

ARAP TÜRK BANKASI ANONİM ŐİRKETİ

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

**(CONVENIENCE TRANSLATION OF CONSOLIDATED FINANCIAL
STATEMENTS AND RELATED DISCLOSURES AND FOOTNOTES
ORIGINALLY ISSUED IN TURKISH)**



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

To the General Assembly of Arap Türk Bankası Anonim Şirketi;

Introduction

We have reviewed the consolidated balance sheet of Arap Türk Bankası Anonim Şirketi ("the Bank") and its consolidated subsidiary (collectively referred to as "the Group") at 31 March 2024 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the 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 consolidated financial information does not present fairly in all material respects the consolidated financial position of Arap Türk Bankası Anonim Şirketi and its consolidated subsidiary at 31 March 2024 and its consolidated financial performance and its consolidated 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 consolidated financial statements and disclosures in all material respects.

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 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. CONSOLIDATED 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
Website of the Bank : http://www.atbank.com.tr
E-mail address of the Bank : corp@atbank.com.tr

The consolidated 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 Footnotes to be Announced to Public” by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

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

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

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

The consolidated financial statements for the 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*

Aflah 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

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ARAP TÜRK BANKASI A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

SECTION ONE

GENERAL INFORMATION ABOUT THE PARENT BANK

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

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

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

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

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

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

As of 31 March 2024, the Parent Bank’s share capital at the balance sheet date as follows:

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

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

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

Chairmen of the Board of Directors and Board Members

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

ARAP TÜRK BANKASI A.Ş.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

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

Name	Job Title – Description
Wail J. A. Belgasem	Member of the Board of Directors and General Manager
Salih Hatipoğlu	Assistant General Manager - Financial Management, IT Support Services Division
Ahmed Fraj Abdullah Ferjani	Assistant General Manager - Treasury, Financial Institutions, Sales Marketing 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 PARENT BANK

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

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

The Parent 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 Parent Bank between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Consolidated Financial Statements of Banks in Türkiye.

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

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

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- II. CONSOLIDATED BALANCE SHEET-LIABILITIES
- III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
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- VII. CONSOLIDATED STATEMENT OF CASH FLOWS

ARAP TÜRK BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 MARCH 2024

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

I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note	CURRENT PERIOD			PRIOR PERIOD		
			31.03.2024			31.12.2023		
ASSETS			TL	FC	TOTAL	TL	FC	TOTAL
I.	FINANCIAL ASSETS (Net)		428,725	6,872,192	7,300,917	593,135	5,968,987	6,562,122
1.1	Cash and Cash Equivalents	(1)	104,305	6,051,257	6,155,562	229,180	4,225,442	4,454,622
1.1.1	Cash and Balances with Central Bank		28,275	3,430,850	3,459,125	204,969	2,952,865	3,157,834
1.1.2	Banks	(3)	78,411	2,620,431	2,698,842	25,863	1,272,599	1,298,462
1.1.3	Money Markets		-	-	-	-	-	-
1.1.4	Expected Credit Loss (-)		2,381	24	2,405	1,652	22	1,674
1.2	Financial Assets Measured at Fair Value Through Profit or Loss	(2)	-	-	-	-	-	-
1.2.1	Government Securities		-	-	-	-	-	-
1.2.2	Equity Securities		-	-	-	-	-	-
1.2.3	Other Financial Assets		-	-	-	-	-	-
1.3	Financial Assets Measured at Fair Value Through Other Comprehensive Income	(4)	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		-	-	-	-	-	-
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit or Loss		-	-	-	-	-	-
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		1,206,924	6,946,577	8,153,501	845,644	6,996,196	7,841,840
2.1	Loans	(5)	1,043,966	2,538,037	3,582,003	677,810	2,581,297	3,259,107
2.2	Lease Receivables	(10)	139,270	1,087,508	1,226,778	146,402	1,074,490	1,220,892
2.3	Factoring Receivables		-	-	-	-	-	-
2.4	Other Financial Assets Measured at Amortised Cost	(6)	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 (-)	(5)	18,873	4,249	23,122	19,759	5,175	24,934
III.	ASSETS HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
3.1	Held for Sale Purpose		-	-	-	-	-	-
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		-	-	-	-	-	-
4.1	Associations (Net)	(7)	-	-	-	-	-	-
4.1.1	Associates Accounted Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2	Subsidiaries (Net)	(8)	-	-	-	-	-	-
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3	Joint Ventures (Net)	(9)	-	-	-	-	-	-
4.3.1	Joint Ventures Accounted Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)		1,000,888	-	1,000,888	1,000,361	-	1,000,361
VI.	INTANGIBLE ASSETS (Net)		14,721	-	14,721	15,838	-	15,838
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		14,721	-	14,721	15,838	-	15,838
VII.	INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET	(13)	7,379	-	7,379	13,737	-	13,737
IX.	DEFERRED TAX ASSET	(13)	2,987	-	2,987	539	-	539
X.	OTHER ASSETS (Net)	(15)	64,624	211,993	276,617	44,147	98,754	142,901
TOTAL ASSETS			2,726,248	14,030,762	16,757,010	2,513,401	13,063,937	15,577,338

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

ARAP TÜRK BANKASI A.Ş.
CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF 31 MARCH 2024

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		CURRENT PERIOD			PRIOR PERIOD		
		31.03.2024			31.12.2023		
LIABILITIES	Note	TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(1)	213,427	8,023,020	8,236,447	88,327	6,825,900	6,914,227
II. FUNDS BORROWED	(3)	49,682	5,792,010	5,841,692	2,194	5,992,026	5,994,220
III. MONEY MARKETS		-	-	-	-	-	-
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		-	77	77	-	-	-
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	77	77	-	-	-
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5)	6,184	1,301	7,485	5,154	1,305	6,459
X. PROVISIONS	(7)	170,304	21,599	191,903	178,667	19,498	198,165
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		102,182	-	102,182	96,349	-	96,349
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)	27,532	-	27,532	23,737	-	23,737
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)	51,591	150,305	201,896	33,028	127,925	160,953
XVI. SHAREHOLDERS' EQUITY	(9)	2,192,113	1,173	2,193,286	2,166,677	35,060	2,201,737
16.1 Paid-in capital		440,000	-	440,000	440,000	-	440,000
16.2 Capital Reserves		-	-	-	-	-	-
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		-	-	-	-	-	-
16.3 Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss		684,737	-	684,737	684,737	-	684,737
16.4 Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		(139,711)	1,173	(138,538)	(128,054)	35,060	(92,994)
16.5 Profit Reserves		78,258	-	78,258	70,425	-	70,425
16.5.1 Legal Reserves		78,257	-	78,257	70,424	-	70,424
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		1	-	1	1	-	1
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		1,128,829	-	1,128,829	1,099,569	-	1,099,569
16.6.1 Prior Periods' Profit or (Loss)		1,091,736	-	1,091,736	936,917	-	936,917
16.6.2 Current Period Profit or (Loss)		37,093	-	37,093	162,652	-	162,652
16.7 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		2,767,525	13,989,485	16,757,010	2,575,624	13,001,714	15,577,338

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

ARAP TÜRK BANKASI A.Ş.
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS
AS OF 31 MARCH 2024

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

	Note	CURRENT PERIOD			PRIOR PERIOD		
		31 March 2024			31 December 2023		
III-OFF-BALANCE SHEET COMMITMENTS (I+II+III)		TP	YP	Toplam	TP	YP	Toplam
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		1,286,192	13,144,484	14,430,676	895,557	12,693,107	13,588,664
I. GUARANTEES AND WARRANTIES	(2)	1,248,548	12,823,728	14,072,276	885,541	12,427,120	13,312,661
1.1 Letters of Guarantee		1,248,548	9,785,726	11,034,274	885,541	9,196,649	10,082,190
1.1.1 Guarantees Subject to State Tender Law		9,714	-	9,714	9,714	-	9,714
1.1.2 Guarantees Given for Foreign Trade Operations		287,715	9,727,176	10,014,891	327,034	9,135,507	9,462,541
1.1.3 Other Letters of Guarantee		951,119	58,550	1,009,669	548,793	61,142	609,935
1.2 Bank Acceptances		-	-	-	-	-	-
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	2,957,369	2,957,369	-	3,001,706	3,001,706
1.3.1 Documentary Letters of Credit		-	-	-	-	-	-
1.3.2 Other Letters of Credit		-	2,957,369	2,957,369	-	3,001,706	3,001,706
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees on Marketable Security Issuance		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	80,633	80,633	-	228,765	228,765
1.9 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1)	37,644	271,997	309,641	10,016	265,987	276,003
2.1 Irrevocable Commitments		918	6,438	7,356	594	56,314	56,908
2.1.1 Asset Purchase and Sale Commitments		-	6,438	6,438	-	-	-
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		-	-	-	-	-	-
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		918	-	918	594	-	594
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10 Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		-	-	-	-	56,314	56,314
2.2 Revocable Commitments		36,726	265,559	302,285	9,422	209,673	219,095
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		36,726	265,559	302,285	9,422	209,673	219,095
III. DERIVATIVE FINANCIAL INSTRUMENTS		-	48,759	48,759	-	-	-
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		-	48,759	48,759	-	-	-
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		-	48,759	48,759	-	-	-
3.2.2.1 Foreign Currency Swap-Buy		-	24,394	24,394	-	-	-
3.2.2.2 Foreign Currency Swap-Sell		-	24,365	24,365	-	-	-
3.2.2.3 Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4 Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3 Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1 Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2 Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		2,165,143	14,311,630	16,476,773	2,001,341	13,087,445	15,088,786
IV. ITEMS HELD IN CUSTODY		14,172	-	14,172	21,407	-	21,407
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		-	-	-	-	-	-
4.3 Checks Received for Collection		14,172	-	14,172	21,407	-	21,407
4.4 Commercial Notes Received for Collection		-	-	-	-	-	-
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		2,150,971	14,311,630	16,462,601	1,979,934	13,087,445	15,067,379
5.1 Marketable Securities		-	-	-	-	-	-
5.2 Guarantee Notes		18,820	723,734	742,554	18,820	662,799	681,619
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		106,394	781,307	887,701	81,394	712,404	793,798
5.6 Other Pledged Items		2,025,757	12,806,589	14,832,346	1,879,720	11,712,242	13,591,962
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		3,451,335	27,456,114	30,907,449	2,896,898	25,780,552	28,677,450

