

ARAP TÜRK BANKASI ANONİM ŞİRKETİ

**CONSOLIDATED FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2024
WITH AUDITOR'S REPORT**

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



**CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
(See Note I of Section Three)
INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Arap Türk Bankası A.Ş.

A. Audit of the Consolidated Financial Statements

1. Opinion

We have audited the accompanying consolidated financial statements of Arap Türk Bankası A.Ş. (the “Bank”), and its subsidiary (collectively referred to as the “Group”) which comprise the statement of consolidated balance sheet as at 31 December 2024, consolidated statements of profit and loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements and a summary of significant accounting policies and consolidated financial statement notes.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended 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 Board and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.

2. Basis for Opinion

Our audit was conducted in accordance with the “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the “SIA”) that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the “POA”). Our responsibilities under these standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We hereby declare that we are independent of the Group in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the “Ethical Rules”) and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the consolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.



3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key Audit Matters</i>	<i>How the key audit matter was addressed in the audit</i>
<p>Expected credit losses for loans and receivables</p> <p>The Group has total expected credit losses for loans and receivables amounting to TL 39,960 thousand in respect to total loans and receivables amounting to TL 7,266,802 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as at 31 December 2024.</p> <p>Explanations and notes related to expected credit losses for loans and receivables are presented in Section Three Part VII., Section Four Part II and X., Section Five Part I.6 in the accompanying consolidated financial statements as at 31 December 2024.</p> <p>The Group recognizes provision for impairment in accordance with "TFRS 9 Financial Instruments" ("TFRS 9") requirements and the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Group exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment.</p> <p>To determine expected credit losses as of 31 December 2024 the Group determines stage classification of loans by identifying significant increase in credit risk with quantitative and qualitative assessments disclosed in Section Three Part 8 in the accompanying consolidated financial statements and identification of default events disclosed in Section Four Part 2 in the accompanying consolidated financial statements.</p>	<p>With respect to stage classification of loans and receivables and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Group within the scope of our audit. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles.</p> <p>We checked appropriateness of matters considered in methodology applied by the Group with TFRS 9 for calculation of the provision amount through stage classification of loans and receivables. For forward looking assumptions made by the Group's management in its expected credit losses calculations, we held discussions with management, evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested model segmentation, lifetime probability of default model, exposure at default model, loss given default model and the approaches to reflecting reasonable and supportable forward looking expectations (including macroeconomic factors) with our financial risk experts.</p> <p>Our procedures also included the following:</p> <ul style="list-style-type: none"> • Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used and results of validation studies.

<i>Key Audit Matters</i>	<i>How the key audit matter was addressed in the audit</i>
<p>The Group uses complex models that requires data to be derived from multiple systems for determining significant increase in credit risk and calculation of TFRS 9 expected credit losses. These models contain judgement and estimations in regard to forward looking estimations, scenarios of macro-economic conditions and weighing of scenarios based on expert opinion.</p> <p>Information used in the individually or collectively assessment of expected credit loss such as historical loss experiences, current conditions and macroeconomic expectations should be supportable and appropriate.</p> <p>Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences, development and weighting of macro-economic scenarios; the significance of the loans and receivables balances; the classification of loans and receivables as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans and receivables. Therefore, this area is considered as key audit matter.</p>	<ul style="list-style-type: none"> • We have checked selected Probability of Default (PD) models used in determination of provisions for various credit portfolios with our financial risk experts by reperforming on a sample selection basis. • For a sample of exposures, we checked the accuracy of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations. We checked the calculation of the Loss Given Default (LGD) used by the Group in the expected credit losses calculation methodology, and tested collaterals. • We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. • We checked accuracy of resultant expected credit losses calculations. • To assess appropriateness of the Group's determination of staging for credit risk, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. • We evaluated the adequacy of the disclosures made in the consolidated financial statements regarding the provision for impairment of loans and receivables.



4. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Financial Reporting Legislation, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

5. Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error.

Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an independent audit conducted in accordance with “Regulation on Independent Audit of Banks” published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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



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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other Responsibilities Arising From Regulatory Requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to 31 December 2024 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

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 December 2024. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 17 February 2025

ARAP TÜRK BANKASI A.Ş. CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 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 financial report as of and for the year period ended 31 December 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 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 FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITOR'S REPORT

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

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

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

Yasin Öztürk
*Chairman of the Board of
Directors*

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

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

Hüseyin Serdar Yücel
*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*

Cem Berk Bayer
Group Manager

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

Name / Title: Utku Çelik / Unit Manager

Phone No : 0 212 225 05 00

Fax No : 0 212 225 05 26

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	1
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	1
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	2
IV.	Information on people and entities who have qualified share in the parent bank	2
V.	Information about the services and nature of activities of the parent bank	2
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	3
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	3

SECTION TWO
Consolidated Interim Financial Statements

I.	Consolidated Balance Sheet-Assets	4
II.	Consolidated Balance Sheet-Liabilities	5
III.	Consolidated Off balance Sheet Commitments	6
IV.	Consolidated Statement of Profit or Loss	7
V.	Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
VI.	Consolidated Statement of Changes in Shareholders' Equity	9-10
VII.	Consolidated Statement of Cash Flows	11
VIII.	Statement of Profit Distribution	12

SECTION THREE
Explanations on Accounting Policies

I.	Explanations for basis of presentation	13
II.	Information on strategy for the use of financial instruments and foreign currency transactions	14
III.	Explanations on investments in associates and subsidiaries	14
IV.	Information on forward transactions, options and derivative instruments	15
V.	Information on interest income and expense	15
VI.	Information on fees and commission	15
VII.	Information on financial assets	15-19
VIII.	Information on offsetting financial instruments	19
IX.	Information on sale and repurchase agreements and lending of financial assets	19
X.	Information on assets held for sale and related to discontinued operations and explanations on liabilities related with these assets	20
XI.	Information on goodwill and other intangible assets	20
XII.	Information on tangible assets	21
XIII.	Information on leasing activities	21-22
XIV.	Information on provisions, contingent liabilities and contingent assets	22
XV.	Information on liabilities regarding employee benefits	23
XVI.	Information on tax applications	23-24
XVII.	Additional information on borrowings	24
XVIII.	Information on share issuances	25
XIX.	Information on bills of exchanges and acceptances	25
XX.	Information on government incentives	25
XXI.	Cash and cash equivalents	25
XXII.	Information on segment reporting	25
XXIII.	Other disclosures	25

SECTION FOUR
Information on the Financial Position of the Group

I.	Information on Shareholder's equity	26-29
II.	Information on credit risk	30-40
III.	Information on consolidated foreign currency exchange rate risk	41-43
IV.	Information on consolidated interest rate risk	43-46
V.	Information on consolidated stock position risk	47
VI.	Information on consolidated liquidity risk management	47-53
VII.	Explanations on leverage ratio	54-55
VIII.	Information on fair values of financial assets and liabilities	55-57
IX.	Transactions On Behalf And Account Of Others And Faith-Based Transactions	57
X.	Information on risk management	58-68
XI.	Information on consolidated operating segment	69

SECTION FIVE
Information on Disclosures and Footnotes of Consolidated Financial Statements

I.	Information on disclosures and footnotes of consolidated assets	70-83
II.	Information and disclosures related to consolidated liabilities	83-89
III.	Information and disclosures related to consolidated off-balance sheets	90-92
IV.	Information and footnotes related to consolidated statement of profit or loss	92-96
V.	Information and disclosures related to statement of changes in shareholders' equity	97
VI.	Information and footnotes related to cash flows statement	98
VII.	Information on the group's risk group	99
VIII.	Domestic, foreign and off shore branches or investment and foreign representative offices	100
IX.	Fees related with the services provided by independent auditors/independent audit agencies	100
X.	Explanations and notes related to subsequent events	100

SECTION SIX
Independent Auditors' Report

I.	Information on independent auditors' report	101
II.	Information and footnotes prepared by the independent auditor	101

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 December 2024, the Parent Bank's share capital at the balance sheet date as follows⁽²⁾:

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

(1) Emek İnşaat ve İşletme A.Ş. has 0.0000014% share in the paid capital by TL 6.20 (full digit in TL) (31 December 2023: 0.0000014% share and TL 6.20 (full digit in TL).

(2) At the Extraordinary General Assembly held on December 4, 2024, the bank decided to increase its paid-in capital by TL 2,140,000 (TL 1,070,000 from internal resources and TL 1,070,000 from external resources), and the legal process is ongoing.

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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

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	Vice Chairman of the Board of Directors and Chairman of the Audit Committee
Wail J. A. Belgasem	Member of the Board of Directors and General Manager
Selen Giyim	Member of the Board of Directors and Member of Audit Committee
İmge Hilal Soyluoğlu Canlı	Member of the Board of Directors
Hüseyin Serdar Yücel	Member of the Board of Directors
Nouri Ali Mohamed Aboflega	Member of the Board of Directors
Abdulkhalek Hussein Ergei	Member of the Board of Directors

Aflah Omar Magsi resigned from his position on July 18, 2024. Abdalkhalig Mohamed M. Ibrahim assumed the role on January 16, 2025.

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 and Support Services

Ahmed Fraj Abdullah Ferjani, who was responsible for Treasury, Financial Institutions, Sales & Marketing, and Operations, resigned from his position on July 10, 2024.

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

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

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

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

The 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 four branches; two in Istanbul, one in Ankara and one in Gaziantep and has share participations in a subsidiary operating in financial leasing business.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

GENERAL INFORMATION ABOUT THE PARENT BANK (Continued)

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

- I. CONSOLIDATED BALANCE SHEET-ASSETS
- II. CONSOLIDATED BALANCE SHEET-LIABILITIES
- III. CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
- IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS
- V. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
- VI. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS'EQUITY
- VII. CONSOLIDATED STATEMENT OF CASH FLOWS
- VIII. STATEMENT OF PROFIT DISTRIBUTION

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF 31 DECEMBER 2024

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

I- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		CURRENT PERIOD			PRIOR PERIOD		
ASSETS		31.12.2024			31.12.2023		
	Note	TL	FC	TOTAL	TL	FC	TOTAL
I. FINANCIAL ASSETS (Net)		518,649	7,488,699	8,007,348	593,135	5,968,987	6,562,122
1.1 Cash and Cash Equivalents	(1)	189,393	6,894,898	7,084,291	229,180	4,225,442	4,454,622
1.1.1 Cash and Balances with Central Bank		10,474	4,122,804	4,133,278	204,969	2,952,865	3,157,834
1.1.2 Banks	(4)	111,586	2,772,104	2,883,690	25,863	1,272,599	1,298,462
1.1.3 Money Markets		70,092	-	70,092	-	-	-
1.1.4 Expected Credit Loss (-)		2,759	10	2,769	1,652	22	1,674
1.2 Financial Assets Measured at Fair Value Through Profit or Loss	(2)	-	-	-	-	-	-
1.2.1 Government Securities		-	-	-	-	-	-
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5)	329,256	593,801	923,057	363,955	1,743,545	2,107,500
1.3.1 Government Securities		329,032	555,529	884,561	363,731	1,584,952	1,948,683
1.3.2 Equity Securities		224	2,170	2,394	224	11,789	12,013
1.3.3 Other Financial Assets		-	36,102	36,102	-	146,804	146,804
1.4 Derivative Financial Assets	(3)	-	-	-	-	-	-
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit or Loss		-	-	-	-	-	-
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		1,093,822	9,303,491	10,397,313	845,644	6,996,196	7,841,840
2.1 Loans	(6)	952,182	4,878,693	5,830,875	677,810	2,581,297	3,259,107
2.2 Lease Receivables	(11)	134,497	1,301,430	1,435,927	146,402	1,074,490	1,220,892
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost	(7)	44,086	3,128,476	3,172,562	41,191	3,345,584	3,386,775
2.4.1 Government Securities		44,086	2,892,450	2,936,536	41,191	2,952,892	2,994,083
2.4.2 Other Financial Assets		-	236,026	236,026	-	392,692	392,692
2.5 Expected Credit Loss (-)		36,943	5,108	42,051	19,759	5,175	24,934
III. ASSETS HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(17)	-	-	-	-	-	-
3.1 Held for Sale Purpose		-	-	-	-	-	-
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		-	-	-	-	-	-
4.1 Associations (Net)	(8)	-	-	-	-	-	-
4.1.1 Associates Accounted Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2 Subsidiaries (Net)	(9)	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	(10)	-	-	-	-	-	-
4.3.1 Joint Ventures Accounted Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(13)	1,441,993	-	1,441,993	1,000,361	-	1,000,361
VI. INTANGIBLE ASSETS (Net)	(14)	16,257	-	16,257	15,838	-	15,838
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		16,257	-	16,257	15,838	-	15,838
VII. INVESTMENT PROPERTY (Net)	(15)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET	(16)	-	-	-	13,737	-	13,737
IX. DEFERRED TAX ASSET	(16)	2,296	-	2,296	539	-	539
X. OTHER ASSETS (Net)	(18)	109,244	81,102	190,346	44,147	98,754	142,901
TOTAL ASSETS		3,182,261	16,873,292	20,055,553	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 DECEMBER 2024

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

II- BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		CURRENT PERIOD 31.12.2024			PRIOR PERIOD 31.12.2023		
LIABILITIES	Note	TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(1)	150,268	10,321,863	10,472,131	88,327	6,825,900	6,914,227
II. FUNDS BORROWED	(3)	33,505	6,108,716	6,142,221	2,194	5,992,026	5,994,220
III. MONEY MARKETS		-	-	-	-	-	-
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)	-	55	55	-	-	-
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	55	55	-	-	-
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(5)	1,344	881	2,225	5,154	1,305	6,459
X. PROVISIONS	(7)	179,095	24,187	203,282	178,667	19,498	198,165
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		114,820	-	114,820	96,349	-	96,349
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		64,275	24,187	88,462	82,318	19,498	101,816
XI. CURRENT TAX LIABILITY	(8)	72,968	-	72,968	23,737	-	23,737
XII. DEFERRED TAX LIABILITY		90,715	-	90,715	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)	91,970	283,406	375,376	33,028	127,925	160,953
XVI. SHAREHOLDERS' EQUITY	(9)	2,694,829	1,751	2,696,580	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		1,029,335	-	1,029,335	684,737	-	684,737
16.4 Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		(143,054)	1,751	(141,303)	(128,054)	35,060	(92,994)
16.5 Profit Reserves		79,232	-	79,232	70,425	-	70,425
16.5.1 Legal Reserves		79,231	-	79,231	70,424	-	70,424
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		1	-	1	1	-	1
16.5.4 Other Profit Reserves		-	-	-	-	-	-
16.6 Profit or (Loss)		1,289,316	-	1,289,316	1,099,569	-	1,099,569
16.6.1 Prior Periods' Profit or (Loss)		1,090,762	-	1,090,762	936,917	-	936,917
16.6.2 Current Period Profit or (Loss)		198,554	-	198,554	162,652	-	162,652
TOTAL LIABILITIES		3,314,694	16,740,859	20,055,553	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 DECEMBER 2024

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

			CURRENT PERIOD			PRIOR PERIOD		
III-OFF-BALANCE SHEET COMMITMENTS (I-II-III)			31.12.2024			31.12.2023		
		Note	TL	FC	TOTAL	TL	FC	TOTAL
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		1,102,370	15,459,337	16,561,707	895,557	12,693,107	13,588,664
I.	GUARANTEES AND WARRANTIES	(1) (2) (3) (4)	1,093,862	15,203,695	16,297,557	885,541	12,427,120	13,312,661
1.1	Letters of Guarantee		1,093,862	10,332,269	11,426,131	885,541	9,196,649	10,082,190
1.1.1	Guarantees Subject to State Tender Law		81,714	239	81,953	9,714	-	9,714
1.1.2	Guarantees Given for Foreign Trade Operations		10,762	10,129,605	10,140,367	327,034	9,135,507	9,462,541
1.1.3	Other Letters of Guarantee		1,001,386	202,425	1,203,811	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		-	4,871,426	4,871,426	-	3,001,706	3,001,706
1.3.1	Documentary Letters of Credit		-	-	-	-	-	-
1.3.2	Other Letters of Credit		-	4,871,426	4,871,426	-	3,001,706	3,001,706
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees on Marketable Security Issuance		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	228,765	228,765
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(1)	8,508	224,355	232,863	10,016	265,987	276,003
2.1	Irrevocable Commitments		908	5,748	6,656	594	56,314	56,908
2.1.1	Asset Purchase and Sale Commitments		-	-	-	-	-	-
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		-	-	-	-	-	-
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		908	-	908	594	-	594
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10	Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		-	5,748	5,748	-	56,314	56,314
2.2	Revocable Commitments		7,600	218,607	226,207	9,422	209,673	219,095
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		7,600	218,607	226,207	9,422	209,673	219,095
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5)	-	31,287	31,287	-	-	-
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		-	31,287	31,287	-	-	-
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		-	31,287	31,287	-	-	-
3.2.2.1	Foreign Currency Swap-Buy		-	15,498	15,498	-	-	-
3.2.2.2	Foreign Currency Swap-Sell		-	15,789	15,789	-	-	-
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)		2,926,733	17,103,414	20,030,147	2,001,341	13,087,445	15,088,786
IV.	ITEMS HELD IN CUSTODY		5,981	-	5,981	21,407	-	21,407
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		-	-	-	-	-	-
4.3	Checks Received for Collection		5,981	-	5,981	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		2,920,752	17,103,414	20,024,166	1,979,934	13,087,445	15,067,379
5.1	Marketable Securities		-	-	-	-	-	-
5.2	Guarantee Notes		16,820	841,211	858,031	18,820	662,799	681,619
5.3	Commodity		-	-	-	-	-	-
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		106,394	853,783	960,177	81,394	712,404	793,798
5.6	Other Pledged Items		2,797,538	15,408,420	18,205,958	1,879,720	11,712,242	13,591,962
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			4,029,103	32,562,751	36,591,854	2,896,898	25,780,552	28,677,450

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

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF 31 DECEMBER 2024

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

IV. -STATEMENT OF PROFIT OR LOSS		Note	Current Period 01.01.2024- 31.12.2024	Current Period 01.01.2023- 31.12.2023
I.	INTEREST INCOME	(1)	1,379,612	972,037
1.1	Interest on Loans		722,269	442,981
1.2	Interest on Reserve Requirements		15,984	3,267
1.3	Interest on Banks		120,731	53,724
1.4	Interest on Money Market Transactions		7,623	-
1.5	Interest on Marketable Securities Portfolio		324,412	356,075
1.5.1	Fair Value Through Profit or Loss		-	-
1.5.2	Fair Value Through Other Comprehensive Income		103,247	157,495
1.5.3	Measured at Amortised Cost		221,165	198,580
1.6	Financial Lease Income		187,991	114,339
1.7	Other Interest Income		602	1,651
II.	INTEREST EXPENSE (-)	(2)	456,886	339,454
2.1	Interest on Deposits		115,531	71,163
2.2	Interest on Funds Borrowed		341,355	204,577
2.3	Interest Expense on Money Market Transactions		-	11,972
2.4	Interest on Securities Issued		-	-
2.5	Lease Interest Expenses		-	-
2.6	Other Interest Expenses		-	51,742
III.	NET INTEREST INCOME (I - II)		922,726	632,583
IV.	NET FEES AND COMMISSIONS INCOME		245,892	143,694
4.1	Fees and Commissions Received		273,333	158,491
4.1.1	Non-cash Loans		60,177	34,362
4.1.2	Other		213,156	124,129
4.2	Fees and Commissions Paid		27,441	14,797
4.2.1	Non-cash Loans		54	25
4.2.2	Other		27,387	14,772
V.	DIVIDEND INCOME	(3)	206	97
VI.	TRADING INCOME /(LOSS) (Net)	(4)	54,959	14,328
6.1	Trading Gains / (Losses) on Securities		35,747	(13,218)
6.2	Gains / (Losses) on Derivative Financial Transactions		(463)	(10,925)
6.3	Foreign Exchange Gains / (Losses)		19,675	38,471
VII.	OTHER OPERATING INCOME	(5)	37,781	35,104
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)		1,261,564	825,806
IX.	EXPECTED CREDIT LOSS (-)	(6)	21,858	66,453
X.	OTHER PROVISION EXPENSE (-)	(7)	22,493	28,882
XI.	PERSONNEL EXPENSE (-)		649,360	411,869
XII.	OTHER OPERATING EXPENSES (-)	(8)	315,994	216,032
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		251,859	102,570
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES		-	-
XVI.	CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVII.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XVIII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XII+...+XV)	(9)	251,859	102,570
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)	(53,305)	60,082
18.1	Current Tax Provision		(128,750)	(2,943)
18.2	Deferred Tax Income Effect (+)		162,955	161,188
18.3	Deferred Tax Expense Effect (-)		238,400	224,213
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVI±XVII)	(11)	198,554	162,652
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)	(12)	198,554	162,652
25.1	Group Profit / Loss		198,554	162,652
25.2	Minority Interest Profit / Loss(-)		-	-
	Earning/(Loss) per share (in TL full)		0.0045	0.0037

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

ARAP TÜRK BANKASI A.Ş.**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 31 DECEMBER 2024**

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

V.-STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Current Period	Prior Period
		1 January- 31 December 2024	1 January- 31 December 2023
I.	CURRENT PERIOD PROFIT/LOSS	198,554	162,652
II.	OTHER COMPREHENSIVE INCOME	296,289	166,869
2.1	Other Comprehensive Income That will Not Be Reclassified To Profit or Loss	344,598	251,517
2.1.1	Tangible Assets Revaluation Increase/Decrease	455,394	407,504
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	(2,821)	(13,480)
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	(107,975)	(142,507)
2.2	Reclassified to Profit or Loss	(48,309)	(84,648)
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	(69,721)	(123,365)
2.2.3	Comprehensive Income	-	-
2.2.4	Cash Flow Hedge Income/Loss	-	-
2.2.5	Foreign Net Investment Hedge Income/Loss	-	-
	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	21,412	38,717
III.	TOTAL COMPREHENSIVE INCOME (I+II)	494,843	329,521

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 YEAR ENDED AT 31 DECEMBER 2024

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

					Other Comprehensive Income/ Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/ Expense Items to be Recycled to Profit or Loss						
VI. - STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in capital	Share premium	Share certificate cancel profits	Other capital reserves	1	2	3	4	5	6	Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total Equity
CURRENT PERIOD														
31 December 2024														
I. Balance at the beginning of the period	440,000	-	-	-	700,283	(15,546)	-	-	(92,994)	-	70,425	936,917	162,652	2,201,737
II. Adjustment in accordance with TMS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	440,000	-	-	-	700,283	(15,546)	-	-	(92,994)	-	70,425	936,917	162,652	2,201,737
IV. Total comprehensive income (loss)	-	-	-	-	347,384	(2,786)	-	-	(48,309)	-	-	-	198,554	494,843
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	8,807	153,845	(162,652)	-
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2. Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	8,807	153,845	(162,652)	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances (III+IV+..... +X+XI)	440,000	-	-	-	1,047,667	(18,332)	-	-	(141,303)	-	79,232	1,090,762	198,554	2,696,580

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

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

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED AT 31 DECEMBER 2024

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

VI. - STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in capital	Share premium	Share certificate cancel profits	Other capital reser	Other Comprehensive Income/ Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/ Expense Items to be Recycled to Profit or Loss			Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total Equity
					1	2	3	4	5	6				
PRIOR PERIOD														
31 December 2023														
II. Balance at the beginning of the period	440,000	-	-	-	460,923	(27,703)	-	-	(8,346)	-	58,681	733,323	215,338	1,872,216
II. Adjustment in accordance with TMS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. New balance (I+II)	440,000	-	-	-	460,923	(27,703)	-	-	(8,346)	-	58,681	733,323	215,338	1,872,216
IV. Total comprehensive income (loss)	-	-	-	-	239,360	12,157	-	-	(84,648)	-	-	-	162,652	329,521
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit distribution	-	-	-	-	-	-	-	-	-	-	11,744	203,594	(215,338)	-
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2. Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	11,744	203,594	(215,338)	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances (III+IV+..... +X+XI)	440,000	-	-	-	700,283	(15,546)	-	-	(92,994)	-	70,425	936,917	162,652	2,201,737

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

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

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AT 31 DECEMBER 2024

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

VII-STATEMENT OF CASH FLOWS		Note	Current Period 01.01.2024 - 31.12.2024	Prior Period 01.01.2023 - 31.12.2023
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		(135,588)	(405,416)
1.1.1	Interest Received		1,280,745	854,934
1.1.2	Interest Paid		(509,866)	(366,143)
1.1.3	Dividend Received		206	-
1.1.4	Fees and Commissions Received		273,333	158,491
1.1.5	Other Income		97,374	58,059
1.1.6	Collections from Previously Written-off Loans and Other Receivables		194	276
1.1.7	Payments to Personnel and Service Suppliers		(827,088)	(532,716)
1.1.8	Taxes Paid		7,044	85,532
1.1.9	Other	(1)	(457,530)	(663,849)
1.2	Changes in Operating Assets and Liabilities		(274,449)	(592,446)
1.2.1	Net Increase/Decrease in Financial Assets at Fair Value Through Profit or Loss		30,927	129,830
1.2.2	Net (increase) / decrease in due from banks and other financial institutions		-	-
1.2.3	Net (increase) / decrease in loans		(2,032,754)	947,981
1.2.4	Net (increase) / decrease in other assets		(47,406)	(50,258)
1.2.5	Net increase / (decrease) in bank deposits	(1)	480,881	(773,525)
1.2.6	Net increase / (decrease) in other deposits		1,703,123	(551,032)
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		(368,980)	256,576
1.2.9	Net increase / (decrease) in payables		-	-
1.2.10	Net increase / (decrease) in other liabilities	(1)	(40,240)	(552,018)
I.	Net Cash Provided from Banking Operations		(410,037)	(997,862)
B.	CASH FLOWS FROM INVESTMENT ACTIVITIES			
II.	Net Cash Provided from Investing Activities		1,821,103	1,012,311
2.1	Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2	Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3	Purchases of tangible assets		(214,985)	(183,855)
2.4	Disposals of tangible assets		105	5,377
2.5	Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		-	(1,319,207)
2.6	Sale of Financial Assets at Fair Value Through Other Comprehensive Income		1,257,132	1,198,187
2.7	Purchase of Financial Assets Measured at Amortised Cost		-	(537,011)
2.8	Sale of Financial Assets Measured at Amortised Cost		785,990	1,852,963
2.9	Other		(7,139)	(4,143)
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Provided from Financing Activities		(2,182)	(1,510)
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		(2,182)	(1,510)
3.6	Other		-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(1)	575,730	947,661
V.	Net Decrease/ Increase in Cash and Cash Equivalents (I+II+III+IV)	(1)	1,984,614	960,600
VI.	Cash and Cash Equivalents at the Beginning of the Period	(1)	2,597,640	1,637,040
VII.	Cash and Cash Equivalents at the End of the Period	(1)	4,582,254	2,597,640

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

ARAP TÜRK BANKASI A.Ş.

CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION TABLE FOR THE YEAR ENDED 31 DECEMBER 2024

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

	Current Period(***) 31 December 2024	Prior Period 31 December 2023 ^(*)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	229,770	103,922
1.2 TAZES AND DUTIES PAYABLE(-)	(47,582)	52,735
1.2.1 Corporate Tax (Income Tax)	(117,155)	-
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	69,573	52,735
A. NET INCOME FOR THE YEAR (1.1-1.2)	182,188	156,657
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	7,833
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	182,188	148,824
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 STATUTORY RESERVES (-)	-	-
1.11 GENERAL RESERVES	-	-
1.12 OTHER RESERVES	-	-
1.13 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1 To owners of ordinary shares	-	-
2.2.2 To owners of preferred shares	-	-
2.2.3 To owners of preferred shares (preemptive rights)	-	-
2.2.4 To profit sharing bonds	-	-
2.2.5 To holders of profit and loss sharing certificates	-	-
2.3 DIVIDENDS TO PERSONNEL (-)	-	-
2.4 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	0,0041	0,0036
3.2 TO OWNERS OF ORDINARY SHARES (%)	0,41	0,36
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILAGED SHARES	-	-
4.4 TO OWNERS OF PRIVILAGED SHARES (%)	-	-

(*) The profit distribution table for the previous period was finalised with the decision of the Ordinary General Assembly after the independently audited financial statements dated 31 December 2023 were published and restated accordingly.

(**) The Profit Distribution Table has been prepared based on the Parent Bank's unconsolidated financial statements.

(***) The Bank's authorized body for profit distribution is the General Assembly. As of the date these financial statements were prepared, the annual Ordinary General Assembly meeting has not yet been held.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS FOR BASIS OF PRESENTATION

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

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

With the announcement dated 23 November 2023, POA announced that the financial statements of the entities applying the Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2024 should be prepared in accordance with the Financial Reporting Standard in Hyperinflationary Economies ("TAS 29"), however, institutions or organisations authorised to regulate and supervise in their fields may determine different transition dates for the implementation of TAS 29. Based on this announcement of POA, BRSA has decided not to subject the financial statements of banks and financial leasing, factoring, financing, savings finance and asset management companies as of 31 December 2024 to inflation adjustment required under TAS 29 with its decision dated 12 December 2023 and numbered 10744. In accordance with the decision of BRSA dated 11 January 2024 and numbered 10825; banks, financial leasing, factoring, financing, savings financing and asset management companies will apply inflation accounting as of 1 January 2025. Accordingly, the unconsolidated financial statements as at 31 December 2024 have not been restated in accordance with TAS 29 Financial Reporting in Hyperinflationary Economies. However, in accordance with the Banking Regulation and Supervision Agency's (BRSA) decision dated December 5, 2024, and numbered 11021, banks, as well as financial leasing, factoring, financing, savings financing, and asset management companies, will not apply inflation accounting in 2025.

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

The financial statements are prepared on the cost basis except for real estate and financial assets and liabilities which are shown at their fair values.. The accounting policies and valuation principles followed for the correct understanding of the financial statements are explained in Notes II to XXIV.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

The Group's transactions in foreign currencies are carried out in accordance with the Turkish Accounting Standards.

21 of TAS 21 - The Effects of Changes in Foreign Exchange Rates, foreign exchange gains and losses arising from foreign currency transactions are translated into Turkish Lira at the exchange rates prevailing at the dates of the transactions and recognized in the records.

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

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

The accompanying consolidated financial statements are prepared in accordance with “Communiqué on Preparation of Consolidated Financial Statements” which is published in the Official Gazette No. 26340 dated 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 the all items of assets, liabilities, income, expenses and off-balance sheet items, in preparing consolidated financial statements. Minority interests are presented separately in the consolidated balance sheet and consolidated statement of income.

The major principles applied in the consolidation of subsidiaries

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IV. INFORMATION ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

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

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

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

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

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

VII. INFORMATION ON FINANCIAL ASSETS

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income

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

Financial assets at fair value through other comprehensive income are initially recognised at fair value plus transaction costs. Financial assets at fair value through other comprehensive income are subsequently measured at fair value. Interest income calculated using the effective interest method on marketable securities at fair value through other comprehensive income and dividend income on marketable securities representing a share in capital are recognised in the statement of profit or loss. The difference between the fair value and the amortised cost of financial assets at fair value through other comprehensive income, i.e. "Unrealised gains and losses", is not recognised in the statement of profit or loss until the collection of the fair value of the financial asset, sale, disposal or impairment of the financial asset, or until the asset is sold, disposed of or impaired, whichever occurs first. "Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss" account. When these securities are collected or disposed of, the accumulated fair value differences reflected in equity are recognised in the statement of profit or loss.

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

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

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

c. Financial Assets Measured at Amortized Cost

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

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

d. Loans

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

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

Bank’s loans measured at amortized cost account.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment

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

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

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

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

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

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

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

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

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

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

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

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment (Continued)

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

Definition of Default

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

These conditions have stated below:

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

Significant increase in credit risk definition

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

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

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

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

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON FINANCIAL ASSETS (Continued)

e. Impairment (Continued)

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

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

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

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

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

VIII. INFORMATION ON OFFSETTING FINANCIAL INSTRUMENTS

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

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

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

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

Securities subject to repurchase 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

The assets that meet the criteria of being classified under assets held for sale are measured at the lower of their book values or fair value less costs to be incurred for sale, depreciation for these assets is ceased and these assets are presented separately in the balance sheet. In order for an asset to be classified as an asset held for sale, the related asset (or the asset group to be disposed) shall be ready to be sold immediately under usual conditions and should have a high possibility to be sold. To have a high possibility of sale, a plan should *have* been made for the sale of the asset (or the asset group to be disposed) and an active program should have been started by the management, aiming to complete the plan and determine the buyers. The 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.

XI. INFORMATION ON GOODWILL AND OTHER INTANGIBLE ASSETS

There is no goodwill in the accompanying financial statements related to the acquisition of a subsidiary. The Group’s intangible assets consist of software.

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

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

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

XII. INFORMATION ON TANGIBLE ASSETS

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

While the Parent Bank is using the cost model under the TAS 16 “Property, Plant and Equipment” for the valuation of the property under tangible assets, the current year has been changed to the revaluation model in the valuation of the property in use. The property value in the appraisal report prepared by the appraisal company and the net book value the positive difference is monitored in equity accounts. A&T Financial Leasing started to implement the relevant change in 2019.

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

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XII. INFORMATION ON TANGIBLE ASSETS (Continued)

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.

XIII. INFORMATION ON LEASING ACTIVITIES

Finance leasing activities as the lessee

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

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

Explanations on TFRS 16 Leases

Group - as a tenant

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

Right-of-use asset

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

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

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

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

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIII. INFORMATION ON LEASING ACTIVITIES (Continued)

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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)**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	%3.00	%2.04
Inflation Rate	%25.55	%24.50

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

Other benefits to employees

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

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 to be applied to the corporate income for the accounting periods starting from January 1, 2023 and starting from the declarations to be submitted as of October 1, 2023.

Corporate tax rate is applied on the tax base which is calculated by adding non-deductible expenses and deducting exemptions and deductions in accordance with the tax laws to the commercial income of the corporations. If no profit is distributed, no further tax is payable.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. INFORMATION ON TAX APPLICATIONS (Continued)

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

The law numbered 7352 dated January 29, 2022 on the amendment of the Tax Procedure Law and the Corporate Tax Law was enacted in the Official Gazette numbered 31734 on January 29, 2022, and the financial statements will not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment within the scope of Repeated Article 298 are met in the 2021 and 2022 accounting periods, including the temporary accounting periods, and the temporary tax periods of the 2023 accounting period, December 31, 2024 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met. The provision added by Article 17 of Law No. 7491, following the third paragraph of temporary Article 33 of Law No. 213, states that 'Banks, companies within the scope of Law No. 6361 on Financial Leasing, Factoring, Financing, and Savings Financing Companies, payment and electronic money institutions, authorized exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies, are not taken into account in determining income for the fiscal periods, including temporary tax periods, in 2024 and 2025, regarding the profit/loss difference arising from the inflation adjustment.

In September 2023, the Public Oversight Accounting and Auditing Standards Authority (KGK) issued amendments to TAS 12 regarding the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes, introducing a mandatory exemption. These amendments were enacted to clarify that TAS 12 applies to income taxes arising from tax laws implemented or nearly certain to be implemented under the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development (OECD). Additionally, the amendments introduce specific disclosure requirements for entities affected by such tax laws. The exemption from recognizing and disclosing deferred taxes under this scope, as well as the requirement to disclose the application of this exemption, became effective immediately upon the publication of the amendments.

