

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2024
WITH AUDITOR'S LIMITED REVIEW REPORT
(CONVENIENCE TRANSLATION OF CONSOLIDATED
FINANCIAL STATEMENTS AND RELATED DISCLOSURES AND
FOOTNOTES ORIGINALLY ISSUED IN TURKISH)**



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I of Section Three)

To the General Assembly of Arap Türk Bankası Anonim Şirketi;

Introduction

We have reviewed the consolidated balance sheet of Arap Türk Bankası Anonim Şirketi ("the Bank") and its consolidated subsidiary (collectively referred to as "the Group") at 30 September 2024 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.



Conclusion

Based on our review nothing has come to our attention that causes us to believe that the accompanying consolidated financial information does not present fairly in all material respects the consolidated financial position of Arap Türk Bankası Anonim Şirketi and its consolidated subsidiary at 30 September 2024 and its consolidated financial performance and its consolidated cash flows for the nine-month-period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed consolidated financial statements and disclosures in all material respects.

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 September 2024. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 7 November 2024

ARAP TÜRK BANKASI A.Ş. CONSOLIDATED INTERIM FINANCIAL REPORT AS OF AND FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024

Address of the Bank's Headquarters : Valikonağı Caddesi No:10, 34367 – ŞİŞLİ/İSTANBUL
Telephone and Fax Numbers : Tel : 0 212 225 05 00 Faks: 0 212 225 05 26
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The consolidated interim financial report as of and for the nine month period ended 30 September 2024 prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be Announced to Public” by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- DISCLOSURES AND FOOTNOTES RELATED TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

The subsidiaries, associates and jointly controlled companies included in the consolidated interim financial report are as follows:

	Subsidiaries	Associates	Jointly Controlled Companies
1	A&T Finansal Kiralama A.Ş.	-	-

The consolidated financial statements for the nine-month period and related disclosures and footnotes that were subject to limited review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances and in compliance with the financial records of our Bank and, unless stated otherwise, presented in **thousands of Turkish Lira**.

Yasin Öztürk
*Chairman of the Board of
Directors*

Mohamed Milad Ebrayik Hassadi
*Deputy Chairman of The Board
of Directors and Chairman of
The Audit Committee*

Selen Giyim
*Member of The Board of
Directors and The Audit
Committee*

Wail J. A. Belgasem
General Manager

Salih Hatipoğlu
*Assistant General Manager
Responsible For Financial Reporting*

Feyzullah Küpeli
Group Manager

Contact information of the personnel for addressing questions regarding this financial report

Name / Title: Utku Çelik / Unit Manager

Phone No : 0 212 225 05 00

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ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

I. THE PARENT BANK’S DATE OF ESTABLISHMENT, BEGINNING STATUTE, ITS HISTORY REGARDING CHANGES ON ITS STATUTE

Arap Türk Bankası Anonim Şirketi (“the Bank” or “the Parent Bank”) has been established in 1977 as a joint stock entity in accordance with an agreement signed on 11 August 1975 between the Republic of Türkiye and the Libyan Arab Republic. The duration of the Bank is 50 years from the commencement of the Agreement. This period shall be renewable automatically unless agreed otherwise by an Extraordinary General Meeting held at least one year prior to expiration.

In accordance with the Articles of Association, the Board of Directors shall elect a Chairman among its Turkish members and a Deputy Chairman among its Arab members. The General Manager shall always be nominated by Libyan Foreign Bank assigned by the Board.

II. THE PARENT BANK’S SHARE CAPITAL STRUCTURE, SHAREHOLDERS DIRECTLY OR INDIRECTLY, ALONE OR TOGETHER HOLDING THE MANAGEMENT AND CONTROL OF THE BANK, RELATED CHANGES WITHIN THE YEAR AND INFORMATION ABOUT THE BANK’S GROUP

The Parent Bank is a foreign bank status incorporated in Türkiye. The main shareholder Libyan Foreign Bank is 100% owned by Central Bank of Libya. The main shareholder Libyan Foreign Bank has financial investments in various countries.

The shareholder’s other qualified shares are Türkiye İş Bankası A.Ş. and T.C. Ziraat Bankası A.Ş.

As of 30 September 2024, the Parent Bank’s share capital at the balance sheet date as follows:

Shareholders	Current Period	
	Share amounts ⁽¹⁾	Share percentages ⁽¹⁾
Libyan Foreign Bank	274,426	62.37%
T. İş Bankası A.Ş.	90,534	20.58%
T.C. Ziraat Bankası A.Ş.	67,900	15.43%
Kuwait Investment Co.	7,140	1.62%
Total	440,000	100%

⁽¹⁾ Emek İnşaat ve İşletme A.Ş. has 0,0000014 % share in the paid capital by TL 6.20 (full digit in TL) (31 December 2023: 0,0000014 % share and TL 6.20 (full digit in TL).

III. INFORMATION ABOUT THE PARENT BANK’S CHAIRMAN AND MEMBERS OF BOARD OF DIRECTORS, MEMBERS OF AUDIT COMMITTEE, GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS AND THEIR QUALIFICATIONS, RELATED CHANGES WITHIN THE YEAR AND THEIR SHARES AT THE BANK

Chairmen of the Board of Directors and Board Members

Name	Job Title – Description
Yasin Öztürk	Chairman of the Board of Directors
Mohamed Milad Ebrayik Hassadi	Deputy Chairman of the Board of Directors and Chairman of Audit Committee
Wail J. A. Belgasem	Member of the Board of Directors and General Manager
Selen Giyim	Member of the Board of Directors and Audit Committee
İmge Hilal Soyluoğlu Canlı	Member of the Board of Directors
Hüseyin Serdar Yücel	Member of the Board of Directors
Abdulkhalek Hussein Ergei	Member of the Board of Directors
Nouri Ali Mohamed Aboflega	Member of the Board of Directors

Aflah Omar Magsi resigned from his position as Audit Committee Member on July 18, 2024, and his no replacement has been appointed yet.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

GENERAL INFORMATION ABOUT THE PARENT BANK (Continued)

III. INFORMATION ABOUT THE PARENT BANK’S CHAIRMAN AND MEMBERS OF BOARD OF DIRECTORS, MEMBERS OF AUDIT COMMITTEE, GENERAL MANAGER AND ASSISTANT GENERAL MANAGERS AND THEIR QUALIFICATIONS, RELATED CHANGES WITHIN THE YEAR AND THEIR SHARES AT THE BANK (Continued)

General Manager and Deputies

Name	Job Title – Description
Wail J. A. Belgasem	Member of the Board of Directors and General Manager
Salih Hatipoğlu	Assistant General Manager - Financial Management, IT Support Services Division

Ahmed Fraj Abdullah Ferjani resigned from his position on 10 July 2024.

Members of the board and top level managers do not possess any share in the Bank.

IV. INFORMATION ON PEOPLE AND ENTITIES WHO HAVE QUALIFIED SHARE IN THE PARENT BANK

Name Surname/Entity Title	Share Amount	Share Percentage %	Paid-in Capital
Libyan Foreign Bank	274,426	62.37	274,426
T. İş Bankası A.Ş.	90,534	20.58	90,534
T.C. Ziraat Bankası A.Ş.	67,900	15.43	67,900

V. INFORMATION ABOUT THE SERVICES AND NATURE OF ACTIVITIES OF THE PARENT BANK

The Bank was established to mediate commercial activities between Türkiye, Middle East and North African countries. The Bank has the authority to collect deposits. It operates in corporate banking. The Bank has a total of four branches, two in Istanbul, one in Ankara and one in Gaziantep, and a subsidiary operating in the financial leasing sector.

VI. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE ENTITIES SUBJECT TO FULL CONSOLIDATION OR PROPORTIONAL CONSOLIDATION AND ENTITIES WHICH ARE DEDUCTED FROM EQUITY OR ENTITIES WHICH ARE NOT INCLUDED IN THESE THREE METHODS

There is no difference for the Parent Bank between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Consolidated Financial Statements of Banks in Türkiye.

VII. THE EXISTING OR POTENTIAL, ACTUAL OR LEGAL OBSTACLES ON THE TRANSFER OF SHAREHOLDERS’ EQUITY BETWEEN THE PARENT BANK AND ITS SUBSIDIARIES OR THE REIMBURSEMENT OF LIABILITIES

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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ARAP TÜRK BANKASI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 30 SEPTEMBER 2024

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

ASSETS	Note (Section Five I)	Reviewed CURRENT PERIOD 9/30/2024			Audited PRIOR PERIOD 12/31/2023		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FINANCIAL ASSETS (NET)		451,853	7,736,006	8,187,859	593,135	5,968,987	6,562,122
1.1 Cash and Cash Equivalents	(1)	119,404	7,051,805	7,171,209	229,180	4,225,442	4,454,622
1.1.1 Cash and Balances with Central Bank		44,283	4,738,067	4,782,350	204,969	2,952,865	3,157,834
1.1.2 Banks	(4)	77,257	2,313,759	2,391,016	25,863	1,272,599	1,298,462
1.1.3 Money Markets		-	-	-	-	-	-
1.1.4 Expected Credit Loss (-)		2,136	21	2,157	1,652	22	1,674
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(2)	-	-	-	-	-	-
1.2.1 Government Securities		-	-	-	-	-	-
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5)	332,449	684,201	1,016,650	363,955	1,743,545	2,107,500
1.3.1 Government Securities		332,225	635,920	968,145	363,731	1,584,952	1,948,683
1.3.2 Equity Securities		224	13,679	13,903	224	11,789	12,013
1.3.3 Other Financial Assets		-	34,602	34,602	-	146,804	146,804
1.4 Derivative Financial Assets	(3)	-	-	-	-	-	-
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit or Loss		-	-	-	-	-	-
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)		1,068,578	8,831,442	9,900,020	845,644	6,996,196	7,841,840
2.1 LOANS (NET)	(6)	913,519	4,201,922	5,115,441	677,810	2,581,297	3,259,107
2.2 Lease Receivables	(11)	133,212	1,288,499	1,421,711	146,402	1,074,490	1,220,892
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(7)	44,007	3,346,338	3,390,345	41,191	3,345,584	3,386,775
2.4.1 Government Securities		44,007	3,122,737	3,166,744	41,191	2,952,892	2,994,083
2.4.2 Other Financial Assets		-	223,601	223,601	-	392,692	392,692
2.5 Expected Credit Loss (-)	(6)	22,160	5,317	27,477	19,759	5,175	24,934
III. PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(15)	-	-	-	-	-	-
3.1 Held for Sale Purpose		-	-	-	-	-	-
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		-	-	-	-	-	-
4.1 Associations (Net)	(8)	-	-	-	-	-	-
4.1.1 Associates Accounted Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(9)	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 JOINT VENTURES (Net)	(10)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)		990,062	-	990,062	1,000,361	-	1,000,361
VI. INTANGIBLE ASSETS (Net)		16,161	-	16,161	15,838	-	15,838
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		16,161	-	16,161	15,838	-	15,838
VII. INVESTMENT PROPERTY (Net)	(13)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET	(14)	7,700	-	7,700	13,737	-	13,737
IX. DEFERRED TAX ASSET	(14)	7,311	-	7,311	539	-	539
X. OTHER ASSETS	(16)	134,960	239,846	374,806	44,147	98,754	142,901
TOTAL ASSETS		2,676,625	16,807,294	19,483,919	2,513,401	13,063,937	15,577,338

The accompanying explanations and notes form an integral part of these financial statements.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 30 SEPTEMBER 2024

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

LIABILITIES	Note (Section Five II)	Reviewed CURRENT PERIOD 9/30/2024			Audited PRIOR PERIOD 12/31/2023		
		TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(1)	97,140	10,128,112	10,225,252	88,327	6,825,900	6,914,227
II. FUNDS BORROWED	(3)	39,063	6,268,753	6,307,816	2,194	5,992,026	5,994,220
III. MONEY MARKETS		-	-	-	-	-	-
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	-	57	57	-	-	-
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	57	57	-	-	-
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5)	3,816	1,029	4,845	5,154	1,305	6,459
X. PROVISIONS	(7)	146,923	22,668	169,591	178,667	19,498	198,165
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		98,971	-	98,971	96,349	-	96,349
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		47,952	22,668	70,620	82,318	19,498	101,816
XI. CURRENT TAX LIABILITY	(8)	6,272	-	6,272	23,737	-	23,737
XII. DEFERRED TAX LIABILITY	(8)	52,244	-	52,244	77,840	-	77,840
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(8)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS		-	-	-	-	-	-
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(4)	157,671	245,883	403,554	33,028	127,925	160,953
XVI. SHAREHOLDERS' EQUITY	(9)	2,311,414	2,874	2,314,288	2,166,677	35,060	2,201,737
16.1 Paid-in capital		440,000	-	440,000	440,000	-	440,000
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss		684,737	-	684,737	684,737	-	684,737
16.4 Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		(134,819)	2,874	(131,945)	(128,054)	35,060	(92,994)
16.5 Profit Reserves		79,232	-	79,232	70,425	-	70,425
16.5.1 Legal Reserves		79,231	-	79,231	70,424	-	70,424
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		1	-	1	1	-	1
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		1,242,264	-	1,242,264	1,099,569	-	1,099,569
16.6.1 Prior Periods' Profit or (Loss)		1,090,762	-	1,090,762	936,917	-	936,917
16.6.2 Current Period Profit or (Loss)		151,502	-	151,502	162,652	-	162,652
16.7 Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES		2,814,543	16,669,376	19,483,919	2,575,624	13,001,714	15,577,338

The accompanying explanations and notes form an integral part of these financial statements.

ARAP TÜRK BANKASI A.Ş.

**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS
AS OF 30 SEPTEMBER 2024**

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

III- CONSOLIDATED STATEMENT OFF-BALANCE SHEET COMMITMENTS	Note(Section Five III)	Reviewed CURRENT PERIOD 9/30/2024			Audited PRIOR PERIOD 12/31/2023		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET LIABILITIES (I+II+III)		1,318,860	14,204,037	15,522,897	895,557	12,693,107	13,588,664
I. GUARANTEES AND WARRANTIES	(2)	1,283,362	13,741,649	15,025,011	885,541	12,427,120	13,312,661
1.1. Letters of Guarantee		1,283,362	10,244,625	11,527,987	885,541	9,196,649	10,082,190
1.1.1. Guarantees Subject to State Tender Law		22,164	-	22,164	9,714	-	9,714
1.1.2. Guarantees Given for Foreign Trade Operations		214,853	10,053,699	10,268,552	327,034	9,135,507	9,462,541
1.1.3. Other Letters of Guarantee		1,046,345	190,926	1,237,271	548,793	61,142	609,935
1.2. Bank Acceptances		-	-	-	-	-	-
1.2.1. Import Letter of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	3,497,024	3,497,024	-	3,001,706	3,001,706
1.3.1. Documentary Letters of Credit		-	-	-	-	-	-
1.3.2. Other Letters of Credit		-	3,497,024	3,497,024	-	3,001,706	3,001,706
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees on Marketable Security Issuance		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	-	-	-	228,765	228,765
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1)	35,498	427,946	463,444	10,016	265,987	276,003
2.1. Irrevocable Commitments		908	76,094	77,002	594	56,314	56,908
2.1.1. Asset Purchase and Sale Commitments		-	-	-	-	-	-
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		-	-	-	-	-	-
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		908	-	908	594	-	594
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	76,094	76,094	-	56,314	56,314
2.2. Revocable Commitments		34,590	351,852	386,442	9,422	209,673	219,095
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		34,590	351,852	386,442	9,422	209,673	219,095
III. DERIVATIVE FINANCIAL INSTRUMENTS		-	34,442	34,442	-	-	-
3.1. Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1. Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2. Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Transactions		-	34,442	34,442	-	-	-
3.2.1. Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1. Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2. Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		-	34,442	34,442	-	-	-
3.2.2.1. Foreign Currency Swap-Buy		-	17,274	17,274	-	-	-
3.2.2.2. Foreign Currency Swap-Sell		-	17,168	17,168	-	-	-
3.2.2.3. Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4. Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3. Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1. Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2. Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
3.2.3.6. Securities Options-Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1. Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2. Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		2,943,823	16,918,168	19,861,991	2,001,341	13,087,445	15,088,786
IV. ITEMS HELD IN CUSTODY		4,841	-	4,841	21,407	-	21,407
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		-	-	-	-	-	-
4.3. Checks Received for Collection		4,841	-	4,841	21,407	-	21,407
4.4. Commercial Notes Received for Collection		-	-	-	-	-	-
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		2,938,982	16,918,168	19,857,150	1,979,934	13,087,445	15,067,379
5.1. Marketable Securities		-	-	-	-	-	-
5.2. Guarantee Notes		16,820	679,959	696,779	18,820	662,799	681,619
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		106,394	825,728	932,122	81,394	712,404	793,798
5.6. Other Pledged Items		2,815,768	15,412,481	18,228,249	1,879,720	11,712,242	13,591,962
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		4,262,683	31,122,205	35,384,888	2,896,898	25,780,552	28,677,450

The accompanying explanations and notes form an integral part of these financial statements.

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 30 SEPTEMBER 2024

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

IV. STATEMENT OF PROFIT OR LOSS	Note (Section Five IV)	Reviewed	Non-Reviewed	Reviewed	Non-Reviewed
		Current Period 01/01-30/09/2024	Current Period 3 month 01/04-30/09/2024	Prior Period 01/01-30/09/2023	Prior Period 3 month 01/04-30/09/2023
I. INTEREST INCOME	(1)	1,021,041	664,682	368,246	274,518
1.1 Interest on Loans		538,568	291,122	197,916	130,674
1.2 Interest on Reserve Requirements		11,474	2,508	7,883	641
1.3 Interest on Banks		72,701	32,256	27,620	16,611
1.4 Interest on Money Market Transactions		5,263	-	-	-
1.5 Interest on Marketable Securities Portfolio		261,749	259,853	82,688	93,982
1.5.1 Fair Value Through Profit/Loss		-	-	-	-
1.5.2 Fair Value Through Other Comprehensive Income		94,496	117,766	28,283	40,261
1.5.3 Financial Assets Measured at Amortised Cost		167,253	142,087	54,405	53,721
1.6 Financial Lease Income		130,922	77,945	51,860	31,727
1.7 Other Interest Income		364	998	279	883
II. INTEREST EXPENSE	(2)	351,591	243,881	119,755	108,167
2.1 Interest Expense on Deposits		96,139	53,965	25,914	19,961
2.2 Interest Expense on Funds Borrowed		255,452	130,759	93,841	63,141
2.3 Interest Expense on Money Market Transactions		-	7,415	-	5,970
2.4 Expense on Securities Issued		-	-	-	-
2.5 Lease Interest Expenses		-	-	-	-
2.6 Other Interest Expenses		-	51,742	-	19,095
III. NET INTEREST INCOME/EXPENSE (I - II)		669,450	420,801	248,491	166,351
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		165,520	99,212	67,882	41,207
4.1 Fees and Commissions Received		185,410	107,933	74,543	45,781
4.1.1 Non-cash Loans		37,533	24,599	13,247	8,567
4.1.2 Other	(12)	147,877	83,334	61,296	37,214
4.2 Fees and commissions paid		19,890	8,721	6,661	4,574
4.2.1 Non-cash Loans		35	19	13	5
4.2.2 Other		19,855	8,702	6,648	4,569
V. DIVIDEND INCOME		206	32	-	32
VI. NET TRADING INCOME/(LOSS) (Net)	(3)	50,598	10,020	8,183	(1,936)
6.1 Trading Gains / (Losses) on Securities		35,747	(13,218)	-	(5,113)
6.2 Gains / (Losses) on Derivative Financial Transactions		(349)	(9,180)	(129)	(8,776)
6.3 Foreign Exchange Gains / (Losses)		15,200	32,418	8,312	11,953
VII. OTHER OPERATING INCOME	(4)	48,815	30,096	24,289	2,505
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		934,589	560,161	348,845	208,159
IX. EXPECTED CREDIT LOSSES (-)	(5)	8,126	8,127	7,872	215
X. OTHER PROVISION EXPENSES (-)	(6)	22,761	30,228	7,850	4,010
XI. PERSONNEL EXPENSES (-)		478,803	296,668	163,831	110,989
XII. OTHER OPERATING EXPENSES (-)	(7)	236,159	152,373	78,989	59,361
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		188,740	72,765	90,303	33,584
XIV. INCOME RESULTED FROM MERGERS		-	-	-	-
XV. INCOME/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD		-	-	-	-
XVI. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS (XIII+...+XVI)	(8)	188,740	72,765	90,303	33,584
XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)	(9)	(37,238)	(16,540)	(21,943)	(7,601)
18.1 Current Tax Provision		(53,330)	(15,367)	29,756	(4,640)
18.2 Expense Effect of Deferred Tax (+)		153,342	89,422	108,874	16,027
18.3 Income Effect of Deferred Tax (-)		169,434	88,249	57,175	13,066
XIX. NET PERIOD PROFIT/LOSS AFTER TAXES (XVII±XVIII)	(10)	151,502	56,225	68,360	25,983
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from Assets Held for Sale		-	-	-	-
20.2 Gain on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Expenses on Assets Held for Sale		-	-	-	-
21.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3 Expenses from Other Discontinued Operations		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XXIII. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Expense Effect of Deferred Tax (+)		-	-	-	-
23.3 Income Effect of Deferred Tax (-)		-	-	-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV. NET PROFIT/LOSS (XIX+XXIV)	(11)	151,502	56,225	68,360	25,983
25.1 Profit/(Loss) from the Group		151,502	56,225	68,360	25,983
25.2 Profit/(Loss) from Minority Interest		-	-	-	-
Earnings/(Loss) per share (in TL Full)		0.0034	0.0013	0.0016	0.0003

The accompanying explanations and notes form an integral part of these financial statements.

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 30 SEPTEMBER 2024

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Reviewed Current Period 01/01/2024 – 30/09/2024	Reviewed Prior Period 01/01/2023 - 30/09/2023
I.	PROFIT/LOSS FOR THE PERIOD	151,502	56,225
II.	OTHER COMPREHENSIVE INCOME	(38,951)	(124,156)
2.1	Other Comprehensive Income/Expense That Will Not Be Reclassified to Profit or Loss	-	(5,146)
2.1.1	Tangible Assets Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	-	(8,292)
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	3,146
2.2	Other Comprehensive Income/Expense That Will Be Recycled to Profit or Loss	(38,951)	(119,010)
2.2.1	Foreign Currency Translation Differences	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other	(55,227)	(172,405)
2.2.3	Gains/losses from Cash Flow Hedges	-	-
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	16,276	53,395
III.	TOTAL COMPREHENSIVE INCOME (I+II)	112,551	(67,931)

The accompanying explanations and notes form an integral part of these financial statements

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR AS OF 30 SEPTEMBER 2024

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

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or Loss	Total Equity Excluding Minority Shares	Minority Shares	Total Equity
					1	2	3	4	5	6						
					Reviewed Current Period 30 September 2024											
I. Prior Period End Balance	440,000	-	-	-	700,283	(15,546)	-	-	(92,994)	-	70,425	936,917	162,652	2,201,737	-	2,201,737
II. Adjustments in Accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	440,000	-	-	-	700,283	(15,546)	-	-	(92,994)	-	70,425	936,917	162,652	2,201,737	-	2,201,737
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	(38,951)	-	-	151,502	112,551	-	-	112,551
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease by Other Changes (*)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	8,807	153,845	(162,652)	-	-	-
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	8,807	153,845	(162,652)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)	440,000	-	-	-	700,283	(15,546)	-	-	(131,945)	-	79,232	1,090,762	151,502	2,314,288	-	2,314,288

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss Differences on Translation)
4. Exchange Differences on Translation,,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income
6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

The accompanying explanations and notes form an integral part of these financial statements

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR AS OF 30 SEPTEMBER 2024

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

VL STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Other Capital Reserves	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss			Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Paid-in Capital	Share Premium	Share Certificate Cancellation Profits	Other Capital Reserves
					1	2	3	4	5	6						
Reviewed Prior Period 30 September 2023																
I. Prior Period End Balance	440,000	-	-	-	460,923	(27,703)	-	-	(8,346)	-	58,681	733,323	215,338	1,872,216	-	1,872,216
II. Adjustments in Accordance with TAS 8																
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)	440,000	-	-	-	460,923	(27,703)	-	-	(8,346)	-	58,681	733,323	215,338	1,872,216	-	1,872,216
IV. Total Comprehensive Income						(5,146)			(119,010)							(67,931)
V. Capital Increase by Cash													56,225	(67,931)		(67,931)
VI. Capital Increase by Internal Sources																
VII. Paid-in Capital Inflation Adjustment Difference																
VIII. Convertible Bonds to Shares																
IX. Subordinated Debt Instruments																
X. Increase/Decrease by Other Changes (*)																
XI. Profit Distribution											11,744	203,594	(215,338)			
11.1 Dividends Paid																
11.2 Transfers to Reserves											11,744	203,594	(215,338)			
11.3 Other																
Period End Balance (III+IV+.....+X+XI)	440,000	-	-	-	460,923	(32,849)	-	-	(127,356)	-	70,425	936,917	56,225	1,804,285	-	1,804,285

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans
3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss Differences on Translation)
4. Exchange Differences on Translation,,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income
6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

The accompanying explanations and notes form an integral part of these financial statements

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 30 SEPTEMBER 2024

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

	Note	Reviewed CURRENT PERIOD (01/01/2024- 30/09/2024)	Reviewed PRIOR PERIOD (01/01/2023- 30/09/2023)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		(70,108)	(1,034,743)
1.1.1 Interest Received		910,965	622,637
1.1.2 Interest Paid		(374,990)	(232,782)
1.1.3 Dividend Received		206	-
1.1.4 Fees and Commissions Received		185,410	107,933
1.1.5 Other Income		102,526	43,509
1.1.6 Collections from Previously Written-off Loans and Other Receivables		186	275
1.1.7 Payments to Personnel and Service Suppliers		(607,127)	(382,284)
1.1.8 Taxes Paid		(61,354)	(74,169)
1.1.9 Other		(225,930)	(1,119,862)
1.2 Changes in Operating Assets and Liabilities		90,515	40,876
1.2.1 Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss		26,263	210,406
1.2.2 Net (increase) / decrease in due from banks and other financial institutions		-	-
1.2.3 Net (increase) / decrease in loans		(1,275,321)	154,803
1.2.4 Net (increase) / decrease in other assets		(231,905)	(45,543)
1.2.5 Net increase / (decrease) in bank deposits		779,589	(342,047)
1.2.6 Net increase / (decrease) in other deposits		1,273,455	(93,518)
1.2.7 Net Increase/Decrease in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8 Net increase / (decrease) in funds borrowed		(166,435)	812,583
1.2.9 Net increase / (decrease) in payables		-	-
1.2.10 Net increase / (decrease) in other liabilities		(315,131)	(655,808)
I. Net Cash Provided from Banking Operations		20,407	(993,867)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Provided from Investing Activities		1,684,529	866,478
2.1 Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2 Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3 Purchases of property and equipment		(10,154)	(105,501)
2.4 Disposals of property and equipment		-	5,377
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	(1,062,300)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		1,186,571	829,061
2.7 Purchase of Financial Assets Measured at Amortised Cost		-	(510,808)
2.8 Sale of Financial Assets Measured at Amortised Cost		513,344	1,713,338
2.9 Other		(5,232)	(2,689)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(1,736)	(1,188)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Issued Equity Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(1,736)	(1,188)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		518,594	715,638
V. Net Decrease/ Increase in Cash and Cash Equivalents (I+II+III+IV)		2,221,794	587,061
VI. Cash and Cash Equivalents at the Beginning of the Period		2,597,640	1,637,040
VII. Cash and Cash Equivalents at the End of the Period		4,819,434	2,224,101

The accompanying explanations and notes form an integral part of these financial statements

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS FOR BASIS OF PRESENTATION

The consolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no,26333 dated 1 November 2006 and other regulations related to reporting principles on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, Turkish Accounting Standards and Turkish Financial Reporting Standards (“TFRS”) and related appendices and interpretations (referred as “Turkish Accounting Standards” or “TAS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) (all referred as “Reporting Standards”).

The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

With its announcement dated 23 November 2023, KGK stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting Standard in High Inflation Economies (“TMS 29”) and explained that institutions or organizations authorized to regulate and supervise their fields may determine different transition dates for the implementation of TMS 29 provisions. Based on this announcement of the KGK, BRSA, with its decision numbered 10744 dated 12 December 2023, decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TMS 29. In accordance with the BRSA's decision dated January 11, 2024 and numbered 10825; It has been decided that banks, financial leasing, factoring, financing, savings financing and asset management companies will switch to inflation accounting as of 1 January 2025. Accordingly, no inflation adjustment was made in the consolidated financial statements dated 30 September 2024 within the scope of TMS 29 Financial Reporting Standard in Highly Inflationary Economies.

The preparation of financial statements requires the use of certain critical estimates on assets and liabilities reported as of balance sheet date or amount of contingent assets and liabilities explained and amount of income and expenses occurred in related period. Although these estimates rely on the management’s best judgment, actual results can vary from these estimates. Judgements and estimates are explained in related notes.

Financial statements are prepared on a cost basis, except for real estate and financial assets and liabilities that are shown at their fair values. For a correct perception of the financial statements, the accounting policies and valuation principles are explained between in Notes No. II and XXIII.

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2024 have no material effect on the financial statements, financial performance and on the Parent Bank’s accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Bank’s accounting policies.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

II. INFORMATION ON STRATEGY FOR THE USE OF FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS

The Bank’s core business operation is banking activities including corporate banking, commercial banking, retail banking and security transactions (treasury transactions) together with international banking services. The Bank uses financial instruments intensively because of the nature of the Bank. The main funding resources are deposits, borrowing and equity and these resources are invested in qualified financial assets. The Bank follows the utilization of resources and the risk and return for the investments in various financial assets through an effective asset and liability management strategy.

The transactions in foreign currency are recorded in accordance with “TAS 21 - Effects of Exchange Rate Changes” Related gain and loss occurred due to the changes in exchange rates resulted by the foreign currency transactions are translated into Turkish Lira over the effective exchange rate prevailing at the date of the transaction and is recorded accordingly.

At the end of the related periods, foreign currency assets and liability balances outstanding are translated into Turkish Lira over the Bank’s exchange rates prevailing at the balance sheet date and the resulting exchange rate differences are accounted as foreign exchange gains and losses.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

The accompanying consolidated financial statements are prepared in accordance with “Communiqué on Preparation of Consolidated Financial Statements” which is published in the Official Gazette No. 26340 dated 8 November 2006. The Parent Bank directly owns the shares of A&T Finansal Kiralama A.Ş. and this subsidiary is consolidated accordingly. As of current period, the Parent Bank has no associates.

A&T Finansal Kiralama Anonim Şirketi, was founded in 1997 with the aim to provide financial leasing services.

The Parent Bank and its subsidiary A&T Finansal Kiralama A.Ş that is included in consolidation are together referred to as “Group” in the disclosures and footnotes related to the consolidated financial statements.

“Full Consolidation” method has been applied in consolidating the financial statements of the Parent Bank with the financial statements of its subsidiary. In accordance with this method, the financial statements of the Parent Bank and its subsidiary are combined on a line-by-line basis by adding together the all items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated statement of income.

The major principles applied in the consolidation of subsidiaries

The carrying amount of the Parent Bank’s net investment in the subsidiary and the Parent Bank’s portion of equity of the subsidiary are eliminated.

All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated.

The financial statements which have been used in the consolidation are prepared as current period and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in similar circumstances.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IV. INFORMATION ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

Derivative financial instruments of the Bank are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets Designated at Fair Value through Profit or Loss".

Derivatives are initially recorded at their purchase costs including the transaction costs. The notional amounts of derivative transactions are recorded in off-balance sheet accounts based on their contractual amounts.

The derivative transactions are measured at fair value subsequent to initial recognition and if the fair value of a derivative financial instrument is positive, it is disclosed under trading derivative financial assets and if the fair value difference is negative, it is disclosed under trading derivative financial liabilities.

Gains and losses arising from a change in fair value of trading derivatives after the re measurement are accounted in the statement of profit or loss. The fair value of the derivative financial instruments is calculated using quoted market prices by using discounted cash flows model.

V. INFORMATION ON INTEREST INCOME AND EXPENSE

Interest income and expense are recognized according to the effective interest method based on accrual basis. Effective interest rate is the rate that discounts the expected cash flows of financial assets or liabilities during their lifetimes to their carrying values. Effective interest rate is calculated when a financial asset or a liability is initially recorded and is not modified thereafter.

The computation of effective interest rate comprises discounts and premiums, fees and commissions paid or received and transaction costs. Transaction costs are additional costs that are directly related to the acquisition, issuance or disposal of financial assets or liabilities.

VI. INFORMATION ON FEES AND COMMISSION INCOME AND EXPENSES

Fees and commission received and paid are recognized according to either accrual basis of accounting or effective interest method depending on nature of fees and commission; incomes derived from agreements and asset purchases for third parties are recognized as income when realized.

VII. INFORMATION ON FINANCIAL ASSETS

Financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Recognition and Derecognition. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value. They are included in the balance sheet of the group if the Bank is a legal party to these instruments.

Group categorizes its financial assets as "Fair Value Through Profit/Loss", "Fair Value Through Other Comprehensive Income" or "Measured at Amortized Cost". Financial instruments comprise financial assets and liabilities and derivative instruments. This classification is based on the contractual cash flow characteristics of the related business model used for management of the financial assets at initial recognition.

a. Financial Assets at Fair Value through Profit or Loss

"Financial assets at fair value through profit/loss" are financial assets that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making.

Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the statement of profit or loss.

Government bonds and treasury bills included in Financial Assets at Fair Value through Profit or Loss portfolios traded in BIST are carried at weighted average exchange rates of BIST as of the balance sheet date and those securities that are not traded in Borsa İstanbul A.Ş (BIST) are carried at other valuation models. All gains and losses arising from these valuations are reflected in the statement of profit or loss.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income

In addition to Financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. When these securities are collected or disposed of, the accumulated fair value differences reflected in the shareholders' equity are reflected to the income statement.

Subsequent amendments to the values of investments in equity instruments are not reflected in the income statement except for the dividend.

At initial recognition, it can be made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which TFRS 3 applies.

The subsequent measurement of financial assets at fair value through other comprehensive income is based on fair value. However, securities that do not have a quoted market price in an active market, the fair value for the floating rate securities is measured at the amortized cost using the most probable effective interest method; for fixed interest securities, fair value pricing models or discounted cash flow techniques are used.

c. Financial Assets Measured at Amortized Cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

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

d. Loans

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate Method".

Bank loans and receivables are initially carried at cost value. Bank loans are measured at amortized cost with internal rate of return. Fees paid for the assets received as collateral against loans, such as transaction costs and other costs are part of acquisition cost and charged to the customer.

