risk management unit.

The activities of the risk management unit, the results of risk analyzes and risk indicators are reported to the Board of Directors in semi-annual periods.



As a result of the bank's risk management activities;

-The Bank's senior management showed the necessary sensitivity in terms of compliance with both internal and external legislation during the year. As a result, the capital adequacy ratio was 14.22% and the liquidity ratio was approximately 18.69%, in line with the criteria of the TRNC Central Bank.

-Studies on the collection of state-guaranteed loans continued throughout 2023. Due to the interests of the bank and the sector, it is important to collect the said loans within a certain plan.

-From the point of view of currency risk, the bank's long position in dollar currency is tried to be minimized by increasing both on-balance sheet short positions in Sterling and Euro and by off-balance sheet transactions.

In the Bank's Asset-Liability Management process, interest rate risk and market risk reports are prepared with the "Present Value" approach, with the reports created as a result of the service received from the Riskturk software company, by calculating the cash flows of all interest-sensitive financial assets and liabilities, taking into account the time to maturity, and the resulting maturity. Measures are developed and various limit adjustments are made to prevent possible damages due to gaps (Gap).

As a result, all units, which were established and/or restructured in accordance with the Internal Systems Decree, continued to comply with internal and external legislation and to manage the risks arising from Bank's activities with increasing sensitivity in 2023. In this way, the increase in the trust and reputation of the Bank had a positive impact on the deposit and asset size figures in the Bank's balance sheet.

Functioning of the Compliance System

Within the scope of the Decree on the Internal Systems of Banks, the compliance of new transactions and products related to all activities carried out or planned to be carried out by the Bank, and the internal policies and rules are monitored by the Compliance Unit.

The accounts held at the bank and the transactions related to these accounts are examined supported by various reports.

Suspicious Transaction Reports and Cash Transaction Reports over €10,000 and equivalent have been made to the relevant authorities in accordance with the Law. Trainings, were organized in order to raise awareness of the Bank's personnel on the Law. Developments on the Law will continue to be announced to the personnel through new trainings.

Evaluations Regarding Risk Categories:

Credit Risk: Credit risk, which may adversely affect the bank, arising from the partial and/or complete failure of the credit customer to fulfill its obligations pursuant to the contract signed; With the decision of the Board of Directors, it is aimed to gradually reduce the credit risk with the scoring works to be carried out at the customer as a result of the entry into force of the credits regulation. State-backed loans, which are included in the bank's assets and have not yet started to be repaid, also negatively affect the credit risk. Apart from this, loans extended to the Bank's Risk Group and large loans are followed in accordance with legal restrictions.

Operational Risk: The Basic Indicator Method is used for operational risk, which expresses the losses that may arise due to external factors such as inadequacy in internal transactions and controls, bank management, employees, computer system or natural disasters, in accordance with the legal regulations.

Currency Risk: The exchange rate risk, which expresses the possibility of loss that the Bank may be exposed to due to the mismatch in foreign currency assets and liabilities as a result of changes in foreign exchange rates, has reached high levels due to the government-guaranteed loans held in USD at the Bank. This situation, which creates a favorable outcome for the bank as long as there is an increase in the exchange rates, will have an adverse effect on the bank accounts if there is a decrease in the exchange rates. Increases in exchange rates will adversely affect the Bank's GBP position.

Liquidity Risk: Cash flows are controlled daily and necessary adjustments are made in positions in order to minimize the liquidity risk, which is defined as the risk of not having enough cash or cash inflows to meet the cash outflows fully and on time as a result of imbalance and insufficiency in cash flows.



III - NOTES AND DISCLOSURES TO THE BALANCE SHEET AND MEMORANDUM ACCOUNTS:

i) NOTES AND DISCLOSURES TO THE ASSETS:

1. Information relating to Bank Accounts:

a) Balances with TRNC Central Bank;

	Current Period		Previous Period	
	TL	FC	TL	FC
Current Account	44.231.933	201.852.236	38.432.382	346.999.936
Deposit Account				
Interbank Money Market Transactions	1.317.000.000	7.677.392.350	400.000.000	4.188.341.000
Blocked Amounts				
TOTAL	1.361.231.933	7.879.244.586	438.432.382	4.535.340.936

b) Information Relating to Overseas Bank Accounts;

	Unpledged Balances		Blocked Balances	
	Current Period	Previous Period	Current Period	Previous Period
Turkey	1.553.131.379	1.236.299.590	47.339.304	144.524.319
EU Countries			9.861.191	7.455.727
USA and Canada				
OECD Countries' *				
Offshore Banking Zone				
Other				
TOTAL	1.553.131.379	1.236.299.590	57.200.495	151.980.046

* OECD Countries other than Turkey, EU Countries, USA and Canada.

c) Reverse Repo Receivables: None

	Current Period		Previous Period	
	TL	FC	TL	FC
Domestic Transactions				
TRNC Central Bank				
Banks				
Other Financial Institutions and Corporation				
Other Institutions and Corporations				
Real Persons				
Overseas Transactions				
Central Banks				
Banks				
Other Financial Institutions and Corporation				
Other Institutions and Corporations				
Real Persons				
TOTAL				



2. Securities Portfolio;

a) 618.171.114 TL of the securities portfolio balance is held due to legal requirements at TRNC Development Bank.

b) Analysis of securities portfolio:

Types of Securities	Current Period		Previous Period	
	TL	FC	TL	FC
TRNC Central Bank Securities		4.996.012.176		2.003.489.645
TRNC Development Bank Securities	44.955.003	573.216.111	44.765.571	296.222.664
Turkish Treasury Bills				
Turkish Government Bonds				
Other OECD Countries Bonds and Bills				
Other Countries Bonds and Bills				
Other		1.342.333.000		
TOTAL	44.955.003	6.911.561.287	44.765.571	2.299.712.309

3. Information related to Loans account:

a) Loans given to bank personnel and shareholders:

	Current Period		Previous Period	
	Cash	Non-Cash	Cash	Non-Cash
Loans directly given to shareholders				
Loans given to legal entity shareholders	104.393.735	13.659.541	71.097.356	10.072.926
Loans given to individual shareholders				
Indirect loans given to shareholders				
Loans given to personnel	29.074.861		15.213.561	
TOTAL	133.468.596	13.659.541	86.310.917	10.072.926

* Co-operatives are taken into account as legal entity partners.



b) Group I and Group II loans, other receivables and restructured and/or rescheduled loans and other receivables:

Loans	Standard Performing Loans and Other Receivables		Loans and Other Receivables Under Follow-up	
	Loans and Other Receivables	Rescheduled Loans and Other Receivables	Loans and Other Receivables	Rescheduled Loans and Other Receivables
Bills Discounted	3.038.822			
Export Loans				
Import Loans				
Export Guarantee Investment Loans				
Other Investment Loans				
Business Loans	1.256.546.979		12.378.460.871	
Special Loans	98.624.341			
Funded Loans				
Consumer Loans	394.688.687	3.434.433	9.558.881	
Credit Cards	139.746.573			
Security Purchase Loans For Customers				
TRNC Central Bank Funded Loans				
Loans Given Through TRNC Central Bank				
Other Loans	34.961			
TOTAL	1.892.680.363	3.434.433	12.388.019.752	

c) Loan Classification by Users:

	Current Period	Previous Period
Public	12.375.296.455	8.649.775.627
Private	1.908.838.094	1.256.694.918
TOTAL	14.284.134.549	9.906.470.545

d) Loan Classification-Domestic and Overseas:

	Current Period	Previous Period
Domestic Loans	14.284.134.549	9.906.470.545
Overseas Loans		
TOTAL	14.284.134.549	9.906.470.545

e) Loans Given to Investments and Subsidiaries:

	Current Period	Previous Period
Direct Loans to Investments and Subsidiaries	101.596.000	113.537.531
Indirect Loans to Investments and Subsidiaries	41.712.000	36.686.156
TOTAL	143.308.000	150.223.687



f) The share of the bank's top 100 cash loan customers in the total cash loans portfolio and the number of cash loan customers that make up 50% of the loan portfolio,

The first hundred largest cash loan customers make up 96,14% of the total cash loan portfolio and 2 (two) cash loan customers make up 50% of the cash loan portfolio.

g) The share of the bank's top 100 non-cash loan customers in the total non-cash loan portfolio and the number of non-cash loan customers constituting 50% of the loan portfolio,

The first hundred largest non-cash loan customers make up 86,59% of the total non-cash loan portfolio and 4(four) customers holds 50% thereof.

h) The share of cash and non-cash receivables from the Bank's top 100 loan customers in total on-balance sheet and off-balance sheet assets and the number of customers constituting 50% of the cash and non-cash loan portfolio are

The first hundred largest cash and non-cash loan customers make up 96,06% of the total assets (including off-balance-sheet items) and 2 (two) customers make up 50% of the total cash and non-cash loan portfolio of the bank.

