

TURKLAND BANK ANONİM ŞİRKETİ
Unconsolidated Financial Statements
As of and For the Three-Month Period Ended 31 March 2024
With Independent Auditor's Review Report



KPMG Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
İş Kuleleri Kule 3 Kat:2-9
Levent 34330 İstanbul
Tel +90 212 316 6000
Fax +90 212 316 6060
www.kpmg.com.tr

Independent Auditor’s Report on Review of Unconsolidated Interim Financial Statements

To the Board of Directors of Turkland Bank A.Ş.

Introduction

We have reviewed the accompanying unconsolidated balance sheet of Turkland Bank A.Ş. (the “Bank”) as of 31 March 2024 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial information for the three-month period then ended. The Bank Management is responsible for the preparation and fair presentation of these interim unconsolidated financial statements 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 Turkish Accounting Standard 34 “Interim Financial Reporting” principles for those matters not regulated by afore-mentioned legislations. Our responsibility is to express a conclusion on these interim unconsolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial reporting process and applying analytical and other review procedures. A review of interim financial statements is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Basis for Conditional Conclusion

As stated in Note 2.8.e.2 of Section Five, the accompanying interim unconsolidated financial statements prepared as of 31 March 2024 include a total of TL 70,000 of free provision of which TL 100,000 thousand was recognized as expense in prior periods and TL 30,000 thousand was reversed in the current period, which was set aside by the Bank management for the possible effects of adverse developments in the economy and markets, except for the provisions of BRSA Accounting and Financial Reporting Legislation.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information does not present fairly, in all material respects, its unconsolidated financial position of Turkland Bank A.Ş. as at 31 May 2024 and its unconsolidated financial performance and unconsolidated cash flows for the three month period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Other Matter

The unconsolidated financial statements of the Bank as at and for the year ended 31 December 2023 were audited and as at and for the three month period ended 31 March 2023 were reviewed by another auditor who expressed a qualified opinion due to general reserve provided by the Bank and a unqualified conclusion on 15 March 2024 and 12 May 2023, respectively.

Report on Other Regulatory Requirements Arising From Legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the interim annual report in section seven of the accompanying unconsolidated interim financial information is not consistent, in all material respects, with the reviewed unconsolidated interim financial information and explanatory notes.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM
Partner

15 May 2024
İstanbul, Türkiye

**THE UNCONSOLIDATED THREE-MONTH INTERIM FINANCIAL REPORT OF
TURKLAND BANK ANONİM ŞİRKETİ AS OF 31 MARCH 2024**

Address of the Bank's Head Office : 19 Mayıs Mah. 19 Mayıs Caddesi Şişli Plaza A Blok No:7
Şişli/ İstanbul

Telephone and Fax Numbers of Bank : (0 212) 368 34 34, (0 212) 368 35 35

Bank's Website : <http://www.turklandbank.com>

Contact E-mail : t-bank@turklandbank.com

The three-month unconsolidated financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING POLICIES APPLIED IN THE RELEVANT PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- THE REVIEW REPORT
- INTERIM ACTIVITY REPORT

The accompanying unconsolidated three-month financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira, have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been reviewed.

Michel ACCAD

Chairman of the
Board of Directors

Servet TAZE

General Manager

H. Efe İÇLİ

Financial Control
Assistant General Manager

Tania
MOUSSALLEM
Chairman of Audit Committee

Mustafa Selçuk
TAMER
Member of Audit Committee

Information related to responsible personnel for the questions that can be raised about financial statements:

Name-Surname / Title : Sevgi Üstün / Manager
Telephone Number : (0 212) 368 37 24
Fax Number : (0 212) 368 35 35

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TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2024

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

SECTION ONE
GENERAL INFORMATION ABOUT THE BANK

I. Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue

Turkland Bank Anonim Şirketi was established in 1991 in İstanbul under the name of "Bahreyn ve Kuveyt Bankası Anonim Şirketi" (BB&K). Its name was changed as "Tasarruf ve Kredi Bankası Anonim Şirketi" with its acquisition by Doğu Group in 1992. After the change in the name of the bank as "Garanti Yatırım ve Ticaret Bankası Anonim Şirketi" in 1994, Mehmet Nazif Günel (the main shareholder of MNG Group Companies) has acquired the Bank in 1997 and the name of the Bank has been changed as "MNG Bank Anonim Şirketi".

An agreement has been made with Arab Bank and BankMed for the sale of 91% of MNG Bank's shares in mid of 2006 and this agreement was approved by Banking Regulation and Supervision Agency (BRSA) on 29 December 2006. In this regard, while Arab Bank and BankMed purchasing 50% and 41% of MNG bank shares respectively, Mehmet Nazif Günel retained 9% of the shares. Transfer of the Bank was made on 29 January 2007. The title of the Bank was changed as "Turkland Bank Anonim Şirketi" with the amendment to the Articles of Association by the decision of the Extraordinary General Assembly at the meeting on 22 March 2007.

On 3 April 2007, "MNG BANK Anonim Şirketi" title of the bank was registered as "TURKLAND BANK Anonim Şirketi".

According to the Share Sale and Purchase Agreement and Board of Directors' Decision dated 26 February 2010 and 15 July 2010, respectively, Mehmet Nazif Günel's 153,000 shares with TL 15,300 nominal value were transferred to BankMed SAL. As of 22 July 2010, the share transfer was realized.

According to the Extraordinary General Assembly decision dated 30 May 2011, it was decided to increase the Bank's capital from TL 170 million to TL 300,000, and it was registered in the Turkish Trade Registry Gazette dated 20 June 2011 numbered 7840. According to the BRSA approval dated 15 September 2011 numbered 4381 the unused pre-emptive right of Arab Bank Plc amounting to TL 65,000 have been used by Arab Bank (Switzerland) Ltd (ABS). Capital commitments paid by shareholders, according to the BRSA decision dated 20 October 2011 numbered 22244, have been transferred to the capital accounts.

According to the Ordinary General Assembly decision dated 18 April 2013, it has been decided to increase the Bank's paid in capital from TL 300,000 to TL 500,000. In the following year, according to the Ordinary General Assembly decree dated 15 April 2014, it was decided to increase the Bank's paid in capital from TL 500,000 to TL 650,000.

In accordance with the BRSA's approval letter dated 7 May 2019, 16.67% of the shares of Arab Bank (Switzerland) Ltd (ABS), one of the shareholders of the Bank, was transferred to Arab Bank Plc. which is the other shareholder of the Bank.

Capital increase and decrease of USD 30,000 additional capital as TL 164,000 has been realized simultaneously on 25 September 2019 with the approval of BRSA on 2 August 2019.

According to the Extraordinary General Assembly decree dated 17 February 2020, it was decided to increase the Bank's paid in capital from TL 650,000 to TL 1,000,000 with the approval of BRSA dated 29 January 2020 numbered 1027. The amount has been transferred to capital accounts as of 4 March 2020 with the approval of BRSA dated 3 March 2020 numbered 2400.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2024

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

II. Explanations Regarding Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year

Name/Title	Share Amount	Share Ratios	Paid up Shares	Unpaid Shares
ARAB BANK PLC	499,999.99	50.0%	499,999.99	-
BANKMED, SAL	499,999.99	50.0%	499,999.99	-
OTHER	<1	0.0%	<1	-
Total	1,000,000.00	100.0%	1,000,000.00	-

As of 31 March 2024, the nominal value of the Bank's capital is TL 1,000,000 and consists of 1 billion shares.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2024

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

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares and Areas of Responsibility in the Bank

<u>Title</u>	<u>Name and Surname</u> (*)	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors	MICHEL ACCAD	Chairman	MASTER'S DEGREE
Members of the Board of Directors	MOHAMMAD ABDEL-FATTAH	Vice Chairman	BACHELOR'S DEGREE
	HAMADAL GHANAMAH	Chairman of Audit Committee	BACHELOR'S DEGREE
	TANIA MOUSSALLEM		
	NADYA NABIL TAWFIK TALHOUNI	Member	BACHELOR'S DEGREE
	MUSTAFA SELÇUK TAMER	Member of Audit Committee	BACHELOR'S DEGREE
	NABİL RAFEİ	Member	MASTER'S DEGREE
Member of Board of Directors and General Manager	HAITHAM HELMI		
	MOHAMMAD FOUDEH	Member	BACHELOR'S DEGREE
	SERVET TAZE	General Manager	BACHELOR'S DEGREE
Assistant General Managers	BENAN BAŞAK	Close Monitoring and Legal Follow-up	MASTER'S DEGREE
	UMUT ÜLBEGİ	Corporate and Commercial Banking	MASTER'S DEGREE
	SARUHAN DOĞAN	Treasury and Financial Institutions	MASTER'S DEGREE
	ALİ HAS	Operations and IT	MASTER'S DEGREE
	HAKKI EFE İÇLİ	Financial Control	BACHELOR'S DEGREE
	SERKAN ÇELİK	Internal Systems Group	MASTER'S DEGREE

(*) The above stated persons do not have any shares in the Bank.

IV. Information About the Persons and Institutions That Have Qualified Shares

Information about the persons and institutions that have qualified shares as of 31 March 2024:

<u>Name/Title</u>	<u>Share Amount</u>	<u>Share Ratios</u>	<u>Paid up Shares</u>	<u>Unpaid Shares</u>
ARAB BANK PLC	499,999.99	50.0%	499,999.99	-
BANKMED, SAL	499,999.99	50.0%	499,999.99	-

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2024

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

V. Summary on the Bank's Functions and Areas of Activity

The Bank has 12 branches and 248 personnel. The Bank does not have any direct subsidiaries in finance sector (31 December 2023: 12 branches, 267 personnel).

The Bank established with private capital, has the authority to accept deposits and its operations are mostly based on retail and corporate banking transactions. As it is indicated in Articles of Association, the Bank is mainly dealing with the transactions below:

- a. Acceptance of Deposit
- b. Corporate and Retail Banking
- c. Foreign Trade
- d. Capital Market Transactions
- e. Bank Assurance

VI. Differences between the communiqué on preparation of consolidated financial statements of Banks and Turkish Accounting Standards and short explanation about the institutions subject to full consolidation method or proportional consolidation and institutions, which are deducted from equity or not included in these three methods

None.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off-Balance Sheet Items
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- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

TURKLAND BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AS OF 31 MARCH 2024 AND 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. BALANCE SHEET – ASSETS (STATEMENT OF FINANCIAL POSITION)

ASSETS	Note (Section Five I)	Reviewed Current Period 31 March 2024			Audited Prior Period 31 December 2023		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		2,197,182	4,191,683	6,388,865	3,160,659	2,737,983	5,898,642
1.1 Cash and Cash Equivalents		1,649,740	4,191,650	5,841,390	3,012,498	2,737,952	5,750,450
1.1.1 Cash and The Central Bank of Türkiye	I-1	230,166	3,174,607	3,404,773	1,243,180	1,817,411	3,060,591
1.1.2 Banks	I-3	1,909	1,017,043	1,018,952	885	920,541	921,426
1.1.3 Money Market Placements		1,418,313	-	1,418,313	1,769,047	-	1,769,047
1.1.4 Expected Credit Losses (-)		(648)	-	(648)	(614)	-	(614)
1.2 Financial Assets at Fair Value Through Profit and Loss		-	-	-	-	-	-
1.2.1 Government Debt Securities		-	-	-	-	-	-
1.2.2 Subordinated Debt Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
1.3 Financial Assets at Fair Value Through Other Comprehensive	I-4	457,028	33	457,061	138	31	169
1.3.1 Government Debt Securities		456,890	33	456,923	-	31	31
1.3.2 Subordinated Debt Instruments		138	-	138	138	-	138
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	I-2	90,414	-	90,414	148,023	-	148,023
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		90,414	-	90,414	148,023	-	148,023
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)	I-5	8,298,330	2,732,604	11,030,934	8,957,866	1,731,008	10,688,874
2.1 Loans		7,502,115	2,732,604	10,234,719	7,992,593	1,731,008	9,723,601
2.2 Receivables From Leasing Transactions		-	-	-	-	-	-
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	I-6	1,146,134	-	1,146,134	1,338,761	-	1,338,761
2.4.1 Government Debt Securities		1,146,134	-	1,146,134	1,338,761	-	1,338,761
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Provisions for Expected Loss (-)		(349,919)	-	(349,919)	(373,488)	-	(373,488)
III. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	I-16	56,628	-	56,628	61,121	-	61,121
3.1 Held for Sale		56,628	-	56,628	61,121	-	61,121
3.2 Discontinued Operations		-	-	-	-	-	-
IV. PARTNERSHIP INVESTMENTS		7,659	-	7,659	7,659	-	7,659
4.1 Associates (Net)	I-7	7,659	-	7,659	7,659	-	7,659
4.1.1 Accounted with Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated		7,659	-	7,659	7,659	-	7,659
4.2 Subsidiaries (Net)	I-8	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Entities under Common Control (Business Partnerships) (Net)	I-9	-	-	-	-	-	-
4.3.1 Accounted with Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	I-12	178,731	-	178,731	148,503	-	148,503
VI. INTANGIBLE ASSETS (Net)	I-13	12,690	-	12,690	14,536	-	14,536
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		12,690	-	12,690	14,536	-	14,536
VII. INVESTMENT PROPERTIES (Net)	I-14	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		8,325	-	8,325	5,663	-	5,663
IX. DEFERRED TAX ASSET	I-15	-	-	-	-	-	-
X. OTHER ASSETS (Net)	I-17	122,786	69	122,855	72,879	72	72,951
TOTAL ASSETS		10,882,331	6,924,356	17,806,687	12,428,886	4,469,063	16,897,949

The accompanying notes are an integral part of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ
UNCONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AS OF 31 MARCH 2024 AND 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. BALANCE SHEET – LIABILITIES (STATEMENT OF FINANCIAL POSITION)

LIABILITIES	Note (Section Five II)	Reviewed Current Period 31 March 2024			Audited Prior Period 31 December 2023		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	7,857,755	6,909,962	14,767,717	8,817,984	5,973,524	14,791,508
II. FUNDS BORROWED	II-3	-	-	-	-	-	-
III. PAYABLES TO MONEY MARKET		222,648	-	222,648	51	-	51
IV. ISSUED SECURITIES (Net)		-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	II-2	31,523	-	31,523	16,083	-	16,083
7.1 Part of Derivative Financial Liabilities at Fair Value Through Profit or Loss		31,523	-	31,523	16,083	-	16,083
7.2 Part of Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	II-6	115,295	-	115,295	84,503	-	84,503
X. PROVISIONS	II-8	161,251	25,986	187,237	334,126	23,634	357,760
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Provision for Employee Benefits		44,335	-	44,335	38,013	-	38,013
10.3 Provision for Insurance Technical (Net)		-	-	-	-	-	-
10.4 Other Provisions		116,916	25,986	142,902	296,113	23,634	319,747
XI. CURRENT TAX LIABILITY	II-9	37,028	-	37,028	29,271	-	29,271
XII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED LOANS		-	-	-	-	-	-
14.1 Loans		-	-	-	-	-	-
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	II-5	182,076	1,061,557	1,243,633	178,179	362,152	540,331
XVI. SHARE HOLDERS' EQUITY	II-12	1,201,606	-	1,201,606	1,078,442	-	1,078,442
16.1 Paid-in Capital		1,000,000	-	1,000,000	1,000,000	-	1,000,000
16.2 Capital Reserves		25,430	-	25,430	25,430	-	25,430
16.2.1 Share Issue Premiums		-	-	-	-	-	-
16.2.2 Share Reversal Premiums		-	-	-	-	-	-
16.2.3 Other Capital Reserves		25,430	-	25,430	25,430	-	25,430
16.3 Other Accumulated Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		(19,381)	-	(19,381)	(19,393)	-	(19,393)
16.4 Other Accumulated Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		(1,395)	-	(1,395)	-	-	-
16.5 Profit or Loss		(362,548)	-	(362,548)	(362,548)	-	(362,548)
16.5.1 Legal Reserves		15,582	-	15,582	15,582	-	15,582
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		(350,223)	-	(350,223)	(350,223)	-	(350,223)
16.5.4 Other Profit Reserves		(27,907)	-	(27,907)	(27,907)	-	(27,907)
16.6 Profit or Loss		559,500	-	559,500	434,953	-	434,953
16.6.1 Prior Years' Profit or Loss		434,953	-	434,953	-	-	-
16.6.2 Net Profit or Loss for the Period		124,547	-	124,547	434,953	-	434,953
TOTAL LIABILITIES		9,809,182	7,997,505	17,806,687	10,538,639	6,359,310	16,897,949

The accompanying notes are an integral part of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF OFF-BALANCE SHEET ITEMS
AS OF 31 MARCH 2024 AND 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

II. STATEMENT OF OFF-BALANCE SHEET ITEMS

II.	OFF BALANCE SHEET ITEMS	Note (Section Five III)	Reviewed Current Period 31 March 2024			Audited Prior Period 31 December 2023		
			TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET LIABILITIES (I+II+III)		20,642,392	17,829,659	38,472,051	20,504,013	18,134,138	38,638,151
I.	GUARANTEES AND SURETIES	III-1	2,546,053	238,720	2,784,773	2,325,559	378,297	2,703,856
1.1	Letter of Guarantee		400,188	170,226	570,414	407,144	323,537	730,681
1.1.1	Guarantees Subject to State Tender Law		2,858	1,035	3,893	2,858	941	3,799
1.1.2	Guarantees Given for Foreign Trade Operations		7,675	20,367	28,042	9,699	18,954	28,653
1.1.3	Other Letters of Guarantee		389,655	148,824	538,479	394,587	303,642	698,229
1.2	Bank Loans		-	-	-	-	-	-
1.2.1	Import Letter of Acceptance		-	-	-	-	-	-
1.2.2	Other Bank Acceptance		-	-	-	-	-	-
1.3	Letters of Credit		-	68,494	68,494	-	54,760	54,760
1.3.1	Documented Letters of Credit		-	68,494	68,494	-	54,760	54,760
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Guaranteed Prefinancing		-	-	-	-	-	-
1.5	Endorsement		2,145,865	-	2,145,865	1,918,415	-	1,918,415
1.5.1	Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2	Other Endorsements		2,145,865	-	2,145,865	1,918,415	-	1,918,415
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-1	53,858	50,151	104,009	32,866	25,118	57,984
2.1	Irrevocable Commitments		53,858	50,151	104,009	32,866	25,118	57,984
2.1.1	Asset Purchase and Sale Commitments		32,032	38,958	70,990	14,777	14,702	29,479
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Commitments for Loan Limits		560	-	560	521	-	521
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		21,266	-	21,266	17,568	-	17,568
2.1.8	Tax and Fund Obligations on Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10	Commitments for Credit Cards and Banking Services Related		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12	Payables from Short Sale Commitments		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		-	11,193	11,193	-	10,416	10,416
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	III-2	18,042,481	17,540,788	35,583,269	18,145,588	17,730,723	35,876,311
3.1	Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedging		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedging		-	-	-	-	-	-
3.1.3	Transactions for Hedging the Risk of Net Investments Abroad		-	-	-	-	-	-
3.2	Trading Transactions		18,042,481	17,540,788	35,583,269	18,145,588	17,730,723	35,876,311
3.2.1	Forward Foreign Currency Buy/Sell Transactions		8,892,087	8,585,101	17,477,188	8,201,917	7,933,439	16,135,356
3.2.1.1	Forward Foreign Currency Transactions-Buy		8,529,106	336,126	8,865,232	8,201,917	-	8,201,917
3.2.1.2	Forward Foreign Currency Transactions-Sell		362,981	8,248,975	8,611,956	-	7,933,439	7,933,439
3.2.2	Currency and Interest Swap Transactions		9,150,394	8,955,687	18,106,081	9,943,671	9,797,284	19,740,955
3.2.2.1	Currency Swaps-Purchases		-	8,955,687	8,955,687	-	9,797,284	9,797,284
3.2.2.2	Currency Swap-Sales		9,150,394	-	9,150,394	9,943,671	-	9,943,671
3.2.2.3	Swap Interest Purchase Transactions		-	-	-	-	-	-
3.2.2.4	Swap Interest Sale Transactions		-	-	-	-	-	-
3.2.3	Currency, Interest and Securities Options		-	-	-	-	-	-
3.2.3.1	Currency Call Options		-	-	-	-	-	-
3.2.3.2	Currency Put Options		-	-	-	-	-	-
3.2.3.3	Interest Call Options		-	-	-	-	-	-
3.2.3.4	Interest Put Options		-	-	-	-	-	-
3.2.3.5	Security Call Options		-	-	-	-	-	-
3.2.3.6	Security Put Options		-	-	-	-	-	-
3.2.4	Currency Futures		-	-	-	-	-	-
3.2.4.1	Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2	Currency Futures-Sales		-	-	-	-	-	-
3.2.5	Interest Futures		-	-	-	-	-	-
3.2.5.1	Interest Futures-Purchases		-	-	-	-	-	-
3.2.5.2	Interest Futures-Sales		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGE ITEMS (IV+V+VI)		18,094,910	9,368,903	27,463,813	17,368,411	8,017,364	25,385,775
IV.	ITEMS HELD IN CUSTODY		4,118,226	39,565	4,157,791	3,340,684	17,290	3,357,974
4.1	Customer Fund and Portfolio Asset		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		37,915	8,809	46,724	32,103	5,408	37,511
4.3	Checks Received for Collection		4,080,201	30,756	4,110,957	3,308,319	11,588	3,319,907
4.4	Commercial Check Received for Collection		110	-	110	262	294	556
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received through Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		-	-	-	-	-	-
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGED ITEMS		13,976,684	9,329,338	23,306,022	14,027,727	8,000,074	22,027,801
5.1	Securities		-	-	-	-	-	-
5.2	Guarantee Notes		62	-	62	62	-	62
5.3	Commodities		1,646	-	1,646	1,646	-	1,646
5.4	Warranties		-	-	-	-	-	-
5.5	Real Estates		1,186,277	74,041	1,260,318	1,216,988	67,339	1,284,327
5.6	Other Pledged Items		12,788,699	9,255,297	22,043,996	12,809,031	7,932,735	20,741,766
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	CONFIRMED BILLS OF EXCHANGE AND SURETIES (IV+V+VI)		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)			38,737,302	27,198,562	65,935,864	37,872,424	26,151,502	64,023,926

The accompanying notes are an integral part of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF PROFIT OR LOSS
FOR THE PERIODS ENDED 31 MARCH 2024 AND 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

III. STATEMENTS OF PROFIT OR LOSS

		Note (Section Five IV)	Reviewed	
			Current Period 1 January–31 March 2024	Prior Period 1 January–31 March 2023
INCOME AND EXPENSE ITEMS				
I.	INTEREST INCOME	IV-1	1,054,643	248,087
1.1	Interest on Loans		692,801	181,826
1.2	Interest Received from Reserve Deposits		20,932	615
1.3	Interest Received from Banks		9,922	5,089
1.4	Interest Received from Money Market Placements		215,153	19,380
1.5	Interest Received from Securities		115,835	41,175
1.5.1	Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		33,379	1
1.5.3	Financial Assets Measured at Amortized Cost		82,456	41,174
1.6	Finance Lease Interest Income		-	-
1.7	Other Interest Income		-	2
II.	INTEREST EXPENSE (-)	IV-2	(770,489)	(266,874)
2.1	Interest on Deposits		(752,764)	(261,943)
2.2	Interest on Funds Borrowed		(2)	(1)
2.3	Interest on Money Market Transactions		(7,452)	(2,214)
2.4	Interest on Securities Issued		-	-
2.5	Interest Lease Expenses		(4,347)	(2,711)
2.6	Other Interest Expenses		(5,924)	(5)
III.	NET INTEREST INCOME/EXPENSE (I - II)		284,154	(18,787)
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		7,518	47,160
4.1	Fees and Commissions Received		9,813	49,922
4.1.1	Non-Cash Loans		8,529	4,443
4.1.2	Other	IV-10	1,284	45,479
4.2	Fees and Commissions Given		(2,295)	(2,762)
4.2.1	Non-Cash Loans		(150)	(1,558)
4.2.2	Other	IV-10	(2,145)	(1,204)
V.	DIVIDEND INCOME	IV-3	-	-
VI.	TRADING PROFIT / (LOSS) (Net)	IV-4	(140,392)	326,146
6.1	Profit/Loss from Capital Market Transactions		(11,174)	81,270
6.2	Profit/Loss from Derivative Financial Transactions		554	183,537
6.3	Foreign Exchange Profit/Loss		(129,772)	61,339
VII.	OTHER OPERATING INCOME	IV-5	35,550	22,162
VIII.	GROSS PROFIT FROM OPERATIONS (III+IV+V+VI+VII)		186,830	376,681
IX.	ALLOWANCE FOR EXPECTED CREDIT LOSSES (-)	IV-6	111,910	64,618
X.	OTHER PROVISION EXPENSE (-)		-	-
XI.	PERSONNEL EXPENSES (-)		(92,743)	(63,629)
XII.	OTHER OPERATING EXPENSES (-)	IV-7	(81,450)	(49,318)
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		124,547	328,352
XIV.	AMOUNT IN EXCESS RECOGNISED AS GAIN AFTER MERGER		-	-
XV.	PROFIT/LOSS ON EQUITY METHOD		-	-
XVI.	PROFIT/LOSS ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	IV-8	124,547	328,352
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-9	-	-
18.1	Provision for Current Income Taxes		-	-
18.2	Deferred Tax Expense Effect (+)		-	-
18.3	Deferred Tax Income Effect (-)		-	-
XIX.	NET PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	IV-10	124,547	328,352
XX.	INCOME ON DISCONTINUED OPERATIONS		-	-
20.1	Income on Assets Held for Sale		-	-
20.2	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
20.3	Income on Other Discontinued Operations		-	-
XXI.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Income on Assets Held for Sale		-	-
21.2	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-
21.3	Income on Other Discontinued Operations		-	-
XXII.	PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Provision for Current Income Taxes		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)	IV-10	-	-
XXV.	NET PROFIT/LOSS FOR THE PERIOD (XIX+XXIV)	IV-11	124,547	328,352
	Profit/Loss per Share		0.1245	0.3283

The accompanying note are an integral part of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIODS ENDED 31 MARCH 2024 AND 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Reviewed Current Period 1 January-31 March 2024	Reviewed Current Period 1 January-31 March 2023
I.	PROFIT/LOSS FOR THE PERIOD	124,547	328,352
II.	OTHER COMPREHENSIVE INCOME	(1,383)	(1,398)
2.1	Items not to be Reclassified to Profit or Loss	12	(1,398)
2.1.1	Income/Decrease in Revaluation of Tangible Assets	-	-
2.1.2	Income/Decrease in Revaluation of Intangible Assets	-	-
2.1.3	Defined Benefit Plans Remeasurement Gains/Losses	12	(1,398)
2.1.4	Other Items of Comprehensive Income not to be Reclassified as Other Profit or Loss	-	-
2.1.5	Taxes on Other Comprehensive Income not to be Reclassified to Profit or Loss	-	-
2.2	Items to be Reclassified to Profit or Loss	(1,395)	-
2.2.1	Foreign Currency Translation Differences	-	-
2.2.2	Valuation and/or Classification Income/Expense of Financial Assets at Fair Value through Other Comprehensive Income	(1,395)	-
2.2.3	Cash Flow Hedging Income/Expense	-	-
2.2.4	Hedging Income/Expense on Investment Risk Related to be Operation Abroad	-	-
2.2.5	Other items of Comprehensive Income not to be Reclassified Other Profit or Loss	-	-
2.2.6	Taxes on Other Comprehensive Income not to be Reclassified to Profit or Loss	-	-
III.	TOTAL COMPREHENSIVE INCOME (I+II)	123,164	326,954

The accompanying notes are an integral part of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED 31 MARCH 2024 AND 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CHANGES IN SHAREHOLDERS' EQUITY		Paid-in Capital	Share Issue Premiums	Share Cancellation Profit	Other Capital Reserves	Items not to be Reclassified to Profit or Loss			Items to be Reclassified to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Net Profit or Loss for the Period	Total Shareholders' Equity
						1	2	3	4	5	6				
	Prior Period 31 March 2023 Reviewed														
I.	Balance at the End of the Prior Period	1,000,000	-	-	25,430	-	(15,518)	2,807	-	-	-	(487,201)	-	124,653	650,171
II.	Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)	1,000,000	-	-	25,430	-	(15,518)	2,807	-	-	-	(487,201)	-	124,653	650,171
IV.	Total Comprehensive Income/Expense	-	-	-	-	-	(1,398)	-	-	-	-	-	-	328,352	326,954
V.	Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase in Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease Due to Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	124,653	-	(124,653)	-
11.1	Dividends Distributes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	124,653	-	(124,653)	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balance at the End of the Period (III+IV+.....+X+XI)	1,000,000	-	-	25,430	-	(16,916)	2,807	-	-	-	(362,548)	-	328,352	977,125
	Current Period 31 March 2024 Reviewed														
I.	Balance at the End of the Prior Period	1,000,000	-	-	25,430	-	(22,200)	2,807	-	-	-	(362,548)	-	434,953	1,078,442
II.	Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)	1,000,000	-	-	25,430	-	(22,200)	2,807	-	-	-	(362,548)	-	434,953	1,078,442
IV.	Total Comprehensive Income/Expense	-	-	-	-	-	12	-	-	(1,395)	-	-	-	124,547	123,164
V.	Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase in Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease Due to Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	434,953	(434,953)	-
11.1	Dividends Distributes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	434,953	(434,953)	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balance at the End of the Period (III+IV+.....+X+XI)	1,000,000	-	-	25,430	-	(22,188)	2,807	-	(1,395)	-	(362,548)	434,953	124,547	1,201,606

1. Accumulated revaluation increases/decreases on non-current assets,
2. Accumulated remeasurement gains/losses of defined benefit plans,
3. Other (Shares of other comprehensive income of investments accounted through equity method that will not be reclassified to profit or loss and accumulated amounts of other comprehensive income items that will not be reclassified to profit or loss)
4. Foreign currency translation differences,
5. Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income,
6. Other (Cash flow hedge gains/losses, share of other comprehensive income of investments accounted for using the equity method that will be reclassified to profit or loss and accumulated amounts of other comprehensive income items that will be reclassified to profit or loss).

The accompanying notes are an integral part of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 MARCH 2024 AND 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS

	Reviewed Current Period 1 January-31 March 2024	Reviewed Prior Period 1 January-31 March 2023
A. CASH FLOWS FROM BANKING OPERATIONS		
I.1 Operating Profit Before Change in Banking Operations Assets and Liabilities	597,903	170,575
1.1.1 Interest Received	1,028,251	327,409
1.1.2 Interest Paid	(500,547)	(248,411)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	11,899	50,318
1.1.5 Other Income	186,158	181,179
1.1.6 Collections from Previously Written-off Receivables	53,776	54,062
1.1.7 Cash Payments to Personnel and Service Suppliers	(146,926)	(94,359)
1.1.8 Taxes Paid	(10,818)	(4,014)
1.1.9 Other	(23,890)	(95,609)
I.2 Change in Assets and Liabilities Subject to Banking Activities	(655,458)	(185,870)
1.2.1 Net (Increase) Decrease in Financial Assets Measured at FVTPL	-	-
1.2.2 Net (Increase) Decrease in Due from Banks	(336,118)	(95,686)
1.2.3 Net (Increase) Decrease in Loans	(355,724)	(1,825,375)
1.2.4 Net (Increase) Decrease in Other Assets	24,633	(101,594)
1.2.5 Net (Increase) Decrease in Bank Deposits	219,465	(579,365)
1.2.6 Net (Increase) Decrease in Other Deposits	(875,934)	1,945,672
1.2.7 Net (Increase) Decrease in Financial Liabilities Measured at FVTPL	-	-
1.2.8 Net (Increase) Decrease in Funds Borrowed	-	-
1.2.9 Net (Increase) Decrease in Matured Payables	-	-
1.2.10 Net (Increase) Decrease in Other Liabilities	668,220	470,478
I. Net Cash Flow from Banking Operations	(57,555)	(15,295)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Flows from Investing Activities	(393,380)	684,041
2.1 Cash Paid for Purchase of Associates, Subsidiaries, and Joint-Ventures	-	-
2.2 Cash Obtained from Sale Associates, Subsidiaries, and Joint-Ventures	-	-
2.3 Purchases of Tangible Assets	(41,032)	(46,598)
2.4 Sales of Tangible Assets	15,436	-
2.5 Financial Assets Measured at FVTOCI	(476,436)	-
2.6 Financial Assets Measured at FVTOCI	22,690	-
2.7 Financial Assets Purchased at Amortized Cost	(52,955)	-
2.8 Financial Assets Sold at Amortized Cost	95,034	732,176
2.9 Other	43,883	(1,537)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Flow from Financing Activities	(4,347)	(2,711)
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2 Cash Outflows from Repayment of Funds Borrowed and Securities Issued	-	-
3.3 Equity Instruments Issued	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Leases	(4,347)	(2,711)
3.6 Other	-	-
IV. Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents	227,916	6,093
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)	(227,366)	672,128
VI. Cash and Cash Equivalents at the Beginning of Period	4,376,831	1,127,728
VII. Cash and Cash Equivalents at the End of Period	4,149,465	1,799,856

The accompanying notes are an integral part of these financial statements.

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette No.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, and “Turkish Financial Reporting Standards” (“TFRS”) and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks” 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.

The financial statements are prepared in accordance with the historical cost basis except for financial instruments measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income which are presented on a fair value basis.

The Bank has started to apply TFRS 9 Financial Instruments (“TFRS 9”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) in the accompanying unconsolidated financial statements starting from 1 January 2018 for the first time based on the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with procedures and principals regarding classification of loans and allowances allocated for such loans which came into force starting from 1 January 2018.

The preparation of financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

On 23 November 2023, POA announced that the financial statements of entities applying Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (“BOBİ FRS”) for the annual reporting period ending on or after 31 December 2023 should be presented as adjusted for the effects of inflation in accordance with the relevant accounting principles in “Turkish Accounting Standard 29 Financial Reporting in Hyperinflationary Economies”; However, institutions or organizations authorized to regulate and supervise in their fields may determine different transition dates for the implementation of the provisions in TAS 29. Based on this announcement, BRSA has decided not to subject the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies as of 31 March 2024 to the inflation adjustment required under TAS 29 in accordance with its decision dated 12 December 2023 and numbered 10744. Accordingly, the financial statements as of 31 March 2024 have not been adjusted in accordance with TAS 29 inflation accounting.

Additional Paragraph for English Translation

BRSA Accounting and Reporting Regulations explained in detail in this Section differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank focuses its activities in corporate banking. The primary objective of the Bank is to sustain liquidity while fulfilling customer needs. Thus, the Bank places approximately 24.80% of its resources in liquid assets, while the Bank also aims for the highest yield possible with effective maturity management.

Besides its principle activity, the main financial instruments of the Bank are money market placements, treasury bills and government bonds.

Marketable securities comprising 9% of total assets are assets with low risk and high yield. Placements in banks are 13.69% of the total assets and these assets provide liquidity with low risk and yield.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of the risk management strategy of the Bank, the management of risk bearing short positions of currency, interest or price movements is performed only by the Treasury and using the limits defined by the Board of Directors.

III. Explanations on Forward and Option Contracts and Derivative Instruments

The Bank's derivative instruments consist of foreign currency swaps, forward foreign currency buy/sell transactions and options. Derivative instruments are accounted for at their fair values as at the contract date and subsequently valued at fair value. Certain derivative instruments, although economical hedges, are accounted as trading transactions since they are not qualified to be a hedging instrument as per "Financial Instruments" ("TFRS 9"). Realized gains or losses on these instruments are reflected in the statement of profit or loss.

Unrealized gains or losses arising from the change in the fair value are recorded in disallowable expenses or income according to the current tax legislation.

Contract amounts of derivatives are recorded in off the balance sheet. There are no embedded derivatives of the Bank separated from the host contract or that are designated as hedging instruments as of the balance sheet date.

IV. Explanations on Interest Income and Expenses

Interest income and expenses are recognized in the income statement on an accrual basis using the effective interest method. On 1 January 2018, the Bank has started to calculate the rediscount for its non-performing loans. Non-performing loans are discounted with effective interest rate over the net book value and for calculated amount expected credit loss is set aside in profit or loss statement.

V. Explanations on Fees and Commission Income and Expenses

All fees and commission income/expenses are recognized as income at the time of realization and during the service is provided. Loan related fees and commissions paid to or received from the other institutions are considered as transaction costs and accounted using the effective interest method.

VI. Explanations on Financial Assets

In the framework of "TFRS 9 Financial Instruments", which is effective as of 1 January 2018, the Bank classifies its financial assets as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" or "Financial assets at amortized cost". This classification is made during initial recognition based on the contractual cash flow characteristics with the business model of the financial assets determined by the management.

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VI. Explanations on Financial Assets (Continued)

The financial assets are recognized or derecognized in accordance with the “Recognition and Derecognition” principles defined in Section 3 related to classification and measurement of financial instruments of the “TFRS 9 Financial Instruments”. At initial recognition, financial assets are measured at fair value. In the case of financial assets are not measured at fair value through profit or loss, transaction costs are added or deducted to/from their fair value. Financial instruments are included in the Bank’s balance sheet if the Bank is a legal party to these financial instruments.

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments affect liquidity, market, and credit risks on the Bank’s balance sheet in all aspects. Bank trades these instruments on behalf of its customers and on its own behalf.

Basically, financial assets create the majority of the commercial activities and operations of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date. The settlement date is the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace.

The methods and assumptions used in the recognition and measurement of financial instruments are described below.

Financial Assets at Fair Value Through Profit or Loss

Financial Assets at Fair Value Through Profit or Loss are financial assets other than the ones that are managed with business models that aim to hold contractual cash flows in order to collect them and the ones that are managed with business models that aim to collect both the contractual cash flows and cash flows arising from the sale of the assets; If the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at a certain date; 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 fair value through profit or loss are initially recognized at fair value and are remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the profit/loss accounts.