Bank's loans measured at amortized cost account.

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment

Group recognizes an Impairment for financial assets measured at amortized cost and at fair value through other comprehensive income.

As of 1 January 2018, the Bank recognize provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. Method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9. Expected loss estimate is unbiased, weighted by probabilities and includes supportable information about estimates of past events, current conditions and future economic conditions.

The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans and securities) and, in addition, financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts.

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument also the following aspects are important for the measurement.

- 1) Probability-weighted and neutral amount determined by taking into account possible outcomes
- 2) Time value of money
- 3) Reasonable and supportable information on past events, current conditions and forecast of future economic conditions, at the time of reporting, without excessive cost and effort

The expected 12 monthly credit loss values are part of the life expectancy loss calculation (within 12 months after the reporting date or within a shorter period if the life of a financial instrument is shorter than 12 months).

The main theme of the expected credit loss model can reflect the deterioration of the quality of financial instruments or the general view of recovery. The amount of expected credit loss, known as loss allowance or allowance, depends on the degree of credit deterioration. There are two measurements according to the general approach:

12-Month Expected Loss (1st Stage) is valid for all assets unless there is a significant deterioration in the quality of the loan.

Lifetime Expected Loss (2nd and 3rd Stage) is applied when a significant increase in credit risk occurs.

The following parameters are used in the calculation of expected credit loss;

Probability of Default: It denotes the possibility of default of the loan in the related term. The Bank's internal ratings are used in the calculation of the probability of default.

Loss in case of default: refers to the expected loss rate from the loan in case of default

Default Amount: refers to the risk balance for cash loans and the risk balance calculated by using the credit conversion rate for non-cash loans.

Individual Evaluation

A credit loss can be defined as the difference between all contractual cash flows that are outstanding under the contract and the original expected EIR (Effective Interest Rate) value and discounted cash flows.

When cash flows are estimated, the following conditions are taken into account;

- a) All contractual terms of the financial intermediary during the expected lifetime of the financial instrument
- b) Cash flows from collateral sales

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment (Continued)

Definition of Default

The debtor can be considered as the Stage 3 under conditions where the debtor fails to pay his obligations regardless of past due and the guarantees the debtor has.

These conditions have stated below:

- 1) To have a past due more than 90 days. (150 days for the financial leasing receivables)
- 2) The decision taken for bankruptcy or concordatum registration.
- 3) To have a loan classified as standard receivable by restructuring while monitored as non-performing loan and to have a past due more than 30 days of principal and/or interest payment delayed within the 1 year monitoring period or to have a loan restructured once more during this monitoring period.
- 4) Other neutral criteria deemed appropriate by management.

Significant increase in credit risk definition

Loans are designated as the First Group (Standard loans), the Second Group (loans under close monitoring), the Third Group (loans with limited collection), the Fourth Group (loans in suspicious cases where the loss is expected) and the fifth group (Losses).

In this context, in the criteria applied for the loans classified in the first Group; the issue of future payment issues is not expected and the credit worthiness of the borrower of the loan has not weakened. In accordance with TFRS 9, loans subject to 12-month credit impairment are classified under the First Group (Stage 1).

The criteria applied for the credits classified in the Stage 2 are; unfavourable developments in debt payment or cash flows of debtors are observed or anticipated, problems arises in principal and / or interest payments in accordance with the terms of the loan agreement and the credit risk of the borrower is considerably increased. In accordance with TFRS 9, loans classified in the Stage 2 are subject to the provision of an expected lifetime loan loss provision.

The conditions for the loans classified in the stage 2 are stated below;

1. Past due more than 30 days,
2. The subject of in-bank restructuring,
3. Bankruptcy / concordatum registration,
4. High level negative investigation
5. Restructured

Loans classified as third, fourth and fifth groups are considered as non-performing loans. In accordance with TFRS 9, these loans, which are subject to a lifetime impairment application, are classified under the Stage 3.

The relevant Staging criteria and default definitions are set out in accordance with TFRS 9 regulation and specified in the monitoring policies.

Under the contractual cash flows, the cash flows from the sale of the collateral and the cash flows from the loan are also taken into account.

In accordance with TFRS 9, probability-weighted scenarios are taken into account over the expected life of the financial instrument in order to estimate the expected losses. The assessment consists of an assessment of the possible outcomes, including the amount and timing of cash flows for certain outputs and the identification of possible scenarios that indicate the estimated likelihood of that outcome.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment (Continued)

Bank's loans have been evaluated and classified in line with the Regulation on the Classification of Loans and the Procedures and Principles Regarding Provisions to be Reserved for them a provision has been set aside. In calculating expected credit losses, the Group uses credit risk parameters and statistical models in accordance with relevant legislation and accounting standards.

The Bank uses a statistical model with credit risk parameters in accordance with the relevant legislation and accounting standards in the calculation of expected credit losses. Expected credit losses are measured using reasonable and supportable information and including macroeconomic variables, taking into account macroeconomic projections for the future as well as historical information. Within the scope of the macroeconomic model, it is used in the final estimation studies obtained by weighting three scenarios as base, optimistic and negative. The changes in Gross Domestic Product (GDP) are used as the main macroeconomic independent variable used in these estimates. Credit risk parameters used in the calculation of expected credit losses are reviewed and evaluated at least once a year within the framework of model validation processes. The macroeconomic forecasts used in risk parameter models and the historical default data of portfolios are re-evaluated in each quarter in order to reflect the changes in the economic conjuncture and updated as needed.

VIII. INFORMATION ON OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

IX. INFORMATION ON SALE AND REPURCHASE AGREEMENTS AND LENDING OF FINANCIAL ASSETS

Repurchase (“repo”) and resale (“reverse repo”) agreements of financial assets are followed at the balance sheet accounts. Financial assets which are sold to customers under repurchase agreements are categorized according to initial classification and are measured in accordance with the accounting policy of the related portfolio.

Funds obtained under repurchase agreements are accounted under funds provided under repurchase agreements in liability accounts. The interest expense accruals are calculated by means of internal rate of return method over the difference resulting from repurchase and sale prices for the relevant period.

Securities subject to repurchase (“reverse repo”) agreements are reflected under receivables from reverse repurchase agreements. The difference between the purchase and resell price which is related with the period is computed with the effective interest rate method for accrued interest income.

As of the balance sheet date, there is no security lending transactions.

X. INFORMATION ON ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS AND EXPLANATIONS ON LIABILITIES RELATED WITH THESE ASSETS

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing loans and receivables, and are accounted in the financial statements in accordance with the regulations of “Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (TFRS 5)”.

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. To have a high possibility of sale, a plan should have been made for the sale of the asset (or the asset group to be disposed) and an active program should have been started by the management, aiming to complete the plan and determine the buyers. The Group does not have any securities portfolio in the current period.

A discontinued operation is a part of an entity which is classified as to be disposed or held for sale. The results related to discontinuing operations are presented separately in the income statement. The Bank does not have any discontinued operations.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XI. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

There is no goodwill in the accompanying financial statements related to the acquisition of a subsidiary.

The Group's intangible assets consist of software.

Intangible assets are initially recorded at their costs in compliance with the "TAS 38 - Intangible Assets".

The costs of the intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their historical costs. The intangible assets are amortized based on straight line amortization. The useful life of software is determined as 3-15 years.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the "TAS 36 - Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

XII. INFORMATION ON TANGIBLE ASSETS

The costs of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. In subsequent periods no inflation adjustment is made for tangible assets, and costs which are restated as of 31 December 2004 are considered as their historical costs. Tangible assets purchased after 1 January 2005 are recorded at their historical costs after foreign exchange differences and financial expenses are deducted if any.

While the bank was using the cost model within the framework of TAS 16 "Tangible Fixed Assets" for the valuation of its real estate under tangible fixed assets, it changed in 2017 and switched to a revaluation model for the valuation of real estate in use. The positive difference between the real estate values in the appraisal report prepared by the licensed valuation company and the net book value of the relevant real estate is followed in the equity accounts. A&T Leasing started to implement the relevant change in 2019.

Gains and losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sales price and recognized in the income statement of the period.

Maintenance and repair costs incurred for tangible assets are recorded as expense. Expenditures incurred that extend the useful life and service capacity of the assets are capitalized.

The depreciation rates used approximate the rates of the useful life of the tangible assets are as follows:

Tangible Assets	Estimated Useful Life (Years)	Depreciation Rate (%)
Buildings	37-44	2-3
Motor vehicles	5	20
Office equipments, furnitures and fixtures	3-50	2-33

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

At each reporting date, the Group evaluates whether there is objective evidence of impairment on its assets. If there is an objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the "TAS 36 - Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is made.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. INFORMATION ON LEASING ACTIVITIES

Tangible assets acquired through financial leasing are recognized as assets and the related liabilities as lease payables in the Group's assets and liabilities, respectively. Financing costs arising from the leasing are spread over the period to form a fixed interest rate throughout the lease term. Interest and foreign exchange expenses related to financial leasing are reflected in the profit or loss statement. Depreciation is calculated for the assets acquired through financial leasing in accordance with the principles applied for tangible fixed assets.

As of the end of the reporting period, the Group does not have the authority to make financial leasing, like a financial leasing company.

Explanations on TFRS 16 Leases

Group - as a tenant

The group assesses at the inception of a contract whether the contract is or contains a lease. If the contract transfers the right to control the use of the identified asset for a specified period of time, the contract is or includes a lease. The Group reflects a right-of-use asset and a lease liability in its financial statements at the commencement date of the lease.

Right-of-use asset

The right-of-use asset is initially accounted for using the cost method and includes:

- a) The initial measurement amount of the lease liability,
- b) The amount obtained by deducting all lease incentives received from all lease payments made on or before the actual commencement of the lease,
- c) All initial direct costs incurred by the group

When applying the group cost method, the right-of-use entity:

- a) Accumulated depreciation and accumulated impairment losses are deducted; and
- b) Measures at cost adjusted for remeasurement of the lease liability.

While depreciating right-of-use assets, the Group applies the depreciation provisions of TAS 16 Tangible Fixed Assets.

Rental liability

At the commencement date of the lease, the Group measures the lease liability at the present value of the lease payments not paid at that date. Lease payments are discounted using the alternative borrowing interest rate.

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

After the actual commencement date of the lease, the Group measures the lease liability as follows:

- a) Increases the book value to reflect the interest on the lease liability,
- b) Decrease book value to reflect lease payments made; and
- c) Remeasure book value to reflect reassessments and restructurings or to reflect revised lease payments that are fixed in substance.

The interest on the lease liability for each period in the lease term is the amount found by applying a fixed periodic interest rate to the remaining balance of the lease liability.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. INFORMATION ON PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions and contingent liabilities are provided for in accordance with the “TAS 37 - Provisions, Contingent Liabilities and Contingent Assets”, except for the general and specific provisions set aside for the loans and other receivables.

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate the amount of the obligation can be made.

As of the balance sheet date, there are no probable contingent liabilities resulting from past events whose amount can be reliably measured.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements in which the change occurs.

XV. INFORMATION ON LIABILITIES REGARDING EMPLOYEE BENEFITS

Reserve for other benefits to employees

In accordance with existing Turkish Labor Law, the Bank is required to make lump-sum termination indemnities to each employee who has completed one year of service with the Bank and whose employment is terminated due to retirement or for reasons other than resignation or as mentioned in related legislation. The Bank calculates and accounts in financial statements by estimating the present value of the future probable obligation regarding severance pay in accordance with the provisions of “TAS 19-Employee Benefits”. The resulting actuarial losses and gains are accounted for under equity in accordance with TAS 19.

In determining the liability, the Bank uses independent actuaries and makes assumptions on issues such as discount rate and inflation. The assumptions regarding the calculation are as follows.

	Current Year	Prior Year
Discount Rate	24.50%	24.50%
Inflation Rate	6.00%	6.00%

The vacation pay obligation is calculated on the cumulative sum of the number of unused leave days that are deducted from the legally granted leave each year.

Other benefits to employees

The Group has provided provision for undiscounted short-term employee benefits earned during the financial period as per services rendered in compliance with the updated TAS 19 in the accompanying consolidated financial statements.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON TAX APPLICATIONS

Corporate tax

With the Law No. 7456 published in the Official Gazette dated 15 July 2023 and numbered 32249, the corporate tax rate for banks has been determined as 30%, and this rate will start from the declarations that must be submitted as of 1 October 2023 and be applied to the corporate earnings of the accounting periods starting from 1 January 2023. entered into force.

Corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. The withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Türkiye through their operations or permanent representatives and the resident institutions is 15%. By the Decision of the President published in the Official Gazette dated 22 December 2021 and numbered 31697, this ratio has changed to 10%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

Within the framework of the provisions of the Corporate Tax Law No. 5520, 75% of the profits arising from the sale of the immovables, participation shares and founding shares, usufruct shares and priority rights held by the institutions for at least two full years; It is exempted from corporate tax, provided that it is kept in a special fund account or added to the capital until the end of the fifth year following the year of sale, provided that it is collected until the end of the second calendar year. 25% of the profits from the sale of real estate acquired before 15 July 2023 are exempt from corporate tax.

The law on amending the Tax Procedure Law and the Corporate Tax Law, Law No. 7352, became law on 20 January 2022, and the inflation adjustment within the scope of Article 298 is applicable for the 2021 and 2022 accounting periods, including the provisional accounting periods, and the 2023 accounting period provisional tax periods. It has been decided that the financial statements will not be subject to inflation adjustment, regardless of whether the relevant conditions are met or not. In line with Law No. 7352, inflation adjustment will be applied to the financial statements dated 30 September 2024, and the profit/loss difference resulting from the inflation adjustment will be shown in the previous years' profit/loss account and will not be subject to tax. Following the third paragraph of the 17th article of the law no. 491 and the temporary article 33 of the law no. 213, the expression "Banks, companies within the scope of the 'Financial Leasing, Factoring, Financing and Savings Financing Companies Law' dated 21/11/2012 and numbered 6361, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions and insurance and reinsurance companies and the profit/loss difference arising from the inflation adjustment made by these companies in the 2024 and 2025 accounting periods, including the provisional tax periods, is not taken into account in determining the income." is added.

Deferred taxes

The Bank calculates and accounts deferred tax assets and liabilities in accordance with the "TAS 12 - Income Taxes" and BRSA's explanations; deferred tax assets and liabilities are recognized on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances used for taxation purposes except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

If transactions and events are recorded in the statement of profit or loss, then the related tax effects are also recognized in the statement of income. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The net amount of deferred tax receivables and deferred tax payables is shown on the financial tables. In accordance with Article 298 of the Tax Procedure Law, deferred tax calculation has been made for assets and liabilities at a rate of 30% as of 30 September 2024.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON TAX APPLICATIONS (Continued)

Since the TPL Financial Statements dated 31 December 2024 will also be subject to inflation correction in accordance with Article 298 of the Tax Procedure Law, the tax advantage that will be provided by the value increase of Fixed Assets and prepaid expenses, which are non-monetary items, in the future periods is shown in the deferred tax asset in the financial statements dated 30 September 2024.

Transfer pricing

In Türkiye, the transfer pricing provisions has been stated under the Article 13 of Corporate Tax Law with the heading of disguised profit distribution via transfer pricing. “The General Communiqué on Disguised Profit Distribution via Transfer Pricing”, dated 18 November 2007 sets details about implementation.

If the companies enter into transactions concerning to the sale or the purchase of the goods or services with the related parties by setting the prices or amounts which are not in line with the arm’s length principle, related profits will be treated as having been wholly or partially distributed in a disguised way via transfer pricing. This kind of disguised profit distribution via transfer pricing cannot be deducted from tax base in accordance with corporate tax.

XVII. ADDITIONAL INFORMATION ON BORROWINGS

The Group accounts for its borrowing instruments in accordance with TFRS 9 “Financial Instruments” standard and evaluates all its financial liabilities with the “effective interest rate method” in subsequent periods. There are no borrowings required to apply the hedging techniques in respect of the accounting and valuation methods of borrowing instruments and liabilities that represent borrowing.

The Group did not issue any stocks convertible into bonds.

The Group does not have borrowing instruments issued by itself.

XVIII. INFORMATION ON SHARE ISSUANCES

The Group has not issued any share in the current year.

XIX. INFORMATION ON BILLS OF EXCHANGES AND ACCEPTANCES

Acceptances are realized simultaneously with the payment dates of the clients and they are presented as commitments in off-balance sheet accounts.

There are no acceptances presented as liabilities against any assets.

XX. INFORMATION ON GOVERNMENT INCENTIVES

None.

XXI. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturities of three months or less following the date of acquisition, which is readily convertible to a known amount of cash, and does not bear the risk of significant amount of value change. The book values of these assets represent their fair values. Cash equivalents and balances regarding banks are valued by the period end counter foreign currency buying rate of the Bank.

For the purposes of the cash flow statement, “Cash” includes cash, currency deposits, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXII. INFORMATION ON SEGMENT REPORTING

Operating segment is the unit that operates in only one product or service of the Parent Bank or the group of products or services which are related each other and differs from other units from the point of risk and profit. Operating segments are presented in the footnote VIII of Fourth Section.

XXIII. OTHER DISCLOSURES

Profit reserves and profit distribution

Retained earnings other than legal reserves are available for distribution, subject to legal reserve requirement referred to below.

The legal reserves are comprised of first and second reserves, in accordance with the Turkish Commercial Code (“TCC”). The first legal reserve is appropriated out of the profits at the rate of 5% until the total reserve reaches a maximum of 20% of the Bank’s paid in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of the 5% of the Company’s share capital. First and second legal reserves can only be used to compensate accumulated losses and cannot be used for profit distribution unless they exceed 50% of paid-in capital.