On July 16, 2024, a draft law was submitted to the Grand National Assembly of Türkiye (TBMM) to adopt the OECD's Global Minimum Tax (Pillar Two) regulations. These regulations came into effect through legislation published in the Official Gazette on August 2, 2024. The implementation in Türkiye largely aligns with the OECD's Pillar Two Model Rules, showing similarities in areas such as scope, exemptions, consolidation, tax calculations, and reporting deadlines. Although secondary regulations detailing calculation methods and implementation have not yet been published, preliminary assessments based on OECD regulations indicate that these changes are not expected to have a significant impact on the Bank's financial statements. Nevertheless, regulatory developments continue to be monitored.

Deferred tax

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

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

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

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

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

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

The Group did not issue any stocks convertible into bonds.

The Group does not have borrowing instruments issued by itself.

XVIII. INFORMATION ON SHARE ISSUANCES

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

XIX. INFORMATION ON BILLS OF EXCHANGES AND ACCEPTANCES

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

There are no acceptances presented as liabilities against any assets.

XX. INFORMATION ON GOVERNMENT INCENTIVES

None.

XXI. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturities of 3 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.

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.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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”.

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

SECTION FOUR

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP

Calculation of the equity and capital adequacy standard ratio is carried out in accordance with the provisions of the "Regulation on Measurement and Evaluation of the Capital Adequacy of Banks", "Communiqué on Credit Risk Mitigation Techniques", "Communiqué on Calculation of Risk Weighted Amounts Related to Securitization" and "Regulation on Equity of Banks". The Group's capital adequacy standard ratio is 19.10% (31 December 2023 17.78%). In accordance with the Decision of the Banking Regulation and Supervision Agency dated 28 April 2022 and numbered 10188, the Central Bank's foreign exchange buying rate of 31 December 2024 was used while calculating the valued amounts in foreign currency in calculating the amount subject to credit risk.

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

Informations about Total Capital

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL	2,696,580	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	-	-
Reserves	79,232	70,425
Gains recognized in equity as per TAS	888,032	591,743
Profit	1,289,316	1,099,569
Current Period Profit	198,554	162,652
Prior Period Profit	1,090,762	936,917
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Minorities' shares	-	-
Common Equity Tier 1 Capital Before Deductions	2,696,580	2,201,737
Deductions from Common Equity Tier 1 Capital	16,268	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	11	70
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	16,257	15,838
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	16,268	15,908
Total Common Equity Tier 1 Capital	2,680,312	2,185,829

ARAP TÜRK BANKASI A.Ş.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Current Period) (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)	2,680,312	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)	108,835	107,266
Tier II Capital Before Deductions	108,835	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	108,835	107,266
Total Capital (The sum of Tier I Capital and Tier II Capital)	2,789,147	2,293,095
The sum of Tier I Capital and Tier II Capital (Total Capital)	2,789,147	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	-	-

ARAP TÜRK BANKASI A.Ş.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

I. INFORMATION ON SHAREHOLDER'S EQUITY (Current Period) (Continued)

Informations about Total Capital (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	2,789,147	2,293,095
Total Capital (The sum of Tier I Capital and Tier II Capital)	2,789,147	2,293,095
Total risk weighted amounts	15,664,986	12,935,290
CAPITAL ADEQUACY RATIOS		
Consolidated Core Capital Adequacy Ratio (%)	18.40	16.95
Consolidated Tier I Capital Adequacy Ratio (%)	18.40	16.95
Consolidated Capital Adequacy Ratio (%) ^(*)	19.10	17.78
BUFFERS		
Total buffer requirement	2.877	2.824
Capital conservation buffer requirement (%)	2.500	2.500
Bank specific counter-cyclical buffer requirement (%)	0.377	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	13.90	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	108,835	107,266
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	108,835	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	-	-

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)
I. INFORMATION ON SHAREHOLDER’S EQUITY (Continued)

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

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

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

	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	1,029,335	-	1,029,335
Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss	(141,303)	-	(141,303)
Profit Reserves	79,232	-	79,232
Profit or Loss	1,289,316	-	1,289,316
Prior Periods’ Profit/Loss	1,090,762	-	1,090,762
Current Period Net Profit/Loss	198,554	-	198,554
Deductions from Common Equity TierI Capital ⁽¹⁾	-	16,268	(16,268)
Common Equity Tier 1 capital	-	-	2,680,312
Tier 1 capital	-	-	2,680,312
Provisions	-	(108,835)	108,835
Tier 2 capital ⁽²⁾	-	(108,835)	108,835
Shareholders’s Equity Adjustments ⁽³⁾	-	-	-
Total Shareholders’s Equity	2,696,580	(92,567)	2,789,147

⁽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’s Equity adjustments within the framework of paragraphs 9-8-ç.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK

1. For Credit Risk Analysis;

Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals

In terms of credit risk, the amount of cash and non-cash loans to be extended to a borrower or a group of borrowers is classified according to the type of loan in question and subject to a risk limitation in proportion to the equity of the Parent Bank. In addition, the sectoral distribution is reviewed regularly and the distribution targets are revised according to market conditions. The general limit and other intermediate limits of a company are evaluated and renewed every year and daily utilizations are made within the framework of these limits.

Whether risk limits and distributions are determined for daily transactions, whether risk concentration for off-balance sheet risks is monitored on a daily basis on the basis of customers and treasury department officials of banks

Controls to be made during limit allocation and loan disbursement, marketing strategies and issues to be considered during the period until the loan is repaid to the Bank are determined in the Bank's procedures prepared for loans. The Credit Department, Risk Management Department, Treasury Financial Institutions Department and Central Operations Department coordinate the daily transactions (especially cash loans).

Whether the creditworthiness of the debtors of loans and other receivables is monitored at regular intervals in accordance with the relevant legislation, whether the account status documents received for the loans opened have been audited as stipulated in the relevant legislation, if not, the reasons, whether the credit limits have been changed, whether the loans and other receivables are collateralized

The creditworthiness of the borrowers of loans and other receivables is monitored in accordance with the "Regulation on Procedures and Principles for the Classification of Loans and Provisions to be set aside".

The Bank's credit limits are updated at the discretion of the General Directorate and Senior Management and in parallel with economic conditions. The Bank receives sufficient collateral for its loans and other receivables. Since the majority of the companies with which the Bank has credits are among the leading companies in Türkiye, the majority of the collaterals received are company signatures or sureties. In addition, real estate mortgages, bank counter-guarantees, cash blockage, financing notes and real customer checks/notes are also taken as collateral. The collaterals received are in line with market conditions and collateral conditions of other banks.

After completing the financial data inputs that form the basis for qualitative and quantitative measurement and answering subjective questions, the system assigns ratings to all credit customers. The rating scale has a wide range of 22 grades from minimum "CCC" to maximum "AA+".

In 2024, the grade distribution weight of corporate and commercial companies evaluated is as follows⁽¹⁾⁽²⁾:

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK (Continued)

1. For Credit Risk Analysis; (Continued)

The table below shows the distribution of corporate and commercial loans grades in respect of weight as of 31 December 2024:

Grade	Description	Weight
AA+	Maximum Reliability and Qualified	0.7%
AA	Maximum Reliability	7.1%
AA-	Maximum Reliability	10.7%
A+	Very Good Firm	17.1%
A	Very Good Firm	18.6%
A-	Very Good Firm	22.2%
BBB+	Reliable and Qualified	12.2%
BBB	Reliable and Qualified	4.3%
BBB-	Reliable and Qualified	2.9%
BB+	Low Reliable and risky	2.1%
BB	Low Reliable and risky	0.7%
BB-	Low Reliable and risky	0.7%
CCC	Maximum Risk	0.7%

(1) The above distribution does not include customers, personal loans and loans granted to banks.

(2) Although the grade scale of the bank is composed of 22 grades, the grade items that do not have any loan amounts in both years are not shown in the table.

Accounting applications, the definition of non-performing and impaired elements

In accordance with Article 4 of the Regulation on Principles and Procedures Regarding the Classification of Loans and Provisions to be set aside for them, all receivables classified in Groups 3, 4 and 5 are considered non-performing regardless of whether the accrued interest and interest-like burdens on the borrower are added to the principal or refinanced.

Receivables whose collection of principal or interest payments is more than thirty days overdue from their due dates or due dates for various excusable reasons, although it is highly probable that they will be repaid, but which do not meet the overdue period condition and other criteria for classification in the third group are defined as overdue but not impaired.

Value adjustments and provisions methods and approaches

As of January 1, 2018, in accordance with the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be set aside" published in the Official Gazette dated June 22, 2016 and numbered 29750, the Bank started to set aside impairment provisions in accordance with TFRS 9. In this context, as of January 1, 2018, the method of allocating provisions for loan losses allocated within the framework of the relevant legislation of the BRSA has been changed by applying the expected credit loss model with the implementation of TFRS 9. The expected credit loss estimate is unbiased, weighted by probability and contains supportable information about past events, current conditions and forecasts of future economic conditions.

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK (Continued)

1. For Credit Risk Analysis; (Continued)

Credit risk is the risk reduction effects without taking into consideration the total amount of exposures after offsetting transactions with the related risks are differentiated according to the different risk classes and the types of the average amount for the period

Risk Classifications	Current Period												Average
	January	February	March	April	May	June	July	August	September	October	November	December	
Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	5,357,315	5,549,937	5,172,514	5,052,236	4,495,401	4,757,606	5,043,733	5,219,589	5,856,885	5,222,674	5,197,174	5,265,785	5,182,571
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	7,386,658	6,710,724	7,501,074	6,400,046	6,519,948	6,223,547	7,849,429	7,517,920	7,362,103	8,355,400	9,560,042	8,458,183	7,487,090
Contingent and Non-Contingent Corporate Receivables	5,064,367	5,101,895	5,091,674	5,772,739	5,913,258	6,089,495	5,956,125	6,243,567	5,512,797	5,450,743	5,168,946	5,466,840	5,569,371
Contingent and Non-Contingent Retail Receivables	6,632	5,842	4,950	4,088	3,516	2,888	3,084	2,316	2,024	1,738	1,646	1,580	3,359
Contingent and Non-Contingent Receivables Secured by Property	2,000	2,000	2,000	7,000	7,000	7,000	7,000	7,000	7,000	0	0	0	4,000
Past Due Loans	196	196	398	170	156	155	130	74	75	63	63	58	145
Higher-Risk Receivables Defined by BRSA	1,147,724	1,136,586	858,081	1,968,347	2,183,948	1,594,847	1,656,214	1,490,080	1,136,535	1,772,943	1,704,574	1,737,273	1,532,263
Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Receivables	1,298,768	1,291,052	1,321,809	1,388,296	1,293,421	1,371,700	1,294,410	1,327,497	1,383,050	1,313,293	1,679,672	1,683,839	1,387,234
Total exposure to risks	20,263,660	19,798,232	19,952,500	20,592,922	20,416,648	20,047,238	21,810,125	21,808,043	21,260,469	22,116,854	23,312,117	22,613,558	21,166,031

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK (Continued)

1. For Credit Risk Analysis; (Continued)

Information on the control limits of the Bank for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions

The Parent Bank evaluates and manages credit risks that are generated from forward transactions and similar contracts together with potential risks in the market.

Information on whether the Bank decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not

The Parent Bank tries to mitigate the total risk if it’s exposed to huge amount of risk over the forward transactions.

For Credit Risk Analysis;

Information on whether the indemnified non-cash loans are evaluated as having the same risk weight with non-performing loans or not

Indemnified non-cash loans are evaluated as having the same risk weight with cash loans which are collected upon maturity. These loans are classified according to their commitments and are recorded under the follow-up accounts.

Information on whether the loans that are structured and rescheduled are included in a new rating group as determined by the Bank’s risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are taken for these methods or not; whether the Bank’s risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not

The Parent Bank acts in frame of the related regulations for the loans that are structured and rescheduled. On the other hand, while doing risk evaluation of the loans and commitments, maturity issue is also taken into consideration.

For Credit Risk Analysis;

Evaluation of the significance of country specific risk if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities

The Parent Bank has no activities abroad on the branch level. However in the loan lending processes to the foreign based firms, the economic conditions of the country and the financial structure of the company in question is taken into consideration.

Evaluation of the Bank’s competitive credit risk being an active participant of the international banking transactions market

The Parent Bank has significant relationship with the North Africa and Middle East Region within the international trade transactions. However in the volume of the banking transactions the Bank defines its credit risk concentration as limited from these regions.

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK (Continued)

1. For Credit Risk Analysis; (Continued)

The share of the top 100 and 200 cash loan customers in total loan cash loans portfolio

The share of the top 100 and 200 cash loan customers comprises 100% and 100% of the total cash loans portfolio of the Parent Bank respectively.

The share of the top 100 and 200 non-cash loan customers in total loan non-cash loans portfolio

The share of the top 100 and 200 non-cash loan customers comprises 99.77% and 100% of the total non-cash loans portfolio of the Parent Bank respectively.

The share of the total cash and non-cash loan balance of the top 100 and 200 loan customers in total assets and off-balance sheet items

The Parent Bank’s total cash and non-cash loans from its top 100 and 200 loan customers comprise 87.68% and 89.60% of the total assets and off-balance sheet items.

The first and second stage provision amount provided by the Parent Bank for credit risk

The first and second stage provision amount provided by the Group for Stage 1 and Stage 2 credit risk is TL 33,210(31 December 2023: TL 11,803).

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK (Continued)

2. Geographical distribution of risk amounts decomposed as part of significant risk groups. ⁽¹⁾

Current Period	Central Governments and Central Banks	Banks and Financial Intermediaries	Corporate Receivables	Retail Receivables	Receivables Secured by Residential Property	Past due loans⁽⁴⁾	Higher-Risk Receivables Defined by BRSA	Other receivables	Total
Domestic	5,265,785	7,390,856	5,466,840	1,561	-	58	26,874	1,683,839	19,835,813
European Union Countries	-	184,672	-	-	-	-	-	-	184,672
OECD Countries ⁽²⁾	-	1,064	-	-	-	-	-	-	1,064
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-
USA, Canada	-	140,488	-	-	-	-	-	-	140,488
Other Countries	-	741,103	-	19	-	-	1,710,399	-	2,451,521
Associates, subsidiaries and jointly controlled partnership	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities ⁽³⁾	-	-	-	-	-	-	-	-	-
Total	5,265,785	8,458,183	5,466,840	1,580	-	58	1,737,273	1,683,839	22,613,558

Prior Period	Central Governments and Central Banks	Banks and Financial Intermediaries	Corporate Receivables	Retail Receivables	Receivables Secured by Residential Property	Past due loans⁽⁴⁾	Higher-Risk Receivables Defined by BRSA	Other receivables	Total
Domestic	3,840,196	3,880,443	3,858,014	7,494	2,000	207	19,677	1,057,117	12,665,148
European Union Countries	-	274,773	-	-	-	-	-	-	274,773
OECD Countries ⁽²⁾	-	25,948	-	-	-	-	-	-	25,948
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-
USA, Canada	-	97,256	-	-	-	-	-	-	97,256
Other Countries	-	530,540	-	12	-	-	1,393,448	-	1,924,000
Associates, subsidiaries and jointly controlled partnership	-	-	-	-	-	-	-	153,696	153,696
Unallocated Assets/Liabilities ⁽³⁾	-	-	-	-	-	-	-	-	-
Total	3,840,196	4,808,960	3,858,014	7,506	2,000	207	1,413,125	1,210,813	15,140,821

⁽¹⁾ Regulation on Measurement and Assessment of Capital Adequacy of Banks in the risk classes are taken into consideration.

⁽²⁾ OECD Countries excluding European countries, USA and Canada

⁽³⁾ Assets and liabilities that cannot be allocated on a consistent basis

⁽⁴⁾ Net value of non performing loans

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK (Continued)

3. Risk profile by sector or counterparty ⁽¹⁾

	Central Governments and Central Banks	Banks and Financial Intermediaries	Corporate Receivables	Retail Receivables	Receivables Secured by Residential Property	Past due loans	Higher-Risk Receivables Defined by BRSA	Other Receivables	TL	FC	Total
Agricultural	-	-	46,750	-	-	-	-	-	22,855	23,895	46,750
Farming and Stockbreeding	-	-	21,234	-	-	-	-	-	21,234	-	21,234
Forestry	-	-	25,516	-	-	-	-	-	1,621	23,895	25,516
Fishing	-	-	-	-	-	-	-	-	-	-	-
Manufacturing	-	-	3,312,392	-	-	58	-	-	325,710	2,986,740	3,312,450
Mining	-	-	531,384	-	-	-	-	-	-	531,384	531,384
Production	-	-	2,770,613	-	-	58	-	-	318,772	2,451,899	2,770,671
Electric, gas and water	-	-	10,395	-	-	-	-	-	6,938	3,457	10,395
Construction	-	-	1,561,125	-	-	-	26,874	-	30,349	1,557,650	1,587,999
Services	5,265,785	8,458,183	546,369	-	-	-	1,710,399	-	1,985,841	13,994,895	15,980,736
Wholesale and retail trade	-	-	398,166	-	-	-	-	-	5,462	392,704	398,166
Hotel, food and beverage services	-	-	4	-	-	-	-	-	4	-	4
Transportation and telecommunication	-	-	6,570	-	-	-	871	-	4,148	3,293	7,441
Financial institutions	5,265,785	8,458,183	-	-	-	-	1,709,528	-	1,958,794	13,474,702	15,433,496
Real estate and Leasing services	-	-	141,629	-	-	-	-	-	17,433	124,196	141,629
"Self-employment" type Services	-	-	-	-	-	-	-	-	-	-	-
Education services	-	-	-	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	204	1,580	-	-	-	1,683,839	1,474,584	211,039	1,685,623
Total	5,265,785	8,458,183	5,466,840	1,580	-	58	1,737,273	1,683,839	3,839,339	18,774,219	22,613,558

⁽¹⁾ Regulation on Measurement and Assessment of Capital Adequacy of Banks in the risk classes are taken into consideration.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II INFORMATION ON CREDIT RISK (Continued)

4. Presentation of maturity risk bearing based on their outstanding maturities

Risk Classifications ⁽²⁾	Payment Term ⁽¹⁾				1 Year and Over
	1 Month	1-3 Month	3-6 Month	6-12 Month	
Contingent and Non-Contingent Receivables from Central Governments and Central Banks	-	936,332	200,559	-	1,072,662
Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-
Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	2,244,953	1,883,002	849,769	1,645,989	1,557,786
Contingent and Non-Contingent Corporate Receivables	883,592	421,443	1,560,418	795,780	1,805,223
Contingent and Non-Contingent Retail Receivables	74	251	501	612	141
Contingent and Non-Contingent Receivables Secured by Residential Property	-	-	-	-	-
Past Due Loans	-	-	-	-	-
Higher-Risk Receivables Defined by BRSA	927,881	1,535,406	72,396	335,253	-
Marketable Securities Collateralized Mortgages	-	-	-	-	-
Securitization Exposures	-	-	-	-	-
Short-Term Receivables from Banks and Corporate	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-
Other Receivables	-	-	-	-	-
Total	4,056,500	4,776,434	2,683,643	2,777,634	4,435,812

(1) Items that cannot be distributed are not included.

