

TÜRKİYE HALK BANKASI
ANONİM ŞİRKETİ

Consolidated Financial Statements
As of 31 March 2024
With Review Report Thereon
(Convenience Translation of Consolidated
Financial Statements and Related Disclosures and Footnotes
Originally Issued in Turkish)



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Independent Auditor's Report on Review of Consolidated Interim Financial Statements

To the Board of Directors of Türkiye Halk Bankası A.Ş.

Introduction

We have reviewed the accompanying consolidated balance sheet of Türkiye Halk Bankası A.Ş. ("the Bank") and its subsidiaries (together will be referred as "the Group") as at 31 March 2024 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the three month period then ended, and notes, comprising a summary significant accounting policies and other explanatory information. The Group management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "*Interim Financial Reporting*" for the matters not regulated by the aforementioned legislations (together referred as "BRSA Accounting and Reporting Legislation"). Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the 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 and accounting matters, and applying analytical and other review procedures. A review of interim financial statements is substantially less in scope than an audit conducted in accordance with Standards on Auditing 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 Qualified Conclusion

The Group reclassified the government bonds' cost amounting to TRY 18.965.006 Thousand, which were previously classified under financial assets at fair value through other comprehensive income according to the business model prepared in accordance with Turkish Financial Reporting Standard ("TFRS") 9, into financial assets measured at amortised cost and reversed the marketable securities revaluation fund on accumulated other comprehensive income or loss reclassified through profit or loss amounting to TRY 2.229.977 Thousand on 23 May 2018. This situation violates the relevant TFRS 9 requirements. If such classification had not been made, financial assets measured at amortized cost including rediscount as of 31 March 2024 would have decreased by TRY 55.453.189 Thousand, financial assets at fair value through other comprehensive income would have increased by TRY 48.232.675 Thousand, deferred tax assets would have increased by TRY 2.166.154 Thousand, accumulated other comprehensive income or loss reclassified through profit or loss would decrease by TRY 7.220.514 Thousand excluding tax effects, and as a result of these effects, total assets and equity would be lower by TRY 5.054.360 Thousand.

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 consolidated interim financial statements does not present fairly, in all material respects, the consolidated financial position of Türkiye Halk Bankası A.Ş. as at 31 March 2024 and its consolidated financial performance and its consolidated cash flows for the three month period then ended in accordance with the BRSA Accounting and Reporting Legislation.

Emphasis of Matter

As detailed in footnote number seven of section five, we draw attention to the following issues that may affect the Group:

On 15 October 2019, the US Department of Justice, United States Attorney Southern District of New York filed a criminal case against the Bank in the Southern District of New York Court ("District Court") for the alleged violations of U.S. sanctions on Iran. The criminal procedure at the district court has been stayed due to bank's appellate process under the sovereign immunity. Currently, the judgment of US Court of Appeals for the Second Circuit regarding the Bank's appeal on sovereign immunity is expected.

In addition, a group of plaintiffs filed a civil lawsuit (the *Owens* or *first civil* case) against the Bank with a claim for damages before the District Court for the Southern District of New York on 27 March 2020, "on the grounds that they (plaintiffs) could not collect their judgments from Iran due to the violations of sanctions." The case was dismissed by the District Court, the Second Circuit and the U.S. Supreme Court, respectively. Consequently, the *Owens* case was conclusively dismissed on 8 January 2024.

Finally, on 26 July 2023, a new civil case (the *Hughes* or *second civil* case) was filed against the Bank by a group of plaintiffs in a complaint filed with the District Court, seeking to satisfy judgements similar to the *Owens* civil case. In accordance with the District Court's decision dated 1 May 2024, *Hughes* case is stayed pending a final ruling on the criminal case against the Bank.



At this stage, the Bank's Management stated that there is no penalty, compensation, sanction or other measure arising from the pending criminal and civil cases against the Bank. There is an uncertainty if any decisions will be made by the US authorities that may adversely affect the financial position of the Bank. No provision has been made in the financial statements of the Group related to these matters. However, the above mentioned matters do not affect the opinion provided by us.

Other Matter

The consolidated financial statements of the Group 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 and a qualified conclusion due to classification of financial assets at fair value through other comprehensive income as financial assets measured at amortized cost on 14 February 2024 and 10 May 2023, respectively.

Report on Other Legal and Regulatory Requirements

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM
Partner

10 May 2024
İstanbul, Türkiye

TÜRKİYE HALK BANKASI AŞ
THE CONSOLIDATED FINANCIAL REPORT
FOR THE THREE-MONTH ENDED 31 MARCH 2024

1. The Bank's Headquarter Address:
Finanskent Mahallesi Finans Caddesi No: 42/1 Ümraniye/İstanbul
2. The Bank's Contact Phone and Facsimile:
Phone : 0216 503 70 70
Facsimile : 0212 340 93 99
3. The Bank's Website and E-mail Address:
Website: www.halkbank.com.tr
E-mail Address: halkbank.ir@halkbank.com.tr

The consolidated three-month period ended financial report designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Accompanying Policies and Disclosures consists of the sections listed below:

- **Section One** : GENERAL INFORMATION ABOUT THE PARENT BANK
- **Section Two** : CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- **Section Three** : EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE PERIOD
- **Section Four** : INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP
- **Section Five** : EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** : LIMITED REVIEW REPORT
- **Section Seven** : INTERIM ACTIVITY REPORT

Subsidiaries and associates which are consolidated within this financial report are as below:

Subsidiaries	Associates
1. Halk Yatırım Menkul Değerler AŞ	1. DHB Bank NV
2. Halk Gayrimenkul Yatırım Ortaklığı AŞ	2. Kobi Girişim Sermayesi Yatırım Ortaklığı AŞ
3. Halk Finansal Kiralama AŞ	3. Yıldız Tekno Girişim Sermayesi Yatırım Ortaklığı AŞ
4. Halk Faktoring AŞ	4. Birleşim Varlık Yönetim AŞ
5. Halk Banka AD Skopje	
6. Halkbank AD Beograd	
7. Halk Varlık Kiralama AŞ	
8. Platform Ödeme Hizmetleri ve Elektronik Para AŞ	

The consolidated financial statements for three-month ended 31 March 2024 and related disclosures and footnotes that are subject to audit and are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance, and in compliance with the financial records of our Bank and, unless stated otherwise, presented in **thousands of Turkish Lira**.

Istanbul, 10 May 2024

R. Süleyman Özdil	Osman Arslan	Mevlüt Uysal	Yusuf Duran Ocak	Osman Bektaş
<i>Chairman of the Board of Directors, Chairman of the Audit Committee</i>	<i>Member of the Board of Directors, Chief Executive Officer</i>	<i>Vice Chairman of the Board of Directors, Member of the Audit Committee</i>	<i>Financial Management and Planning Vice Chief Executive Officer</i>	<i>Financial Accounting Department Head</i>

For any questions regarding this financial report, contact details of the personnel in charge is given below:

Name/Title : Atiye Ece GÜLERGÜN/ Manager
Tel No : 0216 503 52 48
Fax No : 0212 340 09 90

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TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION I: GENERAL INFORMATION ABOUT THE PARENT BANK

I. ESTABLISHMENT DATE OF THE PARENT BANK, INITIAL ARTICLES OF ASSOCIATION, HISTORY OF THE PARENT BANK INCLUDING THE CHANGES OF THESE ARTICLES

Türkiye Halk Bankası Anonim Şirketi (the “Parent Bank” or “Halkbank”) began its operations in accordance with the law no: 2284 in 1938 and still continues its activities as a public commercial bank.

II. CAPITAL STRUCTURE OF THE PARENT BANK, SHAREHOLDERS THAT RETAIN DIRECT OR INDIRECT CONTROL AND MANAGEMENT OF THE PARENT BANK SOLELY OR TOGETHER, CHANGES ABOUT THESE ISSUES DURING THE YEAR AND DISCLOSURES ABOUT THE GROUP

The capital of the Parent Bank is controlled directly by the Türkiye Varlık Fonu.

As of 31 March 2024 the shareholders’ structure and their respective ownerships are summarized as follows:

Shareholders	31 March 2024	%	31 December 2023	%
Türkiye Varlık Fonu ⁽¹⁾	6.573.604	91,49	6.573.604	91,49
Public shares ⁽¹⁾	611.093	8,51	611.093	8,51
Other shareholders ⁽²⁾	81	0,00	81	0,00
Total	7.184.778	100,00	7.184.778	100,00

⁽¹⁾ The shares of the Türkiye Varlık Fonu amounting to TRY 5.935.328 have been included in Public shares.

⁽²⁾ TRY 81 of the shares included in the “Other Shareholders” group belong to shareholders whose shares do not trade on the exchange.

In accordance with the Law No: 6327 dated 13 June 2012 and 3rd sub-article added to the Article 2 of the Law No: 4603, as per the Turkish Commercial Code, the Public shares will be controlled and represented by the Minister the Parent Bank is reporting to, until the sale procedures of the public shares are completed.

TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION I: GENERAL INFORMATION ABOUT THE PARENT BANK (continued)

III. EXPLANATIONS REGARDING THE PARENT BANK’S CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS, AUDIT COMMITTEE MEMBERS, CHIEF EXECUTIVE OFFICER AND EXECUTIVE VICE PRESIDENTS AND THEIR SHARES ATTRIBUTABLE TO THE PARENT BANK, IF ANY

Name	Title
Recep Süleyman ÖZDİL	Chairman of the Board of Directors, Independent Member of the Board of Directors
Mevlüt UYSAL	Vice Chairman of the Board of Directors, Independent Member of the Board of Directors
Osman ARSLAN	Member of the Board of Directors, Chief Executive Officer
Şeref AKSAÇ	Member of the Board of Directors
Meltem TAYLAN AYDIN	Member of the Board of Directors
Mihrimah Belma SEKMEN	Independent Member of the Board of Directors
Maksut SERİM	Member of the Board of Directors
Ebubekir ŞAHİN	Member of the Board of Directors
Sezai UÇARMAK	Member of the Board of Directors
Mehmet AYDIN	Member of the Supervisory Board
Faruk ÖZÇELİK	Member of the Supervisory Board
Olca ATLIOĞLU	Executive Vice President, Information Technologies
İlhan BÖLÜKBAŞ	Executive Vice President, Loan Allocation and Management
Celal CANDAN	Executive Vice President, Credit Risk Monitoring and Legal Proceedings
Tahir DEMİRKIRAN	Executive Vice President, Loan Policies, Monitoring and Specialized Loans
Ergin KAYA	Executive Vice President, Banking Operations and Digital Transformation
Yalçın MADENCİ	Executive Vice President, Corporate and Commercial Marketing
Yusuf Duran OCAK	Executive Vice President, Financial Management and Planning
Fatih ŞAHBAZ	Executive Vice President, Human Resources and Support Services
Ali ŞÖNER	Executive Vice President, Treasury Management and International Banking
Altan TAŞKIRAN	Executive Vice President, Retail and Digital Banking
Hasan TUNCAY	Executive Vice President, SME Banking

People mentioned above do not own any shares in the Parent Bank’s capital.

- a) The Parent Bank’s top management members who have assigned to their position in 2024 are listed with titles and dates of assignment.

None.

- b) The Parent Bank’s top management members who have left their position in 2024 are listed with titles and dates of leaving.

None.

TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION I: GENERAL INFORMATION ABOUT THE PARENT BANK (continued)

IV. INFORMATION ABOUT THE PERSONS AND INSTITUTIONS THAT HAVE QUALIFIED SHARES ATTRIBUTABLE TO THE PARENT BANK

Except for the Türkiye Varlık Fonu, no person or institute has any qualified shares attributable to the Parent Bank.

V. BRIEF INFORMATION ON THE PARENT BANK'S FUNCTIONS AND LINES OF ACTIVITY

1) General information about the Parent Bank:

Türkiye Halk Bankası Anonim Şirketi began its operations in 1938 in accordance with the Law No: 2284 and still continues its activities as a public commercial bank.

2) Restructuring process of the Parent Bank:

Law numbered 4603 regarding the "Law on Türkiye Cumhuriyeti Ziraat Bankası, Türkiye Halk Bankası Anonim Şirketi and Türkiye Emlak Bankası Anonim Şirketi", was prepared within the framework of the "Macro Economic Program" for the period 2000-2002. The purpose of the law is to modernize the operations of the banks to arrive at a point where the requirements of the international norms and international competition can both be reached and it also aims to sell the majority of the banks' shares to individuals or legal entities in the private sector. The Parent Bank revised its charter of establishment, elected a new board of directors and increased its nominal capital from TRY 250.000 to TRY 1.250.000 in the extraordinary general assembly held on 14 April 2001. Within the scope of the restructuring process, the Parent Bank received government bonds in settlement of the accumulated specific duty losses and the Parent Bank's whole specific duty loss receivable was thus eliminated as at 30 April 2001. In addition, a significant number of personnel were encouraged to sign new contracts and transferred to other government institutions.

According to Article 2.2 of Law No: 4603, subsequent to the completion of the restructuring procedures, the procedures involved in sale of the shares of the Parent Bank were to be concluded under the provisions of Law No: 4046 based on the "Regulation of Privatization Applications and Amendment of Some Laws and Decrees with the Force of Law". The procedures relating to restructuring and sale of the shares were going to be completed within three years (until 25 November 2003) as of the effective date of the related law. However, by Law No: 5230 dated 31 July 2004, the term "3 years" in Article 2.2 of Law numbered 4603 was previously amended to "5 years" and subsequently by Law No: 5572 dated 10 January 2007 the related term was amended to "10 years". As a result of these amendments, the privatization period of the Parent Bank was extended. The Council of Ministers has the authority to extend this period by the half of that period for one time only. The Council of Ministers extended the half of that "10 years" period as published in the Official Gazette by the Decree numbered 2010/964 and dated 6 November 2010.

As per the Higher Council of Privatization decision numbered 2006/69 dated 11 August 2006, the public shares were transferred to the Privatization Administration and 99,9% of the Parent Bank shares were decided to be sold before 25 May 2008 using the block sale method. 13th Department of Council of State with its decision numbered 2006/4258 dated 29 November 2006 to cease the execution of the High Council of Privatization's decision numbered 2006/69 dated 11 August 2006. Thereupon, as per the decision of the Higher Council of Privatization numbered 2007/8 dated 5 February 2007, up to 25% of the public shares that were previously transferred to the Privatization Administration, were decided to be privatized by a public offering and it was decided to be concluded by the end of 2007. The first phase of the privatization process of the Bank corresponding to 24,98% was completed in the first week of May 2007 and Halkbank shares were started to trade on Borsa İstanbul AŞ as of 10 May 2007 with the base price of TRY full 8,00. As per the decision of the Higher Council of Privatization numbered 2012/150 dated 4 October 2012; 23,92% of the public shares held by the Privatization Administration were privatized by a second public offering and privatization was completed on 21 November 2012.

TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION I: GENERAL INFORMATION ABOUT THE PARENT BANK (continued)

V. BRIEF INFORMATION ON THE PARENT BANK’S FUNCTIONS AND LINES OF ACTIVITY (continued)

2) Restructuring process of the Parent Bank (continued):

Under No: 25539 Law regarding the “Act No: 5230 with regards to the transfer of Pamukbank Türk Anonim Şirketi to Türkiye Halk Bankası AŞ and amendments to other acts” which came into force as published in the Official Gazette numbered 25539 dated 31 July 2004, Pamukbank (whose shares, management, and control were previously inherited to the Saving Deposit Insurance Fund (“SDIF”)) was transferred to the Halkbank. Insolvent Pamukbank TAŞ was a private sector deposit bank established by Çukurova İthalat ve İhracat TAO, Karamehmetler limited partnership and more than five hundred shareholders. Pamukbank started its private banking operations as an incorporation in accordance with the decision of the Council of Ministers numbered 4/4573 dated 5 March 1955. According to the decision of the Banking Regulation and Supervision Agency numbered 742 published in the Official Gazette numbered 24790 dated 19 June 2002 including 3rd and 4th Sub-articles in the Article 14 of the Banking Law No: 4389, the shareholders rights, excluding dividends, management and supervision of Pamukbank were transferred to the Saving Deposit Insurance Fund as of 18 June 2002.

3) The Parent Bank’s service activities and operating areas:

The Parent Bank’s operating areas include, commercial financing and corporate banking, fund management operations, retail banking and credit card operations.

As of 31 March 2024, the Parent Bank operates with a total of 1.089 branches consisting of 1.083 domestic and 6 foreign branches that are 5 in Turkish Republic of Northern Cyprus and 1 in Bahrain. Domestic branches include 32 satellite branches. The Parent Bank has also 2 representative offices in England and Iran.

VI. EXPLANATION ABOUT COMPANIES WITHIN THE SCOPE OF CONSOLIDATION

The Parent Bank and its subsidiaries;

- Halk Yatırım Menkul Değerler AŞ
- Halk Gayrimenkul Yatırım Ortaklığı AŞ
- Halk Finansal Kiralama AŞ
- Halk Faktoring AŞ
- Halk Banka AD, Skopje
- Halkbank AD Beograd
- Halk Varlık Kiralama AŞ
- Platform Ödeme Hizmetleri ve Elektronik Para AŞ

are consolidated “line by line” in the accompanying consolidated financial statements.

The Parent Bank’s associates;

- DHB Bank NV
- Kobi Girişim Sermayesi Yatırım Ortaklığı AŞ
- Yıldız Tekno Girişim Sermayesi Yatırım Ortaklığı AŞ
- Birleşim Varlık Yönetim AŞ

are accounted for at “equity method” in the accompanying consolidated financial statements.

Halk Gayrimenkul Yatırım Ortaklığı AŞ (“Halk GYO”), a subsidiary of the Parent Bank established in 2010, was registered on 18 October 2010. Halk GYO’s main line of business is, to form and improve real estate portfolios and to invest in real estate based capital market instruments. Halk GYO’s main operational objective is to invest in capital market instruments based on real estates, real estate projects and rights based on real estates, as per the Capital Markets Board’s (“CMB”) regulation on investment trusts.

TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION I: GENERAL INFORMATION ABOUT THE PARENT BANK (continued)

VI. EXPLANATION ABOUT COMPANIES WITHIN THE SCOPE OF CONSOLIDATION (continued):

As at 15 February 2013 28% shares of Halk GYO has been offered to public. After collecting potential investors' book building, Halk GYO's shares started to be traded on Borsa İstanbul AŞ since 22 February 2013.

Halk Finansal Kiralama AŞ ("Halk Leasing") was established in September 1991 in Türkiye and its main line of business is financial leasing. Halk Leasing operates under the provisions of the Turkish financial leasing law number 6361.

Halk Banka AD, Skopje, formerly Export and Credit Bank AD, Skopje is a subsidiary of the Parent Bank as of 8 April 2011, operating in Macedonia. The Bank's main activities include commercial lending, accepting deposits, and retail banking services in the country and abroad. In addition, the Company has been engaged in insurance activities through Halk Osiguruvanje purchased on 28 January 2019.

Halk Faktoring AŞ ("Halk Faktoring") was established in June 2012 in Türkiye and its main line of business is to provide factoring services that include legitimate commercial lending for all domestic and international trade operation.

Halkbank AD Beograd is a subsidiary of the Parent Bank as of 28 May 2015. Its main activities include commercial lending, accepting deposits, and retail banking services in the country and abroad.

Halk Yatırım Menkul Değerler AŞ ("Halk Yatırım"), was established in 1997 to carry out capital markets activities, to purchase and sell capital markets instruments, and to execute stock exchange transactions. Halk Yatırım became a subsidiary in early 2006 when Halkbank bought the shares of Türkiye Halk Bankası Personnel Provident Fund.

Halk Varlık Kiralama AŞ was established on 3 October 2017 with the purpose of issuing "Lease Certificate" in accordance with the Capital Markets Board Law No. 6362, the CMB Communiqué and the related regulations of the CMB.

For the purposes of the consolidated financial statements, the Parent Bank and its consolidated subsidiaries are referred to as "the Group".

TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION I: GENERAL INFORMATION ABOUT THE PARENT BANK (continued)

VII. DIFFERENCES BETWEEN THE COMMUNIQUE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF BANKS AND TURKISH ACCOUNTING STANDARDS AND SHORT EXPLANATION ABOUT THE INSTITUTIONS SUBJECT TO LINE-BY-LINE METHOD OR PROPORTIONAL CONSOLIDATION AND INSTITUTIONS WHICH ARE DEDUCTED FROM EQUITY OR NOT INCLUDED IN THESE THREE METHODS

Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ, an associate, is not consolidated in accordance with the "Communiqué on the Preparation of Consolidated Financial Statements of Banks" as it is not within the scope of financial institutions. In the consolidated financial statements prepared in accordance with International Financial Reporting Standards, Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ is included in the scope of consolidation according to the equity method.

The Parent Bank's subsidiaries Halk Yatırım Menkul Değerler AŞ, Halk Gayrimenkul Yatırım Ortaklığı AŞ, Halk Finansal Kiralama AŞ, Halk Banka AD Skopje and its subsidiary Halk Osiguruvanje AD Skopje, Halk Faktoring AŞ, Halkbank AD Beograd, Halk Varlık Kiralama AŞ and Platform Ödeme Hizmetleri ve Elektronik Para AŞ are included in the scope of consolidation by line-by-line method.

DHB Bank NV, Kobi Girişim Sermayesi Yatırım Ortaklığı AŞ, Yıldız Tekno Girişim Sermayesi Yatırım Ortaklığı AŞ and Birleşim Varlık Yönetim AŞ which are classified as investments in associates, are included in the financial statements based on equity method of consolidation. Associates are the domestic or foreign subsidiaries which the Parent Bank participates to equity with significant influence but without controlling interest.

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

Immediate transfer of the equity between the Parent Bank and its subsidiaries is out of the question. Dividend distribution from equity is made according to the related regulations.

There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Parent Bank and its subsidiaries. The Parent Bank charges or pays cost of the services according to the service agreements entered into between the Parent Bank and its subsidiaries.

TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION II: CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet (Consolidated Statement of Financial Position)
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TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

I. CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

CONSOLIDATED ASSETS	Note	Reviewed			Audited		
		Current Period			Prior Period		
		31 March 2024			31 December 2023		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. FINANCIAL ASSETS (NET)		259.461.834	315.673.526	575.135.360	175.110.301	300.004.789	475.115.090
1.1 Cash and Cash Equivalents		140.220.178	244.893.089	385.113.267	65.739.027	241.981.017	307.720.044
1.1.1 Cash and Balances with Central Bank	(1)	132.399.801	227.346.531	359.746.332	58.383.459	223.481.117	281.864.576
1.1.2 Banks	(3)	7.948.541	15.502.925	23.451.466	6.761.374	16.320.634	23.082.008
1.1.3 Money Markets		6.010	2.045.479	2.051.489	705.217	2.182.907	2.888.124
1.1.4 Expected Loss Provision (-)		134.174	1.846	136.020	111.023	3.641	114.664
1.2 Financial Assets at Fair Value Through Profit or Loss	(2)	39.214.702	41.619	39.256.321	39.538.388	37.345	39.575.733
1.2.1 Government Debt Securities		35.435.054	1.482	35.436.536	35.418.374	1.349	35.419.723
1.2.2 Equity Instruments		1.667	40.137	41.804	797	35.996	36.793
1.2.3 Other Financial Assets		3.777.981	-	3.777.981	4.119.217	-	4.119.217
1.3 Financial Assets at Fair Value Through Other Comprehensive Income	(4)	79.541.265	68.807.065	148.348.330	69.720.912	54.310.022	124.030.934
1.3.1 Government Debt Securities		79.456.970	67.591.334	147.048.304	69.636.615	53.263.517	122.900.132
1.3.2 Equity Instruments		84.295	1.215.731	1.300.026	84.297	1.046.505	1.130.802
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	(2)(11)	485.689	1.931.753	2.417.442	111.974	3.676.405	3.788.379
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		485.689	1.931.753	2.417.442	111.974	3.676.405	3.788.379
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST(Net)		1.316.866.053	503.197.538	1.820.063.591	1.265.250.225	446.711.843	1.711.962.068
2.1 Loans	(5)	1.028.795.143	347.296.526	1.376.091.669	1.006.259.638	308.031.962	1.314.291.600
2.2 Lease Receivables	(10)	8.730.105	2.969.610	11.699.715	7.855.446	2.701.825	10.557.271
2.3 Factoring Receivables		5.815.462	373.282	6.188.744	6.104.440	218.052	6.322.492
2.4 Other Financial Assets Measured at Amortised Cost	(6)	324.379.268	153.981.792	478.361.060	293.803.473	136.953.976	430.757.449
2.4.1 Government Debt Securities		321.992.157	153.981.792	475.973.949	291.411.340	136.953.976	428.365.316
2.4.2 Other Financial Assets		2.387.111	-	2.387.111	2.392.133	-	2.392.133
2.5 Expected Credit Loss (-)		50.853.925	1.423.672	52.277.597	48.772.772	1.193.972	49.966.744
III. DISCONTINUED OPERATIONS (NET)	(14)	1.407	-	1.407	3.522	-	3.522
3.1 Held for Sale		1.407	-	1.407	3.522	-	3.522
3.2 Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS		411.684	2.663.319	3.075.003	994.518	2.436.869	3.431.387
4.1 Investments in Associates (Net)	(7)	411.684	2.663.319	3.075.003	396.410	2.436.869	2.833.279
4.1.1 Associates Valued Based on Equity Method		259.372	2.663.319	2.922.691	244.098	2.436.869	2.680.967
4.1.2 Unconsolidated Associates		152.312	-	152.312	152.312	-	152.312
4.2 Subsidiaries (Net)	(8)	-	-	-	598.108	-	598.108
4.2.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non- Financial Subsidiaries		-	-	-	598.108	-	598.108
4.3 Joint Ventures (Net)	(9)	-	-	-	-	-	-
4.3.1 Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. PROPERTY AND EQUIPMENT (Net)		31.315.676	2.068.112	33.383.788	29.158.949	2.026.019	31.184.968
VI. INTANGIBLE ASSETS (Net)		1.682.650	685.985	2.368.635	1.517.511	584.130	2.101.641
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		1.682.650	685.985	2.368.635	1.517.511	584.130	2.101.641
VII. INVESTMENT PROPERTIES (Net)	(12)	15.802.441	35.139	15.837.580	15.054.757	33.046	15.087.803
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(13)	26.737.478	15.509	26.752.987	14.493.112	13.934	14.507.046
X. OTHER ASSETS (Net)	(15)	39.976.904	6.302.172	46.279.076	38.084.743	5.532.283	43.617.026
TOTAL ASSETS		1.692.256.127	830.641.300	2.522.897.427	1.539.667.638	757.342.913	2.297.010.551

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED BALANCE SHEET AS OF 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

I. CONSOLIDATED BALANCE SHEET (CONSOLIDATED STATEMENT OF FINANCIAL POSITION)

CONSOLIDATED LIABILITIES	Note	Reviewed			Audited		
		Current Period			Prior Period		
		31 March 2024			31 December 2023		
		TRY	FC	TOTAL	TRY	FC	TOTAL
I. DEPOSITS	(1)	1.111.071.031	927.441.855	2.038.512.886	1.120.393.181	810.488.435	1.930.881.616
II. FUNDS BORROWED	(3)	3.424.398	25.786.414	29.210.812	3.068.293	20.588.826	23.657.119
III. MONEY MARKETS		111.510.147	14.305.140	125.815.287	9.708.690	18.716.071	28.424.761
IV. SECURITIES ISSUED (Net)	(4)	16.107.284	-	16.107.284	17.151.189	-	17.151.189
4.1 Bills		12.025.824	-	12.025.824	10.546.742	-	10.546.742
4.2 Assets Backed Securities		3.948.593	-	3.948.593	6.471.955	-	6.471.955
4.3 Bonds		132.867	-	132.867	132.492	-	132.492
V. FUNDS		14.295	-	14.295	571.618	-	571.618
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		14.295	-	14.295	571.618	-	571.618
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(2)(7)	-	2.711.610	2.711.610	186.308	708.949	895.257
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		-	2.711.610	2.711.610	186.308	708.949	895.257
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITIES		11.286	2.435	13.721	16.981	1	16.982
IX. LEASE LIABILITIES	(6)	2.457.155	543.802	3.000.957	1.726.345	567.336	2.293.681
X. PROVISIONS	(8)	14.521.916	847.212	15.369.128	12.543.822	719.039	13.262.861
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		10.073.185	266.844	10.340.029	8.096.278	201.066	8.297.344
10.3 Insurance for Technical Provision (Net)		-	501.516	501.516	-	444.684	444.684
10.4 Other Provisions		4.448.731	78.852	4.527.583	4.447.544	73.289	4.520.833
XI. CURRENT TAX LIABILITY	(9)	5.168.321	65.128	5.233.449	5.105.526	78.249	5.183.775
XII. DEFERRED TAX LIABILITIES	(9)	1.461	2.152	3.613	-	2.152	2.152
XIII. NON CURRENT LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(10)	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(11)	6.034.731	39.088.950	45.123.681	6.064.043	36.066.237	42.130.280
14.1 Loans		-	39.088.950	39.088.950	-	36.066.237	36.066.237
14.2 Other Debt Instruments		6.034.731	-	6.034.731	6.064.043	-	6.064.043
XV. OTHER LIABILITIES	(5)	83.578.614	10.020.809	93.599.423	79.848.242	9.776.075	89.624.317
XVI. SHAREHOLDERS' EQUITY	(12)	141.602.297	6.578.984	148.181.281	137.291.730	5.623.213	142.914.943
16.1 Paid-in Capital		7.184.778	-	7.184.778	7.184.778	-	7.184.778
16.2 Capital Reserves		45.100.548	534.858	45.635.406	45.047.632	487.352	45.534.984
16.2.1 Share Premium		44.505.199	-	44.505.199	44.505.199	-	44.505.199
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		595.349	534.858	1.130.207	542.433	487.352	1.029.785
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		18.590.187	(12.856)	18.577.331	17.794.556	(12.856)	17.781.700
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		(2.620.181)	(14.727)	(2.634.908)	(696.147)	(118.697)	(814.844)
16.5 Profit Reserves		45.006.342	4.088.877	49.095.219	44.901.038	3.793.271	48.694.309
16.5.1 Legal Reserves		4.503.848	636.014	5.139.862	4.400.037	636.014	5.036.051
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		33.698.276	51.597	33.749.873	33.696.783	51.597	33.748.380
16.5.4 Other Profit Reserves		6.804.218	3.401.266	10.205.484	6.804.218	3.105.660	9.909.878
16.6 Income or (Loss)		25.921.654	1.947.623	27.869.277	21.020.763	1.442.304	22.463.067
16.6.1 Prior Periods' Income or (Loss)		20.918.167	1.442.304	22.360.471	5.428.762	203.550	5.632.312
16.6.2 Current Period Income or (Loss)		5.003.487	505.319	5.508.806	15.592.001	1.238.754	16.830.755
16.7 Minority Shares		2.418.969	35.209	2.454.178	2.039.110	31.839	2.070.949
TOTAL LIABILITIES		1.495.502.936	1.027.394.491	2.522.897.427	1.393.675.968	903.334.583	2.297.010.551

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS OF
31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

II. CONSOLIDATED STATEMENT OF OFF BALANCE SHEET ITEMS

	Note	Reviewed			Audited		
		Current Period			Prior Period		
		TRY	FC	TOTAL	TRY	FC	TOTAL
				31 March 2024			31 December 2023
CONSOLIDATED OFF-BALANCE SHEET							
A. COMMITMENTS AND CONTINGENCIES (I+II+III)		887.406.031	666.649.238	1.554.055.269	734.623.732	557.072.522	1.291.696.254
I. GUARANTEES AND WARRANTIES	(1)	465.285.746	236.271.914	701.557.660	408.138.817	206.664.572	614.803.389
1.1 Letters of guarantee		394.711.812	218.031.937	612.743.749	344.610.100	189.979.648	534.589.748
1.1.1 Guarantees subject to public procurement law		17.309.547	29.323.319	46.632.866	15.881.827	22.619.624	38.501.451
1.1.2 Guarantees given for foreign trade operations		570.974	50.159.955	50.730.929	428.706	49.272.722	49.701.428
1.1.3 Other letters of guarantee		376.831.291	138.548.663	515.379.954	328.299.567	118.087.302	446.386.869
1.2 Bank loans		41.080.220	1.814.301	42.894.521	36.564.672	1.384.697	37.949.369
1.2.1 Import acceptances		-	810.983	810.983	-	449.252	449.252
1.2.2 Other bank acceptances		41.080.220	1.003.318	42.083.538	36.564.672	935.445	37.500.117
1.3 Letters of credit		26.774	16.361.910	16.388.684	36.988	15.258.877	15.295.865
1.3.1 Documentary letters of credit		26.774	16.361.910	16.388.684	36.988	15.258.877	15.295.865
1.3.2 Other letters of credit		-	-	-	-	-	-
1.4 Guaranteed refinancing		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase guarantees on marketable security issuance		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		29.466.940	63.766	29.530.706	26.927.057	41.350	26.968.407
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS		193.233.691	47.362.575	240.596.266	161.279.458	38.094.809	199.374.267
2.1 Irrevocable commitments	(1)	185.937.717	13.671.344	199.609.061	155.005.650	7.927.205	162.932.855
2.1.1 Forward asset purchase commitments		648.958	11.266.114	11.915.072	88.630	5.173.784	5.262.414
2.1.2 Forward deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3 Capital commitments to subsidiaries and associates		-	-	-	-	-	-
2.1.4 Loan granting commitments		20.453.106	299.771	20.752.877	19.873.658	716.849	20.590.507
2.1.5 Securities underwriting commitments		-	-	-	-	-	-
2.1.6 Payment commitments for reserve deposits		-	-	-	-	-	-
2.1.7 Payment commitments for Cheques	(3)	29.435.693	-	29.435.693	18.516.662	-	18.516.662
2.1.8 Tax and fund liabilities from export commitments		760.430	-	760.430	569.005	-	569.005
2.1.9 Commitments for credit card expenditure limits		113.689.329	730.425	114.419.754	102.599.070	668.714	103.267.784
2.1.10 Commitments for credit cards and banking services promotions		58.200	-	58.200	17.102	-	17.102
2.1.11 Receivables from short sale commitments		-	-	-	-	-	-
2.1.12 Payables for short sale commitments		-	-	-	-	-	-
2.1.13 Other irrevocable commitments		20.892.001	1.375.034	22.267.035	13.341.523	1.367.858	14.709.381
2.2 Revocable commitments		7.295.974	33.691.231	40.987.205	6.273.808	30.167.604	36.441.412
2.2.1 Revocable loan granting commitments		-	14.988.901	14.988.901	-	12.708.731	12.708.731
2.2.2 Other revocable commitments		7.295.974	18.702.330	25.998.304	6.273.808	17.458.873	23.732.681
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	228.886.594	383.014.749	611.901.343	165.205.457	312.313.141	477.518.598
3.1 Derivative financial instruments held for risk management		-	-	-	-	-	-
3.1.1 Fair value risk hedging transactions		-	-	-	-	-	-
3.1.2 Cash flow risk hedging transactions		-	-	-	-	-	-
3.1.3 Net foreign investment risk hedging transactions		-	-	-	-	-	-
3.2 Transactions for trading		228.886.594	383.014.749	611.901.343	165.205.457	312.313.141	477.518.598
3.2.1 Forward foreign currency buy/sell transactions		17.992.403	40.550.989	58.543.392	9.230.910	27.525.996	36.756.906
3.2.1.1 Forward foreign currency transactions-buy		9.041.052	16.018.049	25.059.101	4.682.299	11.551.529	16.233.828
3.2.1.2 Forward foreign currency transactions-sell		8.951.351	24.532.940	33.484.291	4.548.611	15.974.467	20.523.078
3.2.2 Currency and interest rate swaps		210.847.876	302.460.521	513.308.397	155.926.024	249.861.654	405.787.678
3.2.2.1 Currency swap-buy		-	189.718.506	189.718.506	-	143.581.351	143.581.351
3.2.2.2 Currency swap-sell		210.687.876	11.900.073	222.587.949	155.746.024	13.995.031	169.741.055
3.2.2.3 Interest rate swap-buy		80.000	50.420.971	50.500.971	90.000	46.142.636	46.232.636
3.2.2.4 Interest rate swap-sell		80.000	50.420.971	50.500.971	90.000	46.142.636	46.232.636
3.2.3 Currency, interest rate and marketable securities options		-	1.516.362	1.516.362	-	1.025.859	1.025.859
3.2.3.1 Currency call options		-	758.180	758.180	-	512.929	512.929
3.2.3.2 Currency put options		-	758.182	758.182	-	512.930	512.930
3.2.3.3 Interest rate call options		-	-	-	-	-	-
3.2.3.4 Interest rate put options		-	-	-	-	-	-
3.2.3.5 Marketable securities call options		-	-	-	-	-	-
3.2.3.6 Marketable securities put options		-	-	-	-	-	-
3.2.4 Currency futures		46.315	43.319	89.634	48.523	43.430	91.953
3.2.4.1 Currency futures-buy		-	43.319	43.319	-	43.430	43.430
3.2.4.2 Currency futures-sell		46.315	-	46.315	48.523	-	48.523
3.2.5 Interest rate buy/sell futures		-	-	-	-	-	-
3.2.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.2.6 Other		-	38.443.558	38.443.558	-	33.856.202	33.856.202
B. CUSTODY AND PLEDGED ASSETS (IV+V+VI)		7.507.546.464	2.039.285.072	9.546.831.536	6.741.124.812	1.858.146.995	8.599.271.807
IV. CUSTODIES		3.276.515.210	329.349.924	3.605.865.134	2.912.258.340	273.473.246	3.185.731.586
4.1 Assets under management		-	-	-	-	-	-
4.2 Custody marketable securities		234.770.602	34.282.900	269.053.502	219.008.282	25.418.120	244.426.402
4.3 Cheques in collection process		180.804.679	186.075.251	366.879.930	150.336.614	161.724.393	312.061.007
4.4 Commercial notes in collection process		2.734.314.423	42.579.394	2.776.893.817	2.432.854.819	39.021.781	2.471.876.600
4.5 Other assets in collection process		-	-	-	-	-	-
4.6 Underwritten securities		-	-	-	-	-	-
4.7 Other custodies		1.972.698	86.892	2.059.590	1.695.003	84.769	1.779.772
4.8 Custodians		124.652.808	66.325.487	190.978.295	108.363.622	47.224.183	155.587.805
V. PLEDGED ASSETS		4.231.031.254	1.709.935.148	5.940.966.402	3.828.866.472	1.584.673.749	5.413.540.221
5.1 Marketable securities		20.020.351	3.565.452	23.585.803	18.546.613	3.351.873	21.898.486
5.2 Collateral notes		66.338.041	3.185.828	69.523.869	59.620.831	3.181.663	62.802.494
5.3 Commodity		25.813	-	25.813	25.813	-	25.813
5.4 Warranty		-	-	-	-	-	-
5.5 Land and buildings		3.594.090.730	1.243.115.697	4.837.206.427	3.202.313.539	1.156.746.582	4.359.060.121
5.6 Other pledged assets		384.317.348	319.998.707	704.316.055	385.301.665	291.886.966	677.188.631
5.7 Pledges		166.238.971	140.069.464	306.308.435	163.058.011	129.506.665	292.564.676
VI. ACCEPTED BILL GUARANTEES AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		8.394.952.495	2.705.934.310	11.100.886.805	7.475.748.544	2.415.219.517	9.890.968.061

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED
31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSES	Note	Reviewed	Reviewed
		Current Period	Prior Period
		1 January -31 March 2024	1 January -31 March 2023
I. INTEREST INCOME	(1)	139.128.824	49.989.803
1.1 Interest on Loans		90.299.320	28.236.719
1.2 Interest on Reserve Requirements		3.941.234	4.959
1.3 Interest on Banks		1.307.341	203.774
1.4 Interest on Money Market Transactions		284.130	58.005
1.5 Interest on Marketable Securities Portfolio		41.185.841	20.600.817
1.5.1 Fair Value Through Profit or Loss		37.944	6.364
1.5.2 Fair Value Through Other Comprehensive Income		8.455.471	3.855.229
1.5.3 Measured at Amortized Cost		32.692.426	16.739.224
1.6 Financial Lease Interest Income		1.070.120	331.170
1.7 Other Interest Income		1.040.838	554.359
II. INTEREST EXPENSE (-)	(2)	124.618.872	33.220.814
2.1 Interest on Deposits		108.935.155	29.541.097
2.2 Interest on Funds Borrowed		924.786	210.829
2.3 Interest Expense on Money Market Transactions		11.135.054	1.440.888
2.4 Interest on Securities Issued		2.401.063	1.220.568
2.5 Interest on Leases		141.527	47.404
2.6 Other Interest Expenses		1.081.287	760.028
III. NET INTEREST INCOME (I - II)		14.509.952	16.768.989
IV. NET FEES AND COMMISSIONS INCOME		8.682.886	3.315.206
4.1 Fees and Commissions Received		13.108.076	4.521.034
4.1.1 Non – cash Loans		2.066.709	1.004.082
4.1.2 Other	(11)	11.041.367	3.516.952
4.2 Fees and Commissions Paid (-)		4.425.190	1.205.828
4.2.1 Non – cash Loans		14.400	9.430
4.2.2 Other	(11)	4.410.790	1.196.398
V. DIVIDEND INCOME		-	852
VI. TRADING INCOME / LOSS (Net)	(3)	(11.444.084)	(258.994)
6.1 Trading Gains / (Losses) on Securities		779.597	207.165
6.2 Gains / (Losses) on Derivate Financial Transactions		(651.717)	3.851.998
6.3 Foreign Exchange Gains / (Losses)		(11.571.964)	(4.318.157)
VII. OTHER OPERATING INCOME	(4)	6.053.679	2.802.011
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)		17.802.433	22.628.064
IX. EXPECTED LOSS PROVISIONS (-)	(5)	6.138.619	1.233.970
X. OTHER PROVISION EXPENSES (-)	(5)	125.604	22.004
XI. PERSONNEL EXPENSE (-)		8.795.751	4.113.432
XII. OTHER OPERATING EXPENSES (-)	(6)	8.058.654	11.995.343
XIII. NET OPERATING INCOME /LOSS (IX-X-XI)		(5.316.195)	5.263.315
XIV. INCOME AFTER MERGER		-	-
XV. INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED		103.058	1.899
XVI. INCOME / (LOSS) ON NET MONETARY POSITION		-	-
XVII. PROFIT / LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(7)	(5.213.137)	5.265.214
XVIII. TAX PROVISIONS FOR CONTINUED OPERATIONS (±)	(8)	10.822.598	(556.487)
18.1 Current Tax Provision		517.640	186.903
18.2 Deferred Tax Income Effect (+)		7.616.574	3.667.447
18.3 Deferred Tax Expense Effect (-)		18.956.812	3.297.863
CURRENT PERIOD PROFIT / LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(9)	5.609.461	4.708.727
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from Non-Current Assets Held for Sale		-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3 Income from Other Discontinued Operations		-	-
XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
21.1 Expenses for Non-current Assets Held for Sale		-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3 Expenses for Other Discontinued Operations		-	-
XXII. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1 Current Tax Provision		-	-
23.2 Deferred Tax Expense Effect (+)		-	-
23.3 Deferred Tax Income Effect (-)		-	-
XXIV. PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV. NET PROFIT/(LOSS) (XIX+XXIV)	(10)	5.609.461	4.708.727
25.1 Profit / (Loss) of Group		5.508.806	4.709.521
25.2 Profit / (Loss) of Minority Shares (-)		100.655	(794)
Profit / (Loss) Per Share (full TRY)		0,76673295	0,94308505

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED
31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Reviewed	Reviewed
		Current Period	Prior Period
INCOME EXPENSE ITEMS ACCOUNTED UNDER SHAREHOLDERS' EQUITY		1 January -31 March 2024	1 January -31 March 2023
I.	CURRENT PERIOD INCOME/LOSS	5.609.461	4.708.727
II.	OTHER COMPREHENSIVE INCOME	(1.024.433)	(504.977)
2.1	Not Reclassified Through Profit or Loss	795.631	247.425
2.1.1	Property and Equipment Revaluation Increase/Decrease	1.210.697	(6.555)
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	-	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(497.764)	-
2.1.5	Tax on Other Comprehensive Income Items Not Reclassified Through Profit or Loss	82.698	253.980
2.2	Reclassified Through Profit or Loss	(1.820.064)	(752.402)
2.2.1	Foreign Currency Translation Differences	(45.032)	(9.946)
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	(2.596.576)	(1.016.947)
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6	Tax on Other Comprehensive Income Items Reclassified Through Profit or Loss	821.544	274.491
III.	TOTAL COMPREHENSIVE INCOME (I+II)	4.585.028	4.203.750

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

TÜRKİYE HALK BANKASI AŞ
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2024
(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed (1 January -31 March 2023)	Accumulated Other Comprehensive Income or Expense Not Reclassified through Profit or Loss							Accumulated Other Comprehensive Income or Expense Reclassified through Profit or Loss							Current Period Profit or (Loss)	Total Equity Expect Minority Shares	Minority Shares	Total Equity
	Paid in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	Accumulated Revaluation Increase/Decrease of Fixed Assets	Accumulated Remeasurement Gain/Loss of Defined Benefit Pension Plan	Other(Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)	Foreign Currency Translation Differences	Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Assets at Fair Value Through Other Comprehensive Income	Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)	Profit Reserves	Prior Period Profit or (Loss)						
I. Prior Period End Balance	4.969.121	16.720.856	-	1.057.000	9.439.969	(1.416.790)	233.152	4.719	7.040.032	-	31.597.166	2.699.321	18.356.304	90.700.850	1.178.965	91.879.815		
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
III. Adjusted Beginning Balance (I+II)	4.969.121	16.720.856	-	1.057.000	9.439.969	(1.416.790)	233.152	4.719	7.040.032	-	31.597.166	2.699.321	18.356.304	90.700.850	1.178.965	91.879.815		
IV. Total Comprehensive Income	-	-	-	-	247.425	-	-	(9.946)	(742.456)	-	-	-	4.709.521	4.204.544	(794)	4.203.750		
V. Capital Increase by Cash	2.215.657	27.784.343	-	-	-	-	-	-	-	-	-	-	-	30.000.000	-	30.000.000		
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII. Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII. Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X. Increase / Decrease by Other Changes	-	-	-	(371.906)	-	-	-	-	-	-	89.175	18.356.304	(18.356.304)	(282.731)	(3.055)	(285.786)		
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Period End Balance (III+IV+.....+X+XI)	7.184.778	44.505.199	-	685.094	9.687.394	(1.416.790)	233.152	(5.227)	6.297.576	-	31.686.341	21.055.625	4.709.521	124.622.663	1.175.116	125.797.779		
(1 January -31 March 2024)																		
I. Prior Period End Balance	7.184.778	44.505.199	-	1.029.785	18.928.133	(1.877.349)	730.916	(430.061)	(384.783)	-	48.694.309	5.632.312	16.830.755	140.843.994	2.070.949	142.914.943		
II. Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.1 Effects of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
III. Adjusted Beginning Balance (I+II)	7.184.778	44.505.199	-	1.029.785	18.928.133	(1.877.349)	730.916	(430.061)	(384.783)	-	48.694.309	5.632.312	16.830.755	140.843.994	2.070.949	142.914.943		
IV. Total Comprehensive Income	-	-	-	-	1.293.395	-	(497.764)	(45.032)	(1.775.032)	-	-	-	5.508.806	4.484.373	100.655	4.585.028		
V. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII. Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII. Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X. Increase / Decrease by Other Changes	-	-	-	100.422	-	-	-	-	-	-	297.160	16.831.909	(16.830.755)	398.736	282.574	681.310		
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	103.750	(103.750)	-	-	-	-		
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	103.750	(103.750)	-	-	-	-		
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Period End Balance (III+IV+.....+X+XI)	7.184.778	44.505.199	-	1.130.207	20.221.528	(1.877.349)	233.152	(475.093)	(2.159.815)	-	49.095.219	22.360.471	5.508.806	145.727.103	2.454.178	148.181.281		

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

TÜRKİYE HALK BANKASI AŞ
STATEMENT OF CASH FLOW FOR THE PERIOD ENDED
31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

VI. CONSOLIDATED STATEMENT OF CASH FLOW

	Reviewed		
	Current Period	Prior Period	
	1 January -31 March	1 January -31 March	
	Note	2024	2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(30.413.935)	(16.437.847)
1.1.1 Interest received		100.110.004	32.576.363
1.1.2 Interest paid		(110.303.295)	(31.405.663)
1.1.3 Dividend received		-	852
1.1.4 Fees and commissions received		12.933.942	5.278.952
1.1.5 Other income		5.267.147	1.555.098
1.1.6 Collections from previously written off loans		1.322.974	1.566.791
1.1.7 Cash payments to personnel and service suppliers		(8.973.322)	(4.215.476)
1.1.8 Taxes paid		(594.629)	(385.322)
1.1.9 Other		(30.176.756)	(21.409.442)
1.2 Changes in Assets and Liabilities Subject to Banking Operations		72.403.189	16.400.510
1.2.1 Net Increase / decrease in financial assets at fair value through profit or loss		313.850	(10.109.625)
1.2.2 Net (increase) / decrease in due from banks		203.902	(233.165)
1.2.3 Net (increase) / decrease in loans		(31.634.301)	(148.217.690)
1.2.4 Net (increase) / decrease in other assets		(65.794.092)	(12.057.313)
1.2.5 Net increase / (decrease) in bank deposits		39.173.190	(6.606.297)
1.2.6 Net increase / (decrease) in other deposits		25.132.179	206.803.994
1.2.7 Net Increase / decrease in financial liabilities at fair value through profit or loss		-	-
1.2.8 Net increase / (decrease) in funds borrowed		4.690.594	(750.909)
1.2.9 Net increase / (decrease) in matured payables		-	-
1.2.10 Net increase / (decrease) in other liabilities		100.317.867	(12.428.485)
I. Net cash provided from banking operations		41.989.254	(37.337)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net cash provided from/ (used in) investing activities		(36.514.642)	(38.164.041)
2.1 Cash paid for purchase of joint ventures, associates and subsidiaries		356.384	(126.285)
2.2 Cash obtained from sale of entities joint ventures, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(1.725.047)	(1.255.712)
2.4 Fixed assets sales		941.085	1.540.898
2.5 Cash paid for purchase of financial assets at fair value through other comprehensive income		(27.331.638)	(8.231.978)
2.6 Cash obtained from sale of financial assets at fair value through other comprehensive income		3.181.946	6.530.069
2.7 Cash paid for purchase of investment securities		(33.573.572)	(41.390.607)
2.8 Cash obtained from sale of investment securities		22.082.018	4.850.898
2.9 Other		(445.818)	(81.324)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		(691.874)	31.937.532
3.1 Cash obtained from loans borrowed and securities issued		10.305.494	28.806.293
3.2 Cash used for repayment of loans borrowed and securities issued		(10.713.817)	(26.762.338)
3.3 Bonds issued		-	30.000.000
3.4 Dividends paid		-	-
3.5 Payments for leases		(283.551)	(106.423)
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		8.482.570	1.299.986
V. Net increase / (decrease) in cash and cash equivalents		13.265.308	(4.963.860)
VI. Cash and cash equivalents at beginning of the period		151.521.943	85.555.468
VII. Cash and cash equivalents at end of the period		164.787.251	80.591.608

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

TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES

I. EXPLANATIONS ON BASIS OF PRESENTATION

The Parent Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation” which includes the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board (“BRSA”) and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) for the matters not regulated by the aforementioned legislations.

The accompanying consolidated financial statements are prepared in accordance with the historical cost basis except for financial assets and liabilities carried at fair value. Amounts expressed in thousand Turkish Lira (“TRY”) unless otherwise stated.

Accounting policies and valuation principles used in the preparation of financial statements, have been determined and implemented in accordance with accounting and financial reporting principles in scope of the regulations, communiqués, explanations and circulars issued by the BRSA and for the matters not legislated by the aforementioned regulations, in accordance with TAS / TFRS principles (all together referred to as “BRSA Accounting and Financial Reporting Regulations”) issued by the POA.

Public Oversight Accounting and Auditing Standards Authority ("POA"), with its announcement dated 23 November 2023, applied that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting in Hyperinflationary Economies ("TAS 29"), however, institutions or organizations authorized to regulate and supervise in their own fields may determine different transition dates for the applying of TAS 29. Within this scope, BRSA decision dated 11 January 2024 and numbered 10825, determined the transition date of banks, financial leasing, factoring, financing, savings financing and asset management companies to the application of Financial Reporting Standard in Hyperinflationary Economies (“TAS 29”) as 1 January 2025. Therefore, inflation adjustment according to TAS 29 was not applied in the financial statements as of 31 March 2024.

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

TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

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

a) The Group's strategy on financial instruments:

Due to its historical mission, the Parent Bank focuses on granting loans to Small and Medium Size Enterprises and craftsmen besides corporate, commercial and individual segmented customers. In addition to the main fund source deposits, the Group can raise funds from money markets and borrowings abroad.

The Group follows the developments in the markets and uses funds raised in most yielding areas. The strategies of the Parent Bank are evaluated Asset and Liability Committee meetings.

b) The Group's explanations on foreign currency transactions:

In the statutory records of the The Parent Bank, transactions accounted in foreign currencies (currencies except for TRY) are converted into TRY by using the prevailing exchange rates at the transaction dates. Foreign currency monetary asset and liability items are converted into TRY by using the prevailing exchange rate at the balance sheet date. Non-monetary items in foreign currencies carried at fair value are converted into TRY by using the exchange rates at the date of which the fair value is determined. Exchange differences arising from the conversions of monetary foreign currency items and collections of foreign currency transactions are reflected to the profit or loss statement.

The financial statements of the foreign branches and subsidiaries of the Parent Bank are prepared in the currency of the primary economic environment in which the entity operates (functional currency). The financial statements of foreign branches and subsidiaries are expressed in TRY which is the functional currency of the Group and the presentation currency of the financial statements.

Assets and liabilities of the foreign branches and subsidiaries of the Parent Bank are converted into TRY by using the prevailing exchange rates at the balance sheet date. The foreign branches' income and expenses are converted by at exchange rates at the dates of the transactions. The foreign subsidiaries' income and expenses are converted by average rate of the exchange of the current year.

The Group hedged the net investment risk from the foreign currency exchange rate fluctuations on foreign financial investments (Halkbank AD Beograd (subsidiary), DHB Bank NV (associate) and Halk Banka AD, Skopje (subsidiary) with the foreign currency denominated funds (hedging instrument) as of 1 July 2015. In this context, exchange differences recorded in profit/loss and arising from funds denominated in foreign currencies that are determined to be effective in the current period will be shown in equity.

III. INFORMATION ABOUT THE CONSOLIDATED ASSOCIATES AND SUBSIDIARIES

1. Basis of consolidation:

The accompanying consolidated financial statements are prepared in accordance with the communiqué on "Preparation of Consolidated Financial Statements of Banks" and the Turkish Accounting Standards are applied in the consolidation.

a) Basis of consolidation of subsidiaries:

The Parent Bank's subsidiaries Halk Yatırım Menkul Değerler AŞ, Halk Gayrimenkul Yatırım Ortaklığı AŞ, Halk Finansal Kiralama AŞ, Halk Faktoring AŞ; Halk Banka AD, Skopje, Halkbank Osiguruvanje AD; Skopje (subsidiary), Halkbank AD Beograd, Halk Varlık Kiralama AŞ and Platform Ödeme Hizmetleri ve Elektronik Para AŞ are included in the scope of consolidation.

Subsidiaries are entities that are controlled by the Parent Bank. Control is the power of the Parent Bank to appoint or remove from office the decision-taking majority of members of board of directors through direct or indirect possession of the majority of a legal person's capital irrespective of the requirement of owning minimum fifty-one per cent of its capital; or by having control over the majority of the voting right as a consequence of holding preferred shares or of agreements with other shareholders although not owning the majority of capital.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

III. INFORMATION ABOUT THE CONSOLIDATED ASSOCIATES AND SUBSIDIARIES (continued)

1. Basis of consolidation: (continued)

a) Basis of consolidation of subsidiaries: (continued)

Under line-by-line method, the assets, liabilities, income and expenses and off-balance sheet items of subsidiaries are combined with the equivalent items of the Parent Bank on a line-by-line basis. The book value of the Parent Bank's investment in each subsidiary and the Group's each subsidiary are eliminated. All significant transactions and balances between the Parent Bank and its consolidated subsidiaries are eliminated. Minority interests in the net income and in the equity of consolidated subsidiaries are calculated separately from the Group's net income and the Group's equity. Minority interests are identified separately in the balance sheet and in the income statement.

In preparing the consolidated financial statements, if a subsidiary uses accounting policies other than those adapted by the Parent Bank, appropriate adjustments are made to subsidiaries' financial statements. There is no item that a different accounting policy is applied.

b) Basis of consolidation of associates:

The Parent Bank's investments in associates, DHB Bank NV, Kobi Girişim Sermayesi Yatırım Ortaklığı AŞ, Yıldız Tekno Girişim Sermayesi Yatırım Ortaklığı AŞ and Birleşim Varlık Yönetim AŞ are presented in the accompanying financial statements based on the equity method of accounting. An associate is an entity established domestically and abroad in which the Parent Bank invests with a significant influence but no control.

Significant influence is the power to participate in the financial and operating policy of the investee. If the Parent Bank holds ten percent or more of the voting power of the associate, it is presumed that the Parent Bank has significant influence unless otherwise demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

Qualified share is the share that directly or indirectly constitute ten percent of a subsidiary's capital or voting rights and irrespective of this requirement, possession of preferred shares giving right to appoint members of board of directors.

Equity accounting method is an evaluation method of associates by which the Parent Bank's share in the associates' equity is compared with the book value of the associate accounted for in the Parent Bank's balance sheet.

Accounting principles used by the consolidated associates accounted for at equity method, DHB Bank NV, Kobi Girişim Sermayesi AŞ, Yıldız Tekno Girişim Sermayesi Yatırım Ortaklığı AŞ and Birleşim Varlık Yönetim AŞ are the same of the Parent Bank.

c) Basis of consolidation of joint ventures:

The Parent Bank does not have any joint ventures which subject to consolidation.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

III. INFORMATION ABOUT THE CONSOLIDATED ASSOCIATES AND SUBSIDIARIES (continued)

1. Basis of consolidation: (continued)

d) Principles applied during share transfer, merger and acquisition:

Accounting for business combinations

From 1 January 2010, the Group applies IFRS 3 Business Combinations (2008) in accounting for business combinations.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Acquisitions after 1 January 2010

Goodwill at the acquisition date for business combinations on or after 1 January 2010 are measured as below:

- The fair value of the acquisition cost; plus
- The recognized amount of any non-controlling interest in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When this total is negative, the gain on acquisition is recognized immediately in profit or loss.

Fair values of the identifiable acquired assets, liabilities and contingent liabilities if the initial recognition of the combination is to be made temporarily at the end of the period in which the combination takes place since the cost of the combination can be determined only temporarily on the basis of the carrying values, the acquirer accounts for the business combination on with temporary amounts. The temporary acquisition value of the combination should be adjusted within 12 months to reflect the completion of the transaction, including adjusting the goodwill.

The acquisition cost does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent liability is recognized at fair value at the acquisition date. If the contingent amount is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent amount are recognized in profit or loss.

For acquisitions before 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognized amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, the gain on acquisition is recognized immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations are capitalized as part of the cost of the acquisitions.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

IV. EXPLANATIONS ON FORWARD AND OPTION CONTRACTS AND DERIVATIVE PRODUCTS

Derivative transactions of the Group consist of foreign currency and interest rate swaps, options and forwards. The Group uses derivatives to avoid economical risks and accounts under TFRS 9 Standard.

Pledges arises derivative transactions recorded in off-balance sheet accounts with their agreement amounts. Derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under “derivative financial assets” or “derivative financial liabilities”, respectively depending on the fair values being positive or negative. Fair value changes of derivative instruments are recorded under income statement. Fair values of derivatives are calculated using discounted cash flow model or market value.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSES

Interest income and expenses are recognized on an accrual basis using the effective interest method (the rate that equals the future cash flows of a financial asset or liability to its present net book value) in conformity with TFRS 9 Standard.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES

Some of the banking service incomes are recorded as income in the period they are collected. Prepaid fees and commission income obtained from cash and non-cash loans are recorded in the related period by using discounting method with internal rate of return according to the loan maturity within the matching principle.

Fee and commission expenses on borrowings that are paid to other institutions and incorporations for financial liabilities comprise operational costs. These fee and commission expenses are booked under prepaid expenses and transferred to expense accounts in the related periods by using the straight accrual method according to the financial borrowing maturity within the matching principle.

VII. EXPLANATIONS ON FINANCIAL ASSETS

Financial instruments comprise financial assets, financial liabilities and derivative instruments. The financial assets are included in the balance sheet of the Group, if the Group is a legal party of these financial assets.

Financial assets mainly constitute the majority of the commercial activities and operations of the Group. These instruments have the ability to expose, affect and diminish the risks of liquidity, credit and interest in the financial statements.

Fair value is the amount for which an asset could be exchanged or a liability could be settled, between knowledgeable willing parties in an arm’s length transaction. Market value is the amount obtainable from the sale or payable on the acquisition of a financial instrument in an active market, if one exists.

The estimated fair values of financial assets have been determined by the Group using the available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to develop the estimated fair value. Hence, estimations presented in this report may not be same with the prices in the current market conditions in the case of assets disposals. Book values of some financial assets (which equals to their costs) are assumed to approximate to their fair values due to their short term nature.

Classification of the category of a financial instrument at initial recognition depends on both the business model for managing the financial assets and their contractual cash flow characteristics.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (continued)

Assessment of Business Model

The Group classifies its financial assets in accordance with TFRS 9 through its business model which is used for financial assets management.

The Group's business model is related to how the Group manages its financial assets to generate cash flows. In other terms, the source of cash flows depends on the Group's business model whether the cash flow is generated from contractual terms or through sale of financial asset or both. Classification of financial assets is made at initial recognition considering the aim of purchase of the financial asset. The Group's business models are classified in three main categories in accordance with TFRS 9.

1. A business model whose objective is to hold assets in order to collect contractual cash flows:

A business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The purpose of the business model does not require to hold to collect the contractual cash flows of the instruments over their life, even the aim of the business model is to hold the instruments up to maturity for the contractual cash flows. Therefore, even when financial asset sales are anticipated or expected to occur in the future, the business model may still be a model that aims to retain financial assets in order to collect contractual cash flows.

The financial assets that are held within the scope of this business model are measured at amortized cost when the contractual terms of the financial assets meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. A business model whose objective is achieved by both collecting contractual cash flows and selling financial assets:

The Group may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Fair value changes of the financial assets that are held within the scope of this business model are accounted for under other comprehensive income when the contractual terms of the financial asset meet the condition of giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. Other Business Models:

Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The Group makes its decisions on the basis of business model, which is based on the fair value of the assets and manages the assets to obtain their fair value. Therefore, if the financial assets are held for the purpose of obtaining cash flows arising from their sale, the change in fair value are measured at fair value through profit or loss.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (continued)

Assessment of Business Model (continued)

3. Other Business Models: (continued)

Measurement Categories of Financial Assets and Liabilities

The Group classified all its financial assets based on the business model for managing the financial assets. Accordingly, the financial assets are classified as per TFRS 9 in three main categories listed below:

1. Financial assets measured at amortized cost,
2. Financial assets measured at fair value through other comprehensive income
3. Financial assets measured at fair value through profit/loss.

TFRS 9, explains how financial assets are classified in accordance with above methods explained in Article 1 and 2 and other than these financial assets, remaining financial assets are classified in accordance with the method detailed in Article 3.

In addition, the Parent Bank's securities portfolio includes government bonds indexed to consumer prices (CPI), which are valued and accounted for based on the effective interest method based on the index calculated by taking into account the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. The reference indices used in the calculation of the actual coupon payment amounts of these assets are generated according to the CPI of previous two months announced by the T.R Ministry of Treasury and Finance. The Parent Bank determines the estimated inflation rate accordingly. The inflation rate estimated by taking into consideration the expectations of the T.R. Central Bank and the Parent Bank's expectations is updated during the year when deemed necessary. In case the CPI forecast increases or decreases by 100 basis point, profit before taxes as of 31 March 2024 will increase or decrease by approximately TRY 363.357.

a. Financial Assets Measured at Amortised Cost

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

- a) Asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- 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.

Financial assets measured at amortised cost are loans and receivables and financial assets. Subsequent to the initial recognition, financial investments are accounted for at amortised cost calculated by using the effective interest rate method. Loans are initially recognized with their cost and carried at their amortized costs calculated using the internal rate of return subsequent to recognition.

b. Financial Assets Measured 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 derecognised or reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS (continued)

Assessment of Business Model (continued)

3. Other Business Models: (continued)

Measurement Categories of Financial Assets and Liabilities (continued)

c. Financial Assets Measured at Fair Value through Profit or Loss

In accordance with TFRS 9; Unless a financial asset is measured at amortized cost or at fair value through other comprehensive income, it is measured at fair value through profit or loss.

However, the Group may irrevocably prefer to apply to the financial assets at fair value through other comprehensive income for reflecting future changes in fair value for certain investments in equity instruments that would normally be measured at fair value through profit or loss at the time of initial inception in the financial statements.

Cash Equivalents and Banks

Cash and bank balances in foreign currencies are valued by using the Group's current period end exchange rates. The presented values of cash in TRY, foreign currency cash and banks at balance sheet are the estimated fair values of these assets.

Loans and Receivables

Loans and receivables represent unquoted financial assets in an active market that provide money, goods or services to the debtor with fixed or determinable payments.

Loans and receivables are initially recognized with their fair values including settlement costs and carried at their amortized costs calculated using the internal rate of return subsequent to recognition. Transaction fees, dues and other expenses paid for loan guarantees are recognized under the profit and loss accounts.

Consumer and corporate cash loans are recognized under the accounts specified by the Uniform Chart of Accounts and Explanations with their original balances based on their context.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS

As of 1 January 2018, the Group recognizes loan loss allowances for expected credit losses on financial assets and loans measured at amortised cost and measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit / loss based on TFRS 9 and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principals regarding Classifications of Loans and Allowances Allocated for Such Loans” effective from 1 January 2018. Financial assets measured at fair value are not assessed for impairment.

As of the reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition in accordance with TFRS 9. When making the assessment, the Group shall use the change in the risk of a default occurring for the financial instrument.

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group shall measure the loss allowance for that financial instrument at an amount equal to 12 month expected credit losses. However, if there is a significant increase in credit risk of a financial instrument since initial recognition, the Group measures loss allowance regarding such instrument at an amount equal to lifetime expected credit losses.

The Group calculates the expected credit loss on a collective basis by grouping the financial assets having common credit risk features or on an individual basis.

The Group constituted a policy in order to make an assessment whether the credit risk on a financial instrument has increased significantly since initial recognition by taking into consideration the change in the risk of a default event occurring over the expected life of the financial instrument.

Calculation of Expected Credit Losses

A credit loss is present value of calculated difference between the total cash flows that will occur based on the contractual terms of financial instruments and the total cash flows, which the Group expects to collect, with the initial effective interest rate. The Group estimates the cash flows over the expected life of the financial instrument by taking into account all contractual terms of the financial instrument, and considers the weighted average of loan losses according to the relevant default risks for determining expected credit losses.

TFRS 9 Financial Instruments Standard allows the calculation of expected credit loss provisions in aggregate or individually by grouping financial assets with common credit risk characteristics.

Probability of Default (PD)

It is defined as the probability that the debtor does not fulfill its obligations to the Group or in other words it can not repay its debts to the Group. This ratio is calculated for each loan based on various statistical assumptions depending on the maturity, internal behavioral model, external behavioral model and financial module data. The probability values take a value between 0 and 1, and as the probability value increases, the likelihood of the credit defaulting increases.

Loss given Default (LGD)

This is the parameter indicates the expected economic loss of the Group if the credit defaults. In the case of the credit defaults and the Group collects the entire amount of the default, LGD is zero, in the case of no collection, LGD is 100%. LGD rates are reviewed on a maximum of 1 year basis.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (continued)

Exposure at Default (EAD)

It is the parameter that indicates how much of a loan will default. The default amount for a spot or installment loan is the amount, which is listed on the payment schedule at the time of default. Additionally, the default amount for the credit cards and limit gaps of overdraft accounts and non-cash loans, are calculated with a parameter called credit conversion rate (CCR).

The default risk amount in the future is estimated by calculating by the statistical methods with the credit conversion rate, since it is not known at the time of loan origination due to undrawn commitment for limit of credit cards and overdraft accounts.

12 Month Expected Credit Losses

It is the estimated expected credit loss occurring within the next 12 months following the balance sheet date. According to Article 5.5.5 of TFRS 9 standard, in the case of that there is no significant increase in credit risk of a financial instrument since its first recognition, the Group shall measure at the provision for loss of the related financial instrument as equal as 12 month expected credit losses.

In the case of a customer or a loan that is classified under Standard Loans (Stage I), the provision for loan is calculated on 365 days even if the maturity of the loan is above 1 year. In the case of maturity of the loan is under 1 year, number of days left to maturity (except revolving loans and credit cards) are used in calculations.

Lifetime Expected Credit Losses

It is the estimated probability of default occurring over the remaining life of the financial instrument. According to TFRS 9 standard, in case of a significant increase in credit risk for a financial instrument since its initial recognition, the Parent Bank shall measure provision for loss of related financial instrument as equal as expected lifetime expected credit loss amount.

In the case of a customer or loan is classified as Stage 2 and / or Stage 3, the provision for expected credit loss is measured at the lifetime probability of default. Despite the fact that the methods for used calculation for provision of expected credit loss are similar for Stage 2 and Stage 3 loans, the probability of default for Stage 3 credits is accepted as 100%.

TFRS 9 Standard does not include a direct definition of default, but requires a consistent definition of default to be used in credit risk management. The Group is considering qualitative indicators (e.g. financial commitments), if appropriate, when defining a default according to TFRS 9, for the purpose of determining the risk of business default and adopts a definition of default, consistent with the definition used for in-house credit risk management purposes for the relevant financial instruments. However, there is a rebuttable presumption that default does not occur later than when a financial asset is 90 days past due unless an entity has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS (continued)

Lifetime Expected Credit Losses (continued)

“The definition of default used for these purposes applies consistently to all financial instruments unless information can be obtained that demonstrates that another definition of default is more appropriate for a particular financial instrument.” in line with the Communiqué on Calculation of the Risk Weighted Exposure Amount for Credit Risk by Internal-ratings Based Approaches assumes that debt defaulted if at least one of the following two conditions occurs.

a) Considering that a debtor is unlikely to pay credit obligations to the Parent Bank or to the Parent Bank’s consolidated financial subsidiaries without using guarantees

b) Considering that a debtor having past due more than 90 days to the Parent Bank or its consolidated financial subsidiaries

The expected loan loss provision for the loans classified as non-performing loans (Stage 3) is calculated using the estimation of loss given default (LGD). Aforementioned estimation is based on the historical data on a segment basis and determined by the principle loss charge, being the remaining amount after the collection made within the period after each segment has defaulted.

Low Credit Risk

TFRS 9 standard states that in some cases, the credit risk on a financial instrument can be calculated as low if the financial instrument has a low risk of default when there is no reliable past default data.

If the entity determines that a financial instrument has a low credit risk as of the reporting date, it assumes that the credit risk on the financial instrument has not increased significantly following its initial recognition in the financial statement.

Those transactions in the Group are classified as follows:

a) CBRT transactions (Currencies held in CBRT and reserve requirements)

b) Securities (Fair value through other comprehensive income and financial assets measured at amortised cost)

c) Treasury Loans

d) Loans guaranteed by Treasury of Republic of Türkiye

Significant Increase in Credit Risk

Significant increase in credit risk requires measurement of the Group’s provision for expected credit losses at lifetime probability of default instead of 12 month expected credit loss.

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

IX. EXPLANATIONS ON OFFSETTING FINANCIAL INSTRUMENTS

A financial asset and a financial liability shall be offset and the net amount shall be presented in the balance sheet only when a party currently has a legally enforceable right to set off the recognized amounts or intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS (REPOS) AND TRANSACTIONS ON SECURITIES LOANED

Marketable securities subject to repurchase agreements are valued according to the valuation principles of the related portfolios.

Funds obtained from the repurchase agreements are recognized under "Funds Obtained from Money Market" account in liabilities. For the difference between the sale and repurchase prices determined by the repo agreements for the period; expense accrual is calculated using the internal rate of return method.

Reverse repo transactions are recognized under the "Receivables from Money Markets" account. For the difference between the purchase and resale prices determined by the reverse repo agreements for the period; income accrual is calculated using the internal rate of return method.

XI. EXPLANATIONS ON ASSETS HELD FOR SALE, ASSETS OF DISCONTINUED OPERATIONS AND RELATED LIABILITIES

Assets that meet the criteria to be classified as held for sale are measured at carrying amount and depreciation of such assets is ceased and they are presented separately in the balance sheet. In order to classify an asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such assets (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the asset (or the disposal group), and an active program to complete the plan should be initiated to locate a customer. Also, the asset (or the disposal group) should have an active market sale value, which is a reasonable value in relation to its current fair value. Events or circumstances may extend the completion of the sale more than one year.

Such assets are still classified as held for sale if there is sufficient evidence that the delay in the sale process is due to the events and circumstances occurred beyond the control of the entity or the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale. Gains or losses relating to discontinued operations are presented separately in the statement profit or loss.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

As at the balance sheet date, there is no goodwill recorded in the consolidated balance sheet of the Group.

Intangible assets that are purchased prior to 1 January 2005 are carried at their restated historical costs and intangible assets that are purchased in the subsequent periods are carried at their historical cost, less any accumulated amortization and any impairment losses. Intangible assets are amortized by using the straight line method based on their useful lives. Amortization method and period are assessed periodically at the end of each year. Intangible assets consist of software expenses and they are amortized by using the straight line method over 5 years. There is no significant change in the accounting estimates expected or to be expected having a significant effect on the amortization method, amortization period or residual value.

XIII. EXPLANATIONS ON PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment that are purchased prior to 1 January 2005 are carried at their 31 December 2004 dated restated costs and property, plant and equipment that are purchased in the subsequent periods are carried at cost, less any accumulated depreciation and any impairment losses. Property, plant and equipment are amortized by using the straight line method during their useful lives.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT (continued)

Gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of that asset.

As of 1 April 2015, the Group adopted the revaluation method for buildings in tangible assets in accordance with Turkish Accounting Standard No: 16 “Property, Plant and Equipment” (TAS 16). Expertise values calculated by independent appraisal companies are reflected in the financial statements as of year-ends. Revaluation differences are recorded in shareholders’ equity.

Ordinary maintenance and repair expenses of property and equipment items are recognized as expenses.

Estimated useful lives of property, plant and equipment are as follows:

	Estimated useful lives (Year)	Depreciation rate
Buildings	50	2%
Safes	50	2%
Other movable properties	3-25	33,33-4 %

Leasehold improvements are depreciated over the useful lives, on a straight-line basis. In any case useful life cannot exceed the lease period. If the duration of lease agreement is not determined or longer than five years, amortization duration is considered as five years.

There is no change in accounting estimates that is expected to have significant effect in current period and subsequent periods.

There are no material mortgages, pledges or similar in cumbrances designated for the property, plant and equipment.

Classification of Investment Properties

If a land or building is being used by an owner and the intention is changed to an investment property, this property is classified as an investment property.

When the use of an immovable is changed and reclassified as an investment property, the actual value of the date on which the change in the use of the named property takes place will be the cost of the subsequent accounting.

XIV. EXPLANATIONS ON INVESTMENT PROPERTIES

Investment properties are properties held to earn rentals and/or for capital appreciation.

While these properties were accounted for at acquisition cost less accumulated depreciation and permanent impairment losses, the Parent Bank changed its accounting policy as of November 2023 and adopted the revaluation method in the valuation of investment properties within the scope of TAS 40 Investment Property Standard. The appraisal values calculated by independent appraisal companies are reflected in the financial statements at related period. Revaluation differences are recognized in the Statement of Profit or Loss.

XV. EXPLANATIONS ON LEASING TRANSACTIONS

Assets acquired under financial leases are carried at the lower of their fair values or amortized value of the lease payments. Leasing payables are recognized as liabilities in the balance sheet while the interest payable portions of the payables are recognized as a deferred amount of interest. Assets held under financial leases are recognized under the property, plant and equipment (movable properties) account and are depreciated by using the straight line method.

The Parent Bank does not participate in the financial leasing transactions as a “lessor”.

Lease transactions recognised under “Property and Equipment” as an asset (tenure) and under “Lease Liabilities” as a liability.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

XV. EXPLANATIONS ON LEASING TRANSACTIONS (continued)

The Group assesses whether the contract has the quality of a lease or whether the transaction includes a lease at the beginning of a contract.

A lease agreement is an agreement between two or more parties that gives the tenure the legally enforceable rights and obligations of the underlying asset. 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 Group reflects the existence of a right-of-use and a lease liability to the financial statements at the effective date of the lease.

Existence of right-of-use:

As a result of internal evaluations, the Parent Bank accounts real estate and vehicles subject to operational lease in accordance with TFRS 16. ATMs, and other leasing transaction balances are not considered within the scope of TFRS 16 as they are below the materiality level and the corresponding rent payments are recognized under Current Period Expense.

At the commencement date, the Group measures the right-of-use real estates considered as the cost of right-of-use asset being the right-of-use asset in accordance with TFRS 16. The cost of the right-of-use;

- a) The amount of the initial measurement of the lease liability,
- b) Any lease payments made at or before the commencement date, less any lease incentives received,
- c) Any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

When applying the cost method, the Group takes into account the accumulated depreciation and impairment losses for the subsequent period measurement of the existence of right-of-use. The Group applies the depreciation requirements in TAS 16 Property, Plant and Equipment in depreciating real assets considered as right-of-use asset.

The Group applies TAS 36 Impairment of Assets to determine whether the real estates considered as right-of-use assets are impaired and to account for any impairment loss identified.

The Lease Obligations:

Based on TFRS 16, at the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the alternative borrowing interest rate.

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

- a) Increasing the carrying amount to reflect interest on the lease liability,
- b) Reducing the book value to reflect the lease payments made,
- c) Reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

In the event of a modification in the lease agreement which affects the lease payments or defined assets, the Group re-measures its lease liability by using the current borrowing rate. The Group reflects the remeasured leasing liability and the right-of-use in the financial statements. On the other hand, changes such as the shortening of the lease term, the termination of the contract and the decreases in the scope of the underlying asset, the gains or losses are recognized in profit or loss.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

XVI. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES

Provision and contingent liabilities are accounted in conformity with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled and a reliable estimate can be made of the amount of the obligation. Provisions are calculated based on the best estimates of the Group’s management on the expenses to incur as of the balance sheet date and, if material, such expenses are discounted for their present values. If the amount is not reliably estimated and there is no probability of cash outflow from the Group to settle the liability, the related liability is considered as “contingent” and disclosed in the notes to the financial statements.

XVII. EXPLANATIONS ON EMPLOYEE BENEFIT LIABILITIES

Employee benefits liabilities are recognized in accordance with the TAS 19 “Employee Benefits”. According to related legislation and union agreements, the Parent 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 Group provides provision by estimating the present value of the future retirement pay liability.

The retirement pay provision of the Parent Bank has been determined by the actuarial report of an independent actuary firm. As of 1 January 2013, actuarial gains and losses are recorded under the shareholders’ equity according to the revised TAS 19.

T. Halk Bankası Employee Pension Fund and T. Ziraat Bankası ve T. Halk Bankası Employee Pension Fund Foundations were founded in accordance with the provisional article 20 of the Social Insurance Act (SIA) No: 506 and their members including employees of the Parent Bank. Provisional article 23 of the Banking Act No: 5411 requires the Parent Bank’s pension funds founded in the scope of SIA to be transferred to the Social Insurance Institution (SII) within 3 years subsequent to the publishing date of the act. The procedure and essentials for the transfer were determined by the Council of Ministers’ decision dated 30 November 2006 and numbered 2006/11345 and accordingly, both pension funds would have been transferred to SSI. However, with the decree of the Constitutional Court numbered E.2005/139, K.2007/13 and K.2007/33 published in the Official Gazette dated 31 March 2007 and numbered 26479, the first paragraph of the temporary first article of the provisional article 23 of the Banking Act No: 5411 is cancelled and the execution has been ceased starting from the date the decree is published.

After the justified decree related to cancelling the provisional article 23 of the Banking Law was announced by the Constitutional Court on the Official Gazette dated 15 December 2007 and numbered 26731, Turkish Grand National Assembly (TGNA) started to work on establishing new legal regulations, and after it was approved at the General Assembly of the TGNA, the Law numbered 5754 “Emendating Social Security and General Health Insurance Act and Certain Laws and Decree Laws”, which was published on the Official Gazette dated 8 May 2008 and numbered 26870, came into effect.

The new law decrees that the contributors of the bank pension funds, the ones who receive salaries or income from these funds and their rightful beneficiaries will be transferred to the Social Security Institution and will be subject to this Law within 3 years after the release date of the related article, without any need for further operation. The three year transfer period can be prolonged for maximum 2 years by the Cabinet decision. However related transfer period has been prolonged for 2 years by the Council of Ministers decision dated 14 March 2011, which was published on the Official Gazette dated 9 April 2011 and numbered 27900. In addition, by the Law numbered 6283 “Emendating Social Security and General Health Insurance Act”, which was published on the Official Gazette dated 8 March 2012 and numbered 28227, the authority of the Council of Ministers extending 2 years has been raised to 4 years.

The statement “The Council of Ministers have entitled to determine transfer period” has taken place in the scope of the Article 51 of the Law No: 6645 which was published on the Gazette on 23 April 2015 and numbered 29335.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

XVII. EXPLANATIONS ON EMPLOYEE BENEFIT LIABILITIES (continued)

In accordance with the related legislation, as of the transfer date, the income and expenses of the transferred funds will be considered by the insurance branches and the present value of the actuarial liabilities will be calculated with the technical interest rate of 9,8%. Moreover, after the transfer to Social Insurance Institution, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants. Based on the results of the actuarial report prepared as of 31 December 2022 no technical deficit has been reported.

XVIII. EXPLANATIONS ON TAXATION

The 20% corporate tax rate applied on corporate profits, which is included in the first paragraph of Article 32 of the Corporate Tax Law No. 5520, has been increased to 25% for companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, within the scope of Law No. 7394, which came into force by being published in the Official Gazette dated April 15, 2022.

As a result of the amendment made in Article 32 of the Corporate Tax Law numbered 5520, by Article 21 of the "The Law on Imposing Additional Motor Vehicles Tax for Compensation for Economic Losses Caused by Earthquakes Occurred on 6 February 2023 and Amending Certain Laws and Decree Law No. 375" numbered 7456 published in the Official Gazette dated 15 July 2023, starting from the declarations that must be submitted as of 1 October 2023, the corporate tax rate has been determined as 30% for banks, to be applied to their earnings in 2023 and the following taxation periods. The Parent Bank has calculated 30% corporate tax on corporate profits for the taxation period of March 31, 2024.

As of the current period, 30% tax rate is used by the Parent Bank in the calculation of deferred tax assets and liabilities.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date. Carrying value of deferred tax asset is reduced when it is not probable that a financial profit will be obtained to allow some or all of the deferred tax asset to be benefited.

Tax expense is the sum of the current tax expense and deferred tax charge. Current year tax liability is calculated over taxable profit. Taxable profit is different from the profit in the statement of profit or loss since taxable income or deductible expenses for the following years and non-taxable and non-deductible items are excluded.

Deferred tax liability or assets are determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of legal tax base, according to the balance sheet method, taking into account the enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by generating taxable profit in the future.

Deferred tax is calculated over the tax rates valid in the period when the assets are realized or the liabilities are fulfilled and recorded as expense or income in the income statement. However, deferred tax is associated directly with the equity account group if it relates to assets directly associated with equity in the same or a different period.

Since current tax payable amounts are related to prepaid tax amounts, consolidated entities are included in consolidation by offsetting in their non-consolidated financial statements. Deferred tax asset and liability is included in consolidation by offsetting in consolidated entities' non-consolidated financial statements.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

XVIII. EXPLANATIONS ON TAXATION (continued)

Pursuant to the Repetitive Article 298 of the Tax Procedure Law No. 213, the inflation adjustment requirement for the financial statements has occurred depending on the fact that the increase in the price index in the 2021 accounting period is more than 100% in the last three accounting periods, including the current period, and 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, the financial statements should be prepared regardless of whether the conditions for the inflation adjustment within the scope of the repetitive article 298 are met in the 2021 and 2022 accounting periods and the 2023 accounting period temporary tax periods, including the temporary tax periods. Accordingly, it is stated that, the financial statements for the 2021 and 2022 are not subject to inflation adjustment in accordance with the TPL, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions have been met, and the profit/loss difference arising from the inflation adjustment will be shown in the retained earnings.

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 the inflation adjustment to be made by the 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 Türkiye 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.

In accordance with the Provisional Article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements as of 31 March 2024 in accordance with TPL are included in the deferred tax calculation as of 31 March 2024.

Tax practices in the countries that foreign branches operate:

Turkish Republic of Northern Cyprus (TRNC)

According to the tax regulations in the Turkish Republic of Northern Cyprus, corporate gains are subject to 10% of corporate tax and this taxed amount is subject to 15% of income tax. Advance corporate tax is calculated as 15% of taxable income. Temporary taxes paid are deducted from the corporate tax and income tax calculated at the end of the year.

The tax bases for corporate are determined by adding the expenses that cannot be deducted according to TRNC regulations, to commercial gains and by subtracting exemptions and deductions from commercial gains. On the other hand, withholding tax is paid over interest income in TRNC. The relevant withholding tax payments are deducted from the corporate taxes paid.

The first period temporary corporate tax return for the period 1 January 2024 – 31 March 2024 is due in May 2024, and the second period temporary corporate tax return for the period 1 April 2024 – 30 June 2024 is due in August 2024, the third period temporary corporate tax return for the period 1 July 2024 – 30 September 2024 is due in November 2024 and the fourth period temporary corporate tax return for the period 1 October 2024 – 31 December 2024 will be declared to the Revenue and Tax Office in February 2025 and payment transactions will be made until the last working day of the month following the accrual.

Bahrain

Banks in Bahrain are not subject to corporate and income taxes according to the regulations of the country.

Tax practices of the consolidated subsidiaries:

Halk Gayrimenkul Yatırım Ortaklığı AŞ

Income from the operations related with the investment properties of the Parent Bank's subsidiary, Halk Gayrimenkul Yatırım Ortaklığı AŞ established in 2010, is exempt from corporate tax in accordance with the Article 5/1(d) (4) of the Corporate Tax Law No: 5520. This exemption is also applied for the advanced tax periods.

Halk Banka AD Skopje

The Parent Bank's subsidiary, acquired in 2011, Halk Banka AD, Skopje is subject to tax regulations in the Republic of Macedonia and the corporate tax is 10%.

Halk Bank AD Beograd

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

XVIII. EXPLANATIONS ON TAXATION (continued)

The Parent Bank's subsidiary, acquired in 2015, Halk Bank AD, Beograd is subject to tax regulations in the Republic of Serbia. The annual corporate income tax is payable at the rate of 15% on profit before tax, adjusted for temporary differences.

The Law on Corporate Income Tax in the Republic of Serbia does not allow any tax losses of the current period to be used to recover taxes paid in previous periods. However, any current year losses disclosed in the tax balance up to 2009 used to reduce tax base for future periods, but only for a period not longer than ten years. Tax losses carried forward after 2010 may be used for reduction of tax base for the following accounting periods for a maximum 5 years. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

XIX. ADDITIONAL EXPLANATIONS ON BORROWINGS

The Group borrows funds from domestic and foreign institutions and issues marketable securities when needed. These borrowing activities are recognized at fair value including the acquisition costs at the transaction date and they are valued at amortized costs by using the internal rate of return method.

Interest rate and liquidity risks are reduced by having assets with shorter or equal maturity terms than borrowing instruments such as syndication, securitization and borrowing with collateral and bears higher interest than costs of those instruments.

Also, asset composition is designed in accordance with the fixed/variable cost nature of borrowing instruments.

XX. EXPLANATIONS ON SHARES ISSUED

In accordance with the decision of the Board of Directors of the Parent Bank dated 9 February 2022, the capital is increased, where the total sales proceeds through the capital increase shall amount to TRY 13.400.000, by the total nominal capital amount to be calculated based on the share sale price to be determined in accordance with the Wholesale Transactions Procedure of Borsa İstanbul AŞ with the Decision of the Capital Markets Board dated 17 February 2022. Accordingly, the recognition of the capital increase of TRY 2.495.345 on 9 March 2022 was realized on 14 March 2022, based on the permission obtained from the BRSA. The change made to the relevant Articles of Association was registered on 22 March 2022, and it was announced in the Trade Registry Gazette dated 23 March 2022 and numbered 10543. After the increase, TRY 2.495.345 of nominal and TRY 10.904.655 of share premium, amounting to a capital increase of TRY 13.400.000, were recognized in the financial statements. Mentioned capital increase was made by the Parent Bank's main shareholder Türkiye Varlık Fonu. Share capital increased from TRY 2.473.776 to TRY 4.969.121.

In accordance with the decision of the Board of Directors of the Parent Bank dated 21 March 2023, the capital is increased, where the total sales proceeds through the capital increase shall amount to TRY 30.000.000, by the total nominal capital amount to be calculated based on the share sale price to be determined in accordance with the Wholesale Transactions Procedure of Borsa İstanbul AŞ with the Decision of the Capital Markets Board dated 27 March 2023. Accordingly, the recognition of the capital increase of TRY 2.215.657 was realized on 31 March 2023, based on the permission obtained from the BRSA. After the increase, TRY 2.215.657 of nominal and TRY 27.784.343 of share premium, amounting to a capital increase of TRY 30.000.000, were recognized in the financial statements. The change made to the relevant Articles of Association was registered on 17 April 2023, and it was announced in the Trade Registry Gazette dated 18 April 2023 and numbered 10814. Mentioned capital increase was made by the Parent Bank's main shareholder Türkiye Varlık Fonu. Share capital increased from TRY 4.969.121 to TRY 7.184.778.

Halk GYO has applied to the CMB on 29 August 2012 to increase its issued capital from TRY 477.000 to TRY 662.500 within TRY 1.500.000 registered capital ceiling, by public offering of the corresponding B group bearer shares of TRY 185.500. Application was approved in accordance with the decision promulgated by the CMB's decision numbered 4/97 dated 8 February 2013. As at 15 February 2013 the public offering of B group bearer shares of TRY 185.500 was made by restricting the preemptive rights of the existing shareholders. After completing the investors' book building, Halk GYO's shares started to be traded on Borsa İstanbul AŞ on 22 February 2013.

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SECTION III: EXPLANATIONS ON ACCOUNTING POLICIES (continued)

XXI. EXPLANATIONS ON BILL GUARANTEES AND ACCEPTANCES

Bill guarantees and acceptances are realized simultaneously with the customer payments and they are presented as possible liabilities and commitments in the off-balance sheet accounts.

XXII. EXPLANATIONS ON GOVERNMENT INCENTIVES

There are no government incentives utilized by the Parent Bank.

XXIII. EXPLANATIONS ON SEGMENT REPORTING

Segment reporting focuses on business segment considering the main source and nature of the risks and returns of the Group. The Parent Bank operates mainly in corporate, commercial and entrepreneur banking.

The information of the Group's business segments is explained in Section Four, disclosure numbered VII.

XXIV. EXPLANATIONS ON OTHER MATTERS

International rating agency Fitch Ratings revised the Bank's Long Term TRY Rating upwards from "B" to "B+" on 15 March 2024. The agency affirmed the Bank's Long Term FC Rating as "B-", Short Term FC Rating as "B", Short Term TRY Rating as "B" and Financial Capacity Rating as "b-". The outlooks of the related ratings remain unchanged.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP

I. EXPLANATIONS ON THE CONSOLIDATED EQUITY

Equity amount and capital adequacy standard ratio calculation is made within the framework of “Regulation on Equities of the Banks” and “Regulation on Measurement and Evaluation of Banks’ Capital Adequacy” and in accordance with the amendment announced by the BRSA in the resolution dated 12 December 2023.

Within the scope of the regulations that the net valuation differences of the securities held in the “Marketable Securities at Fair Value Through Other Comprehensive Income” portfolio as of 1 January 2024 are negative, these differences will not be taken into account in the equity amount to be used for the capital adequacy ratio and the amount subject to credit risk will be calculated using the Central Bank's foreign exchange buying rates as of 26 June 2023.

As of 31 March 2024, the capital adequacy ratio and the capital amount of the Group were realized as 13,34% (31 December 2023: 14,68%) and TRY 186.324.615 (31 December 2023: TRY 185.024.549) which were calculated within the scope of the above-mentioned regulation amendments.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

I. EXPLANATIONS ON THE CONSOLIDATED EQUITY (continued)

(1) Information About Total Consolidated Equity Items:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	8.405.229	8.405.229
Share Premium	44.505.199	44.505.199
Reserves	49.095.219	48.694.309
Other Comprehensive Income according to TAS	23.965.541	22.995.628
Profit	27.869.277	22.463.067
<i>Current Period Profit</i>	5.508.806	16.830.755
<i>Prior Period Profit</i>	22.360.471	5.632.312
Bonus Shares from Associates, Affiliates and Joint-Ventures not Accounted in Current Period's Profit	572.190	524.685
Minority Interest	7.939	7.750
Common Equity Tier 1 Capital Before Deductions	154.420.594	147.595.867
Deductions from Common Equity Tier 1 Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	1.995.225	4.961.512
Leasehold Improvements on Operational Leases (-)	1.831.500	1.720.471
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	2.368.635	2.101.641
Net Deferred Tax Asset/Liability (-)	-	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization gains	-	-
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-	-
Net amount of defined benefit plans	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	471.241	471.241
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
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 (-)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	11.978.382	673.721
<i>Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)</i>	-	-
<i>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 (-)</i>	-	-
<i>Mortgage Servicing Rights not deducted (-)</i>	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	-
Total Deductions from Common Equity Tier 1 Capital	18.644.983	9.928.586
Total Common Equity Tier 1 Capital	135.775.611	137.667.281

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I. EXPLANATIONS ON THE CONSOLIDATED EQUITY (continued)

(1) Information About Total Consolidated Equity Items: (continued)

ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	31.269.150	29.178.000
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	31.269.150	29.178.000
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 to be Deducted from Tier I Capital during the Transition Period		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	31.269.150	29.178.000
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	167.044.761	166.845.281
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	4.543.836	4.543.836
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	14.979.001	13.881.669
Tier II Capital Before Deductions	19.522.837	18.425.505
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.	-	-
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 Deductions from Tier II Capital	-	-
Total Tier II Capital	19.522.837	18.425.505
Total Equity (Total Tier I and Tier II Capital)	186.567.598	185.270.786
Total Tier I and Tier II Capital (Total Equity)		
Loans Granted against the Articles 50 and 51 of the Banking Law	-	-
Net Book Values of Movable and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	242.983	246.237

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I. EXPLANATIONS ON THE CONSOLIDATED EQUITY (continued)

(1) Information About Total Consolidated Equity Items: (continued)

Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The Portion of 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 not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
TOTAL CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	186.324.615	185.024.549
Total Risk Weighted Assets	1.396.301.479	1.260.539.621
Capital Adequacy Ratios		
CET1 Capital Ratio (%)	9,72	10,92
Tier I Capital Ratio (%)	11,96	13,24
Capital Adequacy Ratio (%)	13,34	14,68
BUFFERS		
Bank-specific total CET1 Capital Ratio (a+b+c)	3,581	3,560
a) Capital Conservation Buffer Ratio (%)	2,500	2,500
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0,081	0,060
c) Systemic significant bank buffer ratio %	1,000	1,000
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	5,344	6,678
Amounts Lower Than Excesses as per Deduction Rules		
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	1.276.106	1.108.227
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% or less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets arising from Temporary Differences	14.774.605	13.833.325
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	39.191.614	37.205.507
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	14.979.001	13.881.669
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	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

*Amounts in this column represents the amounts of items that are subject to transitional provisions.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

I. EXPLANATIONS ON THE CONSOLIDATED EQUITY (continued)

- (2) Information on Differences Between Equity Items Calculated in Accordance with the Regulation on Equity of Banks and Balance Sheet Amounts:

Within the scope of the "Regulation on Banks' Equity" (Regulation), the equity that is the basis for the capital adequacy standard ratio calculation is calculated after deducting the values to be deducted from the equity from the total capital and supplementary capital. The main difference between the "Equity" in the balance sheet and the equity calculated within the scope of the Regulation arises from the stage1 and stage2 expected credit loss allowances in the Tier II capital, and the subordinated debt instruments included in the Tier II capital. In addition, within the scope of the BRSA's Board Decision dated December 12, 2023, in case the net valuation differences of the securities in the portfolio of "Securities at Fair Value through Other Comprehensive Income" as of 1 January 2024 are negative, these differences may not taken into account in the calculated equity amount. In accordance with the regulation, operating lease development costs, which are presented under the Tangible Assets item in the balance sheet and Intangible Fixed Assets for the calculation of capital adequacy are taken into account as a discount item from the core capital. In addition; in accordance with the regulation, operating lease development costs, which are presented under the Tangible Assets item in the balance sheet and Intangible Fixed Assets for the calculation of capital adequacy are taken into account as a discount item from the core capital. Similarly, some accounts determined by the Board are deducted from the total Equity in the calculation of the "Equity" amount, which is the basis for the capital adequacy calculation.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

I. EXPLANATIONS ON THE CONSOLIDATED EQUITY (continued)

(3) Information about instruments to be included in the Equity Calculation :

Details on Subordinated Liabilities:				
Issuer	T. Halk Bankası AŞ	T. Halk Bankası AŞ	T. Halk Bankası AŞ	Türkiye Varlık Fonu
Unique identifier (CUSIP, ISIN etc.)	TRSTHALE2716	TRSTHAL62811	TRSTHAL92826	-
Governing Law(s) of the instrument	BRSA and CMB Legislation	BRSA and CMB Legislation	BRSA and CMB Legislation	BRSA Legislation
Regulatory treatment				
Subject to 10% deduction as of 1/1/2015	No	No	No	No
Eligible at unconsolidated / consolidated	Consolidated - Unconsolidated	Consolidated - Unconsolidated	Consolidated - Unconsolidated	Consolidated - Unconsolidated
Instrument type (types to be specified by each jurisdiction)	Bond	Bond	Bond	Loan
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	600	1.560	2.384	31.269
Par value of instrument (Currency in mil)	1.000	1.950	2.980	-
Accounting classification	346.011	346.011	346.011	347.0001
Original date of issuance	20.10.2017	03.07.2018	26.09.2018	24.04.2019
Perpetual or dated	Dated	Dated	Dated	Perpetual
Original maturity date	20.10.2017	03.07.2018	26.09.2018	24.04.2019
Issuer call subject to prior supervisory approval	At the end of the fifth year, the Parent Bank has an early redemption option.	At the end of the fifth year, the Parent Bank has an early redemption option.	At the end of the fifth year, the Parent Bank has an early redemption option.	At the end of the fifth year, the Parent Bank has an early redemption option.
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Coupons / dividends				
Fixed or floating dividend/coupon	Floating Coupon	Fixed Coupon	Fixed Coupon	No Coupon Payment
Coupon rate and any related index	Government Debt Security for 5 years +350 base points	14,10 %	12,79 %	5 years 25,38%
Existence of a dividend stopper	-	-	-	-
Fully discretionary, partially discretionary or mandatory	-	-	-	-
Existence of step up or other incentive to redeem	-	-	-	-
Noncumulative or cumulative	-	-	-	-
Convertible or non-convertible				
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

I. EXPLANATIONS ON THE CONSOLIDATED EQUITY (continued)

(3) Information about instruments to be included in the Equity Calculation: (continued)

Write-down feature				
If write-down, write-down trigger(s)	-	-	-	Decrease in core capital adequacy ratio below 5,125%
If write-down, full or partial	-	-	-	Fully or partially
If write-down, permanent or temporary	-	-	-	Permanent or temporary
If temporary write-down, description of write-up mechanism	-	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After borrowing, before Additional Tier I Capital	After borrowing, before Additional Tier I Capital	After borrowing, before Additional Tier I Capital	After borrowings and Additional Tier II Capital
In compliance with article number 7 and 8 of "Own fund regulation"	The instrument is in compliance with article number 8.	The instrument is in compliance with article number 8.	The instrument is in compliance with article number 8.	The instrument is in compliance with article number 7.
Details of incompliances with article number 7 and 8 of "Own fund regulation"	The instrument is not in compliant with article numbered 7.	The instrument is not in compliant with article numbered 7.	The instrument is not in compliant with article numbered 7.	The instrument is not in compliant with article numbered 8.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

II. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK

Foreign currency risk indicates the probability of loss that banks are 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 Group are taken into consideration. Net short term and long term positions of each currency are calculated in terms of the Turkish Lira.

In accordance with “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”, the foreign currency position risk of the Group is measured by “standard method” and is calculated daily and is reported monthly. Also VAR based values and limits are reported to the Executives on a daily basis by using internal model methods. In addition, the value at risk limit determined by the Board of Directors of the Parent Bank for the value at risk including foreign currency risk is monitored and reported to the key management personnel. As a foreign currency risk management policy, the Parent Bank is not exposed to foreign exchange risk significantly and positions related to foreign currency risk are balanced with derivative transactions when necessary.

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for the thirty days before the financial statement date are as follows:

	USD	EUR	CHF	GBP	JPY
Balance sheet valuation rate:	32,1833000	34,7435000	35,6442000	40,6058000	0,2122209
Before the balance sheet date;					
Current foreign exchange buying rate on the 1st business day	32,1833000	34,7435000	35,6442000	40,6058000	0,2122209
Current foreign exchange buying rate on the 2nd business day	32,2262000	34,8204000	35,6660000	40,6664000	0,2123914
Current foreign exchange buying rate on the 3rd business day	32,1815000	34,8236000	35,4906000	40,5746000	0,2121249
Current foreign exchange buying rate on the 4th business day	32,1047000	34,8047000	35,5197000	40,4778000	0,2114509
Current foreign exchange buying rate on the 5th business day	32,0567000	34,7431000	35,6682000	40,4877000	0,2112045
Last 30 days arithmetic average:	31,9250476	34,6954000	35,8701667	40,5120667	0,2125121

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

II. EXPLANATIONS ON THE CONSOLIDATED CURRENCY RISK (continued)

Information related to currency risk:

Current Period	EUR	USD	OTHER FC	TOTAL
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious metals) and balances with the CBRT	105.852.964	91.513.355	29.980.212	227.346.531
Banks	5.709.324	2.346.181	7.447.420	15.502.925
Financial assets at fair value through profit and loss	-	1.482	40.137	41.619
Money market placements	-	-	2.045.479	2.045.479
Financial assets at fair value through other comp. income	19.163.840	39.358.902	10.284.323	68.807.065
Loans	193.448.404	117.851.423	35.996.699	347.296.526
Subsidiaries, associates and entities under common control	2.663.319	-	-	2.663.319
Financial assets measured at amortised cost	39.088.937	79.602.913	35.289.942	153.981.792
Derivative financial assets held for risk management	-	-	-	-
Tangible assets	-	-	2.068.112	2.068.112
Intangible assets	-	-	685.985	685.985
Other assets ⁽²⁾	4.673.954	3.602.171	1.651.781	9.927.906
Total assets	370.600.742	334.276.427	125.490.090	830.367.259
Liabilities				
Bank deposits	182.092.566	21.025.466	1.760.711	204.878.743
Foreign currency deposits	271.820.552	310.428.676	140.313.884	722.563.112
Money market balances	-	14.305.140	-	14.305.140
Funds provided from other financial institutions	13.043.357	12.646.352	96.705	25.786.414
Bonds issued	-	-	-	-
Miscellaneous Payables	1.840.855	3.012.155	1.456.876	6.309.886
Derivative financial liabilities held for risk management	-	-	-	-
Other liabilities ⁽²⁾	43.999.029	2.333.068	2.152.308	48.484.405
Total liabilities	512.796.359	363.750.857	145.780.484	1.022.327.700
Net balance sheet position	(142.195.617)	(29.474.430)	(20.290.394)	(191.960.441)
Net off-balance sheet position				
Financial derivative assets ⁽³⁾⁽⁴⁾	141.219.164	61.960.488	43.715.372	246.895.024
Financial derivative liabilities ⁽³⁾⁽⁴⁾	10.011.935	27.889.804	6.950.601	44.852.340
Non-cash loans ⁽¹⁾	108.157.469	105.209.803	22.904.642	236.271.914
Prior period				
Total assets	345.225.275	299.687.521	109.616.012	754.528.808
Total liabilities	469.409.759	300.869.415	130.741.082	901.020.256
Net balance sheet position	(124.184.484)	(1.181.894)	(21.125.070)	(146.491.448)
Net off-balance sheet position				
Financial derivative assets	120.815.872	27.224.719	41.331.839	189.372.430
Financial derivative liabilities	6.730.641	21.245.849	6.829.262	34.805.752
Non-cash loans ⁽¹⁾	98.483.312	88.000.186	20.181.074	206.664.572

⁽¹⁾ Non-cash loans are not included in the off-balance sheet position items.

⁽²⁾ In accordance with the principles of the "Regulation on Measurement and Practices of Banks' Net Overall FC Position / Shareholders' Equity Ratio on a Consolidated and Unconsolidated Basis", Foreign currency derivative financial instruments foreign currency income discounts, equity and derivative financial instruments foreign currency expense discounts in liabilities are not taken into consideration in the currency risk measurement.

⁽³⁾ Financial derivative assets include forward precious metal purchase transactions amounted to TRY 11.549.138 and swap precious metal purchase transactions amounted to TRY 24.343.911. Financial derivative liabilities include forward precious metal sale transactions amounted to TRY 2.550.509. Besides, derivative transactions under forward foreign currency purchase and sale commitments are included.

⁽⁴⁾ In accordance with the provisions of the "Regulation on the Calculation and Application of the Standard Foreign currency Net General Position/ Equity Ratio by Banks on a Consolidated and Unconsolidated Basis", money options are included in the calculation of exchange rate risk with account delta equivalents.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

III. EXPLANATIONS ON THE CONSOLIDATED INTEREST RATE RISK

Loss that may arise due to asset-liability and interest-sensitive assets mismatches based on the repricing (interest rate change) periods of the off-balance sheet positions represent the interest rate risk. Among the positions subject to these risks, those evaluated in trading accounts are taken into account in market risk, while positions in banking books are subject to interest rate risk calculations arising from banking books.

The interest rate risks incurred due to interest-sensitive positions in the Parent Bank's trading and banking books are managed within the scope of the "*Policies for the Management of Interest Rate Risk*" which is approved by the Board of Directors. Interest rate risks are measured on a daily basis primarily through risk weighted asset and economic value change measurements, sensitivity, duration and gap analyses. Measurement results are daily reported to the Parent Bank's Top Management and related business units.

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

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non-bearing interest	Total
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious metals) and balances with the CBRT	89.603.718	302.128	1.349.158	55.593	32.645	268.403.090	359.746.332
Banks and financial institutions	10.260.857	1.745.847	100.870	230.215	-	11.113.677	23.451.466
Financial assets at fair value through profit and loss	213.642	2	18.118	1.798	10	39.022.751	39.256.321
Money market placements	2.051.489	-	-	-	-	-	2.051.489
Financial assets at fair value through other comprehensive income	27.439.936	38.723.134	24.480.308	37.230.556	19.174.370	1.300.026	148.348.330
Loans	463.680.985	210.924.573	211.750.382	324.951.311	103.518.155	61.266.263	1.376.091.669
Financial assets measured at amortised cost	132.481.095	43.586.564	53.788.801	120.507.946	127.996.654	-	478.361.060
Other assets ⁽¹⁾⁽⁴⁾	9.288.562	3.341.124	4.938.742	6.593.722	466.042	70.962.568	95.590.760
Total assets	735.020.284	298.623.372	296.426.379	489.571.141	251.187.876	452.068.375	2.522.897.427
Liabilities							
Bank deposits	79.512.901	2.423.401	-	-	-	174.529.861	256.466.163
Other deposits	811.202.258	315.255.818	179.728.707	8.810.081	752.492	466.297.367	1.782.046.723
Money market balances	121.951.935	3.346.754	-	-	-	516.598	125.815.287
Miscellaneous Payables	7.512.305	-	-	-	-	35.986.587	43.498.892
Bonds issued	4.691.420	11.075.014	340.850	-	-	-	16.107.284
Funds provided from other financial institutions ⁽³⁾	2.909.464	7.498.502	13.558.394	4.554.487	391.291	298.674	29.210.812
Other liabilities ⁽¹⁾⁽²⁾	1.000.000	-	35.365.680	5.014.795	31.269.150	197.102.641	269.752.266
Total liabilities	1.028.780.283	339.599.489	228.993.631	18.379.363	32.412.933	874.731.728	2.522.897.427
Balance sheet long position	-	-	67.432.748	471.191.778	218.774.943	-	757.399.469
Balance sheet short position	(293.759.999)	(40.976.117)	-	-	-	(422.663.353)	(757.399.469)
Off-balance sheet long position	170.240.830	103.457.460	3.064.351	10.743.505	14.466.981	-	301.973.127
Off-balance sheet short position	(172.606.025)	(109.060.323)	(3.051.383)	(10.743.504)	(14.466.981)	-	(309.928.216)
Total position	(296.125.194)	(46.578.980)	67.445.716	471.191.779	218.774.943	(422.663.353)	(7.955.089)

⁽¹⁾ TRY 14.507.046 of deferred tax assets is disclosed under the non-bearing interest column in other assets, TRY 2.152 of deferred tax liability is disclosed under the non-bearing interest column in other liabilities.

⁽²⁾ Shareholders' equity balance is disclosed under the non-bearing interest column in other liabilities line.

⁽³⁾ Funds provided from other financial institutions include borrowings.

⁽⁴⁾ Asset accounts that make up the balance sheet such as provisions, tangible and intangible assets, subsidiaries, stock of goods, prepaid expenses, etc., which are needed to continue banking activities and do not have the possibility of turning into cash in a short time are shown in the interest-free column of the other assets line.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

III. EXPLANATIONS ON THE CONSOLIDATED INTEREST RATE RISK (continued)

1. Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on re-pricing dates): (continued)

Prior Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Non-bearing interest	Total
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious metals) and balances with the CBRT	816.606	255.210	1.280.245	218.916	28.983	279.264.616	281.864.576
Banks and financial institutions	9.774.091	722.243	132.378	185.713	31.153	12.236.430	23.082.008
Financial assets at fair value through profit and loss	15	52.537	151.289	995	20	39.370.877	39.575.733
Money market placements	2.888.124	-	-	-	-	-	2.888.124
Financial assets at fair value through other comprehensive income	37.113.273	9.962.583	35.785.506	29.979.538	10.059.232	1.130.802	124.030.934
Loans	473.734.382	192.320.505	195.778.675	302.749.215	99.792.198	49.916.625	1.314.291.600
Financial assets measured at amortised cost	119.412.943	36.074.232	72.519.782	75.343.285	127.407.207	-	430.757.449
Other assets ⁽¹⁾⁽⁴⁾	9.806.230	6.376.366	5.051.968	5.886.798	511.944	52.886.821	80.520.127
Total assets	653.545.664	245.763.676	310.699.843	414.364.460	237.830.737	434.806.171	2.297.010.551
Liabilities							
Bank deposits	32.024.797	12.671.090	111.696	-	-	158.273.957	203.081.540
Other deposits	862.552.325	279.658.787	157.558.662	7.551.589	214.017	420.264.696	1.727.800.076
Money market balances	25.040.299	3.301.433	-	-	-	83.029	28.424.761
Miscellaneous Payables	7.829.532	-	-	-	-	34.002.521	41.832.053
Bonds issued	4.550.346	10.675.422	1.925.421	-	-	-	17.151.189
Funds provided from other financial institutions ⁽³⁾	1.481.213	11.158.682	5.884.000	4.328.946	442.587	361.691	23.657.119
Other liabilities ⁽¹⁾⁽²⁾	1.000.000	-	64.543.680	4.929.795	-	184.590.338	255.063.813
Total liabilities	934.478.512	317.465.414	230.023.459	16.810.330	656.604	797.576.232	2.297.010.551
Balance sheet long position	-	-	80.676.384	397.554.130	237.174.133	-	715.404.647
Balance sheet short position	(280.932.848)	(71.701.738)	-	-	-	(362.770.061)	(715.404.647)
Off-balance sheet long position	130.078.565	55.915.932	29.148.487	9.829.886	13.282.045	-	238.254.915
Off-balance sheet short position	(129.982.468)	(56.979.216)	(29.200.251)	(9.819.703)	(13.282.045)	-	(239.263.683)
Total position	(280.836.751)	(72.765.022)	80.624.620	397.564.313	237.174.133	(362.770.061)	(1.008.768)

⁽¹⁾ TRY 14.507.046 of deferred tax assets is disclosed under the non-bearing interest column in other assets, TRY 2.152 of deferred tax liability is disclosed under the non-bearing interest column in other liabilities.

⁽²⁾ Shareholders' equity balance is disclosed under the non-bearing interest column in other liabilities line.

⁽³⁾ Funds provided from other financial institutions include borrowings.

⁽⁴⁾ Asset accounts that make up the balance sheet such as provisions, tangible and intangible assets, subsidiaries, stock of goods, prepaid expenses, etc., which are needed to continue banking activities and do not have the possibility of turning into cash in a short time are shown in the interest-free column of the other assets line.

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III. EXPLANATIONS ON THE CONSOLIDATED INTEREST RATE RISK (continued)

2. Average interest rates applied to the monetary financial instruments of the Group (%):

Current Period	EUR	USD	JPY	TRY
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased) and balances with the CBRT	-	-	-	16,44
Due from banks ⁽¹⁾	3,80	3,98	-	48,21
Financial assets at fair value through profit and loss ⁽⁵⁾	-	6,30	-	26,34
Money market placements	-	-	-	47,00
Financial assets at fair value through other comprehensive income	3,35	7,14	-	36,40
Loans ⁽²⁾	6,12	9,08	-	37,37
Financial assets measured at amortised cost	4,53	3,52	-	35,05
Liabilities				
Bank deposits ⁽⁴⁾	0,31	6,92	-	50,95
Other deposits ⁽⁴⁾	1,16	1,97	-	39,56
Money market borrowings	-	7,89	-	51,99
Miscellaneous Payables ⁽³⁾	-	-	-	5,00
Bonds issued	-	-	-	34,27
Funds provided from other financial institutions	3,67	6,70	-	44,83

⁽¹⁾ Interest rates are calculated using weighted average method for placements as of the balance sheet date.

⁽²⁾ Interest rates for loans given as of the balance sheet date are calculated by using client based weighted average interests.

⁽³⁾ Equals to 12-month TRY deposit base interest rate announced as of 31 March 2024.

⁽⁴⁾ Demand deposit amounts are considered in the average interest rate calculation.

⁽⁵⁾ Borrowed securities are not included in the average interest rate calculation.

Prior Period	EUR	USD	JPY	TRY
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased) and balances with the CBRT	-	-	-	-
Due from banks ⁽¹⁾	3,47	5,21	-	41,85
Financial assets at fair value through profit and loss ⁽⁵⁾	-	6,15	-	21,22
Money market placements	-	-	-	40,94
Financial assets at fair value through other comprehensive income	2,98	7,10	-	32,44
Loans ⁽²⁾	5,80	9,02	-	31,47
Financial assets measured at amortised cost	4,55	5,71	-	31,93
Liabilities				
Bank deposits ⁽⁴⁾	0,25	6,67	-	42,28
Other deposits ⁽⁴⁾	1,53	2,83	-	35,70
Money market borrowings	4,60	7,04	-	41,52
Miscellaneous Payables ⁽³⁾	-	-	-	5,00
Bonds issued	-	-	-	29,87
Funds provided from other financial institutions	2,56	1,99	-	42,05

⁽¹⁾ Interest rates are calculated using weighted average method for placements as of the balance sheet date.

⁽²⁾ Interest rates for loans given as of the balance sheet date are calculated by using client based weighted average interests.

⁽³⁾ Equals to 12-month TRY deposit base interest rate announced as of 31 December 2023.

⁽⁴⁾ Demand deposit amounts are considered in the average interest rate calculation.

⁽⁵⁾ Borrowed securities are not included in the average interest rate calculation.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

IV. EXPLANATIONS ON THE CONSOLIDATED POSITION RISK OF SHARES

Information on the carrying value, fair value, market value and capital requirement amounts of equity investments resulting from banking accounts:

Equities	Comparison			Capital Requirements
	Carrying Value ⁽¹⁾	Fair Value Change ⁽²⁾	Market Value	
Stock investment excluding A,B,C,D group	3.075.003	2.909.907	-	611.238

⁽¹⁾ Includes TRY 152.312 of unconsolidated associates and TRY 2.922.691 of associates accounted for under the equity method.

⁽²⁾ Investments that are not measured at fair value are not included in the table above.

Realized gains/losses, revaluation surpluses and unrealized gains/losses on equity securities and results included in core and supplementary capitals:

Portfolio	Realized gains/ losses in the current period	Realized gains/ losses in the current period		Unrealized gains and losses		
		Total	Included To Total Core Capital	Total	Included To Total Core Capital	Included to Supplementary Capital
1. Private equity investments	-	-	-	-	-	-
2. Share certificates quoted on a stock exchange	-	-	-	-	-	-
3. Other share certificates	-	15.040	15.040	-	-	-
Total	-	15.040	15.040	-	-	-

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V. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO

The liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows fully and timely. Liquidity risk may also occur when the market penetration is not adequate, when the open position cannot be closed immediately at the suitable prices in sufficient amounts due to barriers and break-ups in the markets.

The liquidity risks of the Parent Bank are managed within the framework of risk and transaction limits approved by the Board of Directors, and the written duties and responsibilities of the units related to liquidity risk management is established. Although the Board of Directors is primarily responsible for managing liquidity risk, committees have been established to ensure the efficient function. The committees responsible for managing liquidity risk are the Asset-Liability Committee (ALCO) and the Liquidity Risk Committee.

The desired level of risk that the bank intends to assume with regard to liquidity risk is determined within the Risk Appetite Framework Directive approved by the Parent Bank's Board of Directors. Within the scope of the risk appetite framework, the level of risk capacity, risk appetite, and trigger levels have been determined on both consolidated and non-consolidated bases.

Regarding treasury transactions; maturity and amount limits are determined for TRY and FX transactions made in the interbank over-the-counter market, and limits are set on the maximum foreign currency position, forward and swap transactions that can be carried.

Liquidity risk analyzes are conducted on a daily/weekly/monthly basis and shared with the Parent Bank's top management and related departments. Periodical stress tests are performed in line with the Parent Bank's liquidity management policies.

The Parent Bank has determined a high-quality liquid asset stock as a liquidity buffer for managing liquidity risk. Extending the maturity structure of the time deposits, which constitute a significant source of funds for the Parent Bank, developing new products to encourage savings, and maintaining the core deposit level are adopted as strategic objectives to reduce liquidity risk. Limits and principles regarding the issuance of bonds and bills in TRY have been determined to provide long-term funding other than deposits as part of extending the maturity structure of liabilities. In line with the Parent Bank's needs, new borrowing opportunities are utilized, and within this framework, price/cost movements in international capital markets are closely monitored, and alternative sources of funding are evaluated when conditions are favorable.

The Parent Bank aims to obtain its funding sources from the longest-term and most stable sources possible, taking into account legal and internal limits as well as cost factors. In this context, concentration ratios such as the share of retail funding sources in total sources, the share of high-value deposits in total deposits, and the share of borrowings from money markets in bank borrowings and market volumes are monitored daily within the framework of the Liquidity Early Warning System.

Short-term or daily foreign currency liquidity needs can be met through swap transactions, and sufficient liquidity is kept with correspondent banks for effective management of repayments. Adequate liquidity buffer is maintained by the Parent Bank to meet its intraday liquidity and short-term liquidity needs. In general context, liquidity management is managed within the limits defined by the market makers for the Parent Bank and the limit structures defined by the Parent Bank on the basis of counterparty and transaction type.

The reduction of liquidity risk is provided by effective collateral management structure. Upper borrowing limits are determined under certain criteria and balance sheet size related with the domestic organized markets (CBRT, BIST and Takasbank) by the relevant authorities. Existing limits available to use are continuously monitored, through the Parent Bank's projected and instant liquidity needs under the condition that depositing and/or withdrawing additional collateral.

The Risk Management Department conducts routine and periodic stress tests based on rapid deposit outflows, defaults on cash and non-cash loans, liquidity outflows with significant loan expansions that may affect the Parent Bank's liquidity such as pandemics and natural disasters, potential losses in the Parent Bank's securities portfolio, FX outflows, scenarios related to the obligations of subsidiaries, and similar fundamental issues. Stress test scenarios that are for other all matters related to liquidity risk management are prepared in collaboration with relevant business units. Analysis of stress test scenarios is shared with the Parent Bank's Top Management and relevant business units, and necessary actions are taken.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

V. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (continued)

Systemic and bank specific metrics within the scope of “Liquidity Emergency Action Plan” (LEAP) approved by the Board of Directors and early warning indicators related to these metrics are monitored on a daily basis. Written actions, if required, to be taken as part of this plan are determined. In extent with LEAP, necessary actions and their priority for possible liquidity stress/crisis have been determined.

The Parent Bank does not have any operational or legal restrictions on liquidity transfer to subsidiaries or foreign branches. Each of the consolidated subsidiaries manage their own liquidity risk and liquidity adequacy is ensured on a consolidated basis.

Liquidity Coverage Ratio:

According to the BRSA’s “Regulation for Banks’ Liquidity Coverage Ratio Calculations” published in the Official Gazette No. 28948 dated 21 March 2014, FC and TRY+FC liquidity coverage ratios are calculated by using high quality liquid assets divided by net cash outflows. Within this context, the Parent Bank is required to have the ability to cover net cash outflows with high quality liquid assets and its related ratios should be in compliance with the legal limits. In accordance with the relevant Regulation, liquidity coverage ratio is calculated by taking the monthly simple arithmetic average on a consolidated basis and by taking the weekly simple arithmetic average on a non-consolidated basis.

As a result of the increase in the Parent Bank's securities portfolio in the first quarter of 2024, total of free securities not given as collateral increased and more liquid assets were kept in the CBRT accounts due to the increase in the deposit balance. These changes caused an increase in the Bank's stock of high quality liquid assets. Net cash outflows increased due to the increase in the TRY deposit balance with a maturity of less than thirty days and the increase in other TRY-denominated liabilities with a maturity of less than thirty days. The fact that the increase in net cash outflows on TRY and FC basis was lower than the increase in the stock of high quality liquid assets increased the total liquidity coverage ratio during the period. However, the increase in the foreign currency deposit balance with a maturity of less than thirty days and the decrease in cash inflows in foreign currency with a maturity of less than thirty days reduced the foreign currency liquidity coverage ratio in the first quarter. During the current period, ratios on FC and TRY+FC basis remained above the legal limit.

High quality liquid assets are composed of 53,42% accounts held by the CBRT and the Central Banks of the foreign branches, 44,78% securities considered as high quality liquid assets and 1,80% cash and cash equivalents. The primary funding source for the Parent Bank is deposit. Other important funding sources are money market borrowings and securities issued.

Derivative transactions did not cause a net cash outflow that would negatively affect the liquidity position. However, there are periodical fluctuations in the foreign currency liquidity coverage ratio due to foreign currency swap transactions that have TRY side. The estimated cash outflows from derivative financial instruments and other liabilities calculated on the basis of the changes in fair value in the last 24 months are TRY 3,061,655.

The consolidated liquidity coverage ratios for the last three months are indicated in the table below.

Current Period	FC (%)	TRY+FC (%)
January 2024	487.74	180.20
February 2024	320.58	175.65
March 2024	380.48	172.59

Prior Period	FC (%)	TRY+FC (%)
October 2023	631.05	164.09
November 2023	606.07	167.03
December 2023	596.11	166.69

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V. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (continued)

Liquidity Coverage Ratio:

Current Period	Total Unweighted Value (average) ⁽¹⁾		Total Weighted Value (average) ⁽¹⁾	
	TRY+FC	FC	TRY+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			758.392.205	336.731.371
Cash Outflows				
Retail and Small Business Customers, of which;	898.219.050	335.834.200	83.908.381	33.572.245
Stable Deposits	147.869.670	111.750	8.873.443	-
Less Stable Deposits	750.349.380	335.722.450	75.034.938	33.572.245
Unsecured wholesale funding , of which;	832.600.750	418.310.514	370.116.718	158.122.110
Operational Deposits	217.821.324	168.041.868	54.455.335	42.010.468
Non-operational Deposits	573.105.620	242.745.059	283.081.316	108.726.748
Other Unsecured Funding	41.673.806	7.523.587	32.580.066	7.384.894
Secured Funding				
Other cash outflows, of which;	33.930.756	3.987.244	30.961.990	3.982.112
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	5.180.880	3.978.691	5.180.880	3.978.691
Obligations related to structured financial products	137.396	-	137.396	-
Commitments related to debts to financial markets and other off-balance sheet obligations	28.612.480	8.553	25.643.714	3.421
Other revocable off-balance sheet commitments and Contractual Obligations				
Other irrevocable or conditionally revocable off-balance sheet Obligations	795.208.875	218.484.900	57.825.961	16.444.242
Total Cash Outflows			542.813.050	212.120.709
Cash Inflows				
Secured Lending				
Unsecured Lending	172.395.737	26.145.439	109.462.384	23.300.906
Other Cash Inflows	1.534.557	98.527.045	1.534.557	98.527.045
Total Cash Inflows	173.930.294	124.672.484	110.996.941	121.827.951
Total Adjusted Value				
Total HQLA Stock			758.392.205	336.731.371
Total Net Cash Outflows			431.816.109	91.263.177
Liquidity Coverage Ratio (%)			176,16%	397,93%

⁽¹⁾ Calculated by simple arithmetic average, monthly average calculated for the last three months of the values.

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V. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (continued)

Liquidity Coverage Ratio: (continued)

	Total Unweighted Value (average) ⁽¹⁾		Total Weighted Value (average) ⁽¹⁾	
	TRY+FC	FC	TRY+FC	FC
Prior Period				
High Quality Liquid Assets				
High Quality Liquid Assets			716.992.699	299.995.369
Cash Outflows				
Retail and Small Business Customers, of which;	829.268.720	303.210.360	78.451.924	30.313.318
Stable Deposits	114.278.210	77.180	6.952.873	-
Less Stable Deposits	714.990.510	303.133.180	71.499.051	30.313.318
Unsecured wholesale funding , of which;	843.451.475	389.819.684	375.331.008	144.198.494
Operational Deposits	201.541.144	154.217.160	50.385.289	38.554.290
Non-operational Deposits	604.406.125	229.705.494	297.702.313	99.967.531
Other Unsecured Funding	37.504.206	5.897.030	27.243.406	5.676.673
Secured Funding			-	-
Other cash outflows, of which;	32.734.504	3.711.678	29.783.502	3.708.337
Derivatives cash outflow and liquidity needs related to market valuation changes on derivatives or other transactions	4.516.620	3.706.110	4.516.620	3.706.110
Obligations related to structured financial products	222.621	-	222.621	-
Commitments related to debts to financial markets and other off-balance sheet obligations	27.995.263	5.568	25.044.261	2.227
Other revocable off-balance sheet commitments and Contractual Obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet Obligations	676.090.357	194.771.367	49.597.036	14.663.510
Total Cash Outflows			533.163.470	192.883.659
Cash Inflows				
Secured Lending	-	-	-	-
Unsecured Lending	159.402.777	22.672.772	99.228.078	18.770.820
Other Cash Inflows	1.232.973	138.701.301	1.232.973	138.701.300
Total Cash Inflows	160.635.750	161.374.073	100.461.051	157.472.120
Total Adjusted Value				
Total HQLA Stock			716.992.699	299.995.369
Total Net Cash Outflows			432.702.419	49.249.207
Liquidity Coverage Ratio (%)			165,92%	611,13%

⁽¹⁾ Calculated by simple arithmetic average, monthly average calculated for the last three months of the values.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

V. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (continued)

1. Presentation of assets and liabilities according to their remaining maturities:

The Parent Bank follows up and measures the consistency of payments comparing its assets and liabilities with the interest rates on a daily and transactional basis.

Current Period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Undistributed	Total
Assets								
Cash (cash in TRY, foreign currency cash, money in transit, cheques purchased, precious metals) and balances with the CBRT	146.610.635	207.403.633	475.127	4.932.831	237.600	84.608	1.898	359.746.332
Banks	9.593.882	11.599.576	1.751.145	125.414	245.398	105.688	30.363	23.451.466
Financial assets at fair value through profit and loss	945.800	145.257	2	35.383.800	70.180	10	2.711.272	39.256.321
Money market placements	-	2.051.489	-	-	-	-	-	2.051.489
Financial assets at fair value through other comprehensive income	-	2.760.238	26.203.680	25.900.575	64.791.398	27.392.413	1.300.026	148.348.330
Loans ⁽⁴⁾	9.794.905	115.153.852	255.467.413	235.704.241	576.026.449	162.997.051	20.947.758	1.376.091.669
Financial assets measured at amortised cost	-	47.479.857	26.321.881	49.787.892	166.852.985	187.918.445	-	478.361.060
Other assets ⁽²⁾	2.418.092	7.691.384	4.598.830	4.969.483	6.760.238	599.914	68.552.819	95.590.760
Total assets	169.363.314	394.285.286	314.818.078	356.804.236	814.984.248	379.098.129	93.544.136	2.522.897.427
Liabilities								
Bank deposits	172.742.377	81.272.642	2.451.144	-	-	-	-	256.466.163
Other deposits	427.500.660	820.316.393	334.600.886	189.077.550	8.943.370	1.607.864	-	1.782.046.723
Funds provided from other financial institutions ⁽³⁾	13.885	1.373.061	1.704.848	6.355.707	8.516.977	11.246.334	-	29.210.812
Money market balances	-	122.428.477	168.480	-	3.218.330	-	-	125.815.287
Bonds issued	-	4.691.420	10.942.147	473.717	-	-	-	16.107.284
Miscellaneous Payables	56.114	25.938.455	548.051	2.541.527	10.010.881	51.825	4.352.039	43.498.892
Other liabilities ⁽¹⁾	10.184	16.641.451	1.652.108	35.617.855	6.888.898	40.856.711	168.085.059	269.752.266
Total liabilities	600.323.220	1.072.661.899	352.067.664	234.066.356	37.578.456	53.762.734	172.437.098	2.522.897.427
Liquidity Gap	(430.959.906)	(678.376.613)	(37.249.586)	122.737.880	777.405.792	325.335.395	(78.892.962)	-
Net off-Balance Sheet Position	-	(2.360.195)	(5.597.862)	2.968	-	-	-	(7.955.089)
Derivative Financial Assets	-	170.235.830	78.221.975	3.094.351	21.487.009	28.933.962	-	301.973.127
Derivative Financial Liabilities	-	(172.596.025)	(83.819.837)	(3.091.383)	(21.487.009)	(28.933.962)	-	(309.928.216)
Non-Cash Loans	217.444.606	15.250.421	39.750.275	258.442.850	136.751.428	33.918.080	-	701.557.660
Prior Period								
Total Assets	75.573.556	405.206.042	285.902.128	362.177.555	730.715.866	362.784.899	74.650.505	2.297.010.551
Total Liabilities	548.633.261	973.691.738	315.960.339	245.798.709	37.445.391	9.612.105	165.869.008	2.297.010.551
Liquidity Gap	(473.059.705)	(568.485.696)	(30.058.211)	116.378.846	693.270.475	353.172.794	(91.218.503)	-
Net off-Balance Sheet Position	-	101.097	(1.068.284)	(41.767)	186	-	-	(1.008.768)
Derivative Financial Assets	-	130.073.565	54.805.689	7.162.412	19.649.159	26.564.090	-	238.254.915
Derivative Financial Liabilities	-	(129.972.468)	(55.873.973)	(7.204.179)	(19.648.973)	(26.564.090)	-	(239.263.683)
Non-Cash Loans	198.462.066	19.990.768	42.760.458	191.943.366	130.772.147	30.874.584	-	614.803.389

⁽¹⁾ Shareholders' equity is disclosed in other liabilities line under the undistributed column.

⁽²⁾ Other asset items which are not expected to be converted into cash in short term but required for continuity of banking operations like tangible and intangible assets, office supply inventory, associates and subsidiaries, prepaid expenses are disclosed in other assets under the undistributed column.

⁽³⁾ Funds provided from other financial institutions include borrowings.

⁽⁴⁾ Non-performing loans is disclosed in under the undistributed column.

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V. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (continued)

Net Stable Funding Ratio:

In accordance with the “Regulation on Calculation of Net Stable Funding Ratio of Banks” published by BRSA in the Official Gazette dated 26 May 2023 and numbered 32202, foreign currency (FC) and total (TL+FC) NSFR ratios are calculated by dividing the available stable funding amount by the required stable funding amount. In this context, the Parent Bank is required to cover the portion of equity and liabilities expected to be permanent with assets according to its liquidity capacity and to comply with the legal limits regarding the related ratios. In accordance with the related Regulation, the Net Stable Funding Ratio is calculated on a consolidated and unconsolidated basis on a monthly basis and at the end of three months by taking the simple arithmetic average.

In the relevant period, considering the rates of consideration, deposits of individuals and retail customers constitute 56,78% of the available stable fund amount, while payables to other persons constitute 31,12% of the available stable fund amount. Within the Required Stable Fund amount, performing loans, which has the largest share, constitutes 80,62%.

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V. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (continued)

Net Stable Funding Ratio:

Current Period	a	b	c	d	e	
	Unweighted Amount According to Residual Maturity				Total Weighted Amount	
	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		
Available stable funding						
1	Capital Instruments	161.499.338	-	-	20.728.135	182.227.473
2	Tier 1 Capital and Tier 2 Capital	161.499.338	-	-	20.728.135	182.227.473
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	261.501.634	677.656.572	17.425.058	7.823.740	876.823.688
5	Stable Deposits	58.665.320	116.916.145	996.196	570.043	168.290.319
6	Less Stable Deposits	202.836.314	560.740.427	16.428.862	7.253.697	708.533.369
7	Other Obligations	143.263.734	634.836.197	132.586.003	25.324.722	480.667.690
8	Operational deposits	22.912.332	48.902.978	22.543	-	35.918.927
9	Other Obligations	120.351.402	585.933.219	132.563.460	25.324.722	444.748.763
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities	140.455.947	303.719.143	5.625.240	1.811.705	4.624.325
12	Derivative liabilities			1.778.696		
13	All other equity not included in the above categories	140.455.947	301.940.447	5.625.240	1.811.705	4.624.325
14	Available stable funding					1.544.343.176
Required stable funding						
15	Securities that are not in default and do not qualify as HQLA and exchange-traded equities					30.648.158
16	Assets equivalent to interconnected liabilities	-	-	-	-	-
17	Other Assets	3.775.713	34.257.560	204.362.435	1.040.591.223	913.960.117
18	Physical traded commodities, including gold	7.230	-	-	-	723
19	Initial margin posted or given guarantee fund to central counterparty	2.713.109	10.966.433	381.069	34.732.437	36.974.903
20	Derivative Assets	-	19.753.507	162.998.436	878.126.897	770.801.420
21	Derivative Liabilities before the deduction of the variation margin	-	-	-	334.912.071	217.692.846
22	Other Assets not included above	-	3.537.620	40.982.930	127.731.889	105.286.003
23	Off-balance sheet commitments	-	3.537.620	40.982.930	127.731.889	105.286.003
24	Total Required stable funding	1.055.374	-	-	-	897.068
25	Net Stable Funding Ratio (%)					
26	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	144.299.952	-	-	3.213.665	147.352.679
27	Assets equivalent to interconnected liabilities	-				-
28	Other Assets			1.072.917		911.979
29	Physical traded commodities, including gold			1.962.993		1.962.993
30	Initial margin posted or given guarantee fund to central counterparty			177.755		177.755
31	Derivative Assets	144.299.952	-	-	-	144.299.952
32	Derivative Liabilities before the deduction of the variation margin		835.400.863	-	-	41.770.043
33	Other Assets not included above					1.133.730.997
34	Off-balance sheet commitments					%136,22

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

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

V. EXPLANATIONS ON THE CONSOLIDATED LIQUIDITY RISK, LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO (continued)

Net Stable Funding Ratio:

Prior Period	a	b	c	ç	d	
	Unweighted Amount According to Residual Maturity				Total Weighted Amount	
	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		
Available stable funding						
1	Capital Instruments	154.223.647	-	-	20.115.229	174.338.876
2	Tier 1 Capital and Tier 2 Capital	154.223.647	-	-	20.115.229	174.338.876
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	231.785.523	617.911.549	23.565.753	7.695.295	800.312.363
5	Stable Deposits	51.888.451	95.525.514	1.067.783	519.358	141.551.051
6	Less Stable Deposits	179.897.072	522.386.035	22.497.970	7.175.937	658.761.312
7	Other Obligations	124.250.186	642.891.142	28.187.542	29.715.350	427.379.785
8	Operational deposits	19.088.443	42.676.051	-	-	30.882.247
9	Other Obligations	105.161.743	600.215.091	28.187.542	29.715.350	396.497.538
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	116.002.727	343.694.070	1.759.672	3.865.841	4.745.677
12	Derivative liabilities	-	-	1.156.344	-	-
13	All other equity not included in the above categories	116.002.727	342.537.726	1.759.672	3.865.841	4.745.677
14	Available stable funding					1.406.776.701
Required stable funding						
15	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	-	29.175.486
16	Assets equivalent to interconnected liabilities	-	-	-	-	-
17	Other Assets	3.863.146	32.766.105	220.688.733	968.062.498	857.205.792
18	Physical traded commodities, including gold	7.230	-	-	-	723
19	Initial margin posted or given guarantee fund to central counterparty	1.866	17.009.829	850.428	8.432.386	11.409.354
20	Derivative Assets	2.990.201	13.973.602	178.134.954	833.233.056	741.160.344
21	Derivative Liabilities before the deduction of the variation margin	-	-	-	323.185.661	210.070.680
22	Other Assets not included above	-	1.782.674	41.703.351	126.397.056	103.901.099
23	Off-balance sheet commitments	-	1.782.674	41.703.351	126.397.056	103.901.099
24	Total Required stable funding	863.849	-	-	-	734.272
25	Net Stable Funding Ratio (%)					
26	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	133.989.621	-	-	4.874.890	137.854.425
27	Assets equivalent to interconnected liabilities	-	-	-	-	-
28	Other Assets	-	-	944.378	-	802.924
29	Physical traded commodities, including gold	-	-	3.814.788	-	2.715.367
30	Initial margin posted or given guarantee fund to central counterparty	-	-	115.724	-	346.513
31	Derivative Assets	133.989.621	-	-	-	133.989.621
32	Derivative Liabilities before the deduction of the variation margin	-	589.181.869	-	-	29.459.093
33	Other Assets not included above	-	-	-	-	1.053.694.796
34	Off-balance sheet commitments	-	-	-	-	%133,51

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

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

VI. EXPLANATIONS ON THE CONSOLIDATED LEVERAGE RATIO

	Current Period	Prior Period
Total Assets in The Consolidated Financial Statements Prepared in Accordance with TAS(1)	2.295.623.790	2.010.675.118
The difference between Total Assets in the Consolidated Financial Statements Prepared in Accordance with TAS and the Communiqué on Preparation of Consolidated Financial Statements of Banks(1)	(1.386.761)	(655.785)
The difference between total amount of derivative financial instruments and credit derivatives in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks, and total risk balances of such instruments(2)	253.415.390	235.258.956
The difference between total amount of risk investment securities or commodity collateral financing transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks, and total risk amount of such instruments(2)	34.984.445	57.763.300
The difference between total amount of off-balance sheet transactions in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks, and total risk amount of such items(2)	35.198.443	31.962.390
The other differences between amount of assets in the consolidated financial statements prepared in accordance with the Communiqué on Preparation of Consolidated Financial Statements of Banks, and total risk amount of such items	-	-
Total Risk Amount	3.280.133.041	3.066.839.291

(1) The amounts are represented in the table as of 31 December 2023 and 30 June 2023.

(2) The amounts in the table represent three-month averages.

Leverage ratio calculated according to the article "Regulation Regarding the Measurement and Evaluation of Banks' Leverage Level" published in the Official Gazette No. 28812 dated 5 November 2013 is as follows.

	Current Period ⁽¹⁾	Prior Period ⁽¹⁾
On-Balance Sheet Assets		
1.On-Balance Sheet Assets (Excluding Derivatives and Sfts, but Including Collateral)	2.426.768.355	2.318.931.081
2.Assets That Are Deducted from Core Capital	(20.085.718)	(3.555.151)
3.Total on Balance Sheet Exposures	2.406.682.637	2.315.375.930
Derivative Exposures And Credit Derivatives		
4.Replacement Cost Associated with Derivative Financial Instruments and Credit Derivatives	3.382.705	4.379.017
5.The Potential Amount of Credit Risk with Derivative Financial Instruments and Credit Derivatives	4.782.969	4.298.438
6.The Total Amount of Risk on Derivative Financial Instruments and Credit Derivatives	8.165.674	8.677.455
Investment Securities Or Commodity Collateral Financing Transactions		
7.The Amount of Risk Investment Securities or Commodity Collateral Financing Transactions (Excluding on Balance Sheet Assets)	8.391.073	8.894.016
8.Risk Amount of Exchange Brokerage Operations	-	-
9.Total Risks Related with Securities or Commodity Financing Transactions	8.391.073	8.894.016
Off -Balance Sheet Items		
10.Gross Notional Amount of Off-Balance Sheet Items	892.092.100	765.854.280
11.Adjustments for Conversion to Credit Equivalent Amounts	(35.198.443)	(31.962.390)
12.The Total Risk of Off-Balance Sheet Items	856.893.657	733.891.890
Capital And Total Exposures		
13.Tier 1 Capital	161.499.338	154.223.647
14.Total Exposures	3.280.133.041	3.066.839.291
Leverage Ratio		
15.Leverage Ratio	4,92%	5,03%

(1) The amounts in the table represent three-month averages.

The change in the leverage ratio in the current period is due to the increase in the total risk amount of on-balance sheet and off-balance sheet assets.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

VII. EXPLANATIONS RELATED TO THE CONSOLIDATED BUSINESS SEGMENTATION

The Group's operations are grouped under the corporate, commercial, integrated banking and treasury/investment banking categories.

The Parent Bank is rendering services to a wide range of companies in all sectors, especially to Small and Medium Size Enterprises (SMEs) as well as individual consumers. In this context, the Parent Bank has no restrictions on the area in which it operates.

The Parent Bank categorizes its real and legal entities that it renders services into three groups as; firms, individual customers and other customers.

Firms are composed of traders and small-scale retailers having real and legal entity status. Within the Parent Bank's application, firms are segmented as corporate firms, commercial firms, enterprising business firms, small size enterprises and small-scale retailers.

Individual customers are real persons without having any commercial or professional purposes other than their individual demands in the Parent Bank's application.

Other customers are referred to as associations, organizations, trade unions, foundations, societies, building managements, parent-teacher associations and similar institutions that are not included in the afore-mentioned classification.

The following are the services provided by the Parent Bank to all of its customers:

- Accepting deposits,
- Issuance of cash, noncash loans,
- All kinds of reimbursements and cash receipt operations, including cash and deposit reimbursements, fund transfers, correspondent banking transactions and use of checking accounts,
- Purchasing cheques and bank bills,
- Performing custody services,
- Issuing payment instruments such as; credit cards, cash cards and travel cheques, and performing related transactions,
- Including spot transactions, foreign exchange transactions, trading of money market securities, bullion trading and/or performing the related custody services,
- Trading of forward transaction agreements, option agreements and financial instruments with more than one derivative instrument and performing the related intermediary services based on the economic and financial indicators, capital markets instruments, commodities, precious metals and exchange rates,
- Assuming guarantee transactions such as; warranties and other liabilities in favor of others,
- Having intermediary transactions on Interbank money market transactions,
- Rendering insurance agency transactions and individual pension services,
- Acting as a market maker in trade operations in accordance with liabilities assumed within the context of the agreement organised by the Turkish Treasury and/or Central Bank and associations,
- Trading capital market instruments and performing repurchase and reverse repo transactions,
- Acting as an intermediary in the sale process of capital market instruments by means of issuing instruments or through a public offering,
- Trading the capital market instruments in the secondary market for the purpose of performing intermediary services,
- Acting as an operator in order to provide risk management systems related to technical support and consulting services,
- Providing technical support and consulting services to Bank's subsidiaries,
- Acting as a custodian in order to keep client's assets related to individual portfolio management of portfolio management companies,
- Acting as a portfolio management agency

Under the Treasury transactions, medium and long-term fund provision is performed through securities exchange, money market operations, spot and time TRY and foreign exchange transactions, derivative instruments (such as; forwards, swaps, futures and options), syndication and securitization, etc.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

VII. EXPLANATIONS RELATED TO THE CONSOLIDATED BUSINESS SEGMENTATION (continued)

Details of the segment information prepared in accordance with the Act on “Disclosure of Financial Statements of Banks and The Related Presentations and Notes” as of 31 December 2023 are presented in the table below.

Current Period	Commercial/ Corporate	Integrated	Treasury/ Investment⁽¹⁾	Other⁽¹⁾	Total
1 January -31 March 2024					
OPERATING INCOME / EXPENSES					
Interest Income	25.587.534	59.333.217	52.440.401	1.767.672	139.128.824
<i>Interest on Loans</i>	25.565.750	58.771.267	5.962.303	-	90.299.320
<i>Interest Income on Marketable Securities</i>	-	430.993	40.754.848	-	41.185.841
<i>Interest Received from Banks</i>	-	-	1.283.458	23.883	1.307.341
<i>Other Interest Income</i>	21.784	130.957	4.439.792	1.743.789	6.336.322
Interest Expense	39.842.951	66.188.631	17.663.112	924.178	124.618.872
<i>Interest on Deposits</i>	39.818.191	65.291.528	3.825.436	-	108.935.155
<i>Interest on Borrowings</i>	12.739	63.849	564.267	283.931	924.786
<i>Interest on Money Market Borrowings</i>	-	280.380	10.264.494	590.180	11.135.054
<i>Interest on Marketable Bonds Issued</i>	-	-	2.351.608	49.455	2.401.063
<i>Other Interest Expense</i>	12.021	552.874	657.307	612	1.222.814
Net Interest Income	(14.255.417)	(6.855.414)	34.777.289	843.494	14.509.952
Net Fees and Commissions Income	1.861.537	4.429.153	2.364.124	28.072	8.682.886
Net Trading Profit / (Loss)	33.128	3.697.282	(15.176.452)	1.958	(11.444.084)
Dividend Income	-	-	-	-	-
Other Income	127.716	868.532	5.078.230	82.259	6.156.737
Expected Loss Provisions	80.147	689.760	5.324.144	44.568	6.138.619
Other Expenses	283.165	6.010.789	10.541.303	144.752	16.980.009
Income Before Taxes	(12.596.348)	(4.560.996)	11.177.744	766.463	(5.213.137)
Income Tax Provision	-	-	10.913.595	(90.997)	10.822.598
Net Profit For The Period	(12.596.348)	(4.560.996)	22.091.339	675.466	5.609.461

SEGMENT ASSETS

31 March 2024

Marketable Securities ⁽²⁾	-	30.587.366	635.313.282	1.107	665.901.755
Derivative Financial Assets Held for Trading	-	398.165	2.019.277	-	2.417.442
Banks and Money Market Receivables ⁽²⁾	-	80.750	24.646.871	762.291	25.489.912
Associates and Subsidiaries (Net)	-	-	3.075.003	-	3.075.003
Loans ⁽²⁾	433.610.264	832.962.677	57.810.312	-	1.324.383.253
Other Assets ⁽²⁾	3.061.950	19.409.747	455.365.131	23.793.234	501.630.062
TOTAL ASSETS	436.672.214	883.438.705	1.178.229.876	24.556.632	2.522.897.427

SEGMENT LIABILITIES

31 March 2024

Deposits	600.137.122	1.164.726.006	273.649.758	-	2.038.512.886
Derivative Financial Liabilities	-	541.573	2.170.037	-	2.711.610
Money Market Balances	-	14.305.140	104.764.788	6.745.359	125.815.287
Borrowing Funding Loans	485.539	1.322.880	23.742.871	3.659.522	29.210.812
Bonds Issued	-	-	11.718.466	4.388.818	16.107.284
Other Liabilities	8.992.078	31.152.392	101.022.720	584.887	141.752.077
Provisions and Tax Payable	858.672	1.925.796	17.501.308	320.414	20.606.190
Shareholders' Equity	(12.596.348)	(4.560.996)	162.818.141	2.520.484	148.181.281
TOTAL LIABILITIES	597.877.063	1.209.412.791	697.388.089	18.219.484	2.522.897.427

OFF-BALANCE SHEET ITEMS

31 March 2024

Guarantees and Sureties	343.611.281	264.090.934	93.855.445	-	701.557.660
Commitments	3.082.693	68.516.381	168.995.972	1.220	240.596.266
Derivative Financial Instruments	-	67.471.690	544.429.653	-	611.901.343
TOTAL OFF-BALANCE SHEET ITEMS	346.693.974	400.079.005	807.281.070	1.220	1.554.055.269

⁽¹⁾ Amounts arising from transactions of general directorate and Halk Yatırım Menkul Değerler AŞ, Halk Gayrimenkul Yatırım Ortaklığı AŞ, Halk Banka AD Beograd, and Halk Banka AD, Skopje transactions are presented under the Treasury / Investment column, Halk Finansal Kiralama AŞ, Halk Faktoring AŞ and Halk Varlık Kiralama AŞ activities presented under the Other column.

⁽²⁾ TFRS 9 Expected Credit Loss provisions are presented in related lines.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

VII. EXPLANATIONS RELATED TO THE CONSOLIDATED BUSINESS SEGMENTATION (continued)

Prior Period	Commercial/ Corporate	Integrated	Treasury/ Investment ⁽¹⁾	Other ⁽¹⁾	Total
1 January -31 March 2023					
OPERATING INCOME / EXPENSES					
Interest Income	8.198.557	19.693.212	21.521.593	576.441	49.989.803
<i>Interest on Loans</i>	8.064.950	19.406.120	765.649	-	28.236.719
<i>Interest Income on Marketable Securities</i>	-	251.419	20.349.398	-	20.600.817
<i>Interest Received from Banks</i>	-	-	201.613	2.161	203.774
<i>Other Interest Income</i>	133.607	35.673	204.933	574.280	948.493
Interest Expense	13.395.827	16.384.309	3.286.302	154.376	33.220.814
<i>Interest on Deposits</i>	13.308.393	16.018.033	214.671	-	29.541.097
<i>Interest on Borrowings</i>	6.256	13.022	127.837	63.714	210.829
<i>Interest on Money Market Borrowings</i>	-	138.825	1.234.924	67.139	1.440.888
<i>Interest on Marketable Bonds Issued</i>	-	-	1.197.326	23.242	1.220.568
<i>Other Interest Expense</i>	81.178	214.429	511.544	281	807.432
Net Interest Income	(5.197.270)	3.308.903	18.235.291	422.065	16.768.989
Net Fees and Commissions Income	1.050.257	1.764.749	488.670	11.530	3.315.206
Net Trading Profit / (Loss)	540.728	891.412	(1.700.206)	9.072	(258.994)
Dividend Income	-	-	852	-	852
Other Income	82.464	582.808	2.103.693	34.945	2.803.910
Expected Loss Provisions	64.257	557.577	589.723	22.413	1.233.970
Other Expenses	136.197	3.187.876	12.713.676	93.030	16.130.779
Income Before Taxes	(3.724.275)	2.802.419	5.824.901	362.169	5.265.214
Income Tax Provision	-	-	(506.937)	(49.550)	(556.487)
Net Profit For The Period	(3.724.275)	2.802.419	5.317.964	312.619	4.708.727

SEGMENT ASSETS

31 December 2023

Marketable Securities ⁽²⁾	-	28.088.605	566.216.977	1.107	594.306.689
Derivative Financial Assets Held for Trading	-	210.860	3.577.519	-	3.788.379
Banks and Money Market Receivables ⁽²⁾	-	5.893.869	19.649.812	416.165	25.959.846
Associates and Subsidiaries (Net)	-	-	3.431.387	-	3.431.387
Loans ⁽²⁾	410.323.838	800.166.237	54.360.416	-	1.264.850.491
Other Assets ⁽²⁾	3.315.461	18.606.383	357.925.850	24.826.065	404.673.759
TOTAL ASSETS	413.639.299	852.965.954	1.005.161.961	25.243.337	2.297.010.551

SEGMENT LIABILITIES

31 December 2023

Deposits	623.625.955	1.078.753.727	228.501.934	-	1.930.881.616
Derivative Financial Liabilities	-	355.768	539.489	-	895.257
Money Market Balances	-	13.608.772	9.900.109	4.915.880	28.424.761
Borrowing Funding Loans	326.900	836.089	19.686.220	2.807.910	23.657.119
Bonds Issued	-	-	10.207.685	6.943.504	17.151.189
Other Liabilities	8.375.014	28.674.887	96.730.189	856.788	134.636.878
Provisions and Tax Payable	939.984	1.702.661	15.655.039	151.104	18.448.788
Shareholders' Equity	(37.551.222)	6.712.529	171.601.622	2.152.014	142.914.943
TOTAL LIABILITIES	595.716.631	1.130.644.433	552.822.287	17.827.200	2.297.010.551

OFF-BALANCE SHEET ITEMS

31 December 2023

Guarantees and Sureties	302.220.877	224.465.364	88.117.148	-	614.803.389
Commitments	2.349.185	49.970.528	147.054.529	25	199.374.267
Derivative Financial Instruments	-	59.844.491	417.674.107	-	477.518.598
TOTAL OFF-BALANCE SHEET ITEMS	304.570.062	334.280.383	652.845.784	25	1.291.696.254

⁽¹⁾ Amounts arising from transactions of general directorate and Halk Yatırım Menkul Değerler AŞ, Halk Gayrimenkul Yatırım Ortaklığı AŞ, Halk Banka AD Beograd, and Halk Banka AD, Skopje transactions are presented under the Treasury / Investment column, Halk Finansal Kiralama AŞ, Halk Faktoring AŞ and Halk Varlık Kiralama AŞ activities presented under the Other column.

⁽²⁾ TFRS 9 Expected Credit Loss provisions are presented in related lines.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

VIII. EXPLANATIONS ON THE CONSOLIDATED RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS

Explanations Related To Risk Management

The Parent Bank's business model creates a comprehensive risk profile that includes all units of the Bank. Credit risk is a key component of the risk profile. The Parent Bank effectively implements risk management policies and procedures for loan and other risks which is determined within the framework of risk capacity and appetite and approved by board of directors. Risk appetite and capacity, which are directly related to the Parent Bank's strategic objectives, are limited by legal rates therefore the Parent Bank associated with them.

Regarding the risk management structure; The Internal Audit Department, Internal Control Department and Risk Management Department, which are units within the scope of internal systems, carry out their activities in accordance with the Regulation on Internal Systems of Banks and the Internal Capital Adequacy Assessment Process published in the Official Gazette No. 29057 dated 11 July 2014 and subject to the Board of Directors through the Audit Committee.

The structure of the internal systems determines the level of risk by identifying the risks that the bank is exposed to. The Department of Compliance, another unit within the scope of internal systems, performs the compliance function of the Parent Bank's activities regarding MASAK and Anti-Money Laundering and Prevention of Terrorist Financing.

In this direction, the relevant units are responsible for monitoring, controlling and reporting risks, limited to their areas of responsibility. Outside of internal systems, Top Management is directly responsible to the Board of Directors for the risks to which the Parent Bank is exposed in relation to its duties.

The Parent Bank is using information technologies and training documents openly and effectively for the dissemination and application of risk culture, and the development of bank staff is supported in line with this goal with face to face learning and e-learning. In addition, all personnel are regularly informed and aware of the risks that the Parent Bank is exposed to.

Risk measurement systems are based on accepted risk models and workflows for the identification, monitoring and reporting of risks in accordance with legislation. Methods and software that are in line with international standards are used for risk groups such as credit, market, operational and counterparty credit risk etc.

Within the scope of risk management activities, regular reporting and presentations are made by related units to the board of directors, asset-liability and audit committees and to the other committees, in order to manage the risks that the Parent Bank is exposed to more effectively, to support the decision making processes related to them, to create new strategies and policies.

The Parent Bank reports to the BRSA by applying the stress tests determined in accordance with the Internal Capital Adequacy Assessment Process (ICAAP). In addition, stress tests are carried out in line with the scenarios created by the risks exposed and the macroeconomic conditions. This test which is made by applying shocks for various risk factors, shows the results on risk weighted assets, own funds and capital adequacy ratio.

The Parent Bank monitors its effectiveness by closely monitoring the processes of managing and reducing the risks arising from the business model. The Parent Bank regularly revises the strategies it has established regarding these processes in line with the existing conditions and sets policies.

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SECTION IV: INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE GROUP (continued)

VIII. EXPLANATIONS ON THE CONSOLIDATED RISK MANAGEMENT AND RISK WEIGHTED AMOUNTS (continued)

Overview of Risk Weighted Amounts (*):

		Risk Weighted Amounts		Minimum Capital Requirements	
		Current Period	Prior Period	Current Period	Prior Period
1	Credit risk (excluding counterparty credit risk) (CCR) (**)	1.180.237.035	1.101.003.969	94.418.963	88.080.318
2	Standardized approach (SA)	1.180.237.035	1.101.003.969	94.418.963	88.080.318
3	Internal rating-based (IRB) approach	-	-	-	-
4	Counterparty credit risk (**)	11.795.729	4.963.190	943.658	397.055
5	Standardized approach for counterparty credit risk (SA-CCR)	11.795.729	4.963.190	943.658	397.055
6	Internal model method (IMM)	-	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-	-
8	Investments made in collective investment companies look-through approach	-	-	-	-
9	Investments made in collective investment companies mandate-based approach	-	-	-	-
10	Investments made in collective investment companies 1250% weighted risk approach	-	-	-	-
11	Settlement risk	-	-	-	-
12	Securitization positions in banking accounts	-	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-	-
16	Market risk	102.642.138	80.959.663	8.211.371	6.476.773
17	Standardized approach (SA)	102.642.138	80.959.663	8.211.371	6.476.773
18	Internal model approaches (IMM)	-	-	-	-
19	Operational Risk	95.339.232	69.046.409	7.627.139	5.523.713
20	Basic Indicator Approach	95.339.232	69.046.409	7.627.139	5.523.713
21	Standard Approach	-	-	-	-
22	Advanced measurement approach	-	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	6.287.345	4.566.390	502.988	365.311
24	Floor adjustment	-	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	1.396.301.479	1.260.539.621	111.704.119	100.843.170

(*) Amounts below the thresholds for deductions from capital are excluded from credit risk standard approach of RWA amount.

(**) In accordance with the Board Decision dated 12 December 2023 published by the BRSA, Central Bank foreign exchange buying rates of 26 June 2023 were used in the calculation of the amount subject to credit risk.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS

(1) Cash and Central Bank of the Republic of Türkiye and information on balances with the Central Bank of the Republic of Türkiye:

a) Cash and Central Bank of the Republic of Türkiye:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash and foreign currency	3.777.437	8.826.857	4.289.339	10.468.117
CBRT	128.088.541	210.690.872	53.596.694	205.682.361
Other ⁽¹⁾	533.823	7.828.802	497.426	7.330.639
Total	132.399.801	227.346.531	58.383.459	223.481.117

⁽¹⁾ It includes the reserve requirement held by the Central Bank of Macedonia, Central Bank of Serbia and the Central Bank of TRNC.

b) Information on balances with the Central Bank of the Republic of Türkiye:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Demand unrestricted amount ⁽¹⁾	58.875.562	68.408.756	33.994.689	77.575.337
Time unrestricted amount	-	-	-	-
Time restricted amount	-	-	-	-
Other ⁽²⁾	69.212.979	142.282.116	19.602.005	128.107.024
Total	128.088.541	210.690.872	53.596.694	205.682.361

⁽¹⁾ Reserve deposits kept in CBRT.

⁽²⁾ Blocked reserve deposits amounts held in the CBRT is included in the Other.

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% (31 December 2023: 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% (31 December 2023: between 5%-30%) varied according to their maturity compositions.

In addition, an additional reserve requirement of 8% (31 December 2023: 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.

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".

With the decision No.1072 dated 27 December 2019 of the Central Bank of the TRNC, reserve requirement ratio is applied between 5% to 8% (31 December 2023: between 5%-8%) for the Turkish currency and foreign currency liabilities. With the Board of Directors decisions of the Central Bank of Macedonia, reserve requirement ratio is 5% for MKD currency liabilities, 21% for foreign currency liabilities and 100% for foreign indexed liabilities. According to the Official Gazette of Serbia No. 76/2018 and 77/2023 of the Central Bank of Serbia, banks maintain reserve requirement of 7% for short term liabilities with maturities less than two years and 2% for long term liabilities with maturities more than two years, 23% for short term foreign currency liabilities with maturities less than two years and 16% for long term foreign liabilities with maturities more than two years and 100% for foreign currency index liabilities.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(2) Financial assets at fair value through profit and loss:

a) Financial assets at fair value through profit and loss blocked/given as collateral:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Given as collateral/blocked securities	35.365.679	-	35.365.679	-

b) Financial assets at fair value through profit and loss subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Subject to repurchase agreements securities	66.873	-	-	-

c) Positive differences related to the derivative financial assets at fair value through profit or loss:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward transactions	-	842.837	-	217.434
Swap transactions	485.689	1.088.266	111.974	3.457.164
Futures transactions	-	-	-	-
Options	-	650	-	1.807
Other	-	-	-	-
Total	485.689	1.931.753	111.974	3.676.405

(3) Information on banks and other financial institutions:

a) Information on banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic banks	5.016.302	653.268	4.098.608	454.931
Foreign banks	2.932.239	14.849.657	2.662.766	15.865.703
Branches and offices abroad	-	-	-	-
Total	7.948.541	15.502.925	6.761.374	16.320.634

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

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

- a) Financial assets at fair value through other comprehensive income subject to repurchase agreements or blocked/given as collateral

- a.1. Information on financial assets at fair value through other comprehensive income and blocked/given as collateral:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Given as collateral/blocked securities	20.134.409	19.390.845	20.256.072	23.212.908

- a.2. Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Subject to repurchase agreements securities	-	-	-	4.944.135

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Debt securities	148.980.492		124.444.757	
<i>Quoted on a stock exchange</i>	142.225.467		118.790.703	
<i>Not quoted</i>	6.755.025		5.654.054	
Equity Securities	1.317.308		1.148.083	
<i>Quoted on a stock exchange</i>	1.194.425		1.026.538	
<i>Not quoted</i>	122.883		121.545	
Impairment provision (-)	1.949.470		1.561.906	
Total	148.348.330		124.030.934	

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(5) Information on loans:

a) Information on all types of loans and advances given to shareholders and employees of the Group^(*):

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	-	-	-	-
<i>Corporate shareholders</i>	-	-	-	-
<i>Real person shareholders</i>	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	4.052.552	-	3.215.182	-
Total	4.052.552	-	3.215.182	-

^(*) Interest income accruals and discounts are not included in the table above.

b) Information on the first and second group loans including loans that have been restructured or rescheduled:

	Cash Loans	Standard Loans	Loans Under Close Monitoring		
			Loans Not Subject to Restructuring	Restructured Loans	
				Loans with Revised Contract Terms	Refinance
Non-specialized loans	983.939.811	41.871.876	108.522	39.646.961	
<i>Corporation loans</i>	554.145.729	30.831.512	83.074	39.642.718	
<i>Export loans</i>	53.900.654	842.385	-	-	
<i>Import loans</i>	-	-	-	-	
<i>Loans given to financial sector</i>	16.356.239	-	-	-	
<i>Consumer loan</i>	151.086.424	1.625.944	20.533	3.706	
<i>Credit cards</i>	72.224.227	4.065.002	4.915	-	
<i>Other</i>	136.226.538	4.507.033	-	537	
Specialized lending	246.036.483	6.564.444	-	-	
Other receivables	-	-	-	-	
Accruals	32.684.499	1.832.485	3.567	2.455.263	
Total	1.262.660.793	50.268.805	112.089	42.102.224	

	Standard Loans		Loans Under Close Monitoring	
	Current Period	Prior Period	Current Period	Prior Period
12 Months Expected Loss Provision	12.309.429	11.188.617	-	-
Significant Increase in Credit Risk	-	-	23.264.121	22.407.362

In the current period, the increase in the Group's Stage 1 and Stage 2 Expected Loss Provision balances is partially due to the increase in the risk levels of customers.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(5) Information on loans (continued) :

c) Information on consumer loans, individual credit cards, personnel loans and credit cards^(*):

Current Period	Short-term	Medium and long-term	Total
Consumer loans-TRY	3.835.294	120.618.220	124.453.514
<i>Real estate loans</i>	7.150	94.756.539	94.763.689
<i>Automobile loans</i>	217.221	7.793.076	8.010.297
<i>Consumer loans</i>	3.610.923	18.068.605	21.679.528
<i>Other</i>	-	-	-
Consumer loans- Indexed to FC	-	2.650.400	2.650.400
<i>Real estate loans</i>	-	2.500.079	2.500.079
<i>Automobile loans</i>	-	26.236	26.236
<i>Consumer loans</i>	-	124.085	124.085
<i>Other</i>	-	-	-
Consumer loans- FC	55.636	16.685.765	16.741.401
<i>Real estate loans</i>	1.613	5.329.997	5.331.610
<i>Automobile loans</i>	473	15.784	16.257
<i>Consumer loans</i>	46.889	11.327.050	11.373.939
<i>Other</i>	6.661	12.934	19.595
Individual credit cards-TRY	29.439.314	2.233	29.441.547
<i>Installment</i>	8.876.801	2.233	8.879.034
<i>Non-installment</i>	20.562.513	-	20.562.513
Individual credit cards-FC	6.019	713.260	719.279
<i>Installment</i>	-	668.018	668.018
<i>Non-installment</i>	6.019	45.242	51.261
Personnel loans-TRY	1.426.813	931.187	2.358.000
<i>Real estate loans</i>	-	-	-
<i>Automobile loans</i>	-	-	-
<i>Consumer loans</i>	1.426.813	931.187	2.358.000
<i>Other</i>	-	-	-
Personnel loans-Indexed to FC	-	143.102	143.102
<i>Real estate loans</i>	-	140.146	140.146
<i>Automobile loans</i>	-	155	155
<i>Consumer loans</i>	-	2.801	2.801
<i>Other</i>	-	-	-
Personnel loans-FC	1.763	345.158	346.921
<i>Real estate loans</i>	413	176.891	177.304
<i>Automobile loans</i>	-	-	-
<i>Consumer loans</i>	1.333	168.062	169.395
<i>Other</i>	17	205	222
Personnel credit cards-TRY	955.907	-	955.907
<i>Installment</i>	289.657	-	289.657
<i>Non-installment</i>	666.250	-	666.250
Personnel credit cards-FC	628	17.370	17.998
<i>Installment</i>	-	-	-
<i>Non-installment</i>	628	17.370	17.998
Overdraft accounts-TRY (Retail customers) ^(**)	5.479.413	-	5.479.413
Overdraft accounts-FC (Retail customers) ^(***)	493.041	70.815	563.856
Total	41.693.828	142.177.510	183.871.338

^(*) Interest income accruals and rediscounts are not included in the table above.

^(**) TRY 174.027 of the overdraft account consists of loans given to personnel.

^(***) TRY 4.538 of the overdraft account consists of loans given to personnel.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(5) Information on loans: (continued)

c) Information on consumer loans, individual credit cards, personnel loans and credit cards^(*): (continued)

Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TRY	2.010.516	127.880.421	129.890.937
<i>Real estate loans</i>	12.963	98.096.528	98.109.491
<i>Automobile loans</i>	281.228	8.726.361	9.007.589
<i>Consumer loans</i>	1.716.325	21.057.532	22.773.857
<i>Other</i>	-	-	-
Consumer loans- Indexed to FC	2.844	2.500.483	2.503.327
<i>Real estate loans</i>	-	2.358.509	2.358.509
<i>Automobile loans</i>	-	26.649	26.649
<i>Consumer loans</i>	2.844	115.325	118.169
<i>Other</i>	-	-	-
Consumer loans- FC	51.878	15.144.299	15.196.177
<i>Real estate loans</i>	2.098	4.833.846	4.835.944
<i>Automobile loans</i>	-	17.879	17.879
<i>Consumer loans</i>	42.717	10.275.241	10.317.958
<i>Other</i>	7.063	17.333	24.396
Individual credit cards-TRY	26.125.697	1.732	26.127.429
<i>Installment</i>	8.125.143	1.732	8.126.875
<i>Non-installment</i>	18.000.554	-	18.000.554
Individual credit cards-FC	5.617	681.464	687.081
<i>Installment</i>	-	640.945	640.945
<i>Non-installment</i>	5.617	40.519	46.136
Personnel loans-TRY	728.632	1.063.120	1.791.752
<i>Real estate loans</i>	-	-	-
<i>Automobile loans</i>	-	-	-
<i>Consumer loans</i>	728.632	1.063.120	1.791.752
<i>Other</i>	-	-	-
Personnel loans-Indexed to FC	201	133.440	133.641
<i>Real estate loans</i>	-	130.704	130.704
<i>Automobile loans</i>	-	167	167
<i>Consumer loans</i>	201	2.569	2.770
<i>Other</i>	-	-	-
Personnel loans-FC	2.473	308.217	310.690
<i>Real estate loans</i>	573	166.689	167.262
<i>Automobile loans</i>	-	-	-
<i>Consumer loans</i>	1.875	141.337	143.212
<i>Other</i>	25	191	216
Personnel credit cards-TRY	784.037	-	784.037
<i>Installment</i>	238.332	-	238.332
<i>Non-installment</i>	545.705	-	545.705
Personnel credit cards-FC	345	16.152	16.497
<i>Installment</i>	-	-	-
<i>Non-installment</i>	345	16.152	16.497
Overdraft accounts-TRY (Retail customers) ^(**)	4.388.114	-	4.388.114
Overdraft accounts-FC (Retail customers) ^(***)	429.492	49.783	479.275
Total	34.529.846	147.779.111	182.308.957

(*) Interest income accruals and rediscounts are not included in the table above.

(**) TRY 67.951 of the overdraft account consists of loans given to personnel.

(***) TRY 2.583 of the overdraft account consists of loans given to personnel.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(5) Information on loans: (continued)

d) Information on commercial installments loans and corporate credit cards^(*):

Current Period	Short-term	Medium and long-term	Total
Commercial installment loans-TRY	5.530.207	112.117.960	117.648.167
<i>Business premises loans</i>	-	1.815.932	1.815.932
<i>Automobile loans</i>	77.084	3.122.340	3.199.424
<i>Consumer loans</i>	5.453.123	107.179.688	112.632.811
<i>Other</i>	-	-	-
Commercial installment loans- Indexed to FC	1.221.760	6.679.543	7.901.303
<i>Business premises loans</i>	-	-	-
<i>Automobile loans</i>	-	-	-
<i>Consumer loans</i>	-	-	-
<i>Other</i>	1.221.760	6.679.543	7.901.303
Commercial installment loans - FC	5.989.586	131.800.506	137.790.092
<i>Business premises loans</i>	-	-	-
<i>Automobile loans</i>	-	-	-
<i>Consumer loans</i>	835.311	109.834.746	110.670.057
<i>Other</i>	5.154.275	21.965.760	27.120.035
Corporate credit cards-TRY	45.101.596	2.618	45.104.214
<i>Installment</i>	10.355.081	2.618	10.357.699
<i>Non-installment</i>	34.746.515	-	34.746.515
Corporate credit cards-FC	2.710	52.489	55.199
<i>Installment</i>	-	21.459	21.459
<i>Non-installment</i>	2.710	31.030	33.740
Overdraft accounts-TRY (Commercial customers)	34.109.788	-	34.109.788
Overdraft accounts-FC (Commercial customers)	210.284	23.456	233.740
Total	92.165.931	250.676.572	342.842.503

^(*)Interest income accruals and rediscounts are not included in the table above.

Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TRY	3.175.418	111.713.786	114.889.204
<i>Business premises loans</i>	-	1.901.337	1.901.337
<i>Automobile loans</i>	58.723	3.396.028	3.454.751
<i>Consumer loans</i>	3.116.695	106.416.421	109.533.116
<i>Other</i>	-	-	-
Commercial installment loans- Indexed to FC	1.235.677	6.473.822	7.709.499
<i>Business premises loans</i>	-	-	-
<i>Automobile loans</i>	-	-	-
<i>Consumer loans</i>	-	-	-
<i>Other</i>	1.235.677	6.473.822	7.709.499
Commercial installment loans - FC	5.644.627	124.013.531	129.658.158
<i>Business premises loans</i>	-	-	-
<i>Automobile loans</i>	-	-	-
<i>Consumer loans</i>	829.626	102.714.709	103.544.335
<i>Other</i>	4.815.001	21.298.822	26.113.823
Corporate credit cards-TRY	40.953.118	-	40.953.118
<i>Installment</i>	9.884.615	-	9.884.615
<i>Non-installment</i>	31.068.503	-	31.068.503
Corporate credit cards-FC	3.003	45.406	48.409
<i>Installment</i>	-	19.869	19.869
<i>Non-installment</i>	3.003	25.537	28.540
Overdraft accounts-TRY (Commercial customers)	30.098.995	-	30.098.995
Overdraft accounts-FC (Commercial customers)	178.566	-	178.566
Total	81.289.404	242.246.545	323.535.949

^(*)Interest income accruals and rediscounts are not included in the table above.

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I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(5) Information on loans: (continued)

e) Domestic and foreign loans^(*):

	Current Period	Prior Period
Domestic loans	1.293.895.411	1.236.577.241
Foreign loans	61.248.500	58.018.408
Total	1.355.143.911	1.294.595.649

^(*) Non-performing loans balance is not included in the table above.

f) Loans granted to subsidiaries and associates:

None. (31 December 2023: None.)

g) Specific provisions related to loans or credit-impaired losses (Stage III):

	Current Period	Prior Period
Loans with Limited Collectability	976.816	726.343
Loans with Doubtful Collectability	693.651	1.041.753
Uncollectible Loans	14.464.399	14.077.034
Total	16.134.866	15.845.130

The increase in the expected credit loss provision balance allocated for stage 3 loans is caused by the result of the the increase in risk amount in the current period.

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

h.1. Information on non-performing loans and restructured loans^(*):

	III. Group	IV. Group	V. Group
	Loans with	Loans with	Uncollectible
	Limited	Doubtful	Loans
	Collectability	Collectability	
Current period			
Gross amounts before the specific provisions	484.470	234.092	741.961
<i>Restructured loans</i>	<i>484.470</i>	<i>234.092</i>	<i>741.961</i>
Prior period			
Gross amounts before the specific provisions	426.539	211.066	848.735
<i>Restructured loans</i>	<i>426.539</i>	<i>211.066</i>	<i>848.735</i>

^(*) Rediscounts are not included.

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I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(5) Information on loans: (continued)

h) Information on non-performing loans (Net): (continued)

h.2. Information on the movement of non-performing loans:

	III. Group	IV. Group	V. Group
Current Period	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current period end balance	1.876.192	2.410.598	15.409.161
Additions (+)	2.354.253	204.138	154.240
Transfers from other categories of loans under non-performing (+)	-	902.386	1.717.365
Transfers to other categories of loans under non-performing (-)	979.680	1.640.071	-
Collections (-) ^(*)	380.525	207.080	639.007
Write-offs (-)	987	31.273	35.264
Sold (-)	-	-	166.688
<i>Corporate and Commercial Loans</i>	-	-	61.243
<i>Consumer Loans</i>	-	-	66.232
<i>Credit Cards</i>	-	-	39.213
<i>Other</i>	-	-	-
Current period end balance	2.869.253	1.638.698	16.439.807
Provision (-)	976.816	693.651	14.464.399
Net balance on balance sheet	1.892.437	945.047	1.975.408
Prior Period			
Prior period end balance	3.584.387	3.374.825	12.093.699
Additions (+)	5.843.150	254.504	730.899
Transfers from other categories of loans under non-performing (+)	-	4.373.828	5.977.294
Transfers to other categories of loans under non-performing (-)	5.848.266	4.502.856	-
Collections (-) ^(*)	1.702.864	1.089.006	3.271.186
Write-offs (-)	215	697	117.914
Sold (-)	-	-	3.631
<i>Corporate and Commercial Loans</i>	-	-	3.631
<i>Consumer Loans</i>	-	-	-
<i>Credit Cards</i>	-	-	-
<i>Other</i>	-	-	-
Current period end balance	1.876.192	2.410.598	15.409.161
Provision (-)	726.343	1.041.753	14.077.034
Net balance on balance sheet	1.149.849	1.368.845	1.332.127

^(*) It also includes loan balances structured in non-performing loans and transferred to performing loan accounts during the period, as they meet the necessary conditions within the scope of the relevant articles of the Regulation of Allowance.

h.3. Information on foreign currency non-performing loans and other receivables^(*):

	III. Group	IV. Group	V. Group
Current period	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Balance at the end of the period	665.545	382.836	6.093.980
Provisions(-)	215.430	195.053	5.202.154
Net balance in the balance sheet	450.115	187.783	891.826
Prior period			
Balance at the end of the period	318.674	1.431.821	4.886.487
Provisions(-)	152.459	618.442	4.586.619
Net balance in the balance sheet	166.215	813.379	299.868

^(*) Rediscounts are included.

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I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(5) Information on loans: (continued)

h) Information on non-performing loans (Net): (continued)

h.4. Gross and net amounts of non-performing loans according to user groups:

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current period (Net)	1.892.437	945.047	1.975.408
Loans to granted real persons and legal entities (Gross)	2.869.253	1.638.698	16.439.807
Provisions (-)	976.816	693.651	14.464.399
Loans to granted real persons and legal entities (Net)	1.892.437	945.047	1.975.408
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provisions (-)	-	-	-
Other loans (Net)	-	-	-
Prior period (Net)	1.149.849	1.368.845	1.332.127
Loans to granted real persons and legal entities (Gross)	1.876.192	2.410.598	15.409.161
Specific provisions (-)	726.343	1.041.753	14.077.034
Loans to granted real persons and legal entities (Net)	1.149.849	1.368.845	1.332.127
Banks (Gross)	-	-	-
Provisions (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provisions (-)	-	-	-
Other loans (Net)	-	-	-

i) Information on interest accruals, discounts and valuation differences calculated for non-performing loans and their provisions:

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	4.335	689	24.500
Interest Accruals and Valuation Differences	14.978	17.469	1.746.500
Provision (-)	10.643	16.780	1.722.000
Prior Period (Net)	1.428	687	1.788
Interest Accruals and Valuation Differences	10.934	10.909	1.636.765
Provision (-)	9.506	10.222	1.634.977

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(5) Information on loans: (continued)

j) Main guidelines of the liquidation policy of the Bank about the uncollectible loans and receivables:

The Parent Bank liquidates its uncollectible receivables through different methods. These are by making payment protocols and by presenting adequate repayment schedules for the lower amount of receivables. Within the context of this collection policy, nonperforming loans are collected in considerable amounts. Collections are firstly offset against lawsuits and expenses, interest and principle receivables from loans.

k) Explanations on write-off policy:

In the current period, the Group has written off non-performing loans amounting to TRY 67.524 on the grounds due to the lack of expectation, and also sold non-performing loans amounting to TRY 166.688, resulting in a decrease in the Group non-performing loan ratio from 1,54% to 1,52% after the write-off and sale of non-performing loans. (In the previous period, the Group wrote off non-performing loan amounting to TRY 118.826 on the grounds due to lack of expectation and this issue has no effect on the non-performing loan ratio).

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I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(6) Information on financial assets measured at amortised cost:

a) Information on financial assets measured at amortised cost blocked/given as collateral or subject to repurchase agreement transactions are explained comparatively with net value:

a.1. Financial assets measured at amortised cost blocked/given as collateral:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Given as collateral/blocked Securities	101.602.391	122.369.482	95.046.847	108.040.493

a.2. Financial assets measured at amortised cost subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Subject to repurchase agreements securities	79.723.350	29.747.736	98.930	27.149.917

b) Information on public sector debt investments financial assets measured at amortised cost:

	Current Period		Prior Period	
	Government bonds	469.879.426		422.621.902
Treasury bills	206.564		194.008	
Other public sector debt securities	5.887.959		5.549.406	
Total	475.973.949		428.365.316	

c) Information on financial assets measured at amortised cost:

	Current Period		Prior Period	
	Debt securities	478.361.060		430.757.449
<i>Quoted on a stock exchange</i>	440.684.008		400.572.218	
<i>Not quoted</i>	37.677.052		30.185.231	
Impairment provision (-)	-		-	
Total	478.361.060		430.757.449	

d) Movement of financial assets measured at amortised cost within the year:

	Current Period		Prior Period	
	Beginning balance	430.757.449		241.455.259
Foreign currency differences on monetary assets	14.288.091		44.592.284	
Purchases during the year ⁽¹⁾	55.397.538		157.182.980	
Disposals through sales and redemptions	(22.082.018)		(12.473.074)	
Impairment provision (-)	-		-	
Balance at the end of the period	478.361.060		430.757.449	

⁽¹⁾ The difference between the discount amount of TRY 158.530.835 as of 31 March 2024 and the amount of discount amount of TRY 136.706.869 as of 31 December 2023 (31 December 2022: TRY 67.406.334) is shown in the line disposed by purchases during the year.

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I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(7) Information on associates (Net):

a) The reasons behind unconsolidated associates being out of consolidation scope:

In accordance with the Communiqué on the Preparation of Consolidated Financial Statements of Banks, associates that are financial institutions are included in the consolidation, associates that are non-financial institutions are not included in the scope of consolidation.

b) Information on unconsolidated associates:

Description	Address (City/ Country)	Bank's share percentage, if different-voting percentage (%)	Bank's risk group share percentage (%)
1. Kredi Kayıt Bürosu AŞ ⁽¹⁾	Istanbul	18,18	18,18
2. Bileşim Finansal Teknolojiler ve Ödeme Sistemleri AŞ ⁽¹⁾	Istanbul	33,33	33,33
3. Bankalararası Kart Merkezi AŞ ⁽¹⁾	Istanbul	9,28	9,28
4. JCR Avrasya Derecelendirme AŞ ⁽¹⁾	Istanbul	2,86	2,86

c) Information related to the associates as shown in (b):

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value
1.	2.773.768	1.700.261	2.029.106	28.867	-	185.655	26.943	-
2.	748.480	595.122	415.653	11.288	-	688	8.800	-
3.	3.904.569	3.545.840	877.452	210.842	-	874.326	1.195.017	-
4.	366.432	277.545	22.649	27.247	1.160	(15.192)	11.236	-

⁽¹⁾The financial data is obtained from unaudited 31 March 2024 financial statement .

d) Information on consolidated associates:

Description	Address (City/ Country)	Bank's share percentage, if different voting percentage (%)	Bank's risk group share percentage (%)
1. DHB Bank NV ⁽¹⁾	The Netherlands	30,00	30,00
2. Kobi Girişim Sermayesi Yatırım Ortaklığı AŞ ⁽¹⁾	Ankara	31,47	33,12
3. Yıldız Tekno Girişim Sermayesi Yatırım Ortaklığı AŞ ⁽¹⁾	Istanbul	35,79	35,79
4. Birleşim Varlık Yönetim AŞ ⁽¹⁾	Istanbul	16,00	16,00

e) Information related to the associates as shown in (d):

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value ⁽²⁾
1.	61.630.765	8.877.729	79.215	895.423	12.574	292.612	79.926	2.909.907
2.	364.342	359.885	3.063	36.008	-	32.535	11.968	-
3.	52.811	52.546	136	1.262	-	(25)	815	-
4.	942.287	795.687	27.687	99.682	-	38.799	16.393	-

⁽¹⁾ The financial data is obtained from 31 March 2024 financial statements used in consolidation.

⁽²⁾The fair value of DHB Bank NV indicates the valuation figure determined in the year-end valuation report, calculated with the current period exchange rate.

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I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(7) Information on associates (Net): (continued)

f) Movement of associates:

	Current Period	Prior Period
Balance at the beginning of the period	2.833.279	1.586.859
Movements during the period	241.724	1.246.420
<i>Purchases</i>	-	126.285
<i>Bonus shares obtained profit from current year's share</i>	-	9.697
<i>Dividends from current year income</i>	-	-
<i>Sales</i>	-	-
<i>Transfers</i>	-	21.242
<i>Revaluation decrease (-) / increase</i>	241.724	1.089.196
<i>Impairment provisions (-) / reversals</i>	-	-
Balance at the end of the period	3.075.003	2.833.279
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

g) Sectorial information and related carrying amounts of associates:

	Current Period	Prior Period
Banks	2.663.319	2.436.869
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial investments	259.372	244.098
Other non- financial investments	152.312	152.312

h) Associates quoted to a stock exchange:

None.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(8) Information on subsidiaries (Net):

a) Information on consolidated subsidiaries⁽¹⁾:

	Halk Yatırım Menkul Değerler AŞ	Halk Gayrimenkul Yatırım Ortaklığı AŞ	Halk Finansal Kiralama AŞ	Halk Banka AD, Skopje	Halk Faktoring AŞ	Halk Bank AD, Beograd	Halk Varlık Osiguruvanje Kiralama AŞ	Halk AD, Skopje	Platform Ödeme Hizmetleri ve Elektronik Para AŞ
COMMON EQUITY									
TIER I CAPITAL									
Paid in Capital	250.000	3.145.000	523.000	2.226.470	246.000	754.199	100	285.130	100.000
Effect of Inflation Adjustment on Paid in Capital	-	-	-	-	-	-	-	-	-
Share premium	-	50.372	-	11.633	-	773.455	-	-	-
Reserves	228.378	57.682	242.855	6.409.894	304.898	5.339.367	4.799	684.582	1.554
Other Comprehensive Income according to TAS	13.015	9.738.122	2.071	-	10	-	-	-	-
Profit / Loss	1.035.501	4.768.978	532.345	856.596	556.900	639.174	4.017	(176.568)	1.935
<i>Net Profit</i>	<i>565.929</i>	<i>336.494</i>	<i>135.455</i>	<i>188.568</i>	<i>128.319</i>	<i>208.126</i>	<i>1.207</i>	<i>(8.237)</i>	<i>781</i>
<i>Prior Period Profit/Loss</i>	<i>469.572</i>	<i>4.432.484</i>	<i>396.890</i>	<i>668.028</i>	<i>428.581</i>	<i>431.048</i>	<i>2.810</i>	<i>(168.331)</i>	<i>1.154</i>
Bonus Shares from Associates, Subsidiaries and Joint Ventures not Accounted in Current Period's Profit	-	-	-	-	-	-	-	-	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	-	-	-	(9.621)	-	124.801	-	-	-
Leasehold Improvements (-)	-	-	-	19.240	-	41.184	-	-	-
Intangible Assets (-)	28.759	2.823	5.418	139.799	9.472	531.005	-	51.181	-
Total Core Capital	1.498.135	17.757.331	1.294.853	9.355.175	1.098.336	6.809.205	8.916	741.963	103.489
SUPPLEMENTARY CAPITAL	-	-	59.977	217.931	111.251	86.155	-	-	-
CAPITAL	1.498.135	17.757.331	1.354.830	9.573.106	1.209.587	6.895.360	8.916	741.963	103.489
NET AVAILABLE CAPITAL	1.498.135	17.757.331	1.354.830	9.573.106	1.209.587	6.895.360	8.916	741.963	103.489

⁽¹⁾ The information is presented from companies' financial statements as of 31 March 2024.

There is no internal capital adequacy assessment approach for the subsidiaries.

Paid in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry. Effect of inflation adjustments on paid in capital is the difference caused by the inflation adjustment on shareholders' equity items.

Extraordinary reserves are the status reserves which have been appropriated with the General Assembly decision after distributable profit have been transferred to legal reserves.

Legal reserves are the status reserves which have been appropriated from distributable profit in accordance with the related clauses of Turkish Commercial Code no. 6102.

b) Unconsolidated subsidiaries, reasons for not consolidating if any and information on total needed shareholder's equity that is subjected to minimum capital requirements:

None.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(8) Information on subsidiaries (Net): (continued)

c) Information on consolidated subsidiaries:

Description	Address (City/Country)	Bank's share percentage, if different voting percentage (%)	Bank's risk group share percentage (%)
1. Halk Yatırım Menkul Değerler AŞ	Istanbul	100,00	100,00
2. Halk Gayrimenkul Yatırım Ortaklığı AŞ (2) (3)	Istanbul	79,33	79,36
3. Halk Finansal Kiralama AŞ	Istanbul	100,00	100,00
4. Halk Banka AD, Skopje	Macedonia	99,63	99,63
5. Halk Faktoring AŞ	Istanbul	100,00	100,00
6. Halkbank AD Beograd	Serbia	100,00	100,00
7. Halk Varlık Kiralama AŞ	Istanbul	100,00	100,00
8. Halk Osiguruvanje AD, Skopje	Macedonia	-	99,63
9. Platform Ödeme Hizmetleri ve Elektronik Para AŞ	Istanbul	100,00	100,00

d) Information related to the subsidiaries as shown in (c):⁽¹⁾

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value
1.	6.220.909	1.526.894	95.752	844.870	34.786	565.929	206.743	2.725.098
2.	29.411.896	17.683.544	12.745.649	2.557	-	336.494	(11.679)	6.676.480
3.	15.817.315	1.300.271	15.144	1.071.974	-	135.455	92.596	1.782.216
4.	53.350.508	9.514.214	1.619.782	681.865	70.880	188.568	66.482	8.208.172
5.	6.544.583	1.107.808	22.406	696.490	-	128.319	74.131	1.625.102
6.	37.453.195	7.381.394	1.111.849	549.559	60.682	208.126	62.042	6.937.853
7.	3.959.817	8.916	-	16	-	1.207	502	7.446
8.	924.996	793.144	171.790	4.264	3.880	(8.237)	(4.969)	-
9.	121.111	103.489	-	7.879	-	781	2.018	598.108

⁽¹⁾The financial data is obtained from 31 March 2024 financial statements used in consolidation.

⁽²⁾Halk Gayrimenkul Yatırım Ortaklığı AŞ is valued at stock price.

⁽³⁾The Parent Bank's subsidiary Halk Gayrimenkul Yatırım Ortaklığı AŞ was privatized by a public offering on 22 February 2013 and the shares are traded on the Borsa Istanbul AŞ

e) Movement of the subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period (Before Elimination)	25.490.218	18.009.436
Movements during the period	3.312.364	7.480.782
Purchase ⁽¹⁾	1.079.435	1.062.263
Bonus shares obtained profit from current year's share	-	153.972
Dividends from current year income	-	-
Sales	-	-
Transfer	-	-
Revaluation increase/decrease	2.232.929	6.264.547
Impairment Provisions (-)/ Reversals	-	-
Share capital elimination of subsidiaries	(28.802.582)	(24.892.110)
Balance at the end of the period	-	598.108
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

⁽¹⁾In the current period, the Parent Bank has made a payment TRY 1.079.435 due to the paid capital increase of Halk Gayrimenkul Yatırım Ortaklığı AŞ.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(8) Information on subsidiaries (Net): (continued)

f) Sectorial information on subsidiaries and the related carrying amounts:

	Current Period	Prior Period
Banks	15.146.025	14.153.833
Insurance companies	242.107	242.107
Factoring companies	1.625.102	1.625.102
Leasing companies	1.782.216	1.782.216
Financing companies	-	-
Other financial subsidiaries	10.007.132	7.088.852
Other non-financial subsidiaries	-	598.108

g) Subsidiaries quoted in the stock exchange:

	Current Period	Prior Period
Quoted to domestic stock ⁽¹⁾	6.676.480	4.356.308
Quoted foreign stock exchange	-	-

⁽¹⁾ The Parent Bank's subsidiary Halk Gayrimenkul Yatırım Ortaklığı AŞ has privatized by a public offering on 22 February 2013 and the shares are traded on the Borsa İstanbul AŞ.

(9) Information on jointly controlled entities (joint ventures):

None (31 December 2023: None).

(10) Information on finance lease receivables (Net):

a) Maturity structure of investments on financial lease:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 year	956.803	850.800	802.673	704.991
1 - 4 years	13.921.519	8.565.643	11.733.237	7.276.636
More than 4 years	3.321.389	1.971.593	3.747.919	2.256.105
Total	18.199.711	11.388.036	16.283.829	10.237.732

⁽¹⁾ Not include non-performing receivables amounts.

b) Information on net investments of financial lease:

	Current Period	Prior Period
Gross financial lease investment	18.199.711	16.283.829
Unearned revenues from financial lease	(6.811.675)	(6.046.097)
Total	11.388.036	10.237.732

⁽¹⁾ Not include non-performing receivables amounts.

c) Information on receivables from non- performing loans of financial lease:

	Current Period	Prior Period
Financial lease receivables with limited collectability	15.906	25.176
Financial lease receivables with doubtful collectability	18.844	14.202
Uncollectible financial lease receivables	276.929	280.161
Provisions	(288.181)	(291.388)
Total	23.498	28.151

(11) Information on derivative financial assets for hedging purposes:

None (31 December 2023: None).

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I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(12) Information on investment property:

	Current Period	Prior Period
Balance at the beginning of the period	15.087.803	6.562.752
Movements during the period	749.777	8.525.051
Purchase	3.219	731.598
Sales	-	(332.542)
Transfer	-	2.355.102
Revaluation increase/decrease	746.558	5.770.893
Balance at the end of the period	15.837.580	15.087.803

While the Group accounts for its investment properties by allocating accumulated depreciation and permanent impairment provision, if any, from their purchase cost values, it has changed its accounting policy as of November 2023 and adopted the revaluation method within the scope of TAS 40 Investment Properties Standard in the valuation of investment properties. Accordingly, Group has an independent valuation firm that carries out the valuation report for its investment properties and recognizes the changes in fair value in the profit or loss accounts in the period in which they occur.

(13) Information on deferred tax assets:

	Current Period	Prior Period
Deferred Tax Asset /(Liability)		
Provisions ⁽¹⁾	15.264.767	14.136.391
Revaluation of Financial Assets	(7.451.107)	(10.989.933)
Other	18.935.714	11.358.436
Deferred Tax Asset /(Liability):	26.749.374	14.504.894
Deferred tax accounted under shareholders' equity	388.113	(516.129)
Fair value through other comprehensive income arising from securities' internal efficiency-stock market difference	714.179	(107.365)
Actuarial gains/losses	805.733	805.733
Valuation of subsidiaries	(1.131.799)	(1.214.497)

⁽¹⁾ Includes reserve for employee benefits and other provisions.

⁽²⁾ Net deferred tax assets amounting to TRY 26.749.374 consists of deferred tax assets which amounting to TRY 26.752.987 and deferred tax liabilities amounting to TRY 3.613.

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I. EXPLANATIONS AND NOTES RELATED TO THE ASSETS (continued)

(14) Information on assets held for sale and held from discontinued operations:

	Current Period	Prior Period
Cost	3.522	3.522
Accumulated Depreciation (-)	-	-
Net book value	3.522	3.522
Opening Balance	3.522	1.772
Acquisition	-	1.750
Transfer (Net)	-	-
Disposals (Net)	(2.115)	-
Revaluation Increase	-	-
Impairment (-) / Reversal	-	-
Depreciation (-)	-	-
Closing net book value	1.407	3.522

(15) Information on other assets:

Other assets balance in the balance sheet amounts to TRY 46.279.076 and does not exceed 10% of the balance sheet total (31 December 2023: TRY 43.617.026).

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

II. EXPLANATIONS AND NOTES RELATED TO THE LIABILITIES

(1) Information on deposit / funds collected:

a) Information on maturity structure of deposits / funds collected:

Current Period

	Demand accounts	7 day call	Up to 1 month	1-3 months	3-6 months	6 months - year	1 year and over	Cumulative deposits	Total
Saving deposits	32.911.231	-	10.367.755	198.145.681	152.563.216	123.610.016	7.068.524	136.986	524.803.409
Foreign currency deposits	226.581.862	267.893	72.844.348	244.647.595	33.479.708	21.099.270	29.780.118	34.709	628.735.503
<i>Residents in Türkiye</i>	177.551.705	-	62.838.198	226.759.904	22.047.585	9.772.618	14.265.750	34.039	513.269.799
<i>Residents abroad</i>	49.030.157	267.893	10.006.150	17.887.691	11.432.123	11.326.652	15.514.368	670	115.465.704
Public sector deposits	16.338.767	-	26.141.724	23.849.899	2.559.078	114.818	407.401	-	69.411.687
Commercial inst. deposits	65.426.764	-	65.806.815	96.001.766	66.764.775	74.833.330	13.355.419	-	382.188.869
Other inst. deposits	6.498.365	-	3.849.119	28.359.637	31.200.769	13.073.282	98.474	-	83.079.646
Precious metals	79.743.671	-	102.636	11.951.576	1.248.145	330.167	451.414	-	93.827.609
Interbank deposits	172.742.377	-	39.661.249	43.884.518	178.019	-	-	-	256.466.163
<i>CBRT</i>	1.917.285	-	-	-	-	-	-	-	1.917.285
<i>Domestic banks</i>	1.056.998	-	36.729.305	35.382.431	114.884	-	-	-	73.283.618
<i>Foreign banks</i>	169.768.091	-	421.090	8.502.087	63.135	-	-	-	178.754.403
<i>Participation banks</i>	3	-	2.510.854	-	-	-	-	-	2.510.857
Total	600.243.037	267.893	218.773.646	646.840.672	287.993.710	233.060.883	51.161.350	171.695	2.038.512.886

(*) As of 31 March 2024, the Parent Bank has a total of TRY 308.482.428 without accruals FX indexed TRY deposit instrument of which published by the CBRT and Ministry of Treasury and Finance.

Prior Period

	Demand accounts	7 day call	Up to 1 month	1-3 months	3-6 months	6 months - year	1 year and over	Cumulative deposits	Total
Saving deposits	30.329.239	-	9.944.277	204.020.330	202.608.222	53.891.123	7.635.219	127.300	508.555.710
Foreign currency deposits	198.149.638	-	69.281.805	213.028.296	25.320.980	20.522.187	27.535.646	32.254	553.870.806
<i>Residents in Türkiye</i>	154.315.413	-	59.336.380	198.969.802	16.340.597	9.906.696	13.419.585	31.632	452.320.105
<i>Residents abroad</i>	43.834.225	-	9.945.425	14.058.494	8.980.383	10.615.491	14.116.061	622	101.550.701
Public sector deposits	11.533.116	-	55.660.153	21.797.782	1.890.714	89.592	386.326	-	91.357.683
Commercial inst. deposits	78.278.354	-	84.074.210	106.869.325	78.317.130	56.761.909	13.919.066	-	418.219.994
Other inst. deposits	6.559.061	-	2.781.169	34.432.998	23.283.049	10.207.301	91.303	-	77.354.881
Precious metals	65.998.793	-	108.798	10.803.422	872.734	272.734	384.521	-	78.441.002
Interbank deposits	157.700.174	-	9.663.220	35.606.132	111.696	318	-	-	203.081.540
<i>CBRT</i>	3.279	-	-	-	-	-	-	-	3.279
<i>Domestic banks</i>	479.107	-	8.955.889	18.649.083	111.696	-	-	-	28.195.775
<i>Foreign banks</i>	157.217.788	-	707.331	16.957.049	-	318	-	-	174.882.486
<i>Participation banks</i>	-	-	-	-	-	-	-	-	-
Total	548.548.375	-	231.513.632	626.558.285	332.404.525	141.745.164	49.952.081	159.554	1.930.881.616

(*) As of 31 December 2023, the Parent Bank has a total of TRY 334.717.002 without accruals FX indexed TRY deposit instrument of which published by the CBRT and Ministry of Treasury and Finance.

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II. EXPLANATIONS AND NOTES RELATED TO THE LIABILITIES (continued)

(1) Information on deposit / funds collected: (continued)

b) Information on saving deposits in the scope of Saving Deposits Insurance Fund:

b.1. Amounts exceeding insurance limit:

b.1.1. Saving deposits under the guarantee of deposit insurance and exceeding the insurance limit:

Saving Deposits	Under the guarantee insurance		Exceeding the insurance limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving deposits	153.243.877	121.187.544	371.542.532	386.913.960
Foreign currency saving deposits	94.332.094	69.337.461	192.916.417	172.811.908
Other deposits in the form of saving deposits	53.988.389	40.225.760	29.186.299	27.788.628
Foreign branches' deposits under foreign authorities' insurance	3.126.783	2.850.381	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

(*) Within the scope of the SDIF Fund Board Decision published in the Official Gazette dated 14 December 2023 and numbered 32399, deposit amount subject to insurance which was TRY 400 as of 2023 has been determined as TRY 650, starting from the beginning of the 2024 calendar year.

All deposit and participation funds have been covered by insurance except official institutions, credit institutions and financial institutions in accordance with the "Amendment of Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated August 27, 2022 and numbered 31936. In this scope, the balance of commercial deposits of the Parent Bank subject to insurance is TRY 57.736.261. This amount is not included at the above table that includes the insurance and exceeding the insurance limit saving deposit informations.

b.1.2. Saving deposits at foreign branches are excluded from the scope of Saving Deposits Insurance Fund according to the related legislation, and are subject to insurance of foreign authorities in compliance with the foreign legislations.

c) Saving deposits which are not under the guarantee of deposit insurance fund:

	Current Period	Prior Period
Foreign branches' saving deposits and other accounts	886.980	851.863
Deposits and other accounts belonging to dominant partners as well as their fathers, mothers, spouses and children under their custody	-	-
Deposits and other accounts belonging to the chairman and members of the board of directors, general managers and deputy general managers as well as their fathers, mothers, spouses and children under their custody	38.306	37.324
Deposits and other accounts covered by assets generated through the offenses mentioned in Article 282 of the Turkish Penal Code No.5237 and dated 26.9.2004	-	-
Deposits in the banks to be engaged exclusively in offshore banking in Türkiye	-	-

(2) Information on derivative financial liabilities:

Negative differences table related to the derivative financial liabilities:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward transactions	-	231.944	-	96.631
Swap transactions	-	2.477.956	186.308	610.572
Future transactions	-	-	-	-
Options	-	1.710	-	1.746
Other	-	-	-	-
Total	-	2.711.610	186.308	708.949

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

II. EXPLANATIONS AND NOTES RELATED TO THE LIABILITIES (continued)

(3) Information on funds borrowed:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Funds borrowed from CBRT	-	-	-	-
Domestic banks and institutions	3.419.781	3.396.008	3.063.826	1.966.962
Foreign banks, institutions and funds	4.617	22.390.406	4.467	18.621.864
Total	3.424.398	25.786.414	3.068.293	20.588.826

b) Maturity structure of funds borrowed:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	2.664.663	4.156.350	2.879.300	565.194
Medium and long-term	759.735	21.630.064	188.993	20.023.632
Total	3.424.398	25.786.414	3.068.293	20.588.826

c) Additional disclosures related to the concentrations of the Group's major liabilities:

Concentrations, fund providing customers, sector groups and other criteria where risk concentration is observed:

Main liability of the Group is deposits, which is composed of 25,74% of saving deposits and 30,84% of foreign currency deposits. In order to fulfill the short term liquidity requirements, the Group borrows loans from interbank money markets.

The Group's 79,89% of bank deposits and 40,55% of other deposits consist of foreign currency deposits.

(4) Marketable securities issued (Net):

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Bills	12.025.824	-	10.546.742	-
Bonds	132.867	-	132.492	-
Assets Backed Securities	3.948.593	-	6.471.955	-
Total	16.107.284	-	17.151.189	-

(5) Information on other liabilities:

Other liabilities balance in the balance sheet amounts to TRY 93.599.423 and does not exceed 10% of the balance sheet total (31 December 2023: TRY 89.624.317).

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

II. EXPLANATIONS AND NOTES RELATED TO THE LIABILITIES (continued)

(6) Information on finance lease payables (Net):

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

In the financial lease agreements, installments are based on useful life, usage periods and provisions of the related accounting standards.

- b) Explanation on finance lease payables:

None (31 December 2023: None).

- c) Explanations on operational leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 year	87.984	77.798	69.694	62.098
1 - 4 years	978.158	690.132	780.404	588.795
More than 4 years	3.678.941	2.233.027	3.202.475	1.642.788
Total	4.745.083	3.000.957	4.052.573	2.293.681

(7) Information on derivative financial liabilities for hedging purposes:

None (31 December 2023: None).

(8) Explanations on provisions:

- a) Provisions for the foreign currency losses on the principal amount of foreign currency indexed loans and finance lease receivables:

As of 31 March 2024 the Group does not have a provision amount of the currency differences on foreign currency indexed loans and finance lease receivables (31 December 2023: None).

- b) Specific provisions provided for unindemnified and unfunded non-cash loans:

As of 31 March 2024, the Group's stage 3 expected credit losses for unindemnified and unfunded non-cash loans balance is TRY 256.573 (31 December 2023: TRY 506.042).

- c) Information on other provisions:

Total other provision balance amounting to TRY 4.527.583 (31 December 2023: TRY : 4.520.833) consists of TRY 256.573 (31 December 2023: TRY 506.042) for stage 3 expected credit losses of unindemnified and unfunded non-cash loans, TRY 3.246.860 (31 December 2023: 3.291.898) for stage 1 and stage 2 expected credit loss amount of non-cash loans, TRY 173.433 (31 December 2023: TRY 138.861) for legal cases filed against the Group, and TRY 850.717 (31 December 2023: TRY 584.032) of other provisions.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

II. EXPLANATIONS AND NOTES RELATED TO THE LIABILITIES (continued)

(9) Explanations related to tax liabilities:

a) Information on current tax liability:

a.1. Information on tax provision:

As of 31 March 2024, the Group's calculated current tax liability is amounting to TRY 835.156 and recognized under corporate tax provision account as of the mentioned date (31 December 2023: TRY 405.769 corporate tax liability)

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate tax payable	835.156	405.769
Income on securities tax	1.671.801	2.142.207
Property income tax	9.238	7.545
Banking and insurance transactions tax (BITT)	1.734.898	1.595.899
Foreign exchange transactions tax	61.518	22.526
Value added tax payable	18.944	17.810
Other	359.353	516.006
Total	4.690.908	4.707.762

a.3. Information on premiums:

	Current Period	Prior Period
Social insurance premiums-employee	6.841	5.712
Social insurance premiums-employer	8.819	7.649
Bank social aid pension fund premium-employee	193.466	168.614
Bank social aid pension fund premium-employer	285.732	249.429
Pension fund membership fees and provisions-employee	-	-
Pension fund membership fees and provisions-employer	-	-
Unemployment insurance-employee	14.340	12.290
Unemployment insurance-employer	28.655	24.939
Other	4.688	7.380
Total	542.541	476.013

b) Explanations related to deferred tax liability:

It is explained in the 13th footnote of Section Five, Explanations And Notes Related To The Assets.

(10) Information on liabilities regarding non-current assets held for sale and discontinued operations:

None (31 December 2023: None).

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II. EXPLANATIONS AND NOTES RELATED TO THE LIABILITIES (continued)

- (11) Explanations on the number of subordinated loans the Group used maturity, interest rate, institutions that the loan was borrowed from, and conversion option, if any^(*):

Information on Subordinated Loans	Current Period		Prior Period	
	TRY	FC	TRY	FC
To be included in the calculation of additional capital borrowings instruments	-	39.088.950	-	36.066.237
<i>Subordinated loans</i>	-	39.088.950	-	36.066.237
<i>Subordinated debt instruments</i>	-	-	-	-
Debt instruments to be included in contribution capital calculation	6.034.731	-	6.064.043	-
<i>Subordinated loans</i>	-	-	-	-
<i>Subordinated debt instruments</i>	6.034.731	-	6.064.043	-
Total	6.034.731	39.088.950	6.064.043	36.066.237

^(*) Detailed information is disclosed in Section Four Footnote I.

- (12) Information on shareholders' equity

- a) Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	7.184.778	7.184.778
Preferred stock	-	-

- b) Application of registered capital system and registered capital ceiling amount:

There is an application of registered capital system and registered capital ceiling amount is TRY 30.000.000.

- c) Information on share capital increases and their sources; other information on increased capital shares in the current period:

None.

- d) Information on additions from capital reserves to capital 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) Information on the Parent Bank's acquired shares:

Between 1 January 2024 – 31 March 2024, the Parent Bank did not repurchase or sell any shares.

- g) Indicators of the Group's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Group's equity due to the uncertainty of these indicators:

The Group has sustainable profitability and equity structure. There are no uncertainties that would impact the current position.

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II. EXPLANATIONS AND NOTES RELATED TO THE LIABILITIES (continued)

(12) Information on shareholders' equity: (continued)

h) Information on preferred shares:

None.

i) Information on marketable securities revaluation fund:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From subsidiaries, associates and jointly controlled entities (joint ventures)	15.040	-	512.804	-
<i>Valuation differences</i>	15.040	-	512.804	-
<i>Exchange rate difference</i>	-	-	-	-
Financial assets at fair value through other comprehensive income	(2.620.181)	(14.727)	(696.147)	(118.697)
<i>Valuation differences</i>	(2.620.181)	460.366	(696.147)	311.364
<i>Exchange rate difference</i>	-	(475.093)	-	(430.061)
Total	(2.605.141)	(14.727)	(183.343)	(118.697)

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

III. EXPLANATIONS AND NOTES RELATED TO THE OFF-BALANCE SHEET ITEMS

(1) Information on off-balance sheet liabilities:

a) Amount and nature of irrevocable loan commitments:

Types of irrevocable commitments	Current Period	Prior Period
Commitments for credit card expenditure limits	114.419.754	103.267.784
Payment commitments for cheques	29.435.693	18.516.662
Loan granting commitments	20.752.877	20.590.507
Forward asset purchase and sale commitments	11.915.072	5.262.414
Forward deposit purchase and sale commitments	-	-
Commitments for credit cards and banking services promotions	58.200	17.102
Tax and fund liabilities from export commitments	760.430	569.005
Share capital commitments to associates and subsidiaries	-	-
Other irrevocable commitments	22.267.035	14.709.381
Total	199.609.061	162.932.855

b) Amount and nature of probable losses and commitments from the off-balance sheet items:

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

	Current Period	Prior Period
Letters of credit	16.388.684	15.295.865
Bank acceptances	42.894.521	37.949.369
Other guarantees	29.530.706	26.968.407
Total	88.813.911	80.213.641

b.2. Certain guarantees, tentative guarantees, sureties and similar transactions:

	Current Period	Prior Period
Letters of certain guarantees	91.356.490	80.993.386
Letters of advance guarantees	24.397.396	20.824.172
Letters of tentative guarantees	6.576.491	8.718.878
Letters of guarantee given to customs offices	15.177.344	13.969.783
Other letters of guarantee	475.236.028	410.083.529
Total	612.743.749	534.589.748

c) Information on non-cash loans:

c.1. Total non-cash loans:

	Current Period	Prior Period
Non-cash loans for providing cash loans	123.181.906	104.774.509
<i>Within one year or less original maturity</i>	<i>10.250.223</i>	<i>6.553.442</i>
<i>Within more than one year maturity</i>	<i>112.931.683</i>	<i>98.221.067</i>
Other non-cash loans	578.375.754	510.028.880
Total	701.557.660	614.803.389

2) Explanations related to credit derivatives and its risk exposures:

None.

3) Explanations on contingent liabilities and assets:

Group's commitments for the cheques given to customers are TRY 29.435.693 (31 December 2023: TRY 18.516.662).

4) Services provided on behalf of others:

None.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

IV. EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(1) Information on interest income:

a) Information on interest income on loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on loans⁽¹⁾				
Short term loans	35.340.486	317.693	8.496.105	234.126
Medium and long term loans	46.961.790	6.657.676	15.692.326	3.086.882
Interest on non-performing loans	1.021.675	-	726.003	1.277
Premiums from resource utilization support fund	-	-	-	-
Total	83.323.951	6.975.369	24.914.434	3.322.285

⁽¹⁾ Includes fees and commissions obtained from cash loans.

b) Interest received from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
CBRT	-	453.577	-	23.122
Domestic banks	498.158	-	124.194	590
Foreign banks	277.306	78.300	38.911	16.957
Foreign headquarters and branches	-	-	-	-
Total	775.464	531.877	163.105	40.669

c) Interest income on marketable securities:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Financial Assets at Fair Value through Profit or Loss	37.915	29	5.367	997
Financial Assets at Fair Value through Other				
Comprehensive Income	7.561.189	894.282	3.404.515	450.714
Financial Assets Measured at Amortized Cost	30.442.908	2.249.518	15.720.389	1.018.835
Total	38.042.012	3.143.829	19.130.271	1.470.546

d) Interest income from subsidiaries and associates

None (31 December 2023: None).

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

IV. EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

(2) Information on interest expenses:

a) Information on interest expense on funds borrowed: ⁽¹⁾

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	596.366	310.927	70.408	129.432
<i>CBRT</i>	-	-	-	-
<i>Domestic banks</i>	596.366	24.058	70.408	15.957
<i>Overseas banks</i>	-	286.869	-	113.475
<i>Overseas head office and branches</i>	-	-	-	-
Other institutions	-	17.493	2	10.987
Total	596.366	328.420	70.410	140.419

⁽¹⁾ Includes fees and commissions obtained from cash loans.

b) Interest expenses to subsidiaries and associates:

	Current Period	Prior Period
Interest expenses given to subsidiaries and associates	149.267	72.595

c) Information on interest expenses to marketable securities issued:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on securities issued	1.469.500	931.563	826.576	393.992

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

IV. EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

(2) Information on interest expenses: (continued)

d) Maturity structure of interest expenses on deposits:

Current Period	Time deposits							Cumulative deposit	Total
	Demand deposits	Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year			
TRY									
Bank deposits	316	4.532.229	1.234.036	2.862	-	-	-	5.769.443	
Saving deposits	1	1.056.264	22.499.232	17.985.958	9.850.610	388.414	5.084	51.785.563	
Public deposits	3	4.517.511	2.150.983	219.093	8.202	35.043	-	6.930.835	
Commercial deposits	14	7.764.650	9.797.428	7.566.092	7.430.558	976.669	-	33.535.411	
Other deposits	1	371.801	3.399.308	2.774.518	1.217.764	8.905	-	7.772.297	
7 days call accounts	-	-	-	-	-	-	-	-	
Total	335	18.242.455	39.080.987	28.548.523	18.507.134	1.409.031	5.084	105.793.549	
Foreign currency									
Deposits	25.143	411.230	1.549.486	208.574	194.822	307.472	86	2.696.813	
Bank deposits	237	2.121	421.922	3	-	-	-	424.283	
7 days call accounts	-	-	-	-	-	-	-	-	
Precious metal	-	172	15.119	1.460	521	3.238	-	20.510	
Total	25.380	413.523	1.986.527	210.037	195.343	310.710	86	3.141.606	
Grand total	25.715	18.655.978	41.067.514	28.758.560	18.702.477	1.719.741	5.170	108.935.155	

Prior Period	Time deposits							Cumulative deposit	Total
	Demand deposits	Up to 1 month	Up to 3 months	Up to 6 months	Up to 1 year	More than 1 year			
TRY									
Bank deposits	142	486.833	747.914	13.859	-	-	-	1.248.748	
Saving deposits	2	557.233	5.419.699	3.526.958	284.562	163.583	3.465	9.955.502	
Public deposits	7	2.057.053	271.512	23.655	1.236	665	-	2.354.128	
Commercial deposits	13	3.649.867	4.571.588	1.526.649	225.992	111.275	-	10.085.384	
Other deposits	-	475.158	1.342.931	369.557	324.970	11.789	-	2.524.405	
7 days call accounts	-	-	-	-	-	-	-	-	
Total	164	7.226.144	12.353.644	5.460.678	836.760	287.312	3.465	26.168.167	
Foreign currency									
Deposits	3.489	250.157	987.239	1.641.923	200.132	108.617	33	3.191.590	
Bank deposits	-	7.513	152.756	-	-	-	-	160.269	
7 days call accounts	-	-	-	-	-	-	-	-	
Precious metal	-	195	10.925	8.944	616	391	-	21.071	
Total	3.489	257.865	1.150.920	1.650.867	200.748	109.008	33	3.372.930	
Grand total	3.653	7.484.009	13.504.564	7.111.545	1.037.508	396.320	3.498	29.541.097	

(3) Explanations on trading profit/loss:

	Current Period	Prior Period
Profit	53.052.087	43.310.253
Profit from the capital market transactions	788.451	327.205
Profit on derivative financial transactions	10.173.330	10.293.754
Foreign exchange gains	42.090.306	32.689.294
Loss (-)	64.496.171	43.569.247
Loss from the capital market transactions	8.854	120.040
Loss from derivative financial transactions	10.825.047	6.441.756
Foreign exchange losses	53.662.270	37.007.451

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

IV. EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

(4) Information on other operating income:

	Current Period	Prior Period
Adjustments for prior period expenses	4.277.280	2.118.431
Insurance technical income	80.786	44.796
Income from the asset sale	296.402	196.135
Rent income	56.760	36.884
Other income	1.342.451	405.765
Total	6.053.679	2.802.011

(5) Information on Expected Credit Losses and other provisions:

	Current Period	Prior Period
Expected Credit Losses	6.138.619	1.233.970
12 Month Expected Credit Loss (Stage 1)	2.001.888	376.639
Significant Increase in Credit Risk (Stage 2)	2.894.372	65.538
Non – Performing Loans (Stage 3)	1.242.359	791.793
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Impairment losses from associates, subsidiaries, jointly controlled entities	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	125.604	22.004
Total	6.264.223	1.255.974

(6) Information on other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits	391.905	189.778
Bank social aid provision fund deficit provision	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	506.067	229.742
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	140.202	60.487
Impairment expense for equity shares subject to the equity method accounting	-	-
Impairment expense of assets to be sold	-	-
Amortization expenses of assets to be sold	5.162	3.986
Impairment expense for property and equipment held for sale	-	-
Other operating expenses	3.941.775	2.770.380
Leasing Expenses on TFRS 16 Exceptions	218.868	108.688
Maintenance expenses	131.757	53.444
Advertisement expenses	479.732	218.111
Other expenses(**)	3.111.418	2.390.137
Loss on sales of assets	18	-
Other(*)	3.073.525	8.740.970
Total	8.058.654	11.995.343

(*) Prior period balance includes the cash donation payment amounting to TRY 7.122.394 made to Türkiye Disaster and Emergency Management Authority (AFAD) due to the earthquake that occurred in Kahramanmaraş on 6 February 2023.

(**) Other expenses mainly comprise fees related to credit card and other banking transactions.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

IV. EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (continued)

- (7) Information on profit/loss from continuing and discontinued operations before taxes:
The Group's income before tax/loss is due from continuing activities. Net interest income is TRY 14.509.952 (31 March 2023: TRY 16.768.989), net fees and commissions income is TRY 8.682.886 (31 March 2023: TRY 3.315.206) and the loss from operations before tax is TRY 5.213.137 (31 March 2023: TRY 5.265.214 profit from operations before tax).
- (8) Information on tax provisions for continued and discontinued operations:
For the period then ended 31 March 2024, the Group's tax provision income amounting to TRY 10.822.598 (31 March 2023: TRY 556.487 tax provision expense) consists of TRY 517.640 (31 March 2023: TRY 186.903) of current tax charge and TRY 7.616.574 (31 March 2023: TRY 3.667.447) of deferred tax expense, TRY 18.956.812 (31 March 2023: TRY 3.297.863) of deferred tax income.
- (9) Information on net operating income/expense from continued and discontinued operations after tax:
As of 31 March 2024, the Group's net operating income after tax is amounting to TRY 5.609.461. (31 March 2023: TRY 4.708.727)
- (10) Information on net profit/loss:
- a) If disclosure of the nature, size and recurrence rate of income and expense items arising from ordinary banking transactions is necessary to understand the bank's performance during the period, the explanation regarding the nature and amount of these items is as follows:
There is no issue to be disclosed.
- b) