

ARAP TRK BANKASI ANONİM ŐİRKETİ

**UNCONSOLIDATED FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT 31 MARCH 2024
TOGETHER WITH AUDITOR’S REVIEW REPORT**

***(CONVENIENCE TRANSLATION OF UNCONSOLIDATED
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 unconsolidated balance sheet of Arap Türk Bankası Anonim Şirketi ("the Bank") at 31 March 2024 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the three-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 unconsolidated financial information does not present fairly in all material respects the unconsolidated financial position of Arap Türk Bankası Anonim Şirketi at 31 March 2024 and its unconsolidated financial performance and its unconsolidated cash flows for the three-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 unconsolidated 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 31 March 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, 10 May 2024

**ARAP TÜRK BANKASI A.Ş. UNCONSOLIDATED INTERIM FINANCIAL REPORT
AS OF AND FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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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E-mail address of the Bank : corp@atbank.com.tr

The unconsolidated interim financial report as of and for the three month period ended 31 March 2024 prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Notes 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 BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND FOOTNOTES RELATED TO UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S REVIEW REPORT
- INTERIM ACTIVITY REPORT

The unconsolidated financial statements for the three-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*

Afrah Omar Magsi
*Member of The Board of
Directors and 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
Acting Group Manager

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

Name / Title: F.Betül Yörel / Acting Department Manager

Phone No : 0 212 225 05 00

Fax No : 0 212 225 05 26

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ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

I. BANK'S DATE OF ESTABLISHMENT, BEGINNING STATUTE, ITS HISTORY REGARDING CHANGES ON ITS STATUTE

Arap Türk Bankası Anonim Şirketi ("the 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 Turkey 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. 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 Bank is a foreign bank status incorporated in Turkey. 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 31 March 2043, the Bank's share capital at the balance sheet date as follows:

Shareholders	Current Period	
	Share amounts	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 in the paid capital by TL 6.20 (full digit in TL)).

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024**

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

GENERAL INFORMATION ABOUT THE BANK (Continued)**III. INFORMATION ABOUT THE 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
Aflah Omar Magsi	Member of the Board of Directors and Member of Audit Committee
Selen Giyim	Member of the Board of Directors and Member of Audit Committee
İmge Hilal Soyloğlu 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

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	Assistant General Manager - Information Technologies and Operations Division

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 BANK

Name Surname/Entity Title	Share Amount	Share Percentage %	Paid-in Capital	Unpaid 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	-

ARAP TÜRK BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

GENERAL INFORMATION ABOUT THE BANK (Continued)

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

The Bank was established to incorporate commercial activities among Türkiye, Middle East and North African countries. The Bank is authorized to collect deposits and operates in corporate banking areas.

The Bank has seven branches; three in Istanbul, one in Ankara, one in Kayseri, one in Konya and one in Gaziantep and has share participations in a subsidiary operating in financial leasing business.

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 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 BANK AND ITS SUBSIDIARIES OR THE REIMBURSEMENT OF LIABILITIES

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. BALANCE SHEET-ASSETS
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- III. OFF-BALANCE SHEET COMMITMENTS
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- VI. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
- VII. STATEMENT OF CASH FLOWS

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

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

I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note	CURRENT PERIOD 31.03.2024			PRIOR PERIOD 31.12.2023		
ASSETS			TL	FC	TOTAL	TL	FC	TOTAL
I.	FINANCIAL ASSETS (Net)		374,502	6,696,679	7,071,181	569,102	5,811,476	6,380,578
1.1	Cash and Cash Equivalents	(1)	50,082	5,875,744	5,925,826	205,147	4,067,931	4,273,078
1.1.1	Cash and Balances with Central Bank		28,266	3,430,850	3,459,116	204,963	2,952,865	3,157,828
1.1.2	Banks	(4)	24,190	2,444,894	2,469,084	1,833	1,115,066	1,116,899
1.1.3	Money Markets		-	-	-	-	-	-
1.1.4	Expected Credit Loss (-)		2,374	-	2,374	1,649	-	1,649
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)	324,420	820,935	1,145,355	363,955	1,743,545	2,107,500
1.3.1	Government Securities		324,196	660,273	984,469	363,731	1,584,952	1,948,683
1.3.2	Equity Securities		224	12,914	13,138	224	11,789	12,013
1.3.3	Other Financial Assets		-	147,748	147,748	-	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)	(6)	1,094,089	5,872,097	6,966,186	723,210	5,935,098	6,658,308
2.1	Loans		1,069,660	2,546,816	3,616,476	700,988	2,589,514	3,290,502
2.2	Lease Receivables		-	-	-	-	-	-
2.3	Factoring Receivables		-	-	-	-	-	-
2.4	Other Financial Assets Measured at Amortised Cost	(7)	42,561	3,325,281	3,367,842	41,191	3,345,584	3,386,775
2.4.1	Government Securities		42,561	2,998,484	3,041,045	41,191	2,952,892	2,994,083
2.4.2	Other Financial Assets		-	326,797	326,797	-	392,692	392,692
2.5	Expected Credit Loss (-)		18,132	-	18,132	18,969	-	18,969
III.	ASSETS 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		153,696	-	153,696	153,696	-	153,696
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)	153,696	-	153,696	153,696	-	153,696
4.2.1	Unconsolidated Financial Subsidiaries		153,696	-	153,696	153,696	-	153,696
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.	TANGIBLE ASSETS (Net)		946,661	-	946,661	946,397	-	946,397
VI.	INTANGIBLE ASSETS (Net)		9,811	-	9,811	10,931	-	10,931
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		9,811	-	9,811	10,931	-	10,931
VII.	INVESTMENT PROPERTY (Net)	(13)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET	(14)	7,379	-	7,379	13,737	-	13,737
IX.	DEFERRED TAX ASSET	(14)	-	-	-	-	-	-
X.	OTHER ASSETS (Net)	(16)	39,625	134,478	174,103	41,363	73,234	114,597
TOTAL ASSETS			2,625,763	12,703,254	15,329,017	2,458,436	11,819,808	14,278,244

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

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		CURRENT PERIOD 31.03.2024			PRIOR PERIOD 31.12.2023		
LIABILITIES	Note	TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(1)	214,038	8,023,424	8,237,462	88,450	6,826,496	6,914,946
II. FUNDS BORROWED	(3)	-	4,544,655	4,544,655	-	4,808,759	4,808,759
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)	-	-	-	-	-	-
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	-	-	-	-	-
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5)	10,687	1,301	11,988	8,637	1,305	9,942
X. PROVISIONS	(7)	164,776	21,599	186,375	174,817	19,498	194,315
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		96,654	-	96,654	92,499	-	92,499
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		68,122	21,599	89,721	82,318	19,498	101,816
XI. CURRENT TAX LIABILITY	(8)	23,971	-	23,971	19,138	-	19,138
XII. DEFERRED TAX LIABILITY		56,692	-	56,692	77,840	-	77,840
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
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)	33,536	104,058	137,594	25,483	87,581	113,064
XVI. SHAREHOLDERS' EQUITY	(9)	2,129,107	1,173	2,130,280	2,105,180	35,060	2,140,240
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		652,706	-	652,706	652,706	-	652,706
16.4 Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		(139,711)	1,173	(138,538)	(128,054)	35,060	(92,994)
16.5 Profit Reserves		70,233	-	70,233	62,400	-	62,400
16.5.1 Legal Reserves		70,233	-	70,233	62,400	-	62,400
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		-	-	-	-	-	-
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		1,105,879	-	1,105,879	1,078,128	-	1,078,128
16.6.1 Prior Periods' Profit or (Loss)		1,070,295	-	1,070,295	921,471	-	921,471
16.6.2 Current Period Profit or (Loss)		35,584	-	35,584	156,657	-	156,657
TOTAL LIABILITIES		2,632,807	12,696,210	15,329,017	2,499,545	11,778,699	14,278,244

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

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS

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

III-OFF-BALANCE SHEET COMMITMENTS (I+II+III)	Note	CURRENT PERIOD 31.03.2024			PRIOR PERIOD 31.12.2023		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)							
I. GUARANTEES AND WARRANTIES							
1.1. Letters of Guarantee	(2)	1,249,466	12,830,166	14,079,632	886,135	12,427,120	13,313,255
1.1.1. Guarantees Subject to State Tender Law		1,248,548	9,785,726	11,034,274	885,541	9,196,649	10,082,190
1.1.2. Guarantees Given for Foreign Trade Operations		9,714	-	9,714	-	-	9,714
1.1.3. Other Letters of Guarantee		287,715	9,727,176	10,014,891	327,034	9,135,507	9,462,541
1.2. Bank Acceptances		951,119	58,550	1,009,669	548,793	61,142	609,935
1.2.1. Import Letter of Acceptance		-	-	-	-	-	-
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	-	-	-	-	-
1.3.1. Documentary Letters of Credit		-	2,957,369	2,957,369	-	3,001,706	3,001,706
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	2,957,369	2,957,369	-	3,001,706	3,001,706
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		-	-	-	-	-	-
1.9. Other Collaterals		-	80,633	80,633	-	228,765	228,765
II. COMMITMENTS							
2.1. Irrevocable Commitments	(1)	918	6,438	7,356	594	-	594
2.1.1. Asset Purchase and Sale Commitments		918	6,438	7,356	594	-	594
2.1.2. Deposit Purchase and Sales Commitments		-	6,438	6,438	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		-	-	-	-	-	-
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		-	-	-	-	-	-
2.1.8. Tax and Fund Liabilities from Export Commitments		918	-	918	594	-	594
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10. Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	-	-	-	-	-
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS							
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		-	-	-	-	-	-
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		-	-	-	-	-	-
3.2.2.1. Foreign Currency Swap-Buy		-	-	-	-	-	-
3.2.2.2. Foreign Currency Swap-Sell		-	-	-	-	-	-
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)							
IV. ITEMS HELD IN CUSTODY		591,242	1,506,706	2,097,948	570,047	1,376,762	1,946,809
4.1. Customer Fund and Portfolio Balances		14,172	-	14,172	21,407	-	21,407
4.2. Investment Securities Held in Custody		-	-	-	-	-	-
4.3. Checks Received for Collection		-	-	-	-	-	-
4.4. Commercial Notes Received for Collection		14,172	-	14,172	21,407	-	21,407
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							
5.1. Marketable Securities		577,070	1,506,706	2,083,776	548,640	1,376,762	1,925,402
5.2. Guarantee Notes		-	-	-	-	-	-
5.3. Commodity		18,820	723,734	742,554	18,820	662,799	681,619
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		-	-	-	-	-	-
5.6. Other Pledged Items		106,394	781,307	887,701	81,394	712,404	793,798
5.7. Pledged Items-Depository		451,856	1,665	453,521	448,426	1,559	449,985
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		1,840,708	14,336,872	16,177,580	1,456,182	13,803,882	15,260,064

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

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED
31 MARCH 2024

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

IV. -STATEMENT OF PROFIT OR LOSS		Note	Current Period 01.01.2024- 31.03.2024	Prior Period 01.01.2023- 31.03.2023
I.	INTEREST INCOME	(1)	260,117	178,492
1.1	Interest on Loans		140,886	85,649
1.2	Interest on Reserve Requirements		899	374
1.3	Interest on Banks		17,698	3,469
1.4	Interest on Money Market Transactions		5,263	-
1.5	Interest on Marketable Securities Portfolio		95,307	88,886
1.5.1	Fair Value Through Profit or Loss		-	-
1.5.2	Fair Value Through Other Comprehensive Income		35,564	44,513
1.5.3	Measured at Amortised Cost		59,743	44,373
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		64	114
II.	INTEREST EXPENSE (-)	(2)	88,346	50,879
2.1	Interest on Deposits		29,713	12,979
2.2	Interest on Funds Borrowed		58,201	21,087
2.3	Interest Expense on Money Market Transactions		-	703
2.4	Interest on Securities Issued		-	-
2.5	Lease Interest Expenses		432	370
2.6	Other Interest Expenses		-	15,740
III.	NET INTEREST INCOME (I - II)		171,771	127,613
IV.	NET FEES AND COMMISSIONS INCOME		43,319	23,881
4.1	Fees and Commissions Received		49,865	25,704
4.1.1	Non-cash Loans		10,913	5,475
4.1.2	Other		38,952	20,229
4.2	Fees and Commissions Paid		6,546	1,823
4.2.1	Non-cash Loans		17	10
4.2.2	Other		6,529	1,813
V.	DIVIDEND INCOME		-	-
VI.	TRADING INCOME /(LOSS) (Net)	(3)	37,077	(6,106)
6.1	Trading Gains / (Losses) on Securities		35,747	(8,121)
6.2	Gains / (Losses) on Derivative Financial Transactions		-	697
6.3	Foreign Exchange Gains / (Losses)		1,330	1,318
VII.	OTHER OPERATING INCOME	(4)	19,618	14,363
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)		271,785	159,751
IX.	EXPECTED CREDIT LOSS (-)	(5)	351	-
X.	OTHER PROVISION EXPENSE (-)	(6)	9,636	18,146
XI.	PERSONNEL EXPENSE (-)		144,545	80,268
XII.	OTHER OPERATING EXPENSES (-)	(7)	76,399	38,662
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		40,854	22,675
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	(8)	40,854	22,675
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(5,270)	(4,629)
18.1	Current Tax Provision		(7,147)	-
18.2	Deferred Tax Income Effect (+)		19,672	14,799
18.3	Deferred Tax Expense Effect (-)		21,549	10,170
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)	(10)	35,584	18,046
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Non-current Assets Held for Sale		-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income from Other Discontinued Operations		-	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses for Non-current Assets Held for Sale		-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses for Other Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XIX-XX)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-
XXV.	NET PROFIT/(LOSS) (XVIII+XXIII)	(11)	35,584	18,046
	Earning/(Loss) per share (in TL full)		0.0008	0.0004