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

ARAP TÜRK BANKASI A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS 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	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01/2024-31/03/2024)	(01/01/2023-31/03/2023)
I. INTEREST INCOME	(1)	300,984	201,958
1.1 Interest on Loans		138,448	85,522
1.2 Interest on Reserve Requirements		899	374
1.3 Interest on Banks		22,399	5,530
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		38,604	21,532
1.7 Other Interest Income		64	114
II. INTEREST EXPENSE (-)	(2)	112,725	59,333
2.1 Interest on Deposits		29,713	12,979
2.2 Interest on Funds Borrowed		83,012	29,911
2.3 Interest Expense on Money Market Transactions		-	703
2.4 Interest on Securities Issued		-	-
2.5 Measured at Amortised Expense		-	-
2.6 Other Interest Expenses		-	15,740
III. NET INTEREST INCOME (I - II)		188,259	142,625
IV. NET FEES AND COMMISSIONS INCOME		43,945	24,740
4.1 Fees and Commissions Received		50,828	26,584
4.1.1 Non-cash Loans		10,906	5,470
4.1.2 Other	(11)	39,922	21,114
4.2 Fees and Commissions Paid		6,883	1,844
4.2.1 Non-cash Loans		10	5
4.2.2 Other		6,873	1,839
V. DIVIDEND INCOME		-	-
VI. TRADING INCOME /(LOSS) (Net)	(3)	39,748	(5,383)
6.1 Trading Gains / (Losses) on Securities		35,747	(8,121)
6.2 Gains / (Losses) on Derivative Financial Transactions		(77)	697
6.3 Foreign Exchange Gains / (Losses)		4,078	2,041
VII. OTHER OPERATING INCOME	(4)	20,960	18,162
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)		292,912	180,144
IX. EXPECTED CREDIT LOSS (-)	(5)	504	1,798
X. OTHER PROVISION EXPENSE (-)	(6)	9,636	18,146
XI. PERSONNEL EXPENSE (-)		155,505	93,534
XII. OTHER OPERATING EXPENSES (-)	(7)	86,362	45,291
XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		40,905	21,375
XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XV. INCOME/(LOSS) ON NET MONETARY POSITION	(8)	40,905	21,375
XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)		(3,812)	(4,870)
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)		(8,137)	-
18.1 Current Tax Provision		36,420	19,735
18.2 Deferred Tax Income Effect (+)		40,745	14,865
18.3 Deferred Tax Expense Effect (-)	(9)	37,093	16,505
XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)		-	-
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)	(10)	37,093	16,505
25.1 Group Profit (Loss)		37,093	16,505
25.2 Minority shares Profit (Loss)		-	-
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.
CONSOLIDATED 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.)

		Current Period	Prior Period
		1 January- 31 March 2024	1 January- 30 March 2023
V.-STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
I.	CURRENT PERIOD PROFIT/LOSS	37,093	16,505
II.	OTHER COMPREHENSIVE INCOME	(45,544)	(11,525)
2.1	Other Comprehensive Income That will Not Be Reclassified To Profit or Loss	-	(587)
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	-	(782)
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	-	195
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)	(8,451)	4,980

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

ARAP TÜRK BANKASI A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

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

VI - STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Gain on cancellation of share certificates	Other Capital Reserves	Not to be Reclassified to Profit or Loss Accumulated Other Comprehensive Income and Expenses			To be Reclassified to Profit or Loss Accumulated Other Comprehensive Income and Expenses			Profit Reserves	Prior Period Profit/(Loss)	Net Profit or Loss for the Period	Total Equity Excluding Minority Interests	Minority Interests	Total Equity
					1	2	3	4	5	6						
					CURRENT PERIOD											
31 March 2024																
I. Prior Period End Balance	440,000	-	-	-	700,283	(15,546)	-	-	(92,994)	-	70,425	936,917	162,652	2,201,737	-	2,201,737
II. Adjustments in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	440,000	-	-	-	700,283	(15,546)	-	-	(92,994)	-	70,425	936,917	162,652	2,201,737	-	2,201,737
IV. Total Comprehensive Income	-	-	-	-	-	-	-	-	(45,544)	-	-	-	37,093	(8,451)	-	(8,451)
V. Capital Increase Realised in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase Realised from Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation Adjustment to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease Due to Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	7,833	154,819	(162,652)	-	-	-
11.1 Dividends Distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Amounts Transferred to Reserves	-	-	-	-	-	-	-	-	-	-	7,833	154,819	(162,652)	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period (III+IV+.....+X+XI)	440,000	-	-	-	700,283	(15,546)	-	-	(138,538)	-	78,258	1,091,736	37,093	2,193,286	-	2,193,286

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

2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Not Reclassified Through Profit or Loss Differences on Translation)

4. Exchange Differences on Translation.

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets at fair value through other comprehensive income

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Reclassified Through Profit or Loss)

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

ARAP TÜRK BANKASI A.Ş.

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

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

VI - STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premiums	Gain on cancellation of share certificates	Other Capital Reserves	Not to be Reclassified to Profit or Loss Accumulated Other Comprehensive Income and Expenses			To be Reclassified to Profit or Loss Accumulated Other Comprehensive Income and Expenses			Profit Reserves	Prior Period Profit/(Loss)	Net Profit or Loss for the Period	Total Equity Excluding Minority Interests	Minority Interests	Total Equity
					1	2	3	4	5	6						
					PRIOR PERIOD											
31 March 2023																
I. Prior Period End Balance	440,000	-	-	-	460,923	(27,703)	-	-	(8,346)	-	58,681	733,323	215,338	1,872,216	-	1,872,216
II. Adjustments in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)	440,000	-	-	-	460,923	(27,703)	-	-	(8,346)	-	58,681	733,323	215,338	1,872,216	-	1,872,216
IV. Total Comprehensive Income	-	-	-	-	-	(587)	-	-	(10,938)	-	-	-	16,505	4,980	-	4,980
V. Capital Increase Realised in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase Realised from Internal Resources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation Adjustment to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease Due to Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	10,675	204,663	(215,338)	-	-	-
11.1 Dividends Distributed	-	-	-	-	-	-	-	-	-	-	10,675	204,663	(215,338)	-	-	-
11.2 Amounts Transferred to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the period (III+IV+.....+X+XI)	440,000	-	-	-	460,923	(28,290)	-	-	(19,284)	-	69,356	937,986	16,505	1,877,196	-	1,877,196

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

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

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

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

	Note	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01/2024-31/03/2024)	(01/01/2023-31/03/2023)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Operating Assets and Liabilities		38,988	730,652
1.1.1 Interest Received		331,702	216,006
1.1.2 Interest Paid		(89,643)	(48,022)
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		50,828	26,584
1.1.5 Other Income		62,732	8,238
1.1.6 Collections from Previously Written-off Loans and Other Receivables		16	66
1.1.7 Payments to Personnel and Service Suppliers		(199,176)	(123,394)
1.1.8 Taxes Paid		(23,613)	3,840
1.1.9 Other		(93,858)	647,334
1.2 Changes in Operating Assets and Liabilities		44,307	(1,249,484)
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		(81,271)	405,078
1.2.4 Net (increase) / decrease in other assets		(133,033)	(53,678)
1.2.5 Net increase / (decrease) in bank deposits		458,700	(233,659)
1.2.6 Net increase / (decrease) in other deposits		132,738	(765,668)
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		(502,430)	(789,803)
1.2.9 Net increase / (decrease) in payables		-	-
1.2.10 Net increase / (decrease) in other liabilities		136,563	177,200
I. Net Cash Provided from Banking Operations		(83,295)	(518,832)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Provided from Investing Activities		1,291,604	18,052
2.1 Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2 Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3 Purchases of property and equipment		(4,316)	(81,987)
2.4 Disposals of property and equipment		-	-
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		-	(139,939)
2.8 Sale of Financial Assets Measured at Amortised Cost		294,120	247,592
2.9 Other		(1,637)	(388)
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		305,760	43,520
V. Net Decrease/ Increase in Cash and Cash Equivalents (I+II+III+IV)		1,680,227	(457,630)
VI. Cash and Cash Equivalents at the Beginning of the Period		2,597,640	1,637,040
VII. Cash and Cash Equivalents at the End of the Period		4,277,867	1,179,410

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 consolidated financial statements are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents ("Regulation") published in the Official Gazette No. 26333 dated 1 November 2006 in relation to the Banking Law No. 5411 and other regulations published by the Banking Regulation and Supervision Agency regarding the accounting records of banks and circulars and explanations of the Banking Regulation and Supervision Agency and Public Oversight Authority except for the matters regulated by the BRSA legislation, The accompanying financial statements have been prepared in accordance with Turkish Accounting Standard 34 ("TAS 34") Interim Financial Reporting Standard and Turkish Accounting Standards and Turkish Financial Reporting Standards ("TFRS") and related appendices and interpretations ("Turkish Accounting Standards" or "TAS") promulgated by the Accounting and Auditing Standards Authority ("POA") (collectively "BRSA Accounting and Financial Reporting legislation").

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

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

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

For a correct perception of the financial statements, the accounting policies and valuation principles are explained between in Notes No. II and XXIII.

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

I. EXPLANATIONS FOR BASIS OF PRESENTATION (Continued)

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2023 have no material effect on the financial statements, financial performance and on the Parent Bank’s accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Bank’s accounting policies.

The effects of the earthquake disaster that occurred in Kahramanmaraş and the surrounding provinces have been reviewed and the Group has no effect on the financial statements.

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

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

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

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

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

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

The major principles applied in the consolidation of subsidiaries

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

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IV. INFORMATION ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

Derivative financial instruments of the Bank are classified under "IFRS 9 Financial Instruments" ("IFRS 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 income statement. The fair value of the derivative financial instruments is calculated using quoted market prices by using discounted cash flows model.

V. INFORMATION ON INTEREST INCOME AND EXPENSE

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

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

VI. INFORMATION ON FEES AND COMMISSION

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

VII. INFORMATION ON FINANCIAL ASSETS

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

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

a. Financial Assets at Fair Value through Profit or Loss

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

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income

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

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

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

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

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

c. Financial Assets Measured at Amortized Cost

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

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

d. Loans

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

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment

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

As of 1 January 2018, the Bank recognize provisions for impairment in accordance with IFRS 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 IFRS 9. Expected loss estimate is unbiased, weighted by probabilities and includes supportable information about estimates of past events, current conditions and future economic conditions.