Related parties

In accompanying financial statements, shareholders, key management personnel and board members together with their families and companies controlled by or affiliated by them associated and jointly controlled entities are considered as Related Parties in compliance with “TAS 24 - Related Party Disclosures”.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP

The Group's capital adequacy standard ratio is 17.85% (31 December 2023 17.78%). Within the framework of the aforementioned Board decisions, the item subject to credit risk is “Securities at Fair Value Reflected in Other Comprehensive Income”, which is acquired before the Board decision of 1 January 2024, using the foreign exchange buying rates of the Central Bank of the Republic of Türkiye dated 26 June 2023. Calculated without taking into account the negative net valuation differences of the securities in the portfolio.

I. INFORMATION ON SHAREHOLDER’S EQUITY (Current Period)

Informations about Total Capital

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL	2,314,288	2,201,737
Paid-in capital following all debts in terms of claim in liquidation of the Bank	440,000	440,000
Share issue premiums	0	-
Reserves	79,232	70,425
Gains recognized in equity as per TAS	552,792	591,743
Profit	1,242,264	1,099,569
Current Period Profit	151,502	162,652
Prior Period Profit	1,090,762	936,917
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Minorities’ shares	0	-
Common Equity Tier 1 Capital Before Deductions	2,314,288	2,201,737
Deductions from Common Equity Tier 1 Capital	16,173	15,908
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-	-
Improvement costs for operating leasing	12	70
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	16,161	15,838
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	16,173	15,908
Total Common Equity Tier 1 Capital	2,298,115	2,185,829

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties' share in the Additional Tier I Capital	-	-
Third parties' share in the Additional Tier I Capital (Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	2,298,115	2,185,829
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Shares of third parties in additional capital	-	-
Shares of third parties in the contribution capital (Those within the scope of Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	77,201	107,266
Tier II Capital Before Deductions	77,201	107,266
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	77,201	107,266
Total Capital (The sum of Tier I Capital and Tier II Capital)	2,375,316	2,293,095
The sum of Tier I Capital and Tier II Capital (Total Capital)	2,375,316	2,293,095
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	-	-
Elements that will continue to be deducted from the Total Tier 1 Capital and Contribution Capital (from the Capital) in the Transition Period	-	-

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)

	Current Period	Prior Period
The Portion of the Total Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
TOTAL CAPITAL	2,375,316	2,293,095
Total Capital (The sum of Tier I Capital and Tier II Capital)	2,375,316	2,293,095
Total risk weighted amounts	14,365,706	12,935,290
CAPITAL ADEQUACY RATIOS		
Consolidated Core Capital Adequacy Ratio (%)	17.31	16.95
Consolidated Tier I Capital Adequacy Ratio (%)	17.31	16.95
Consolidated Capital Adequacy Ratio (%) ^(*)	17.85	17.78
BUFFERS		
Total buffer requirement	2.787	2.824
Capital conservation buffer requirement (%)	2.500	2.500
Bank specific counter-cyclical buffer requirement (%)	0.287	0.324
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	12.81	12.47
Amounts below the Excess Limits as per the Deduction Principles	-	-
Portion of the total of net long positions of investments in equity items of consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation	77,201	107,266
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	77,201	107,266
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	-	-
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

I. INFORMATION ON SHAREHOLDER’S EQUITY (Continued)

The Parent Bank’s internal capital requirements within the scope of the internal capital adequacy assessment process in order to evaluate the adequacy of the approach in terms of current and future activities

The Parent Bank has procedures and reports under the name of internal capital assessment process. In order to assess the capital adequacy of the current year, the Bank analyses the legal ratios and budget expectations to qualitate them for the effect on the legal capital adequacy and economic capital of the Bank. With these procedures and reports the Bank covers all risk in capital adequacy requirements.

Explanations Related to Debt Instruments included in Equity Calculation

None.

Necessary Explanations in order to Reach an Agreement Between the Statement of Shareholders’s Equity and Balance-Sheet Amounts

<u>Current Period</u>	<u>Balance sheet value</u>	<u>Amount of adjustment</u>	<u>Value at capital report</u>
Paid-in capital	440,000	-	440,000
Other Capital Reserves	-	-	-
Bonus Shares which are not accounted in the current period profit or loss of Associates, Subsidiaries and Joint-Ventures	-	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	-	-	-
Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	684,737	-	684,737
Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	(131,945)	-	(131,945)
Profit Reserves	79,232	-	79,232
Profit or Loss	1,242,264	-	1,242,264
Prior Periods’ Profit/Loss	1,090,762	-	1,090,762
Current Period Net Profit/Loss	151,502	-	151,502
Deductions from Common Equity Tier I Capital ^(*)	-	16,173	(16,173)
Common Equity Tier 1 capital	-	-	2,298,115
Tier 1 capital	-	-	2,298,115
Provisions	-	(77,201)	77,201
Tier 2 capital ^(**)	-	(77,201)	77,201
Shareholders’s Equity Adjustments ^(***)	-	-	-
Total Shareholders’s Equity	2,314,288	(61,028)	2,375,316

^(*) The regulations cover Common Equity Tier 1 capital adjustments within the framework of paragraphs 9-1-b and c.

^(**) The regulations cover general loan provisions included in Tier 2 capital within the framework of paragraphs 8-1-a.

^(***) The regulations cover Shareholders’s Equity adjustments within the framework of paragraphs 9-8-ç.

II. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK

Whether the Group is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the Bank sets limits for positions that are monitored daily

The Group complies with net general position-shareholder’s equity limits. The Group has the possibility to borrow a significant amount of foreign currency.

Within the context of the market risk management work of the Risk Management Department, the Parent Bank’s Exchange rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The Exchange rate risk is measured according to market risk calculated using the Standard Method and is included in the capital adequacy ratio. For testing effects of the unexpected exchange rate fluctuations on the Parent Bank monthly basis stress test analysis are done. In addition, by classifying the changes in risk factors different scenario analysis are done based on different exchange rate expectations. The sensitivity of assets, liabilities and off-balance sheets against exchange rate are measured by an analysis on a monthly basis.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)

The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using hedging derivatives

The Group does not have any financial derivatives used for hedging.

Foreign exchange risk management policy

Transactions are being hedged according to the Central Bank of Türkiye’s basket of currencies instantly. Manageable and measurable risks are taken in the scope of the regulatory limits.

Foreign exchange buying rates of the last five business days before the balance sheet date as publicly announced by the Parent Bank, are as follows

Date	USD Dollars	Euro
23 September 2024	34.0627	37.8615
24 September 2024	34.0815	37.9305
25 September 2024	34.0894	38.1426
26 September 2024	34.0982	38.0092
27 September 2024	34.0900	38.0180
30 September 2024	34.1210	38.1714
Balance Sheet Valuation Rate	34.1210	38.1714

The basic arithmetical average of the Parent Bank’s foreign exchange bid rate for the last thirty days

The basic arithmetical average of the Parent Bank’s foreign exchange bid rate for September 2024 is TL 33.9787 for USD, TL 37.7389 for EURO.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)

Information on Currency Risk of the Group ⁽¹⁾

Current Period	Euro	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign currencies, Cash in Transit,	1,968,489	2,768,471	1,107	4,738,067
Banks	1,333,346	928,008	52,405	2,313,759
Financial Assets Measured at Fair Value through Profit or	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through	480,204	203,997	-	684,201
Loans	1,270,082	2,931,840	-	4,201,922
Investments in Subsidiaries and Associates	-	-	-	-
Financial Assets Measured at Amortised Cost	1,443,872	1,902,466	-	3,346,338
Financial Derivative held for Hedging (Assets)	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	1,373,518	149,489	-	1,523,007
Total Assets	7,869,511	8,884,271	53,512	16,807,294
Liabilities				
Bank Deposits	1,779,054	1,717,765	2,426	3,499,245
Foreign Currency Deposits	2,810,459	3,778,123	40,285	6,628,867
Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	3,119,942	3,148,811	-	6,268,753
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Financial Derivatives held for Hedging (Liabilities)	-	-	-	-
Other Liabilities ⁽²⁾	123,174	144,340	2,123	269,637
Total Liabilities	7,832,629	8,789,039	44,834	16,666,502
Net Balance Sheet Position	36,882	95,232	8,678	140,792
Net Off Balance Sheet Position	17,274	(17,168)	-	106
Financial Derivatives (Assets)	17,274	-	-	17,274
Financial Derivatives (Liabilities)	-	(17,168)	-	(17,168)
Non-Cash Loans	5,189,140	6,983,644	1,568,865	13,741,649
Prior Period				
Total Assets	7,757,398	5,252,316	54,223	13,063,937
Total Liabilities	7,712,977	5,204,392	49,285	12,966,654
Balance Sheet Position, net	44,421	47,924	4,938	97,283
Off Balance Sheet Position, net	-	-	-	-
Financial Derivatives (Assets)	-	-	-	-
Financial Derivatives (Liabilities)	-	-	-	-
Non-cash Loans	4,472,566	6,433,165	1,521,389	12,427,120

⁽¹⁾ In accordance with the provisions of the Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis; Equity spent TL 2,874 used is not taken into account in the currency risk calculation.

⁽²⁾ Includes financial lease receivables.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK (Continued)

Exposed currency risk

The possible increases or decreases in the shareholders’ equity and the profit/loss as per an assumption of devaluation/appreciation by 10 percent of TL against currencies mentioned below as of 30 September 2024, 30 September 2023 and 31 December 2023 are presented in the below table. The other variables, especially the interest rates, are assumed to be fixed in this analysis.

Assuming 10 percent appreciation of TL;

	Current Period		Prior Period	
	Profit and Loss Statement	Shareholders’ Equity ⁽¹⁾	Profit and Loss Statement	Shareholders’ Equity ⁽¹⁾
Euro	(5,416)	(5,416)	(2,587)	(1,774)
US Dollar	(7,806)	(8,094)	(1,305)	758
Other Currencies	(868)	(868)	41	41
Total	(14,090)	(14,378)	(3,851)	(975)

⁽¹⁾ The effect on shareholders’ equity also includes the effect on the profit/loss.

Assuming 10 percent depreciation of TL;

	Current Period		Prior Period	
	Profit and Loss Statement	Shareholders’ Equity ⁽¹⁾	Profit and Loss Statement	Shareholders’ Equity ⁽¹⁾
Euro	5,416	5,416	2,587	1,774
US Dollar	7,806	8,094	1,305	(758)
Other Currencies	868	868	(41)	(41)
Total	14,090	14,378	3,851	975

⁽¹⁾ The effect on shareholders’ equity also includes the effect on the profit/loss.

III. INFORMATION ON CONSOLIDATED INTEREST RATE RISK

Interest rate sensitivity of the assets, liabilities and off-balance sheet items

Within the context of the market risk management of the Risk Management Department, the Parent Bank’s interest rate risk is calculated and analyzed taking different dimensions of the issue in consideration. The interest rate risk is measured according to market risk calculated using the standard method and is included in the capital adequacy ratio. To test the effect of the interest rate fluctuations on the Parent Bank monthly based stress test analysis are done.

In addition, by classifying the changes in risk factors different scenario analysis are done based on different interest rate expectations. The sensitivity of assets, liabilities and off-balance sheets against interest rate are measured by an analysis on a monthly basis.

The expected effects of the fluctuations of market interest rates on the Parent Bank’s financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates

The early warning limit is maximum 10%, maximum 12% limit, maximum 14% exception for limit exceedance, and early warning limit maximum 17% for Interest Rate Risk Arising from Banking Accounts/Equity ratio, maximum 17% limit for Securities Duration Risk/Total Assets ratio by the Board of Directors. maximum 18%, and maximum 19% exception for limit exceeding.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

III. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

The precautions taken for the interest rate risk the Parent Bank was exposed to during the current year and their expected effects on net income and shareholders’ equity in the future periods

Although the increase in interest rates have a limited negative effect on the Parent Bank’s financial position the Parent Bank’s Equity structure is able to confront the negative effects of possible fluctuations in the interest rates.

Information related to interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on re-pricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Türkiye	-	-	-	-	-	4,782,350	4,782,350
Banks	2,360,951	-	-	-	-	30,065	2,391,016
Financial assets at fair value through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	578	69,686	553,160	326,986	52,339	13,901	1,016,650
Loans	1,339,740	1,502,827	2,233,052	38,714	-	1,108	5,115,441
Financial Assets Measured at Amortized Cost	27,651	250,935	1,549,732	1,562,027	-	-	3,390,345
Other assets ^{(1) (3)}	71,668	272,987	484,576	566,056	-	1,392,830	2,788,117
Total assets	3,800,588	2,096,435	4,820,520	2,493,783	52,339	6,220,254	19,483,919
Bank Deposits	3,499,244	-	-	-	-	17	3,499,261
Other Deposits	203,759	74,923	64,091	-	-	6,383,218	6,725,991
Money Market Borrowings	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	182,457	1,964,367	4,082,455	78,537	-	-	6,307,816
Other liabilities ⁽²⁾	488	1,021	2,043	1,293	-	2,946,006	2,950,851
Total liabilities	3,885,948	2,040,311	4,148,589	79,830	-	9,329,241	19,483,919
Long Position in the Balance Sheet	-	56,124	671,931	2,413,953	52,339	-	3,194,347
Short Position in the Balance Sheet	(85,360)	-	-	-	-	(3,108,987)	(3,194,347)
Long Position in the Off-balance Sheet	17,274	-	-	-	-	-	17,274
Short Position in the Off-balance Sheet	(17,168)	-	-	-	-	-	(17,168)
Total Position	(85,254)	56,124	671,931	2,413,953	52,339	(3,108,987)	106

⁽¹⁾ Other Assets: The amount of TL 1,392,830 in the Non-Interest Bearing column is composed of Tangible Assets amounting to TL 990,062, Current Tax Asset amounting to TL 7,700, Deferred Tax Asset amounting to TL 7,311, Other Assets amounting to TL 401,230.

⁽²⁾ Other Liabilities: The amount of TL 2,946,006 in the Non-Interest Bearing Column is composed of Shareholders’ Equity amounting to TL 2,314,288, Provisions amounting to TL 169,591, Current Tax Liability amounting to TL 6,272, Deferred Tax Liability amounting to 52,244, Derivative Liabilities amounting to TL 57 and other Non-Interest Bearing amounts included in Other Liabilities amounting to TL 403,554.

⁽³⁾ Includes financial lease receivables

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

III. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Türkiye	-	-	-	-	-	3,157,834	3,157,834
Banks	1,151,597	-	-	-	-	146,865	1,298,462
Financial assets at fair value through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	28,335	78,957	253,527	1,679,074	55,591	12,016	2,107,500
Loans	816,302	663,997	1,772,350	3,545	-	2,913	3,259,107
Financial Assets Measured at Amortized Cost	117,095	213,674	413,857	2,642,149	-	-	3,386,775
Other assets ^{(1) (3)}	54,886	195,309	411,149	539,870	-	1,166,446	2,367,660
Total assets	2,168,215	1,151,937	2,850,883	4,864,638	55,591	4,486,074	15,577,338
Liabilities							
Bank Deposits	1,820,497	304,004	148,084	-	-	-	2,272,585
Other Deposits	192,108	109,493	58,923	415	-	4,280,703	4,641,642
Money Market Borrowings	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	1,681,180	2,053,464	2,259,576	-	-	-	5,994,220
Other liabilities ⁽²⁾	414	681	2,965	2,399	-	2,662,432	2,668,891
Total liabilities	3,694,199	2,467,642	2,469,548	2,814	-	6,943,135	15,577,338
Long Position in the Balance Sheet	-	-	381,335	4,861,824	55,591	-	5,298,750
Short Position in the Balance Sheet	(1,525,984)	(1,315,705)	-	-	-	(2,457,061)	(5,298,750)
Long Position in the Off-balance Sheet	-	-	-	-	-	-	-
Short Position in the Off-balance Sheet	-	-	-	-	-	-	-
Total Position	(1,525,984)	(1,315,705)	381,335	4,861,824	55,591	(2,457,061)	-

(1) Other Assets: The amount of TL1,166,446 in the Non-Interest Bearing column is composed of Tangible Assets amounting to TL 1,000,361, Expected Credit Loss amounting to TL26,608, Intangible Assets amounting to TL15,838, Deferred Tax Asset amounting to TL 539, Current Tax Asset amounting to TL 13,737, Other Assets amounting to TL162,579.

(2) Other Liabilities: The amount of TL2,662,432 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL2,201,737, Provisions amounting to TL198,165, Current Tax Liability amounting to TL23,737, Deferred Tax Liability amounting to TL77,840 and other Non-Interest Bearing amounts included in Other Liabilities amounting to TL160,953.