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

ARAP TÜRK BANKASI A.Ş.**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2024**

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

V.-STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Current Period	Prior Period
		1 January- 31 March 2024	1 January- 31 March 2023
I.	CURRENT PERIOD PROFIT/LOSS	35,584	18,046
II.	OTHER COMPREHENSIVE INCOME	(45,544)	(10,938)
2.1	Other Comprehensive Income That will Not Be Reclassified To Profit or Loss	-	-
2.1.1	Tangible Assets Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	-	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.2	Reclassified to Profit or Loss	(45,544)	(10,938)
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	(64,815)	(14,476)
2.2.3	Gains/Loses from Cash Flow Hedges	-	-
2.2.4	Hedge Income/Expense from Hedge of Investment in Foreign Operation	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	19,271	3,538
III.	TOTAL COMPREHENSIVE INCOME (I+II)	(9,960)	7,108

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

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

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

					Other Comprehensive Income/ Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/ Expense Items to be Recycled to Profit or Loss						
VI. - STATEMENT OF CHANGES IN SHAREHOLDERS'EQUITY	Paid-in capital	Share premium	Share certificate cancel profits	Other capital reser	1	2	3	4	5	6	Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total Equity
CURRENT PERIOD														
31 March 2024														
I. Balance at the beginning of the period	440,000	-	-	-	682,693	(29,987)	-	-	(92,994)	-	62,400	921,471	156,657	2,140,240
II. Adjustment in accordance with TMS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	440,000	-	-	-	682,693	(29,987)	-	-	(92,994)	-	62,400	921,471	156,657	2,140,240
IV. Total comprehensive income (loss)	-	-	-	-	-	-	-	-	(45,544)	-	-	-	35,584	(9,960)
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	7,833	148,824	(156,657)	-
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2. Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	7,833	148,824	(156,657)	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances (III+IV+.....+X+XI)	440,000	-	-	-	682,693	(29,987)	-	-	(138,538)	-	70,233	1,070,295	35,584	2,130,280

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve,

2. Accumulated Gains/ Losses on Remeasurements of Defined 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 other Comprehensive Income that will not be Reclassified to Profit or Loss),

4. Exchange Differences on Translation,

5. Accumulated gains(losses) due for revaluation and/or reclassification of financial assets measured 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 Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

ARAP TÜRK BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

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

					Other Comprehensive Income/ Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/ Expense Items to be Recycled to Profit or Loss						
	Paid-in capital	Share premium	certificate cancel profits	share capital reser	1	2	3	4	5	6	Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total Equity
PRIOR PERIOD														
31 March 2023														
I. Balance at the beginning of the period	440,000	-	-	-	443,333	(26,305)	-	-	(8,346)	-	51,725	718,654	213,492	1,832,553
II. Adjustment in accordance with TMS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
I. New balance (I+II)	440,000	-	-	-	443,333	(26,305)	-	-	(8,346)	-	51,725	718,654	213,492	1,832,553
IV. Total comprehensive income (loss)	-	-	-	-	-	-	-	-	(10,938)	-	-	-	18,046	7,108
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Dividends distributed	-	-	-	-	-	-	-	-	-	-	10,675	202,817	(213,492)	-
11.2 Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	10,675	202,817	(213,492)	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances (III+IV+.....+X+XI)	440,000	-	-	-	443,333	(26,305)	-	-	(19,284)	-	62,400	921,471	18,046	1,839,661

1. Increases and decreases in Tangible and Intangible Assets Revaluation Reserve,

2. Accumulated Gains/ Losses on Remeasurements of Defined 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 other Comprehensive Income that will not be Reclassified to Profit or Loss),

4. Exchange Differences on Translation,

5. Accumulated gains(losses) due for revaluation and/or reclassification of financial assets measured 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 Other Comprehensive Income that will be Reclassified to Profit or Loss)

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

ARAP TÜRK BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
31 MARCH 2024

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

		Current Period 01.01.2024 -31.03.2024	Prior Period 01.01.2023 -31.12.2023
VII.-STATEMENT OF CASH FLOWS	Note		
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		189,309	154,235
1.1.1 Interest Received		290,835	192,540
1.1.2 Interest Paid		(65,129)	(39,568)
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		49,865	25,704
1.1.5 Other Income		44,600	(4,527)
1.1.6 Collections from Previously Written-off Loans and Other Receivables		-	-
1.1.7 Payments to Personnel and Service Suppliers		(176,172)	(129,235)
1.1.8 Taxes Paid		(21,585)	3,090
1.1.9 Other		66,895	106,231
1.2 Changes in Operating Assets and Liabilities		24,363	(682,141)
1.2.1 Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss		33,040	11,046
1.2.2 Net (increase) / decrease in due from banks and other financial institutions		-	-
1.2.3 Net (increase) / decrease in loans		(148,624)	941,045
1.2.4 Net (increase) / decrease in other assets		(58,823)	(7,700)
1.2.5 Net increase / (decrease) in bank deposits		458,701	(233,659)
1.2.6 Net increase / (decrease) in other deposits		258,153	(701,775)
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		(644,559)	(839,744)
1.2.9 Net increase / (decrease) in payables		-	-
1.2.10 Net increase / (decrease) in other liabilities		126,475	148,646
I. Net Cash Provided from Banking Operations		213,672	(527,906)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Provided from Investing Activities		1,293,311	20,622
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 tangible assets		(2,884)	(79,428)
2.4 Disposals of tangible assets		-	-
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	(569,330)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		1,003,437	562,104
2.7 Purchase of Financial Assets Measured at Amortised Cost		-	(139,945)
2.8 Sale of Financial Assets Measured at Amortised Cost		294,120	247,592
2.9 Other		(1,362)	(371)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		(432)	(370)
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		(432)	(370)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		295,167	41,111
V. Net Decrease/ Increase in Cash and Cash Equivalents (I+II+III+IV)		1,801,718	(466,543)
VI. Cash and Cash Equivalents at the Beginning of the Period		2,246,382	1,547,043
VII. Cash and Cash Equivalents at the End of the Period		4,048,100	1,080,500

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS FOR BASIS OF PRESENTATION

The unconsolidated 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 unconsolidated 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 the announcement dated 23 November 2023, POA announced that the financial statements of the entities applying the 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 Hyperinflationary Economies ("TAS 29"), however, institutions or organisations authorised to regulate and supervise in their fields may determine different transition dates for the implementation of TAS 29. Based on this announcement of POA, BRSA has decided not to subject the financial statements of banks and financial leasing, factoring, financing, savings finance and asset management companies as of 31 December 2023 to inflation adjustment required under TAS 29 with its decision dated 12 December 2023 and numbered 10744. In accordance with the BRSA's decision dated 11 January 2024 and numbered 10825; banks, financial leasing, factoring, financing, savings finance and asset management companies will apply inflation accounting as of 1 January 2025. Accordingly, no inflation adjustment has been made in the unconsolidated financial statements as of 31 March 2024 in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosed contingent assets and liabilities at the date of the balance sheet and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's best judgement and knowledge, actual results may differ from these estimates. The assumptions and estimates used are disclosed in the related notes.

The financial statements have been prepared on the cost basis except for property, plant and equipment and financial assets and liabilities which are carried at fair value. The accounting policies and valuation principles applied for the proper understanding of the financial statements are explained in Notes II to XXIV.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

II. EXPLANATIONS FOR BASIS OF PRESENTATION

Effective from 1 January 2023, the amendments to TAS/IFRS do not have a significant impact on the Bank's accounting policies, financial position and performance. The amendments to TAS and IFRS issued but not yet effective as of the date of finalisation of the financial statements are not expected to have a significant impact on the accounting policies, financial position and performance of the Bank.

The effects of the earthquake disaster in Kahramanmaraş and neighbouring provinces have been reviewed and there is no impact on the financial statements of the Bank.

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

II. STRATEGY OF USING FINANCIAL INSTRUMENTS AND EXPLANATIONS ON FOREIGN CURRENCY TRANSACTIONS

The Bank's core business activities include corporate banking, commercial banking, securities transactions (Treasury operations) and international banking services. The Bank uses financial instruments intensively due to its nature. The Bank's funding sources are deposits, borrowings and shareholders' equity, which are invested in high quality financial assets. The Bank monitors the balance of the resources utilised and the placements made in various financial assets in terms of risk and return with an effective asset - liability management strategy.

The Bank's transactions in foreign currencies are accounted for in accordance with TAS 21 - The Effects of Changes in Foreign Exchange Rates and foreign exchange gains and losses arising from foreign currency transactions are translated into Turkish Lira at the exchange rates prevailing at the dates of the transactions.

At the end of each period, foreign currency assets and liabilities are translated into Turkish Lira at the exchange rates prevailing at the balance sheet date and the resulting exchange differences are recognised as foreign exchange gains and losses.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024**

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**III. DISCLOSURES RELATED TO SUBSIDIARIES**

A subsidiary is an entity over which the Bank has the power to govern the financial and operating policies so as to obtain benefits from its activities. In the unconsolidated financial statements, the subsidiary is recognised at cost, less any provision for impairment in accordance with "TAS 27 - Separate Financial Statements".

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 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. INFORMATION ON FEES AND COMMISSION

Fees and commission income and expenses are calculated on an accrual basis according to the nature of the fees and commissions and included in the effective interest method, and income provided through contracts or through the purchase of assets for a third real or legal person is recognised in the periods in which they are realised.

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 Parent Bank is a legal party to these instruments.

The Bank 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 and Financial Assets at Fair Value Through Other Comprehensive Income 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 BIST are carried at other valuation models. All gains and losses arising from these valuations are reflected in the statement of profit or loss.

b. Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is classified as at fair value through other comprehensive income when, in addition to holding the financial asset within a business model whose objective is to collect contractual cash flows and to sell the financial asset, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income are initially recognised at fair value plus transaction costs. Financial assets at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest method on marketable securities at fair value through other comprehensive income and dividend income on marketable securities representing a share in capital are recognised in the statement of profit or loss. The difference between the fair value and the amortised cost of financial assets at fair value through other comprehensive income, i.e. "Unrealised gains and losses", is not recognised in the statement of profit or loss until the collection of the fair value of the financial asset, sale, disposal or impairment of the financial asset, or until the asset is sold, disposed of or impaired, whichever occurs first.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income (Continued)

"Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss" account. When these securities are collected or disposed of, the accumulated fair value differences reflected in equity are recognised in the statement of profit or loss.

Subsequent changes in the value of investments in equity instruments are not recognised in the statement of profit or loss, except for dividends.

Investments in equity instruments that are not held for trading or that are recognised in the financial statements of the acquiree in a business combination to which IFRS 3 is applied are classified as Assets at Fair Value through Other Comprehensive Income, with an irrevocable election made on initial recognition.

Financial assets at fair value through other comprehensive income are subsequently measured at fair value. However, for securities that do not have a market price, pricing models or discounted cash flow techniques are used in the fair value calculation, depending on the type of security.

c. Financial Assets Measured at Amortized Cost

If the financial asset is held within a business model whose objective is to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, the financial asset is classified as a financial asset measured at amortised cost.

Financial assets measured at amortised cost are initially recognised at acquisition cost reflecting their fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method. Interest income related to financial assets measured at amortised cost is recognised in the statement of profit or loss.

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, transaction costs and other costs such as transaction costs, it is a part of and charged to the customer.