4. Non-performing Loans:

a) Total Non-performing Loans -Movements in the Year:

	III. Group	IV. Group	V. Group
	Loans and Other Receivables with Limited Repayment	Doubtful Debts and Other Receivables	Bad Debts and Other Receivables
Balances Brought Forward	612.018	10.412.180	125.207.529
Additions in the Year (+)	33.975		
Transfer from Other Non-Performing Loans		74.755	7.980.920
Transfer to Other Non-Performing Loans	-74.755	-7.980.920	
Collections in the Period (-)	-526.342	-767.506	-9.996.361
Write Offs (-)			
Balances at the end of Period	44.896	1.738.509	123.192.088
Specific provision (-)	-7.630	-123.215	-123.192.088
Net Book Value	37.266	1.615.294	



b) Foreign Currency Non-Performing Loans-Movements in the Year:

	III. Group Loans and Other Receivables with Limited Repayment	IV. Group Doubtful Debts and Other Receivables	V. Group Bad Debts and Other Receivables
Current Period:			
Balances Brought Forward		1.599.098	115.739.287
Specific Provision (-)		-105.423	-115.739.287
Net Book Value		1.493.675	
Previous Period:			
Balance Brought Forward		9.940.074	115.812.554
Specific Provision (-)		-4.049.844	-115.812.554
Net Book Value		5.890.230	

c) Bad Debts and Other Receivables Analyzed By Types of Securities and Provisions Made:

Security Group	Loans Given	Provision
Unsecured	12.938.323	12.938.323
Group I - Cash Security	1.119	1.119
Group II - Immovable Security	107.007.625	107.007.625
Group III - Movable Security	3.245.021	3.245.021
Group IV - Other Security		
TOTAL	123.192.088	123.192.088

* In accordance with Article 7(4) of the Decree on the Qualifications of Banks' Loans and Other Receivables and Provisions, the Bank has set aside special provisions for the total non-performing loan amount, regardless of the collateral amount, for the loans that are in the nature of loss.

d) Bad Loans and other Receivables Policy of the Bank:

Before taking any legal action, a final notice is sent to the user of the loan and a 15-day period is given, after which legal action is initiated for the loss loans that are non-performing. As a result of the court action, after the completion of the execution phase specified in the orders of the Court, the collection of the receivables from the debtors and the guarantors is made for the remaining balance of loans and receivables.

5. Details of receivables from sales of assets with instalments included in the Other Receivables account: None

	Current Period	Previous Period
Sale of investments, subsidiaries and joint ventures		
Sale of immovable property		
Other asset sales		



6. Details Regarding Investments, Subsidiaries:

a) 0 (Zero) TL balance of the investments and subsidiaries account consists of the increase in value resulting from the valuation of these assets at the stock market price.

b) Analysis and Book Values of investments and subsidiaries by sector:

	Participations		Subsidiaries	
	Current Period	Previous Period	Current Period	Previous Period
Banks				
Insurance Companies			46.646.431	35.914.319
Finance Companies				
Other financial investments				
Other non-financial investments and subsidiaries			52.656.886	83.610.897

c) The Bank's Share in Investments and Subsidiaries:

Title	Address	Banks Share of Investment and Voting	Group Holding (%)	Current Year Profit	Market Value
Şeker Sigorta (Kıbrıs) Ltd	Lefkoşa	%100	%100	10.732.112	46.646.431
Süt ve Sıvı Yağ Üretim Pazarlama Koop Ltd	Lefkoşa	%79,41	%100	-22.815.704	52.656.886
Karma Hayvan Yemi, Harup Ürünleri ve LP Gaz Üretim ve Pazarlama Kooperatifi Ltd.	Gönyeli	%97,78	%100	-49.869.145	
Zirai Makine ve Gıda Pazarlama Koop Ltd.	Lefkoşa	%97,78	%100	-8.271.602	
Vaka Ltd	Lefkoşa	%40	%40		
Ada Havacılık ve Taşımacılık A.Ş.	Lefkoşa	%15	%15		

d) Investments Quoted on Stock Exchange; None

	Current Period	Previous Period
Quoted on local Stock Exchange		
Quoted on overseas Stock Exchange		

e) Subsidiaries quoted on Stock Exchange; None

	Current Period	Previous Period
Quoted on local Stock Exchange		
Quoted on overseas Stock Exchange		

f) Number of bonus shares received from investments and subsidiaries as a result of capitalization of reserves; None

Number of bonus shares received	Current Period	Previous Period
Investments		
Subsidiaries		



g) Details of receivables from and debts due to investments and Subsidiaries;

	Financial investments and Subsidiaries Balance	Non-Financial investments and Subsidiaries Balance
RECEIVABLES		
- Banks and Other Financial Institutions		
- Debentures and Similar Securities		
- Loans (Including Doubtful Debts)		100.116.132
- Interest and Income Accruals		28.959.678
- Financial Leasing Receivables (NET) (*)		
- Other Receivables		155.319
BORROWINGS		
- Deposits	51.919.415	51.832.639
- Borrowed Funds		
- Securities Issued		
- Interest and expense prepayments	28.656	22.707
- Financial leasing liabilities		
- Other liabilities		
OFF-BALANCE-SHEET COMMITMENTS AND LIABILITIES		42.768.903

*To be used by banks, authorized by law.