(3) Includes financial lease receivables.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

III. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

Average interest rates applied to monetary financial instruments (%)

Current Period	EURO	USD	TL
Assets			
Cash (cash in vault, currency deposits, money in transit, cheques purchased) and Balances with the Central Bank of Türkiye	-	-	8.50
Banks	2.75	4.81	49.82
Financial Assets at Fair Value through Profit or Loss	-	-	-
Money Market Placements	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.27	7.35	10.65
Loans	9.19	7.59	51.33
Financial Assets Measured at Amortized Cost	4.24	7.86	19.22
Financial Lease Receivables	9.82	7.79	48.23
Liabilities			
Interbank Deposits	5.07	7.10	-
Other Deposits	0.48	2.84	48.75
Money Market Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	-
Funds Borrowed from Other Financial Institutions	4.97	6.07	48.93
Prior Period			
Assets			
Cash (cash in vault, currency deposits, money in transit, cheques purchased) and Balances with the Central Bank of Türkiye.	-	-	8.50
Banks	3.79	0.29	35.65
Financial assets at Fair Value through Profit or Loss	-	-	-
Money Market Placements	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5.14	8.10	10.65
Loans	10.08	11.13	47.68
Financial Assets Measured at Amortized Cost	-	-	19.23
Financial Lease Receivables	8.02	7.02	34.10
Liabilities			
Interbank Deposits	-	-	-
Other Deposits	0.55	7.73	32.65
Money Market Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	-
Funds Borrowed from Other Financial Institutions	4.49	6.49	46.31

IV. INFORMATION ON CONSOLIDATED STOCK POSITION RISK

Equity investment risk due from banking book

The Parent Bank does not have equity investment risk due to subsidiary and securities issued capital which classified banking accounts are not traded on the stock exchange.

Information on booking value, fair value and market value of equity investments

None.

Information on equity investments realized gains or losses, revaluation increases and unrealized gains or losses and these amounts including capital contribution.

None.

Breakdown of the amount of capital requirements on investments in related stock exchange basis, depending on the Credit Risk Standard Method or the capital requirement calculation method which bank has chosen out of allowed methods stated in the Communique Regarding Calculation of Credit Risk Amount on Internal Rating Based Approach.

None.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT

Information on liquidity risk management regarding risk capacity of the Parent Bank, responsibilities and structure of the liquidity risk management, reporting of the liquidity risk in the Bank, the way that sharing liquidity risk strategy, policy and implementations with the board of directors and job fields.

Evaluation of capacity of liquidity risk position of the Parent Bank depends on current liquidity position, current and estimated asset quality, current and future income capacity, historical funding needs, estimated funding needs and decreasing funding needs or analysis of decrease in additional funding choices. One or more actions below are done to find funds in order to maintain liquidity needs.

- Disposal of the liquid assets
- Maintain increasing short term debts and/or additional short term time deposit and deposit like assets
- Decrease in moveable long term assets
- Increase in long term liabilities
- Increase in equity funds

Responsibility of the management of general liquidity belongs to Top Level Management, Treasury Department or Asset/Liability Committee which is consisting of Risk Management executives. Appropriate controls and balances are maintained in every condition.

Analysis of effects of various stress scenarios on the liquidity position and establishment of limits are crucial in order to establish effective liquidity risk management. Limits are determined according to the size of the Parent Bank, complexity of transactions and suitability of the financial conditions.

One of the important components of liquidity management is management information system which is created to offer information about the liquidity position of the Parent Bank to the Board of Directors, top level management and related appropriate personnel at the right time. Strong management information system is an integral part of the reliable decision making process of the liquidity.

One of the important aspects of liquidity management is making assumptions on prospective funding needs. Although final cash inflows and outflows can be easily calculated or estimated, the Parent Bank also makes short-term and long-term assumptions. Another important consideration is that the Parent Bank's reputation plays an important role in reaching the funds it needs in a reasonable amount of time.

Management also has an emergency plan to be implemented in the absence of accurate projections. An effective emergency planning consists of identifying minimum and maximum liquidity needs and weighting alternatives that will be used to meet these needs.

The degree of centralization of liquidity management and funding strategy and information about the functioning between the Bank and its shareholders

The Parent Bank is supported by well-established shareholders among most powerful financial institutions in Türkiye, Middle East and the North African region. The Parent Bank's largest shareholder is Libyan Foreign Bank which is 100% owned by the Central Bank of Libya has A&T Bank. Funds received from the Group's risk group have a 37% share in liabilities.

Information on the Bank's funding strategy including the policies regarding diversification of funding sources and periods

The Parent Bank obtains its fund sources mainly from the parent Libyan Foreign Bank and its subsidiaries. These Funds are reliable sources which are ongoing for many years with renewing terms and expected to continue thereafter.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

Currencies constituting minimum five percent of the Bank’s total liabilities

A large portion of the Parent Bank’s liabilities consist of funds obtained from the parent Libyan Foreign Bank and group banks 62% of these funds are US Dollars, and 38% are EUR.

Information regarding to the liquidity risk mitigation techniques used

The Parent Bank’s liquidity risk mitigation techniques are retention of high-quality liquid assets on hand, provide maturity match between assets and liabilities and having the option to obtain funds from different banks in its risk groups.

Information regarding to the usage of Stress Tests

Stress tests are applied by changing the percentage of the parameters regarding to the liquidity ratio calculation. Subjected components, particularly high-quality liquid assets, including cash inflows and cash outflows are increased and decreased at various rates to measure the effects on the calculation. The test results provide guidance on liquidity management.

General information on the emergency and contingency plan of Liquidity

The Liquidity Emergency Action Plan prepared by the Parent Bank’s Assets Liabilities Committee was presented to the Board of Directors and approved by Council Decision No. 316-A/6/18 at 5 October 2018. Decisions on the plan;

- Bank-specific crisis and general market crisis has been described,
- The decision of proportional and structural changes of assets and liabilities in the balance sheet is delegated to Assets and Liabilities Committee,
- Agreed that the Liquidity Dashboard which includes available and accessible liquidity sources of the Bank, asset sales, loan repayments and liquidity usage submitted periodically to Assets Liabilities Committee by the Treasury Department.
- Within the framework of an effective liquidity risk management of the Treasury Department, where necessary, acting jointly with other business units to avoid concentration of funding sources, following different funding options and current trends and reporting on costs is expressed,
- If necessary, making changes in the Emergency Action Plan and update it according to market conditions and balance sheet structure is delegated to Assets and Liabilities Committee.

Liquidity coverage ratio

In accordance with the “Regulation on calculation of Bank’s liquidity coverage ratio”, published in Official Gazette no. 28948, dated 21 March 2014, liquidity coverage ratio is calculated which disclosed to the public in the following format. The monthly simple arithmetic average calculated consolidated liquidity coverage ratio of the last three months average, the weekly simple arithmetic average calculated liquidity coverage ratio of the last three months average

The last 3 months calculated lowest and highest values of consolidated foreign currency and total liquidity coverage ratio by weeks are as follows:

	Month	FC	Month	FC+TL
Lowest	July	230	July	204
Highest	August	482	August	408

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

The monthly simple arithmetic average calculated consolidated liquidity coverage ratio of the last three months average is as following:

Current Period	Consideration Ratio Not Applied Total Value ⁽¹⁾		Consideration Ratio Applied Total Value ⁽¹⁾		
	TL+FC	FC	TL+FC	FC	
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	10,354,164	9,904,893	8,294,109	7,854,255
CASH OUTFLOWS					
2	Real person deposits and retail deposits	2,851,226	1,796,207	234,434	179,621
3	Stable deposit	1,013,776	-	50,689	-
4	Deposit with low stability	1,837,450	1,796,207	183,745	179,621
5	Unsecured debts except real person deposits and retail deposits	6,593,917	6,195,745	4,822,611	4,437,327
6	Operational deposit	-	-	-	-
7	Non-operating deposits	5,956,695	5,923,970	4,185,389	4,165,552
8	Other unsecured debts	637,222	271,775	637,222	271,775
9	Secured debts	-	-	-	-
10	Other cash outflows	15,697,422	14,393,786	1,188,426	801,921
11	Derivative liabilities and margin obligations	7	7	7	7
12	Debt from structured financial instruments	-	-	-	-
13	Other off-balance sheet liabilities and commitments for the payment owed to financial markets	-	-	-	-
14	Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
15	Other irrevocable or provisory revocable off-balance sheet liabilities	15,697,415	14,393,779	1,188,419	801,914
16	TOTAL CASH OUTFLOW	25,142,565	22,385,738	6,245,471	5,418,869
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured claims	3,794,137	3,374,216	3,164,453	2,829,040
19	Other cash inflows	1,913	1,913	1,913	1,913
20	TOTAL CASH INFLOWS	3,796,050	3,376,129	3,166,366	2,830,953
			Upper Limit Applied Amounts		
21	TOTAL HQLA STOCK			8,294,109	7,854,255
22	TOTAL NET CASH OUTFLOWS			3,079,105	2,587,916
23	LIQUIDITY COVERAGE RATIO (%)			269.37	303.50

⁽¹⁾ The monthly simple arithmetic average calculated consolidated liquidity coverage ratio of the last three months average.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

Prior Period	Consideration Ratio Not Applied Total Value (1)		Consideration Ratio Applied Total Value (1)		
	TL+FC	FC	TL+FC	FC	
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	9,807,833	9,241,783	7,895,867	7,423,387
CASH OUTFLOWS					
2	Real person deposits and retail deposits	2,209,310	1,470,085	185,089	147,008
3	Stable deposit	716,853	0	35,843	0
4	Deposit with low stability	1,492,457	1,470,085	149,246	147,008
5	Unsecured debts except real person deposits and retail deposits	4,991,217	4,713,364	3,723,858	3,473,018
6	Operational deposit	-	-	-	-
7	Non-operating deposits	4,584,884	4,530,510	3,317,525	3,290,164
8	Other unsecured debts	406,333	182,854	406,333	182,854
9	Secured debts	-	-	-	-
10	Other cash outflows	12,866,954	11,967,392	822,294	672,771
11	Derivative liabilities and margin obligations	75	75	75	75
12	Debt from structured financial instruments	-	-	-	-
13	Other off-balance sheet liabilities and commitments for the payment owed to financial markets	-	-	-	-
14	Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
15	Other irrevocable or provisory revocable off-balance sheet liabilities	12,866,879	11,967,317	822,219	672,696
16	TOTAL CASH OUTFLOW	20,067,481	18,150,841	4,731,241	4,292,797
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured claims	2,206,092	1,556,600	1,940,260	1,441,918
19	Other cash inflows	102,998	102,998	102,998	102,998
20	TOTAL CASH INFLOWS	2,309,090	1,659,598	2,043,258	1,544,916
			Upper Limit Applied Amounts		
21	TOTAL HQLA STOCK			7,895,867	7,423,387
22	TOTAL NET CASH OUTFLOWS			2,687,983	2,747,881
23	LIQUIDITY COVERAGE RATIO (%)			293.75	270.15

⁽¹⁾ The monthly simple arithmetic average calculated consolidated liquidity coverage ratio of the last three months average.

Important factors affecting the liquidity coverage ratio results and the change over time of those items taken into account while calculating this ratio

High-quality liquid assets and cash outflows are one of the most important factors affecting the calculation of the liquidity coverage ratio for Parent bank. A major portion of high-quality liquid assets of the Parent Bank are consisted of treasury bills and free deposits held in CBRT. High-quality liquid assets been on the rise throughout the year had a positive effect on the calculation of liquidity coverage ratio.

The content of high-quality liquid assets

High-quality liquid assets consist of cash, currency deposits, debt instruments issued by CBRT and treasury, debt instruments with a credit rating or default rating from A+ to BBB- or any equivalent Debt Instruments. CBRT accounts for 46% of high-quality liquid assets of the Parent Bank, while 53% comprised of debt instruments issued by the Treasury and 1% of cash and currency deposits.

Sections Funding sources comprised of and their densities within all funds

A significant part of the funding sources are comprised of deposits received. 52% of the total liabilities are deposits received. 34% of these deposits are deposits obtained from banks.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

Information on cash outflows arising from derivative transactions and transactions that are subject to collateralization

Cash outflows due to derivative contracts occur during periods when the bank's derivative liabilities exceed its derivative receivables. As at 30 September 2024, the net cash outflow from derivative transactions is none.

Counterparty and product-based funding sources and concentration limits on collaterals

A significant part of the funding sources are comprised of deposits received. 52% of the liability is deposits and 34% of these deposits are from banks. All of these liabilities are warrantless.

Funding needs in terms of the Bank itself, foreign branches and consolidated subsidiaries taking into account operational and legal factors that inhibits the Bank's liquidity transfer and liquidity risk exposure

The Parent Bank obtains funds essentially from main shareholder Libyan Foreign Bank and its subsidiaries. These reliable and ongoing funds are renewed at different maturities and expected to continue for many years.

Other cash inflows and outflows that are included in liquidity coverage calculation but not included in the public disclosure template in the second paragraph and considered to be related with the Bank's liquidity profile

None.

Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Unallocat ed	Total
Assets								
Cash (cash in vault, currency deposits, money in transit, cheques purchased) and Central Bank balances	204,787	4,577,563	-	-	-	-	-	4,782,350
Banks	1,205,873	1,185,143	-	-	-	-	-	2,391,016
Financial Assets at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	578	69,684	553,162	326,986	52,339	13,901	1,016,650
Loans	-	1,339,740	1,045,314	2,690,565	38,714	-	1,108	5,115,441
Investment securities held-to-maturity	-	27,651	250,933	1,549,732	1,562,029	-	-	3,390,345
Other assets ⁽¹⁾⁽³⁾	-	166,036	182,264	500,942	640,413	-	1,298,462	2,788,117
Total Assets	1,410,660	7,296,711	1,548,195	5,294,401	2,568,142	52,339	1,313,471	19,483,919
Liabilities								
Interbank Deposits	2,316,807	1,182,454	-	-	-	-	-	3,499,261
Other Deposits	6,383,218	203,759	74,920	64,094	-	-	-	6,725,991
Funds provided from other financial institutions	-	-	-	-	-	-	-	-
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	29,730	1,190,475	3,889,089	1,198,522	-	-	6,307,816
Other liabilities ⁽²⁾	-	6,568	3,772	2,043	1,293	-	2,937,175	2,950,851
Total Liabilities	8,700,025	1,422,511	1,269,167	3,955,226	1,199,815	-	2,937,175	19,483,919
Net Liquidity Gap	(7,289,365)	5,874,200	279,028	1,339,175	1,368,327	52,339	(1,623,704)	-
Prior Period								
Total Assets	972,284	4,525,027	1,040,009	2,885,064	4,942,606	57,331	1,155,017	15,577,338
Total Liabilities	5,806,652	2,006,861	2,243,062	2,028,621	834,309	-	2,657,833	15,577,338
Net Liquidity Gap	(4,834,368)	2,518,166	(1,203,053)	856,443	4,108,297	57,331	(1,502,816)	-

(1) Other Assets: The amount of TL1,298,462 in the Non-Interest Bearing column is composed of Tangible Assets amounting to TL990,062 Expected credit loss amounting to TL29,634, Intangible Assets amounting to TL 16,161, Deferred Tax Asset amounting to TL7,311, Current Tax Asset amounting to TL7,700 and Other Non-Interest Bearing amounting to TL 306,862 and Assets Held For Sale Purpose of other undistributed amounts.

(2) Other Liabilities: The amount of TL 2,937,175 in the Non-Interest Bearing Column is composed of Shareholders' Equity amounting to TL 2,314,288, Provisions amounting to TL 169,591, Current Tax Liability amounting to TL 6,272, Deferred Tax Liability amounting to TL 52,244, Derivative financial liabilities amounting to 57, and other Non-Interest Bearing amounts included in Other Liabilities amounting to TL 394,723.

(3) Includes financial lease receivables.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

In addition to the Liquidity Coverage Ratio, the Bank has started to send to the BRSA the measurement of the Net Stable Funding Ratio (NIFO), which provides medium/long-term liquidity risk measurement, in accordance with the Regulation on the Calculation of the Net Stable Funding Ratio of Banks, which came into force after being published in the Official Gazette dated 26 May 2023 and numbered 32202.

Current Period	Amount According to Remaining Maturity, Without Consideration Rate Applied				Total Amount with Consideration Rate Applied	
	Demand*	Less Than 6 Months	6-12 Months	1 Year and Over		
Current Stable Fund						
1	Equity Elements	-	-	-	2,376,364	2,376,364
2	Core capital and supplementary capital	-	-	-	2,376,364	2,376,364
3	Other equity elements	-	-	-	-	-
4	Real person and retail customer deposits/participation funds	2,703,317	314,304	36,215	-	2,805,653
5	Stable deposit/participation fund	1,004,511	124,670	14,846	-	1,086,826
6	Low stable deposit/participation fund	1,698,806	189,634	21,369	-	1,718,827
7	Debts to other people	4,435,239	4,525,065	2,115,577	2,199,732	3,381,692
8	Operational deposit/participation fund	-	-	-	-	-
9	Other debts	4,435,239	4,525,065	2,115,577	2,199,732	3,381,692
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other liabilities	873,010	-	-	-	-
12	Derivative liabilities	-	-	-	-	-
13	Other equity elements and liabilities not listed above	873,010	-	-	-	-
14	Current Stable Fund	-	-	-	-	8,563,709
Current Stable Fund						
15	High quality liquid assets	-	-	-	-	205,598
16	Operational deposit/participation fund deposited in credit institutions or financial institutions	-	-	-	-	-
17	Performing loans	1,927,838	5,308,133	1,686,478	936,343	5,255,608
18	Receivables from credit institutions or financial institutions whose collateral is first quality liquid assets	-	-	-	-	-
19	Unsecured or secured receivables from credit institutions or financial institutions whose collateral is not first quality liquid assets	1,251,352	2,486,441	735,966	42,003	2,034,303
20	Receivables from corporate customers, organizations, natural persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	676,486	2,821,692	950,512	641,321	3,006,238
21	Receivables subject to a risk weight of 35% or less	-	-	-	-	-
22	Receivables secured by residential real estate mortgages	-	-	-	-	-
23	Receivables subject to a risk weight of 35% or less	-	-	-	-	-
24	Shares and debt instruments traded on the stock exchange that do not qualify as high quality liquid assets	-	-	-	253,019	215,067
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other assets	1,764,515	-	-	-	1,764,515
27	Commodities with physical delivery, including gold	-	-	-	-	-
28	Initial collateral of derivative contracts or guarantee fund given to the central counterparty	-	-	-	-	-
29	Derivative assets	-	-	-	-	-
30	Amount of derivative liabilities before deducting variation margin	-	-	-	-	-
31	Other assets not listed above	1,764,515	-	-	-	1,764,515
32	Off-balance sheet liabilities	-	15,636,297	-	-	781,815
33	Required Stable Fund	-	-	-	-	8,007,536
34	Net Stable Funding Ratio (%)	-	-	-	-	106.91

* Items reported in the current column do not have a specific maturity date. These include, but are not limited to, equity items without a specific maturity, demand deposits, short positions, positions with no specific maturity, high quality non-liquid stocks, and commodities with physical delivery.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VI. EXPLANATIONS ON LEVERAGE RATIO

Leverage Ratio

Explanations on leverage ratio is calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks” published in the Official Gazette numbered 28812, dated 5 November 2013.