All loans of the Bank are classified under "Financial Assets Measured at Amortised Cost".

e. Impairment

The Bank 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment (Continued)

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.
- 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 loans 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)

The Bank's loans have been evaluated and classified in accordance with the Regulation on the Procedures and Principles for the Classification of Loans and Provisions to be set aside and provisions have been set aside accordingly.

The Bank uses credit risk parameters and statistical models in the calculation of expected credit losses in accordance with the relevant legislation and accounting standards.

Expected credit losses are measured using reasonable and supportable information and taking into account historical information as well as future base, favorable and unfavorable macroeconomic forecasts by including macroeconomic variables. Within the scope of the macroeconomic model, the final forecast obtained by weighting three scenarios (base, optimistic and negative) is used. The main macroeconomic independent variables used in these forecasts are the changes in "USDTRY, Consumer Price Index, Producer Price Index, Current Account Balance and Foreign Trade Balance". 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. Macroeconomic forecasts and past default data of portfolios used in risk parameter models are re-evaluated every quarter in order to reflect changes in the economic conjuncture and updated if necessary.

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.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 amount in the securities portfolio of the bank is very low.

In addition, the asset should be actively marketed at a price that is consistent with the true value.

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 statement of profit or loss. The Bank does not have any discontinued operations.

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 Bank'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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. INFORMATION ON TANGIBLE ASSETS (Continued)

While the Bank is using the cost model under the TAS 16 "Property, Plant and Equipment" for the valuation of the property under tangible assets, it changed in 2017 and switched to a revaluation model in the valuation of real estates in use. The property value in the appraisal report prepared by the appraisal company and the net book value the positive difference is monitored in equity accounts.

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 statement of profit or loss 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 equipment, furniture and fixture	3-50	2-33

There are no changes in the related accounting estimates that have a significant effect on the current period or are expected to have a significant effect in the following periods.

At each reporting date, the Bank assesses whether there is any indication that an asset may be impaired; if any such indication exists, the Bank estimates the recoverable amount of the related asset in accordance with TAS 36 - Impairment of Assets and recognises an impairment loss if the recoverable amount is less than the carrying amount of the related asset.

XIII. INFORMATION ON LEASING TRANSACTIONS

Property, plant and equipment acquired under finance leases are recognised as property, plant and equipment in the Bank's assets and as liabilities under finance leases in the Bank's liabilities. Finance costs arising from the lease are spread over the period so as to create a fixed interest rate during the lease term. Interest and foreign exchange losses on finance leases are recognised in the statement of profit or loss. Assets held under finance leases are depreciated on the same basis as for property, plant and equipment.

As of the end of the reporting period, the Bank does not have the authority to make financial leases as a lessor such as a financial leasing company.

Explanations on TFRS 16 Leases Standard

Bank - as a tenant

At inception of a contract, the Bank assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Bank recognises a right-of-use asset and a lease liability at the commencement date.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. INFORMATION ON LEASING TRANSACTIONS (Continued)

Right of use asset

The right-of-use asset is initially recognised at cost and includes the following:

- a) the initial measurement amount of the lease liability,
- b) all lease payments made on or before the commencement date, less any lease incentives received,
- c) all initial direct costs incurred by the Bank

While the Bank applies the cost method, the right of use asset:

- a) net of accumulated depreciation and accumulated impairment losses and
- b) measured at cost adjusted for remeasurement of the lease liability.

When depreciating the right-of-use asset, the Bank applies the depreciation provisions of TAS 16 Property, Plant and Equipment.

Rent obligation

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

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

Subsequent to the commencement date, the Bank measures the lease liability as follows

- a) increase the carrying amount to reflect interest on the lease liability,
- b) decrease the carrying amount to reflect lease payments already made, and
- c) remeasure the carrying amount to reflect reassessments and restructurings or to reflect lease payments that are fixed in their revised substance.

Interest on the lease liability for each period of the lease term is calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. INFORMATION ON PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS (Continued)

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

Under the Turkish Labour Law, the Bank is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated due to retirement or for reasons other than resignation or misconduct specified in the Turkish Labour Law, or for each employee who has completed one year of service and retires, is called up for military service or dies. In accordance with the provisions of "TAS 19 - Employee Benefits", the Bank calculates and recognises the present value of the future probable obligation of the Bank arising from the retirement pay liability by estimating the present value of the future probable obligation. Actuarial gains and losses are recognised under equity in accordance with TAS 19.

The Bank utilises independent actuaries in determining the liability and makes assumptions about discount rate and inflation. The assumptions related to the calculation are as follows.

	Current Period	Prior Period
Discount Rate	%24.50	%12.10
Inflation Rate	%6.00	%9.90

Vacation pay liability is calculated over the cumulative total of the number of unused vacation days calculated by deducting the vacation days used by all personnel from the legally entitled vacation period each year.

Provisions for other employee benefits

In accordance with the revised TAS 19, the Bank recognises a provision for other employee benefits in its financial statements based on the undiscounted amounts expected to be paid in exchange for the services provided by its employees during an accounting period.

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 has entered into force starting from the declarations to be submitted as of 1 October 2023 and to be applied to the corporate earnings of the accounting periods starting from 1 January 2023.

Corporate tax is payable at a rate applicable to the tax base calculated by adding back non-deductible expenses and deducting exemptions and deductions from taxable income. If no profit is distributed, no further tax is payable.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON TAX APPLICATIONS (Continued)

Advance taxes are calculated and paid in the first quarter of the year at the corporate tax rate applicable to that year's earnings. Advance taxes paid during the year can be offset against the corporate tax calculated on the annual corporate tax return for that year.

Dividends paid to corporations that have a place of business or a permanent representative in Turkey and dividends paid to corporations resident in Turkey are not subject to withholding tax. While 15% withholding tax is applied on dividend payments other than those made to non-resident institutions and resident institutions that earn income through a place of business or permanent representative in Turkey, this rate was changed to 10% with the Presidential Decree published in the Official Gazette dated December 22, 2021 and numbered 31697. In the application of withholding tax rates on dividend payments to non-resident corporations and real persons, the practices in the relevant Double Tax Treaty Agreements are also taken into consideration. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

Under the provisions of the Corporate Tax Law No. 5520, 75% of the gains arising from the sale of participation shares held in assets for at least two full years and founders' shares, redeemed shares and preemptive rights held for the same period are exempt from corporate tax, provided that they are held in a special fund account in liabilities until the end of the fifth year following the year of sale or added to capital and collected until the end of the second calendar year. 25% of the gains from the sale of immovable properties acquired before July 15, 2023 are exempt from corporate tax.

The law numbered 7352 dated January 29, 2022 on the amendment of the Tax Procedure Law and the Corporate Tax Law was enacted in the Official Gazette numbered 31734 on January 29, 2022, and the financial statements will not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment within the scope of Repeated Article 298 are met in the 2021 and 2022 accounting periods, including the temporary accounting periods, and the temporary tax periods of the 2023 accounting period, December 31, 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met. With the Tax Procedure Law General Communiqué dated 30 April 2024 and numbered 32532, it has been decided not to make inflation adjustment for the first provisional tax period.

Deferred tax

Deferred tax assets and liabilities are recognized on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method in accordance with TAS 12 - Income Taxes and related BRSA guidance. For tax purposes, differences that affect neither the taxable profit nor the accounting profit at the date of acquisition of assets and liabilities are excluded from this calculation.

If transactions and other events are recognized in profit or loss, the related tax effects are also recognized in profit or loss. If transactions and other events are recognized directly in equity, the related tax effects are also recognized directly in equity.

Deferred tax assets and deferred tax liabilities are netted off in the financial statements.

In accordance with Article 298 of the Tax Procedure Law, since the Tax Procedure Law Financial Statements dated 31 December 2024 will be subject to inflation adjustment in accordance with Article 298 of the Tax Procedure Law, the tax advantage that will be provided in the future periods by the increase in the value of fixed assets and prepaid expenses from non-monetary items is shown in the deferred tax asset in the financial statements dated 31 March 2024.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON TAX APPLICATIONS (Continued)

Transfer Pricing

Under the heading of disguised profit distribution through transfer pricing in Article 13 of the Corporate Tax Law, the issue of transfer pricing is discussed and the "General Communiqué on Disguised Profit Distribution through Transfer Pricing" published on 18 November 2007 sets out the details of this issue in practice.

According to the Communiqué, if taxpayers engage in transactions with related parties (individuals) for the purchase and sale of goods, services or products, where the prices are not set in accordance with the arm's length principle, it will be concluded that the related profits are distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing will not be deductible from the tax base for corporate tax purposes.

XVII. ADDITIONAL INFORMATION ON BORROWINGS

The Bank 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 Bank did not issue any stocks convertible into bonds.

The Bank does not have borrowing instruments issued by itself.

XVIII. INFORMATION ON SHARE ISSUANCES

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

XIX. EXPLANATIONS ON ACCEPTANCES AND ACCEPTANCES

Advances and acceptances are realised simultaneously with the payments of the customers and the commitments are presented in off-balance sheet accounts as off-balance sheet liabilities.

There are no acceptances and acceptances recognised as a liability against assets.

XX. INFORMATION ON GOVERNMENT INCENTIVES

The Bank has not received any government grants and subsidies.

XXI. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets is their fair value. Cash and cash equivalents and bank balances are stated at the period-end foreign exchange buying rate at the Bank's office.

For the purpose of the statement of cash flows, "Cash" is defined as cash on hand, effectives, gold, money in transit, cheques purchased and demand deposits at banks including the Central Bank of the Republic of Turkey and "Cash Equivalents" are defined as interbank money market placements with original maturities of less than three months and time deposits at banks.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**XXII. INFORMATION ON SEGMENT REPORTING**

An operating segment is a distinguishable component of the Bank that engages in the provision of a single product or service or a group of related products or services and that is characterised by risks and returns that are different from those of other segments. Reporting by operating segments is presented in Section Four, Note VII.

XXIII. OTHER DISCLOSURES**Profit reserves and distribution of profit**

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

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for dividend distribution unless they exceed 50% of paid-in share capital.

Related parties

For the purpose of these financial statements, shareholders, key management personnel and board members, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties in accordance with TAS 24 - Related Party Disclosures.

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SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE BANK

I. INFORMATION ON SHAREHOLDER'S EQUITY

The Bank's capital adequacy standard ratio is 18.92%. (31 December 2023: 18.58%). The capital adequacy standard ratio is calculated based on the Regulation on Equity of Banks, Regulation on Measurement and Assessment of Capital Adequacy of Banks, BRSA decision dated 12 December 2023 and numbered 10747 and other related legal regulations. In accordance with the aforementioned Board decision, the amount subject to credit risk is calculated by using the foreign exchange buying rates of the Central Bank of the Republic of Turkey as of 26 June 2023 and the equity is calculated without taking into account the negative net valuation differences of the securities acquired before 1 January 2024 and included in the "Securities at Fair Value Through Other Comprehensive Income" portfolio.

Information on equity items

	Current Period	Prior Period
TIER II CAPITAL	2,130,280	2,140,240
Paid-in capital following all debts in terms of claim in liquidation of the Bank	440,000	440,000
Share issue premiums	0	-
Reserves	70,233	62,400
Gains recognized in equity as per TAS	514,168	559,712
Profit	1,105,879	1,078,128
Current Period Profit	35,584	156,657
Prior Period Profit	1,070,295	921,471
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	2,130,280	2,140,240
Deductions from Common Equity Tier 1 Capital	9,876	11,001
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	65	70
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	9,811	10,931
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	9,876	11,001
Total Common Equity Tier 1 Capital	2,120,404	2,129,239

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024
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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
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 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	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial		
Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not 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)	2,120,404	2,129,239
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)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	88,233	101,632
Tier II Capital Before Deductions	88,233	101,632
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	88,233	101,632
Total Capital (The sum of Tier I Capital and Tier II Capital)	2,208,637	2,230,871
The sum of Tier I Capital and Tier II Capital (Total Capital)	2,208,637	2,230,871
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-
Net Book Values of Movables and Immovable 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 (-)	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024**

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)**I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)**

	Current Period	Prior Period
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not 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 (-)	-	-
TOTAL CAPITAL	2,208,637	2,230,871
Total Capital	2,208,637	2,230,871
Total risk weighted amounts	12,726,290	12,039,593
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	18.23	17.74
Tier 1 Capital Adequacy Ratio (%)	18.23	17.74
Capital Adequacy Ratio (%) ⁽²⁾	18.92	18.58
BUFFERS		
Total buffer requirement	3.373	2.844
Capital conservation buffer requirement (%)	2.500	2.500
Bank specific counter-cyclical buffer requirement (%)	0.873	0.344
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	13.73	13.26
Amounts below the Excess Limits as per the Deduction Principles	-	-
Portion of the total of net long positions of 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	-	-
Portion of the total of 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	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation	-	-
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	88,233	101,632
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	88,233	101,632
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 January 1, 2018 and January 1, 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	-	-

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Continued)

Within the scope of the Bank's internal capital adequacy assessment process, the approach applied to assess the adequacy of the internal capital requirement in terms of current and future activities

Within the scope of internal capital adequacy assessment, the Bank has reports, procedures, etc. In these studies; under the main headings of evaluation of the current year in terms of capital adequacy and development of legal ratios and evaluation of budget forecasts in terms of capital adequacy and development of legal ratios; there are detailed evaluations on quantifiable risks and non-quantifiable risks and all significant risks are covered.