Financial Assets at Fair Value Through Other Comprehensive Income

A financial asset is measured if both of the following conditions are met:

(a) Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

(b) Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

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VI. Explanations on Financial Assets (Continued)

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

Capital classified as financial assets at fair value through other comprehensive income securities representing shares are traded in organized markets and/or fair value. If the fair value can be measured reliably, the cost is recognized at fair value. However, in certain exceptional circumstances, the cost is measured using an appropriate estimate of the fair value method. This may be the case if there is insufficient recent information about the measurement of fair value or if fair value can be measured using more than one method and cost is the best estimate of fair value.

Financial Assets 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 their acquisition cost including the transaction costs which reflect the fair value of those instruments and are subsequently recognized at “Amortized Cost” by using “Effective Interest (Internal efficiency rate)” method.

Interest earned from financial assets measured at amortized cost is recorded as interest income. The Bank classifies financial assets in accordance with the classifications explained above during the acquisition of the mentioned assets.

The Bank has Consumer Price Indexed (CPI) government bonds classified as financial assets measured at amortized cost. These securities are valued and accounted for using effective interest rate method considering estimated inflation rate based on real coupon rates and reference inflation index at issue date. As stated in CPI Indexed Bonds Investor Guide of the Undersecretariat of Treasury, the reference index used in the calculation of the actual coupon payment amounts of these securities are generated according to the CPI of two months ago. The Bank determines the estimated inflation rate accordingly. The inflation rate anticipated by considering the expectations of the Central Bank of Turkey is updated during year when deemed necessary.

Loans:

Loans are financial assets which are created by providing money, goods or services to the debtor. Loans are recognized at acquisition cost which is reflecting the fair value after that measured at amortized cost using the effective interest rate method. Any fees and other similar charges paid for assets received as collateral are not considered as part of the transaction cost and reflected in the expense accounts.

Cash loans in personal and corporate loans, according to the Uniform Chart of Accounts (“UCA”) and Prospectus are recognized in accordance with their original balances in the account specified.

The foreign exchange indexed commercial and individual loans are being monitored by the exchange rate of the opening date over Turkish Lira in the TL accounts. Repayments are calculated at the exchange rate at the date of payment, the resulting exchange differences are recognized in the income and expense account.

VI. Explanations on Financial Assets (Continued)

Explanations on TFRS 9 Financial Instruments:

TFRS 9 introduced new requirements for the classification and measurement of financial assets/liabilities and for derecognition and for general hedge accounting.

- All recognized financial assets that are within the scope of TFRS 9 are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt instruments and equity instruments are measured at their fair value at the end of subsequent accounting periods. In addition, under TFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognized in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, TFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under TAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.
- The new hedge accounting provisions retain the three types of hedge accounting mechanisms that currently exist in TAS 39. Under IFRS 9, there is much greater flexibility in the types of transactions that qualify for hedge accounting, in particular the types of instruments that are designated as hedging instruments and the types of risk components of non-financial items that qualify for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an “economic relationship”. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been increased.

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VI. Explanations on Financial Assets (Continued)

Explanations on TFRS 9 Financial Instruments (Continued)

As a result of the analysis of the Bank's financial assets and liabilities as at 1 January 2018, taking into account the circumstances and conditions at that date, the impact of TFRS 9 on the Bank's financial statements has been evaluated as follows:

Classification and Measurement

Classification and measurement of financial assets in accordance with TFRS 9 standard has determined by whether the financial asset is based on the business model in which the financial asset is managed and whether it is based on contractual cash flows including interest payments on principal and principal balance only.

On initial adoption in the financial statements, each financial asset can be classified as a financial asset measured at amortized cost, or at fair value through profit or loss, or as measured at fair value through other comprehensive income. The application of the existing provisions of TAS 39 for the classification and measurement of financial liabilities does not change substantially.

Impairment:

In accordance with the "Regulation on Procedures and Principles for the Classification of Loans and the Provisions to be Reserved" published in the Official Gazette dated 22 June 2016 and numbered 29750, the Bank started to recognize provision for impairment in accordance with the provisions of TFRS 9 as of 1 January 2018. In this context, the method of allocating loan provisions, which is disclosed in detail in the accounting policy of Section Three Note VII, as of 31 December 2017, has been changed by applying the TFRS 9 along with applying the expected credit loss model. The expected credit losses estimate is unbiased, weighted by probability and should include supportable information about estimates of past events, current conditions and future economic conditions. These financial assets have been classified into the following three categories based on the increase in the credit risks observed since the first receipt of financial assets:

Stage 1: Includes financial instruments with no significant increase in credit risk starting from initial recognition until the next reporting period or at a lower credit risk as of the reporting date. For these assets, the expected credit loss of 12 months is accounted.

Stage 2: Includes financial assets that have a significant increase in credit risk after initial recognition but an objective evidence of impairment does not exist. For these assets, expected lifetime credit losses are accounted.

Stage 3: Includes financial assets that have objective evidence of impairment as of the reporting date. For these assets, expected lifetime credit losses are accounted.

The Bank has applied the classification, measurement and impairment effects to the opening equity amounts without making any adjustments during the comparative periods in the opening balance sheet as of 1 January 2018. In addition, the effect of deferred tax assets to be calculated under TFRS 9 has reflected in equity during the first transition.

"TFRS 9 Financial Instruments" standard related to the classification and measurement of financial instruments has been issued by the Public Oversight, Accounting and Auditing Standards Authority and published in the Official Gazette dated 19 January 2017, numbered 29953 is effective from 1 January 2018 and replaces "TAS 39 Financial Instruments: Recognition and Measurement" standard.

At every balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If any such indication exists, the Bank determines the related impairment.

VII. Explanations on Impairment of Financial Assets

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence of one or more than one event (“loss event”) after the initial accounting of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group.

The Bank classifies loans according to their qualifications in accordance with the “Regulation on Procedures and Principles for the Classification of Loans and the Provisions to be Made” effective as of 1 January 2018. In this context, the Bank considers the general structure of the loan portfolio, the financial structure of its customers, non-financial data and economic conjuncture in accordance with its credit risk policies when making estimations. Provisions are recognized in profit and loss accounts using the “TFRS 9 Expected Loss Provisions” account.

Provisions made for loan losses in the current period and provision made in the previous periods are reversed as a result of principal collections made for the related loans or that are written off are recorded in the “Expected Loss Provisions” account.

Calculation of expected credit losses

Expected credit losses are calculated based on a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due based on the contract and the cash flows that are expected to be received.

Probability of Default (PD): PD refers to the likelihood that a loan will default, which is usually set at 12 months, given certain characteristics. Based on TFRS 9, two different PDs are used in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

Internal rating systems are used in the Bank.

Probability of default calculation has been carried out based on past information, current conditions and forward-looking macroeconomic parameters.

Loss Given Default (LGD): If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage. LGD calculations are performed using historical data which best reflects current conditions, by formation of segments based on certain risk factors that are deemed important for each portfolio and inclusion of forward-looking information and macroeconomic expectations. LGD summarizes all cash flows from customers subsequent to default. It covers all costs and collections that occur during the collection cycle, including collections from collaterals. It also includes the “time value of money” calculated by means of deducting costs and additional losses from the present value of collections.

Exposure at Default (EAD): For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors.

Stage 1: 12-month expected credit loss represents the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or in a shorter period if the expected life of the financial instrument is less than 12 months) and calculated as the portion of lifetime expected credit losses. 12-month expected credit loss is calculated based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied by loss given default rate and discounted with the original effective interest rate.

Stage 2: Lifetime expected credit losses are expected credit losses from all possible default events that can occur during the expected life of a financial instrument (the risk of a default occurring during the expected life of the financial instrument is estimated). In Stage 2, the provision is calculated for financial assets whose credit risk has deteriorated but not impaired.

Stage 3: The Bank evaluates all impaired accounts individually. The methodology is individual assessment, and the probability of default is considered as 100%.

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VII. Explanations on Impairment of Financial Assets (Continued)

Default Definition: It means debt having past due more than 90 days. Whenever it is considered that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

The Bank calculates the expected credit losses in Stage 1 and Stage 2 by groups based on the following criteria.

- Cash Products / Non-cash Products
- Customer Segments: Commercial and Retail / Corporate
- Product Types: Instalment Credits, Renewable Loans (Rotative), Spot Loan, Overdraft Accounts and Other

VIII. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets measured at amortized cost depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

Funds given against securities purchased under agreements to resell (“reverse repo”) are accounted under “Receivables from reverse repurchase agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the effective interest method. The Bank does not have any securities that are subject to any payment.

The income and expenses from these transactions are reflected to the “Interest Income on Money Market Transactions” and “Interest Expense on Money Market Transactions” accounts in the income statement.

As of 31 March 2024, the Bank has no repo transactions. (31 December 2023: TL 51).

As of 31 March 2024, the Bank has no lending of securities (31 December 2023: None).

X. Explanations on Non-current Assets Held for Sale and Discontinued Operations and Liabilities Related to These Assets

Assets held for sale with high probability of sale, are those under a plan prepared by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. In addition, the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or cancelling the plan is low.

The Bank has assets held for sale amount of TL 56,628 as of 31 March 2024 (31 December 2023: TL 61,121).

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. The Bank does not have any discontinued operations.

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XI. Explanations on Goodwill and Other Intangible Assets

There is no goodwill regarding the investments in associates and subsidiaries.

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives. There is no change in the amortization method in the current period.

The intangible assets comprising purchased software are in the other intangible fixed assets. As of the balance sheet date, all software are purchased and there are no completed or continuing software development projects by the Bank.

	%
Intangible Assets	7-33

XII. Explanations on Tangible Fixed Assets

Tangible fixed assets are accounted for at acquisition cost less accumulated depreciation. Property, plant and equipment are depreciated on a straight-line basis. Fixed assets acquired before 1 January 2004 are depreciated using the depreciation rates applicable in previous periods, while fixed assets acquired after 1 January 2004 are depreciated on a straight-line basis over their useful lives.

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Depreciation method is not changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Financial Lease	2-50
Furniture, Fixtures and Office Equipment and Others	2-33

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage, or any other restrictions on tangible fixed assets.

XIII. Explanations on Leasing Transactions

The Bank does not enter into finance leases as a “lessor”.

“IFRS 16 Leases” Standard was published in the Official Gazette dated 16 April 2018 and numbered 29826. According to this standard, the difference between operating leases and financial leases has been eliminated and leasing transactions is reflected on the balance sheet by the lessee as the asset (utilization right) and lease payable, and the interest expense related to the lease liability has reflected to the accounts separately. The Bank started to use IFRS 16 Leases standard starting from 1 January 2019.

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XIII. Explanations on Leasing Transactions (Continued)

The Bank measures the leasing liability at the present value of the remaining lease payments, discounted at the Bank's application date using the reference interest rate at the date of application. In addition, the Bank measures the existence of the right to use of such right at an amount equal to the lease obligation which is reflected in the statement of financial position immediately after the first application date and adjusted for the amount of all prepayment or accrued lease payments.

In accordance with TFRS 16, the Bank measures the lease obligation based on the present value of the lease payments, which were not paid at the date of the lease commencement. Lease payments are discounted using the reference rate of the Bank.

The Bank assesses whether the contract has the quality of a lease or whether the lease includes the transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Bank reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

Right of use assets:

The right to use asset is first recognized by cost method and includes:

- a- The initial measurement amount of the lease obligation,
- b- The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;
- c- All initial direct costs incurred by the Bank

When Bank applying the cost method, the existence of the right to use:

- a) accumulated depreciation and accumulated impairment losses are deducted and
- b) measures the restatement of the lease obligation at the restated cost. The Bank applies TAS 16 Property, Plant and Equipment while depreciating the right of use assets.

Lease Obligations:

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the reference interest rate.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Bank measures the leasing liability as follows:

- a) Increase the book value to reflect the interest on the lease obligation
- b) Reduces the book value to reflect the lease payments made and
- c) The book value is measured to reflect reassessments and restructuring or reflect to fixed lease payments as of revised nature.

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

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XIV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation and discounted to present value if material.

According to the legal department of the Bank, the total number of ongoing cases against the Bank is 309 as of the balance sheet date. The total amount of those cases consists of TL 12,943, USD 804 Thousand and EUR 193 Thousand. There is a provision of TL 44,216 in the accompanying financial statements for these cases (31 December 2023: TL 39,686).

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans:

Employee benefits liabilities are recognized in accordance with the Turkish Accounting Standard No: 19 "Employee Benefits". According to related legislation and union agreements, the Bank is required to make lump sum retirement payments to employees who has completed one year of service, is called up for military service, dies, resigns, retires or whose employment is terminated without due cause, or for female employees who resigns subsequent to her marriage within one year. The Bank provides provision by estimating the present value of the future retirement pay liability.

The Bank recognizes actuarial gains and losses under shareholders' equity in accordance with the revised TAS 19 effective from 1 January 2013.

The Bank has no employees are the member of retirement fund or foundation.

Defined Contribution Plans:

The Bank pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Short-term Employee Benefits:

In accordance with TAS 19 "Turkish Accounting Standard on Employee Benefits", defined liabilities that arise from unused leave payments are accrued in the related period and are not discounted.

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XVI. Explanations on Taxation

Corporate Tax:

The corporate tax rate of 20% on corporate income, as stipulated in the first paragraph of Article 32 of the Corporate Tax Law No. 5520, has been increased to 25% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies with the amendment made within the scope of Law No. 7394 published in the Official Gazette dated 15 April 2022.

To start from the declarations to be submitted as of 1 October 2023 as a result of the amendment made in Article 32 of the Corporate Tax Law No. 5520 with Article 21 of the Law No. 7456 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6 February 2023 and Amendments to Certain Laws and Decree Law No. 375 published in the Official Gazette dated 15 July 2023, For 2023 and subsequent taxation periods, the corporate tax rate for banks has been determined as 30%. The Bank has calculated corporate tax at the rate of 30% on corporate earnings for the taxation period ending 31 March 2024.

Tax returns are required to be filed between the first and twenty-fifth day of the fourth month following the balance sheet date and paid in one instalment until the end of the related month.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years. The Bank makes necessary provisions over results of current period operations related with Income Tax and Corporate Tax liabilities. The Bank has not any tax provision in current period. (31 December 2023: None).

In accordance with Article 298 of the Tax Procedure Law No. 213, inflation adjustment is required for the financial statements due to the increase in the price index by more than 100% in the last three accounting periods including the current period and by more than 10% in the current accounting period. However, with the Provisional Article 33 added to the Tax Procedure Law with the Law No. 7352, it is regulated that the financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods, including the provisional tax periods, and the 2023 accounting period provisional tax periods, regardless of whether the conditions for inflation adjustment within the scope of repeated Article 298 are met. Accordingly, it has been determined that the financial statements for the 2021 and 2022 accounting periods will not be subject to inflation adjustment in accordance with TPL, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met, and the profit / loss differences arising from inflation adjustment will be shown in the retained earnings / loss account.

Within the scope of the paragraph added to Article 33 of the Law No. 213 with Article 17 of the Law No. 7491 on the Amendment of Certain Laws and Decree Laws, it is regulated that the profits or losses that will arise as a result of inflation adjustment to be made by banks in the 2024 and 2025 accounting periods, including the temporary tax periods, will not be taken into account in the determination of earnings. In addition, the President of the Republic of Turkey is authorized to make a regulation to disregard the profits or losses that will arise as a result of inflation adjustment in the 2026 accounting period, including the temporary tax periods, in the determination of earnings.

Deferred Tax:

The tax liability on profit or loss for the period comprises current and deferred tax. Current year tax liability consists of tax liability on period income calculated in accordance with the tax rates enacted as of the balance sheet date and tax legislation in force as of the balance sheet date and includes adjustments related to previous years' tax liabilities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred tax is recognized on differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset in the financial statements.

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XVII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

The Bank has not issued convertible bonds.

XVIII. Explanations on Issued Share Certificates

The Bank does not have any issued debt securities. As of the date of approval of these financial statements, there is no subsequent dividend announcement of the Bank.

XIX. Explanations on Acceptances

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

XX. Explanations on Government Incentives

There are no government incentives utilized by the Bank.

XXI. Explanations on Segment Reporting

As of 31 March 2024 and 31 December 2023, the Bank has not reported its financial information according to segments since it mainly serves corporate/commercial customers.

XXII. Explanations on Other Matters

The Bank's current period unconsolidated financial statements are prepared comparatively with the prior period. In order to maintain consistency with the presentation of the current period unconsolidated financial statements, comparative information may be reclassified if necessary.

The following comparative information has been reclassified to conform to the presentation of the current period financial statements.

Reclassifications:

Extraordinary and other profit reserves amounting to TL 378,130 which were previously presented under "Other capital reserves" in the statement of changes in equity are presented under "Profit reserves" in the comparative financial statements.

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Items of Shareholders' Equity

Total capital and capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

As of 31 March 2024, the Bank's total equity has been calculated as TL 1,210,788 capital adequacy ratio is 14.81%. 31 December 2023 calculations have been made within the framework of the abolished regulations and the Bank's total equity amounted to TL 1,078,042, capital adequacy ratio was 15.20% calculated pursuant to former regulations. The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

	Current Period 31 March 2024
Common Equity Tier 1 Capital	
Paid-in capital to be entitled for compensation after all creditors	1,000,000
Share issue premiums	-
Retained earnings	-
Earnings reflected in equity in accordance with Turkish Accounting Standards (TAS)	3,243
Profit	559,500
Net profit of the period	434,953
Prior years' profit	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	2,807
Common Equity Tier 1 Capital Before Deductions	1,565,550
Deductions from Common Equity Tier 1 Capital	
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-
The sum of the net loss for the current period and the previous years which could not be absorbed by the retained earnings and losses recognized in equity in accordance with TAS	(367,028)
Improvement costs for operating leasing (-)	(5,612)
Goodwill remaining after offsetting with the related deferred tax liability	(12,690)
Other intangible assets, excluding mortgage servicing rights, after offsetting with the related deferred tax liability	-
The remaining part of the deferred tax asset based on future taxable income, excluding deferred tax assets based on temporary differences, after offsetting with the related deferred tax liability	-
Differences that arise when assets or liabilities that are not monitored at fair value are subject to cash flow hedges	-
The portion of the total expected loss amount calculated in accordance with the Communiqué on the Calculation of the Amount Subject to Credit Risk with Approaches Based on Internal Ratings, exceeding the total provision amount	-
Gains from securitization transactions	-
Unrealized gains and losses resulting from differences in the fair value of the bank's liabilities due to changes in credit worthiness	-
Net amount of defined benefit plan assets	-
Direct or indirect investments made by the bank in its own core capital	-
Credits extended contrary to the fourth paragraph of Articles 56 of the Banking Law	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-
Mortgage servicing rights (amount above 10% threshold)	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
Amount exceeding the 15% threshold (as set out in the paragraph 2 of the Provisional Article 2 of the Regulation on Banks' Own Funds)	-
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 not deducted from Tier I Capital (-)	-
Excess amount arising from the rights to provide mortgage services	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences	-
Other items to be determined by the BRSA	-
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-
Total Common Equity Tier 1 Capital	(385,330)
Common Equity Tier 1 Capital	1,180,220

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I. Explanations Related to Items of Shareholders' Equity (Continued)

Additional Tier 1 Capital	
Preferred shares that are not included in Common Equity Tier 1 capital and related shares issue premiums	-
Eligible capital instruments and relevant share issue premiums that are approved by the Agency	-
Eligible capital instruments and relevant share issue premiums that are approved by the Agency (For the purposes of the Provisional Article 4 of the Regulation on Banks' Own Funds)	-
Additional Tier 1 capital before regulatory adjustments	-
Additional Tier 1 capital: regulatory adjustments	
Direct and indirect investments of the bank on its own additional tier i capital	-
Investments in equity instruments issued by banks or financial institutions invested in bank's additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital	-
The total of net long position of the direct or indirect investments in additional Tier I Capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital	-
Other items to be defined by the BRSA	-
Regulatory Adjustments which will be deducted from Tier 1 Capital During the Transition Period	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
The amount to be deducted from the additional main capital in case of insufficient contribution capital (-)	-
Total Deductions from Tier II Capital	-
Total Additional Tier 1 capital	-
Total Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital)	1,180,220
Tier 2 Capital	
Eligible capital instruments and relevant share issue premiums that are approved by the Agency	-
Eligible capital instruments and relevant share issue premiums that are approved by the Agency (For the purposes of the Provisional Article 4 of the Regulation on Banks' Own Funds)	-
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	30,568
Tier II Capital Before Deductions	30,568
Deductions From Tier II Capital	
Direct and indirect investments of the bank on its own Tier II Capital (-)	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	-
Other items to be defined by the BRSA (-)	-
Total regulatory adjustments to Tier 2 capital	-
Total Tier 2 capital	30,568
Total Capital (The Sum of Tier 1 capital and Tier 2 capital)	1,210,788
The Sum of Tier 1 Capital and Tier 2 Capital (Total Capital)	
Credits extended contrary to the provisions of Articles 50 and 51 of the Banking Law	-
Portion of the sum of the banks' real estate net book values, which is in excess of fifty per cent of their own funds and net book values of those of merchandise and real estate which have to be acquired due to their receivables and disposed of pursuant to Article 57 of the Banking Law, which cannot be disposed of despite the lapse of a period of five years since the date of such acquisition	-
Other items to be defined by the BRSA	-
Regulatory Adjustments which will be deducted from Total Capital during the transition period	
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-
Significant investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold), mortgage servicing rights (amount above 10% threshold), deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-

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I. Explanations Related to Items of Shareholders' Equity (Continued)

Capital	1,210,788
Total Capital (The sum of Tier 1 capital and Tier 2 capital)	1,210,788
Total Risk Weighted Assets	8,175,254
CAPITAL ADEQUACY RATIOS	
Common Equity Tier 1 Capital Adequacy Ratio (%)	14.44
Tier 1 Capital Adequacy Ratio (%)	14.44
Capital Adequacy Ratio (%)	14.81
BUFFERS	
Total buffer requirement (%)	2.52
Capital conservation buffer requirement (%)	2.50
Bank specific countercyclical buffer requirement (%)	0.02
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	9.94
Amounts Below the Thresholds for Deduction	-
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital	-
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital	-
Mortgage servicing rights	-
Deferred tax assets arising from temporary differences	-
Applicable Caps on The Inclusion of Provisions in Tier 2 Capital	-
General loan provisions for exposures in standard approach (before limit of one hundred and twenty-five per ten thousand)	30,568
General loan provisions for exposures in standard approach limited by 1.25% of risk weighted assets	30,568
Total loan provision that exceeds total expected loss calculated according to Communiqué on calculation of credit risk by internal ratings-based approach	-
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0.6% risk weighted assets	-
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)	-
Current cap on Additional Tier 1 capital instruments which subject to phase out arrangements in the Provisional Article 4 of the Regulation on Banks' Own Funds	-
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) which subject to Provisional Article 4 of the Regulation on Banks' Own Funds	-
Current cap on Tier 2 capital instruments which subject to phase out arrangements in the Provisional Article 4 of the Regulation on Banks' Own Funds	-
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) which subject to Provisional Article 4 of the Regulation on Banks' Own Funds	-
There are no amounts in this column represents the amounts of items that are subject to transition provisions in accordance with the temporary Articles of "Regulations regarding to changes on Regulation on Equity of Banks" and will be taken into consideration at the end of transition process.	

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I. Explanations Related to Items of Shareholders' Equity (Continued)

	Prior Period 31 December 2023
Common Equity Tier 1 Capital	
Paid-in Capital to be Entitled for Compensation after All Creditors	1,000,000
Share premium	-
Legal reserves	-
Accumulated other comprehensive income in accordance with Turkish Accounting Standards (TAS)	3,230
Profit	434,953
Net profit for the period	434,953
Prior periods' profit	-
Bonus shares from associates, subsidiaries and joint ventures not accounted in current period's profit	2,807
Common Equity Tier 1 Capital Before Deductions	1,440,990
Deductions from Common Equity Tier 1 Capital	
Valuation adjustments calculated according to clause (I) of first paragraph of the 9th article of the Regulation on Owners Equity of Banks	-
The portion of the net period loss and the sum of previous years' losses that cannot be covered by reserves and losses reflected in equity in accordance with TAS	(365,633)
Leasehold improvements on operational leases (-)	(6,035)
Goodwill remaining after offsetting with the related deferred tax liability	(14,536)
Other intangibles other than mortgage-servicing rights (net of related tax liability)	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
Differences that 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 more than 10% 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	(386,204)
Total Common Equity Tier 1 Capital	1,054,786

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I. Explanations Related to Items of Shareholders' Equity (Continued)

Additional Tier I Capital

The capital corresponding to the privileged shares not included in the core capital and the issuance premiums related to them	-
Debt instruments and premiums approved by BRSA	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-
Additional Tier I Capital before deductions	-
Deductions from additional Tier I Capital	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-
Total of net long positions of the investments in equity items of unconsolidated Banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-
The total of net long position of the direct or indirect investments in additional Tier I capital of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital	-
Other items to be defined by the BRSA	-
Items that will Continue to deduce from the Core Capital during Transition	-
Portion of the goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-
Portion of the 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 (-)	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions (-)	-
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)	1,054,786

Tier II Capital

Debt instruments and share issue premiums deemed suitable by the BRSA	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	32,256
Tier II Capital Before Deductions	32,256
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 more than 10% 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	32,256
Total Capital (The sum of Tier I Capital and Tier II Capital)	1,087,042

Deductions from Total Capital

Deductions from Capital Loans granted contrary to the 50th and 51st 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	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank owns more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first and second sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-

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I. Explanations Related to Items of Shareholders' Equity (Continued)

Capital	1,078,042
Total Capital (The sum of Tier 1 capital and Tier 2 capital)	1,087,042
Total Risk Weighted Assets	7,153,981
CAPITAL ADEQUACY RATIOS	
Common Equity Tier 1 Capital Adequacy Ratio (%)	14.74
Tier 1 Capital Adequacy Ratio (%)	14.74
Capital Adequacy Ratio (%)	15.20
BUFFERS	
Total buffer requirement (%)	2.517
Capital conservation buffer requirement (%)	2.500
Bank specific countercyclical buffer requirement (%)	0.017
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 (%)	10.24
Amounts Below the Excess Amount in the Discount Principles to be Applied	-
The amount arising from the net long positions of the investments made in the equity elements of the unconsolidated banks and financial institutions in which 10% or less of the partnership interests are held	-
The amount arising from the net long positions of the investments made in the core capital elements of unconsolidated banks and financial institutions in which more than 10% of the partnership shares are held	-
Mortgage servicing rights	-
Deferred tax assets arising from temporary differences	-
Applicable Caps on the Inclusion of Provisions in Tier 2 Capital	-
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	32,256
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	32,256
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2018 and 1 January 2022)	-
Current cap on Additional Tier 1 capital instruments which subject to phase out arrangements in the Provisional Article 4 of the Regulation on Banks' Own Funds	-
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) which subject to Provisional Article 4 of the Regulation on Banks' Own Funds	-
Current cap on Tier 2 capital instruments which subject to phase out arrangements in the Provisional Article 4 of the Regulation on Banks' Own Funds	-
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) which subject to Provisional Article 4 of the Regulation on Banks' Own Funds	-
There are no amounts to be taken into consideration at the end of the transition period for the items subject to the transition provisions within the Provisional Articles of the "Regulation on Owners' Equity of Banks".	

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II. Explanations Related to Currency Risk

Foreign currency risk indicates the probability of loss that the Bank is subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and risk is calculated by using the standard method.

The Board of Directors of the Bank sets limits for the positions, which are followed up weekly/daily. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

The announced current foreign exchange buying rates of the Bank at 31 March 2024 and the previous five working days in full TL are as follows (Bank foreign currency evaluation rates):

	22 March 2024	25 March 2024	26 March 2024	27 March 2024	28 March 2024	29 March 2024
USD	31.8769	32.0950	32.1448	32.2164	32.2597	32.3310
CHF	35.4929	35.7374	35.5887	35.5326	35.7567	35.8318
GBP	40.2137	40.5633	40.6168	40.6355	40.7795	40.8635
100JPY	21.0750	21.2050	21.2160	21.2790	21.3130	21.3670
EUR	34.5045	34.7547	34.8671	34.8303	34.8634	34.8942

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 31 March 2024 are as follows:

	Monthly Average Foreign Exchange Rate
USD	31.9430
CHF	35.9191
GBP	40.5713
100 JPY	21.3159
EUR	34.6851

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II. Explanations Related to Currency Risk (Continued)

31 March 2024	EURO	USD	YEN	OTHER FC	TOTAL
Assets					
Cash (Cash, Banknotes, Money in Transit, Purchased Checks, Precious Metal Warehouse) and Central Bank	448,205	2,726,401	-	1	3,174,607
Banks (****)	102,552	897,338	7,026	10,127	1,017,043
Financial Assets at Fair Value through Profit or Loss	-	-	-	-	-
Receivables from Money Markets	-	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	33	-	-	33
Loans Given (*)	1,306,177	1,426,427	-	-	2,732,604
Associates, Subsidiary and Joint Ventures under Common control (Joint Ventures)	-	-	-	-	-
Financial Assets at Amortized Cost	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	29	38	-	2	69
Total Assets	1,856,963	5,050,237	7,026	10,130	6,924,356
Liabilities					
Banks Deposits	2,027	566	-	-	2,593
Foreign Exchange Deposit Account	1,242,875	5,657,537	4,902	2,055	6,907,369
Payables to Money Markets	-	-	-	-	-
Funds from Other Financial Institutions	-	-	-	-	-
Securities Issued	-	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (*****)	84,913	1,002,630	-	-	1,087,543
Total Liabilities	1,329,815	6,660,733	4,902	2,055	7,997,505
Net Balance Sheet Position	527,148	(1,610,496)	2,124	8,075	(1,073,149)
Net Off-Balance Sheet Position	(528,646)	1,274,316	-	-	745,670
Receivables from Derivative Financial Instruments (***)	181,449	8,813,196	-	-	8,994,645
Liabilities from Derivative Financial Instruments (***)	(710,095)	(7,538,880)	-	-	(8,248,975)
Non-Cash Loans (**)	74,284	164,436	-	-	238,720
31 December 2023					
Total Assets (*) (****)	1,007,776	3,449,678	2,097	9,512	4,469,063
Total Liabilities	870,134	5,486,770	27	2,379	6,359,310
Net Balance Sheet Position	137,642	(2,037,092)	2,070	7,133	(1,890,247)
Net Off-Balance Sheet Position	(144,177)	2,022,724	-	-	1,878,547
Receivables from Derivative Financial Instruments (***)	681,921	9,130,065	-	-	9,811,986
Liabilities from Derivative Financial Instruments (***)	(826,098)	(7,107,341)	-	-	(7,933,439)
Non-Cash Loans (**)	150,604	227,693	-	-	378,297

(*) Foreign currency indexed loans are not included in the loan portfolio.

(**) It has no effect on the net off-balance sheet position.

(***) It also includes forward asset purchase and sale commitments amounting to TL 38,958 (31 December 2023: TL 14,702).

(****) Expected loss provisions amounting to TL 648 are deducted from the Banks item.

(*****) Foreign currency amounts that are not included in the currency risk table in accordance with the Regulation on the Calculation of the Foreign Currency Net General Position/Equity Standard Ratio are disclosed according to the order in the financial statements:

- Derivative financial assets held for trading: TL 9,192,813 (31 December 2023: TL 9,797,284).

- Derivative financial liabilities held for trading: TL 8,248,975 (31 December 2023: TL 7,933,439).

Foreign Currency Sensitivity

The following table details the Bank's sensitivity to a 10% increase or decrease in the TL against USD and EURO. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. Positive/ (Negative) number indicates a change in profit or loss and other equity where USD and EUR increase 10% against TL.

Change in currency rate in %		Effect on profit/loss		Effect on equity	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
US Dollar	10 increase	(33,618)	(901)	8,125	(901)
US Dollar	10 decrease	33,618	901	(8,125)	901
EURO	10 increase	(150)	126	(150)	126
EURO	10 decrease	150	(126)	150	(126)
Other Currency	10 increase	1,020	680	1,020	680
Other Currency	10 decrease	(1,020)	(680)	(1,020)	(680)

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III. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and the Asset-Liability Committee manages it. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

Risk Department performs duration, maturity and sensitivity analysis to protect the effect of interest rate volatility and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Bank. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budgeted targets.

The Bank management follows the market interest rates daily and revises the interest rates of the Bank whenever necessary.

Since the Bank does not permit maturity mismatches or imposes limits on mismatch, a significant interest rate risk exposure is not expected.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 March 2024							
Assets							
Cash Values (Cash, Effective Reserve, Cash in Transit, Cheques Purchased, Precious Metal Reserve) and the Central Bank of Turkey	1,882,761	-	-	-	-	1,522,012	3,404,773
Banks (****)	651,488	-	-	-	-	366,816	1,018,304
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Receivables from Money Markets	1,418,313	-	-	-	-	-	1,418,313
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	33	456,890	-	138	457,061
Loans Given (*) (****)	4,701,199	3,519,370	1,500,568	889	-	163,655	9,885,681
Financial Assets at Amortized Cost (****)	18,587	-	1,075,005	51,661	-	-	1,145,253
Other Assets (**)	-	90,414	-	-	-	386,888	477,302
Total Assets	8,672,348	3,609,784	2,575,606	509,440	-	2,439,509	17,806,687
Liabilities							
Bank Deposits	-	-	-	-	-	4,622	4,622
Other Deposits	7,575,299	4,537,122	2,008,265	-	-	642,409	14,763,095
Payables to Money Markets	167,739	-	54,909	-	-	-	222,648
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (***)	1,303,246	346	-	-	-	1,512,730	2,816,322
Total Liabilities	9,046,284	4,537,468	2,063,174	-	-	2,159,761	17,806,687
Balance Sheet Long Position	-	-	512,432	509,440	-	279,749	1,301,621
Balance Sheet Short Position	(373,936)	(927,685)	-	-	-	-	(1,301,621)
Off-Balance Sheet Long Position	-	-	-	-	-	17,820,919	17,820,919
Off-Balance Sheet Short Position	-	-	-	-	-	(17,762,350)	(17,762,350)
Total Position	(373,936)	(927,685)	512,432	509,440	-	338,318	58,569

(*) Up to 1-month column consist of revolving loans and corporate FC indexed loans.

(**) Other assets line in the interest-free column includes tangible assets amounting to TL 178,731 intangible assets amounting to TL 12,690, fixed assets held for sale amounting to TL 56,628, investments in associates amounting to TL 7,659, current tax assets amounting to TL 8,325 and other assets amounting to TL 122,855.

(***) Other liabilities line in the interest-free column includes equity amounting to TL 1,201,606, provisions amounting to TL 187,237 and other liabilities amounting to TL 115,295 and TL 123,887.

(****) Provisions for expected losses are presented above the related items.

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III. Explanations Related to Interest Rate Risk (Continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	Total
31 December 2023							
Assets							
Cash Values (Cash, Effective Reserve, Cash in Transit, Cheques Purchased, Precious Metal Reserve) and the Central Bank of Turkey	2,232,851	-	-	-	-	827,740	3,060,591
Banks (****)	589,996	-	-	-	-	330,816	920,812
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Receivables from Money Markets	341,199	1,427,848	-	-	-	-	1,769,047
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	31	-	138	169
Loans Given (*)	4,181,545	2,285,877	2,693,831	1,162	-	187,698	9,350,113
Financial Assets at Amortized Cost	-	200,105	1,125,034	13,622	-	-	1,338,761
Other Assets (**)	-	148,023	-	-	-	310,433	458,456
Total Assets	7,345,591	4,061,853	3,818,865	14,815	-	1,656,825	16,897,949
Liabilities							
Bank Deposits	-	-	-	-	-	2,262	2,262
Other Deposits	7,117,231	2898,708	4,219,288	-	-	554,019	14,789,246
Payables to Money Markets	51	-	-	-	-	-	51
Miscellaneous Payables	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (***)	579,306	651	-	-	-	1,526,433	2,106,390
Total Liabilities	7,696,588	2,899,359	4,219,288	-	-	2,082,714	16,897,949
Balance Sheet Long Position	-	1,162,494	-	14,815	-	-	1,177,309
Balance Sheet Short Position	(350,997)	-	(400,423)	-	-	(425,889)	(1,177,309)
Off-Balance Sheet Long Position	-	-	-	-	-	17,999,201	17,999,201
Off-Balance Sheet Short Position	-	-	-	-	-	(17,877,110)	(17,877,110)
Total Position	(350,997)	1,162,494	(400,423)	14,815	-	(303,798)	122,091

(*) Revolving loans and Corporate Currency Indexed revolving loans are classified in the Up to 1 month column.

(**) Other assets line in the non-interest column includes tangible assets amounting to TL 148,503 intangible assets amounting to TL 14,536, non-current assets held for sale amounting to TL 61,121, sundry receivables amounting to TL 7,659, and other assets amounting to TL 78,164.

(***) Other liabilities line in the interest-free column includes equity amounting to TL 1,078,442 provisions amounting to TL 357,760 and other liabilities amounting to TL 90,231.

(****) Expected loss provisions amounting to TL 614 are deducted from the Banks item.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TL %
31 March 2024				
Assets				
Cash Values (Cash, Effective Reserve, Cash in Transit, Cheques Purchased) and The Central Bank of Turkey	-	-	-	-
Banks	-	4.39	-	-
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	-
Receivables from Money Market	-	-	-	46.67
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	7.38	-	48.77
Loans Given	7.80	6.16	-	37.59
Financial Assets Measured at Amortized Cost	-	-	-	24.25
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	2.54	4.35	-	31.86
Money Market Borrowings	-	-	-	46.36
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	-	-	-	-

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III. Explanations Related to Interest Rate Risk (Continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TL %
31 December 2023				
Assets				
Cash Values (Cash, Effective Reserve, Cash in Transit, Cheques Purchased) and The Central Bank of Turkey	-	-	-	-
Banks	-	3.94	-	-
Financial Assets Measured at Fair Value through Profit or Loss	-	-	-	19.93
Receivables from Money Market	2.53	-	-	23.03
Financial Assets Measured at Fair Value through Other Comprehensive	-	9.30	-	-
Loans Given	7.76	8.23	-	23.59
Financial Assets Measured at Amortized Cost	-	-	-	13.90
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	2.91	4.93	-	23.52
Money Market Borrowings	-	-	-	10.26
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	-	-	-	-

Interest rate risk arising from banking accounts:

According to the “Regulation on Measurement and Evaluation of the Interest Rate Ratio of Banking Accounts Based on Standard Shock”, which is divided into different currencies of the Bank, the following table shows the economic value differences arising from interest rate fluctuations as of 31 March 2023:

Currency	Shocks Applied (+ / - basis points)*	Gains / Losses	Gains / Equity – Losses / Equity
TL	500	(40,434)	(3%)
	(400)	38,580	3%
EURO	200	(6,411)	(1%)
	(200)	6,607	1%
USD	200	(5,742)	(0%)
	(200)	5,923	0%
Total (of Negative Shocks)		51,110	4%
Total (of Positive Shocks)		(52,587)	(4%)

(*) Separate lines are entered for each shock with a different magnitude and direction applied to a currency.

IV. Explanations on Stock Position Risk

The Bank has no outstanding stock position.

V. Explanations Related to Liquidity Risk and Liquidity Coverage Ratio

Liquidity risk is the risk that arises as a result of not having enough cash or cash inflows to meet the cash outflows fully and on time as a result of the imbalance in the cash flow.

Liquidity risk may also occur when the market penetration is not adequate, when the open positions cannot be closed quickly at suitable prices and sufficient amounts due to barriers and break-ups at the markets.

The Bank’s policy is to establish an asset structure that can meet all kinds of liabilities by liquid sources at all times. In this context, liquidity problem has not been faced in any period. In order to maintain this, the Board of Directors of the Bank continuously determines standards for the liquidity ratios and monitors them.

In accordance with the Bank’s general policies, the harmony of maturity structures of assets and liabilities and interest rates is ensured within the Asset-Liability Management strategies, and the difference between the return and cost of Asset-Liability items in the balance sheet is constantly tried to be managed positively. In line with this strategy, various crisis scenarios created by the Risk Management Group are presented to the Senior Management and the Audit Committee.

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V. Explanations Related to Liquidity Risk and Liquidity Coverage Ratio (Continued)

When the funding and liquidity sources are considered, the Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources.

The Bank calculated liquidity adequacy ratio in both foreign currency and total amount as per Basel III and reported to BRSA according to Bank's Regulation on Measurement and Evaluation of Liquidity Adequacy Ratio declared in 2013. Furthermore, the Bank reports liquidity risk analysis form weekly to BRSA in 2013.

The lowest unconsolidated foreign currency (18/03/2024) (135%) and highest foreign currency (19/01/2024) (489%), while total liquidity coverage ratios calculated on a weekly basis for the last three months are lowest (27/03/2024) (284%) and highest (20/02/2024) (654%).

Liquidity risk in a Bank is evaluated separately with respect to normal market conditions and market fluctuations, which can possibly occur. The Bank makes the required diversification in its assets and liabilities via considering related currencies in order to meet its obligation to pay.

Liquidity deficit report is issued through the quantitative evaluation of daily and cumulative deficits in local currency and foreign currency in the framework of ordinary and stressful environment. Liquidity deficit report includes deficit-maturing liabilities in any period of borrowings and placements made in order to replacement assets. Liquidity deficit report is based on current balance sheet and includes off-balance sheet derivative transactions and commitments, which can affect the balance sheet. Liquidity report is issued quarterly over TL and foreign currency.

Liquidity Risk Measurement is to determine the non-conformance between assets and liabilities, which can occur because of challenges encountered in decreasing the asset positions if the assets of the Bank are pledged, and the assets cannot be sold with relative ease, or the market returns to liquid assets at different levels. The liquidity of the Bank is designed to meet the due liabilities of the bank. The courses followed by the Bank to reach the aforementioned purpose are as follows:

- Measurement of day liquidity
- Short-term funding
- Liquid assets
- Structural liquidity
- Diversification of liquidity resources
- Stress tests

The Treasury department in coordination with marketing department performs liquidity management while stress test and scenario analyses studies are performed under the coordination of Risk Management Group with the views and suggestions of other related departments. Results of stress test are reported to executives regularly and submitted to Audit Committee quarterly by the Risk Management Group. Loan losses, delays in loan repayment and deposit withdrawals are used as variables in these stress test scenarios. Additional capital allocation is not made for liquidity risk.

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V. Explanations Related to Liquidity Risk and Liquidity Coverage Ratio (Continued)

Stress tests examine the possible effect of an event on balance sheet and net potential cumulative deficit quantitatively and foresee the required additional funding with respect to a defined stress scenario. Stress tests are performed quarterly over TL and foreign currency unless they are required to be performed more often due to a change occurring in market conditions.

The Bank operates periodical liquidity analyses, which compare the inflows and outflows of funds and cover a specific period. The following issues are taken into consideration in these analyses:

- Assumptions based on anticipated inflow and outflow of funds
- Capability of bank to convert its assets into cash
- Liquidity instruments provided by the Central Bank
- Loss of value which occurs while liquidating assets in market fluctuations
- Market conditions for specified several asset classifications

Sensitivity tests are performed periodically with scenarios, which are peculiar to banks and particular to the market. These scenarios are reviewed periodically.

Chief Economist presents a short explanation regarding the recent developments in market in Committee of Assets and Liabilities meetings. Departments of Treasury, Budget Planning and Management Reporting and Retail Banking inform the Committee regarding the recent liquidity of the Bank.

Credit/Deposit rate defined by the Board of Directors of the Bank provides short-term liquidity needs of the bank not to drop below a certain level of liquidity. The Credit/Deposit rate is monitored by departments of Treasury, Budget Planning and Management Reporting and Retail Banking and discussed in Committee of Assets and Liabilities meetings. Decisions regarding liquidity are made in the light of aforementioned information. The Treasury examines weekly Liquidity Analysis Form, biweekly Stock Liquidity Rate Notification Form and weekly Liquidity Rate Notification Form (first maturity segment) and related departments in order to determine liquidity balance between assets and liabilities of the Bank in accordance with the communique of Banking Regulation and Supervision Agency.

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V. Explanations Related to Liquidity Risk and Liquidity Coverage Ratio (Continued)

Liquidity Coverage Ratio:

31 March 2024		Total Value with Disregard Ratio Unapplied (*)		Consideration Rate Applied Total Value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			4,609,418	1,984,548
CASH OUTFLOWS					
2	Real person deposits and retail deposits	7,151,449	2,486,271	721,954	254,119
3	Stable deposit	183,618	369	9,390	19
4	Low stable deposit	6,967,831	2,485,902	712,564	254,100
5	Unsecured debts excluding real person deposits and retail deposits	5,537,388	3,819,308	2,825,100	1,945,418
6	Operational deposit	-	-	-	-
7	Non-operational deposit	4,624,015	3,196,409	1,887,683	1,307,057
8	Other unsecured borrowings	913,373	622,899	937,417	638,361
9	Secured borrowings			-	-
10	Other cash outflows	665,363	159,040	126,331	27,918
11	Derivative liabilities and collateral liabilities	25,843	6,320	27,092	6,377
12	Payables from structured financial instruments	-	-	-	-
13	Payment commitments for debts to financial markets and other off-balance sheet liabilities	639,520	152,720	99,239	21,541
14	Non-revocable off-balance sheet liabilities and other contractual liabilities	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet liabilities	-	-	-	-
16	TOTAL CASH OUTFLOWS			3,673,385	2,227,455
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	5,408,291	1,575,137	5,246,680	1,533,441
19	Other cash inflows	34,348	12,360	35,992	12,492
20	TOTAL CASH INFLOWS	5,442,639	1,587,497	5,282,672	1,545,933
				Upper Limit Applied Values	
21	TOTAL STOCK OF HQLA			4,609,418	1,984,548
22	TOTAL NET CASH OUTFLOWS			918,346	681,522
23	LIQUIDITY COVERAGE RATIO (%)			501.93	291.19

(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

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V. Explanations Related to Liquidity Risk and Liquidity Coverage Ratio (Continued)

Liquidity Coverage Ratio (Continued):

31 December 2023		Total Value with Disregard Ratio Unapplied (*)		Consideration Rate Applied Total Value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			4,130,335	1,433,906
CASH OUTFLOWS					
2	Real person deposits and retail deposits	7,141,941	1,939,097	711,616	196,222
3	Stable deposit	210,055	462	10,617	23
4	Low stable deposit	6,931,886	1,938,635	700,999	196,199
5	Unsecured debts excluding real person deposits and retail deposits	5,119,204	2,355,081	2,608,857	1,179,155
6	Operational deposit	-	-	-	-
7	Non-operational deposit	4,215,478	1,980,566	1,700,405	801,517
8	Other unsecured borrowings	903,726	374,515	908,452	377,638
9	Secured borrowings			-	-
10	Other cash outflows	707,383	203,234	127,632	32,873
11	Derivative liabilities and collateral liabilities	21,596	8,080	21,795	8,096
12	Payables from structured financial instruments	-	-	-	-
13	Payment commitments for debts to financial markets and other off-balance sheet liabilities	685,787	195,154	105,837	24,777
14	Non-revocable off-balance sheet liabilities and other contractual Liabilities	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet liabilities	-	-	-	-
16	TOTAL CASH OUTFLOWS			3,448,105	1,408,250
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	4,253,214	1,734,442	4,038,569	1,627,117
19	Other cash inflows	60,433	25,424	61,301	25,466
20	TOTAL CASH INFLOWS	4,313,647	1,759,866	4,099,870	1,652,583
				Upper Limit Applied Values	
21	TOTAL STOCK OF HQLA			4,130,335	1,433,906
22	TOTAL NET CASH OUTFLOWS			862,026	352,063
23	LIQUIDITY COVERAGE RATIO (%)			479.14	407.29

(*) Simple arithmetic average calculated for the last three months by using the amounts calculated based on weekly simple arithmetic averages.

A decrease is observed in cash inflow and outflows in parallel with the decrease in the volume of credit and deposit. Additionally, liabilities of the bank with respect to these transactions increase in parallel with the derivative transactions made in order to minimize the currency risk of the Bank.

High quality liquid assets consist of cash assets, central banks, securities held for trading and reverse repo items.

A significant proportion of daily cash inflow of the Bank consists of payments related to loans issued and placement of banks while a significant proportion of daily cash outflow of the Bank consists of payments related to collected deposits. Domestic and foreign banks and loan clients constitute the resource of cash inflows. The bank applies limits for the transactions, which shall be made with domestic and foreign banks, and these limits are monitored by the Risk Management Department daily.

The Bank has performed forward exchange, swap and option transactions with foreign financial institutions during 2024.

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V. Explanations Related to Liquidity Risk and Liquidity Coverage Ratio (Continued)

Net Stable Funding Ratio:

As of 31 March 2024, the Bank's NSFR ratio calculated from three-month average amounts is 280% (31 December 2023: 266%). This rate is above the minimum rate. The Regulation stipulates the minimum NSFR ratio as 100%.

		a	b	c	ç	d
		Unweighted Amount According to Residual Maturity				
31 March 2024		Non Maturity (*)	Residual maturity of less than 6 months (*)	Residual maturity of six months and longer but less than one year (*)	Residual maturity of one year or more (*)	Total Weighted Amount (*)
Available stable funding						
1	Capital Instruments	1,179,956	-	-	-	1,179,956
2	Tier 1 Capital and Tier 2 Capital	1,179,956	-	-	-	1,179,956
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	-	7,259,956	12,052	-	6,557,906
5	Stable Deposits	-	255,188	6,797	-	248,885
6	Less Stable Deposits	-	7,004,768	5,255	-	6,309,021
7	Other Obligations	1,603,160	6,831,326	298,498	-	3,814,578
8	Operational deposits	-	-	-	-	-
9	Other Obligations	1,603,160	6,831,326	298,498	-	3,814,578
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	-	-	51,858	-	-
12	Derivative liabilities	-	-	51,858	-	-
13	All other equity not included in the above categories	-	-	-	-	-
14	Available stable funding	-	-	-	-	11,552,440
Required Stable Funding						
15	High quality liquid assets	-	-	-	-	76,463
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	116,434	9,373,125	272,092	-	3,377,908
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	4,296,345	-	-	644,452
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	116,434	5,076,780	272,092	-	2,733,456
21	Loans with a risk weight of less than or equal to %35	-	-	-	-	-
22	Residential mortgages	-	-	-	-	-
23	Residential mortgages with a risk weight of less than or equal to %35	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	-	-
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	618,920	18,987	-	-	637,907
27	Physical traded commodities, including gold	-	-	-	-	-
28	Initial margin posted or given guarantee fund to central counterparty	-	-	-	-	-
29	Derivative Assets	-	-	18,987	-	18,987
30	Derivative Liabilities before the deduction of the variation margin	-	-	-	-	-
31	Other Assets not included above	618,920	-	-	-	618,920
32	Off-balance sheet commitments	-	163,121	60,768	370,344	30,107
33	Total Required stable funding	-	-	-	-	4,122,385
34	Net Stable Funding Ratio (%)	-	-	-	-	280

(*) Simple arithmetic average of the values calculated monthly for the last three months.

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V. Explanations Related to Liquidity Risk and Liquidity Coverage Ratio (Continued)

Net Stable Funding Ratio (Continued)

Prior Period		a	b	c	ç	d
		Unweighted Amount According to Residual Maturity				Total Weighted Amount (*) Non Maturity (*)
31 December 2023		Non Maturity (*)	Residual maturity of less than 6 months (*)	Non Maturity (*)	Residual maturity of less than 6 months (*)	
Available stable funding						
1	Capital Instruments	1,220,957	-	-	-	1,220,957
2	Tier 1 Capital and Tier 2 Capital	1,220,957	-	-	-	1,220,957
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	-	7,210,431	12,981	-	6,516,087
5	Stable Deposits	-	292,533	7,791	-	285,308
6	Less Stable Deposits	-	6,917,898	5,190	-	6,230,779
7	Other Obligations	1,345,730	5,734,375	250,566	-	3,264,408
8	Operational deposits	-	-	-	-	-
9	Other Obligations	1,345,730	5,734,375	250,566	-	3,264,408
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	-	-	-	-	
12	Derivative liabilities					
13	All other equity not included in the above categories	-	-	-	-	-
14	Available stable funding	11,001,451				
Required Stable Funding						
15	High quality liquid assets	69,460				
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	110,026	9,128,412	257,119	-	3,233,279
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	4,331,006	-	-	637,151
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	110,026	4,797,406	257,119	-	2,596,128
21	Loans with a risk weight of less than or equal to %35	-	-	-	-	-
22	Residential mortgages	-	-	-	-	-
23	Residential mortgages with a risk weight of less than or equal to %35	-	-	-	-	-
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	-	-
25	Assets equivalent to interconnected liabilities					
26	Other Assets	568,832	-	231,973	-	800,805
27	Physical traded commodities, including gold	-				-
28	Initial margin posted or given guarantee fund to central counterparty					-
29	Derivative Assets		231,973			231,973
30	Derivative Liabilities before the deduction of the variation margin					-
31	Other Assets not included above	568,832	-	-	-	568,832
32	Off-balance sheet commitments		175,220	65,275	397,812	32,340
33	Total Required stable funding	4,135,884				
34	Net Stable Funding Ratio (%)	266				

(*) Simple arithmetic average of the values calculated monthly for the last three months.

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V. Explanations Related to Liquidity Risk and Liquidity Coverage Ratio (Continued)

Presentation of assets and liabilities according to their remaining maturities:

31 March 2024	Demand	Up to 1 Month	3-12 1-3 Months Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets							
Cash Values (Cash, Effective Reserve, Cash in Transit, Cheques Received, Precious Metal Reserve) and Central Bank of Turkey (****)	1,817,877	851,319	509,886	225,691	-	-	3,404,773
Banks (*****)	366,816	651,488	-	-	-	-	1,018,304
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Receivables from Markets	-	1,418,313	-	-	-	-	1,418,313
Financial Assets at Fair Value at Other Comprehensive Income	138	-	-	33	456,890	-	457,061
Loans Given (***) (*****)	-	4,701,199	3,519,370	1,500,568	889	163,655	9,885,681
Financial Assets Measured at Amortized Cost (*****)	-	18,586	-	1,075,006	51,661	-	1,145,253
Other Assets	-	-	90,414	-	-	386,888	477,302
Total Assets	2,184,831	7,640,905	4,119,670	2,801,298	509,440	-	550,543 17,806,687
Liabilities							
Bank Deposits	4,622	-	-	-	-	-	4,622
Other Deposits	642,409	7,575,299	4,537,122	2,008,265	-	-	14,763,095
Funds from Other Financial Institutions	-	-	-	-	-	-	-
Payables to Money Markets	-	167,739	-	54,909	-	-	222,648
Issued Securities	-	-	-	-	-	-	-
Miscellaneous Payables	-	-	-	-	-	-	-
Other Liabilities (**)	-	1,303,246	346	-	-	1,512,730	2,816,322
Total Liabilities	647,031	9,046,284	4,537,468	2,063,174	-	-	1,512,730 17,806,687
Liquidity Deficit	1,537,800	(1,405,379)	(417,798)	738,124	509,440	-	(962,187)
Net Off-Balance Position	-	31,209	27,360	-	-	-	58,569
Receivables from Derivative Financial Instruments	-	14,755,538	3,065,381	-	-	-	17,820,919
Payables from Derivative Financial Instruments	-	14,724,329	3,038,021	-	-	-	17,762,350
Non-Cash Loans	-	10,000	16,000	307,029	-	2,451,744	2,784,773
31 December 2023							
Total Assets	2,266,289	5,675,338	4,290,986	4,152,390	14,815	-	498,131 16,897,949
Total Liabilities	556,280	7,696,590	2,899,358	4,219,288	-	-	1,526,433 16,897,949
Liquidity Deficit	1,710,009	(2,021,252)	1,391,628	(66,898)	14,815	-	(1,028,302)
Net Off-Balance Position	-	90,328	(71,420)	103,183	-	-	122,091
Receivables from Derivative Financial Instruments	-	13,879,772	3,276,533	842,896	-	-	17,999,201
Payables from Derivative Financial Instruments	-	13,789,444	3,347,953	739,713	-	-	17,877,110
Non-Cash Loans	-	2,500	14,000	186,000	529	2,500,827	2,703,856

(*) The assets, which are necessary to provide banking services and cannot be liquidated in the short term, such as tangible assets, investments in subsidiaries and associates and non-performing loans are classified under undistributed.

(**) Shareholders' equity is shown under "Other Liabilities" in "Undistributed Column".

(***) Revolving loans and corporate foreign currency indexed revolving loans are classified in up to 1-month column.

(****) Reserve requirement distribution is based on maturity distribution of liabilities on which the reserve is calculated.

(*****) Provisions for expected losses are presented above the related items.

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VI. Explanations Related to Leverage Ratio

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

As of 31 March 2024, the Bank's leverage ratio calculated from the three-month average amounts is calculated as 6.66% due to the increase in on-balance sheet assets and the decrease in equity (31 December 2023: 8.05%). This rate is above the minimum rate. The regulation stipulates the minimum leverage ratio as 3%.

Leverage ratio public disclosure template

	On-balance sheet assets	31 March 2024 (*)	31 December 2023 (*)
1	On-balance sheet assets (except derivative financial instruments and credit derivatives, including collateral)	14,894,616	12,649,177
2	(Assets deducted from Tier 1 capital)	(385,157)	(387,583)
3	Total risk amount for on-balance sheet assets (Total of lines 1 and 2)	14,509,459	12,261,594
	Derivative financial instruments and credit derivatives		
4	Replacement cost of derivative financial instruments and credit derivatives	162,384	301,120
5	Potential credit risk amount of derivative financial instruments and credit derivatives	241,217	231,872
6	Total risk amount for derivative financial instruments and credit derivatives (Total of lines 4 and 5)	403,601	532,992
	Securities or commodity-backed financing transactions		
7	Risk amount of securities or commodity-backed financing transactions (excluding on-balance sheet)	-	-
8	Amount of risk arising from brokered transactions	-	-
9	Total exposure to securities or commodity-backed financing transactions (Total of lines 7 and 8)	-	-
	Off-balance sheet transactions		
10	Gross nominal amount of off-balance sheet transactions	2,680,851	2,360,772
11	(Adjustment amount due to multiplication of conversion rates)	(314,799)	(362,959)
12	Total risk amount related to off-balance sheet transactions (Total of lines 10 and 11)	2,366,052	1,997,813
	Capital and Total risk		
13	Main capital	1,149,558	1,187,119
14	Total risk amount (Total of lines 3, 6, 9 and 12)	17,279,111	14,792,399
	Leverage ratio		
15	Leverage ratio	6.66%	8.05%

(*)The amounts in the table are calculated as quarterly averages.

VII. Explanations Related to Risk Management

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to Communiqué must be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, as of 31 March 2024 the following tables have not been presented:

- RWA flow statements of credit risk exposures under IRB
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an IMA

VII. Explanations Related to Risk Management (Continued)

The Bank's Risk Management Approach

Risks for all banking processes and related sub-processes are identified and risk values are defined. In order to evaluate the effectiveness of the defined risk-based controls, the risk values are now automatically calculated, and the changes are monitored continuously. The Bank focuses on lending in the corporate and SME segments, operates within the limits set for market risk, and cannot carry operational risk appetite in order to minimize operational risk. The Bank's risk profile and business model are integrated under the risk appetite policy. Accordingly, the Bank must proceed in line with the limits set in the business model.

The structure and organization of the risk management system in terms of the function and responsibilities of the Risk Management Group depends on the Board of Directors. Loyalty to the Board of Directors takes place through the Audit Committee. Risk Management conducts its activities under the supervision of the Audit Committee within the framework of the provisions of the "Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process" published by BRSA. Risk management considers credit, market, interest rate, concentration, liquidity risks and operational risks in their works as the basic principle to establish the limits of these risks and control processes. The Bank has established a stress-test-driven management by taking into account the changes in the market, as well as the maximum amount of loss that may arise in Credit Risk, Operational Risk, Market Risk and other risks within the scope of internal capital management.

Policies, procedures, workflows and similar documents published by internal systems and all other departments are in a common portal accessible to all bank employees, and changes made to existing documents or newly published documents are provided to employees via e-mail. There are many policies and procedures including Credit Policy, Risk Management Policies (Risk Appetite Policy, Market Risk, Liquidity Risk, Operational Risk, Concentration Risk, Country and Counterparty Risks etc.) assessed and reviewed annually.

The Risk Management Department inform the Board of Directors and top management by monthly basis reports on credit risk, market risk, and operational risk areas. Credit risk concentration (borrower/group, business line, sector, maturity, currency, collateral etc.), analyses on the defaulting loan portfolio and stress tests, and analyses of capital adequacy; internal and legal market risk limits and compliance with operational risk losses. Apart from this, with the PD analysis reports made in the field of Credit Risk for 3 months, various breakdowns are analyzed based on the number of defaults in which the borrower has the default rate. In addition, the report of the Audit Committee, which is prepared for 3 months, includes analyses on all risk types (capital adequacy, limits on market and liquidity risk, defaulting loan portfolio, sectoral information, credit concentration, risks related to information technology, etc.).

The Bank reduces the risks arising from the credit activity as determined by the process and policies it has established. The main instrument used in risk mitigation is collateral, and the collaterals obtained by the collateralization policy are managed by the Credits and Risk Management divisions such as portfolio, customer, collateral type, etc. and monitored regularly.

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VII. Explanations Related to Risk Management (Continued)

Overview of Risk Weighted Assets

		RWA		Minimum capital liability
		31 March 2024	31 December 2023	31 March 2024
1	Credit risk (excluding counterparty credit risk)	6,869,891	6,468,067	549,591
2	Standardized approach	6,869,891	6,468,067	549,591
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	197,798	148,510	15,824
5	Standardized approach for counterparty credit risk	197,798	148,510	15,824
6	Internal model method	-	-	-
7	Stock positions in the banking account in the simple risk weight approach or the internal models approach	-	-	-
8	Investments in KYK-content method	-	-	-
9	Investments in KYK-prospectus method	-	-	-
10	Investments in KYK-1250% risk weight method	-	-	-
11	Exchange risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB rating-based approach	-	-	-
14	IRB supervisor formula approach	-	-	-
15	Standard simplified supervisor formula approach	-	-	-
16	Market risk	40,431	63,576	3,234
17	Standard approach	40,431	63,576	3,234
18	Internal model approaches	-	-	-
19	Operational risk	1,067,134	473,828	85,371
20	Key indicator approach	1,067,134	473,828	85,371
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	Amounts below the discount thresholds from equity (Subject to 250% risk weight)	-	-	-
24	Minimum value adjustments	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	8,175,254	7,153,981	654,020

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VII. Explanations Related to Risk Management (Continued)

Risk management strategies and practices are defined as follows: The Bank's Risk Management Group was established in 2001 as an independent unit which reports to the Member of Audit Committee have been responsible for the Audit, Internal Control and Risk Management.

Risk management is committed to control processes in order to determine the limits and measurement of operational risks, including the risks comprising of credit, market, interest rate, concentration, counterparty, liquidity, banking accounts and IT risks.

Objective of risk policies: In line with "Regulation on Internal Systems of Banks (published in the Official Gazette dated 11 July 2014 numbered 29057)", sustaining the Bank's operations in accordance with the Banks' strategic plans, mission, targets, profitability and productivity principles by determining the Bank's risk strategy and maximum risk level in line with the volume, qualification and complexity of the Bank's operations by taking into consideration the Bank's past experience and performance. Moreover, ensuring to conserve the interests of depositors and the Bank's shareholder's interest at a maximum level.

Risk management regularly reports to Senior Management and the Audit Committee all the risks the bank is exposed to and concentrations, and the Bank's own internal limits of the legal limits are monitored daily, weekly, monthly and quarterly. These reports consist of VAR analysis, market risk limits, stress testing and scenario analysis, liquidity and interest rate, economic capital and capital adequacy analysis. These reports (daily value at risk (VAR) analysis, weekly interest rate risk, market risk limits and contains the calculation of economic capital) are also presented to Asset-Liability Management Committee on a weekly basis.

Quarterly stress tests and scenario analyses on economic capital, capital adequacy, liquidity and profitability scenarios and credit risk on Bank's loan portfolio including benchmark of similar banks are presented to the Audit Committee. Management follows the Bank's performance and the limits by using these detailed reports.

The Bank has a system set reporting in accordance with the legislation and the standard shock method for measuring and evaluating the interest rate risk arising from on-balance sheet and off-balance sheet positions in the banking accounts by using the standard shock method. The Regulation on Measurement and Evaluation and the Regulation on Credit Risk Mitigation Techniques is intended to be reported based on risk classes according to the procedures described. In addition, the liquidity coverage ratio calculated under Basel III is calculated using a separate reporting system and it is aimed to measure and monitor the balance between the Bank's net cash outflows and high-quality liquid assets and total and foreign currency liquidity coverage ratios.

Risk Management Group calculates Basel II capital adequacy calculation systematically, namely Credit Risk, Market Risk and Operational Risk, in accordance with "Regulation on Measurement and Assessment of Capital Adequacy of Bank's" published in the Official Gazette dated 23 October 2015, numbered 29511.

From 1 January 2014 equity and the capital adequacy ratio of the Bank is calculated in accordance with the "Change in the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 29511, dated 23 October 2015 and "Regulation on Equities of Banks" published in the Official Gazette no.28756, dated 5 September 2013.

The Bank updated its disclosures in accordance with the "Change in the Communique on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof" published in the Official Gazette no.28983, dated 26 April 2014 and in accordance with "Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks" published in the Official Gazette no.29599, dated 20 January 2016.

At the Bank, by considering Regulation on the Internal Systems of Banks published in the Official Gazette No. 29057 dated 11 July 2014, banking processes and policies were revised. Consequently, related procedures/policies are updated/formed and then approved by the Board of Directors.

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VII. Explanations Related to Risk Management (Continued)

The Bank has completed and constantly updated its processes in order to manage the operational risks it is exposed to more effectively and to create an integrated risk management perspective. The Bank's operational risks and controls related to these risks are managed through a central application and are updated periodically. Issues identified in the results of the evaluation made by the Internal Systems departments are also recorded and followed up through this application. The Operational Risk Policy, in which operational risk processes are expressed, is regularly reviewed and necessary updates are made. Market Risk Policy has been established in order to define, measure, limit and report the market risk that the Bank is exposed to. While the Bank manages the Treasury securities portfolio within the market risk limits determined by the Board of Directors, the Risk Management Group checks daily whether it is within the Treasury's risk limits.

Liquidity Risk is the risk that the Bank cannot fulfil its payment obligations fully and on time due to its insufficient cash inflow or due to inadequate available cash resulting from the mismatch between cash inflows and outflows. In order to define, measure, follow, report the liquidity risk the Bank is exposed to and take necessary actions for the results, Liquidity Risk Policy is formed. When Liquidity Risk Policy is formed, to manage the net liquidity position and liquidity requirement on an ongoing and forward-looking basis is aimed at.

Concentration risk is the risk within credit risk that is exposed according to individual debtor and debtor groups, to debtor groups that indicate similar characteristics in terms of economic and regional sector qualities, on the basis of the assets subject to the collateral securities that show similar price pattern behavior; the risk that is to be considered also within the scope of the market risk and operational risk. In order to define, measure, follow and manage the concentration risk the Bank is exposed to, Concentration Risk Policy is formed. Concentration limits are monitored in compliance with the credit, deposit and related policies.

Counterparty credit risk refers to the default risk of the counterparty of the transaction before the last payment in the cash flow of this transaction of which brings an obligation to both sides. In order to define measure, follow and manage the counterparty credit risk the Bank is exposed to Counterparty Credit Risk Policy is formed. Counterparty credit risk management is conducted by the Financial Institutions Department of the Bank by taking into account the counterparty's financial reports, general overview, rating, current and expected transaction volumes with the Bank. The limits for counterparties are determined by the Board of Directors.

Banking book includes all Assets and Liabilities (including credit) except trading securities portfolio. In order to define, measure, follow, report the interest rate risk related to banking book risk the Bank is exposed to and take necessary actions for the results, interest rate risk policy related to banking book is formed. Interest rate risk is managed by senior management in order to avoid losses from adverse interest rate movements.

Regarding internal assessment process which aims at the Bank has capital requirement according to its risk profile, Internal Capital Management Procedure is formed. Within internal capital management scope, the Bank has established a stress test-based management by taking into account the estimated maximum loss amount that may occur in credit, operational, market and other risks as well as the changes in the market.

In order to ensure that the Bank's term deposit structure is in line with the Bank's strategies and budget targets and is in a robust and sustainable structure, Deposit Policy is formed. Policies and systems in order to define, measure and follow the concentration risk of the Bank's deposit is also explained in Deposit Policy.

Organization and structure of Risk Management Group: Risk Management Group work under the Board of Directors as their functions and responsibilities. The connection with the Board of Directors and Risk Management Group is provided through the Audit Committee.

Risk Reporting and Scope and Nature of Measurement Systems: Limits and market risk reports are presented daily basis by the Risk Management Group, value at Risk report (ALCO), ECAP stress test, scenario analysis, Duration Gap primary shock, the market data and limit reports are presented a weekly basis to Assets-Liability Committee. On a quarterly basis, the rest of the reports and other works are reported to Audit Committee and Board of Directors. The results of other studies and analysis are also reported to the Audit Committee and the Board of Directors every 3 months.

Hedging risk and process of risk mitigation policies and process related to control their effectiveness continuously: The Bank carries out risk mitigation processes and risk hedging for credit risk in accordance with credit risk policies.

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VII. Explanations Related to Risk Management (Continued)

Risks related to market risks are measured and monitored in line with policies and implementation procedures and are kept under control with allocated limits. Accordingly, risk limits have been allocated by the Board of Directors. Limits are monitored and reported, and in case of exceeding any limit, the excess is notified to the relevant units via written/e-mail and reported to the relevant committees. In addition, presentations are made to the Audit Committee and the Board of Directors on a quarterly basis, including information on the use cases of limits and sector concentrations of loans.

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

1. a) Information on cash values and CBRT:

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Cash/Effective	6,442	101,408	5,122	341,206
CBRT	223,724	3,073,199	1,238,058	1,476,205
Total	230,166	3,174,607	1,243,180	1,817,411

b) Information related to the account of the Central Bank of Turkey:

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Unrestricted Demand Deposits	203,422	1,414,110	1,063,834	307,155
Unrestricted Time Deposits	-	-	-	-
Unrestricted Time Account	-	-	-	-
Other (*)	20,302	1,659,089	174,224	1,169,050
Total	223,724	3,073,199	1,238,058	1,476,205

(*) Reserve requirement amounts blocked at the CBRT are included in the other line.

c) Explanations related to reserve deposits:

Banks operating in Turkey pursuant to the Communiqués of the Central Bank of the Republic of Turkey No. 2011/11 and 2011/13 on Amending the “Communiqué on Required Reserves” maintain required reserves at the Central Bank of the Republic of Turkey over its Turkish Lira and foreign currency liabilities, in US Dollars and/or Euros, at the rates specified below.

As per the Communiqué no. 2013/15 “Reserve Deposits” of the Central Bank of the Republic of Türkiye (CBRT), banks operating in Türkiye keep reserve deposits for their TRY liabilities with reserve deposit rates between 0%-25% (prior period between 0%-30%) varied according to their maturity compositions, for their FC liabilities and precious metal liabilities at TRY, US Dollar, Euro and/or standard gold with reserve deposit rates between 5%-30% (prior period between 5%-30%) varied according to their maturity compositions.

In additional, an additional reserve requirement of 8% (previously 4%) is established in Turkish lira for foreign currency deposits (excluding foreign bank deposits and precious metal deposit accounts). If the growth rate of TRY cash loans is above 2% as of calculation date of 29 March 2024, to be calculated in four-week periods, the practice of blocking the Turkish Lira required reserve equal to the loan amount exceeding this rate has been initiated.

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I. Explanations and Disclosures Related to the Assets (Continued)

c) Explanations related to reserve deposits (Continued):

In addition to the renewal of foreign currency convertible deposit accounts and their transition to TRY, there are Required Reserve commission practices that include targets for increasing the Turkish Lira deposit shares of real persons and legal entities. If the targets regarding the rates calculated as "Renewal and Transition to TRY Rate", "Transition to TRY Rate", "Real Person TRY Share" and "Legal Entity TRY Share" are not achieved, commission rates are determined based on the ratios and the commission amount is calculated in US Dollars based on the required reserve amount that must be established for foreign currency deposit liabilities.

On the other hand, for banks with a "Renewal and Transition to TRY Rate" of 90% and above regarding foreign currency conversion deposit accounts, required reserves established for exchange rate protected accounts and current and 1-91 day maturity TRY deposit accounts will be applied by the CBRT as of 20 January 2024. Interest payment practice has been started since. Interest rates are determined based on the "Renewal and Transition to TL Rate" and the "Transition to TRY Rate".

2. Information on financial assets at fair value through profit/loss (shown in net worth):

- a.1) Information on financial assets at fair value through profit/loss given as collateral or blocked: None
(31 December 2023: None).
- a.2) Financial assets at fair value through profit/loss subject to repurchase agreements: None
(31 December 2023: None).

The Bank does not have net book value of unrestricted financial assets at fair value through profit and loss (31 December 2023: None).

- b) Positive differences related to derivative financial assets held-for-trading:

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Forward Transactions	69,955	-	61,733	-
Swap Transactions	20,459	-	86,290	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	90,414	-	148,023	-

3. a) Information on banks:

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Banks				
Domestic	1,909	220	885	286
Foreign	-	1,016,823	-	920,255
Branches and Head Office Abroad	-	-	-	-
Total	1,909	1,017,043	885	920,541

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I. Explanations and Disclosures Related to the Assets (Continued)

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

a.1) Information on financial assets given as collateral/blocked at fair value through other comprehensive income:
None.

a.2) Information on financial assets subject to repurchase agreements at fair value through other comprehensive income: None.

The book value of financial assets, whose fair value difference is reflected in other comprehensive income as a free warehouse, is TL 138 (31 December 2023: TL 138).

b) Information on financial assets at fair value through other comprehensive income:

	31 March 2024	31 December 2023
Debt Securities	459,592	31
Quoted on a Stock Exchange	459,592	-
Not Quoted on a Stock Exchange	-	31
Share Certificates	138	138
Quoted on a Stock Exchange	-	-
Not Quoted on a Stock Exchange	138	138
Impairment Provision (-)	(2,669)	-
Total	457,061	169

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I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans:

a) Information on all types of loans or advances given to shareholders and employees of the Bank:

	31 March 2024		31 December 2023	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Given to Bank Partners	130	66,980	130	66,980
Credits Given to Legal Entity Partners	130	66,980	130	66,980
Loans Given to Real Person Partners	-	-	-	-
Indirect Loans Given to Bank Partners	80	24,270	80	24,270
Loans Given to Bank Members	4,481	555	4,422	517
Total	4,691	91,805	4,632	91,767

b) Information on the first and second group loans and other receivables including restructured or rescheduled loans:

Standard Loans and Other Receivables				Loans and Other Receivables Under Close Monitoring			
Cash Loans	Loans and Other Receivables	Changes Regarding the Extension of Payment Plan		Loans and Other Receivables	Changes Regarding the Extension of Payment Plan		Other
			Other			Other	
Non-Specialized Loans	9,565,746	-	-	18,781	-	-	-
Business Loans	3,103,111	-	-	18,749	-	-	-
Export Loans	2,078,048	-	-	-	-	-	-
Import Loans	-	-	-	-	-	-	-
Loans Given to Financial Sector	3,568,854	-	-	-	-	-	-
Foreign Loans	-	-	-	-	-	-	-
Consumer Loans	4,757	-	-	32	-	-	-
Credit Cards	-	-	-	-	-	-	-
Precious Metals Loans	-	-	-	-	-	-	-
Other	810,976	-	-	-	-	-	-
Specialized Loans	135,970	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-
Total	9,701,716	-	-	18,781	-	-	-

Expected Loss Provisions	Standard Qualification Loans	Loans in Close Monitoring
12 Months Expected Credit Loss	19,927	-
Significant Increase in Credit Risk	-	-
Total	19,927	-

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

c) Information on standard loans and closely monitored loans with maturity extensions in the contract:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
Cash Loans	Loans and Other Receivables	Changes Regarding the Extension of Payment Plan	Loans and Other Receivables	Changes Regarding the Extension of Payment Plan
Short-Term Loans	9,366,272	-	32	-
Non-Specialized Loans	9,230,302	-	32	-
Specialized Loans	135,970	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans	335,444	-	18,749	-
Non-Specialized Loans	335,444	-	18,749	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	9,701,716	-	18,781	-

According to the “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be reserved”, as of 31 March 2024, there is no expected loss provision for standard loans whose payment schedule has been changed.

TURKLAND BANK ANONİM ŞİRKETİ
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(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	151	145	296
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	151	145	296
Other	-	-	-
Consumer Loans-Currency Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
Installments	-	-	-
Without Installments	-	-	-
Individual Credit Cards-FC	-	-	-
Installments	-	-	-
Without Installments	-	-	-
Personnel Loans-TL	810	3,525	4,335
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	810	3,525	4,335
Other	-	-	-
Personnel Loans-Currency Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
Installments	-	-	-
Without Installments	-	-	-
Personnel Credit Cards-FC	-	-	-
Installments	-	-	-
Without Installments	-	-	-
Overdraft Account-TL (Real Persons) (*)	158	-	158
Overdraft Account-FC (Real Persons)	-	-	-
Total	1,119	3,670	4,789

(*) TL 146 portion of the overdraft account consists of the loans extended to the personnel.

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I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

e) Information on commercial loans with instalments and corporate credit cards:

	Short-Term	Medium and Long-Term	Total
Installment Trade Loans -TL	33,695	27,973	61,668
Business Loan	-	-	-
Vehicle Loan	-	-	-
Personal Finance Credit	33,695	27,973	61,668
Other	-	-	-
Installment Trade Loans - Currency Indexed	-	-	-
Business Loan	-	-	-
Vehicle Loan	-	-	-
Personal Finance Credit	-	-	-
Other	-	-	-
Installment Trade Loans -FC	-	-	-
Business Loan	-	-	-
Vehicle Loan	-	-	-
Personal Finance Credit	-	-	-
Other	-	-	-
Corporate Credit Cards -TL	-	-	-
Installments	-	-	-
Without Installments	-	-	-
Corporate Credit Cards -FC	-	-	-
Installments	-	-	-
Without Installments	-	-	-
Overdraft Account-TL (Legal Entity)	-	-	-
Overdraft Account-FC (Legal Entity)	-	-	-
Total	33,695	27,973	61,668

f) Allocation of loans by customers:

	31 March 2024	31 December 2023
Private	9,720,497	9,161,801
Public	-	-
Total	9,720,497	9,161,801

g) Distribution of domestic and international loans:

	31 March 2024	31 December 2023
Domestic Loans	9,720,497	9,161,801
Foreign Loans	-	-
Total	9,720,497	9,161,801

e) Loans granted to subsidiaries and associates: None (31 December 2023: None).

f) Expected credit losses for loans (Stage 3):

	31 March 2024	31 December 2023
Stage 3 Expected Loss Provisions		
Allocated for Limited Collection Loans and Other Receivables	-	-
Allocated for Uncollectible Loans and Other Receivables	-	-
Allocated for Loss Loans and Other Receivables	329,759	353,964
Total	329,759	353,964

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I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

j) Information on non-performing loans (Net):

j.1) Information on loans and other receivables included in non-performing loans, which are restructured or rescheduled:

	III. Group	IV. Group	V. Group
	Loans and	Uncollectible	
	Receivables with	Loans and	Loss Loans
	Limited	Other	and Other
	Collectability	Receivables	Receivables
31 March 2024			
(Gross Amount Before Provision) (*)	-	-	17,822
Restructured Loans and Other Receivables	-	-	17,822
Loans and Other Receivables Under a New Amortization Plan	-	-	-
31 December 2023			
(Gross Amount Before Provision) (*)	-	-	18,922
Restructured Loans and Other Receivables	-	-	18,922
Loans and Other Receivables Under a New Amortization Plan	-	-	-

(*) As of 31 March 2024, the expected provision for loans and other receivables restructured or rescheduled is TL 7,281 (31 December 2023: TL 8,246).

j.2) Information on total non-performing credit transactions:

	III. Group	IV. Group	V. Group
	Loans and	Uncollectible	
	Receivables with	Loans and	Loss Loans
	Limited	Other	and Other
	Collectability	Receivables	Receivables
31 December 2023 Balance^(*)	-	-	561,800
Additions During the Period (+)	-	-	6,198
Inflow from Other Non-Performing Accounts Receivable (+)	-	-	-
Outflow from Other Non-Performing Accounts Receivable (-)	-	-	-
Collection During the Period (-)	-	-	(53,776)
Write-Off (-)	-	-	-
Corporate and Trade Loans	-	-	-
Personal Loans	-	-	-
Credit Cards	-	-	-
Indexing Difference (-)	-	-	-
Other	-	-	-
31 March 2024 Balance	-	-	514,222
Provision (-)	-	-	(329,759)
Net Balance on the Balance Sheet	-	-	184,463

j.3) Information on foreign currency non-performing loans and other receivables: None.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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I. Explanations and Disclosures Related to the Assets (Continued)

5. Information on loans: (Continued)

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and Receivables with Limited Collectability	Uncollectible Loans and Other Receivables	Loss Loans and Other Receivables
31 March 2024 (Net)			
Loans to Real Persons and Legal Entities (Gross)	-	-	514,222
Provision Amount (-)	-	-	(329,759)
Loans to Real Persons and Legal Entities (Net)	-	-	184,463
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
31 December 2023 (Net)			
Loans to Real Persons and Legal Entities (Gross)	-	-	561,800
Provision Amount (-)	-	-	(353,964)
Loans to Real Persons and Legal Entities (Net)	-	-	207,836
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

j.5) Interest accruals and valuation differences calculated for non-performing loans with expected credit losses in accordance with TFRS 9 are as follows:

As of 31 March 2024, interest amounting to TL 203,567 has been calculated on follow-up accounts within the scope of TFRS 9 and 100% provision is provided (31 December 2023: TL 210,582).

k) Main principles of liquidation policies of non-performing loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree.

l) Explanations on write-off policy:

As of 31 March 2024, there is not any written-off assets due to the decision of the Board of Directors (31 December 2023: None).

TURKLAND BANK ANONİM ŞİRKETİ
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I. Explanations and Disclosures Related to the Assets (Continued)

6. Financial assets at amortized cost:

a.1) Financial assets given as collateral / blocked:

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Securities	1,146,024	-	1,338,708	-
Other	-	-	-	-
Total	1,146,024	-	1,338,708	-

As of 31 March 2024, amortized financial assets given as collateral or blocked, is TL 1,016,353 Interbank money market, is TL 95,066 Takasbank and TL 34,605 is Borsa İstanbul (31 December 2023: As of 31 December 2023, TL 1,284,056 of amortized financial assets given as collateral or blocked is Interbank money market, TL 32,010 is BAP and TL 22,642 is Takasbank collateral balance).

a.2) Legal liabilities of amortized financial assets subject to repo transactions:

	31 March 2024	31 December 2023
Share Certificates	-	-
Bond, Treasury Bill and Similar Securities	110	53
Other	-	-
Total	110	53

There are no free deposits among amortized financial assets.

b) Information on amortized financial assets:

	31 March 2024	31 December 2023
Government Bonds	1,146,134	1,338,761
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	1,146,134	1,338,761

c) Information on amortized financial assets:

	31 March 2024		31 December 2023	
	TL	FC	TL	FC
Debt Securities				
Quoted on a Stock Exchange	1,146,134	-	1,338,761	-
Not Quoted on a Stock Exchange	-	-	-	-
Provision for Impairment (-)	-	-	-	-
Total	1,146,134	-	1,338,761	-

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I. Explanations and Disclosures Related to the Assets (Continued)

d) Movement of amortized financial assets during the year:

	31 March 2024	31 December 2023
Value at Beginning of the Period	1,338,761	1,825,499
Foreign Currency Differences on Monetary Assets (*)	45,215	(17,422)
Purchases During Year	52,955	2,244,500
Disposal Through Sales and Amortization	(290,797)	(2,713,816)
Impairment Provision (-)	-	-
End of the Period Total	1,146,134	1,338,761

(*) Interest income rediscount changes were shown in "foreign currency differences on monetary assets" line.

7. Information on associates (Net):

The Bank has a participation rate of 1.4925% in Kredi Garanti Fonu with a value of TL 7,659 (31 December 2023: 1.4925% with a value of TL 7,659).

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period.

9. Information on jointly controlled entities:

The Bank has no jointly controlled entities in the current period.

10. Information on lease receivables (Net):

The Bank has no lease receivables in the current period.

11. Information on derivative financial assets for hedging purposes:

The Bank has no financial assets for hedging purposes in the current period.

12. Information on tangible assets:

Interim financial statements are not prepared in accordance with Article 25 of the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

13. Information on intangible assets:

Interim financial statements are not prepared in accordance with Article 25 of the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

14. Investment Properties (Net):

None.

15. Explanations on Deferred Tax Assets:

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

As of 31 March 2024 and 31 March 2023, no deferred tax calculation has been made on net temporary tax assets and tax losses as of 31 March 2024 and 31 March 2023, since it is not certain that the Bank's tax base will be available for the future periods.

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I. Explanations and Disclosures Related to the Assets (Continued)

16. Information on assets held for sale and discontinued operations:

	31 Mart 2024	31 Aralık 2023
End of Current Period		
Beginning of the Period	61,121	68,244
Acquisitions	2,632	42,700
Assets Sold (Cost)	(7,125)	(49,823)
Impairment	-	-
Carrying Value	56,628	61,121

17. Information on other assets:

- a) The distribution of other assets is as follows:

	31 Mart 2024	31 Aralık 2023
Cash Guarantees Given	6,026	3,274
Assets to be Disposed of	169	170
Clearing Accounts	56,336	29,955
Prepaid Expenses	56,039	34,854
Other	4,285	4,698
Total	122,855	72,951

- b) If the other assets item of the balance sheet exceeds 10% of the balance sheet total excluding the commitments in the off-balance sheet accounts, the names and amounts of the sub-accounts constituting at least 20% of them: None.

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II. Explanations and Disclosures Related to the Liabilities

1. Information on maturity structure of deposits:

a.1) 31 March 2024:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months – 1 Years	1 Year and Over	Accumulated Deposits	Total
Saving Deposits	32,138	-	27,259	595,910	401,229	3,145,267	398,966	-	4,600,769
Foreign Currency Deposits	556,220	-	79,914	5,533,761	697,173	22,474	17,828	-	6,907,370
Residents in Turkey	552,895	-	75,887	5,481,599	685,906	20,175	14,859	-	6,831,321
Residents Abroad	3,325	-	4,027	52,162	11,267	2,299	2,969	-	76,049
Public Sector Deposits	5,722	-	-	-	-	-	-	-	5,722
Commercial Deposits	45,342	-	345,382	105,634	32,922	2,419,573	290,092	-	3,238,945
Other Institutions Deposits	2,987	-	207	7,095	-	-	-	-	10,289
Precious Metals Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	4,622	-	-	-	-	-	-	-	4,622
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	433	-	-	-	-	-	-	-	433
Foreign Banks	4,189	-	-	-	-	-	-	-	4,189
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	647,031	-	452,762	6,242,400	1,131,324	5,587,314	706,886	-	14,767,717

a.2) 31 December 2023:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months – 1 Years	1 Year and Over	Accumulated Deposits	Total
Saving Deposits	33,374	-	65,889	923,689	621,467	3,012,778	387,639	-	5,044,836
Foreign Currency Deposits	440,374	-	90,702	5,218,767	173,206	33,616	16,345	-	5,973,010
Residents in Turkey	432,825	-	90,655	5,179,005	162,754	31,012	13,622	-	5,909,873
Residents Abroad	7,549	-	47	39,762	10,452	2,604	2,723	-	63,137
Public Sector Deposits	3,379	-	-	-	-	-	-	-	3,379
Commercial Deposits	76,358	-	1,276,282	435,160	302,269	1,374,140	293,899	-	3,758,108
Other Institutions Deposits	534	-	981	8,398	-	-	-	-	9,913
Precious Metals Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	2,262	-	-	-	-	-	-	-	2,262
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	150	-	-	-	-	-	-	-	150
Foreign Banks	2,112	-	-	-	-	-	-	-	2,112
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	556,281	-	1,433,854	6,586,014	1,096,942	4,420,534	697,883	-	14,791,508

b.1) Information on saving deposits under the guarantee of saving deposits insurance:

i. Information on deposits:

Saving Deposits	Under the Guarantee of Insurance		Exceeding the Limit of Insurance	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Saving Deposits	758,393	667,358	5,231,437	6,367,911
Foreign Currency Saving Deposits	503,595	286,084	5,408,991	5,006,771
Other Deposits in the Form of Saving Deposits	10,119	4,658	562,015	359,503
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-Shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Total	1,272,107	958,100	11,202,443	11,734,185

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NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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II. Explanations and Disclosures Related to the Liabilities (Continued)

1. Information on maturity structure of deposits (Continued)

- ii. Deposit amounts not under the guarantee of saving deposit:

Deposits of real persons not under the guarantee of insurance:

	31 March 2023	31 December 2022
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of the Controlling Partners and Their Mother, Father, Spouse and Children under Custody	-	-
Deposits and Other Accounts of the Chairman and Members of the Board of Directors or Managers, General Manager and Assistants and Their Mother, Father, Spouse and Children under Custody	2,290,927	2,116,866
Deposits and Other Accounts Within the Scope of Assets Resulting from Crime in Article 282 of TCK dated 26/9/2004 and numbered 5237	-	-
Deposits in Deposit Banks Established Exclusively for Offshore Banking Activities in Turkey	-	-

2. Information on derivative financial liabilities held for trading:

- a) Negative differences table related to derivative financial liabilities held-for-trading:

	31 March 2023		31 December 2022	
	TL	FC	TL	FC
Forward Transactions	25,353	-	13,679	-
Swap Transactions	6,170	-	2,404	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	31,523	-	16,083	-

3. Information on borrowings:

- a) Information on banks and other financial institutions: None (31 December 2023: None).
b) Recognition of the loans taken by maturity: None (31 December 2023: None).

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II. Explanations and Disclosures Related to the Liabilities (Continued)

3. Information on borrowings (Continued)

- c) Additional explanations related to the concentrations of the Bank's major liabilities:

Bank diversifies its funding resources by customer deposits and domestic borrowings 56% of bank deposits and 49% of other deposits are denominated in foreign currencies.

4. Information on funds obtained from repo transactions:

As of 31 March 2024, funds obtained from repurchase agreements amounting to TL 167,739 (31 December 2023: TL 51).

5. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

None.

6. Information on debts from lease transactions (Net):

- a) The general explanations on criteria used in determining instalments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the Bank:

In the existing contracts, lease installments are determined according to the principles determined by taking into account the useful lives of the leased movables and the duration of their use within the project.

- b) Explanations regarding operational leases:

Head-Office and all branch premises of the Bank are leased under operational leases. In 2024, operational lease expenses amounting to TL 4,347 have been recorded in the profit and loss accounts. The lease periods vary between 5 and 10 years (31 March 2023: TL 2,711).

- c) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

7. Information on derivative financial liabilities for hedging purposes:

None.

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II. Explanations and Disclosures Related to the Liabilities (Continued)

8. Information on provisions:

- a) Information on general provisions: None
- b) Provisions for depreciation of principal on foreign currency indexed loans and financial leasing receivables: There is no provision for currency differences for foreign currency indexed loans (31 December 2023: None).
- c) The expected provisions of TL 26,449 were provided for unindemnified non-cash loans (31 December 2023: TL 114,824).
- d) Liabilities regarding leave, severance pay:

The Bank has calculated the reserve for employee termination benefits by using actuarial valuation methods as set out in the TAS No: 19 and reflected this in the financial statements.

d.1) Employee rights liability table:

	31 March 2024	31 December 2023
Employment termination benefit provision	21,253	23,287
Unused vacation provision	23,082	14,726
Total of Provision for Employee Benefits	44,335	38,013

According to the Turkish Accounting Standard Regarding the Benefits Provided to Employees numbered TMS 19, the total benefit is calculated for the employees who complete one year of working service and whose working period ends due to retirement or if the service is terminated earlier. The cost of the services rendered by the employees in the current or previous periods is calculated annually by independent actuaries within the framework of the defined benefit plan, using the liability method. In accordance with the Turkish Accounting Standard on Employee Benefits (TAS 19) published in the Official Gazette dated 12 March 2013 and numbered 28585, actuarial loss accounted for under shareholders' equity for the period ending 31 March 2024 is TL 22,188 (31 December 2023: TL 22,200 loss).

- e) Information on other provisions:
- e.1) Information on free provisions for possible risks is disclosed in Note 2.8.e.2 of Section 5..
- e.2) In case other provisions exceed 10% of the total provisions, the names and amounts of the sub-accounts causing the excess:

	31 March 2024	31 December 2023
Provision for Uncompensated Non-Cash Loans	26,449	114,824
Other Provisions (*)	116,453	204,923
Total	142,902	319,747

- (*) Other provisions consist of litigation provisions amounting to TL 44,216, provisions for possible risks amounting to TL 70,000 and other provisions amounting to TL 2,237 (31 December 2023: Other provisions consist of success premium provisions amounting to TL 58,000, litigation provisions amounting to TL 39,686, non-litigation provisions amounting to TL 7,237 and provisions for possible risks amounting to TL 100,000).

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II. Explanations and Disclosures Related to the Liabilities (Continued)

9. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Information on corporate tax:

As of 31 March 2024, remaining tax liability/(receivable) after deducting temporary taxes paid during the period from corporate tax:

	31 March 2024	31 December 2023
Current Period Tax Payable	-	-
Prepaid Tax	8,325	5,663
Total	8,325	5,663

a.2) Explanations on taxes payable:

	31 March 2024	31 December 2023
BITT	11,352	7,104
Securities Capital Income Tax	8,304	8,570
Income Tax Deducted from Salaries	4,677	4,493
Real Estate Capital Income Tax	1,357	946
Value Added Tax Payable	2,824	2,460
Stamp Duty	154	112
Corporate Tax Payable	-	-
Other	1,152	361
Total	29,820	24,046

a.3) Information on premiums

	31 March 2024	31 December 2023
Social Security Premiums-Employer	4,584	3,314
Social Security Premiums-Employee	2,283	1,661
Unemployment Insurance-Employee	227	167
Unemployment Insurance-Employer	114	83
Bank Social Aid Pension Fund Premium-Employer	-	-
Bank Social Aid Pension Fund Premium-Employee	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Other	-	-
Total	7,208	5,225

b) Explanations on deferred tax liabilities, if any: None (31 December 2023: None).

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II. Explanations and Disclosures Related to the Liabilities (Continued)

10. Information on shareholders' equity:

a) Presentation of paid-in capital:

As of 31 March 2024, the nominal value of the Bank's capital is amounting to TL 1,000,000 and consists of 1,000 million shares (31 December 2023: the nominal value of the Bank's capital is amounting to TL 1,000,000 and consists of 1,000 million shares).