Information on subjects that causes difference in leverage ratio between current and prior periods

The main difference between the current and prior period are capital and total risk amount. Additionally, Bank has no significant change in portfolio.

An Extract Comparison Table of Total Risks Placed in Consolidated Financial Statements Coordinated in Accordance With TAS

	Current Period ⁽²⁾	Prior Period
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards ⁽¹⁾	31,010	24,678
The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements”	-	-
The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such instruments	37,407	320,611
The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such instruments	4,483,717	4,891,368
The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such items	340,620	522,925
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such items	-	-
Total Risk Amount	4,892,754	5,759,582

(1) The related amounts are calculated from financial tables in the Consolidated Financial Statements prepared in accordance with BRSA Accounting and Financial Reporting Legislation.

(2) The amounts shown in the table are 3 month averages.

Leverage ratio disclosure as follows:

	Current Period ⁽¹⁾	Prior Period ⁽¹⁾
Balance sheet assets		
1 Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties)	17,088,531	13,171,862
2 (Assets deducted from main capital)	(15,505)	(12,339)
3 Total risk amount of the balance sheet assets (Sum of 1st and 2nd rows)	17,073,026	13,159,523
Derivative financial instruments and credit derivatives		
4 Replacement cost of derivative financial instruments and credit derivatives	-	-
5 Potential credit risk amount of derivative financial instruments and credit derivatives	-	-
6 Total risk amount of derivative financial instruments and credit derivatives (Sum of 4th and 5th rows)	-	-
Security or secured financing transactions		
7 Risk amount of security or secured financing transactions (Except balance sheet)	-	-
8 Risk amount due to intermediated transactions	-	-
9 Total risk amount of security or secured financing transactions (Sum of 7th and 8th rows)	-	-
Off-balance sheet transactions		
10 Gross nominal amount of off-balance sheet transactions	14,839,587	10,515,913
11 (Adjustment amount resulting from multiplying by credit conversion rates)	-	-
12 Risk amount of the off-balance sheet transactions (Sum of 10th and 11th rows)	14,839,587	10,515,913
Equity and total risk		
13 Main capital	2,217,687	1,858,755
14 Total risk amount (Sum of 3th, 6th, 9th and 12th rows)	31,912,613	23,675,436
Leverage ratio		
15 Leverage ratio	6.97%	8.05%

(1) Amounts in the table are obtained on the basis of three-month weighted average.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VII. EXPLANATIONS ON RISK MANAGEMENT

Overview of Risk Weighted Amount

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	12,232,820	9,841,064	978,626
2	Standardised approach (SA)	12,232,820	9,841,064	978,626
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	148	-	12
5	Standardised approach for counterparty credit risk (SA-CCR)	148	-	12
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 12.50% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	920,950	2,190,963	73,676
17	Standardised approach (SA)	920,950	2,190,963	73,676
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	1,211,788	903,263	96,943
20	Basic Indicator Approach	1,211,788	903,263	96,943
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	14,365,706	12,935,290	1,149,257

RAV changes for KKR within the scope of the internal model method

None.

Market risk RAV change chart according to the internal model approach

None.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VIII. INFORMATION ON CONSOLIDATED OPERATING SEGMENTS

The operating segments of the Parent Bank are determined in accordance with the organizational and internal reporting structure and TFRS 8 “Operating Segments”.

The Parent Bank operates in the areas of retail banking, Corporate and Commercial Banking, treasury and Leasing.

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income(Net)	(11,312)	544,131	69,514	67,117	-	669,450
Commission Income (Net)	-	160,122	-	5,398	-	165,520
Revenue/Costs (Net)	-	-	-	(63,401)	(583,035)	(646,436)
Income from Subsidiaries- Dividend Income	-	-	-	-	206	206
<i>Dividend Income</i>	-	-	-	-	-	-
<i>Other dividend Income</i>	-	-	-	-	206	206
Operating Income (Net)	(11,312)	704,253	69,514	9,114	(582,829)	188,740
Income before Tax	-	-	-	-	188,740	188,740
Tax Provision	-	-	-	-	(37,238)	(37,238)
Net Profit for the Period	-	-	-	-	151,502	151,502

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Segment Assets	2,083	3,388,262	11,192,356	1,804,769	-	16,387,470
Unallocated assets	-	-	-	-	3,096,449	3,096,449
Total Assets	2,083	3,388,262	11,192,356	1,804,769	3,096,449	19,483,919
Segment Liabilities	2,936,999	3,802,720	8,383,569	1,527,298	-	16,650,586
Unallocated Liabilities	-	-	-	-	519,045	519,045
Equity	-	-	-	-	2,314,288	2,314,288
Total Liabilities	2,936,999	3,802,720	8,383,569	1,527,298	2,833,333	19,483,919

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Interest Income(Net)	(2,362)	288,924	88,140	46,099	-	420,801
Commission Income (Net)	-	96,221	-	2,991	-	99,212
Revenue/Costs (Net)	-	-	-	(42,719)	(404,561)	(447,280)
Income from Subsidiaries- Dividend Income	-	-	-	-	32	32
<i>Dividend Income</i>	-	-	-	-	-	-
<i>Other dividend Income</i>	-	-	-	-	32	32
Operating Income (Net)	(2,362)	385,145	88,140	6,371	(404,529)	72,765
Income before Tax	-	-	-	-	72,765	72,765
Tax Provision	-	-	-	-	(16,540)	(16,540)
Net Profit for the Period	-	-	-	-	56,225	56,225

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations
Segment Assets	7,500	3,379,275	9,609,863	1,488,419	-	14,485,057
Unallocated assets	-	-	-	-	1,092,281	1,092,281
Total Assets	7,500	3,379,275	9,609,863	1,488,419	1,092,281	15,577,338
Segment Liabilities	2,491,639	2,149,773	7,082,293	1,237,597	-	12,961,302
Unallocated Liabilities	-	-	-	-	414,299	414,299
Equity	-	-	-	-	2,201,737	2,201,737
Total Liabilities	2,491,639	2,149,773	7,082,293	1,237,597	2,616,036	15,577,338

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SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS

1. Information on cash equivalents and Central Bank of Türkiye

Information on cash equivalents

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Currency Deposit	2,089	160,504	2,452	139,573
Central Bank of Türkiye	42,194	4,577,563	202,517	2,813,292
Other	-	-	-	-
Total	44,283	4,738,067	204,969	2,952,865

Information related to the account of Central Bank of Türkiye

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand ⁽¹⁾	42,194	-	32,828	-
Unrestricted Time	-	2,223,773	-	958,050
Restricted Time Deposits	-	-	-	-
Reserve Deposits	-	2,353,790	169,689	1,855,242
Total	42,194	4,577,563	202,517	2,813,292

⁽¹⁾ General reserve amount requirements maintained at CBRT.

Information on Reserve Deposits

Banks established in Türkiye or operating in Türkiye by opening branches are subject to the Central Bank's Communiqué on Required Reserves numbered 2013/15. The items specified in the communiqué constitute the liabilities subject to required reserves, with the exception of the liabilities to the Central Bank of the Republic of Türkiye, the Treasury, domestic banks and the banks established by international agreement to their headquarters and branches in Türkiye, based on the accounting standards and registration scheme to which banks are subject.

Banks maintain required reserves at the Central Bank of the Republic of Türkiye for their Turkish Lira and foreign currency liabilities specified in the aforementioned communiqué. Establishment of required reserves begins on Friday, two weeks after the liability calculation date, and lasts for 14 days. Required reserves can be kept in Turkish Lira, USD, EUR and standard gold in accordance with the “Communiqué on Required Reserves” at the Central Bank of the Republic of Türkiye. Required reserve ratios vary according to the maturity structure of the liabilities and are applied between 3% and 15% for Turkish Lira deposits and other liabilities, and between 5% and 30% for foreign currency deposits and other liabilities.

2. Information on financial assets at fair value through profit or loss

None. (31 December 2023: None)

3. Positive differences related to derivative financial assets

None. (31 December 2023: None)

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

4. Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	77,257	1,141,578	25,863	794,846
Foreign banks	-	1,172,181	-	477,753
Branches and head office abroad	-	-	-	-
Total	77,257	2,313,759	25,863	1,272,599

Information on Expected Credit Losses Information on Expected Loss Provisions

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	1,674	-	-	1,674
Additions during the Period (+)	1,930	-	-	1,930
Disposal (-)	(1,447)	-	-	(1,447)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs (-)	-	-	-	-
Balances at End of Period	2,157	-	-	2,157
Prior period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	515	-	-	515
Additions during the Period (+)	1,537	-	-	1,537
Disposal (-)	(378)	-	-	(378)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs (-)	-	-	-	-
Balances at End of Period	1,674	-	-	1,674

5. Information on financial assets at fair value through other comprehensive income

Information on transaction of repo and collateral/blocked financial assets (Net)

As of 30 September 2024, the Bank does not have any financial assets at fair value through other comprehensive income that are subject to repo transactions.

As of 30 September 2024, the Bank does not have any financial assets at fair value through other comprehensive income which are given as collateral / blocked from assets (31 December 2023: None).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

5. Information on financial assets at fair value through other comprehensive income (Continued)

Information on Financial assets at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities	1,224,816	2,278,752
Quoted in stock exchange	1,224,816	2,278,752
Not quoted in stock exchange	-	-
Share Certificates	13,903	12,013
Quoted in stock Exchange	-	-
Not quoted in stock Exchange	13,903	12,013
Impairment provision (-)	222,069	183,265
Total	1,016,650	2,107,500

6. Information on Loans

Information on all types of loans and advances given to shareholders and employees of the Parent Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	67,579	-	66,066
Corporate Shareholders	-	67,579	-	66,066
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to the Bank's personnel	2,083	-	7,500	1,511
Total	2,083	67,579	7,500	67,577

Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Rescheduled apılandırılanlar	
			Loans with revised contract terms	Refinancing
Non-Specialized Loans	2,984,079	172	-	-
Commercial Loans	-	-	-	-
Export Loans	1,459,321	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	1,522,847	-	-	-
Consumer Loans	1,911	172	-	-
Credit Cards	-	-	-	-
Other ⁽¹⁾	1,235,271	894,811	-	-
Specialized Lending	-	-	-	-
Other Receivables	-	-	-	-
Total	4,219,350	894,983	-	-

(1) Includes Spot Loans.

Standard Loan^(*) Loans Under Close Monitoring^(*)

12-Month expected credit losses	14,756	-
Significant increase in credit risk	-	8,210

(*) Includes lease receivables.

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

6. Information on Loans (Continued)

	Short Term	Middle and Long Term	Total
Consumer Loans-TL	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Individual Credit Cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Personnel Loans- TL	247	1,836	2,083
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	247	1,836	2,083
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Personnel Credit Cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Deposits with Credit Limit-TL (Individual)	-	-	-
Deposits with Credit Limit-FC (Individual)	-	-	-
Total	247	1,836	2,083

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

6. Information on Loans (Continued)

Information on installment commercial loans and commercial credit cards

None.

Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic loans	4,863,144	3,119,912
Foreign loans	252,297	139,195
Total	5,115,441	3,259,107

Loans given to subsidiaries and affiliates

	Current Period	Prior Period
Direct Loans Given to Subsidiaries and Affiliates	36,282	31,396
Indirect Loans Given to Subsidiaries and Affiliates	-	-
Total	36,282	31,396

Specific provisions for loans ⁽¹⁾

	Current Period	Prior Period
Loans and receivables with limited collectibles	-	-
Loans and receivables with doubtful collectibles	-	-
Uncollectible loans and receivables	1,969	3,245
Total	1,969	3,245

(1) Includes Financial lease receivables.

Information related to non-performing loans (Net)

Information on loans and other receivables that are restructured by the bank from non-performing loans or linked to a new amortization schedule

None (31 December 2023: None).

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

6. Information on Loans (Continued)

Information on movement of total non-performing loans⁽¹⁾

	III. Group <i>Loans and receivables with limited collectibles</i>	IV. Group <i>Loans and receivables with doubtful collectibles</i>	V. Group <i>Uncollectible loans and receivables</i>
Balances at Beginning of Period	-	-	3,451
Additions (+)	-	-	584
Transfers from other categories of nonperforming loans (+)	-	-	-
Transfers to other categories of nonperforming loans (-)	-	-	1,805
Collections (-)	-	-	186
Write-offs (-)	-	-	-
Institutional and commercial credits	-	-	-
Individual credits	-	-	-
Credit cards	-	-	-
Others	-	-	-
Balances at End of the Period	-	-	2,044
Specific provisions (-)	-	-	1,969
Net Balance on Balance Sheet	-	-	75

⁽¹⁾ Includes Financial lease receivables.

Information on foreign currency non-performing loans

None (31 December 2023: None).

Information on gross and net loans under follow-up according to the borrowers

	III. Group <i>Loans and receivables with limited collectability</i>	IV. Group <i>Loans and receivables with doubtful collectability</i>	V. Group <i>Non- performing loans and receivables</i>
Current Period (Net)	-	-	75
Loans granted to real persons and legal entities (Gross)	-	-	2,044
Specific provisions (-)	-	-	1,969
Loans granted to real persons and legal entities (Net)	-	-	75
Banks (Gross) ⁽¹⁾	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-
Prior Period (Net)	-	-	206
Loans granted to real persons and legal entities (Gross)	-	-	3,451
Specific provisions (-)	-	-	3,245
Loans granted to real persons and legal entities (Net)	-	-	206
Banks (Gross) ⁽¹⁾	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and receivables (Gross) ⁽²⁾	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-

Information on accruals, valuation differences and related provisions calculated for non-performing loans for Banks which are providing expected credit loss according to TFRS 9

None.

Collection policy on loans determined as loss and other receivables

Loans determined as loans and other receivables are collected via legal follow-up and conversion of guarantees to cash.

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

6. Information on Loans (Continued)

Information on write-off policy

The Group is in the effort to provide collections from loans under legal follow-up under the leadership of Corporate and Commercial Credits Monitor and Follow-up Department and Legal and Legislation Services Department and other related departments. However the absence of reasonable collection ability in any condition and manner regarding the recovery of the mentioned loans, determined as loss in which the bank monitors by allocate 100% provision under 5th group (3rd group in TFRS) in accordance with TFRS 9 and the “Regulation on Procedures and Principles Concerning Classification of Loans and Provision” are written-off by presenting to Board of Directors’ approval upon gathering the opinion of Legal and Legislation Services Department and by obtaining approvals from Corporate and Commercial Credits Monitor and Follow-up Department.

The write-off of the uncollectible receivables is an accounting policy, it does not result in the right to waive.

Within the scope of TFRS 9, the Bank have written off TL loans (31 December 2023: None).

Expected credit loss for loans

Information on Expected Credit Loss

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	11,788	15	2,913	14,716
Additions during the Period	10,350	6,129	-	16,479
Disposal	(10,402)	(15)	(1,805)	(12,222)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	11,736	6,129	1,108	18,973
Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	4,385	-	3,013	7,398
Additions during the Period	10,813	15	-	10,828
Disposal	(3,410)	-	(100)	(3,510)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	11,788	15	2,913	14,716

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

6. Information on Loans (Continued)

Information on Expected Loss provisions for Receivables from leasing transactions

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	3,012	2,621	332	5,965
Additions during the Period	1,534	1,970	583	4,087
Disposal	(1,921)	(2,114)	(54)	(4,089)
Transfer to Stage 1	396	(396)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	3,021	2,081	861	5,963
Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	2,284	531	352	3,167
Additions during the Period	1,795	2,376	237	4,408
Disposal	(926)	(412)	(272)	(1,610)
Transfer to Stage 1	(157)	157	-	-
Transfer to Stage 2	16	(16)	-	-
Transfer to Stage 3	-	(15)	15	-
Write-offs	-	-	-	-
Balances at End of Period	3,012	2,621	332	5,965

7. Information on financial assets measured at amortised cost

Information on transaction of repo and collateral/blocked financial assets (Net)

As of 30 September 2024, The Bank has not financial assets measured at amortised cost that are subject to repo transactions. (31 December 2023: None.)

As of 30 September 2024, the Bank does not have any financial assets measured at amortised cost, which are given as collateral / blocked from assets (31 December 2023: None.).