The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans and securities) 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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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment (Continued)

Definition of Default

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

These conditions have stated below:

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

Significant increase in credit risk definition

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

In this context, in the criteria applied for the loans classified in the first Group; the issue of future payment issues is not expected and the credit worthiness of the borrower of the loan has not weakened. In accordance with IFRS 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 IFRS 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 IFRS 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 IFRS 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 credit are also taken into account.

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment (Continued)

Bank's loans have been evaluated and classified in line with the Regulation on the Classification of Loans and the Procedures and Principles Regarding Provisions to be Reserved for them a provision has been set aside.

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

VIII. INFORMATION ON OFFSETTING FINANCIAL INSTRUMENTS

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

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

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

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

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

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

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

Property and equipment held-for-sale consist of tangible assets that were acquired due to non-performing loans and receivables, and are accounted in the financial statements in accordance with the regulations of "Turkish Financial Reporting Standard for Assets Held for Sale and Discontinued Operations (IFRS 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 related amount 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 income statement. The Bank does not have any discontinued operations.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XI. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

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

The Group's intangible assets consist of software.

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

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

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

XII. INFORMATION ON TANGIBLE ASSETS

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

As of 2017, the Parent Bank has changed its accounting policy and switched from the cost model to the revaluation model in the valuation of the real estates in use under tangible fixed assets within the framework of "TAS 16 Property, Plant and Equipment". The positive difference between the real estate values in the expertise report prepared by the licensed valuation company and the net book value of the related real estate is followed in the 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 income statement of the period.

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

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

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. INFORMATION ON LEASING ACTIVITIES

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

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

Explanations on IFRS 16 Leases

Group - as a tenant

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

Right-of-use asset

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

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

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

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

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

Rental liability

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

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

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

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. INFORMATION ON PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

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

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

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

XV. INFORMATION ON LIABILITIES REGARDING EMPLOYEE BENEFITS

Reserve for other benefits to employees

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

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

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

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

Other benefits to employees

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON TAX APPLICATIONS

Corporate tax

With the Law No. 7456 published in the Official Gazette No. 32249 dated July 15, 2023, 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 October 1, 2023 and to be applied to the corporate earnings of the accounting periods starting from January 1, 2023.

Corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed. The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The payments can be deducted from the annual corporate tax calculated for the whole year earnings.

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

Within the framework of the provisions of the Corporate Tax Law No. 5520, 75% of the 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 No. 7352 dated 29 January 2022 on the amendment of the Tax Procedure Law and the Corporate Tax Law was enacted in the Official Gazette No. 31734 on 29 January 2022, and the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the provisional accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for inflation adjustment within the scope of Repeated Article 298 are met, 31 December 2023 dated financial statements 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 taxes

Deferred tax is recognised on differences 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 is 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 recognised in profit or loss, the related tax effects are also recognised in profit or loss. If transactions and other events are recognised directly in equity, the related tax effects are also recognised directly in equity.

Deferred tax assets and deferred tax liabilities are offset and the resulting deferred tax assets and deferred tax liabilities are offset in the financial statements.

In accordance with Article 298 of the Tax Procedure Law, since the financial statements dated 31 December 2024 will be subject to inflation adjustment, 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

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

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

XVII. ADDITIONAL INFORMATION ON BORROWINGS

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

The Group did not issue any stocks convertible into bonds.

The Group does not have borrowing instruments issued by itself.

XVIII. INFORMATION ON SHARE ISSUANCES

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

XIX. INFORMATION ON BILLS OF EXCHANGES AND ACCEPTANCES

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

There are no acceptances presented as liabilities against any assets.

XX. INFORMATION ON GOVERNMENT INCENTIVES

None.

XXI. CASH AND CASH EQUIVALENTS

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXII. INFORMATION ON SEGMENT REPORTING

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

XXIII. OTHER DISCLOSURES

Profit reserves and profit distribution

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

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

Related parties

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

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SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP

I. INFORMATION ON SHAREHOLDER’S EQUITY

The Group's capital adequacy standard ratio is 17.63% (December 31, 2023: 17.78%). Capital adequacy standard rate is calculated based on the Regulation on Equity of Banks, the Regulation on Measurement and Evaluation of Capital Adequacy of Banks, BRSA decision No. 10747 dated December 12, 2023 and other relevant legal regulations. Within the framework of the said Board decision, the amount subject to credit risk item is calculated using the foreign exchange buying rates of the Central Bank of the Republic of Turkey as of June 26, 2023, and the equity item is included in the "Securities with Fair Value Difference Reflected in Other Comprehensive Income" portfolio acquired before January 1, 2024. It is calculated without taking into account the negative net valuation differences of the securities.

Informations about Total Capital

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL	2,193,286	2,201,737
Paid-in capital following all debts in terms of claim in liquidation of the Bank	440,000	440,000
Share issue premiums	0	-
Reserves	78,258	70,425
Gains recognized in equity as per TAS	546,199	591,743
Profit	1,128,829	1,099,569
Current Period Profit	37,093	162,652
Prior Period Profit	1,091,736	936,917
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Minorities' shares	-	-
Common Equity Tier 1 Capital Before Deductions	2,193,286	2,201,737
Deductions from Common Equity Tier 1 Capital	14,786	15,908
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	-	-
Improvement costs for operating leasing	65	70
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	14,721	15,838
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier 1 Capital	14,786	15,908
Total Common Equity Tier 1 Capital	2,178,500	2,185,829

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024
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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

I. INFORMATION ON SHAREHOLDER’S EQUITY (Continued)

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Third parties’ share in the Additional Tier I Capital	-	-
Third parties’ share in the Additional Tier I Capital (Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank’s additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Consolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Consolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not be deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	2,178,500	2,185,829
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Shares of third parties in additional capital	-	-
Shares of third parties in the contribution capital (Those within the scope of Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	92,817	107,266
Tier II Capital Before Deductions	92,817	107,266
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank’s Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	92,817	107,266
Total Capital (The sum of Tier I Capital and Tier II Capital)	2,271,317	2,293,095
The sum of Tier I Capital and Tier II Capital (Total Capital)	2,271,317	2,293,095
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA (-)	-	-
Elements that will continue to be deducted from the Total Tier 1 Capital and Contribution Capital (from the Capital) in the Transition Period	-	-

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

I. INFORMATION ON SHAREHOLDER’S EQUITY (Continued)

	Amount	
The Portion of the Total Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
TOTAL CAPITAL	2,271,317	2,293,095
Total Capital (The sum of Tier I Capital and Tier II Capital)	2,271,317	2,293,095
Total risk weighted amounts	14,009,102	12,935,290
CAPITAL ADEQUACY RATIOS		
Consolidated Core Capital Adequacy Ratio (%)	16,97	16,95
Consolidated Tier 1 Capital Adequacy Ratio (%)	16,97	16,95
Consolidated Capital Adequacy Ratio (%) ^(*)	17,63	17,78
BUFFERS		
Total buffer requirement	3,322	2,824
Capital conservation buffer requirement (%)	2,500	2,500
Bank specific counter-cyclical buffer requirement (%)	0,822	0,324
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	12,47	12,47
Amounts below the Excess Limits as per the Deduction Principles	-	-
Portion of the total of net long positions of investments in equity items of consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of consolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation	92,817	107,266
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	92,817	107,266
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	-	-
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4		
(to be implemented between 1 January 2018 and 1 January 2022)	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

I. INFORMATION ON SHAREHOLDER’S EQUITY (Continued)

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

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

Explanations Related to Debt Instruments included in Equity Calculation

None.

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

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	684,737	-	684,737
Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	(138,538)	-	(138,538)
Profit Reserves	78,258	-	78,258
Profit or Loss	1,128,829	-	1,128,829
Prior Periods’ Profit/Loss	1,091,736	-	1,091,736
Current Period Net Profit/Loss	37,093	-	37,093
Deductions from Common Equity Tier Capital ⁽¹⁾	-	14,786	(14,786)
Common Equity Tier 1 capital	-	-	2,178,500
Tier 1 capital	-	-	2,178,500
Provisions	-	(92,817)	92,817
Tier 2 capital ⁽²⁾	-	(92,817)	92,817
Shareholders’ Equity Adjustments ⁽³⁾	-	-	-
Total Shareholders’ Equity	2,193,286	(78,031)	2,271,317

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

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

⁽³⁾ The regulations cover Shareholders’ Equity adjustments within the framework of paragraphs 9-8-ç.

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CONSOLIDATED FOREIGN CURRENCY EXCHANGE RATE RISK

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

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

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

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

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

Foreign exchange risk management policy

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

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

Date	USD Dollars	Euro
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 Parent Bank’s foreign exchange bid rate for the last thirty days

The basic arithmetical average of the Parent Bank’s foreign exchange bid rate for March 2024 is TL 31.9494 for USD, TL 34.7178 for EURO.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

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

Information on Currency Risk of the Group ⁽¹⁾

Current Period	Euro	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Türkiye	1,881,908	1,546,243	2,699	3,430,850
Banks	331,669	2,228,285	60,477	2,620,431
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Comprehensive Income	447,813	373,122	-	820,935
Loans	1,636,445	901,592	-	2,538,037
Investments in Subsidiaries and Associates	-	-	-	-
Financial Assets Measured at Amortized Cost	1,324,532	2,000,749	-	3,325,281
Financial Derivative held for Hedging (Assets)	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	1,158,770	136,458	-	1,295,228
Total Assets	6,781,137	7,186,449	63,176	14,030,762
Liabilities				
Bank Deposits	1,473,643	1,387,609	5,050	2,866,302
Foreign Currency Deposits	2,180,586	2,931,464	44,668	5,156,718
Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	3,022,570	2,769,440	-	5,792,010
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Financial Derivatives held for Hedging (Liabilities)	-	-	-	-
Other Liabilities ⁽²⁾	100,615	70,662	2,005	173,282
Total Liabilities	6,777,414	7,159,175	51,723	13,988,312
Net Balance Sheet Position	3,723	27,274	11,453	42,450
Net Off Balance Sheet Position	24,394	(27,595)	3,209	8
Financial Derivatives (Assets)	24,394	-	3,209	27,603
Financial Derivatives (Liabilities)	-	(27,595)	-	(27,595)
Non-Cash Loans	4,750,231	6,430,991	1,642,506	12,823,728
Prior Period				
Total Assets	7,757,398	5,252,316	54,223	13,063,937
Total Liabilities	7,712,977	5,204,392	49,285	12,966,654
Balance Sheet Position, net	44,421	47,924	4,938	97,283
Off Balance Sheet Position, net	-	-	-	-
Financial Derivatives (Assets)	-	-	-	-
Financial Derivatives (Liabilities)	-	-	-	-
Non-cash Loans	4,472,566	6,433,165	1,521,389	12,427,120

(1) In accordance with the provisions of the "Regulation on the Calculation and Application of Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Non-Consolidated Basis"; Equity amounting to 1,173 TL was not taken into account in the exchange rate risk calculation.