(2) It represents the total risk amount before credit risk reduction and after conversion to credit.

5. Information on risk classes

Assigned credit rating agencies and export credit agencies changed the names and the reasons for these organizations

The international credit rating agency Islamic International Rating Agency and the risk classification issued by the OECD are used for receivables from central governments and central banks. The rating agency note is not used for domestic resident customers.

With the export credit agency of a credit rating agency assigned to each risk classes are used

The risk classes of the Islamic International Rating Agency are used for central government / central bank receivables and for resident customers abroad. The OECD published country risk classification is used for those with no rating

The Group does not use credit rating for the domestic resident customers and banks.

If there is no credit rating for items not included in trading accounts but instead there is a credit rating for the issuer or issue, information on the process of using such credit ratings available for such items

For the short term receivables that has been issued by banks and financial intermediaries that has not any short term rating, risk weight of the issuer is used in the context of related regulation.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK (Continued)

5. Information on risk classes (Continued)

Assigned to each grade credit rating agencies and export credit agency ratings of the Regulation on Measurement and Assessment of Capital Adequacy of Banks to which of the credit quality of the stages

Credit Quality Level	Islamic International Rating Agency
1	Between AAA and AA-
2	Between A+ and A-
3	Between BBB+ and BBB-
4	Between BB+ and BB-
5	Between B+ and B-
6	Between CCC+ and below

OECD Country Risk								
Classification Credit Quality Tier	0	1	2	3	4	5	6	7
Risk weights (%)	0	0	20	50	100	100	100	150

Risk weight of the total amount of risk before and after credit risk mitigation and equity deducted amounts

Risk amount based on weight of risks

Risk weights	Before credit risk mitigation	After credit risk mitigation
0%	5,367,941	5,367,941
10%	-	-
20%	2,159,821	2,159,821
35%	-	-
50%	5,567,485	5,567,485
75%	1,580	1,580
100%	7,841,398	7,779,459
150%	2,771,261	1,737,273
200%	-	-
1250%	-	-
Deductible from Equity	16,268	16,268

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK (Continued)

6. Sector or counterparty type, individually impaired loans and non-performing loan amounts, value adjustments and provisions during the period information on value adjustments and provisions Miscellaneous information based on important sectors

Miscellaneous information by significant sectors or counterparty type

Important Sectors / Counterparties	Loans		Provisions	
			Non-performing (Provision Regulation)*	Expected Credit Loss (TFRS 9)
	Impaired in Value (TFRS 9)			
	Significant increase in credit risk (Stage 2)	Defaulted (Stage 3)		
Agricultural	2,802	-	-	-
Farming and Stockbreeding	2,802	-	-	-
Forestry	-	-	-	-
Fishing	-	-	-	-
Manufacturing	247,819	1,404	1,404	1,346
Mining	-	-	-	-
Production	247,819	1,404	1,404	1,346
Electric, gas and water	-	-	-	-
Construction	310,011	473	473	473
Services	12,102	80	80	80
Wholesale and retail trade	-	-	-	-
Hotel, food and beverage services	-	-	-	-
Transportation and telecommunication	-	-	-	-
Financial institutions	379	-	-	-
Real estate and Leasing services	11,723	80	80	80
“Self-employment” type Services	-	-	-	-
Education services	-	-	-	-
Health and social services	-	-	-	-
Other	96	-	-	-

7. Value adjustments and provisions on the exchange of credit information

	Opening Balance	The amount of provision during the period	Reversal of provision	Other adjustments	Closing Balance
Stage 3 provisions	3,245	504	1,850	-	1,899
Stage 1 & 2 provisions	17,461	35,703	15,082	-	38,082

ARAP TÜRK BANKASI A.Ş.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

II. INFORMATION ON CREDIT RISK (Continued)

8. Other information on credit risk

Sectoral concentrations for cash loans

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	21,235	2.23	21,612	0.44	12,722	1.88	-	-
Farming and stockbreeding	21,235	2.23	-	-	10,650	1.57	-	-
Forestry	-	-	21,612	0.44	2,072	0.31	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	187,597	19.70	2,262,503	46.38	265,846	39.22	429,666	16.65
Mining	-	-	724,421	14.85	-	-	-	-
Production	187,597	19.70	1,538,082	31.53	265,846	39.22	429,666	16.65
Electric, gas and water	-	-	-	-	-	-	-	-
Construction	-	-	680,822	13.96	38,305	5.65	1,072,633	41.55
Services	741,713	77.90	1,586,314	32.52	353,437	52.14	939,802	36.41
Wholesale and retail trade	-	-	173,899	3.56	126,781	18.70	12,323	0.48
Hotel, food and beverage Services	-	-	-	-	-	-	-	-
Transportation and Telecommunication	-	-	-	-	1,434	0.21	-	-
Financial institutions	741,713	77.90	1,412,415	28.95	210,620	31.07	927,479	35.93
Real estate and Leasing Services	-	-	-	-	-	-	-	-
“Self-employment” type Services	-	-	-	-	-	-	-	-
Education services	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	14,602	2.15	-	-
Other	1,637	0.17	327,442	6.71	7,500	1.11	139,196	5.39
Total	952,182	100	4,878,693	100	677,810	100	2,581,297	100

Sectoral and regional concentration of impaired loans and receivables

Sectoral	Current Period	Prior Period
Farming and Stockbreeding	-	24
Manufacturing	1,404	1,566
Construction	473	1,854
Financial institutions	-	-
Hotel and Restaurant Services	-	-
Wholesale and retail trade	80	7
Total impaired loans and receivables	1,957	3,451
Regional	Current Period	Prior Period
Türkiye	1,957	3,451
Total impaired loans and receivables	1,957	3,451

Past due but not impaired loans and receivables

None. (31 December 2023: None).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)****III. 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	US Dollars	Euro
24 December 2024	35.1065	36.5473
25 December 2024	35.1814	36.5693
26 December 2024	35.2162	36.6592
27 December 2024	35.2033	36.6076
30 December 2024	35.1368	36.6134
31 December 2024	35.2233	36.7429
Balance Sheet Valuation Rate	35.2233	36.7429

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

The basic arithmetical average of the Bank’s foreign exchange bid rate for December 2024 is TL 34.9038 for USD, TL 36.5770 for EURO.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

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

Information on Currency Risk of the Group

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	1,678,255	2,437,259	7,290	4,122,804
Banks	616,661	2,090,811	64,632	2,772,104
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Comprehensive Income	465,952	127,849	-	593,801
Loans	1,636,206	3,242,487	-	4,878,693
Investments in Subsidiaries and Associates	-	-	-	-
Financial Assets Measured at Amortised Cost	1,404,232	1,724,244	-	3,128,476
Financial Derivative held for Hedging (Assets)	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽²⁾	1,306,547	70,867	-	1,377,414
Total Assets	7,107,853	9,693,517	71,922	16,873,292
Liabilities				
Bank Deposits	1,466,430	1,740,768	2,222	3,209,420
Foreign Currency Deposits	2,703,212	4,358,965	50,266	7,112,443
Money Market Borrowings	-	-	-	-
Funds Borrowed from Other Financial Institutions	2,799,020	3,309,696	-	6,108,716
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	-	-	-	-
Financial Derivatives held for Hedging (Liabilities)	-	-	-	-
Other Liabilities	120,595	185,756	2,178	308,529
Total Liabilities ⁽¹⁾	7,089,257	9,595,185	54,666	16,739,108
Net Balance Sheet Position	18,596	98,332	17,256	134,184
Net Off Balance Sheet Position	15,498	(15,789)	-	(291)
Financial Derivatives (Assets)	15,498	-	-	15,498
Financial Derivatives (Liabilities)	-	(15,789)	-	(15,789)
Non-Cash Loans	5,274,092	8,359,222	1,570,381	15,203,695
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 in Banks’ Consolidated and Non-Consolidated Basis”; Equity has not been taken into consideration in calculating the risk of exchange rate amounting to TL 1,751.

⁽²⁾ Includes financial lease receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

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

Exposed currency risk

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

Assuming 10 percent appreciation of TL;

	Current Period		Prior Period	
	Profit and Loss Statement	Shareholders' Equity ⁽¹⁾	Profit and Loss Statement	Shareholders' Equity ⁽¹⁾
Euro	(3,409)	(3,414)	(4,442)	(5,763)
US Dollar	(8,254)	(8,425)	(4,792)	(6,977)
Other Currencies	(1,726)	(1,726)	(494)	(494)
Total	(13,389)	(13,565)	(9,728)	(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	3,409	3,414	2,255	4,440
US Dollar	8,254	8,425	1,362	2,683
Other Currencies	1,726	1,726	494	494
Total	13,389	13,565	4,111	7,617

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

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

ARAP TÜRK BANKASI A.Ş.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

IV. INFORMATION ON CONSOLIDATED INTEREST RATE RISK (Continued)

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

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

Information related to interest rate sensitivity of assets, liabilities and off-balance sheet items

(Based on re-pricing dates)

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, foreign currencies, cash in transit, cheques purchased) and balances with the Central Bank of Türkiye	-	-	-	-	-	4,133,278	4,133,278
Banks	2,837,014	-	-	-	-	46,676	2,883,690
Financial assets at fair value through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	70,092	-	-	-	-	-	70,092
Financial Assets at Fair Value Through Other Comprehensive Income	4,575	530,404	7,949	329,280	48,453	2,396	923,057
Loans	1,280,003	1,758,036	2,295,301	496,427	-	1,108	5,830,875
Financial Assets Measured at Amortized Cost	42,424	1,267,182	754,465	1,108,491	-	-	3,172,562
Other Assets ^{(1) (3)}	73,856	222,969	578,117	536,304	-	1,630,753	3,041,999
Total assets	4,307,964	3,778,591	3,635,832	2,470,502	48,453	5,814,211	20,055,553
Liabilities							
Bank Deposits	2,502,368	707,064	-	-	-	-	3,209,432
Other Deposits	238,613	60,203	413,059	505	-	6,550,319	7,262,699
Money Market Borrowings	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Fin. Ins.	2,022,933	1,670,471	2,408,156	40,661	-	-	6,142,221
Other liabilities ⁽²⁾	531	1,078	616	-	-	3,438,976	3,441,201
Total liabilities	4,764,445	2,438,816	2,821,831	41,166	-	9,989,295	20,055,553
Long Position in the Balance Sheet	-	1,339,775	814,001	2,429,336	48,453	-	4,631,565
Short Position in the Balance Sheet	(456,481)	-	-	-	-	(4,175,084)	(4,631,565)
Long Position in the Off-balance Sheet	15,498	-	-	-	-	-	15,498
Short Position in the Off-balance Sheet	(15,789)	-	-	-	-	-	(15,789)
Total Position	(456,772)	1,339,775	814,001	2,429,336	48,453	(4,175,084)	(291)

- Other assets in the non-interest bearing column amounting to TL 1,630,753 consists of Property, Plant and Equipment amounting to TL 1,441,903, Provisions for Expected Losses amounting to TL 44,820, Intangible Assets amounting to TL 16,257, Deferred Tax Assets amounting to TL 2,296 Other non-interest bearing amounts amounting to TL 215,027 and other unallocated amounts.
- The amount of TL 3,438,976 in other liabilities non-interest bearing column consists of TL 2,696,580 in Shareholders' Equity, TL 203,782 in Provisions, TL 72,968 in Current Tax Liability, TL 90,715 in Deferred Tax Liability and TL 375,376 in Other Liabilities.
- Includes financial lease receivables

ARAP TÜRK BANKASI A.Ş.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

IV. 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)	-

- Other assets in the non-interest bearing column amounting to TL 1,166,446 consists of Property, Plant and Equipment amounting to TL 1,000,361, Provisions for Expected Losses amounting to TL 26,608, Intangible Assets amounting to TL 15,838, Current tax assets amounting to TL 13,737, Deferred Tax Assets amounting to TL 539, Other non-interest bearing amounts amounting to TL 162,579 and other unallocated amounts.
- The amount of TL 2,662,432 in other liabilities non-interest bearing column consists of TL 2,201,737 in Shareholders' Equity, TL 198,165 in Provisions, TL 23,737 in Current Tax Liability, TL 77,840 in Deferred Tax Liability and TL 160,953 in Other Liabilities.
- Includes financial lease receivables

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

IV. 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	2.59	4.82	48.24
Financial Assets at Fair Value through Profit or Loss	-	-	-
Money Market Placements	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	3.27	6.21	10.65
Loans	9.19	7.59	51.33
Financial Assets Measured at Amortized Cost	-	-	19.22
Financial Lease Receivables	9.98	7.43	50.68
Liabilities			
Interbank Deposits	5.07	7.10	-
Other Deposits	0.48	2.84	48.75
Money Market Borrowings	-	-	-
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	-
Funds Borrowed from Other Financial Institutions	4.76	6.07	44.95
Prior 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	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	4.22	7.73	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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 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 Communiqué Regarding Calculation of Credit Risk Amount on Internal Rating Based Approach.

None.

VI. 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
- Increase in short-term debt and/or additional short-term deposits and deposit-like resources,
- Decrease in moveable long term assets
- Increase in long term liabilities
- Increase in equity funds

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

Analysis of effects of various stress scenarios on the liquidity position and establishment of limits are crucial in order to establish effective liquidity risk management. Limits are determined according to the size of the 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.

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

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 backed by well-established shareholders who are among the strongest financial institutions in Türkiye and the MENA region. Libyan Foreign Bank, 100% owned by the Central Bank of Libya, is the largest shareholder of the Parent Bank. The share of funds obtained from the Parent Bank's risk group in liabilities is 30%.

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.

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

The majority of the Parent Bank's liabilities consist of funds received from the main shareholder Libyan Foreign Bank and its related banks. 73% of these funds are denominated in USD and 27% in 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.

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.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)
VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)
Liquidity coverage ratio

Liquidity coverage ratios calculated in accordance with the "Regulation on Liquidity Coverage Ratio Calculation of Banks" published in the Official Gazette dated March 21, 2014 and numbered 28948 are disclosed to the public in the following format. Consolidated foreign currency and total liquidity coverage ratios for the last three months including the reporting period and the lowest and highest values of the consolidated foreign currency and total liquidity coverage ratios calculated weekly for the last three months are disclosed by indicating the weeks.

The lowest and highest values of the consolidated foreign currency and total liquidity coverage ratios for the last three months including the reporting period are given below by month:

	Month	FC	Month	FC+TL
Lowest	December	292	December	259
Highest	October	427	October	351

The average of the consolidated liquidity coverage ratio calculated by taking the monthly simple arithmetic average for the last three months is given below:

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	10,556,057	10,150,992	8,239,422	7,834,358
CASH OUTFLOWS				
2 Real person deposits and retail deposits	2,845,764	1,788,752	233,901	178,875
3 Stable deposit	1,013,517	-	50,676	-
4 Deposit with low stability	1,832,247	1,788,752	183,225	178,875
5 Unsecured debts except real person deposits and retail deposits	7,873,974	7,442,410	5,418,146	4,998,672
6 Operational deposit	-	-	-	-
7 Non-operating deposits	7,211,665	7,178,793	4,755,837	4,735,055
8 Other unsecured debts	662,309	263,617	662,309	263,617
9 Secured debts	-	-	-	-
10 Other cash outflows	15,911,106	14,811,974	1,212,370	819,976
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	15,911,106	14,811,974	1,212,370	819,976
16 TOTAL CASH OUTFLOW	26,630,844	24,043,136	6,864,417	5,997,523
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured claims	4,621,562	4,180,070	4,122,549	3,733,773
19 Other cash inflows	2,545	2,545	2,545	2,545
20 TOTAL CASH INFLOWS	4,624,107	4,182,615	4,125,094	3,736,318
21 TOTAL HQLA STOCK			8,239,422	7,834,358
22 TOTAL NET CASH OUTFLOWS			2,739,323	2,261,205
23 LIQUIDITY COVERAGE RATIO (%)			300.78	346.47

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

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

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

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

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.

Sections High-quality liquid assets comprised of

High quality liquid assets consist of cash, cash equivalents, debt instruments issued by the CBRT and the Treasury and debt instruments with a credit rating or probability of default between A+ and BBB- or equivalent. The Bank's high quality liquid assets consist of 48% of CBRT accounts, 50% of debt instruments issued by the Treasury and 2% of cash and cash equivalents.

Sections Funding sources comprised of and their densities within all funds

A significant portion of fund resources is composed of deposits received. Deposits received account for 52% of total liabilities and 31% of these deposits are deposits received from banks.

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

Cash outflows due to derivative contracts occur during periods when the bank's derivative liabilities exceed its derivative receivables. As at 31 December 2024, the net cash outflow from derivative transactions is none.

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

A significant part of the funding sources are comprised of deposits received. 52% of the liability is deposits and 31% 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.

ARAP TÜRK BANKASI A.Ş.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

Presentation of assets and liabilities based on their outstanding maturities

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Year and Over	Unallocated	Total
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and Central Bank of Türkiye balances	144,484	3,988,794	-	-	-	-	-	4,133,278
Banks	385,738	2,497,952	-	-	-	-	-	2,883,690
Financial Assets at Fair Value through Profit or Loss	-	-	-	-	-	-	-	-
Money Market Placements	-	70,092	-	-	-	-	-	70,092
Financial Assets at Fair Value Through Other Comprehensive Income	-	4,575	530,398	7,955	329,280	48,453	2,396	923,057
Loans	-	1,280,003	1,239,743	2,813,602	496,419	-	1,108	5,830,875
Investment securities held-to-maturity	-	42,424	1,267,184	754,465	1,108,489	-	-	3,172,562
Other assets ^{(1) (3)}	-	124,334	141,203	596,696	600,673	-	1,579,093	3,041,999
Total Assets	530,222	8,008,174	3,178,528	4,172,718	2,534,861	48,453	1,582,597	20,055,553
Liabilities								
Interbank Deposits	2,431,779	70,589	707,064	-	-	-	-	3,209,432
Other Deposits	6,550,319	238,613	60,203	413,059	505	-	-	7,262,699
Funds provided from other financial institutions	-	-	-	-	-	-	-	-
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	1,486,172	1,298,540	2,584,919	772,590	-	-	6,142,221
Other liabilities ⁽²⁾	-	5,920	1,078	4,917	-	-	3,429,286	3,441,201
Total Liabilities	8,982,098	1,801,294	2,066,885	3,002,895	773,095	-	3,429,286	20,055,553
Net Liquidity Gap	(8,451,876)	6,206,880	1,111,643	1,169,823	1,761,766	48,453	(1,846,689)	-
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 TL 1,579,093 in other assets unallocated column consists of TL 1,441,993 Tangible Fixed Assets, TL 44,820 Provisions for Expected Losses, TL 16,257 Intangible Fixed Assets, TL 2,296 Deferred Tax Assets, TL 163,367 other non-interest bearing amounts and other unallocated amounts.

(2) The amount of TL 3,429,286 in other liabilities unallocated column consists of Equity amounting to TL 2,696,580 Provisions amounting to TL 203,282, Current Tax Liability amounting to TL 72,968, Deferred Tax Liability amounting to TL 90,715, derivative liabilities amounting to TL 55 and other non-interest bearing amounts amounting to TL 365,686.

(3) Includes financial lease receivables

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VI. INFORMATION ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT (Continued)

In addition to the Bank's Liquidity Coverage Ratio, the Bank has started reporting the Net Stable Funding Ratio (NSFR) to the Banking Regulation and Supervision Agency (BDDK) in accordance with the Regulation on the Calculation of Banks' Net Stable Funding Ratio, which was published in the Official Gazette dated May 26, 2023, and numbered 32202. This regulation ensures the measurement of medium- and long-term liquidity risk.

Current Period		Unweighted value by residual maturity				Weighted Value
		Without Maturity*	Less than 6 Months	6 Months to < 1 Year	1 Year and More Than 1 Year	
Available Stable Funds						
1	Capital	-	-	-	2,660,604	2,660,604
2	Tier I and Tier II Capital	-	-	-	2,660,604	2,660,604
3	Other Capital Instruments	-	-	-	-	-
Deposits from the Natural Persons and Small Business						
4	Customers	2,521,164	313,596	27,396	312	2,626,940
5	Stable Deposits / Participation Funds	890,262	113,424	10,638	58	963,662
6	Less Stable Deposits / Participation Funds	1,630,902	200,172	16,758	254	1,663,278
7	Wholesale Funding	5,579,836	5,250,347	1,325,151	1,955,797	2,786,769
8	Operational Deposits	-	-	-	-	-
9	Other Wholesale Funding	5,579,836	5,250,347	1,325,151	1,955,797	2,786,769
10	Liabilities with Matching Independent Assets					
11	Other Liabilities	994,929	-	-	-	-
12	Derivative Liabilities					
All Other Equity and Liabilities not Included in the Above						
13	Categories	994,929	-	-	-	-
14	Available Stable Fund					8,074,313
Required Stable Funding						
15	High Quality Liquid Assets (HQLA)					194,204
Deposits Held at Credit Institutions of Financial Institutions for						
16	Operational Purposes	-	-	-	-	-
17	Performing Loans and Securities	1,478,269	7,162,840	965,797	1,290,940	4,863,959
Performing Loans to Credit Institutions or Financial Institutions						
18	Secured by Level 1 HQAL	-	-	-	-	-
Performing Loans to Credit Institutions or Financial Institutions						
Secured by Non-Level 1 HQLA and Unsecured Performing						
19	Loans to Credit Institutions or Financial Institutions	657,524	4,723,035	432,284	79,622	1,661,742
Performing Loans to Non-Financial Corporate Clients, Loans to						
Natural Person Customers and Small Business Customers, and						
20	Loans to Sovereigns, Central Banks and PSEs	820,745	2,439,805	533,513	945,564	2,976,326
21	Loans with a risk weight of less than or equal to 35%	-	23,395	-	-	-
22	Performing Loans Encumbered with Residential Mortgages	-	-	-	-	-
23	Loans with a risk weight of less than or equal to 35%	-	-	-	-	-
Exchange Traded Equities and Securities That are not in Default						
24	and Do not Qualify as HQLA	-	-	-	265,754	225,891
25	Assets with Matching Interdependent Liabilities					
26	Other Assets	1,986,657	-	-	-	1,986,657
27	Physical Traded Commodities, Including Gold					-
Assets Posted as Initial Margin for Derivative Contracts or						
28	Contributions to Default Funds of Central Counterparties			-		-
29	Derivative Assets			-		-
Derivative Liabilities Before Deduction of Variation Margin				-		-
30	Posted					
31	All Other Assets Not Included in the Above Categories	1,986,657		-	-	1,986,657
32	Off-Balance Sheet Items		15,636,297	-	-	802,127
33	Required Stable Fund					7,846,947
34	Net Stable Funding Ratio (%)					102.92

* Items to be reported in the "without maturity" time bucket do not have a stated maturity. These may include but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-high quality liquid asset equities and physical traded commodities.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VII. 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⁾	33,444	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	36,028	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	4,402,774	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	335,920	522,925
Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué “Preparation of Consolidated Financial Statements” and risk amounts of such items	-	-
Total Risk Amount	4,808,166	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.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VII. 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)	17,828,018	13,171,862
2	(Assets deducted from main capital)	(15,650)	(12,339)
3	Total risk amount of the balance sheet assets (Sum of 1st and 2nd rows)	17,812,368	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	15,138,840	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)	15,138,840	10,515,913
	Equity and total risk		
13	Main capital	2,299,325	1,858,755
14	Total risk amount (Sum of 3th, 6th, 9th and 12th rows)	32,951,208	23,675,436
	Leverage ratio		
15	Leverage ratio	%6.99	%8.05

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

VIII. INFORMATION ON FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair value of the financial assets measured at amortised cost; in case of situations where market price or fair value cannot be determined; is calculated over the quoted market prices of other investment securities that are of the same interest, maturity and similar in other clauses.

The estimated fair value of the demand deposit represents the amount to be paid at the moment of demand. Placements of changing rates and the fair value of the overnight deposit equal to their book values. The fair value of the fixed yield deposit is calculated over the cash flows discounted using the market interest rates implicated on similar borrowing and other payables.

The estimated fair value of the loans is calculated over the cash flows discounted using the market interest rates implicated on the constant interest loans. The carrying values of floating-rate loans are deemed a reasonable proxy for their fair values.

In the table below; fair values and book values of some of the financial assets and liabilities are presented. The book value of the assets and liabilities is the total of the cost and accumulated interest accruals.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VIII. INFORMATION ON FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or,
Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	14,316,203	11,272,736	12,066,032	10,879,154
Banks	2,883,690	1,298,462	2,883,690	1,298,462
Money market receivables	70,092	-	70,092	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income	923,057	2,107,500	923,057	2,107,500
Financial Assets Measured at Amortised Cost	3,172,562	3,386,775	3,195,544	3,369,638
Loans	5,830,875	3,259,107	4,993,649	2,913,215
Leasing receivables	1,435,927	1,220,892	1,399,995	1,190,339
Financial Liabilities	16,989,728	13,069,400	16,989,728	13,069,400
Bank deposits	3,209,432	2,272,585	3,209,432	2,272,585
Other Deposits	7,262,699	4,641,642	7,262,699	4,641,642
Funds provided from other financial institutions	6,142,221	5,994,220	6,142,221	5,994,220
Money market borrowings	-	-	-	-
Marketable securities issued	-	-	-	-
Miscellaneous Payables	375,376	160,953	375,376	160,953
Current Period	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets measured at fair value through Profit or Loss	-	-	-	-
Public sector debt securities	-	-	-	-
Equity Securities	-	-	-	-
Other financial assets	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income	920,663	-	2,394	923,057
Public sector debt securities	884,561	-	-	884,561
Equity Securities	-	-	2,394	2,394
Other financial assets	36,102	-	-	36,102
Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets measured at fair value through Profit or Loss	-	-	-	-
Public sector debt securities	-	-	-	-
Equity Securities	-	-	-	-
Other financial assets	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income	2,095,487	-	12,013	2,107,500
Public sector debt securities	1,948,683	-	-	1,948,683
Equity Securities	-	-	12,013	12,013
Other financial assets	146,804	-	-	146,804

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

VIII. INFORMATION ON FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (Continued)

The movement of the data related to assets or liabilities that are not based on observable market data during the period is as follows:

	Current Period	Prior Period
Balances at beginning of period	12,013	7,696
Purchases during the period	-	-
Disposals through sale/redemption	-	-
Valuation effect	(9,619)	4,317
Transfers	-	-
Balances at end of period	2,394	12,013

IX. TRANSACTIONS ON BEHALF AND ACCOUNT OF OTHERS AND FAITH-BASED TRANSACTIONS

Information on whether Bank carries out trading, custody, consulting, management services for third parties

The Bank does not carry out any other trading, custody, management and consulting services on behalf and account of others.

Information on trust transactions with other financial institutions or direct financial services given within the context of trust transactions to other financial institutions and possible affects of such transactions on Bank’s financial situation

The Bank does not have transactions based on trust.

Main sources of differences between risk amounts and amounts in financial statements which are evaluated in accordance with TAS

Risk Management process of the Bank passes through various stages; such as, defining, measuring, analyzing and pursuing risks, risk management policies and enactment of implementation principles and their realization, reporting, researching, conformity and auditing, within the frame of principles jointly fixed by the bank’s Risk Management Department, Audit Committee and High Level Management and approved by the Board of Directors.

The risk policy of the Bank is set out on the below mentioned principles.

- To be selective in risk taking.
- To define, measure, analyze and manage risks effectively.
- To secure the balance between the risk and return.
- To have adequate capital to cover existing and possible future risks.
- To have sound collaterals covering the existing and possible risks, and to follow up closely the sufficiency of the collaterals.
- To secure the appropriateness of risks to the defined limits.
- To keep under control the appropriateness of all kinds of operations to the approved policies and procedures.
- To supply the harmonization of the operations with the laws and regulations.
- To establish corporate risk culture within the Bank.
- To set out an effective reporting line and inform related management authorities on time to eliminate any kind of discrepancy.

The Bank defines, measures, analyzes and manages the risks involved in its operations and defines its risk management policies and application procedures on base of main risk categories on consolidated basis.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

X. INFORMATION 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)	13,602,227	9,841,064	1,104,999
2	Standardised approach (SA)	13,602,227	9,841,064	1,104,999
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	33	-	3
5	Standardised approach for counterparty credit risk (SA-CCR)	33	-	3
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	850,938	2,190,963	68,075
17	Standardised approach (SA)	850,938	2,190,963	68,075
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)	15,664,986	12,935,290	1,270,020

ARAP TÜRK BANKASI A.Ş.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

X. INFORMATION ON RISK MANAGEMENT (Continued)

Main sources of differences between TAS exposure amounts and carrying values in financial statements

	Gross Carrying Values of TAS						
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash And Balances With The Central Bank Of Türkiye	4,133,278	4,133,278	4,133,278	-	-	4,122,804	-
Financial assets held for trading	-	-	-	-	-	-	-
Financial Assets At Fair Value Through Profit Or Loss	-	-	-	-	-	-	-
Banks	2,883,690	2,883,690	2,883,690	-	-	2,772,104	-
Money Market Placements	70,092	70,092	70,092	70,092	-	-	-
Investment Securities Available-for-Sale (net)	923,057	923,057	2,394	-	-	923,057	-
Loans And Receivables	5,830,875	5,830,875	5,830,875	-	-	4,878,693	-
Factoring Receivables	-	-	-	-	-	-	-
Investment Securities Held-to-Maturity (net)	3,172,562	3,172,562	3,172,562	-	-	3,128,476	-
Associates (net)	-	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-	-
Joint Ventures (net)	-	-	-	-	-	-	-
Lease Receivables	1,435,927	1,435,927	1,435,927	-	-	1,301,430	-
Derivative Financial Assets Held For Hedging	-	-	-	-	-	-	-
Tangible Assets (net)	1,441,993	1,441,993	1,441,993	-	-	-	11
Intangible Assets (net)	16,257	16,257	-	-	-	-	16,257
Investment Property (net)	-	-	-	-	-	-	-
Tax Asset	2,296	2,296	2,296	-	-	-	-
Asset Held For Sale And Assets Of Discontinued Operations (Net)	-	-	-	-	-	-	-
Other Assets	145,526	145,526	154,815	-	-	81,102	-
Total Assets	20,055,553	20,055,553	19,127,922	70,092	-	17,207,666	16,268
Liabilities							
Deposits	10,472,131	10,472,131	-	-	-	10,321,863	-
Derivative Financial Liabilities Held For Trading	55	55	-	-	-	55	-
Funds Borrowed	6,142,221	6,142,221	-	-	-	6,108,716	-
Interbank Money Market	-	-	-	-	-	-	-
Marketable Securities Issued (Net)	-	-	-	-	-	-	-
Funds	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Other External Resources	375,376	375,376	-	-	-	283,406	-
Factoring Payables	-	-	-	-	-	-	-
Leasing Transactions Payables	2,225	2,225	-	-	-	881	-
Derivative Financial Liabilities Held For Hedging	-	-	-	-	-	-	-
Provisions	203,282	203,282	-	-	-	24,187	-
Tax Liability	163,683	163,683	-	-	-	-	-
Liabilities For Assets Held For Resale And Assets Of Discontinued Operations	-	-	-	-	-	-	-
Subordinated Loans	-	-	-	-	-	-	-
Shareholders' Equity	2,696,580	2,696,580	-	-	-	-	-
Total Liabilities	20,055,553	20,055,553	-	-	0	16,739,108	-

Main sources of differences between TAS exposure amounts and carrying values in financial statements

	Total	Subject to credit risk framework	Subject to the securitisation framework	Subject to counterparty credit risk framework	Subject to the market risk framework
Asset carrying value amount under scope of TAS	36,405,680	19,127,922	-	70,092	17,207,666
Liabilities carrying value amount under TAS of consolidation	16,739,108	-	-	-	16,739,108
Total net amount under regulatory scope of consolidation	-	-	-	-	-
Off-balance sheet amounts	17,843,914	2,571,897	-	-	15,272,017
Differences in valuations	-	-	-	-	-
Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
Differences due to consideration of provisions	-	-	-	-	-
Differences due to prudential filters	-	-	-	-	-
Risk amounts	70,988,702	21,699,819	-	70,092	49,218,791

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)
X. INFORMATION ON RISK MANAGEMENT (Continued)
Explanations regarding the differences between the risk amounts and amounts evaluated in accordance with TAS

Related amounts are calculated by consolidated financial statements which are prepared in accordance with BRSA Accounting and Reporting Legislation.

General qualitative information on credit risk

The objective of the credit risk management is to maximize the risk-adjusted return of the bank by managing the risks in appropriate parameters that the bank may face. The credit risk management covers all types of credits and transactions and also considers the relationship of the credit risks with other risk types.

The widest and most visible sources of the credit risk are the loans extended by the Bank; however, there are also some other factors depending on the activities of the Bank. These stand on both banking books and accounts of on balance sheet and off balance sheet items. From day to day, banks face more credit risks not related to loans; for example different financial instruments like interbank transactions, acceptances, trade finance, foreign exchange transactions, swap transactions, bonds, options, futures, guarantees and commitments.

Effective applications related to the credit risk management cover especially the following fields;

- Clear definition of the responsibilities in credit risk management process,
- Effective functioning of the lending policy,
- Understanding the basic characteristics of credit risk,
- Making all related personnel aware of the credit risk management policies,
- Keeping appropriate credit risk measurement, review and follow-up functions,
- Setting limits for credit risk, periodically reviewing the limits and effectively controlling the risk-limit position,
- Analyzing the risk structure of a new instrument before using it,
- Having sufficient management reporting system,
- Providing sufficient audit and control function on credit risk,
- Separating credit utilization and marketing function,
- Evaluating credit risk on solo and consolidated basis.

Beside the standard credit risk in credit activities, also the risks related to the economic conditions in the country of the borrower should be considered.

Effective loan extension is based on the determination of a reliable and well-defined lending criterion. For the effective credit risk management, it is essential to have sufficient information that will enable the detailed evaluation of the real risk profile of the credit applicant.

The Bank's credit risk amount is calculated by standard approach.

Credit quality of assets

	Gross Carrying Values of TAS according to Consolidated Financial Statements		Allowances / impairments	Net Values
	Defaulted exposures	Non-defaulted exposures		
1 Loans	1,957	24,868,919	34,318	24,836,558
2 Debt Securities	-	2,614,476	-	2,614,476
3 Of which defaulted	-	16,341,023	43,466	16,297,557
4 Total	1,957	43,824,418	77,784	43,748,591

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)
X. INFORMATION ON RISK MANAGEMENT (Continued)
Changes in stock of defaulted loans and debt securities

1	Defaulted loans and debt securities at end of the previous reporting period	3,451
	Loans and debt securities that have defaulted since the last reporting period	505
3	Returned to non-defaulted status	(194)
4	Amounts written off	-
5	Other changes	(1,806)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4+5)	1,957

Additional disclosure related to the credit quality of assets

None.

Qualitative requirements for public disclosure regarding credit risk mitigation techniques

Financial guarantees are used as a Credit Risk Mitigation Technique that affects the Bank's Credit Risk Amount. Financial collaterals consist of deposits that are blocked against risk.

Credit risk mitigation techniques – overview

	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1 Loans	24,836,558	-	-	1,120,947	1,095,928	-	-
2 Debt Securities	2,614,476	-	-	-	-	-	-
3 Total	27,451,034	-	-	1,120,947	1,095,928	-	-
4 Of which defaulted	1,957	-	-	-	-	-	-

Qualitative disclosures regarding ratings which the Group uses in the calculation of credit risk by standard approach.

The Parent Bank credit risk of the counterparty when calculating the standard approach to Türkiye built Banks and Agent for the risks of the Corporation Islamic International Rating Agency of the country of its rating, while for those that are built outside of Türkiye the bank's Islamic International Rating Agency rating of about if any; if not, the country of residence uses the OECD rating. Counterparty Türkiye Central Government and / or the risks that the Central Bank uses the Islamic International Rating Agency notes Türkiye.

Operational Risk

The value at operational risk is calculated according to the basic indicator approach as per the Article 24 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks". As of 31 December 2024 the amount subject to operational risk is TL 1,211,788 (31.12.2023: TL 903,263).

Current Period	2 PP Total	1 PP Total	CP Total	Total/No. of years of positive gross	Rate (%)	Total
Gross income	455,334	672,915	810,616	646,288	15	96,943
Value at operational risk (Total*12.5)						1,211,788

Prior Period	2 PP Total	1 PP Total	CP Total	Total/No. of years of positive gross	Rate (%)	Total
Gross income	316,976	455,334	672,915	481,741	15	72,261
Value at operational risk (Total*12.5)						903,263

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)
X. INFORMATION ON RISK MANAGEMENT (Continued)
Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On- balance sheet amount	Off- balance sheet amount	On- balance sheet amount	Off- balance sheet amount	RWA	RWA density
Asset classes							
1	Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	5,265,785	-	5,265,785	-	-	-
2	Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-
3	Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-
4	Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-
5	Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-
6	Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	4,214,368	6,891,240	4,214,368	4,243,815	3,946,612	%47
7	Contingent and Non-Contingent Corporate Receivables	3,665,209	2,840,913	3,665,208	1,801,632	5,466,841	%100
8	Contingent and Non-Contingent Retail Receivables	1,561	93	1,561	19	1,185	%75
9	Secured by residential property	-	-	-	-	-	-
10	Secured by commercial real estate	-	-	-	-	-	-
11	Past Due Loans	58	-	58	-	29	%50
12	Higher-Risk Receivables Defined by BRSA	186,427	2,682,102	145,163	1,592,110	2,605,909	%150
13	Marketable Securities Collateralized Mortgages	-	-	-	-	-	-
14	Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-
15	Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-	-
16	Other Receivables	1,683,839	-	1,683,839	-	1,581,683	%94
17	Equity Investments	-	-	-	-	-	-
18	Total	15,017,247	12,414,348	14,975,981	7,637,576	13,602,259	%60

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

X. INFORMATION ON RISK MANAGEMENT (Continued)

Standardised approach – exposures by asset classes and risk weights

		%0	%10	%20	%35	%50	%75	%100	%150	%200	Others	Total credit exposures amount (post CCF and post-CRM)
1	Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	5,265,785	-	-	-	-	-	-	-	-	-	5,265,785
2	Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-	-	-	-
3	Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-	-	-	-
4	Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-
5	Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-	-	-	-
6	Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	-	-	2,159,821	-	5,567,427	-	730,935	-	-	-	8,458,183
7	Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	-	5,466,840	-	-	-	5,466,840
8	Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	1,580	-	-	-	-	1,580
9	Secured by residential property	-	-	-	-	-	-	-	-	-	-	-
10	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-	-
11	Past Due Loans	-	-	-	-	58	-	-	-	-	-	58
12	Higher-Risk Receivables Defined by BRSA	-	-	-	-	-	-	-	1,737,273	-	-	1,737,273
13	Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-	-	-	-
14	Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-	-	-	-
15	Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-	-	-	-	-	-	-
16	Equity Investments	-	-	-	-	-	-	-	-	-	-	-
17	Other Receivables	102,156	-	-	-	-	-	1,581,683	-	-	-	1,683,839
18	Total	5,367,941	-	2,159,821	-	5,567,485	1,580	7,779,458	1,737,273	-	-	22,613,558

Qualitative disclosures related to IRB models

None.

IRB - Credit risk exposures by portfolio and PD range

None.

IRB – Effect on RWA of credit derivatives used as CRM techniques

None.

RWA flow statements of credit risk exposures under IRB

None.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)
X. INFORMATION ON RISK MANAGEMENT (Continued)
IRB – Backtesting of probability of default (PD) per portfolio

None.

IRB (specialised lending and equities under the simple risk weight method)

None.

Qualitative disclosure related to counterparty credit risk

This risk arises when a counterparty fails to fulfill its obligations. This is due to the refusal or inability of the counterparty to fulfill its obligations due to adverse price movements or unforeseen external conditions.

Counterparty Credit Risk is an important risk that causes credit risk for banks that perform money and capital market transactions. These transactions are listed below.

- Derivative Financial Instruments,
- Repo Transactions,
- Securities or Commodity Lending Transactions,
- Trades with Long Settlement Period,
- Overdraft Securities Transactions

Some of the characteristics of the CRR and credit risk are given below in comparison.

- Credit risk is one-way; only the lender is exposed to risk. ERR is two-way and both parties may suffer losses depending on the market value of the transaction.
- In credit risk, the amount of risk for the lender is always positive. In ERR, the value of the position created by the transaction can be positive or negative. Whichever party has a positive value of the position until maturity is the party exposed to risk.
- In any loan transaction, the loan principal is lent and collected at maturity along with interest. In transactions subject to ERR, it is possible to net mutual receivables and pay the remaining balance depending on the agreement to be made.

In credit risk, the amount of risk exposure is easily measurable, whereas in ERR, this amount is determined by the value of the asset subject to the transaction, the value of the collateral and market factors.

The Parent Bank uses the standard method for the calculation of counterparty credit risk amount.

ERR evaluation based on measurement methods

	Replacement cost	Potential credit risk amount	EBPRT	Alpha used for calculating the regulatory risk amount	Risk amount after credit risk mitigation	Risk-weighted amounts
Standard approach-ERR (for derivatives)	-	164		1,4	164	33
Toplam	-	164		1,4	164	33

ARAP TÜRK BANKASI A.Ş.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

X. INFORMATION ON RISK MANAGEMENT (Continued)

Standardised approach – CCR exposures by regulatory portfolio and risk weights

Risk Classes / Risk Weight		%0	%10	%20	%35	%50	%75	%100	%150	%200	Others	Total credit exposures amount (post CCF and post-CRM)
1	Contingent and Non-Contingent Receivables from Sovereign Governments and Central Banks	-	-	-	-	-	-	-	-	-	-	-
2	Contingent and Non-Contingent Receivables from Regional Governments and Local Authorities	-	-	-	-	-	-	-	-	-	-	-
3	Contingent and Non-Contingent Receivables from Administrative Units and Non-commercial Enterprises	-	-	-	-	-	-	-	-	-	-	-
4	Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	-	-	-	-	-	-	-
5	Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-	-	-	-	-	-	-
6	Contingent and Non-Contingent Receivables from Banks and Financial Intermediaries	-	-	164	-	-	-	-	-	-	-	33
7	Contingent and Non-Contingent Corporate Receivables	-	-	-	-	-	-	-	-	-	-	-
8	Contingent and Non-Contingent Retail Receivables	-	-	-	-	-	-	-	-	-	-	-
9	Secured by residential property	-	-	-	-	-	-	-	-	-	-	-
10	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-	-
11	Past Due Loans	-	-	-	-	-	-	-	-	-	-	-
12	Higher-Risk Receivables Defined by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Marketable Securities Collateralized Mortgages	-	-	-	-	-	-	-	-	-	-	-
14	Short-Term Receivables from Banks and Corporate	-	-	-	-	-	-	-	-	-	-	-
15	Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-	-	-	-	-	-	-
16	Equity Investments	-	-	-	-	-	-	-	-	-	-	-
17	Other Receivables	-	-	-	-	-	-	-	-	-	-	-
18	Total	-	-	164	-	-	-	-	-	-	-	33

Counterparty Credit Risk (CCR) approach analysis

None.

Credit valuation adjustment (CVA) capital charge

None.

IRB – CCR exposures by portfolio and PD scale

None.

Composition of collateral for CCR exposure

None.

Credit derivatives exposures

None.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

X. INFORMATION ON RISK MANAGEMENT (Continued)

RWA flow statements of CCR exposures under Internal Model Method (IMM)

None.

Quantitative disclosure - description of a bank’s securitisation exposures

None.

Securitisation exposures in the banking book

None.

Securitisation exposures in the trading book

None.

Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator or as sponsor

None.

Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

None .

The objective of market risk management is to maximize the Parent Bank's risk-related returns by effectively managing market risk using parameters appropriate to the size of the Parent Bank.

Market risk management consists of interest rate risk, currency risk, liquidity risk and counterparty credit risk arising from trading accounts and takes into account the relationship between these risks and other risks. Since the Parent Bank does not have a commodity and equity portfolio, it is not exposed to commodity risk and equity position risk.

The market risk management of the Bank is based on below mentioned principles.

- Clear definition of the responsibilities in market risk management process,
- Effective determination, functioning and monitoring of the treasury policy,
- Having standards for valuing positions and measuring performance,
- Understanding the basic characteristics of the risks in market risk category,
- Making all related personnel aware of the market risk management policies,
- Keeping appropriate market risk measurement, review and follow-up functions,
- Setting limits for market risk, periodically reviewing the limits and effectively monitoring the risk-limit position,
- Analyzing the risk structure of a new instrument before using it,
- Having contingency planning for crisis situations,
- Having effective management reporting system,
- Providing strong audit and control function on market risk,
- Separating Treasury Front Office and Treasury Back Office function,
- Evaluating market risk on solo and consolidated basis.
- Sound market risk management involves the application of four basic elements in the management of assets, liabilities and off-balance-sheet instruments:
 - Appropriate board and high-level management oversight;
 - Adequate risk management policies and procedures;
 - Appropriate risk measurement, monitoring and control functions; and
 - Comprehensive internal controls and independent audits.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)
X. INFORMATION ON RISK MANAGEMENT (Continued)
Qualitative requirements for public disclosure regarding market risk (Continued)

The specific manner in which a bank applies these elements in managing its market risk will depend upon the complexity and nature of its holdings and activities as well as on the level of market risk exposure.

The market risk is managed in the Bank on portfolio level. In order to control the market risk exposure, the limits are used.

It is believed that having sufficient and correct information on a right time in a well-designed format is important for effective market risk management. The Board of Directors, High Level Management and ALCO should receive sufficient information on time to make decision about the treasury strategy of the Bank.

The Risk Management Department reviews the market risk level of the Bank periodically.

The market risk structure of the Bank and the harmony of the operations with the approved policies and limits are monitored and controlled by the internal audit and internal control functions of the Bank.

For the effective management of market risks, it is important to understand the basic characteristics of interest rate, foreign exchange and liquidity risks.

The Bank's market risk amount is calculated by standard approach.

Qualitative disclosures for banks using the Internal Models Approach (IMA)

None.

Market risk under standardised approach

	RWA	RWA
Outright products		
1 Interest rate risk (general and specific)	695,088	2,124,838
2 Equity risk (general and specific)	-	-
3 Foreign exchange risk	155,850	66,125
4 Commodity risk	-	-
Options		
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitisation	-	-
9 Total	850,938	2,190,963

RWA flow statements of market risk exposures under an IMA

None.

IMA values for trading portfolios

None.

Comparison of VaR estimates with gains/losses

None.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)**X. INFORMATION ON RISK MANAGEMENT (Continued)****Nature of interest rate risk resulting from banking book, major assumptions on early repayment of loans and movements in deposits other than term deposits and frequency of measuring interest rate risk**

The interest sensitivity of assets, liabilities and off balance-sheet items are evaluated regularly at the Asset-Liability Committee meetings considering also the market developments.

The measurement process of interest rate risk resulting from the banking book, is designed and managed by the Bank on a bank-only basis to include the interest rate positions defined as banking book by the Bank and to consider the relevant repricing and maturity data.

The present value and the net interest income are calculated over the cash flows of the sensitive assets and liability items by using the yield curves constructed by using the market interest rates.

The interest rate risk resulting from the banking book is measured legally as per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulting from the Banking Book as per Standard Shock Method” published in the Official Gazette no.28034 dated 23 August 2011, and the legal limit as per this measurement is monitored and reported monthly. The capital level is maintained considering the interest rate risk resulting from the banking book.

The interest rate risk on the interest-rate-sensitive financial instruments of the trading portfolio is evaluated as part of the market risk.

Economic value differences resulted from interest rate instabilities calculated on a bank-only basis according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method**Current Period**

Type of Currency	Shocks Applied (+/- x basis points)	Gains/ Losses	Gains/Equity Losses/Equity
1 TL	500	(788)	% (0.03)
	(400)	655	%0.02
2 EURO	200	15,504	%0.57
	(200)	(15,902)	% (0.59)
3 USD	200	5,788	%0.21
	(200)	(5,945)	% (0.22)
Total (of negative shocks)		20,504	%0.76
Total (of positive shocks)		(21,192)	% (0.78)

Prior Period

Type of Currency	Shocks Applied (+/- x basis points)	Gains/ Losses	Gains/Equity Losses/Equity
1 TL	500	(675)	%(0.03)
	(400)	572	%0.03
2 EURO	200	3,969	%0.18
	(200)	(4,059)	%(0.18)
3 USD	200	14,082	%0.63
	(200)	(14,424)	%(0.65)
Total (of negative shocks)		17,376	%0.78
Total (of positive shocks)		(17,911)	%(0.80)

ARAP TÜRK BANKASI A.Ş.

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

INFORMATION ON THE FINANCIAL POSITION OF THE GROUP (Continued)

XI. INFORMATION ON CONSOLIDATED OPERATING SEGMENTS

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

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

Information on operational segments on 31 December 2024 and 31 December 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)	(16,008)	730,286	99,655	108,793	-	922,726
Commission Income (Net)	-	238,226	-	7,666	-	245,892
Unallocated	-	-	-	(86,372)	(830,593)	(916,965)
Income/Expenses (Net)	-	-	-	-	-	-
Income from Subsidiaries	-	-	-	-	206	206
Dividend Income	-	-	-	-	-	-
Other Dividend Income	-	-	-	-	206	206
Operating Income	(16,008)	968,512	99,655	30,087	(830,387)	251,859
Income before tax	-	-	-	-	251,859	251,859
Tax Provision	-	-	-	-	(53,305)	(53,305)
Net Profit for the period	-	-	-	-	198,554	198,554

Current Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations of the Group
Segment Assets	1,630	3,170,932	10,923,399	1,716,305	-	15,812,266
Unallocated assets	-	-	-	-	4,243,287	4,243,287
Total Assets	1,630	3,170,932	10,923,399	1,716,305	4,243,287	20,055,553
Segment Liabilities	2,910,062	4,385,114	7,993,332	1,394,671	-	16,683,179
Unallocated Liabilities	-	-	-	-	675,794	675,794
Equity	-	-	-	-	2,696,580	2,696,580
Total Liabilities	2,910,062	4,385,114	7,993,332	1,394,671	3,772,374	20,055,553

Prior Period	Retail Banking	Corporate and Commercial Banking	Treasury	Leasing	Other	Total Operations of the Group
Interest Income (Net)	(3,984)	445,477	126,011	65,079	-	632,583
Commission Income (Net)	-	139,362	-	4,332	-	143,694
Unallocated	-	-	-	(57,266)	(616,538)	(673,804)
Income/Expenses (Net)	-	-	-	-	-	-
Income from Subsidiaries	-	-	-	-	97	97
Dividend Income	-	-	-	-	-	-
Other Dividend Income	-	-	-	-	97	97
Operating Income	(3,984)	584,839	126,011	12,145	(616,441)	102,570
Income before tax	-	-	-	-	102,570	102,570
Tax Provision	-	-	-	-	60,082	60,082
Net Profit for the period	-	-	-	-	162,652	162,652

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

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

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	1,489	134,010	2,452	139,573
Central Bank of Türkiye	8,985	3,988,794	202,517	2,813,292
Other	-	-	-	-
Total	10,474	4,122,804	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⁾	8,985	-	32,828	-
Unrestricted Time Deposits	-	1,494,349	-	958,050
Restricted Time Deposits	-	-	-	-
Reserve Deposits	-	2,494,445	169,689	1,855,242
Total	8,985	3,988,794	202,517	2,813,292

⁽¹⁾ General reserve amount requirements maintained at CBRT.

Information on Reserve Deposits

Banks established in Türkiye or operating in Türkiye by opening branches are subject to the Central Bank of the Republic of Türkiye's Communiqué No. 2013/15 on Reserve Requirements. The items specified in the Communiqué constitute the liabilities subject to reserve requirements, except for the liabilities to the Central Bank of the Republic of Türkiye, the Treasury, domestic banks and the headquarters and branches of banks established by international agreements in Türkiye, based on the accounting standards and recording system to which the banks are subject.

Banks establish reserve requirements at the Central Bank of the Republic of Türkiye for the Turkish Lira and foreign currency liabilities specified in the aforementioned communiqué. The establishment of reserve requirements starts on the Friday two weeks following the liability calculation date and lasts for 14 days. Required reserves can be held at the Central Bank of the Republic of Türkiye in Turkish Lira, USD, EUR and standard gold in accordance with the "Communiqué on Required Reserves". The reserve requirement ratios vary according to the maturity structure of the liabilities and are applied between 3% - 17% for Turkish Lira deposits and other liabilities and between 5% - 30% for foreign currency deposits and other liabilities.

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

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

None (December 31, 2023: None).

3. *Positive differences related to derivative financial assets*

None (December 31, 2023: None).

4. Information on banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	111,586	2,425,810	25,863	794,846
Foreign banks	-	346,294	-	477,753
Branches and head office abroad	-	-	-	-
Total	111,586	2,772,104	25,863	1,272,599

	Free Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	128,245	314,447	-	-
USA, Canada	191,183	153,377	-	-
OECD Countries	-	-	-	-
Off-shore Banking Regions	-	-	-	-
Other	26,866	9,929	-	-
Total	346,294	477,753	-	-

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 (+)	2,648	-	-	2,648
Disposal (-)	(1,553)	-	-	(1,553)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs (-)	-	-	-	-
Balances at End of Period	2,769	-	-	2,769

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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

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

As of 31 December 2024, the Bank does not have any financial assets at fair value through other comprehensive income that are subject to repo transactions.

In the current period, the Parent Company does not have any securities given as collateral/blocked as assets at fair value through other comprehensive income (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.

Information on financial assets at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities	1,141,112	2,278,752
Quoted in stock exchange	1,141,112	2,278,752
Not quoted in stock exchange	-	-
Share Certificates	2,394	12,013
Quoted in stock Exchange	-	-
Not quoted in stock Exchange	2,394	12,013
Impairment provision (-)	220,449	183,265
Total	923,057	2,107,500

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	-	333,214	-	66,066
Corporate Shareholders	-	333,214	-	66,066
Individual Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to the Bank's personnel	1,630	-	7,500	1,511
Total	1,630	333,214	7,500	67,577

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

	Standard Loans	Not Under the Scope of Restructuring or Rescheduling	Loans Under Close Monitoring	
			Restructured or Rescheduled	Refinancing
Cash Loans			Loans with revised contract terms	
Non-Specialized Loans	3,893,583	96	-	-
Commercial Loans	-	-	-	-
Export Loans	1,772,678	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,119,371	-	-	-
Consumer Loans	1,534	96	-	-
Credit Cards	-	-	-	-
Other	1,628,205	307,883	-	-
Specialized Lending	-	-	-	-
Other Receivables(1)	-	-	-	-
Total	5,521,788	307,979	-	-

(1)

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

	Standard Loan ⁽¹⁾	Loans Under Close Monitoring ⁽¹⁾
12-Month expected credit losses	20,031	-
Significant increase in credit risk	-	18,029

(*) Includes lease receivables.

	Standard Loans	Not Restructured	Loans Under Close Monitoring Restructured
Cash Loans			
Short Term Loans	3,835,055	96	-
Medium and Long Term Loans	1,686,733	307,883	-
Total	5,521,788	307,979	-

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

	Short Term	Middle and Long Term	Total
Consumer Loans-TL	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-Indexed to FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Individual Credit Cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Personnel Loans- TL	550	1080	1630
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	550	1080	1630
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	550	1080	1630

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 installment commercial loans and corporate credit cards

None.

6. Information on Loans
Information on installment commercial loans and commercial credit cards

None.

Allocation of domestic and foreign loans by users

	Current Period	Prior Period
Domestic loans	-	-
Foreign loans	5,830,875	3,259,107
Total	5,830,875	3,259,107

Allocation of domestic and foreign loans

	Current Period	Prior Period
Domestic loans	5,503,434	3,119,912
Foreign loans	327,441	139,195
Total	5,830,875	3,259,107

Loans to subsidiaries and associates

	Current Period	Prior Period
Direct loans to subsidiaries and associates	34,758	31,396
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	34,758	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	1,899	3,245
Total	1,899	3,245

(1) Includes Financial lease receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 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.

Information on movement of total non-performing loans

	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 (+)	-	-	505
Transfers from other categories of nonperforming loans (+)	-	-	-
Transfers to other categories of nonperforming loans (-)	-	-	1,805
Collections (-)	-	-	194
Write-offs (-)	-	-	-
Institutional and commercial credits	-	-	-
Individual credits	-	-	-
Credit cards	-	-	-
Others	-	-	-
Balances at End of the Period	-	-	1,957
Specific provisions (-)	-	-	1,899
Net Balance on Balance Sheet	-	-	58

(1) Includes Financial lease receivables.

Information on foreign currency non-performing loans

None (December 31, 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)	-	-	58
Loans granted to real persons and legal entities (Gross)	-	-	1,957
Specific provisions (-)	-	-	1,899
Loans granted to real persons and legal entities (Net)	-	-	58
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)	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 accruals, valuation differences and related provisions calculated for non-performing loans for Banks which are providing expected credit loss according to TFRS 9

None.

Collection policy on loans determined as loss and other receivables

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

Information on write-off policy

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

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

The Group does not have any receivables written off during the period in accordance with TFRS 9 (December 31, 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	15,565	16,325	-	31,890
Disposal	(10,468)	(15)	(1,805)	(12,288)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	16,885	16,325	1,108	34,318
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

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

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

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	3,012	2,621	332	5,965
Additions during the Period	2,038	1,610	504	4,152
Disposal	(2,188)	(2,242)	(45)	(4,475)
Transfer to Stage1	284	(284)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	3,146	1,705	791	5,642
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 amortised cost
Information on transaction of repo and collateral/blocked financial assets (Net)

The Bank has no financial assets at amortized cost subject to repurchase agreements in the current period (December 31, 2023: None).

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

Information on government financial assets measured at amortised cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	44,086	2,892,450	41,191	2,952,892
Treasury Bonds	-	-	-	-
Other Public Bonds	-	236,026	-	392,692
Total	44,086	3,128,476	41,191	3,345,584

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

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

	Current Period	Prior Period
Debt Instruments	3,172,562	3,386,775
Quoted at stock exchange	3,172,562	3,386,775
Not-quoted at stock exchange	-	-
Impairment loss provision (-)	-	-
Total	3,172,562	3,386,775

Movement of financial assets measured at amortised cost

	Current Period	Prior Period
Balances at the Beginning of the Period	3,386,775	3,110,396
Foreign Currency Gains / Losses on Monetary assets	571,777	1,592,267
Purchases during the Period	-	537,075
Disposals through sales and redemptions ⁽¹⁾	(785,990)	(1,852,963)
Impairment loss provision	-	-
Period end balance	3,172,562	3,386,775

(1) In the current period redemption amounting to TL 785,990 has been realized from the portfolio (31 December 2023: TL 1,852,963).

Information on Expected Credit Loss

Current Period	Stage 1	Stage 2	Stage 3	Total
Balance at Beginning of Prior Period	4,253	-	-	4,253
Additions during the Period	20	-	-	20
Disposals	(2,182)	-	-	(2,182)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balance at End of Period	2,091	-	-	2,091
Prior Period	Stage 1	Stage 2	Stage 3	Total
Balance at Beginning of Prior Period	2,791	-	-	2,791
Additions during the Period	2,668	-	-	2,668
Disposals	(1,206)	-	-	(1,206)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balance at End of Period	4,253	-	-	4,253

8 Information on associates

The Group does not have an associate.

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

9 Information on subsidiaries (Net)

Information on subsidiaries including consolidation

A&T Finansal Kiralama A.Ş.

Information on Shareholder’s Equity

	Current Period	Prior Period
CORE CAPITAL		
Paid in Capital	161,500	153,500
Capital Reserves	228	228
Legal Reserves	8,998	8,024
Extraordinary Reserves – Legal Reserve per General Legislation	1	1
Profit / Loss	36,954	21,434
<i>Net Profit</i>	24,494	19,492
<i>Prior Period Profit/Loss</i>	12,460	1,942
Intangible Assets (-)	4,945	4,907
Total Core Capital	202,736	178,280
SUPPLEMENTARY CAPITAL	-	-
CAPITAL	202,736	178,280
DEDUCTION FROM CAPITAL	-	-
NET AVAILABLE CAPITAL ⁽¹⁾	202,736	178,280

(1) There is no restriction on shareholders’ equity of subsidiary. After deduction from the capital, the total net available equity is TL 202,736.

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 is the capital amount stated in Turkish Lira in the articles of association and registered in the trade registry. Inflation adjustment to paid-in capital is the inflation adjustment to shareholders' equity. Extraordinary reserves are the reserves appropriated in accordance with the resolution of the general shareholders' meeting after the legal reserves are allocated from the profit after tax. Legal Reserves: The legal reserves are appropriated out of the annual profit in accordance with the first paragraph of Article 519 and the third subparagraph of the second paragraph, Article 521 of the Turkish Commercial Code No. 6102 and the Articles of Association.

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⁾
1,716,305	250,837	74,045	225,575	-	24,494	19,492	-

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

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

9 Information on subsidiaries (Net) (Continued)

Movement related to subsidiaries

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

Valuation of investments in subsidiaries

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

Sectoral Information on the subsidiaries

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

Quoted Subsidiaries

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

Subsidiaries sold and acquired in the current year

None.

10. Information on joint ventures

The Parent Bank has no joint ventures.

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

11. Information on Financial Lease Receivables (Net)

	Current Period	Prior Period
Gross Financial Lease Investment	1,633,359	1,400,816
Earned Financial Lease Income (-)	197,432	179,924
Cancelled Leasing Amounts	-	-
Net Investment on Leases	1,435,927	1,220,892

	Current Period	Prior Period
Stage 1	1,170,227	1,024,565
Stage 2	264,851	195,789
Stage 3	849	538
Total	1,435,927	1,220,892

Maturity analysis of financial lease receivables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	967,911	835,254	807,446	681,022
Between 1-4 years	665,448	600,673	593,370	539,870
Over 4 years	-	-	-	-
Total	1,633,359	1,435,927	1,400,816	1,220,892

12. Information on financial derivatives for hedging

The Bank has no financial derivatives for hedging.

13. Information on tangible assets

Current Period	Real Estate	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at the End of the Prior Period- 31 December 2023					
Cost	963,672	12,636	5,327	51,594	1,033,229
Accumulated Depreciation (-)	(396)	(3,956)	(1,275)	(27,241)	(32,868)
Net Book Value	963,276	8,680	4,052	24,353	1,000,361
Balance at the End of the Current Period -31 December 2024					
Net Book Value at the Beginning of the Current Period	963,672	12,636	5,327	51,594	1,033,229
Additions	-	1,446	81	3,030	4,557
Disposals (-)	-	-	-	(114)	(114)
Revaluation Surplus	455,394	-	-	-	455,394
Cost at the End of the Current Period	1,419,066	14,082	5,408	54,510	1,493,066
Accumulated Depreciation (-)	(396)	(3,956)	(1,275)	(27,241)	(32,868)
Depreciation Expense (-)	(188)	-	(881)	(17,050)	(18,119)
Depreciation of Disposals (-)	-	-	-	(86)	(86)
Accumulated Depreciation at the End of the Current Period (-)	(584)	(3,956)	(2,156)	(44,377)	(51,073)
Net Book Value at the End of the Current Period	1,418,482	10,126	3,252	10,133	1,441,993

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

13. Information on tangible assets (Continued)

Prior Period	Real Estates	Leased Tangible Assets	Vehicles	Other Tangible Assets	Total
Balance at the End of the Prior Period- 31 December 2023					
Cost	562,795	11,735	2,702	29,496	606,728
Accumulated Depreciation (-)	(11)	(3,956)	(1,029)	(22,204)	(27,200)
Net Book Value	562,784	7,779	1,673	7,292	579,528
Balance at the End of the Current Period -31 December 2024					
Net Book Value at the Beginning of the Current Period	562,795	11,735	2,702	29,496	606,728
Additions	24,865	901	2,980	22,113	50,859
Disposals (-)	-	-	(355)	(15)	(370)
Revaluation Surplus	376,012	-	-	-	376,012
Cost at the End of the Current Period	963,672	12,636	5,327	51,594	1,033,229
Accumulated Depreciation (-)	(11)	(3,956)	(1,029)	(22,204)	(27,200)
Depreciation Expense (-)	(385)	-	(601)	(5,051)	(6,037)
Depreciation of Disposals (-)	-	-	355	14	369
Accumulated Depreciation at the End of the Current Period (-)	(396)	(3,956)	(1,275)	(27,241)	(32,868)
Net Book Value at the End of the Current Period	963,276	8,680	4,052	24,353	1,000,361

14. Information on intangible assets

	Current Period	Prior Period
Balance at the End of the Prior Period – 31 December 2023		
Cost	42,376	26,765
Accumulated Depreciation (-)	(26,538)	(22,393)
Net Book Value	15,838	4,372
Balance at the End of the Current Period – 31 December 2024		
Net Book Value at the Beginning of the Current Period	42,376	26,765
Additions	7,559	20,988
Disposals (-)	-	(5,377)
Impairment(-)	-	-
Cost at the Beginning of the current period	49,935	42,376
Accumulated Depreciation (-)	(26,538)	(22,393)
Amortization and amortization expense of disposals(-)	(7,140)	(4,145)
Impairment Depreciation(-)	-	-
Accumulated Amortization at end of the current period	(33,678)	(26,538)
Net Book Value at end of the current period	16,257	15,838

15. Information on investment property

The Group has no investment property.

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

16. Information on tax assets

The Group has no current tax assets.

17. 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	-	-

18. Information on other assets

Other assets of the balance sheet have the correct form of TL 190,346 and do not exceed 10% of the general table total, excluding external commitments (31 December 2023: TL 142,901).

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	26,668	-	7,637	13,748	4,755	6,938	5,690	-	65,436
Foreign Currency Deposits	6,438,992	-	977	114,139	498,259	26,829	33,247	-	7,112,443
Residents in Türkiye	2,476,306	-	977	50,953	389,545	5,288	2,640	-	2,925,709
Residents Abroad	3,962,686	-	-	63,186	108,714	21,541	30,607	-	4,186,734
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	62,426	-	-	161	-	-	-	-	62,587
Other Ins. Deposits	22,233	-	-	-	-	-	-	-	22,233
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	2,431,779	-	70,587	707,066	-	-	-	-	3,209,432
Central Bank	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	707,066	-	-	-	-	707,066
Foreign Banks	2,431,779	-	70,587	-	-	-	-	-	2,502,366
Special Financial Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	8,982,098	-	79,201	835,114	503,014	33,767	38,937	-	10,472,131

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

1. Information on maturity profile of deposits (Continued)

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 199,760 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	24,974	13,860	40,462	21,846
Foreign Currency Saving Deposits	947,591	728,623	1,897,035	1,727,310
Other Saving Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	972,565	742,483	1,937,497	1,749,156

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	24,601	39,350
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code no. 5237 dated 26 September 2004	-	-
Deposits at Depositary Banks established for Off-Shore Banking Activities in Türkiye	-	-
Total	24,601	39,350

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

2. Information on derivative financial liabilities

The group has derivative financial liabilities amounting to TL 55. (31 December 2023: None)

Negative differences on derivative financial liabilities

None.

3. Information on Funds Borrowed
Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
From CBRT	-	-	-	-
From Domestic Banks and Institutions	33,505	28,934	2,194	30,917
From Foreign Banks, Institutions and Funds	-	6,079,782	-	5,961,109
Total	33,505	6,108,716	2,194	5,992,026

Presentation of funds borrowed based on maturity profile

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	-	2,973,539	2,194	5,160,937
Long-Term	33,505	3,135,177	-	831,089
Total	33,505	6,108,716	2,194	5,992,026

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

Group's liabilities come from 52% of deposits. (31 December 2023: 48%).

4. Information on other liabilities

Other liabilities in the balance sheet amounts to TL 375,376 and does not exceed 10% of the total balance sheet (31 December 2023: TL 160,953).

5. Information on financial lease obligations

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	590	418	657	465
Between 1 – 4 years	3,307	2,152	8,645	8,085
More than four years	1,026	(345)	1,776	1,392
Total	4,923	2,225	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

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 December 2024 is TL 79,831 (31 December 2023: TL 62,781). In addition to this, the employee termination benefit liability amount is TL 34,989 (31 December 2023: TL 33,568).

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

	Current Period	Prior Period
Provisions for non-cash loans	88,219	101,808
Provisions for law suits	8	8
Other provisions	235	-
Total	88,462	101,816

8. Explanations on tax liabilities

Information on current tax liability

As of 31 December 2024, the Bank's corporate tax payable is TL 72,968 (31 December 2023: TL 23,737)

Information on deferred tax liability

As of the current period, the Group has recognized a deferred tax asset of 235,597 TL and a deferred tax liability of 324,016 TL, calculated based on tax deductions and exemptions, as well as the differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases determined under tax legislation. These amounts have been offset and recorded accordingly.