Information on government financial assets measured at amortised cost

	Current Period		Prior Period	
	TP	YP	TP	YP
Government Bonds	44,007	3,122,737	41,191	2,952,892
Treasury Bonds	-	-	-	-
Other Public Bonds	-	223,601	-	392,692
Total	44,007	3,346,338	41,191	3,345,584

Information on financial assets measured at amortised cost

	Current Period	Prior Period
Debt Instruments	3,390,345	3,386,775
Quoted at stock exchange	3,390,345	3,386,775
Not-quoted at stock exchange	-	-
Impairment loss provision (-)	-	-
Total	3,390,345	3,386,775

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

7. Information on financial assets measured at amortised cost (Continued)

Movement of financial assets measured at amortised cost

	Current Period	Prior Period
Balances at the Beginning of the Period	3,386,775	3,110,396
Foreign Currency Gains / Losses on Monetary assets	516,914	1,592,267
Purchases during the Period	-	537,075
Disposals through sales and redemptions	(513,344)	(1,852,963)
Impairment loss provision	-	-
Period end balance	3,390,345	3,386,775

Information on Expected Credit Loss

Current Period	Stage 1	Stage 2	Stage 3	Total
Balance at End of Prior Period	4,253	-	-	4,253
Additions during the Period	28	-	-	28
Disposals	(1,740)	-	-	(1,740)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balance at End of Period	2,541	-	-	2,541

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balance at End of Prior Period	2,791	-	-	2,791
Additions during the Period	2,668	-	-	2,668
Disposals	(1,206)	-	-	(1,206)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balance at End of Period	4,253	-	-	4,253

8. Information on associates

The Group does not have an associate.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

9. Information on subsidiaries (Net)

Information on subsidiaries

A&T Finansal Kiralama A.Ş. Information on Shareholder’s Equity		
	Current Period	Prior Period
CORE CAPITAL		
Paid in Capital	161,500	153,500
Capital Reserves	228	228
Legal Reserves	8,998	8,024
Extraordinary Reserves – Legal Reserve per General Legislation	1	1
Profit / Loss	21,937	21,434
<i>Net Profit</i>	9,477	19,492
<i>Prior Period Profit/Loss</i>	12,460	1,942
Intangible Assets (-)	5,172	4,907
Total Core Capital	187,492	178,280
SUPPLEMENTARY CAPITAL	-	-
CAPITAL	187,492	178,280
DEDUCTION FROM CAPITAL	-	-
NET AVAILABLE CAPITAL ⁽¹⁾	187,492	178,280

(1) There is no restriction on shareholders’ equity of subsidiary. After deduction from the capital, the total net available equity is TL 187,492.

There is no internal capital adequacy assessment approach for the subsidiary. There is no additional requirements in terms of the capital of the subsidiary.

Summary information on basic features of equity items

Paid in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry. Effect of inflation adjustments on paid in capital is the difference caused by the inflation adjustment on shareholders’ equity items. Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit have been transferred to legal reserves. Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the third clause of first and second paragraph of 519 and 521 articles of Turkish Commercial Code no. 6102.

Information about the consolidated financial statements of the subsidiaries

Description	Address (City/Country)	Bank’s share percentage-If different voting percentage (%)	Bank’s risk group share percentage (%)
1 A&T Finansal Kiralama A.Ş.	İstanbul	99.98	99.98

Total Assets	Shareholders Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit Loss	Prior Period Profit / Loss	Fair Value ^(*)
1,804,769	224,695	59,238	158,424	-	9,477	12,460	-

(1) The related subsidiary has no fair value measurement as of 30 September 2024. Financial information of the subsidiary has not undergone review.

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

9. Information on subsidiaries (Net) (Continued)

Movement related to subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	153,696	140,199
Movements during the Period	7,999	13,497
Purchases	-	-
Bonus Shares Received	7,999	13,497
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase, Effect of Inflation and F/X	-	-
Difference	-	-
Impairment Provision (+)	-	-
Balance at the End of the Period	161,695	153,696
Capital Commitments	-	-
Share Percentage at the end of Period (%)	99.98	99.98

Valuation of investments in subsidiaries

The method used in accounting treatment of subsidiaries in consolidated financial statements is explained in Section III.

Sectoral Information on the subsidiaries

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	161,695	153,696
Finance Companies	-	-
Other Affiliates	-	-

Subsidiaries in the scope of consolidation quoted on the stock exchange

The Parent Bank does not have a subsidiary that is quoted.

Consolidated subsidiaries disposed of in the current period

None.

Consolidated subsidiaries purchased in the current period

None.

10. Information on joint ventures

The Parent Bank has no joint ventures.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

11. Information on Financial Lease Receivables (Net)

	Current Period	Prior Period
Gross Financial Lease Investment	1,607,968	1,400,816
Earned Financial Lease Income (-)	186,257	179,924
Cancelled Leasing Amounts	-	-
Net Investment on Leases	1,421,711	1,220,892

	Current Period	Prior Period
Stage 1	1,137,410	1,024,565
Stage 2	283,365	195,789
Stage 3	936	538
Total	1,421,711	1,220,892

Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	901,518	781,297	807,446	681,022
Between 1-4 years	706,450	640,414	593,370	539,870
Over 4 years	-	-	-	-
Total	1,607,968	1,421,711	1,400,816	1,220,892

12. Information on financial derivatives for hedging

The Bank has no financial derivatives for hedging.

13. Information on investment property

The Group has no investment property.

14. Information on tax assets

As of 30 September 2024, the Group has a Current Tax Asset amounting to TL 7,700 (31 December 2023: TL 13,737).

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)

15. Information about fixed assets held for sale

	Current Period	Prior Period
Cost	-	1,000
Impairment (-)	-	-
Accumulated Depreciation (-)	-	-
Prior Period Net Book Value	-	1,000
Opening Balance	-	1,000
Additions	-	-
Disposals (-)	-	1,000
Accumulated Impairment (-)	-	-
Provision expense (-)	-	-
Accumulated Depreciation (-)	-	-
Depreciation of disposals	-	-
Depreciation Expenses (-)	-	-
Closing Net Book Value	-	-

16. Information on other assets

Other assets is amounting to TL 374,806 and does not exceed 10% of total assets of balance sheet except off balance sheet commitments (31 December 2023: TL 142,901).

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Accumulating Deposit Accounts	Total
Saving Deposits	28,630	-	8,138	9,771	4,060	9,973	5,161	-	65,733
Foreign Currency									
Deposits	6,323,289	-	13,089	102,705	117,500	30,328	41,956	-	6,628,867
Residents in Türkiye	2,531,086	-	1,017	44,725	12,620	5,157	2,652	-	2,597,257
Residents Abroad	3,792,203	-	12,072	57,980	104,880	25,171	39,304	-	4,031,610
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	16,364	-	-	92	-	-	-	-	16,456
Other Ins. Deposits	14,935	-	-	-	-	-	-	-	14,935
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	2,316,807	-	-	796,393	386,061	-	-	-	3,499,261
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	1,017	-	-	796,393	-	-	-	-	797,410
Foreign Banks	2,315,790	-	-	-	386,061	-	-	-	2,701,851
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	8,700,025	-	21,227	908,961	507,621	40,301	47,117	-	10,225,252

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Accumulating Deposit Accounts	Total
Saving Deposits	23,681	-	2,733	6,247	3,045	-	-	-	35,706
Foreign Currency									
Deposits	4,212,495	-	115	165,160	93,703	35,462	46,389	-	4,553,324
Residents in Türkiye	1,008,474	-	115	74,504	61,104	3,997	1,379	-	1,149,573
Residents Abroad	3,204,021	-	-	90,656	32,599	31,465	45,010	-	3,403,751
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	9,106	-	7,731	354	-	-	-	-	17,191
Other Ins. Deposits	35,421	-	-	-	-	-	-	-	35,421
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	1,525,949	-	294,549	2	-	452,085	-	-	2,272,585
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	294,549	-	-	-	-	-	294,549
Foreign Banks	1,525,949	-	-	2	-	452,085	-	-	1,978,036
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	5,806,652	-	305,128	171,763	96,748	487,547	46,389	-	6,914,227

Information on saving deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

In accordance with the "Regulation on Amendments to the Regulation on the Premiums to be Collected by the Insured Deposits and Participation Funds and the Savings Deposit Insurance Fund" published in the Official Gazette dated 7/08/2022 and numbered 31936, all deposits and participation funds, except those belonging to the official institutions, credit institutions and financial institutions within the credit institutions, have started to be insured. In this context, commercial deposits covered by insurance amount to TL 198,956 and the relevant amount is not included in the footnote. (31 December 2023: TL 121,893)

	Covered by Deposit Insurance Fund		Not Covered by Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	27,370	13,860	38,363	21,846
Foreign Currency Saving Deposits	989,787	728,623	1,881,479	1,727,310
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	1,017,157	742,483	1,919,842	1,749,156

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)

1. Information on maturity profile of deposits (Continued)

Saving deposits not covered by deposit insurance

The Bank does not have any branches in foreign and off-shore banking areas. Real persons who are not covered by the Savings Deposit Insurance Fund do not have special current and participation accounts.

The deposits that are covered in foreign branches of the Bank's that headquarters located in abroad

The Parent Bank's headquarter is located in Türkiye.

Amounts not covered by deposit insurance

Individual deposits not covered by deposit insurance

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	-	-
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	20,606	39,350
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depositary Banks established for Off-Shore Banking Activities in Türkiye	-	-
Total	20,606	39,350

2. Information on derivative financial liabilities

The total amount of the Group's derivative financial liability is TL 57 (31 December 2023: None).

Negative differences on derivative financial liabilities

None.

3. Information on Funds Borrowed

Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
From CBRT	-	-	-	-
From Domestic Banks and Institutions	39,063	48,217	2,194	30,917
From Foreign Banks, Institutions and Funds	-	6,220,536	-	5,961,109
Total	39,063	6,268,753	2,194	5,992,026

Presentation of funds borrowed based on maturity profile

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	-	2,858,889	2,194	5,160,937
Long-Term	39,063	3,409,864	-	831,089
Total	39,063	6,268,753	2,194	5,992,026

Additional explanation related to the concentrations of the Bank's major liabilities on the basis of concentrations, fund providing customers, sector groups and other criteria where risk concentration is observed

Group's liabilities come from 52% of deposits.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)

4. Information on other liabilities

Other liabilities in the balance sheet amounts to TL 403,554 and does not exceed 10% of the total balance sheet (31 December 2023: TL160,953).

5. Information on debts from lease transactions

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	616	515	657	465
Between 1 – 4 years	4,298	4,142	6,362	5,802
More than four years	1,432	188	1,776	192
Total	6,346	4,845	8,795	6,459

6. Information on liabilities arised from financial derivative transactions for hedging purposes

The Group does not have financial derivative instruments for hedging purposes.

7. Information on provisions

Reserve for employee termination benefits

The Group reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with the updated “TAS 19 - Employee Benefits”. Accumulated all actuarial gains and losses in equity are recognized in other capital reserves. The unused vacation provision amount as at 30 September 2024 is TL 72,338 (31 December 2023: TL 62,781). In addition to this, the employee termination benefit liability amount is TL 26,633 (31 December 2023: TL 33,568).

In the case of the other provisions, exceeds the 10% of the total provisions, those accounts and balances

	Current Period	Prior Period
Expected credit losses for non-cash loans	68,112	101,808
Provisions for lawsuits	8	8
Other Provision	2,500	-
Total	70,620	101,816

8. Information on tax payables

Information on current tax liability

As of 30 September 2024 the Bank’s corporate tax payable is TL 6,272 (31 December 2023: TL 23,737) after offsetting prepaid corporate tax.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

Information on deferred tax liability

As of 30 September 2024, the Bank has deferred tax asset amounting to TL 209,436 and deferred tax liability amounting to TL 254,369.

Deferred tax assets are calculated based on tax deductions and exemptions. Deferred tax liability consist of differences between the book value of assets and liabilities on the balance sheet and their taxable values in accordance with tax legislation which will be considered in the calculation of the subsequent periods profits and losses. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

By offsetting the deferred tax asset and liability, a net deferred tax liability was recorded in the balance sheet.

Details of deferred tax assets and liabilities are as follows:

	Current Period		Prior Period	
	Accumulated temporary differences	Deferred tax asset/(liability)	Accumulated temporary differences	Deferred tax asset/(liability)
Reserve for employee benefits	98,971	29,693	92,148	27,646
Unearned income	9,704	2,911	6,254	1,876
Interest discounts	189,130	56,739	134,884	40,465
Provisions	72,546	21,764	103,057	30,917
Other	327,763	98,329	268,522	80,834
Deferred tax asset	698,114	209,436	604,865	181,738
Tangible Assets Revaluation Increase	942,675	225,085	942,675	225,085
Interest discounts	114,628	34,388	128,830	38,649
Other	(17,018)	(5,104)	(15,655)	(4,695)
Deferred tax liability	1,040,285	254,369	1,055,850	259,039
Deferred tax asset/(liability) net		(44,933)		(77,301)

The movement table of deferred assets and liabilities is as follows:

	Current Period	Prior Period
Net Book Value at the Beginning of the Period	(77,301)	(36,536)
Deferred Tax Income/(Expense) (Net)	16,092	63,025
Deferred Tax Accounted Under Equity	16,276	(103,790)
Net Deferred Tax Asset/(Liability)	(44,933)	(77,301)

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)

8. Information on tax payables (Continued)

Information on taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	2,751	835
Banking Insurance Transaction tax (BITT)	4,970	2,215
Taxation on Securities Income	201	932
Value Added Tax Payable	2,395	1,534
Value Added Tax Payable (Limited taxpayer)	218	31
Taxation on real estate income	38	23
Other	10,949	11,891
Total	21,522	17,461

Information on premium payables

	Current Period	Prior Period
Social Security Premiums-Employee	3,462	2,111
Social Security Premiums-Employer	6,421	3,804
Bank Pension Fund Premium-Employee	-	-
Bank Pension Fund Premium-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	194	120
Unemployment Insurance-Employer	390	241
Others	-	-
Total	10,467	6,276

Information on liabilities of fixed asset held for sale and discontinued operations

The Parent Bank has no liability related to assets held for sale and discontinued operations.

Explanations on the number of subordinated loans the Parent Bank used, maturity, interest rate, institution that loan was borrowed from, and conversation option, if any

The Parent Bank has no subordinated loans.

9. Information on Shareholders' Equity

Presentation of Paid-in Capital

	Current Period	Prior Period
Common Stock	440,000	440,000
Preferred Stock	-	-

Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Registered share capital system is not implemented in the Parent Bank.

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)

9. Information on Shareholders’ Equity (Continued)

Information on share capital increases and their sources; other information on any increase in capital shares during the current period

None.

Information on share capital increases from capital reserves

None.

Capital commitments for current financial year and following period, general purpose of these commitments and estimated resources necessary for these commitments

No capital commitments have been made to current financial year and following period.

The impacts of the foresights, which are prospects according to Group’s prior periods income, profitability, and liquidity indicators and uncertainty, to shareholders’ equity

None.

Explanations on dividend distribution

None.

Information on the privileges given to stocks representing the capital

The share capital can be increased or decreased one or more times. Such an increase may be accomplished through the transfer of monies from the reserves to the capital account and the issuance of “bonus” shares in consequence thereof.

Every shareholder shall have the preferential (pre-emptive) right to subscribe for a proportion of new shares corresponding to the number of shares held by him and such right may be exercised within a period of thirty days from the date of receipt by each shareholder of an invitation to the shareholders to that effect. Such invitation shall be made by registered mail to the address contained in the share register.

These preferential (pre-emptive) rights may only be assigned by approval of the Board of Directors upon the favorable vote of 80% of the members, present or represented.

New shares may not be issued at a price less than the nominal value of the original shares issued.

Fractional shares shall be allocated by the Board of Directors.

The Parent Bank may not finance the acquisition of its own shares whether directly or indirectly.

Arabian shareholders are treated under the same legislation with Turkish citizens. This includes the free transfer of distributed other revenues, guarantees, shares, dividends. And in a similar manner Arabian shareholders are benefited and protected by law No,6224, Foreign Capital Incentive Law.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)

9. Information on Shareholders' Equity (Continued)

Gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	-	-	-	-
Valuation Differences	(134,819)	2,874	(128,054)	35,060
Exchange Rate Differences	-	-	-	-
Total	(134,819)	2,874	(128,054)	35,060

Information on legal reserve

In accordance with the decision taken at the 45th Ordinary General Assembly Meeting held on 21 March 2024, it was decided to transfer TL 7,833 from the 2023 profit to the legal reserves and TL 154,819 remaining to the previous year's profit and loss.

Information on Minority Shares

None.

III. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEETS

1. Information on contingent liabilities in the off-balance sheets

Type and amount of irrevocable commitments

The Group has TL 77,002 as irrevocable commitments (31 December 2023: TL 56,908).

Type and amount of possible losses from off-balance sheet items

As of the balance sheet date, the Group has allocated the provision amounting TL 22,668 over total non-cash loans of on the 3rd stage(31 December 2023: TL 19,498).

Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 3,497,024 (31 December 2023: TL 3,230,471).

Final guarantees, temporary guarantees, commitments and similar transactions

The total amount of the Group's guarantee letters is TL 11,527,987 (31 December 2023: TL 10,082,190).