(2) Includes financial lease receivables.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

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

Exposed currency risk

Assuming a 10 percent depreciation/ appreciation of the TL against the following currencies 31 March 2024 The increase/decrease in equity and statement of profit or loss (excluding tax effects) for the periods ended 31 March 2023 and 31 December 2023 are 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	
	Profit and Loss Statement	Shareholders' Equity ⁽¹⁾	Profit and Loss Statement	Shareholders' Equity ⁽¹⁾
Euro	(2,812)	(2,556)	(8,729)	(5,763)
US Dollar	32	(341)	3,160	(6,977)
Other Currencies	(1,466)	(1,466)	(129)	(494)
Total	(4,246)	(4,363)	(5,698)	(13,234)

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

Assuming 10 percent depreciation of TL;

	Current Period		Prior Period	
	Profit and Loss Statement	Shareholders' Equity ⁽¹⁾	Profit and Loss Statement	Shareholders' Equity ⁽¹⁾
Euro	2,812	2,556	8,729	5,763
US Dollar	(32)	341	(3,160)	6,977
Other Currencies	1,466	1,466	129	494
Total	4,246	4,363	5,698	13,234

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

III. INFORMATION ON CONSOLIDATED INTEREST RATE RISK

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

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

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

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

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

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

III. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

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

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

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Türkiye	-	-	-	-	-	3,459,125	3,459,125
Banks	2,599,682	-	-	-	-	99,160	2,698,842
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	2,605,979	1,977	-	2,913	3,582,003
Financial Assets Measured at Amortized Cost	24,447	129,902	879,511	2,333,982	-	-	3,367,842
Other assets ⁽¹⁾⁽³⁾	53,361	209,263	441,901	503,290	-	1,296,028	2,503,843
Total assets	2,894,942	1,215,457	4,121,366	3,599,570	55,314	4,870,361	16,757,010
Liabilities							
Bank Deposits	2,790,588	166,110	-	-	-	5	2,956,703
Other Deposits	214,513	106,092	60,412	-	-	4,898,727	5,279,744
Money Market Borrowings	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	1,977,354	986,716	2,825,184	52,438	-	-	5,841,692
Other liabilities ⁽²⁾	454	934	4,061	2,036	-	2,671,386	2,678,871
Total liabilities	4,982,909	1,259,852	2,889,657	54,474	-	7,570,118	16,757,010
Off-balance sheet items							
Long Position in the Balance Sheet	-	-	1,231,709	3,545,096	55,314	-	4,832,119
Short Position in the Balance Sheet	(2,087,967)	(44,395)	-	-	-	(2,699,757)	(4,832,119)
Long Position in the Off-balance Sheet	24,394	-	-	-	-	-	24,394
Short Position in the Off-balance Sheet	(24,365)	-	-	-	-	-	(24,365)
Total Position	(2,087,938)	(44,395)	1,231,709	3,545,096	55,314	(2,699,757)	29

- (1) The amount of TL 1,296,028 in other assets non-interest bearing column consists of Property, Plant and Equipment amounting to TL 1,000,888, Provision for Expected Losses amounting to TL 25,527, Intangible Assets amounting to TL 14,721, Current Tax Asset amounting to TL 7,379, Deferred Tax Asset amounting to TL 2,987, Other non-interest bearing amounts amounting to TL 295,580 and other unallocated amounts.
- (2) The amount of TL 2,671,386 in the other liabilities non-interest bearing column consists of shareholders' equity amounting to TL 2,193,286, provisions amounting to TL 191,903, current tax liability amounting to TL 27,532, deferred tax liability amounting to TL 56,692, derivative liabilities amounting to TL 77 and other liabilities amounting to TL 201,896.
- (3) Includes finance lease receivables.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

III. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

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

⁽¹⁾ The amount of 1,166,446 TL in the other assets interest-free column; It consists of Tangible Assets of 1,000,361 TL, Expected Loss Provisions of 26,608 TL, Intangible Assets of 15,838 TL, Deferred Tax Asset of 13,737 TL, Deferred Tax Asset of 539 TL, Other interest-free amounts of 162,579 TL and other non-distributable amounts.

⁽²⁾ The amount of 2,662,432 TL in the other liabilities interest-free column; It consists of Equity in the amount of 2,201,737 TL, Provisions in the amount of 198,165 TL, Current Tax Debt in the amount of 23,737 TL, Deferred Tax Liability in the amount of 77,840 TL, and undistributed amounts in the Other Liabilities amounting in the amount of 160,953 TL.

⁽³⁾ Includes financial lease receivables.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

III. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

Average interest rates applied to monetary financial instruments (%)

Current Period	EURO	USD	TL
Assets			
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of Türkiye	-	-	8.50
Banks	0.11	5.36	46.50
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
Financial Lease Receivables	9.17	6.93	43.29
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	5.22	6.00	46.10
Prior Period			
Assets			
Cash (cash in vault, effectives, money in transit, cheques purchased) and Balances with the Central Bank of Türkiye.	-	-	8.50
Banks	3.79	0.29	35.65
Financial assets at Fair Value through Profit or Loss	-	-	-
Money Market Placements	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	5.14	8.10	10.65
Loans	10.08	11.13	47.68
Financial Assets Measured at Amortized Cost	-	-	19.23
Financial Lease Receivables	8.02	7.02	34.10
Liabilities			
Interbank Deposits	-	7.73	-
Other Deposits	0.55	2.86	32.65
Money Market Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	-
Funds Borrowed from Other Financial Institutions	4.49	6.49	46.31

IV. INFORMATION ON CONSOLIDATED STOCK POSITION RISK

Equity investment risk due from banking book

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

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

None.

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

None.

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

None.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT

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

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

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

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

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

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

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

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

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

The Parent Bank is supported by well-established shareholders among most powerful financial institutions in Türkiye, Middle East and the North African region. The Parent Bank's largest shareholder is Libyan Foreign Bank which is 100% owned by the Central Bank of Libya has A&T Bank. Funds received from the Group's risk group have a 19% share in liabilities.

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

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)**V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)****Currencies constituting minimum five percent of the Bank’s total liabilities**

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

Information regarding to the liquidity risk mitigation techniques used

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

Information regarding to the usage of Stress Tests

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

General information on the emergency and contingency plan of Liquidity

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

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

Liquidity coverage ratio

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

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

	Month	FC	Month	FC+TL
Lowest	March	310	March	268
Highest	January	490	January	458

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

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

Current Period	Consideration Ratio Not Applied Total Value ⁽¹⁾		Consideration Ratio Applied Total Value ⁽¹⁾		
	TL+FC	FC	TL+FC	FC	
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	10,420,306	9,611,876	8,232,227	7,600,460
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	5,876,922	5,463,855	4,498,536	4,109,497
6	Operational deposit	-	-	-	-
7	Non-operating deposits	5,414,131	5,283,452	4,035,745	3,929,094
8	Other unsecured debts	462,791	180,403	462,791	180,403
9	Secured debts	-	-	-	-
10	Other cash outflows	13,079,656	12,149,203	914,189	686,687
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	13,079,656	12,149,203	914,189	686,687
16	TOTAL CASH OUTFLOW	21,455,547	19,183,322	5,617,704	4,953,210
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured claims	2,826,531	2,568,298	2,733,822	2,527,135
19	Other cash inflows	29,665	29,665	29,665	29,665
20	TOTAL CASH INFLOWS	2,856,196	2,597,963	2,763,487	2,556,800
21	TOTAL HQLA STOCK			8,232,227	7,600,460
22	TOTAL NET CASH OUTFLOWS			2,854,217	2,396,410
23	LIQUIDITY COVERAGE RATIO (%)			288.42	317.16

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

Prior Period	Consideration Ratio Not Applied		Consideration Ratio Applied Total		
	Total Value ⁽¹⁾		Value ⁽¹⁾		
	TL+FC	FC	TL+FC	FC	
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets	9,807,833	9,241,783	7,895,867	7,423,387
CASH OUTFLOWS					
2	Real person deposits and retail deposits	2,209,310	1,470,085	185,089	147,008
3	Stable deposit	716,853	0	35,843	0
4	Deposit with low stability	1,492,457	1,470,085	149,246	147,008
5	Unsecured debts except real person deposits and retail deposits	4,991,217	4,713,364	3,723,858	3,473,018
6	Operational deposit	-	-	-	-
7	Non-operating deposits	4,584,884	4,530,510	3,317,525	3,290,164
8	Other unsecured debts	406,333	182,854	406,333	182,854
9	Secured debts	-	-	-	-
10	Other cash outflows	12,866,954	11,967,392	822,294	672,771
11	Derivative liabilities and margin obligations	75	75	75	75
12	Debt from structured financial instruments	-	-	-	-
13	Other off-balance sheet liabilities and commitments for the payment owed to financial markets	-	-	-	-
14	Revocable off-balance sheet obligations regardless of any other requirement and other contractual obligations	-	-	-	-
15	Other irrevocable or provisory revocable off-balance sheet liabilities	12,866,879	11,967,317	822,219	672,696
16	TOTAL CASH OUTFLOW	20,067,481	18,150,841	4,731,241	4,292,797
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured claims	2,206,092	1,556,600	1,940,260	1,441,918
19	Other cash inflows	102,998	102,998	102,998	102,998
20	TOTAL CASH INFLOWS	2,309,090	1,659,598	2,043,258	1,544,916
21	TOTAL HQLA STOCK			7,895,867	7,423,387
22	TOTAL NET CASH OUTFLOWS			2,687,982	2,747,881
23	LIQUIDITY COVERAGE RATIO (%)			293.75	270.15

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

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

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

The content of high-quality liquid assets

High quality liquid assets consist of cash and cash equivalents, currency deposits, debt instruments issued by the CBRT and the Treasury and debt instruments with a credit rating or default probability between A+ and BBB- or equivalent. The Bank's high quality liquid assets consist of 40% of CBRT accounts, 59% of debt instruments issued by the Treasury and 1% of cash and cash equivalents.

Sections Funding sources comprised of and their densities within all funds

A significant part of the funding sources are comprised of deposits received. 49% of the total liabilities are deposits received. 32% of these deposits are deposits obtained from banks.