	31 March 2024	31 December 2023
Equity Provision (*)	1,000,000	1,000,000
Provision for Preferred Stock	-	-

(*) Represents Nominal Capital.

- b) The Bank does not apply registered share capital system (31 December 2023: None).
- c) Information on share capital increases' their sources and other information on increased capital shares in the current period: Explained in a) section.
- d) Information on share capital increases from revaluation funds in the current period: None.
- e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.
- f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

Prior year income, profitability and liquidity of the Bank is closely monitored by the Financial Reporting Department and reported to the Board of Directors, Asset and Liability Committee. Risk Management tries to forecast the effects of interest, currency and maturity fluctuations that change these indicators with static and dynamic scenario analysis. Net asset value, which is defined as the difference of fair values of assets and liabilities, is measured. Expectations are made for Bank's future interest income via simulations of net interest income and scenario analysis.

- g) Information on preferred shares: None.
- h) Information on marketable securities value increase fund: None.

TURKLAND BANK ANONİM ŞİRKETİ
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III. Explanations and Disclosures Related to the Off-Balance Sheet

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	31 March 2024	31 December 2023
Loan Granting Commitments	560	521
Payment Commitments for Checks	21,266	17,568
Forward Asset Purchase and Sales Commitments	70,990	29,479
Other Irrevocable Commitments	11,193	10,416
Total	104,009	57,984

b) The nature and amount of possible losses and commitments arising from off-balance sheet items:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans, including guarantees, bank acceptances and financial guarantees, and other letters of credit:

	31 March 2024	31 December 2023
Other Guarantees and Collaterals	2,145,865	1,918,415
Letters of Credit	68,494	54,760
Total	2,214,359	1,973,175

b.2) Definite guarantees, temporary guarantees, sureties and similar transactions:

	31 March 2024	31 December 2023
Definite Letter of Guarantees	497,577	553,136
Temporary Letter of Guarantees	10,453	46,507
Other Letter of Guarantees	62,384	131,038
Total	570,414	730,681

c) Total amount of non-cash loans:

	31 March 2024	31 December 2023
Non-Cash Loans Given Against Achieving Cash Loans	14,849	14,639
With Maturity of 1 Year or Less Than 1 Year	-	-
With Maturity of More Than 1 Year	14,849	14,639
Other Non-Cash Loans	2,769,924	2,689,217
Total	2,784,773	2,703,856

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IV. Explanations and Disclosures Related to the Statement of Income

1. a) Information on interest income on loans:

	31 March 2024		31 March 2023	
Interest on Loans (*)	TL	FC	TL	FC
Short-Term Loans	619,458	35,430	140,948	19,106
Medium and Long Term-Loans	22,923	290	2,484	-
Interests Received from Non-Performing Receivables	14,700	-	19,288	-
Total	657,081	35,720	162,720	19,106

(*) Includes fees and commissions obtained from cash loans.

b) Information on interest income received from banks:

	31 March 2024		31 March 2023	
	TL	FC	TL	FC
The Central Bank of Turkey	-	-	-	-
Domestic Banks	514	-	208	-
Foreign Banks	-	9,408	-	4,881
Branches and Head Office Abroad	-	-	-	-
Total	514	9,408	208	4,881

c) Information on interest received from securities:

	31 March 2024		31 March 2023	
	TL	FC	TL	FC
From Financial Assets at Fair Value Through Profit and Loss	-	-	-	-
From Financial Assets at Fair Value Through Other Comprehensive Income	33,377	1	-	1
Financial Assets Measured at Amortized Cost	82,457	-	41,174	-
Total	115,834	1	41,174	1

d) Information on interest income received from associates and subsidiaries: None
(31 December 2023: None).

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IV. Explanations and Disclosures Related to the Statement of Income (Continued)

2. a) Information on interest on funds borrowed:

	31 March 2024		31 March 2023	
	TL	FC	TL	FC
Banks (*)	2	-	1	-
The Central Bank of Turkey	-	-	-	-
Domestic Banks	2	-	1	-
Foreign Banks	-	-	-	-
Branches and Head Office Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	2	-	1	-

(*) Includes fees and commission expenses for borrowings.

b. Information on interest expense to associates and subsidiaries: None.

c. Information on interest paid to securities issued: None.

d. Display of the interest paid on the deposit according to the maturity structure:

31 March 2024								
Time Deposits								
Account Name	Demand Deposits	Up to 1 month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Acc. Deposits	Total
Turkish Lira								
Interbank Deposits	-	-	-	-	-	-	-	-
Savings Deposit	-	3,821	79,635	53,567	204,874	9,565	-	351,462
Official Deposit	-	-	-	-	-	-	-	-
Trade Deposit	-	90,150	36,866	49,649	137,992	18,015	-	332,672
Other Deposit	-	1,427	4,453	-	-	-	-	5,880
7-Day Notice Deposit	-	-	-	-	-	-	-	-
Precious Metal Reserve	-	-	-	-	-	-	-	-
Total	-	95,398	120,954	103,216	342,866	27,580	-	690,014
Foreign Currency								
Foreign Currency Deposits		1,053	57,608	3,639	288	162	-	62,750
Interbank Deposits		-	-	-	-	-	-	-
7-Day Notice Deposit		-	-	-	-	-	-	-
Precious Metal		-	-	-	-	-	-	-
Total	-	1,053	57,608	3,639	288	162	-	62,750
Grand Total	-	96,451	178,562	106,855	343,154	27,742	-	752,764

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IV. Explanations and Disclosures Related to the Statement of Income (Continued)

d. Display of the interest paid on the deposit according to the maturity structure (Continued)

31 March 2023								
Time Deposits								
Account Name	Demand Deposits	Up to 1 month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Acc. Deposits	Total
TL								
Interbank Deposits	-	-	-	-	-	-	-	-
Savings Deposit	-	4,014	83,922	37,728	3,119	1,013	-	129,796
Official Deposit	-	-	-	-	-	-	-	-
Trade Deposit	-	18,424	74,378	7,404	2,230	183	-	102,619
Other Deposit	-	427	5,844	223	-	-	-	6,494
7-Day Notice Deposit	-	-	-	-	-	-	-	-
Precious Metal Reserve	-	-	-	-	-	-	-	-
Total	-	22,865	164,144	45,355	5,349	1,196	-	238,909
Foreign Currency								
Foreign currency deposits	-	306	15,402	7,236	79	11	-	23,034
Interbank Deposits	-	-	-	-	-	-	-	-
7-Day Notice Deposit	-	-	-	-	-	-	-	-
Precious Metal	-	-	-	-	-	-	-	-
Total	-	306	15,402	7,236	79	11	-	23,034
Grand Total	-	23,171	179,546	52,591	5,428	1,207	-	261,943

3. Information on dividend income: As of 31 March 2024, there is no dividend income (31 March 2023: None).

4. Explanations on trade profit loss:

	31 March 2024	31 March 2023
Profit	291,051	518,126
Profit from Capital Market Operations	-	81,270
From Derivative Financial Transactions	135,504	263,829
Profit from Foreign Exchange	155,547	173,027
Loss (-)	(431,443)	(191,980)
Loss from Capital Market Operations	(11,174)	-
From Derivative Financial Transactions	(134,950)	(80,292)
Loss from Foreign Exchange	(285,319)	(111,688)
Total	(140,392)	326,146

5. Information on other operating income:

	31 March 2024	31 March 2023
Income from sales of assets	2,865	17,601
Provisions for communication expense collected from customers	145	3,645
Other (*)	32,540	916
Total	35,550	22,162

(*) Other item includes reversal of provisions for the possible risks amounting to TL 30,000.

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IV. Explanations and Disclosure Related to the Statement of Income (Continued)

6. Provision for impairment of loans and other receivables of banks

	31 March 2024	31 March 2023
Provisions for Expected Credit Losses	(111,910)	(64,618)
12 Month ECL (Stage 1)	(1,307)	8,691
Significant Increase in Credit Risk (Stage 2)	(304)	(8,022)
Default (Stage 3)	(110,299)	(65,287)
Provision for Impairment Losses on Securities	-	-
Financial Assets Measured at Fair Value through Profit or Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Provision for Impairment Losses on Associates, Subsidiaries and Joint-ventures	-	-
Associates	-	-
Subsidiaries	-	-
Partnerships under Common Control (Business partnerships)	-	-
Other	-	-
Total	(111,910)	(64,618)

7. Information on other operating expenses:

	31 March 2024	31 March 2023
Provision for Employee Termination Benefits	-	-
Tax, Duty, Fees	8,156	3,582
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible assets	-	-
Depreciation Expenses of Tangible assets	13,677	8,954
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Depreciation Expenses of Intangible Assets	1,893	1,743
Impairment for Investments Accounted for under Equity Method	-	-
Impairment Expenses of Assets to be Disposed	-	-
Depreciation Expenses of Assets to be Disposed	1	1
Impairment Expenses of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	44,928	32,387
Operating Lease Expenses	-	-
Maintenance Expenses	15,980	10,402
Advertisement Expenses	41	704
Other Expenses (*)	28,907	21,281
Loss on Sales of Assets	-	5
Other (**)	12,795	2,646
Total	81,450	49,318

(*) Other operating expenses consist of TL 1,806 for vehicles, TL 2,715 for communication, TL 1,400 for heating-lighting expenses, TL 297 for stationery expenses, TL 1,042 for cleaning, TL 2,742 for expenses not accepted by law, 5, TL 967 of computer usage expenses, TL 6,078 of subcontractor expenses, TL 537 of expertise expenses, TL 1,360 of common expenses, TL 2,344 of insurance expenses, TL 360 of representation and entertainment expenses and TL 2,259 of other expenses (31 March 2023: Other operating expenses consist of vehicle expenses amounting to TL 1,247, communication expenses amounting to TL 1,673, heating-lighting expenses amounting to TL 2,228, stationery expenses amounting to TL 173, cleaning expenses amounting to TL 559, non-allowable expenses amounting to TL 1,588, 3, TL 598 consists of computer usage expenses, TL 5,395 consists of subcontractor expenses, TL 278 consists of expertise expenses, TL 941 consists of common expenses, TL 2,006 consists of insurance expenses, TL 324 consists of representation and entertainment expenses and TL 1,271 consists of other expenses).

(**) Other operating expenses consist of Saving Deposit Insurance Fund amounting to TL 2,300, audit consultancy expenses amounting to TL 6,732 and other expenses amounting to TL 3,763 (31 March 2023: Other operating expenses consist of Saving Deposit Insurance Fund amounting to TL 1,580 and other expenses amounting to TL 1,066).

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IV. Explanations and Disclosure Related to the Statement of Income (Continued)

8. Explanation on tax provision for continued and discontinued operations:

As of 31 March 2024, there is no current tax expense (31 March 2022: None). As of 31 March 2023, there is no deferred tax expense (31 March 2023: None).

9. Explanations on net profit and loss for the period:

- a) If disclosure of the nature, size and recurrence rate of income and expense items arising from ordinary banking transactions is necessary for understanding the performance of the bank during the period, the nature and amount of these items: None (31 March 2023: None).
- b) The effect of a change in the estimation made regarding the financial statement items on the profit/loss, if there is a possibility that it will affect the following periods, the effect including those periods: None (31 March 2023: None).
- c) Profit/loss attributable to minority shares: None (31 March 2023: None).

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IV. Explanations and disclosure Related to the Statement of Income (Continued)

10. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

	31 March 2024	31 March 2023
<u>Other fees and commissions received</u>		
Expertise fees collected from customers	519	276
Transfer commissions	182	1,629
Insurance commissions	90	56
Cheque expense	41	41,527
Safe deposit box commissions	14	8
Intelligence Fee	-	7
Bill of Credit Commissions	-	-
Letter of Credit Commissions	9	65
Credit card commissions and fees	5	4
Collection item commissions	-	-
Other banking service income (*)	424	1,907
Total	1,284	45,479

(*) Other banking operations income includes accounts such as bank operations income, collection expenses, loan expenses.

	31 March 2024	31 March 2023
<u>Other fees and commissions</u>		
Other commissions paid to banks	890	565
EFT expense commission	151	119
Bond stock market share	68	64
Transfer commissions	58	65
Exchange custody commission	129	65
Credit card commissions	162	228
ATM expense commission	3	1
Other	684	97
Total	2,145	1,204

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V. Explanations on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) 31 March 2024:

Risk Group of The Bank	Associates and Subsidiaries		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at Beginning of Period	-	-	130	66,980	80	24,270
Balance at End of Period	-	-	142	67,785	-	26,300
Interest Received and Commission Income	-	-	-	-	-	-

b) 31 December 2023:

Risk Group of The Bank	Associates and Subsidiaries		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at Beginning of Period	-	-	84	21,057	1,057	15,100
Balance at End of Period	-	-	130	66,980	80	24,270
Interest Received and Commission Income	-	-	-	-	49	-

(*) Interest received: Interest income for the period of March 2023.

c.1) Information on deposits belonging to the risk group of the Bank:

Risk Group of The Bank	Associates and Subsidiaries		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons Included in the Risk Group	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
Deposit						
Beginning of the Period	-	-	2,111	1,125	1,518	607
End of the Period	-	-	2,162	2,111	26,920	1,518
Deposit Interest Expense	-	-	-	-	598	332

In addition, the Bank has no “Funds Borrowed” used from risk group of the Bank (31 December 2023: None) and there is no interest expense was incurred from funds borrowed in 2024 (31 March 2023: None).

c.2) Information on forward and option agreements and other similar agreements made with related parties:
None.

d) As of 31 March 2024, the total amount of remuneration and benefits provided to the senior management of the Bank TL 36,602 (31 March 2023: TL 19,066).

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V. Explanations on the Risk Group of the Bank (Continued)

2. Regarding the risk group that the Risk Group of the Bank:

- a) The relations of the Bank with the entities controlled by the Bank and its related parties, regardless of whether there are any transactions or not:

The Bank carries out various commercial banking transactions with its group companies.

- b) Besides the structure of relationship, nature of the transaction, amount and ratio to the total volume of transactions, amount of major items and ratio to all items, pricing policies and other factors:

	Balance	% Compared to the Amounts in the Financial Statements
Banks and other receivables	142	0,02
Borrowings	-	-
Non-cash loans	94,085	3,34
Deposits	29,082	0,20

These transactions are priced in accordance with the general pricing policies of the Bank.

- c) In cases whereby separate disclosure is not necessary, the total of similar items in order to present the total impact on the financial statements: Explained in disclosure.b).
- d) Transactions accounted under the equity method: None.
- e) Disclosures related to purchase and sale of real estate and other assets, services given/received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees, and management contracts:

Within the limits of the Banking Law, the Bank renders cash and non-cash loans to its related parties and the ratio of these to the Bank's total cash and non-cash loan portfolio is 0.67%. Details of these loans are explained in 1-a above.

VI. Explanations on Subsequent Events

None.

SECTION SIX

INDEPENDENT AUDITOR’S REVIEW REPORT

I. Explanations on Independent Auditor’s Review Report

The Bank’s unconsolidated financial statements as of and for the period ended 31 March 2024 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the review report dated 15 May 2024 is presented at the beginning of the financial statements and related notes.

II. Explanations and Notes Prepared by Independent Auditors

None.

SECTION SEVEN (*)

EXPLANATIONS ON INTERIM ACTIVITY REPORT

Message from the Chairman of the Board of Directors and the General Manager

Dear Shareholders,

We start 2024 in an environment where the fight against inflation is gaining momentum.

With the gradual normalization of Monetary Policy, positive steps were taken in the fight against inflation. However, the tightening policies and regulations implemented by the Central Bank within the scope of the fight against inflation continue to guide the banking sector and despite all these conditions, the banking sector continues to contribute to the economy, support production and investments.

As T-Bank, we have shown a successful performance in the first quarter of 2024 with rational policies and healthy balance sheet management.

As of 31 March 2024, our total assets amounted to TL 17.8 billion, loans to TL 10.2 billion and customer deposits to TL 14.8 billion and our profit for the first quarter of 2024 was TL 124.5 million. Going forward, our strategy is to carefully manage the risk portfolio and expand our customer base in promising sectors. T-Bank will also continue to strive to increase its trade finance business by investing in the developed network of our shareholders in the MENA region.

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Finally, on behalf of T-Bank management, I would like to thank our customers for their continued trust, our shareholders for their strong support, and all our employees for their devoted work.

Changes in the main contract during the period:

None.

Financial situation evaluation

In the first quarter of 2024, T-Bank's assets amounted to TL 17,807 million, cash loans amounted to TL 9,885 million, and guarantees and sureties amounted to TL 2,785 million.

In the first quarter of 2024, the securities portfolio is TL 1,603 Million.

Deposit volume is TL 14,768 Million in the first quarter of 2024.

Having posted a net profit of TL 328 million in the first quarter of 2023, the Bank closed the first quarter of 2024 with a net profit of TL 125 million.

Credit risk and capital adequacy

The legal limit of the Capital Adequacy Ratio is 8%, and the Bank's Capital Adequacy Ratio as of March 2024 has been 14.81%.

The share of loans under follow-up in total loans is 5.02%, and the provision ratio for loans under follow-up is 64.13%.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

Explanations on Interim Activity Report (Continued)

Summary Financial Information

Thousand TL	31 March 2024	31 December 2023
Total Assets	17,806,687	16,897,949
Loan Portfolio (net)	9,885,033	9,350,304
Loan Portfolio (gross)	10,234,719	9,723,601
Securities Portfolio (Net)	1,602,978	1,338,749
Banks/Receivables from Money Markets(Net)	2,436,617	2,689,859
Total Deposit	14,767,717	14,791,508
Loans Received	-	-
Equity	1,201,606	1,078,442
Guarantees and Sureties	2,784,773	2,703,856

Thousand TL	31 March 2024	31 December 2023
Net Interest Income	284,154	(18,787)
Net Commission Income	7,518	47,160
Profit / (Loss) Before Taxes	124,547	328,352
Net Profit / (Loss)	124,547	328,352

Condensed Financial Rates (%)

	31 March 2024	31 December 2023
Capital Adequacy Ratio	14.81	15.20
Loans/Deposit	66.94	63.21
Loans/Total Assets	55.51	55.33
Liquid Assets/ Total Assets	24.80	20.82
Loans Under Follow-up (net) / Total Loans (net)	1.87	2.22
Loans Under Follow-up (gross) / Total Loans (gross)	5.02	5.78
Loans Under Follow-up (net) / Total Assets	1.04	1.23
Loan Provisions / Loans Under Follow-up	64.13	63.01

T-Bank at the end of March 2024

With 12 branches located in Turkey's most vibrant industrial and commercial centres, T-Bank offers convenient solutions in line with its "boutique service" approach.

Determining to provide solutions to its customers as its mission, T-Bank focuses on raising the quality bar of its services and products within the framework of its sustainable growth strategy. Increasing its satisfaction and loyalty ratio day by day, the Bank aims to provide its customers with a unique banking experience.

T-Bank succeeds in transforming its main shareholders' effective and wide correspondent bank network in the Middle East and North Africa Region into a competitive advantage. The Bank also takes care to establish long-term relationships with the banks that will add added value to its services and further strengthen its financial structure.

(*) The amounts in Section Seven represent the full TL amount unless otherwise stated.