In accordance with the Council of Ministers' Decision dated 2011, the letters of guarantee given to Libya cannot be compensated. As per the BRSA's order dated 30 December 2019, The Memorandum of Understanding signed between the Government of the Republic of Türkiye and the Government of National Accord of Libya has entered into force as of 24 September 2020. This agreement hereby has the force of law and the implementation and results of the provisions of this agreement are closely monitored by Turkish Banks transacting with Libya.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEETS

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans granted for Cash Loan Assurance	1,492,685	1,542,085
Less Than or Equal to One Year with Original Maturity	672,163	55,163
More Than One Year with Original Maturity	820,522	1,486,922
Other Non-Cash Loans	13,532,326	11,770,576
Total	15,025,011	13,312,661

3. Information on Expected Loss Provisions (Non-Cash Loans)

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	82,310	-	19,498	101,808
Additions during the Period	13,420	1,246	3,170	17,836
Disposal	(51,532)	-	-	(51,532)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	44,198	1,246	22,668	68,112
Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	32,719	-	10,871	43,590
Additions during the Period	55,961	-	8,627	64,588
Disposal	(6,370)	-	-	(6,370)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	82,310	-	19,498	101,808

IV. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1. Information on interest income

Information on interest income received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Received from Loans ⁽¹⁾				
Short- Term Loans	192,045	134,024	149,030	78,062
Medium and Long- Term Loans	121,419	89,435	3,238	60,626
Interest Received From Non-Performing Loans	1,645	-	166	-
Premiums Received From Resource Utilization Support Fund	-	-	-	-
Total	315,109	223,459	152,434	138,688

(1) It contains fee and commission income related to cash loans.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

1. Information on interest income (Continued)

Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
From Central Bank	-	-	-	-
From Domestic Banks	33,241	28,880	6,663	19,882
From Foreign Banks	886	9,694	2,411	3,300
From Foreign Headquarter and	-	-	-	-
Total	34,127	38,574	9,074	23,182

Information on interest income on marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value Through Profit or Loss	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income	50,687	43,809	44,817	72,949
Financial Assets Measured at Amortised Cost	5,857	161,396	11,475	130,612
Total	56,544	205,205	56,292	203,561

Information on interest income received from associates and subsidiaries

None.

2. Interest Expense

Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	17,769	237,683	2,706	128,053
Central Bank	-	-	-	-
Domestic Banks	17,769	3,931	2,706	33
Foreign Banks	-	233,752	-	128,020
Other Institutions	-	-	-	-
Total	17,769	237,683	2,706	128,053

Information on interest expense paid to subsidiaries and associates

None.

Information on interest expense given on securities issued

None.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

2. Interest Expense (Continued)

Maturity structure of the interest expense on deposits

Account Name	Demand Deposit	Up to 1 Month	Time Deposit			Up to 1 Year	More than 1 Year	Cumulative Deposit	Total
			Up to 3 Months	Up to 6 Months	Up to 1 Year				
Turkish Lira									
Interbank deposits	-	31,140	-	-	-	-	-	-	31,140
Saving deposits	-	2,144	2,386	1,131	2,269	1,058	-	-	8,988
Public sector deposits	-	-	-	-	-	-	-	-	-
Commercial deposits	-	410	92	-	-	-	-	-	502
Other deposits	-	-	-	-	-	-	-	-	-
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Total	-	33,694	2,478	1,131	2,269	1,058	-	-	40,630
Foreign Currency									
Foreign currency deposits	-	162	2,227	2,688	620	839	-	-	6,536
Interbank deposits	16	36,466	-	-	12,491	-	-	-	48,973
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-	-
Total	16	36,628	2,227	2,688	13,111	839	-	-	55,509
Grand Total	16	70,322	4,705	3,819	15,380	1,897	-	-	96,139

3. Information on trading gain/loss

	Current Period	Prior Period
Gain	45,409,824	53,611,770
Gain from money market transactions	35,747	528
Gain from financial derivative transactions	-	14,538
Gain from exchange transactions	45,374,077	53,596,704
Loss (-)	(45,359,226)	(53,601,750)
Loss from money market transactions	-	(13,746)
Loss from financial derivative transactions	(349)	(23,718)
Loss from exchange transactions	(45,358,877)	(53,564,286)
Net Trading Gain/Loss	50,598	10,020

4. Information on income from other operations

	Current Period	Prior Period
Reversal of prior years' provisions	40,430	7,903
Communication income	5,056	4,521
Gain on sales of assets	1,767	9,444
Other income	1,562	8,228
Total	48,815	30,096

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

5. Information on impairment in loans

	Current Period	Prior Period
Expected Credit Loss Provisions	8,126	8,127
12 month expected credit loss (stage 1)	92	5,196
Significant increase in credit risk (stage 2)	7,393	1,450
Non-performing loans (stage 3)	641	1,481
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other	-	-
Comprehensive Income	-	-
Subsidiaries, Associates and Entities under Common Control	-	-
Provision Expenses for Impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	-	-
Total	8,126	8,127

6. Information on Other Provision Expenses

	Current Period	Prior Period
Securities Depreciation Expenses	22,761	30,228
Provisions Lawsuits	-	-
Total	22,761	30,228

7. Information on other operating expense

	Current Period	Prior Period
Employee Termination Benefits Expense	8,711	4,188
Short-Term Employee Benefits Expense	43,526	29,520
Tangible Fixed Asset Impairment Expense	-	-
Amortization Expenses of Tangible Assets	10,594	5,246
Intangible Fixed Asset Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	5,232	2,689
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	-	-
Disposable Fixed Asset Impairment Expense	-	-
Amortization Expense of Assets Held for Resale	-	-
Impairment Expense related to Fixed Assets held for sale and discontinued operations	-	-
Other Operating Expenses	117,876	75,276
<i>Operating Lease Expenses out of the scope of TFRS 16</i>	898	454
<i>Maintenance Expenses</i>	34,289	24,126
<i>Advertisement Expenses</i>	1,192	790
<i>Other Expenses⁽²⁾</i>	81,497	49,906
Losses from sales of Assets	57	6
Other ⁽¹⁾	50,163	35,448
Total	236,159	152,373

(1) Other item in other operating expenses; It consists of TL 14,977 taxes, duties, fees and funds, TL 12,977 audit and consultancy fees, TL 7,925 SDIF expenses and TL 14,284 other operating expenses. (30 September 2023: The other item in other operating expenses consists of TL 10,374 taxes, duties, fees and funds, TL 9,703 audit and consultancy fees, TL 4,902 SDIF expenses and TL 10,469 other operating expenses.)

(2) It includes provision for employee benefits and other operating expenses amounting to TL 40,050.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

8. Information on profit/loss before taxes including profit/loss from discontinued operations

The pre-tax income amount from continued operations is TL 188,740 (30 June 2023: TL 72,765).

9. Information on tax provision related to continued operations and discontinued operations

Current period taxation benefit or charge and deferred tax benefit or charge

As of 30 September 2024, the current tax liability amounting to TL53,330. (30 September 2023: TL 15,367 Current Tax Liability) and the deferred tax liability is TL 16,092 (30 September 2023: TL 1,173 Deferred Tax Liability).

Deferred tax charge arising from origination or reversal of temporary differences

The deferred tax income arising from origination of temporary differences is TL 16,092 (30 September 2023: TL 1,173 deferred tax income).

Deferred tax charge/income represented in the income statement within the context of temporary difference, financial loss and tax reduction.

As of 30 September 2024, the deferred tax income reflected in the income statement computed over temporary difference and tax deductions and exemptions is TL 16,092 (30 September 2023: TL 1,173 deferred tax income).

10. Information on net profit or loss of the period including profit/loss from continued and discontinued operations

Current period profit from continued operations is TL 151,502 (30 September 2023: TL 56,225).

11. Information on net profit or loss of the period

Information on nature, dimension and frequency rate of income and expense accounts resulting from ordinary banking transactions if they are necessary for explaining the Bank's current period performance

None.

Information on the profit or loss effect of a change in an estimation related to financial statements and future period effect of the change in this estimation

There is no change in accounting estimation related to consolidated financial statements.

Profit/loss regarding minority rights

There is no profit/loss regarding minority rights in the accompanying consolidated financial statements since the Parent Bank owns 99.98% of the consolidated subsidiary.

12. Information on 20% of other accounts in income statement, if other accounts exceed 10% of total income statement.

Other accounts which exceed the 10% of the income statement, other than other operating income and other operating expense, amounting to TL 147,877 consist of transfer commissions, letter of credit commissions and other. (30 September 2023: TL 83,334).

	Current Period	Prior Period
Letter of Credit Commissions	100,129	57,999
Transfer Commissions	34,913	19,596
Other	12,835	5,739
Total	147,877	83,334

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. INFORMATION ON THE GROUP’S RISK GROUP

1. Information on the volume of transactions with the Parent Bank’s risk group, lending and deposits outstanding at period end and income and expenses in the current period

Information on the loans of the Group’s risk group

Bank’s Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	-	-	-	66,066	249	772,553
Balance at the end of the period	-	-	-	67,579	168,875	1,189,892
Interest and Commission Income received ⁽²⁾	-	-	-	-	960	-

⁽¹⁾ Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank’s Act.

⁽²⁾ Loans given to the Parent Bank’s direct and indirect shareholders are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

Prior Period

Group’s Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	G.Nakdi	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	-	-	-	3,753	54,034	469,456
Balance at the end of the period	-	-	-	66,066	249	772,553
Interest and Commission Income received ⁽²⁾	-	-	-	-	10	-

⁽¹⁾ Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank’s Act.

⁽²⁾ Loans given to the Parent Bank’s direct and indirect shareholders are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

The Group has a loan of TL 4,788,603 (31 December 2023: 1,471,910 TL) from the risk group. There was an interest expense of TL143,976 in the current period related to the loans used (30 September 2023: TL 14,383).

Information on deposits of the Group’s risk group

Bank’s Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank’s Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the period	-	-	176,134	145,737	117,851	742,284
Balance at the end of the period	-	-	1,242,977	176,134	185,496	117,851
Interest expense on deposits	-	-	6,449	1,525	2,208	2,848

⁽²⁾ Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank’s Act.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

INFORMATION ON THE GROUP’S RISK GROUP

V. INFORMATION ON THE GROUP’S RISK GROUP (Continued)

Information on forward transactions, options and other contracts related to Group’s risk group

None.

Information on benefits provided for top level management:

For the accounting period ending on 30 September 2024, TL 72,535 has been paid to the top level management of the Group as salaries and fringe benefit (30 September 2023: TL47,012).

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

SECTION SIX

INDEPENDENT AUDITOR’S LIMITED REVIEW REPORT

I. INFORMATION ON INDEPENDENT AUDITOR’S LIMITED REVIEW REPORT

As of 30 September 2024, consolidated financial statements and explanatory notes of the Group disclosed herein were reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi and Independent Auditor’s Limited Review Report is presented preceding the financial statements. The independent limited review report dated 7 November 2024 is presented before the consolidated financial statements.

II. INFORMATION AND FOOTNOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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SECTION SEVEN

EXPLANATIONS ON INTERIM ACTIVITY REPORT

I. Evaluation of the Parent Bank’s Chairman and General Manager for the Period

According to the latest ‘Economic Outlook’ report of OECD published in September; the global economy is expected to grow by 3.2% in this year with a favorable outlook of inflation. Moreover, the global forecast for 2025 was maintained at at 3.2%. In the third quarter of this year, while Federal Reserve System (FED) cut interest rate by 50bps, European Central Bank (ECB) delivered the second 25bps interest rate cut. In the same period, inflation in the US economy declined to 2.4% while the headline inflation in the Eurozone decreased to 1.7%. The lower than expected Eurozone inflation is the main driver of ECB’s rate cut which is earlier than FED. China announced a comprehensive stimulus package to mitigate the negative impact of the crisis coming from real estate side and to achieve its 5% growth target for this year.

Turkish economy grew by 2.5% in the second quarter of this year mainly driven by weak domestic demand. On the back of the quarterly data, Turkish economy managed to grow by 3.8% in the first half of this year. In the same period the headline inflation decreased from its peak level of 75% at end of May 2024 to 49.4%. With its tight monetary stance, the Central Bank of Türkiye kept the policy rate unchanged at 50%. On the external balance side, the current account deficit which was USD 40.5 billion at the end of 2023 narrowed to USD 11.3 billion in August with USD 29.2 billion improvement thanks to both strong tourism revenues and decreasing foreign trade deficit. The strengthening of the financing side and the improvement in reserve accumulation were among the positive development of Turkish economy in the third quarter of this year.

In addition, as of the end of August 2024, while the asset size of the banking sector increased by 26.1% compared to the end of the previous year and reached TL 29.690 billion, loan and deposit volumes reached TL 14.639 billion and TL 17.461 billion, respectively. In January-August period of 2024, net term profit of the sector increased by 9.2% compared to the same period of the previous year and reached TL 382.8 billion. As a result, return on equity ratio of the sector was realized as 33.9% on an annualized basis.

At the end of the third quarter of 2024, our Group’s asset size and total equity stood at TL 19.5 billion and TL 2.3 billion, respectively, and our consolidated capital adequacy standard ratio maintained its strong outlook with 17.85%.

Our core operating principles will continue to be pursuit of “sustainable healthy growth” while remaining steadfast to effective risk and liquidity management and adding value to the country’s economy in the forthcoming period, as it was in the past. In addition, we will continue improving our information technology systems and automation processes, boosting our service quality and increasing operational efficiency by ensuring full compliance to corporate governance principles.

Best regards,

Wail J. A. BELGASEM
Member of Board of Directors and
General Manager

Yasin ÖZTÜRK
Chairman of Board of Directors

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

II. Financial Highlights of the Group

Assets (Thousand TL) (1)	30.09.2024	31.12.2023
Financial Assets (Net) (2)	8,187,859	6,562,122
Financial Assets Measured at Amortised Cost (Net) (3)	9,900,020	7,841,840
Property and Equipment (Net)	990,062	1,000,361
Intangible Assets (Net)	16,161	15,838
Current Tax Assets	7,700	13,737
Deferred Tax Assets	7,311	539
Other Assets (Net)	374,806	142,901
Total Assets	19,483,919	15,577,338
Liabilities (Thousand TL) (1)	30.09.2024	31.12.2023
Deposits	10,225,252	6,914,227
Funds Borrowed	6,307,816	5,994,220
Derivative Financial Liabilities	57	-
Lease Liabilities (Net)	4,845	6,459
Provisions	169,591	198,165
Current Tax Liability	6,272	23,737
Deferred Tax Liability	52,244	77,840
Shareholders' Equity	2,314,288	2,201,737
Other Liabilities	403,554	160,953
Total Liabilities	19,483,919	15,577,338
Off Balance Sheet Commitments (Thousand TL)	30.09.2024	31.12.2023
Guarantees and Warranties	15,025,011	13,312,661
Commitments	463,444	276,003
Derivative Financial Instruments	34,442	-
Total Off Balance Sheet Commitments	15,522,897	13,588,664
Statement of Profit / Loss (Thousand TL)	30.09.2024	30.09.2023
Interest Income	1,021,041	664,682
Interest Expense (-)	351,591	243,881
Net Interest Income	669,450	420,801
Net Fees & Commission Income	165,520	99,212
Dividend Income	206	32
Trading Income / Loss (Net) (+/-)	50,598	10,020
Other Operating Income	48,815	30,096
Gross Operating Income	934,589	560,161
Expected Credit Loss (-)	8,126	8,127
Other Provisions Expenses (-)	22,761	30,228
Personnel Expense (-)	478,803	296,668
Other Operating Expenses (-)	236,159	152,373
Net Operating Income / Loss	188,740	72,765
Tax Provision (-)	37,238	16,540
Net Term Profit	151,502	56,225

- (1) Rate sensitive assets and liabilities include rediscounts.
- (2) Cash and Cash Equivalents, Financial Assets Measured at Fair Value through Profit or Loss, Financial Assets Measured at Fair Value through other Comprehensive Income and Derivative Financial Assets.
- (3) Loans, Lease Receivables, Factoring Receivables, Financial Assets Measured at Amortized Cost and Allowance for Expected Credit Losses.

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2024

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

III. Evaluation of the Group's Financial Position and Performance

- At the end of September 2024, the Group’s asset size was realized as TL 19.5 billion. In the period examined, the major items of the Bank’s placements consist of net financial assets amounting to TL 8,188 million with 42.0% share and net financial assets as measured by the amortized cost of TL 9,900 million with 50.7% share.
- 88.1% of the consolidated liabilities are comprise of foreign sources. The most important part of external resources is deposits at the level of 10.225 million TL and loans received at the level of 6.308 million TL. The shareholders' equity, which constitutes 11.9% of the total liabilities, was realized as TL 2,314 million at the end of September 2024.
- Guarantees and warrantees, which include letters of guarantee, letters of credit and other guarantees, increased by 12.9% compared to the previous year-end and stood at TL 15.025 million at end- September 2024.
- At the end of the third quarter 2024, the Group's net term profit realized as TL 151.5 million.
- In the analyzed period, net interest income and net fee & commission income of the Group's increased by 59.1% and 66.8%, respectively

IV. Information on Subsidiary Subject to Consolidation

- The Parent Bank has a subsidiary that operates in the field of financial leasing.
- A&T Finansal Kiralama A.Ş was established to conduct domestic and foreign financial leasing operations regarding to the permission of Undersecretariat of Treasury and Foreign Trade pursuant to Law No. 3226 with the publication of the Articles of Association in the Turkish Trade Registry Gazette on July 4, 1997.
- Arap Türk Bankası A.Ş. is the main shareholder of the company by 99.98% share. Operations of the company includes leasing transactions of construction equipment, machinery and real estate.
- The company carries out its leasing activities mainly in Türkiye.

V. Other Issues

- There is no significant changes apart from the above mentioned explanations compared to the 2023 Annual Activity Report of the Bank, which has been prepared according to “the Regulations on the Principles and Procedures relating to the Preparation and Publication of the Annual Activity Report prepared by the Banks”.

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