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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

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

Cash outflows due to derivative contracts occur during periods when the bank's derivative liabilities exceed its derivative receivables. As of March 31, 2024, the Bank has no net cash outflow from 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. 49% of the liability is deposits and 32% of these deposits are from banks. All of these liabilities are warrantless.

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

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

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

None.

Display of assets and liabilities according to their remaining maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Unallocated	Total
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank balances	116,817	3,342,308	-	-	-	-	-	3,459,125
Banks	1,092,993	1,605,849	-	-	-	-	-	2,698,842
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	2,666,420	1,977	-	2,913	3,582,003
Investment securities held-to-maturity	-	24,447	129,902	879,511	2,333,982	-	-	3,367,842
Other assets ⁽¹⁾⁽³⁾	-	153,175	115,633	456,882	581,939	-	1,196,214	2,503,843
Total Assets	1,209,810	5,343,231	1,061,385	4,196,792	3,678,216	55,314	1,212,262	16,757,010
Liabilities								
Interbank Deposits	2,215,275	575,318	166,110	-	-	-	-	2,956,703
Other Deposits	4,898,727	214,513	106,092	60,412	-	-	-	5,279,744
Funds provided from other financial institutions	-	-	-	-	-	-	-	-
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	1,792,995	16,159	2,929,470	1,103,068	-	-	5,841,692
Other liabilities ⁽²⁾	-	3,310	1,716	3,655	2,442	-	2,667,748	2,678,871
Total Liabilities	7,114,002	2,586,136	290,077	2,993,537	1,105,510	-	2,667,748	16,757,010
Net Liquidity Gap	(5,904,192)	2,757,095	771,308	1,203,255	2,572,706	55,314	(1,455,486)	-
Prior Period								
Total Assets	972,284	4,525,027	1,040,009	2,885,064	4,942,606	57,331	1,155,017	15,577,338
Total Liabilities	5,806,652	2,006,861	2,243,062	2,028,621	834,309	-	2,657,833	15,577,338
Net Liquidity Gap	(4,834,368)	2,518,166	(1,203,053)	856,443	4,108,297	57,331	(1,502,816)	-

⁽¹⁾ The amount of 1,196,214 TL in the other assets undistributable column; It consists of Tangible Assets of 1,000,888 TL, Expected Loss Provisions of 25,527 TL, Intangible Assets of 14,721 TL, Current Tax Asset of 7,379 TL, Deferred Tax Asset of 2,987 TL, other interest-free amounts of 195,766 TL and other undistributed amounts.

⁽²⁾ The amount of 2,667,748 TL in the other liabilities undistributed column; It consists of 2,193,286 TL Equity, 191,903 TL Provisions, 27,532 TL Current Tax Debt, 56,692 TL Deferred Tax Debt, 77 TL Derivative Liabilities, 198,258 TL other interest-free amounts.

⁽³⁾ Includes financial lease receivables.

ARAP TÜRK BANKASI A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

V. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

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

Current Period	According to the Remaining Maturity, Unapplied Consideration Rate				Total Amount with Consideration Rate Applied
	Vadesiz*	Less than 6 Months	6 Months to 6 Months Longer than 6 Months Less than 1 Year	1 Year and more than 1 Year	
Available Stable Fund					
1	Elements of Equity				2,290,151
2	-	-	-	2,290,151	2,290,151
3	-	-	-	-	-
4	Real person and retail customer deposits/participation funds				2,242,981
5	732,382	118,464	5,274	-	813,314
6	1,360,949	214,863	12,708	-	1,429,667
7	Due to other persons				1,305,228
8	-	-	-	-	-
9	4,588,732	5,507,148	524,313	939,875	1,305,228
10	Liabilities equivalent to interconnected assets				-
11	Other liabilities				-
12	-	1,070	-	-	-
13	718,067	1,070	-	-	-
14	Available Stable Fund				5,838,360
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				4,131,501
18	Receivables from credit institutions or financial institutions whose collateral is first quality liquid assets				-
19	Unsecured receivables from credit institutions or financial institutions or secured receivables whose collateral is not first quality liquid assets				-
	1,355,487	2,348,718	331,103	-	1,873,346
	Receivables from corporate customers, institutions, real persons and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions				-
20	170,482	1,435,063	1,284,672	678,134	2,061,191
21	Receivables subject to 35% or lower risk weighting				-
	-	40,000	-	-	-
22	Receivables collateralised with mortgages on residential properties				-
23	Receivables subject to risk weighting of 35% or less				-
	High quality liquid assets that do not qualify as high quality liquid assets, listed equities and debt instruments				-
24	-	-	-	231,722	196,964
25	Assets equivalent to interconnected liabilities				-
26	Other assets				1,633,494
27	Commodities with physical delivery including gold				-
	-	1,076	-	-	-
28	Initial margin for derivative contracts or guarantee fund given to central counterparty				-
29	Derivative assets				-
30	Derivative liabilities before deduction of variation margin				-
31	Other assets not included above				-
	1,633,494	1,076	-	-	1,633,494
32	Off-balance sheet liabilities				655,933
33	Required Stable Funding				6,633,958
34	Net Stable Funding Ratio (%)				88.48

(*) 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VI. EXPLANATIONS ON LEVERAGE RATIO

Leverage Ratio

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

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

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

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

	Current Period	Prior Period
Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards ⁽¹⁾	30,305	24,678
The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements”	-	-
The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such instruments	31,446	320,611
The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such instruments	4,729,710	4,891,368
The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such items	307,318	522,925
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such items	-	-
Total Risk Amount	5,098,779	5,759,582

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024
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INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VI. EXPLANATIONS ON LEVERAGE RATIO (Continued)

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)	16,563,587	13,171,862
2	(Assets deducted from main capital)	(15,152)	(12,339)
3	Total risk amount of the balance sheet assets (Sum of 1st and 2nd rows)	16,548,435	13,159,523
	Derivative financial instruments and credit derivatives		
4	Replacement cost of derivative financial instruments and credit derivatives	-	-
5	Potential credit risk amount of derivative financial instruments and credit derivatives	-	-
6	Total risk amount of derivative financial instruments and credit derivatives (Sum of 4th and 5th rows)	-	-
	Security or secured financing transactions		
7	Risk amount of security or secured financing transactions (Except balance sheet)	-	-
8	Risk amount due to intermediated transactions	-	-
9	Total risk amount of security or secured financing transactions (Sum of 7th and 8th rows)	-	-
	Off-balance sheet transactions		
10	Gross nominal amount of off-balance sheet transactions	13,128,526	10,515,913
11	(Adjustment amount resulting from multiplying by credit conversion rates)	-	-
12	Risk amount of the off-balance sheet transactions (Sum of 10th and 11th rows)	13,128,526	10,515,913
	Equity and total risk		
13	Main capital	2,175,593	1,858,755
14	Total risk amount (Sum of 3th, 6th, 9th and 12th rows)	29,676,961	23,675,436
	Leverage ratio		
15	Leverage ratio	%7.34	%8.05

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VII. EXPLANATIONS ON RISK MANAGEMENT

Overview of Risk Weighted Amount

	Risk Weighted Amount		Minimum capital Requirement
	Current Period	Prior Period	Current Period
1 Credit risk (excluding counterparty credit risk) (CCR)	11,729,335	9,841,064	938,347
2 Standardised approach (SA)	11,729,335	9,841,064	938,347
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	116	-	9
5 Standardised approach for counterparty credit risk (SA-CCR)	116	-	9
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	1,067,863	2,190,963	85,429
17 Standardised approach (SA)	1,067,863	2,190,963	85,429
18 Internal model approaches (IMM)	-	-	-
19 Operational Risk	1,211,788	903,263	96,943
20 Basic Indicator Approach	1,211,788	903,263	96,943
21 Standard Approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor adjustment	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	14,009,102	12,935,290	1,120,728

RWA changes for CCR under the according to the internal model approach

None.

Market risk RWA (Risk Weighted Assets) change table according to the internal model approach

None.

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VIII. INFORMATION ON CONSOLIDATED OPERATING SEGMENTS

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

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

Information on operational segments on 31 March 2024, 31 March 2023 are presented in the table below:

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations of the Group
Interest Income (Net)	(2,808)	138,941	35,638	16,488	-	188,259
Commission Income (Net)	-	43,319	-	626	-	43,945
Unallocated	-	-	-	-	-	-
Income/Expenses (Net)	-	-	-	(17,063)	(174,236)	(191,299)
Income from Subsidiaries	-	-	-	-	-	-
<i>Dividend Income</i>	-	-	-	-	-	-
<i>Other Dividend Income</i>	-	-	-	-	-	-
Operating Income(Net)	(2,808)	182,260	35,638	51	(174,236)	40,905
<i>Income before tax</i>	-	-	-	-	40,905	40,905
<i>Tax Provision</i>	-	-	-	-	(3,812)	(3,812)
Net Profit for the Period	-	-	-	-	37,093	37,093
Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations of the Group
Segment Assets	4,912	3,362,930	10,336,991	1,621,712	-	15,326,545
Unallocated assets	-	-	-	-	1,430,465	1,430,465
Total Assets	4,912	3,362,930	10,336,991	1,621,712	1,430,465	16,757,010
Segment Liabilities	2,504,395	2,773,684	7,504,038	1,364,987	-	14,147,104
Unallocated Liabilities	-	-	-	-	416,620	416,620
Equity	-	-	-	-	2,193,286	2,193,286
Total Liabilities	2,504,395	2,773,684	7,504,038	1,364,987	2,609,906	16,757,010
Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations of the Group
Interest Income (Net)	(639)	84,247	44,005	15,012	-	142,625
Commission Income (Net)	-	23,881	-	859	-	24,740
Unallocated	-	-	-	-	-	-
Income/Expenses (Net)	-	-	-	(17,171)	(128,819)	(145,990)
Income from Subsidiaries	-	-	-	-	-	-
<i>Dividend Income</i>	-	-	-	-	-	-
<i>Other Dividend Income</i>	-	-	-	-	-	-
Operating Income	(639)	108,128	44,005	(1,300)	(128,819)	21,375
<i>Income before tax</i>	-	-	-	-	21,375	21,375
<i>Tax Provision</i>	-	-	-	-	(4,870)	(4,870)
Net Profit for the Period	-	-	-	-	16,505	16,505
Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations of the Group
Segment Assets	7,500	3,379,275	9,609,863	1,488,419	-	14,485,057
Unallocated assets	-	-	-	-	1,092,281	1,092,281
Total Assets	7,500	3,379,275	9,609,863	1,488,419	1,092,281	15,577,338
Segment Liabilities	2,491,639	2,149,773	7,082,293	1,237,597	-	12,961,302
Unallocated Liabilities	-	-	-	-	414,299	414,299
Equity	-	-	-	-	2,201,737	2,201,737
Total Liabilities	2,491,639	2,149,773	7,082,293	1,237,597	2,616,036	15,577,338

SECTION FIVE

INFORMATION ON DISCLOSURES AND FOOTNOTES OF
CONSOLIDATED FINANCIAL STATEMENTS

I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS

1. Information on cash equivalents and Central Bank of Türkiye

Information on cash equivalents

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Effective	1,784	88,542	2,452	139,573
Central Bank of Turkey	26,491	3,342,308	202,517	2,813,292
Other	-	-	-	-
Total	28,275	3,430,850	204,969	2,952,865

Information related to the account of Central Bank of Türkiye

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand 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 Central Bank's Communiqué on Required Reserves numbered 2013/15. The items specified in the communiqué constitute the liabilities subject to required reserves, with the exception of the liabilities to the Central Bank of the Republic of Turkey, the Treasury, domestic banks and the banks established by international agreement to their headquarters and branches in Turkey, based on the accounting standards and registration scheme to which banks are subject.