Information on debt instruments to be included in equity calculation

None.

Explanations required for the reconciliation between the statement of shareholders' equity and the balance sheet amounts

Current Period	Balance sheet value	Amount of adjustment	Value at capital report
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	652,706	-	652,706
Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	(138,538)	-	(138,538)
Profit Reserves	70,233	-	70,233
Profit or Loss	1,105,879	-	1,105,879
Prior Periods' Profit/Loss	1,070,295	-	1,070,295
Current Period Net Profit/Loss	35,584	-	35,584
Deductions from Common Equity Tier I Capital (*)	-	9,876	(9,876)
Common Equity Tier 1 capital	-	-	2,120,404
Tier 1 capital	-	-	2,120,404
Provisions	-	(88,233)	88,233
Tier 2 capital (**)	-	(88,233)	88,233
Shareholders' Equity Adjustments (***)	-	-	-
	2,130,280	(78,357)	2,130,280
Total Shareholders' Equity			

(*) 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' Equity adjustments within the framework of paragraphs 9-8-ç.

II. INFORMATION ON FOREIGN CURRENCY EXCHANGE RATE RISK

Whether the Bank 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 Bank complies with net general position-shareholder's equity limits. The Bank 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 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 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.

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

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

Foreign exchange risk management policy

Transactions are being hedged according to the Central Bank of Turkey'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 Bank, are as follows

Date	US Dollars	Euro
21 March 2024	32.3105	35.2734
25 March 2024	32.0592	34.6819
26 March 2024	32.1005	34.8336
27 March 2024	32.165	34.8285
28 March 2024	32.2596	34.8189
29 March 2024	32.2854	34.8023
Balance Sheet Valuation Rate	32.2854	34.8023

The basic arithmetical average of the bank's foreign exchange bid rate for the last thirty days

In March 2024, with the simple arithmetic average, the US dollar exchange buying rate is 31.9494 TL and the Euro exchange buying rate is 34.7178 TL.

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

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

Information on Currency Risk

Current Period	Euro	US Dollars	Other	Total
Assets				
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,881,908	1,546,243	2,699	3,430,850
Banks	160,474	2,223,943	60,477	2,444,894
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	447,813	373,122	-	820,935
Loans	1,645,224	901,592	-	2,546,816
Investments in Subsidiaries and Associates	-	-	-	-
Financial Assets Measured at Amortised Cost	1,324,532	2,000,749	-	3,325,281
Financial Derivative held for Hedging (Assets)	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	29,338	105,140	-	134,478
Total Assets	5,489,289	7,150,789	63,176	12,703,254
Liabilities				
Bank Deposits	1,473,643	1,387,609	5,050	2,866,302
Foreign Currency Deposits	2,180,586	2,931,868	44,668	5,157,122
Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	1,775,215	2,769,440	-	4,544,655
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Financial Derivatives held for Hedging (Liabilities)	-	-	-	-
Other Liabilities	55,471	69,482	2,005	126,958
Total Liabilities ⁽¹⁾	5,484,915	7,158,399	51,723	12,695,037
Net Balance Sheet Position	4,374	(7,610)	11,453	8,217
Net Off Balance Sheet Position	-	(3,229)	3,209	(20)
Financial Derivatives (Assets)	-	-	3,209	3,209
Financial Derivatives (Liabilities)	-	(3,229)	-	(3,229)
Non-Cash Loans	4,750,231	6,430,991	1,642,506	12,823,728
Prior Period				
Total Assets	6,553,007	5,212,578	54,223	11,819,808
Total Liabilities	6,526,179	5,168,175	49,285	11,743,639
Balance Sheet Position, net	26,828	44,403	4,938	76,169
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 "Regulation on Calculation and Application of Foreign Currency Net General Position/Shareholders' Equity Standard Ratio on Consolidated and Unconsolidated Basis by Banks", shareholders' equity amounting to TL 1,173 is not taken into consideration in the calculation of foreign currency risk.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024
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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

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

Exposed currency risk

The increase/(decrease) in equity and statement of profit or loss (excluding tax effect) for the periods ended 31 March 2024 and 31 March 2023, assuming a 10 percent depreciation/ appreciation of the TL against the following currencies, is shown in the table below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Assuming 10 percent appreciation of TL;

	Current Period		Prior Period	
	Statement of Profit or Loss	Shareholders' Equity ⁽¹⁾	Statement of Profit or Loss	Shareholders' Equity ⁽¹⁾
Euro	(693)	(437)	3,160	(2,683)
US Dollar	1,457	1,084	(8,729)	(4,440)
Other Currencies	(1,466)	(1,466)	(129)	(494)
Total	(702)	(819)	(5,698)	(7,617)

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

Assuming 10 percent depreciation of TL;

	Current Period		Prior Period	
	Statement of Profit or Loss	Shareholders' Equity ⁽¹⁾	Statement of Profit or Loss	Shareholders' Equity ⁽¹⁾
Euro	693	437	(3,160)	2,683
US Dollar	(1,457)	(1,084)	8,729	4,440
Other Currencies	1,466	1,466	129	494
Total	702	819	5,698	7,617

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

III. INFORMATION ON 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 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 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 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 for the Securities Duration Risk/Total Assets ratio was set by the Board of Directors at a maximum of 10%, with a maximum limit of 12% and a maximum exception of 14%; and for the Interest Rate Risk arising from Banking Accounts/Total Equity ratio, the early warning limit was set at a maximum of 17%, with a maximum limit of 18% and a maximum exception of 19%.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

III. INFORMATION ON INTEREST RATE RISK (Continued)

The precautions taken for the interest rate risk the 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 Bank's financial position the 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

In terms of time remaining to repricing

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 Turkey	-	-	-	-	-	3,459,116	3,459,116
Banks	2,469,084	-	-	-	-	-	2,469,084
Financial assets at fair value through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	414	122,196	193,975	760,321	55,314	13,135	1,145,355
Loans	217,038	754,096	2,640,452	1,977	-	2,913	3,616,476
Financial Assets Measured at Amortized Cost	24,447	129,902	879,511	2,333,982	-	-	3,367,842
Other assets ⁽¹⁾	-	-	-	-	-	1,271,144	1,271,144
Total assets	2,710,983	1,006,194	3,713,938	3,096,280	55,314	4,746,308	15,329,017
Liabilities							
Bank Deposits	2,790,588	166,110	-	-	-	5	2,956,703
Other Deposits	214,513	106,092	60,412	-	-	4,899,742	5,280,759
Money Market Borrowings	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	1,775,244	-	2,769,411	-	-	-	4,544,655
Other Liabilities ⁽²⁾	454	934	4,069	6,531	-	2,534,912	2,546,900
Total liabilities	4,780,799	273,136	2,833,892	6,531	-	7,434,659	15,329,017
Long Position in the Balance Sheet	-	733,058	880,046	3,089,749	55,314	-	4,758,167
Short Position in the Balance Sheet	(2,069,816)	-	-	-	-	(2,688,351)	(4,758,167)
Long Position in the Off-balance Sheet	-	-	-	-	-	-	-
Short Position in the Off-balance Sheet	-	-	-	-	-	-	-
Total Position	(2,069,816)	733,058	880,046	3,089,749	55,314	(2,688,351)	-

(1) Other assets in the non-interest bearing column amounting to TL 1,271,144 consist of Property, Plant and Equipment amounting to TL 946,661, Investments in Associates amounting to TL 153,696, Provisions for Expected Losses amounting to TL 20,506, Intangible Assets amounting to TL 9,811, Current Tax Assets amounting to TL 7,379, Other Assets amounting to TL 174,103 and other unallocated amounts.

(2) The amount of TL 2,534,912 in other liabilities non-interest bearing column consists of equity amounting to TL 2,130,280, provisions amounting to TL 186,375, current tax liability amounting to TL 23,971, deferred tax liability amounting to TL 56,692 and non-interest bearing amounts included in other liabilities amounting to TL 137,594.

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

III. INFORMATION ON 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 Turkey	-	-	-	-	-	3,157,828	3,157,828
Banks	1,116,899	-	-	-	-	-	1,116,899
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	1,803,745	3,545	-	2,913	3,290,502
Financial Assets Measured at Amortized Cost	117,095	213,674	413,857	2,642,149	-	-	3,386,775
Other assets ⁽¹⁾	-	-	-	-	-	1,218,740	1,218,740
Total assets	2,078,631	956,628	2,471,129	4,324,768	55,591	4,391,497	14,278,244
Liabilities							
Bank Deposits	1,820,497	304,004	148,084	-	-	-	2,272,585
Other Deposits	192,108	109,493	58,923	415	-	4,281,422	4,642,361
Money Market Borrowings	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	1,516,026	1,648,884	1,643,849	-	-	-	4,808,759
Other Liabilities ⁽²⁾	414	681	2,973	5,874	-	2,544,597	2,554,539
Total liabilities	3,529,045	2,063,062	1,853,829	6,289	-	6,826,019	14,278,244
Long Position in the Balance Sheet	-	-	617,300	4,318,479	55,591	-	4,991,370
Short Position in the Balance Sheet	(1,450,414)	(1,106,434)	-	-	-	(2,434,522)	(4,991,370)
Long Position in the Off-balance Sheet	-	-	-	-	-	-	-
Short Position in the Off-balance Sheet	-	-	-	-	-	-	-
Total Position	(1,450,414)	(1,106,434)	617,300	4,318,479	55,591	(2,434,522)	-

⁽¹⁾ The amount of 1,218,740 TL in the other assets interest-free column; It consists of 946,397 TL Tangible Assets, 153,696 TL Partnership Investments, 20,618 TL Expected Loss Provisions, 10,931 TL Intangible Assets, 13,737 TL current tax assets, 114,597 TL Other Assets and other undistributed amounts.

⁽²⁾ The amount of 2,544,597 TL in the other liabilities interest-free column; It consists of 2,140,240 TL Equity, 194,315 TL Provisions, 19,138 TL Current Tax Debt, 77,840 TL Deferred Tax Debt and 113,064 TL interest-free amounts included in other liabilities.

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continue)

III. INFORMATION ON INTEREST RATE RISK (Continued)

Average interest rates applied to monetary financial instruments (%)

Current Period	EURO	US Dollars	TL
Assets			
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey.	-	-	8.50
Banks	-	5.37	49.00
Financial Assets at Fair Value Through Profit or Loss	-	-	-
Money Market Placements	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.27	8.26	10.65
Loans	9.94	10.78	50.35
Financial Assets Measured at Amortized Cost	-	-	19.22
Liabilities			
Interbank Deposits	-	8.25	52.00
Other Deposits	0.53	3.00	43.35
Money Market Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	-
Funds Borrowed from Other Financial Institutions	4.25	6.00	-
Prior Period	EURO	US Dollars	TL
Assets			
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of Turkey.	-	-	8.50
Banks	4.39	-	-
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	4.22	7.73	19.23
Liabilities			
Interbank Deposits	-	7.73	-
Other Deposits	0.55	2.86	32.65
Money Market Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	-
Funds Borrowed from Other Financial Institutions	4.00	6.50	-

IV. INFORMATION ON STOCK POSITION RISK

Equity investment risk due from banking book

The 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.

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

IV. INFORMATION ON STOCK POSITION RISK (Continued)

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 Communiqué Regarding Calculation of Credit Risk Amount on Internal Rating Based Approach.

None.

V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO

Information on liquidity risk management regarding risk capacity of the 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 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 ("ALCO") 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 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 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 Bank also makes short-term and long-term assumptions. Another important consideration is that the 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.

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

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

The Bank is supported by well-established shareholders among most powerful financial institutions in Turkey, Middle East and the North African region. The Bank's largest shareholder is Libyan Foreign Bank which is 100% owned by the Central Bank of Libya has the Bank. Funds received from the Bank's risk group have a 21% share in liabilities.

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

The 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.

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

A large portion of the Bank's liabilities consist of funds obtained from the parent Libyan Foreign Bank and group banks. 94% of these funds are USD, 6% are EUR.