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	105,820	31,748	92,148	27,646
Unearned revenues	11,799	3,540	6,254	1,876
Interest rediscounts	245,946	73,784	134,884	40,465
Provisions	104,350	31,305	103,057	30,917
Other	317,403	95,220	268,522	80,834
Deferred tax asset	785,318	235,597	604,865	181,738
Tangible assets revaluation surplus	(1,398,069)	(333,095)	(942,675)	(225,085)
Interest accruals	-	-	(128,830)	(38,649)
Other	(30,267)	(9,079)	(15,655)	(4,695)
Deferred tax liability	(1,367,802)	(324,016)	(1,055,850)	(259,039)
Deferred tax asset/(liability) (net)		(88,419)		(77,301)

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

8. Explanations on tax liabilities (Countinued)

Movement of deferred tax asset and liability:

	Current Period	Prior Period
Opening balance	(77,301)	(36,536)
Deferred tax income/(expense)(Net)	75,445	63,025
Deferred tax accounted under shareholder's equity	(86,563)	(103,790)
Net Deferred Tax Asset/(Liability)	(88,419)	(77,301)

	Current Period	Prior Period
Corporate Taxes Payable	41,118	835
Banking Insurance Transaction tax (BITT)	2,771	2,215
Taxation on Securities Income	287	932
Value Added Tax Payable	3,272	1,534
Value Added Tax Payable (Limited taxpayer)	337	31
Foreign exchange transaction tax	-	-
Taxation on real estate income	38	23
Other	14,898	11,891
Total	62,721	17,461

Information on premium payables

	Current Period	Prior Period
Social Security Premiums-Employee	3,388	2,111
Social Security Premiums-Employer	6,289	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	190	120
Unemployment Insurance-Employer	380	241
Others	-	-
Total	10,247	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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	-	-

At the Extraordinary General Assembly held on December 4, 2024, the bank decided to increase its paid-in capital by TL 2,140,000 (TL 1,070,000 from internal resources and TL 1,070,000 from external resources), and the legal process is ongoing.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

Information on the privileges given to stocks representing the capital

The share capital of the Parent Bank may be increased or decreased one or more times. Capital increase may be made by transferring money to the capital account and issuing new share certificates to the shareholders in proportion to their shares.

Each shareholder has the right to purchase the newly issued shares according to the ratio of his/her existing shares to the capital (pre-emptive right). This right may be exercised within thirty days following the date of the call to the shareholders. This call shall be made to the shareholders by sending registered letters to the addresses registered in the shareholders’ ledger.

The pre-emptive right may be transferred only if it is approved by the affirmative votes of 80% majority of the members of the Board of Directors. New share certificates may not be issued with values below the nominal value of the initial share certificates.

Fractional share certificates are allocated and distributed by the Board of Directors.

The Parent Bank may not, directly or indirectly, finance the purchase of its own shares.

Arab shareholders shall be treated as Turkish citizens under Turkish law. This guarantee includes, but is not limited to, the transfer of share dividends and other distributed earnings, and Arab shareholders similarly benefit from and are protected by the Foreign Capital Incentive Law No. 6224

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	(143,054)	1,751	(128,054)	35,060
Exchange Rate Differences	-	-	-	-
Total	(143,054)	1,751	(128,054)	35,060

Information on legal reserve

As per the decision taken at the 45th Ordinary General Assembly Meeting held on 21 March 2024 TL 7,833 of the profit for the year 2023 will be transferred to legal reserves and the remaining TL 154,819 will be transferred to retained earnings.

Information on Minority Shares

None.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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

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

Type and amount of irrevocable commitments

The Group has TL 6,656 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 24,187 over total non-cash loans (31 December 2023: TL 19,498).

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

The total amount of non-cash loans including guarantees, bills of exchange and acceptances and sureties on letters of credits and other guarantees is TL 4,871,426 (31 December 2023: TL 3,230,471).

Final guarantees, temporary guarantees, commitments and similar transactions

The total amount of the Group's guarantee letters is TL 11,426,131 (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	1,485,579	1,542,085
Less Than or Equal to One Year with Original Maturity	742,000	55,163
More Than One Year with Original Maturity	743,579	1,486,922
Other Non-Cash Loans	14,811,978	11,770,576
Total	16,297,557	13,312,661

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

3. Information on sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	TL	%	FC	%	TL	%	FC	%
Agricultural	-	-	-	-	-	-	-	-
Farming and Raising livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishing	-	-	-	-	-	-	-	-
Manufacturing	103,199	9.43	1,289,187	8.48	176,279	19.91	1,139,392	9.17
Mining	-	-	-	-	700	0.08	-	-
Production	89,323	8.17	1,280,166	8.42	154,303	17.42	1,138,795	9.16
Electric, gas and water	13,876	1.27	9,021	0.06	21,276	2.40	597	0.00
Construction	12,056	1.10	2,421,813	15.93	287,646	32.48	2,014,896	16.21
Services	978,390	89.44	11,492,695	75.59	421,616	47.61	9,272,832	74.62
Wholesale and Retail Trade	-	-	7,571	0.05	-	-	6,530	0.05
Hotel, Food and Beverage	-	-	-	-	-	-	-	-
Services	7	0.00	-	-	7	0.00	-	-
Transportation and	-	-	-	-	-	-	-	-
Telecommunication	1,917	0.18	8,626	0.06	1,917	0.22	7,744	0.06
Financial Institutions	976,466	89.27	11,476,498	75.48	419,692	47.39	9,258,558	74.50
Real Estate and Renting	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Self-Employment Services	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	217	0.02	-	-	-	-	-	-
Total	1,093,862	100.00	15,203,695	100.00	885,541	100.00	12,427,120	100.00

	Group I		Group II	
	TL	FC	TL	FC
Letters of guarantee	1,093,617	10,332,269	245	-
Bank acceptances	-	-	-	-
Letters of credit	-	4,871,426	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	-	-	-	-
Non cash loans	1,093,617	15,203,695	245	-

4. Information on derivative transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Swap currency purchase transactions	-	15,498	-	-
Swap currency sale transactions	-	15,789	-	-
Swap Money Buy Sell Transactions	-	31,287	-	-

5. Information on credit derivatives and related imposed risks

The Group does not have any credit derivate contract.

6. Information on contingent liabilities and assets

The Bank has not provided provision for the disputed legal cases filed by various persons and institutions having probability of occurrence and requiring cash outflow. Although there are other ongoing lawsuits against the Bank, the Bank do not expect high possibility of negative result and cash outflows related to these cases.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)
7. Explanations Regarding Services Provided on Behalf and Account of Others

The Group does not provide custody services on behalf of its customers' clients.

8. Information on Expected Loss Provisions

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	82,310	-	19,498	101,808
Additions during the Period	19,352	440	4,689	24,481
Disposal	(38,070)	-	-	(38,070)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	63,592	440	24,187	88,219
Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	32,719	-	10,871	43,590
Additions during the Period	55,961	-	8,627	64,588
Disposal	(6,370)	-	-	(6,370)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Write-offs	-	-	-	-
Balances at End of Period	82,310	-	19,498	101,808

IV. INFORMATION AND FOOTNOTES RELATED TO 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	239,575	194,044	232,417	112,207
Medium and Long- Term Loans	179,627	107,378	9,648	88,543
Interest Received From Non-Performing Loans	1,645	-	166	-
Premiums Received From Resource Utilization Support Fund	-	-	-	-
Total	420,847	301,422	242,231	200,750

⁽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	49,770	48,799	12,962	29,133
From Foreign Banks	886	21,276	3,340	8,289
From Foreign Headquarter and Branches	-	-	-	-
Total	50,656	70,075	16,302	37,422

ARAP TÜRK BANKASI A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 interest income on marketable securities

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value Through Profit or Loss	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income	57,398	45,849	52,108	105,387
Financial Assets Measured at Amortised Cost	7,858	213,307	13,347	185,233
Total	65,256	259,156	65,455	290,620

Information on interest income received from associates and subsidiaries

None.

2. Interest Expense

Information on interest paid for funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	19,826	321,529	3,086	201,491
Central Bank	-	-	-	-
Domestic Banks	19,826	4,272	3,086	715
Foreign Banks	-	317,257	-	200,776
Other Institutions	-	-	-	-
Total	19,826	321,529	3,086	201,491

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

Current Period	Demand Deposit	Up to 1 Month	Time Deposit			More than 1 Year	Cumulative Deposit	Total
			Up to 3 Months	Up to 6 Months	Up to 1 Year			
Turkish Lira								
Interbank deposits	-	31,778	-	-	-	-	-	31,778
Saving deposits	-	3,006	3,486	1,615	3,443	1,607	-	13,157
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	450	118	-	-	-	-	568
Other deposits	-	-	-	-	-	-	-	-
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Total	-	35,234	3,604	1,615	3,443	1,607	-	45,503
Foreign Currency								
Foreign currency deposits	-	207	2,656	3,966	780	1,079	-	8,688
Interbank deposits	37	45,662	-	-	15,641	-	-	61,340
Deposits with 7 days notification	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	37	45,869	2,656	3,966	16,421	1,079	-	70,028
Grand Total	37	81,103	6,260	5,581	19,864	2,686	-	115,531

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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)

3. Information on dividend income

	Current Period	Prior Period
Financial assets at fair value through profit or loss	-	-
Financial assets measured at amortized cost	-	-
Financial assets at fair value through other comprehensive income	206	97
Other	-	-
Total	206	97

4. Information on trading gain/loss

	Current Period	Prior Period
Gain	61,349,659	71,830,735
Gain from money market transactions	35,747	528
Gain from financial derivative transactions	-	14,538
Gain from exchange transactions	61,313,912	71,815,669
Loss (-)	(61,294,700)	(71,816,407)
Loss from money market transactions	-	(13,746)
Loss from financial derivative transactions	(463)	(25,463)
Loss from exchange transactions	(61,294,237)	(71,777,198)
Net Trading Gain/Loss	54,959	14,328

5. Information on impairment in loans

	Current Period	Prior Period
Cancellation of provisions of prior year	21,954	9,729
Provision for communication expenses	12,112	6,715
Gain on sales of assets	1,768	9,444
Other income	1,947	9,216
Total	37,781	35,104

6. Information on Other Provision Expenses

	Current Period	Prior Period
Expected Credit Loss Provisions	21,858	66,453
12 month expected credit loss (stage 1)	2,109	61,509
Significant increase in credit risk (stage 2)	18,452	2,549
Non-performing loans (stage 3)	1,297	2,395
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	21,858	66,453

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 provision expenses

	Current Period	Prior Period
Securities Depreciation Expenses	22,493	28,882
Free Provision	-	-
Provisions Lawsuits	-	-
Total	22,493	28,882

8. Information on other operating expense

	Current Period	Prior Period
Employee Termination Benefits Expense	13,445	8,374
Tangible Fixed Asset Impairment Expense	51,347	34,142
Amortization Expenses of Tangible Assets	-	-
Intangible Fixed Asset Impairment Expense	14,271	7,822
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	7,139	4,143
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	162,780	111,202
<i>Operating Lease Expenses out of the scope of TFRS 16</i>	1,354	669
<i>Maintenance Expenses</i>	49,045	34,374
<i>Advertisement Expenses</i>	1,636	1,533
<i>Other Expenses⁽²⁾</i>	110,745	74,626
Losses from sales of Assets	57	6
Other ⁽¹⁾	66,955	50,343
Total	315,994	216,032

1) Other operating expenses consist of taxes, duties, fees and funds amounting to TL 20,059, audit and consultancy fees amounting to TL 18,587, SDIF expenses amounting to TL 10,084 and other operating expenses amounting to TL 18,225. (31 December 2023: Other operating expenses consist of taxes, duties, fees and funds amounting to TL 13,201, audit and consultancy fees amounting to TL 13,119, SDIF expenses amounting to TL 7,076 and other operating expenses amounting to TL 16,947).

2) 31,112 TL includes communication expenses and other operating expenses. (31 December 2023: TL 17,801).

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

The pre-tax income amount from continued operations is TL 251,859 (31 December 2023: TL 102,570).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 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 is TL 128,750 (31 December 2023: TL 2,943) and the net impact of deferred tax income is TL 75,445 (31 December 2023: TL 63,025 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 75,445 (31 December 2023: TL 63,025 deferred tax income).

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

The deferred tax income reflected in the statement of profit or loss computed over temporary difference and tax deductions and exemptions is TL 75,445 (31 December 2023: TL 63,025 deferred tax income).

11. 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 198,554 (31 December 2023: TL 162,652).

12. 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.

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

Other accounts which exceed the 10% of the statement of profit or loss, other than other operating income and other operating expense, amounting to TL 213,156 consist of transfer commissions, letter of credit commissions and other (31 December 2023: TL 124,129).

	Current Period	Prior Period
Letter of Credit Commissions	145,810	87,964
Transfer Commissions	50,813	27,859
Other	16,533	8,306
Total	213,156	124,129

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

V. INFORMATION AND DISCLOSURES RELATED TO STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1. Changes due to revaluation of financial assets at fair value through other comprehensive income

In the current period, there is TL 48,309 (31 December 2023: TL 84,648) net decrease in value.

2. Increases due to cash flow hedges

None.

3. Confirmation on exchange rate differences between beginning and ending

None.

4. Information on issuance of common stock

Rights, priorities and restrictions for all classes of capital shares, including dividend distribution and recall of capital

None.

5. Information on dividend

Dividend amounts declared subsequent to the balance sheet date but before the issuance of the financial statement

None.

Net profit per share proposed to be distributed after the balance sheet date

None.

6. Amounts transferred to reserves

In the current period, amount of TL 8,807 have been transferred to legal reserves (31 December 2023: TL 11,744).

7. Information on other capital increment accounts at the equity movement table

Information on inflation restatement differences of shareholders equity accounts

None.

Explanations about the Share Capital increase

There are no capital reserves due to inflation accounting, which is followed in the "Paid capital inflation difference correction" account is added to the capital according to the subjected circular.

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

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

VI. INFORMATION AND FOOTNOTES RELATED TO CASH FLOWS STATEMENT

1. Information on cash and cash equivalent assets

Balances that form the cash and cash equivalent assets, and the accounting policy used in the formation of these balances

Subject to the preparation of cash flows statements “Cash” refers to cash in vault, cash in transit, bank cheques purchased and demand deposits in banks including Central Bank of Türkiye; “Cash equivalents” refers to money market placements of original maturity less than three months and time deposits at banks, and investments in financial securities.

Information on cash and cash equivalents at the beginning of the period

	1 January 2024	1 January 2023
Cash	142,025	67,002
Cash and cash equivalents	2,455,615	1,570,038
Total	2,597,640	1,637,040

Information on cash and cash equivalents at the end of the period

	31 December 2024	31 December 2023
Cash	135,499	142,025
Cash and cash equivalents	4,446,755	2,455,615
Total	4,582,254	2,597,640

The TL (457,530) in the “Other” account that is under the “Operational Profit Before Operations of Banking on Assets and Liabilities” account is comprised of other operating income excluding collections from non performing loans, other operating expense excluding personnel expenses and exchange gain/loss (31 December 2023: TL (663,849)).

The “Net increase/decrease in other assets” account under the “Changes in assets and liabilities subject to banking activities” amounting to TL (47,406) is composed of changes in fixed assets, associates, tax assets and other assets (31 December 2023: TL (50,258)).

The “Net increase/decrease in other debts” account under the “Changes in assets and liabilities subject to banking activities” amounting to TL (40,240) is composed of changes in miscellaneous debts, other foreign resources and tax, duty, fees and premiums payable (31 December 2023: TL (552,018)).

“Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents” is computed by TL 575,730 which includes effects of changes in currency of monthly foreign currency denominated cash and cash equivalents translated to Turkish Lira (31 December 2023: TL 947,661).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2024

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

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

VII. 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***Current Period**

Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-Cash	Cash	Non-cash
Loans and Other Receivables						
Balance at the beginning of the period	-	-	-	66,066	249	772,553
Balance at the end of the period	-	-	-	333,214	118,992	1,350,296
Interest and Commission						
Income received ⁽²⁾	-	-	-	-	1,140	-

⁽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**

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	-	-	-	3,753	54,034	469,456
Balance at the end of the period	-	-	-	66,066	249	772,553
Interest and Commission						
Income received ⁽²⁾	-	-	-	-	340	-

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

The Group has a loan amounting to TL 4,644,675 (31 December 2023: TL 1,471,910) from the risk group. There was an interest expense of TL 208,808 in the current period related to the loans used. (31 December 2023: TL 55,971).

Information on deposits of the Group's risk group

Bank's Risk Group ⁽¹⁾	Associates, Subsidiaries and Joint Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at the beginning of the period	-	-	176,134	145,737	117,851	742,284
Balance at the end of the period	-	-	1,242,977	176,134	185,496	117,851
Interest expense on deposit:	-	-	6,449	4,204	2,208	12,236

⁽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.

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

INFORMATION ON DISCLOSURES AND FOOTNOTES OF CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
Information on benefits provided for top level management:

For the year ended 31 December 2024, TL 72,535 has been paid to the top level management of the Group as salaries and fringe benefit (31 December 2023: TL 75,458).

VIII. DOMESTIC, FOREIGN AND OFF SHORE BRANCHES OR INVESTMENTS AND FOREIGN REPRESENTATIVE OFFICES
1. Information on Bank's domestic branches, foreign branches and representatives

	Number of branches	Number of employees			
Domestic Branch	4	242			
			Country		
Foreign representative office	-	-	-		
				Total assets	Legal capital
Foreign branch	-	-	-	-	-
Off shore branches	-	-	-	-	-

2. Parent Bank open or close branches or representative offices in the country and abroad, information on significant changes in the organization

In the second quarter of the year, in line with cost optimization measures, the Parent Bank reassessed its branch network and decided to close the Güneşli, Konya, and Kayseri branches.

IX. FEES RELATED WITH THE SERVICES PROVIDED BY INDEPENDENT AUDITORS/ INDEPENDENT AUDIT AGENCIES

In accordance with the decision made by Public Oversight Accounting and Auditing Standards Authority dated 26 March 2021, fees, based on the given reporting period, in relation to the services provided by independent auditors or independent audit agencies excluding value added tax costs are presented in the following table. These fees include the fees for services provided to the Bank's domestic subsidiaries

	Current Period	Prior period
Independent audit fees in the reporting period	7,425	4,569
Fees for tax advisory	-	-
Fees for other assurance services	-	-
Total	7,425	4,569

X. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX

INDEPENDENT AUDITOR’S REPORT

I. INFORMATION ON INDEPENDENT AUDITOR’S REPORT

As at and for the year ended 31 December 2024, the consolidated financial statements have been audited by PwC Bağımsız Denetim Ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the auditors' report dated 17 February 2025 is presented before the consolidated financial statements.

II. INFORMATION AND FOOTNOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

.....