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

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

None.

ARAP TÜRK BANKASI A.Ş.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)****3. Positive differences related to derivative financial assets**
None.**4. Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	56,727	1,631,452	25,863	794,846
Foreign banks	21,684	988,979	-	477,753
Branches and head office abroad	-	-	-	-
Total	78,411	2,620,431	25,863	1,272,599

Information on Expected Credit Losses Information on Expected Loss Provisions

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	1,674	-	-	1,674
Additions during the Period (+)	2,273	-	-	2,273
Disposal (-)	(1,542)	-	-	(1,542)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs (-)	-	-	-	-
Balances at End of Period	2,405	-	-	2,405

Prior period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	515	-	-	515
Additions during the Period (+)	1,537	-	-	1,537
Disposal (-)	(378)	-	-	(378)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs (-)	-	-	-	-
Balances at End of Period	1,674	-	-	1,674

5. Information on financial assets at fair value through other comprehensive income**Information on transaction of repo and collateral/blocked financial assets (Net)**

The Bank has no financial assets at fair value through other comprehensive income subject to repurchase agreements in the current period (December 31, 2023: None).

In the current period, the Parent Company does not have any securities at fair value through other comprehensive income given as collateral/blocked as collateral (December 31, 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 CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

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

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

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

Information on Financial assets at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities	1,350,569	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 Parent 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	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling	Rescheduled	
			Loans with revised contract terms	Refinancing
Non-Specialized Loans	1,413,041	283	-	-
Commercial Loans	-	-	-	-
Export Loans	244,014	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	1,164,398	-	-	-
Consumer Loans	4,629	283	-	-
Credit Cards	-	-	-	-
Other	-	-	-	-
Specialized Lending	-	-	-	-
Other Receivables	2,165,766	-	-	-
Total	3,578,807	283	-	-

	Standard Loan (*)	Loans Under Close Monitoring (*)
12-Month expected credit losses	14,567	-
Significant increase in credit risk	-	1,702

(*) Includes lease receivables.

ARAP TÜRK BANKASI A.Ş.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)****6. Information on Loans (Continued)**

	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.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)****6. Information on Loans (Continued)***Information on installment commercial loans and commercial credit cards*

None.

Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic loans	3,560,375	3,119,912
Foreign loans	21,628	139,195
Total	3,582,003	3,259,107

Loans given to subsidiaries and affiliates

	Current Period	Prior Period
Direct loans to subsidiaries and associates	34,473	31,396
Indirect loans to subsidiaries and associates	-	-
Total	34,473	31,396

Specific provisions for loans ⁽¹⁾

Specific provisions	Current Period	Prior Period
Loans and receivables with limited collectibles	-	-
Loans and receivables with doubtful collectibles	-	-
Uncollectible loans and receivables	3,319	3,245
Total	3,319	3,245

(1) Includes Financial lease receivables.

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

None.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

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

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

6. Information on Loans (Continued)

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

	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	-	-	3,451
Additions (+)	-	-	282
Transfers from other categories of nonperforming loans (+)	-	-	-
Transfers to other categories of nonperforming loans (-)	-	-	-
Collections (-)	-	-	16
Write-offs (-)	-	-	-
Institutional and commercial credits	-	-	-
Individual credits	-	-	-
Credit cards	-	-	-
Others	-	-	-
Balances at End of the Period	-	-	3,717
Specific provisions (-)	-	-	3,319
Net Balance on Balance Sheet	-	-	398

⁽¹⁾ Includes Financial lease receivables.

Information on foreign currency non-performing loans

None (31 December:2023: None).

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Non- performing loans and receivables
Current Period (Net)	-	-	398
Loans granted to real persons and legal entities (Gross)	-	-	3,717
Specific provisions (-)	-	-	3,319
Loans granted to real persons and legal entities (Net)	-	-	398
Banks (Gross) ⁽¹⁾	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and receivables (Gross)	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-
Prior Period (Net)	-	-	206
Loans granted to real persons and legal entities (Gross)	-	-	3,451
Specific provisions (-)	-	-	3,245
Loans granted to real persons and legal entities (Net)	-	-	206
Banks (Gross) ⁽¹⁾	-	-	-
Specific provisions (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and receivables (Gross) ⁽²⁾	-	-	-
Specific provisions (-)	-	-	-
Other Loans and receivables (Net)	-	-	-

ARAP TÜRK BANKASI A.Ş.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)****6. Information on Loans (Continued)***Information on accruals, valuation differences and related provisions calculated for non-performing loans for Banks which are providing expected credit loss according to IFRS 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 Group is in the effort to provide collections from loans under legal follow-up under the leadership of Corporate and Commercial Credits Monitor and Follow-up Department and Legal and Legislation Services Department and other related departments. However the absence of reasonable collection ability in any condition and manner regarding the recovery of the mentioned loans, determined as loss in which the bank monitors by allocate 100% provision under 5th group (3rd group in IFRS) in accordance with IFRS 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 IFRS 9, the Bank have written off TL loans (31 December 2023: None).

Expected credit loss for loans*Information on Expected Credit Loss*

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	11,788	15	2,913	14,716
Additions during the Period	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
Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	4,385	-	3,013	7,398
Additions during the Period	10,813	15	-	10,828
Disposal	(3,410)	-	(100)	(3,510)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	11,788	15	2,913	14,716

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)****6. Information on Loans (Continued)***Information on Expected Loss provisions for Receivables from leasing transactions*

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	3,012	2,621	332	5,965
Additions during the Period	405	1,108	90	1,603
Disposal	(1,436)	(1,126)	(16)	(2,578)
Transfer to Stage1	1,059	(1,059)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	3,040	1,544	406	4,990

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	2,284	531	352	3,167
Additions during the Period	1,795	2,376	237	4,408
Disposal	(926)	(412)	(272)	(1,610)
Transfer to Stage1	(157)	157	-	-
Transfer to Stage 2	16	(16)	-	-
Transfer to Stage 3	-	(15)	15	-
Write-offs	-	-	-	-
Balances at End of Period	3,012	2,621	332	5,965

7. Information on financial assets measured at amortized cost*Information on transaction of repo and collateral/blocked financial assets (Net)*

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

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: TL None).

Information on government financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	42,561	2,998,484	41,191	2,952,892
Treasury Bonds	-	-	-	-
Other Public Bonds	-	326,797	-	392,692
Total	42,561	3,325,281	41,191	3,345,584

Information on financial assets measured at amortized cost

	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

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)****7. Information on financial assets measured at amortized cost (Continued)***Movement of financial assets measured at amortized 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

⁽¹⁾ During the current period, TL 294,120 has been redeemed from the portfolio (31 March 2023: TL 1,852,963).**Information on Expected Credit Loss**

Current Period	Stage 1	Stage 2	Stage 3	Total
Balance at End of Prior Period	4,253	-	-	4,253
Additions during the Period	21	-	-	21
Disposals	(741)	-	-	(741)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balance at End of Period	3,533	-	-	3,533
Prior Period	Stage 1	Stage 2	Stage 3	Total
Balance at End of Prior Period	2,791	-	-	2,791
Additions during the Period	2,668	-	-	2,668
Disposals	(1,206)	-	-	(1,206)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balance at End of Period	-	-	-	-

8. Information on associates

The Group does not have an associate.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

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

9. Information on subsidiaries (Net)

Information on subsidiaries

	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</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 shareholders’ equity of subsidiary. After deduction from the capital, the total net available equity is 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. Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit have been transferred to legal reserves. Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the third clause of first and second paragraph of 519 and 521 articles of Turkish Commercial Code no. 6102.

Information about the consolidated financial statements of the subsidiaries

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

Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from marketable securities portfolio	Current Period Profit Loss	Prior Period Profit / Loss	Fair Value ^(*)
1,621,712	216,727	59,137	43,737	-	1,509	21,434	-

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**I. INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED ASSETS (Continued)****9. Information on subsidiaries (Net) (Continued)***Movement related to subsidiaries*

	Current Period	Prior Period
Balance at the Beginning of the Period	153,696	140,199
Movements during the Period	-	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

Valuation of investments in subsidiaries

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

Sectoral Information on the subsidiaries

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

Subsidiaries in the scope of consolidation quoted on the stock exchange

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

Consolidated subsidiaries disposed of in the current period

None.

Consolidated subsidiaries purchased in the current period

None.

10. Information on joint ventures

The Parent Bank has no joint ventures.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

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

11. Information on Financial Lease Receivables (Net)

	Current Period	Prior Period
Gross Financial Lease Investment	1,403,268	1,400,816
Earned Financial Lease Income (-)	176,490	179,924
Cancelled Leasing Amounts	-	-
Net Investment on Leases	1,226,778	1,220,892
	Current Period	Prior Period
Stage 1	1,084,470	1,024,565
Stage 2	141,504	195,789
Stage 3	804	538
Total	1,226,778	1,220,892

Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	850,866	723,488	807,446	681,022
Between 1-4 years	552,402	503,290	593,370	539,870
Over 4 years	-	-	-	-
Total	1,403,268	1,226,778	1,400,816	1,220,892

12. Information on financial derivatives for hedging

The Bank has no financial derivatives for hedging.

13. Information on investment property

The Group has no investment property.