7.) Details about Long-Term Investments;

	Current Period	Previous Period
1 -Debt securities, Turkish Treasury Bonds		
2 - Repo related items		
3 - Other	74.942	74.942
4 -Provision for loss in value (-)		
TOTAL	74.942	74.942

8. a) Details Regarding Fixed Assets of The Bank;

	Immovable Property	Vehicles	Other Fixed Assets	Total
Balance from previous year:				
Cost	51.000.264	2.966.053	27.653.269	81.619.586
Accumulated depreciation (-)	13.960.474	1.761.212	20.358.014	36.079.700
Net Book Value	37.039.790	1.204.841	7.295.255	45.539.886
Current Period:				
Net book value at the beginning of the year	37.039.790	1.204.841	7.295.255	45.539.886
Purchases	5.124.341	662.134	11.431.257	17.217.732
Sales and disposals - Net (-)		-89.833	-109.796	-199.629
Diminution in value				
Depreciation charge (-)	-1.570.709	-393.961	-4.766.829	-6.731.499
Net Exchange differences (-)				
Closing Net Book Value	40.593.422	1.383.181	13.849.887	55.826.490

b) According to the current TRNC Banking Law, the total amount of assets acquired and to be disposed of is TL 37,979.

**9. Details of Other Assets;**

a) If the other assets item of the balance sheet exceeds 10% of the balance sheet total (excluding off-balance sheet commitments), the names and amounts of the sub-accounts that make up at least 20% of these are disclosed;

Other assets do not exceed 10% of total assets of the Bank.

b) Information on prepaid expenses, taxes and similar transactions are additionally disclosed.

The amount of prepaid expenses of the bank in 2023 is 5.066 TL. This amount consists of insurance expenses.

The Bank is subject to Corporation Tax.

The withholding tax breakdown that the bank paid in 2023 is given below.

1. Withholding tax of 6.891.826 TL deposited to the TRNC Income and Tax Office as part of interest accrued on balances held at banks in TRNC and rental income.

2. A total of 8.176.365 TL of withholding tax paid 15.068.191 TL of which was withheld from the interest accrued to the bank by bank balances held in Turkey which was paid to the relevant Tax Office in Turkey.

3. The total of prepaid advance taxes is 75.112.255 TL.

c) The difference of 3,842,650 Turkish Liras between the TRNC Central Bank account and the Bank balance has been shown in the Other Assets total since the conversion of the Development Bank bonds into Euro on 30.12.2023 was valued at a further date and was not reflected in the year-end balance.



ii) NOTES AND DISCLOSURES TO THE LIABILITIES:

10. Breakdown of Deposits ;

a) Details of Deposits Analyzed By Residual Maturity

Current Period	On Demand	7 Days Notice	Within 1 Month	Within 3 Months	Within 6 Months	Within 1 Year	Over 1 Year
Resident Accounts							
1) Savings Accounts	659.550.354		3.157.052.096	14.236.570	291.127	45.320.884	
2) Official, Commercial and Other Institutions Deposits	873.779.256		2.073.970.884	48.573.139	740.396	1.333.587	
3) Foreign Currency Savings	479.779.799		13.612.526.830	422.401.515	174.580.234	1.852.045.201	
4) Foreign Currency Official, Commercial and Other institutions Deposits	305.444.743		4.922.501.590	422.267.162	100.956.504	1.695.716.973	
Non-Resident Accounts							
1) Savings Accounts	2.164.012		9.470.357	225.679	15.437	11.012	
2) Official, Commercial and Other Institutions Deposits	16.615						
3) Foreign Currency Savings	567.814		138.525.074	5.235.149		81.708.269	
4) Foreign Currency Official, Commercial and Other institutions Deposits							
Banks Deposit							
Local Banks	17.189.579		71.486.592			608.832.499	
Overseas Banks							
Off-Shore Banks							
Other							
TOTAL	2.338.492.172		23.985.533.423	912.939.214	276.583.698	4.284.968.425	

Previous Period	On Demand	7 Days Notice	Within 1 Month	Within 3 Months	Within 6 Months	Within 1 Year	Over 1 Year
Resident Accounts							
1) Savings Accounts	414.593.560		2.850.197.959	13.274.036	367.372	28.149.591	
2) Official, Commercial and Other Institutions Deposits	415.049.829		1.537.791.352	39.644.821	23.330	1.232.166	
3) Foreign Currency Savings	258.956.738		7.134.069.951	144.568.822	73.442.920	1.170.183.109	
4) Foreign Currency Official, Commercial and Other institutions Deposits	151.881.388		2.694.165.188	36.609.872	27.081.999	743.828.994	
Non-Resident Accounts							
1) Savings Accounts	1.655.741		10.166.243	291.651	13.824	10.055	
2) Official, Commercial and Other Institutions Deposits	762.164						
3) Foreign Currency Savings	2.706.929		104.218.237	1.459.817	51.483	39.413.299	
4) Foreign Currency Official, Commercial and Other institutions Deposits							
Banks Deposit							
Local Banks	5.917.785		49.833.509	11.138.329		368.939.835	
Overseas Banks							
Off-Shore Banks							
Other							
TOTAL	1.251.524.134		14.380.442.439	246.987.348	100.980.928	2.351.757.049	

b) Deposits covered by the Savings Insurance Fund Scheme;