Information regarding to the liquidity risk mitigation techniques used

The 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 Bank's Assets and Liabilities Committee was presented to the Board of Directors and approved by Council Decision No. CRC / 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 and 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.

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

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 weekly calculated lowest and highest values of unconsolidated foreign currency and total liquidity coverage ratio by weeks are as follows:

	Month	FC	Month	FC+TL
Lowest	22 March 2024	186	29 March 2024	191
Highest	26 January 2024	857	26 January 2024	706

The weekly simple arithmetic average calculated 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	10,420,373	9,611,911	8,232,294	7,600,496
	CASH OUTFLOWS				
2	Real person deposits and retail deposits	2,498,969	1,570,264	204,979	157,026
3	Stable deposit	898,347	-	44,917	-
4	Deposit with low stability	1,600,622	1,570,264	160,062	157,026
5	Unsecured debts except real person deposits and retail deposits	5,788,961	5,408,872	4,378,521	3,991,545
6	Operational deposit				
7	Non-operating deposits	5,414,131	5,283,452	4,003,691	3,866,125
8	Other unsecured debts	374,830	125,420	374,830	125,420
9	Secured debts				
10	Other cash outflows	13,034,056	12,103,603	911,909	684,407
11	Derivative liabilities and margin obligations	-	-	-	-
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	13,034,056	12,103,603	911,909	684,407
16	TOTAL CASH OUTFLOW	21,321,986	19,082,739	5,495,409	4,832,978
	CASH INFLOWS				
17	Secured receivables				
18	Unsecured claims	2,558,514	2,365,381	2,503,212	2,353,835
19	Other cash inflows	29,665	29,665	29,665	29,665
20	TOTAL CASH INFLOWS	2,588,179	2,395,046	2,532,877	2,383,500
				Upper limit applied amounts	
21	TOTAL HQLA STOCK			8,232,294	7,600,496
22	TOTAL NET CASH OUTFLOWS			2,962,532	2,449,478
23	LIQUIDITY COVERAGE RATIO (%)			277.88	310.29

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

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

Prior Period	Consideration Ratio Not Applied		Consideration Ratio Applied	
	Total Value ⁽¹⁾		Total Value ⁽¹⁾	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
1 High quality liquid assets	9,815,689	9,246,196	7,902,931	7,428,037
CASH OUTFLOWS				
2 Real person deposits and retail deposits	2,207,382	1,470,522	185,014	147,052
3 Stable deposit	714,486	-	35,724	-
4 Deposit with low stability	1,492,896	1,470,522	149,290	147,052
5 Unsecured debts except real person deposits and retail deposits	4,898,419	4,643,799	3,614,886	3,365,143
6 Operational deposit	-	-	-	-
7 Non-operating deposits	4,571,835	4,517,267	3,288,302	3,238,611
8 Other unsecured debts	326,584	126,532	326,584	126,532
9 Secured debts	-	-	-	-
10 Other cash outflows	12,853,193	11,951,692	822,019	672,033
11 Derivative liabilities and margin obligations	41	41	41	41
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	12,853,152	11,951,651	821,978	671,992
16 TOTAL CASH OUTFLOW	19,958,994	18,066,013	4,621,919	4,184,228
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured claims	2,011,416	1,409,582	1,779,856	1,321,832
19 Other cash inflows	100,198	100,198	100,198	100,198
20 TOTAL CASH INFLOWS	2,111,614	1,509,780	1,880,054	1,422,030
			Upper limit applied amounts	
21 TOTAL HQLA STOCK			7,902,931	7,428,037
22 TOTAL NET CASH OUTFLOWS			2,741,865	2,762,198
23 LIQUIDITY COVERAGE RATIO (%)			288.23	268.92

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

Significant factors affecting the result of liquidity coverage ratio and changes in the items considered in the calculation of this ratio over time

The most important factors affecting the calculation of liquidity coverage ratio for the Bank are high quality liquid assets and cash outflows. A significant portion of the Bank's high quality liquid assets consists of treasury bills and free deposits held at the Central Bank of the Republic of Turkey. High quality liquid assets increased throughout the year and positively affected the liquidity coverage ratio calculation.

Sections High-quality liquid assets comprised of

High-quality liquid assets consist of cash, effectives, debt instruments issued by CBRT and treasury, debt instruments with a credit or default rating from A+ to BBB- or any equivalent Debt Instruments. CBRT accounts for 40% of high-quality liquid assets of the Bank, while 59% comprised of debt instruments issued by the Treasury and %1 of cash in vault.

Sections Funding sources comprised of and their densities within all funds

A significant part of the funding sources are comprised of deposits received. 54% of the total liabilities are deposits received. 36% of these deposits are deposits obtained from banks.

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

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

Cash outflows arising from derivative balances are realised in periods when the Bank's derivative liabilities exceed its derivative receivables. As of 31 March 2024, the Bank has no derivative transactions.

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

A significant part of the funding sources are comprised of deposits received. 54% of the liability is deposits and 36% of these deposits are from banks.

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 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 based on their outstanding maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Unallocated	Total
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	116,808	3,342,308	-	-	-	-	-	3,459,116
Banks	993,833	1,475,251	-	-	-	-	-	2,469,084
Financial Assets at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	414	122,195	193,979	760,318	55,314	13,135	1,145,355
Loans	-	217,038	693,655	2,700,893	1,977	-	2,913	3,616,476
Financial Assets Measured at Amortized Cost	-	24,447	129,902	879,511	2,333,982	-	-	3,367,842
Other assets ⁽¹⁾	-	-	-	-	-	-	1,271,144	1,271,144
Total Assets	1,110,641	5,059,458	945,752	3,774,383	3,096,277	55,314	1,287,192	15,329,017
Liabilities								
Interbank Deposits	2,215,275	575,318	166,110	-	-	-	-	2,956,703
Other Deposits	4,899,742	214,513	106,092	60,412	-	-	-	5,280,759
Money market borrowings	-	-	-	-	-	-	-	-
Miscellaneous payables	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Funds provided from other financial institutions	-	1,775,244	-	2,769,411	-	-	-	4,544,655
Other liabilities ⁽²⁾	-	454	934	4,069	6,531	-	2,534,912	2,546,900
Total Liabilities	7,115,017	2,565,529	273,136	2,833,892	6,531	-	2,534,912	15,329,017
Net Liquidity Gap	(6,004,376)	2,493,929	672,616	940,491	3,089,746	55,314	(1,247,720)	-
Prior Period								
Total Assets	825,413	4,411,046	937,077	2,490,677	4,324,771	55,591	1,233,669	14,278,244
Total Liabilities	5,807,371	2,003,096	2,063,062	1,853,829	6,289	-	2,544,597	14,278,244
Net Liquidity Gap	(4,981,958)	2,407,950	(1,125,985)	636,848	4,318,482	55,591	(1,310,928)	-

(1) The amount of 1,271,144 TL in the other assets undistributable column; It consists of Tangible Assets of 946,661 TL, Partnership Investments of 153,696 TL, Intangible Assets of 9,811 TL, Expected Loss Provisions of 20,506 TL, current tax assets of 7,379 TL, Other Assets of 174,103 TL, and other undistributed amounts.

(2) The amount of 2,534,912 TL in the other liabilities undistributed column; It consists of 2,130,280 TL Equity, 186,375 TL Provisions, 23,971 TL Current Tax Debt, 56,692 TL Deferred Tax Liability, and 137,594 TL undistributed amounts included in Other Liabilities.

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INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

V. INFORMATION ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued)

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

Current Period	According to the Remaining Maturity, Unapplied Consideration Rate					Total Amount with Consideration Rate Applied
	Demand Deposit*	Less than 6 Months	Residual maturity of six months and longer but less than one year	1 Year and more than 1 Year		
Available Stable Fund						
1 Equity Items	-	-	-	2,222,662		2,222,662
2 Tier 1 and Tier 2 capital	-	-	-	2,222,662		2,222,662
3 Other Capital Instruments	-	-	-	-		-
4 Real person and retail customer deposits/participation funds	2,093,331	333,327	17,981	-		2,242,981
5 Stable deposits/participation funds	732,382	118,464	5,274	-		813,314
6 Low stable deposits/participation funds	1,360,949	214,863	12,708	-		1,429,667
7 Due to other persons	4,588,732	5,318,208	400,423	-		208,937
8 Operational deposits/participation funds	-	-	-	-		-
9 Other payables	4,588,732	5,318,208	400,423	-		208,937
10 Liabilities equivalent to interconnected assets						
11 Other liabilities	629,741	1,070	-	-		-
12 Derivative liabilities				-		
13 Other equity items and liabilities not included above	629,741	1,070	-	-		-
14 Available Stable Fund						4,674,581
Required Stable Funding						
15 High quality liquid assets						213,029
16 Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-		-
17 Live receivables	1,420,539	3,381,969	1,346,194	283,735		3,191,164
18 Receivables from credit institutions or financial institutions with first quality liquid assets as collateral	-	-	-	-		-
19 Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets	1,250,058	2,254,454	331,103	-		1,753,777
20 Receivables from corporate customers other than credit institutions or financial institutions, institutions, real persons and retail customers, central governments, central banks and public institutions	170,482	1,127,514	1,015,091	52,013		1,240,423
21 <i>Receivables subject to risk weighting of 35% or less</i>	-	40,000	-	-		-
22 Receivables collateralised by mortgages on residential properties	-	-	-	-		-
23 <i>Receivables subject to risk weighting of 35% or less</i>	-	-	-	-		-
24 Non-quoted equities and debt securities that do not qualify as high quality liquid assets	-	-	-	231,722		196,964
25 Assets equivalent to interconnected liabilities						
26 Other assets	1,471,556	1,076	-	-		1,471,556
27 Physical delivery including gold	-					-
28 Initial margin for derivative contracts or guarantee fund given to central counterparty				-		
29 Derivative assets				-		
30 Amount of derivative liabilities before deduction of variation margin				-		
31 Other assets not included above	1,471,556	1,076	-	-		1,471,556
32 Off-balance sheet commitments		13,083,407	-	-		654,170
33 Required Stable Fund						5,529,920
34 Net Stable Funding Ratio (%)						85.09

- Items reported in the Non-maturity column do not have a specific maturity. These include, but are not limited to, equity items with no stated maturity, demand deposits, short positions, positions with no stated maturity, high quality illiquid equities and commodities with physical delivery.

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION OF THE BANK (Continued)

VI. INFORMATION 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.

Leverage ratio disclosure as follows

	Balance sheet assets	Current Period ⁽¹⁾	Prior Period ⁽¹⁾
1	Balance sheet assets (Except for derivative financial instruments and credit derivatives, including warranties)	15,211,025	13,753,776
2	(Assets deducted from main capital)	(10,315)	(9,736)
3	Total risk amount of the balance sheet assets (Sum of 1st and 2nd rows)	15,200,710	13,744,040
	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	13,065,031	13,047,247
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)	13,065,031	13,047,247
	Equity and total risk		
13	Main capital	2,117,956	1,900,777
14	Total risk amount (Sum of 3rd, 6th, 9th and 12th rows)	28,265,742	26,791,287
	Leverage ratio		
15	Leverage ratio	% 7.50	% 7.08

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

VII. INFORMATION ON RISK MANAGEMENT

		Risk Weighted Amount		Minimum capital Requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	10,576,077	8,981,730	846,086
2	Standardised approach (SA)	10,576,077	8,981,730	846,086
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	-	-	-
5	Standardised approach for counterparty credit risk (SA-CCR)	-	-	-
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	1,033,600	2,221,000	82,688
17	Standardised approach (SA)	1,033,600	2,221,000	82,688
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	1,116,613	836,863	89,329
20	Basic Indicator Approach	1,116,613	836,863	89,329
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)	12,726,290	12,039,593	1,018,103

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

None.

Market risk RAV change table according to the internal model approach

None.

VIII. INFORMATION ON OPERATING SEGMENTS

Organizational and internal reporting structure of the Bank is determined in line with TFRS 8 "Turkish Accounting Standard about Operating Segments".

The Bank has operations in corporate and entrepreneurial banking, specialized banking, investment banking and international banking areas.