14. Information on tax assets

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

Information on deferred tax liabilities

The Group recognises deferred tax assets based on tax deductions and exemptions for the current period and deferred tax assets resulting from the differences between the carrying amount of assets and liabilities in the balance sheet and their tax bases which are determined in accordance with tax legislation deferred tax assets amounting to TL 208,501 and deferred tax liabilities amounting to TL 262,206 calculated over the amounts that will be taken into consideration in the calculation of financial profit/loss in the following periods are recognised by netting off

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

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

14. Information on tax assets (Continued)

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	102,182	30,655	92,148	27,646
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	297,213	89,165	268,522	80,834
Deferred tax asset	694,999	208,501	604,865	181,738
Tangible assets revaluation surplus	942,675	225,085	942,675	225,085
Interest accruals	142,363	42,709	128,830	38,649
Other	(18,629)	(5,588)	(15,655)	(4,695)
Deferred tax liability	1,066,409	262,206	1,055,850	259,039
Deferred tax asset/(liability) (net)		(53,705)		(77,301)

The movement of deferred tax (asset)/liability is as follows;

	Current Period	Prior Period
Opening balance	(77,301)	(36,536)
Deferred tax income/(expense)(Net)	4,325	63,025
Deferred tax accounted under shareholder's equity	19,271	(103,790)
Net Deferred Tax Asset/(Liability)	(53,705)	(77,301)

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 is amounting to TL 276,617 and does not exceed 10% of total assets of balance sheet except off balance sheet commitments (31 December 2023: TL 142,901).

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

II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES

1. Information on maturity profile of deposits

Current Period	Demand	7 Days' Notice	Up to 1 Month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Accumulating Deposit Accounts	Total
Saving Deposits	25,126	-	5,479	5,280	3,286	8,232	4,220	-	51,623
Foreign Currency Deposits									
Residents in Türkiye	1,101,407	-	29,233	139,727	83,809	46,322	38,549	-	5,156,718
Residents Abroad	3,717,671	-	-	41,929	55,000	4,485	1,517	-	1,233,571
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	17,969	-	16,553	327	-	-	-	-	34,849
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	7,114,002	-	626,583	145,334	87,095	220,664	42,769	-	8,236,447

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

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

In accordance with the "Regulation on 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 are not included in the footnote (31 December 2023: TL 121,893).

	Covered by Deposit Insurance Fund		Not Covered by Deposit Insurance Fund	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

1. Information on maturity profile of deposits (Continued)

Saving deposits not covered by deposit insurance

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

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

The Parent Bank’s headquarter is located in Türkiye.

Amounts not covered by deposit insurance

Individual deposits not covered by deposit insurance

	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	-	-
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	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 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-
Total	39,777	39,350

2. Information on derivative financial liabilities

None.

3. Information on Funds Borrowed

Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
From CBRT	-	-	-	-
From Domestic Banks and Institutions	49,682	34,163	2,194	30,917
From Foreign Banks, Institutions and Funds	-	5,757,847	-	5,961,109
Total	49,682	5,792,010	2,194	5,992,026

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED 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	1,126	3,601,601	2,194	5,160,937
Long-Term	48,556	2,190,409	-	831,089
Total	49,682	5,792,010	2,194	5,992,026

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

Group's liabilities come from 49% of deposits.

4. Information on other liabilities

Other liabilities in the balance sheet amounts to TL 201,986 and does not exceed 10% of the total balance sheet (31 December 2023: TL 160,953).

5. Information on debts from lease transactions

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	657	465	657	465
Between 1 – 4 years	5,342	4,782	8,645	8,085
More than four years	4,600	2,238	1,776	1,392
Total	10,599	7,485	11,078	9,942

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

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

7. Information on provisions*Reserve for employee termination benefits*

The Group reserved for employee severance indemnities in the accompanying consolidated financial statements using actuarial method in compliance with the updated "TAS 19 - Employee Benefits". Accumulated all actuarial gains and losses in equity are recognized in other capital reserves. The unused vacation provision amount as at 31 March 2024 is TL 71,966 (31 December 2023: TL 62,781). In addition to this, the employee termination benefit liability amount is TL 30,216 (31 December 2023: TL 33,568).

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INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED 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
Free provisions for possible risks	-	-
Provisions for non-cash loans	89,713	101,808
Provisions for law suits	8	8
Other provisions	-	-
Total	89,721	101,816

8. Information on tax payables*Information on current tax liability*

As at 31 March 2024, the Parent Bank has corporate tax payable amounting to TL 1,617 after deducting prepaid taxes (31 December 2023: TL 835).

Information on taxes payable

	Current Period	Prior Period
Corporate Taxes Payable	1,617	835
Banking Insurance Transaction tax (BITT)	2,718	2,215
Taxation on Securities Income	2,221	932
Value Added Tax Payable	1,036	1,534
Value Added Tax Payable (Limited taxpayer)	129	31
Foreign exchange transaction tax	-	-
Taxation on real estate income	31	23
Other	10,084	11,891
Total	17,836	17,461

Information on premium payables

	Current Period	Prior Period
Social Security Premiums-Employee	3,235	2,111
Social Security Premiums-Employer	5,919	3,804
Bank Pension Fund Premium-Employee	-	-
Bank Pension Fund Premium-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	181	120
Unemployment Insurance-Employer	361	241
Others	-	-
Total	9,696	6,276

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

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

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

The Parent Bank has no subordinated loans.

ARAP TÜRK BANKASI A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

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

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

9. Information on Shareholders’ Equity

Presentation of Paid-in Capital

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

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

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

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

None.

Information on share capital increases from capital reserves

None.

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

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

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

None.

Explanations on dividend distribution

None.

Information on the privileges given to stocks representing the capital

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

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

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

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

ARAP TÜRK BANKASI A.Ş.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**II. INFORMATION ON DISCLOSURES RELATED TO CONSOLIDATED LIABILITIES (Continued)****9. Information on Shareholders' Equity (Continued)**

Fractional shares shall be allocated by the Board of Directors.

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

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)	-	-	-	-
Valuation Differences	(139,711)	1,173	(128,054)	35,060
Exchange Rate Differences	-	-	-	-
Total	(139,711)	1,173	(128,054)	35,060

Information on legal reserve

In accordance with the decision taken at the 45th Ordinary General Assembly Meeting of the Parent Bank held on 21 March 2024, it was decided to transfer TL 7,833 of the profit of 2023 to legal reserves and the remaining TL 154,819 to retained earnings.

Information on Minority Shares

None.

III. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEETS**1. Information on contingent liabilities in the off-balance sheets*****Type and amount of irrevocable commitments***

The Group has TL 7,356 as irrevocable commitments (31 December 2023: TL 56,908).

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

As of the balance sheet date, the Group has allocated the provision amounting TL 21,599 over total non-cash loans of on the 3rd stage (31 December 2023: TL 19,498).

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

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 3,038,002 (31 December 2023: TL 3,230,471).

ARAP TÜRK BANKASI A.Ş.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**III. INFORMATION AND DISCLOSURES RELATED TO CONSOLIDATED OFF-BALANCE SHEETS (Continued)****1. Information on contingent liabilities in the off-balance sheets (Continued)***Final guarantees, temporary guarantees, commitments and similar transactions*

The total amount of the Group'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 Türkiye and the Government of National Accord of Libya has entered into force as of 24 September 2020. This agreement hereby has the force of law and the implementation and results of the provisions of this agreement are closely monitored by Turkish Banks transacting with Libya.

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 (Non-Cash Loans)

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	82,310	-	19,498	101,808
Additions during the Period	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

ARAP TÜRK BANKASI A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

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

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	29,985	1,366	13,303
Interest Received From Non-Performing Loans	100	-	80	-
Premiums Received From Resource Utilization Support Fund	-	-	-	-
Total	79,742	58,706	45,332	40,190

⁽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 Central Bank	-	-	-	-
From Domestic Banks	6,661	11,574	2,116	1,774
From Foreign Banks	683	3,481	1,083	557
From Foreign Headquarter and Branches	-	-	-	-
Total	7,344	15,055	3,199	2,331

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

None.

ARAP TÜRK BANKASI A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

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

2. Interest Expense

Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	5,261	77,751	1,031	28,880
Central Bank	-	-	-	-
Domestic Banks	5,261	1,000	1,031	-
Foreign Banks	-	76,751	-	28,880
Other Institutions	-	-	-	-
Total	5,261	77,751	1,031	28,880

Information on interest expense paid to subsidiaries and associates

None.

Information on interest expense given on securities issued

None.

Maturity structure of the interest expense on deposits

Account Name	Demand Deposit	Up to 1 Month	Time Deposit		Up to 1 Year	More than 1 Year	Cumulative Deposit	Total
			Up to 3 Months	Up to 6 Months				
Turkish Lira								
Interbank deposits								
Saving deposits								
Public sector deposits	-	9,183	-	-	-	-	-	9,183
Commercial deposits	-	820	484	254	204	173	-	1,935
Other deposits	-	-	-	-	-	-	-	-
Deposits with 7 days notification	-	95	30	-	-	-	-	125
Total	-	10,098	514	254	204	173	-	11,243
Foreign Currency								
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

ARAP TÜRK BANKASI A.Ş.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**IV. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)****Information on trading gain/loss**

	Current Period	Prior Period
Gain	15,973,835	12,719,387
Gain from money market transactions	35,747	512
Gain from financial derivative transactions	-	4,784
Gain from exchange transactions	15,938,088	12,714,091
Loss (-)	(15,934,087)	(12,724,770)
Loss from money market transactions	-	(8,633)
Loss from financial derivative transactions	(77)	(4,087)
Loss from exchange transactions	(15,934,010)	(12,712,050)
Net Trading Gain/Loss	39,748	(5,383)

3. Information on income from other operations

	Current Period	Prior Period
Provisions of prior year	18,141	9,210
Provision for communication expenses	2,306	1,344
Gain on sales of assets	-	987
Other income	513	6,621
Total	20,960	18,162

4. Information on impairment in loans

	Current Period	Prior Period
Expected Credit Loss Provisions	504	1,798
12 month expected credit loss (stage 1)	62	2
Significant increase in credit risk (stage 2)	143	583
Non-performing loans (stage 3)	299	1,213
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value Through Other	-	-
Comprehensive Income	-	-
Subsidiaries, Associates and Entities under Common Control	-	-
Provision Expenses for Impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	-	-
Total	504	1,798

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 CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

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

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

7. Information on other operating expense

	Current Period	Prior Period
Employee Termination Benefits Expense	3,765	2,232
Employee Benefits Expense	21,902	4,560
Tangible Fixed Asset Impairment Expense	-	-
Amortization Expenses of Tangible Assets	3,561	1,552
Intangible Fixed Asset Impairment Expense	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	1,637	388
Shareholders Equity Procedure Applied Equity Interest Impairment Expense	-	-
Disposable Fixed Asset Impairment Expense	-	-
Amortization Expense of Assets Held for Resale	-	-
Impairment Expense related to Fixed Assets held for sale and discontinued operations	-	-
Other Operating Expenses	38,488	26,414
<i>Operating Lease Expenses out of the scope of IFRS 16</i>	156	98
<i>Maintenance Expenses</i>	10,087	7,173
<i>Advertisement Expenses</i>	232	455
<i>Other Expenses</i>	28,013	18,688
Losses from sales of Assets	-	-
Other ⁽¹⁾	17,009	10,145
Total	86,362	45,291

(1) Other operating expenses consist of taxes, duties, fees and funds amounting to TL 5,368, audit and consultancy fees amounting to TL 3,786, SDIF expenses amounting to TL 2,106 and other operating expenses amounting to TL 5,749. (31 March 2023: Other operating expenses consist of taxes, duties, fees and funds amounting to TL 3,555, audit and consultancy fees amounting to TL 1,685, SDIF expenses amounting to TL 1,258 and other operating expenses amounting to TL 3,647).

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

The pre-tax income amount from continued operations is TL 40,905(31 March 2023: TL 21,375).

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 period, current taxation provision amount from continued 8,137. (31 March 2023: None.) and the net impact of deferred tax income is TL 4,325 (31 March 2023: TL 4,870 deferred tax income).

Deferred tax charge arising from origination or reversal of temporary differences

The deferred tax income arising from origination of temporary differences is TL 4,325 (31 March 2023: TL 4,870 deferred tax income).

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

The deferred tax income reflected in the income statement computed over temporary difference and tax deductions and exemptions is TL 4,325 (31 March 2023: TL 4,870 deferred tax income).

ARAP TÜRK BANKASI A.Ş.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**IV. INFORMATION AND FOOTNOTES RELATED TO CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)****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 37,093 (31 March 2023: TL 16,505).

11. Information on net profit or loss of the period

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

None.

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

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

Profit/loss regarding minority rights

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

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

Other accounts which exceed the 10% of the income statement, other than other operating income and other operating expense, amounting to TL 39,922 consist of transfer commissions, letter of credit commissions and other. (31 March 2023: TL 21,114).

	Current Period	Prior Period
Letter of Credit Commissions	26,274	13,970
Transfer Commissions	9,591	5,124
Other	4,057	2,020
Total	39,922	21,114

ARAP TÜRK BANKASI A.Ş.**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024**

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)**V. INFORMATION ON THE GROUP'S RISK GROUP****1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period***Information on the loans of the Group's risk group*

Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	-	-	-	66,066	249	772,553
Balance at the end of the period	-	-	-	228,735	21,691	895,796
Interest and Commission Income received ⁽²⁾	-	-	-	-	-	-

⁽¹⁾ Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.⁽²⁾ Loans given to the Parent Bank's direct and indirect shareholders are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.**Prior Period**

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

⁽¹⁾ Stated at the 2nd clause of the 49 nth article of the Law No. 5411 of Bank's Act.⁽²⁾ Loans given to the Parent Bank's direct and indirect shareholders are composed of forfeiting and letter of credit transactions which the interest and commission income are obtained not from the risk group but from the exporting firms.

The Group has borrowings from its risk group amounting to TL 2,744,259 (31 December 2023: TL 1,471,910). Interest expense amounting to TL 29,218 has been incurred in the current period. (31 March 2023: TL 11,092).

Information on deposits of the Group's risk group

Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the period	-	-	176,134	145,737	117,851	742,284
Balance at the end of the period	-	-	263,715	176,134	189,914	117,851
Interest expense on deposits	-	-	-	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 Group's risk group**

None.

Information on benefits provided for top level management:

The total amount of salaries and similar benefits provided by the Group to its top management is TL 75,458 (31 March 2023: TL 18,199).

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX

INDEPENDENT AUDITOR’S REVIEW REPORT

I. INFORMATION ON INDEPENDENT AUDITOR’S REVIEW REPORT

As at and for the period ended 31 March 2024, the consolidated financial statements have been reviewed by PwC Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the review report dated 10 May 2024 is presented before the consolidated financial statements.

II. INFORMATION AND FOOTNOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

ARAP TÜRK BANKASI A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

SECTION SEVEN

EXPLANATIONS ON INTERIM INDEPENDENT AUDITOR'S REVIEW REPORT

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

While the central banks of developed countries, especially the FED and the European Central Bank, kept interest rates constant in the global economy in the first quarter of 2024, macro data for the US economy were followed closely. While inflation in the US economy was at 3.5% in the first quarter of the year, headline inflation in the Eurozone decreased to 2.4% in the same period. Eurozone inflation, which is lower than expectations, signals that the European Central Bank may start interest rate cuts before the FED. If the high course of inflation continues longer than expected, it is expected that the FED will start the interest rate reduction process in the second half of the year and will reduce interest rates twice in total throughout the year. The Chinese economy grew by 5.3% in the first quarter of the year, despite the pressure of the crisis in the real estate market on economic activity. In the rest of the year, the impact of Middle East-related concerns in the global economy on global inflation and commodity prices will be monitored.

The Turkish economy exhibited a growth performance of 4.5% in 2023 with the support of domestic demand. With the current economic management and rational policies, the main priority in the economy is to fight inflation, and it is aimed to support growth with internal resources with external resources. In the first quarter of the year, headline inflation increased to 68.5% with the increase in food prices. The Central Bank increased 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 decreased from 45.2 billion dollars at the end of 2023 to 37.5 billion dollars, with the support of 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 the macroprudential measures and liraization strategy that have been put into effect since the second quarter of last year in order to support financial stability and strengthen monetary transmission mechanisms, continued to support the Turkish economy in the past period of 2023. As of the end of February 2024, the sector's asset size increased by 4.9 percent compared to the end of the year and reached 24,662 billion TL, while loan and deposit volumes reached 12,366 billion TL and 15,140 billion TL, respectively. At the end of February 2024, the net period profit of the sector increased slightly by 14.0 percent compared to the same period last year and reached 74.7 billion TL. As a result of these results, the return on equity ratio was realized at 38.8 percent on an annual basis.

At the end of the first quarter of 2024, our Group's asset size and total equity were 16.7 billion TL and 2.2 billion TL, respectively, and our consolidated capital adequacy standard ratio maintained its strong outlook at 17.63%.

Continuing the contribution to the country's economy with the target of "sustainable healthy growth" without compromising effective risk and liquidity management will continue to be our basic working principle in the coming period, as it has been until today. Improving the information technologies and automation infrastructure in our business processes, increasing service quality and maximizing operational efficiency by ensuring full compliance with corporate governance principles will be the priority issues of the coming period.

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 CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

II. Financial Highlights of the Group

Assets (Thousand TL) (1)	31.03.2024	31.12.2023
Financial Assets (Net) (2)	7.300.917	6.562.122
Financial Assets Measured at Amortized Cost (Net) (3)	8.153.501	7.841.840
Property and Equipment (Net)	1.000.888	1.000.361
Intangible Assets (Net)	14.721	15.838
Deferred Tax Assets	2.987	539
Other Assets(Net)	276.617	142.901
Total Assets	16.749.631	15.563.601
Liabilities (Thousand TL) (1)	31.03.2024	31.12.2023
Deposits	8.236.447	6.914.227
Funds Borrowed	5.841.692	5.994.220
Derivative Financial Liabilities	77	0
Lease Liabilities (Net)	7.485	6.459
Provisions	191.903	198.165
Current Tax Liability	27.532	23.737
Deferred Tax Liability	56.692	77.840
Shareholders' Equity	2.193.286	2.201.737
Other Liabilities	201.896	160.953
Total Liabilities	16.757.010	15.577.338
Off Balance Sheet Commitments (Thousand TL)	31.03.2024	31.12.2023
Guarantees and Warranties	12,080,164	7,828,900
Commitments	237,123	101,934
Derivative Financial Instruments	293,412	0
Total Off Balance Sheet Commitments	12,610,699	7,930,834
Statement of Profit / Loss (Thousand TL)	31.03.2024	31.03.2023
Interest Income	300.984	201.958
Interest Expense (-)	112.725	59.333
Net Interest Income	188.259	142.625
Net Fees & Commission Income	43.945	24.740
Trading Income / Loss (Net) (+/-)	39.748	-5.383
Other Operating Income	20.960	18.162
Gross Operating Income	292.912	180.144
Expected Credit Loss (-)	504	1.798
Other Provisions Expenses (-)	9.636	18.146
Personnel Expense (-)	155.505	93.534
Other Operating Expenses (-)	86.362	45.291
Net Operating Income / Loss	40.905	21.375
Tax Provision (-)	3.812	4.870
Net Term Profit	37.093	16.505

- (1) Rediscounts have been added to all interest related items.
- (2) Cash and Cash Equivalents, Financial Assets Measured at Fair Value through Profit or Loss, Financial Assets Measured at Fair Value through other Comprehensive Income and Derivative Financial Assets.
- (3) Loans, Lease Receivables, Factoring Receivables, Financial Assets Measured at Amortized Cost and Allowance for Expected Credit Losses.

ARAP TÜRK BANKASI A.Ş.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2024

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

EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued)

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

- At the end of March 2024, the Group's asset size realized as TL 16,7 billion. In the period examined, the major items of the Bank's placements consist of net financial assets amounting to TL 7,301 million with 43.6% share and net financial assets as measured by the amortized cost of TL 8,154 million with 48.7% share.
- 86.9% of the consolidated liabilities are comprise of foreign sources. The most important part of external resources is deposits at the level of 8,236 million TL and loans received at the level of 5,842 million TL. The shareholders' equity, which constitutes 13.1% of the total liabilities, was realized as TL 2,193 million at the end of March 2024.
- Guarantees and warranties, which include letters of guarantee, letters of credit and other guarantees, increased 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 third quarter of 2024, the Group's net term profit realized as TL 37,1 million.
- During the period under review, the Group's net interest income and net fee & commission income increased by 32.0% and 77.6%, respectively.

IV. Information on Subsidiary Subject to Consolidation

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

V. Other Issues

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

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