Savings Accounts	Current Period		Previous Period	
	TL	FC	TL	FC
Savings Accounts	3.880.951.662	16.745.892.143	3.312.391.449	8.916.948.698
Other Covered Accounts	1.336.983.107	952.307.787	792.258.663	330.592.588
TOTAL	5.217.934.769	17.698.199.930	4.104.650.112	9.247.541.286

As per clause 11 (4) of the Law 32/2009, deposit totalling 7.385.868 TL and FX 21.477.742 are exempt and are deducted from savings accounts totals.

11) Funds Derived From Repo Transactions:None

	Current Period		Previous Period	
	TL	FC	TL	FC
Local Transactions				
Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				
Overseas Transactions				
Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				



12. Funds Borrowed:

a. Funds Borrowed From Central Bank; None

	Current Period		Previous Period	
	TL	FC	TL	FC
Central Bank Loans				
Interbank Money Market Transactions				
TOTAL				

b. Other Funds Borrowed; None

	Current Period		Previous Period	
	TL	FC	TL	FC
Short-Term				
Medium and Long-Term				

c) Additional explanations regarding the areas where the liabilities of banks are concentrated should be made on the basis of customers and sector groups providing funds.

13. Disclosures relating to funds;

a) Current Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other
	66.108	%5			66.108	
	290.756	%12			290.756	

b) Previous Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other
	66.108	%5			66.108	
	290.756	%12			290.756	

14. The Bank has not issued any securities.

a) Current Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other

b) Previous Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other



15. a) Details of Sundry Liabilities; None

	Current Period	Previous Period
Cash Value of the Securities Obtained		

b) The nature of the cash guarantees received is explained.

None

16. Details of Other Liabilities;

If the other liabilities item account in the balance sheet exceeds 10% of the balance sheet total (excluding off-balance sheet commitments), their the names and amounts of the sub-accounts constituting at least 20% of them;

Other liabilities do not exceed 10% of the total assets of the bank.

17. Details of Shareholders' Funds;

a) Paid-up capital;

	Current Period	Previous Period
Ordinary Share Capital	27.992.004	27.251.201
Preferential, Privileged Share Capital		

b) Whether the registered capital system is applied in the bank and if so, the ceiling of the authorized capital:

Capital System	Paid-up Capital	Ceiling of Authorized Capital
Variable registered capital system	27.992.004	50.000.000

c) Details of increase made to the authorized and paid-up capital in the current period:

Date of Increase	Value of Increase	Cash Issue	Capitalised Reserves	Capitalised Revaluation Funds
1.1.23-31.12.23	740.803	740.803		

According to the bank's articles of association and bylaws, customers who will use a loan from the bank must be a member of the bank. In accordance with this rule, deflection costs sold to loan customers are added to the paid-in capital as a capital increase for that year.

d) Details of capitalized revaluation fund in the current period: None

Fixed Assets Revaluation	Revaluation of Participations	Profit on Sale of Immovable Property	Profit on Sale of Participations	Revaluation of Intangible Assets

e) Disclosure of Institutions and persons who have 10% or more voting rights and/or share in the capital:

None.

Name/Title	Value of Holding	Ratio of Holding	Paid-up Holding	Unpaid Holding



f) No call has been made on the unissued shares of the bank since the year-end to date.

g) There are no preference shares.

18. Disclosures Relating to Securities Revaluation Fund:

	Current Period		Previous Period	
	TL	FC	TL	FC
Investments and Subsidiaries	93.555.681		109.377.580	
Long-Term Securities				

19. a) Determining the sources of liquidity risk and steps taken, if any, to manage the risk; whether or not constraints have been placed on the the board of directors' limiting the usage of funds in order to meet urgent liquidity needs, and pay maturing liabilities:

The best practices as required by the Basel III directives for banks have been accepted as the basic policy for the Bank's liquidity risk management.

b) Bank's Policy on interest rate risk and whether there is harmony between assets' and liabilities' interest rates and whether cost of mismatching is measured.

The Bank is effectively managed by the Asset-Liability Management Committee in order to maintain the balances in assets and liabilities that can be affected by interest rates due to the volatility in the economy.