Current Period	Corporate and Commercial				Total Operations
	Retail Banking	Banking	Treasury	Unallocated	
Interest Income (Net)	(2,808)	138,941	35,638	-	171,771
Commission Income (Net)	-	43,319	-	-	43,319
Unallocated Income/Expenses (Net)	-	-	-	(174,236)	(174,236)
Income from Subsidiaries - Dividend	-	-	-	-	-
Dividend Income	-	-	-	-	-
Other Dividend Income	-	-	-	-	-
Operating Income	(2,808)	182,260	35,638	(174,236)	40,854
Income before tax	-	-	-	40,854	40,854
Tax Provision	-	-	-	(5,270)	(5,270)
Net Profit for the period	-	-	-	35,584	35,584

Current Period	Corporate and Commercial				Total Operations
	Retail Banking	Banking	Treasury	Unallocated	
Segment Assets	4,912	3,362,930	10,336,991	-	13,704,833
Associates and Subsidiaries	-	-	-	-	-
Unallocated assets	-	-	-	1,624,184	1,624,184
Total Assets	7,500	3,379,275	9,609,863	1,281,606	14,278,244
Segment Liabilities	2,504,395	2,773,684	7,504,038	-	12,782,117
Unallocated Liabilities	-	-	-	416,620	416,620
Equity	-	-	-	2,130,280	2,130,280
Total Liabilities	2,504,395	2,773,684	7,504,038	2,546,900	15,329,017

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

VIII. INFORMATION ON OPERATING SEGMENTS (Continued)

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Unallocated	Total Operations
Interest Income (Net)	(639)	84,247	44,005	-	127,613
Commission Income (Net)	-	23,881	-	-	23,881
Unallocated					
Income/Expenses (Net)	-	-	-	(128,819)	(128,819)
Income from Subsidiaries -					
Dividend				-	-
Dividend Income				-	-
Other Dividend Income				-	-
Operating Income	(639)	108,128	44,005	(128,819)	22,675
Income before tax	-	-	-	22,675	22,675
Tax Provision	-	-	-	(4,629)	(4,629)
Net Profit for the period	-	-	-	18,046	18,046

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Unallocated	Total Operations
Segment Assets	7,500	3,379,275	9,609,863	-	12,996,638
Associates and Subsidiaries	-	-	-	-	-
Unallocated assets	-	-	-	1,281,606	1,281,606
Total Assets	7,500	3,379,275	9,609,863	1,281,606	14,278,244
Segment Liabilities	2,491,639	2,149,773	7,082,293	-	11,723,705
Unallocated Liabilities	-	-	-	414,299	414,299
Equity	-	-	-	2,140,240	2,140,240
Total Liabilities	2,491,639	2,149,773	7,082,293	2,554,539	14,278,244

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024**

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

SECTION FIVE**INFORMATION ON DISCLOSURES AND FOOTNOTES OF
UNCONSOLIDATED FINANCIAL STATEMENTS****I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF ASSETS****Information on cash equivalents and Central Bank of Turkey****Information on cash equivalents**

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	1,775	88,542	2,446	139,573
Central Bank of Turkey	26,491	3,342,308	202,517	2,813,292
Other	-	-	-	-
Total	28,266	3,430,850	204,963	2,952,865

Information related to the account of Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits ⁽¹⁾	26,491	-	32,828	-
Unrestricted Time Deposits	-	1,463,617	-	958,050
Restricted Time Deposits	-	-	-	-
Reserve Deposits	-	1,878,691	169,689	1,855,242
Total	26,491	3,342,308	202,517	2,813,292

⁽¹⁾ General reserve amount requirements maintained at CBRT**Information on Reserve Deposits**

Banks established in Turkey or operating in Turkey by opening branches are subject to the Communiqué of the Central Bank of the Republic of Turkey numbered 2013/15 on Required Reserves. The items specified in the Communiqué, excluding the liabilities to the Central Bank of the Republic of Turkey, the Treasury, domestic banks and the headquarters and branches of banks established by international agreements in Turkey, constitute the liabilities subject to reserve requirements, based on the accounting standards and recording system to which the banks are subject.

Banks establish reserve requirements at the Central Bank of the Republic of Turkey for their Turkish Lira and foreign currency liabilities specified in the aforementioned communiqué. The establishment of reserve requirements starts on the Friday two weeks following the liability calculation date and lasts for 14 days. Required reserves can be held at the Central Bank of the Republic of Turkey in Turkish Lira, USD, EUR and standard gold in accordance with the "Communiqué on Required Reserves". The reserve requirement ratios vary according to the maturity structure of the liabilities and are applied between 0% - 8% for Turkish Lira deposits and other liabilities and between 5% - 30% for foreign currency deposits and other liabilities.

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

None (31 December 2023: None).

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

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

3. Information on positive differences related to derivative financial assets

None (31 December 2023: None).

4. Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	2,506	1,455,915	1,833	637,313
Foreign banks	21,684	988,979	-	477,753
Branches and head office abroad	-	-	-	-
Total	24,190	2,444,894	1,833	1,115,066

Information on Expected Loss Provisions

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	1,649	-	-	1,649
Additions during the Period (+)	2,265	-	-	2,265
Disposal (-)	(1,540)	-	-	(1,540)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs (-)	-	-	-	-
Balances at End of Period	2,374	-	-	2,374

Prior period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	503	-	-	503
Additions during the Period (+)	1,523	-	-	1,523
Disposal (-)	(377)	-	-	(377)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs (-)	-	-	-	-
Balances at End of Period	1,649	-	-	1,649

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 31 March 2024, the Bank does not have any financial assets at fair value through other comprehensive income that are subject to repo transactions. (31 December 2023: None).

As of 31 March 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).

Major types of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are composed of shares that are not quoted in the stock market, certificates of rent and other securities.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

Information on financial assets at fair value through other comprehensive income

	Current period	Prior Period
Debt Securities	1,350,569	2,278,752
Quoted in stock exchange	1,350,569	2,278,752
Not quoted in stock exchange	-	-
Share Certificates	13,138	12,013
Quoted in stock exchange	-	-
Not quoted in stock exchange	13,138	12,013
Impairment provision (-)	218,352	183,265
Total	1,145,355	2,107,500

6. Information on Loans

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

	Current period		Prior Period	
	Cash	Non- Cash	Cash	Non- Cash
Direct Loans Granted to Shareholders	-	228,735	-	66,066
Corporate Shareholders	-	228,735	-	66,066
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to the Bank's personnel	4,912	-	7,500	1,511
Total	4,912	228,735	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	Not Under the Scope of Restructuring or Rescheduling	Loans Under Close Monitoring	
			Restructured or Rescheduled	Refinancing
			Loans with revised contract terms	
Non-Specialized Loans	1,447,514	283	-	-
Commercial Loans	-	-	-	-
Export Loans	244,014	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	1,198,871	-	-	-
Consumer Loans	4,629	283	-	-
Credit Cards	-	-	-	-
Other	-	-	-	-
Specialized Lending	-	-	-	-
Other Receivables	2,165,766	-	-	-
Total	3,613,280	283	-	-

	Standard Loans	Loans Under Close Monitoring
12-Month expected credit losses	11,528	-
Significant increase in credit risk	-	158

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

6. Information on Loans (Continued)

Information on consumer loans, credit cards and loans given to employees

	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	823	4,089	4,912
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	823	4,089	4,912
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	823	4,089	4,912

ARAP TÜRK BANKASI A.Ş.
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INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

6. Information on Loans (Continued)

Information on consumer loans, credit cards and loans given to employees

None (31 December 2023: None).

Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic loans	3,594,848	3,151,307
Foreign loans	21,628	139,195
Total	3,616,476	3,290,502

Loans granted to subsidiaries and associates

	Current Period	Prior Period
Direct loans to subsidiaries and associates	34,473	-
Indirect loans to subsidiaries and associates	-	-
Total	34,473	-

Specific provisions for loans

Specific provisions	Current Period	Prior Period
Loans and receivables with limited collectibles	-	-
Loans and receivables with doubtful collectibles	-	-
Uncollectible loans and receivables	2,913	2,913
Total	2,913	3,013

Information related to non-performing loans

Information on restructured loans of non-performing loans

None (31 December 2023: None).

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

6. Information on Loans (Continued)

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibles	Loans and receivables with doubtful collectibles	Uncollectible loans and receivables
Balances at Beginning of Period	-	-	2,913
Additions (+)	-	-	-
Transfers from other categories of nonperforming loans (+)	-	-	-
Transfers to other categories of nonperforming loans (-)	-	-	-
Collections (-)	-	-	-
Write-offs (-)	-	-	-
Institutional and commercial credits	-	-	-
Individual credits	-	-	-
Credit cards	-	-	-
Others	-	-	-
Balances at End of the Period	-	-	2,913
Specific provisions (-)	-	-	2,913
Net Balance on Balance Sheet	-	-	-

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	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Non-performing Loans and receivables
Current Period (Net)	-	-	-
Loans granted to real persons and legal entities (Gross)	-	-	2,913
Specific provisions (-)	-	-	2,913
Loans granted to real persons and legal entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-
Prior Period (Net)	-	-	-
Loans granted to real persons and legal entities (Gross)	-	-	2,913
Specific provisions (-)	-	-	2,913
Loans granted to real persons and legal entities (Net)	-	-	-
Banks (Gross)	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

6. Information on Loans (Continued)

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.

Information on write-off policy

The bank 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 does not have written off loans (31 December 2023: None).

Expected credit loss for loans

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	5,312	143	-	5,455
Disposal	(5,572)	-	-	(5,572)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	11,528	158	2,913	14,599
Perior 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 A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

7. Information on financial assets measured at amortised cost

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

The Bank has no financial assets at amortised cost subject to repurchase agreements in the current period (31 December 2023: TL 39,612).

In the current period, the Bank has no securities given as collateral/blocked as collateral from financial assets measured at amortised cost (31 December 2023:None.)

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	42,561	2,998,484	2,994,083	-
Treasury Bonds	-	-	-	-
Other Public Bonds	-	326,797	-	392,692
Total	42,561	3,325,281	2,994,083	392,692

	Current Period	Prior Period
Debt Instruments	3,367,842	3,386,775
Quoted at stock exchange	3,367,842	3,386,775
Not-quoted at stock exchange	-	-
Impairment loss provision (-)	-	-
Total	3,367,842	3,386,775

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	275,187	1,592,267
Purchases during the period	-	537,075
Disposals through sales and redemptions ⁽¹⁾	(294,120)	(1,852,963)
Impairment loss provision	-	-
Period end balance	3,367,842	3,386,775

Expected credit loss for financial assets measured at amortised cost

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	4,253	-	-	4,253
Additions during the Period	21	-	-	21
Disposal	(741)	-	-	(741)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	3,533	-	-	3,533

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

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

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

8. Information on associates

The Bank does not have an associate.

9. Information on subsidiaries (Net)

Information on subsidiaries

**Information on Shareholder's Equity for
A&T Finansal Kiralama A.Ş.**

	Current Period	Prior Period
CORE CAPITAL		
Paid in Capital	153,500	153,500
Capital Reserves	228	228
Legal Reserves	8,024	8,024
Extraordinary Reserves – Legal Reserve per General Legislation	1	1
Profit / Loss	22,943	21,434
<i>Net Profit</i>	1,509	19,492
<i>Prior Period Profit/Loss ⁽¹⁾</i>	21,434	1,942
Intangible Assets (-)	4,910	4,907
Total Core Capital	179,786	178,280
SUPPLEMENTARY CAPITAL	-	-
CAPITAL	179,786	178,280
DEDUCTION FROM CAPITAL	-	-
NET AVAILABLE CAPITAL ⁽¹⁾	179,786	178,280

(1) There is no restriction on the equity items of the subsidiary and the total net available shareholders' equity after deductions from share capital amounts to TL 179,786.

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.

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

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

9. Information on subsidiaries (Net) (Continued)

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.

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.	Istanbul	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⁾
1,621,712	216,727	59,137	43,737	-	1,509	21,434	-

⁽¹⁾ The related subsidiary has no fair value measurement as of 31 March 2024.

Movement related to subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	153,696	140,199
Movements during the Period	-	13,497
Purchases	-	-
Bonus Shares Received	-	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	153,696	153,696
Capital Commitments	-	-
Share Percentage at the end of Period (%)	99.98	99.98

Sector information and carrying amounts of subsidiaries within the scope of consolidation

Sectoral Information on the subsidiaries

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

Quoted Subsidiaries

There are no subsidiaries quoted at stock exchange of the bank.

10. Information on jointly controlled entities

The Bank does not have any jointly controlled entities.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024
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INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

11. Information on Financial lease receivables (Net)

The Bank has no financial lease operation.

12. Explanations on derivative financial instruments for hedging purposes

The Bank has no derivative financial instruments for hedging purposes.

13. Information on investment property

The Bank has no investment property.

14. Information on tax assets

The Bank has current tax assets amounting to TL 7,379 in the current period (31 December 2023: 13,737).

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 Provision (-)	-	-
Provision Expense (-)	-	-
Accumulated Amortization (-)	-	-
Depreciation of disposals	-	-
Amortization	-	-
Closing Net Book Value	-	-

16. Information on other assets

Other assets amounting to TL 174,103 (31 December 2023: TL 114,597) do not exceed 10% of the balance sheet total excluding off-balance sheet commitments.

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

II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES

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	25,126	-	5,479	5,280	3,286	8,232	4,220	-	51,623
Foreign Currency Deposits	4,819,482	-	29,233	139,727	83,809	46,322	38,549	-	5,157,122
Residents in Turkey	1,101,811	-	29,233	41,929	55,000	4,485	1,517	-	1,233,975
Residents Abroad	3,717,671	-	-	97,798	28,809	41,837	37,032	-	3,923,147
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	18,580	-	16,553	327	-	-	-	-	35,460
Other Ins. Deposits	36,554	-	-	-	-	-	-	-	36,554
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	2,215,275	-	575,318	-	-	166,110	-	-	2,956,703
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	90,390	-	-	-	-	-	90,390
Foreign Banks	2,215,275	-	484,928	-	-	166,110	-	-	2,866,313
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	7,115,017	-	626,583	145,334	87,095	220,664	42,769	-	8,237,462

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	4,213,091	-	115	165,160	93,703	35,462	46,389	-	4,553,920
Residents in Turkey	1,009,070	-	115	74,504	61,104	3,997	1,379	-	1,150,169
Residents Abroad	3,204,021	-	-	90,656	32,599	31,465	45,010	-	3,403,751
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	9,229	-	7,731	354	-	-	-	-	17,314
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	5,807,371	-	305,128	171,763	96,748	487,547	46,389	-	6,914,946

In accordance with the "Regulation on the Amendment to the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 7/08/2022 and numbered 31936, all deposits and participation funds other than those belonging to official institutions, credit institutions and financial institutions in credit institutions have started to be insured. In this context, commercial deposits within the scope of insurance amounting to TL 182,439 and the related amount is not included in the footnot.(31 December 2023: 121.893 TL)

	Covered by Deposit Insurance Fund		Not covered by Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	19,029	13,860	32,594	21,846
Foreign Currency Saving Deposits	870,775	728,623	1,581,997	1,727,310
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	889,804	742,483	1,614,591	1,749,156

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

II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF 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 Turkey.

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	39,777	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 December 2004	-	-
Deposits at Depositary Banks established for Off-Shore Banking Activities in Turkey	-	-
Total	39,777	39,350

2. Information on Financial derivatives through profit or loss

Negative differences table on derivative financial assets

None.

3. Information on Funds Borrowed

Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	-	-	-	-
From Foreign Banks, Institutions and Funds	-	4,544,655	-	4,808,759
Total	-	4,544,655	-	4,808,759

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

II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES (Continued)

3. Information on Funds Borrowed (Continued)

Presentation of funds borrowed based on maturity profile

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	-	3,408,758	-	4,808,759
Long-Term	-	1,135,897	-	-
Total	-	4,544,655	-	4,808,759

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

54% of the Bank's liabilities consist of deposits.

4. Information on other foreign resources

Other liabilities amounting to TL 137,594 do not exceed 10% of the balance sheet total (31 December 2022: TL 113,064).

5. Information on financial lease obligations

	Current Period		Prior period	
	Gross	Net	Gross	Net
Less than 1 Year	657	465	657	465
Between 1-4 Years	8,645	8,085	8,645	8,085
Longer than 4 Years	4,600	3,438	1,776	1,392
Total	13,902	11,988	11,078	9,942

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

None.

7. Information on provisions

Reserve for employee termination benefits

The Bank recognises the liabilities related to severance pay and vacation rights in accordance with the provisions of TAS 19 "Turkish Accounting Standard for Employee Benefits" and calculated the liabilities arising from the future severance and notice pay at their net present value and reflected them in the financial statements. TL 67,388 as at 31 March 2024 (31 December 2023: TL 59,777) and provision for employment termination benefits amounting to TL 29,266 (31 December 2023: TL 32,722) are recorded under "Provision for Employee Benefits" in the financial statements.

Information on other provisions

The Bank has no provisions for possible risks as of 31 March 2024 (31 December 2023: None).

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES (Continued)

7. Information on provisions (Continued)

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

	Current Period	Prior Period
Provisions for non-cash loans	89,713	101,808
Provisions for law suits	8	8
Total	89,721	101,816

8. Information on tax payables

Information on current tax liability

The Bank has no corporate tax payable after deducting prepaid taxes as at 31 March 2024 (31 December 2023: None.)

Information on deferred tax liabilities

As of 31 March 2024, the Bank has deferred tax assets amounting to TL 202,984 and deferred tax liabilities amounting to TL 259,676 calculated over the deferred tax asset calculated over tax deductions and exemptions and the deferred tax asset calculated over the amounts arising between the book value of the assets or liabilities in the balance sheet and the tax base value determined in accordance with the tax legislation and to be taken into consideration in the calculation of financial profit / loss in the following periods. Deferred tax assets and liabilities are offset and a net deferred tax liability of TL 56,992 is recognised in the balance sheet.

The 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
Provisions for employee benefits	96,654	28,996	88,298	26,490
Unearned revenues	7,411	2,223	6,254	1,876
Interest discounts	199,116	59,735	134,884	40,465
Provisions	89,077	26,723	103,057	30,917
Other	284,353	85,307	258,052	77,693
Deferred tax asset	676,611	202,984	590,545	177,441
Tangible assets revaluation surplus	895,955	213,261	895,955	213,261
Interest accruals	142,363	42,709	128,830	38,649
Other	12,354	3,706	11,235	3,371
Deferred tax liability	1,050,672	259,676	1,036,020	255,281
Deferred tax asset/(liability) (net)		(56,692)		(77,840)

Movement of deferred tax asset and liability:

	Current Period	Prior Period
Opening balance	(77,840)	(34,971)
Deferred tax income/(expense)(Net)	1,877	52,735
Deferred tax accounted under shareholder's equity	19,271	(95,604)
Net Deferred Tax Asset/(Liability)	(56,692)	(77,840)

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

II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF LIABILITIES (Continued)

8. Information on tax payables (Continued)

Information on taxes payable

	Current Period	Prior Period
Corporate Tax Payable	-	-
BSMV	2,718	2,215
Movable Capital Income Tax	2,221	932
Value Added Tax Payable	768	1,195
Corporate Tax Payable (Narrow Taxpayer)	129	31
Foreign Exchange Transaction Tax	-	-
Real Estate Capital Income Tax	31	23
Other	9,121	9,064
Total	14,988	13,460

Information on bonus

	Current Period	Prior Period
Social Insurance Premiums – Personnel	3,003	1,912
Social Insurance Premiums – Employer	5,464	3,429
Bank Social Welfare Fund Premiums – Personnel	-	-
Bank Social Welfare Fund Premiums – Employer	-	-
Pension Fund Dues and Provisions – Personnel	-	-
Pension Fund Contribution and Provisions – Employer	-	-
Unemployment Insurance – Personnel	172	112
Unemployment Insurance – Employer	344	225
Other	-	-
Total	8,983	5,678

Information on non-current liabilities of assets held for sale and discontinued operations

The Bank has no non-current assets held for sale and discontinued operations.

Detailed explanations on the number, maturity and interest rate of subordinated loans utilised by the Bank, the institution from which the loan is obtained and the conversion option, if any

The Bank has no subordinated loans utilised.

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 Bank.

ARAP TÜRK BANKASI A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF 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 Bank'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 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.

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

II. INFORMATION ON DISCLOSURES AND FOOTNOTES OF 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	
	TP	YP	TP	YP
Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	-	-	-	-
Valuation Differences	(139,711)	1,173	(128,054)	35,060
Exchange Rate Differences	-	-	-	-
Total	(139,711)	1,173	(128,054)	35,060

Information on legal reserve

As per the decision taken at the 45th Ordinary General Assembly Meeting held on 21 March 2024 TL 7,833 of the profit for the year 2023 will be transferred to legal reserves and the remaining TL 148,824 will be transferred to retained earnings.

III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS

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

Type and amount of irrevocable commitments

The Bank has TL 7,356 TL as irrevocable commitments (31 December 2023: TL 594).

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

As of the balance sheet date, the Bank has allocated the provision amounting TL 21,599 over total Stage 3 non-cash loans (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 3,038,002 (31 December 2023: TL 3,230,471).

Final guarantees, temporary guarantees, commitments and similar transactions

The total amount of the Bank's guarantee letters is TL 11,034,274 (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 Turkey 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.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**III. INFORMATION AND DISCLOSURES RELATED TO OFF-BALANCE SHEETS (Continued)****2. Total amount of non-cash loans**

	Current Period	Prior Period
Non-Cash Loans granted for Cash Loan Assurance	1,714,966	1,542,085
Less Than or Equal to One Year with Original Maturity	498,163	55,163
More Than One Year with Original Maturity	1,216,803	1,486,922
Other Non-Cash Loans	12,357,310	11,770,576
Total	14,072,276	13,312,661

3. Information on Expected Loss Provisions

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	82,310	-	19,498	101,808
Additions during the Period	9,024	-	2,101	11,125
Disposal	(23,220)	-	-	(23,220)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	68,114	-	21,599	89,713
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 Stage1	-	-	-	-
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 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	66,672	28,721	43,886	26,887
Medium and Long-Term Loans	12,970	32,423	1,366	13,430
Interest Received From Non-Performing Loans	100	-	80	-
Premiums Received From Resource Utilization Support Fund	-	-	-	-
Total	79,742	61,144	45,332	40,317

⁽¹⁾ It contains fee and commission income related to cash loans.***Information on interest income received from banks***

	Current Period		Prior Period	
	TL	FC	TL	FC
From CRBT	-	-	-	-
From Domestic Banks	1,994	11,540	230	1,599
From Foreign Banks	683	3,481	1,083	557
From Foreign Headquarter and Branches	-	-	-	-
Total	2,677	15,021	1,313	2,156

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)**IV. INFORMATION AND FOOTNOTES RELATED TO STATEMENT OF PROFIT OR LOSS (Continued)****1. Information on interest income (Continued)***Information on interest income on marketable securities*

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	21,663	13,901	16,598	27,915
Financial Assets Measured at Amortised Cost	1,930	57,813	5,143	39,230
Total	23,593	71,714	21,741	67,145

Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest income received from associates and subsidiaries	2,438	127

2. Interest Expense*Information on interest paid for funds borrowed*

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	-	58,201	268	20,819
Central Bank	-	-	-	-
Domestic Banks	-	-	268	-
Foreign Banks	-	58,201	-	20,819
Overseas Headquarters and Branches	-	-	-	-
Total	-	58,201	268	20,819

Information on interest expense paid to subsidiaries and associates

	Current Period	Prior Period
Interest Expense Given to Affiliates and Subsidiaries	432	370

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

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

2. Interest Expense (Continued)

Information on interest expense given on securities issued

None.

Maturity structure of the interest expense on deposits

	Time Deposit						Cumulative Deposit	Total
Current Period	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
<i>Turkish Lira</i>								
Interbank deposits	-	9,183	-	-	-	-	-	9,183
Saving deposits	-	820	484	254	204	173	-	1,935
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	95	30	-	-	-	-	125
Other deposits	-	-	-	-	-	-	-	-
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	-	10,098	514	254	204	173	-	11,243
<i>Foreign currency</i>								
Foreign currency deposits	-	72	965	678	286	271	-	2,272
Interbank deposits	5	12,061	-	-	4,132	-	-	16,198
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	5	12,133	965	678	4,418	271	-	18,470
Grand Total	5	22,231	1,479	932	4,622	444	-	29,713

3. Information on trading gain/loss

	Current Period	Prior Period
Gain	15,880,329	12,642,566
Gain from money market transactions	35,747	512
Gain from financial derivative transactions	-	4,784
Gain from exchange transactions	15,844,582	12,637,270
Loss (-)	(15,843,252)	(12,648,672)
Loss from money market transactions	-	(8,633)
Loss from financial derivative transactions	-	(4,087)
Loss from exchange transactions	(15,843,252)	(12,635,952)
Net Trading Gain/Loss	37,077	(6,106)

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

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

4. Information on income from other operations

	Current Period	Prior Period
From reversal of provisions of prior year	17,019	8,964
Provision for communication expenses	2,306	1,344
Gain on sales of assets	-	22
Other income	293	4,033
Total	19,618	14,363

5. Information on expected credit loss expenses

	Current Period	Prior Period
Expected Credit Loss Provisions	351	-
<i>12 month expected credit loss (stage 1)</i>	-	-
<i>Significant increase in credit risk (stage 2)</i>	143	-
<i>Non-performing loans (stage 3)</i>	208	-
Marketable Securities Impairment Expenses	-	-
<i>Financial Assets at Fair Value through Profit or Loss</i>	-	-
<i>Financial Assets at Fair Value Through</i>		
<i>Other Comprehensive Income</i>	-	-
Subsidiaries, Associates and Entities under Common Control		
Provision Expenses for Impairment	-	-
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint Ventures</i>	-	-
Other	-	-
Total	351	-

6. Information on Other Provision Expenses

	Current Period	Prior Period
Securities Depreciation Expenses	9,636	18,146
Free Provision	-	-
Provisions Lawsuits	-	-
Total	9,636	18,146

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

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

7. Information on other operating expense

	Current Period	Prior Period
Employee Termination Benefits Expense	2,776	2,099
Tangible Asset Impairment Expense	20,328	3,248
Amortization Expenses of Tangible Assets	-	-
Intangible Asset Impairment Expense	3,204	1,437
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	-	-
Shareholders Equity Procedure Applied Equity	-	-
Interest Impairment Expense	1,361	370
Impairment Losses on Investments in Associates accounted for Using Equity Method	-	-
Disposable Tangible Asset Impairment Expense	-	-
Amortization Expense of Assets Held for Resale	-	-
Impairment Expense related to Tangible Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	33,125	22,561
<i>Operating Lease Expenses out of the scope of TFRS 16</i>	119	76
<i>Maintenance Expenses</i>	9,842	7,119
<i>Advertisement Expenses</i>	158	408
<i>Other Expenses</i>	23,006	14,958
Losses from sales of Assets	-	-
Other	15,605	8,947
Total	76,399	38,662

(1) Other item within other operating expenses; 5,368 TL consists of taxes, duties, fees and funds, 3,786 TL audit and consultancy fees, 2,106 TL TMSF expenses and 4,339 TL other operating expenses. (31 March 2023: The other item in other operating expenses consists of 3,555 TL taxes, duties, fees and funds, 1,685 TL audit and consultancy fees, 1,258 TL TMSF expenses and 2,449 TL other operating expenses.)

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

The pre-tax income amount from continued operations is TL 40,854 (31 March 2023: TL 22,675).

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

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

Current tax expense is 7,147 TL, (31 March 2023: None), deferred tax expense is 1,877 TL (31 March 2023: 4,629 TL deferred tax income).

Deferred tax charge arising from origination or reversal of temporary differences

Deferred tax income arising from temporary differences is TL 1,877 (31 March 2023: TL 4,629 deferred tax income).

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

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

9. Explanation on tax provision for continuing and discontinued operations (Continued)

Current tax income or expense and deferred tax income or expense

The Bank has TL 1,877 as deferred tax expense reflected in the statement of profit or loss computed over temporary difference and tax deductions and exemptions (31 March 2023: TL 4,629 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 35,584 (31 March 2023: TL 18,046).

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.

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

Apart from other operating income and other operating expenses explained above, the details of other commission income items exceeding 10% of the total statement of profit or loss are as follows:

	Current Period	Prior Period
Letter of Credit Commissions	26,274	13,970
Transfer Commissions	9,619	5,134
Other	3,059	1,125
Total	38,952	20,229

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024

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

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

V. INFORMATION ON THE BANK'S RISK GROUP

1. Information on the volume of transactions with the 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 Bank's risk group

Current Period

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	31,396	304	-	66,066	249	772,553
Balance at the end of the period	34,473	544	-	228,735	21,691	895,796
Interest and Commission Income received ⁽²⁾	2,438	-	-	-	-	-

⁽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 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

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	-	484	-	3,753	54,034	469,456
Balance at the end of the period	31,396	304	-	66,066	249	772,553
Interest and Commission Income received ⁽²⁾	127	-	-	-	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 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 Bank has a loan of 2,744,259 TL (31 December 2023: 1,471,910 TL) from the risk group. Interest expense of 29,218 TL was incurred in the current period regarding the loans used. (31 March 2023: 11,092 TL).

Information on deposits of the Bank'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	719	330	176,134	145,737	117,851	742,284
Balance at the end of the period	1,016	719	263,715	176,134	189,914	117,851
Interest expense on deposits	432	-	-	1,525	-	2,848

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

Information on forward transactions, options and other contracts related to Bank's risk group

None.

Information on benefits provided for top level management:

For the period ended 31 March 2023, 15,600 has been paid to the top-level management of the Bank as salaries and fringe benefit (31 March 2023 : TL 10,361).

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX

LIMITED AUDIT REPORT

I. INFORMATION ON INDEPENDENT AUDITOR’S REVIEW REPORT

The unconsolidated financial statements for the interim period ended 31 March 2024 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent review report dated 10 May 2024 is presented preceding the unconsolidated financial statements.

II. INFORMATION AND FOOTNOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

SECTION SEVENTH

INTERIM ACTIVITY REPORT

I. Evaluation of the Chairman and the General Manager for the Period

In the first quarter of 2024, while the central banks of developed countries, especially the FED and the European Central Bank kept interest rates on hold in the global economy, macro data on the US economy were followed closely. While inflation in the US economy was 3.5% in the first quarter of the year, headline inflation in the Euro Area fell to 2.4% in the same period. Lower-than-expected Eurozone inflation signalled that the European Central Bank may start interest rate cuts earlier than the FED. If the high course of inflation continues longer than expected, the FED is expected to start the interest rate cut process in the second half of the year and cut interest rates a total of two times throughout the year. China's economy grew by 5.3% in the first quarter of the year despite the pressure of the crisis in the property market on economic activity. In the rest of the year, the impact of the Middle Eastern concerns on global inflation and commodity prices will be monitored.

Türkiye's economy grew by 4.5% in 2023, supported by domestic demand. With the current economic management and rational policies, the main priority in the economy is the fight against inflation, and it is aimed to support domestic growth with external resources. In the first quarter of the year, headline inflation rose to 68.5% due to the increase in food prices. The Central Bank raised the policy rate by 750 basis points from 42.5% to 50% in the first quarter of the year. Thus, the policy rate has been increased by a total of 4.150 basis points since June 2023. The current account deficit narrowed to USD 37.5 billion from USD 45.2 billion at the end of 2023, supported by the decline in the foreign trade deficit.

The banking sector, which operates within the framework of the regulations and new rule sets implemented within the scope of macro-prudential measures and liraization strategy, which were put into effect as of the second quarter of last year in order to support financial stability and strengthen monetary transmission mechanisms, continued to support the Türkiye's economy in the period we left behind in 2023. As of the end of February 2024, the asset size of the sector increased by 4.9 percent compared to the end of the previous year and reached TL 24.662 billion, while loan and deposit volumes reached TL 12.366 billion and TL 15.140 billion, respectively. In February 2024 the profitability figures are slightly higher than the same period of the last year. In this respect, net term profit of the sector increased by 14.0 percent compared to the same period of the previous year and reached TL 74.7 billion. As a result, return on equity ratio of the sector was realized as 38.8 percent on an annual basis.

At the end of the first quarter of 2024, the Bank's total assets and shareholders' equity amounted to TL 15.3 billion and TL 2.1 billion, respectively, while the capital adequacy standard ratio maintained its strong outlook at 18.92%.

As A&T Bank, we will continue to implement innovative and sustainable solutions in all business lines by taking advantage of the opportunities offered by digitalization. During the period, our priority will be to improve customer experience in all contact channels and to make banking transactions easier and more practical for customers. Our Bank will continue to strengthen its distribution channels and diversify its digital competencies in the coming period.

Without compromising effective risk and liquidity management, maintaining the contribution to the economy of the country with the goal of "sustainable healthy growth in corporate banking" will continue to be our basic working principle in the coming period as it has been until today.

Best regards,

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

Yasin ÖZTÜRK
Chairman of Board of Directors

ARAP TÜRK BANKASI A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

II. Unconsolidated Financial Highlights

Assets (Thousand TL) (1)	31.03.2024	31.12.2023
Financial Assets (Net) (2)	7.071.181	6.380.578
Financial Assets Measured at Amortised Cost (Net) (3)	6.966.186	6.658.308
Equity Investments	153.696	153.696
Property and Equipment (Net)	946.661	946.397
Intangible Assets (Net)	9.811	10.931
Other Assets (Net)	174.103	114.597
Total Assets	15.321.638	14.264.507
Liabilities (Thousand TL) (1)	31.03.2024	31.12.2023
Deposits	8.237.462	6.914.946
Funds Borrowed	4.544.655	4.808.759
Lease Liabilities (Net)	11.988	9.942
Provisions	186.375	194.315
Current Tax Liability	23.971	19.138
Deferred Tax Liability	56.692	77.840
Shareholders' Equity	2.130.280	2.140.240
Other Liabilities	137.594	113.064
Total Liabilities	15.329.017	14.278.244
Off Balance Sheet Commitments (Thousand TL)	31.03.2024	31.12.2023
Guarantees and Warranties	14.072.276	13.312.661
Commitments	7.356	594
Total Off Balance Sheet Commitments	14.079.632	13.313.255
Statement of Profit / Loss (Thousand TL)	31.03.2024	31.03.2023
Interest Income	260.117	178.492
Interest Expense (-)	88.346	50.879
Net Interest Income	171.771	127.613
Net Fees & Commission Income	43.319	23.881
Trading Income / Loss (Net) (+/-)	37.077	-6.106
Other Operating Income	19.618	14.363
Gross Operating Income	271.785	159.751
Expected Credit Loss (-)	351	0
Other Provisions Expenses (-)	9.636	18.146
Personnel Expense (-)	144.545	80.268
Other Operating Expenses (-)	76.399	38.662
Net Operating Income / Loss	40.854	22.675
Tax Provision (-)	5.270	4.629
Net Term Profit	35.584	18.046
Unconsolidated Financial Ratios (%)	31.03.2024	31.12.2023
Return on Assets (4)	1,31	1,28
Return on Equity (4)	9,41	8,80
Loans / Total Assets	23,59	23,05
Deposits / Total Liabilities	53,74	48,43
Capital Adequacy Standard Ratio	18,92	18,58

(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. (4) The ratios are annualized.

ARAP TÜRK BANKASI A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2024**

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

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

- At the end of March 2024, the Bank's asset size was realized as TL 15.3 billion. In the period examined, the major items of the Bank's placements consist of net financial assets amounting to TL 7,071 million with 46.2% share and net financial assets as measured by the amortized cost of TL 6,966 million with 45.5% share.
- At the end of March 2024, 86.1% of the Bank's total liabilities comprise from external resources. Deposits (TL 8,237 million) and funds borrowed (TL 4,545 million) comprise the majority of external resources.
- Guarantees and warranties, which include letters of guarantee, letters of credit and other guarantees, went up by 5.7% compared to the previous year-end and stood at TL 14.072 million at end-March 2024.
- At the end of the first quarter of 2024, A&T Bank's net term profit realized as TL 35.6 million.
- Year on year basis, net interest income and net fee & commission income of the Bank increased by 34.6% and 81.4%, respectively.

IV. Ratings of the Bank

Fitch Ratings, the international credit rating agency, reported in its rating report dated March 15, 2023 that the Bank's credit ratings are updated as follows:

	Rating Note	Outlook
Long Term FC	B-	Positive
Short Term FC	B	-
Long Term TL	B-	Positive
Short Term TL	B	-
Viability Rating	b -	-
Long Term National Note	A-(tur)	Stable

IV. Changes in the Membership Structure of the Board of Directors

In the first quarter of 2024, no change has realized in the membership structure of the Board of Directors.

- As of 31.03.2024, the memberships of the Board of Directors are as follows:

Mr. Yasin ÖZTÜRK	Chairman
Mr. Mohamed Milad HASSADI	Deputy Chairman
Mr. Wail J. A. BELGASEM	Member (General Manager)
Mr. Aflah Omar MAGSI	Member
Mr. Hüseyin Serdar YUCEL	Member
Mr. Abdulkhalek Hussein ERGEI	Member
Mr. Nouri Ali Mohamed ABOFLEGA	Member
Ms. İmge Hilal SOYLUOĞLU CANLI	Member
Ms. Selen GİYİM	Member

V. Changes in the Membership Structure of the Audit Committee and Managers of the Units responsible for the Internal Systems

In the first quarter of 2024, no change has realized in the membership structure of the Audit Committee.

- As of 31.03.2024 the memberships of the Audit Committee are as follows:

Mr. Mohamed Milad HASSADI	Chairman
Mr. Aflah Omar MAGSI	Member
Ms. Selen GİYİM	Member

- During the period, there has been no change in the Managers of the Units responsible for the Internal Systems.

VI. Changes in the Membership Structure of Other Governance Committees

In the first quarter end of 2024, no change has realized in the membership structure of the Other Governance Committees.

VII. 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".