The Basel Criteria, which are internationally accepted, take into account bank-specific, market-wide or both situations in order to identify the sources of possible liquidity weaknesses and to ensure that the current on- and off-balance sheet position acts in line with the determined liquidity risk appetite. They should regularly perform liquidity stress tests using various stress test scenarios that take into account the market in general or both situations together. Stress test results should be taken into account when determining the liquidity risk management strategy, policies and positions, and emergency and contingency plans should be prepared within this framework. Our bank conducts stress tests periodically. By producing various scenarios, asset liability and profitability analyzes are performed.

c) The Bank's Policy regarding funding of short and long term liquidity needs and untapped liquid sources:

The main sources of financing the bank's short and long term liquidity needs are deposits.


d) Maturity breakdown of certain balance sheet items:

	On Demand	Within 1-3 Months	Within 3-6 Months	Within 6-12 Months	Over 1 Year	Total
Current Period						
Assets						
Liquid Funds	9.435.882.257					9.435.882.257
Bank Balances	276.164.614	1.334.167.267				1.610.331.881
Securities Portfolio	1.925.659.155	3.645.831.297	534.172.009	806.405.607	44.448.222	6.956.516.290
Loans	12.589.219.604	35.516.615	45.138.834	122.634.550	1.491.624.946	14.284.134.549
Long Term Investments	74.942					74.942
Other Assets *	384.521.799					2.973.508.546
Total Assets	24.611.522.371	5.015.515.179	579.310.843	929.040.157	1.536.073.168	35.260.448.465
Liabilities						
Bank Deposits	88.676.171	275.965.049	41.452.737	291.414.713		697.508.670
Other Deposits***	26.798.380.969	1.286.358.099	908.027.170	2.059.354.973	48.887.053	31.101.008.264
Funds obtained from other financial institutions						
Securities issued						
Sundry Liabilities	1.055.453.104					1.055.453.104
Other Liabilities **	533.261.651					2.406.478.427
Total Liabilities	28.475.771.895	1.562.323.148	949.479.907	2.350.769.686	48.887.053	35.260.448.465
Net Asset Liquidity Gap	-3.864.249.524	3.453.192.031	-370.169.064	-1.421.729.529	1.487.186.115	
Previous Period						
Total Assets	15.639.603.711	1.388.158.806	982.129.301	260.309.833	715.743.269	20.505.985.010
Total Liabilities	16.767.200.262	429.472.026	454.257.939	1.291.578.434	167.621.274	20.505.985.010
Net Asset Liquidity Gap	-1.127.596.551	958.686.780	527.871.362	-1.031.268.601	548.121.995	

* NPL (net), interest and income accruals and rediscounts, deposit legal provisions, affiliates-subsiidiaries, assets to be disposed of and fixed assets are not classified and only included in the total of other assets.

** Equity amount has not been reclassified, only included in the total of other liabilities.

*** Deposit required reserves are included in the other deposit demand amount. The statutory saving reserve is included in the other deposits on demand total.

e) Disclosures and notes regarding other matters:

None.

**iii) NOTES AND DISCLOSURES TO THE MEMORANDUM ACCOUNTS.**

1. If there are areas where the bank's off-balance sheet liabilities are particularly concentrated, these are indicated. These explanations can be made according to the status of the bank, on the basis of customer or sector and geographical region distinction can be made according to different country groups abroad. Customers can be classified as public institutions and organizations, commercial, industrial and service enterprises.

The area where off-balance sheet liabilities are concentrated are the letters of guarantee given to customers due to the growth in domestic business volume.

2. a) Total Amount of Non-cash Loans;

	Current Period	Previous Period
Details of Non-cash Loans Opened as Security for Cash Loans		
Accounts with maturity of less than 1 year		
Accounts with maturity of more than 1 year		
Other off-balance-sheet liabilities	129.708.645	96.309.664
TOTAL	129.708.645	96.309.664

b) Details of Non-cash Loans;

	Current Period		Previous Period	
	TP	FC	TP	FC
Non-cash Loans				
Letter of guarantees	58.737.366	70.971.279	54.536.466	41.156.693
Acceptances				
Letters of credit				616.505
Endorsements, transfers				
Undertaking of Repurchasing				
Other guarantees and acceptances				
TOTAL	58.737.366	70.971.279	54.536.466	41.773.198

3. Commitments;

	Current Period	Previous Period
Irrevocable commitments	644.701.322	1.020.941.976
Revocable commitments		
TOTAL	644.701.322	1.020.941.976

4. Foreign Exchange and Interest Rate Transactions;

None

	Current Period	Previous Period
Forward FX Transactions		
Currency and interest swap transactions		
Currency and interest options		
FX Future Contracts		
Interest future contracts		
Other		
TOTAL		



IV - NOTES AND DISCLOSURES TO THE PROFIT AND LOSS STATEMENT:

1. a) Interest and commissions received from Investments and Subsidiaries:

	Current Period	Previous Period
Interest received from Subsidiaries and Investments	28.959.678	9.358.896
Commissions and fees received from Subsidiaries and Investments	47.042	23.620

b) Interest and commissions paid to Participations and Subsidiaries;

	Current Period	Previous Period
Interest paid to Subsidiaries and Investments	3.570.911	3.364.683
Commissions and fees paid to Subsidiaries and Investments		

c) Interest received from reverse repo transactions; None

	Current Period		Previous Period	
	TP	FC	TP	FC
Interest received from reverse repos				

d) Interest paid to repo transactions; None

	Current Period		Previous Period	
	TP	FC	TP	FC
Interest paid to repo transactions				

2. Breakdown of provisions charge for Loans and Other Receivables;

	Current Period	Previous Period
Specific provision for non-performing loans and other receivables	4.044.708	5.028.089
For unsecured accounts	4.044.708	4.987.208
For other accounts		40.881
General provision for loans	24.042.198	7.047.635
Provision investments to be held up to maturity		
Provision for the diminution of value of participations and subsidiari	4.400.000	
Others		



3. If items in the income and expense groups I, II, IV and V exceed 10% of the group total, a breakdown of the sub-accounts that make up at least 20% of these items should be given.

	2023 TL	2022 TL
I. Other Non-Interest Incomes		
Specific provision income	0	19.440
General provision income	5.504.215	1.479.729
	<u>5.504.215</u>	<u>1.499.169</u>
II. Other Non-Interest Expenses		
Savings Deposit Insurance Fund	95.460.043	59.686.816
	<u>95.460.043</u>	<u>59.686.816</u>

4. Other issues, the disclosure of which is found to be useful:

(1) Net Profit Before Tax

Net profit before tax is shown after deducting doubtful accounts provision, depreciation, personnel expenses, rental expenses and the following expenses.

	2023 TL	2022 TL
Appropriation to Board of Directors	2.234.662	1.106.180
External Auditor Fees*	723.840	394.400
Legal Consultancy Fees	332.460	7.540
	<u>3.290.962</u>	<u>1.508.120</u>

*The provision amount included in the External Auditor Fees includes VAT .

(2) The total receivables of the bank in its loan portfolio as of 31.12.2023 is 14.409.110.042 TL. 12.364.066.035 TL of this amount is under the guarantee of the State.

2.045.044.007 TL of the remaining 124.975.493 TL loan consists of non-performing loans. The amount of special provisions set aside for these receivables in accordance with the provision rules is 123,322,933 TL. This amount constitutes 98.68% of NPLs.

(3) A pre-tax profit of 690.305.464 TL was achieved from banking activities.

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

TRANSACTIONS IN EQUITY ITEMS

PREVIOUS PERIOD		2022		2021	
Balance at 1 January 2021		41,310,311	364,371,444	7,718	240,869,425
Profit Appropriation:					
- Dividends					
- Transfers to reserves					
Share premiums (common stocks issue)					
Share Capital Increase:					
- Cash injection					
- Transfers from statutory revaluation fund					
- Transfers from other accounts					
Profit resulting from sale of equity participations, subsidiaries and fixed assets					
Profit resulting from sale of equity participations, subsidiaries					
Bonus shares obtained from equity participations due to increase in					
Increase in statutory revaluation fund in 2021					
Increase in value of the securities portfolio					
Other					
Net Profit at 31/12/2022					
CURRENT PERIOD					
Balances 31 December 2022					
Profit Appropriation:					
- Dividends					
- Transfers to reserves					
Share premiums (common stocks issue)					
Share Capital Increase:					
- Cash injection					
- Transfers from statutory revaluation fund					
- Transfers from other accounts					
Profit resulting from sale of equity participations, subsidiaries and fixed assets					
Bonus shares obtained from equity participations due to increase in					
the shareholders' funds through sales of fixed assets and investments					
Increase in statutory revaluation fund in 2023					
Increase in value of the securities portfolio					
Other					
Net Profit at 31/12/2023					
Balances 31 December 2023					



CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
STATEMENT OF CASH FLOW

	CURRENT PERIOD	PREVIOUS PERIOD
	31.12.2023	31.12.2022
	TL	TL
I- Cash Flow From Banking Operations (Main Activities)		
Interest income and similar items	2.584.691.012	1.367.744.792
Interest expenses and similar items	-1.294.677.056	-814.551.186
Dividends received	137.125	0
Fees and commissions received	81.374.617	43.907.136
Other income	101.175.286	91.032.212
Collections from previously written off loans and other receivables		
Personnel and administration expenses	-304.534.786	-156.975.007
Taxes paid	-10.483.703	-3.035.205
Other Items Subject to Collection		
Other Items Subject to Payment	-489.801.214	-318.345.483
Operating Profit Before Changes in Operating Assets and Liabilities	667.881.281	209.777.259
Changes in Operational Assets and Liabilities:		
<u>(Increase) Decrease in Operating Assets:</u>		
Net (increase) / decrease in securities portfolio	-4.612.038.410	-942.359.500
Net (increase) / decrease in banks	-4.488.755.438	-2.227.347.907
Net (increase) / decrease in loans	-4.372.568.256	-2.356.700.580
Net (increase) / decrease in other assets	-1.183.049.517	-447.376.407
<u>Increase (decrease) in operating liabilities:</u>		
Net increase (decrease) in deposits	13.466.825.034	5.119.084.547
Net increase (decrease) in funds borrowed		
Net (increase) / decrease in securities portfolio		
Net increase (decrease) in other liabilities	682.563.584	395.954.073
Net Cash Provided from Banking and Commercial Operations	160.858.279	-248.968.515
II- Cash Flow from Investing Activities		
Cash paid for purchase of equity participations		
Purchase of property and equipment		
Sale of property and equipment	-17.217.731	-5.974.928
Purchase of Intangible Assets	199.629	90.121
Cash paid for purchase of investment securities		
Sale of investment securities		
Other Cash Inflows		
Other Cash Outs	6.731.499	3.855.605
Net Cash (Used in) Provided from Investing Activities	-10.286.603	-2.029.202
III- Cash Flow from Financing Activities		
Cash Provided by Credits Provided and Securities Issued		
Credits Provided and Repayments of Issued Securities		
Issued Bank Capital Shares (2023 paid-in capital increase)	740.803	593.251
Dividends Paid		
Other Cash Inflows (31.12.2023 yearly subsidiary value increase)	-15.821.899	5.116.269
Other Cash Outs		
Net Cash Provided from Financing Activities	-15.081.096	5.709.520
Effect of change in foreign currency evaluation rate of cash and cash equivalents	-47.725.348	275.177.001
Net Increase / (Decrease) in Cash and Cash Equivalents	87.765.232	29.888.804
Cash and Cash Equivalents at the Beginning of the Period	107.640.506	77.751.701
Cash and Cash Equivalents at the End of the Period	195.405.738	107.640.506



CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
PROFIT APPROPRIATION STATEMENT

	CURRENT PERIOD 31.12.2023 TL	PREVIOUS PERIOD 31.12.2022 TL
A. APPROPRIATION OF CURRENT YEAR INCOME		
1. CURRENT YEAR INCOME	690.305.464	539.205.660
2. TAXES AND DUTIES PAYABLE (-)		
- Corporation tax	-35.424.317	-27.086.733
- Income tax	-209.940	-204.384
- Other taxes and duties	-34.515.273	-26.960.283
NET INCOME FOR THE YEAR	620.155.933	484.954.260
3. PRIOR YEARS' LOSSES (-)		
4. LEGAL RESERVES (-)	62.015.593	48.495.426
5. OTHER STATUTORY RESERVES (-)		
NET INCOME AVAILABLE FOR DISTRIBUTION		
6. FIRST DIVIDEND TO SHAREHOLDERS (-)	558.140.340	436.458.834
- To owners of ordinary shares		
- To owners of privileged shares		
7. DIVIDENDS TO PERSONNEL (-)		
8. DIVIDENDS TO BOARD OF DIRECTORS (-)		
9. SECOND DIVIDEND TO SHAREHOLDERS (-)		
- To owners of ordinary shares		
- To owners of privileged shares		
10. STATUTORY RESERVES (Allocated according to "Memorandum and Articles of Association" of the Bank)		
11. GENERAL RESERVE (Retained Profits)		
12. EXTRAORDINARY RESERVES (RETAINED PROFITS)		
13. OTHER RESERVES (Allocated by the decision of General Assembly)	-558.140.340	-436.458.834
14. SPECIAL FUNDS (Allocated as per certain regulations)		
B. DISTRIBUTION OF RESERVES		
1. DISTRIBUTION OF RESERVES (Reserves allocated in prior years and distributed in the current year)		
2. DIVIDEND TO SHAREHOLDERS (-)		
- To owners of ordinary shares ('A' and 'B')		
- To owners of privileged shares		
3. DIVIDENDS TO PERSONNEL (-)		
4. DIVIDENDS TO BOARD OF DIRECTORS (-)		
C. EARNINGS PER SHARE		
1. TO OWNERS OF „A“ SHARES (TL, %)		
2. TO OWNERS OF „B“ SHARES (TL, %)		
D. DIVIDEND PER SHARE		
1. TO OWNERS OF „A“ SHARES (TL, %)		
2. TO OWNERS OF „B“ SHARES (TL, %)		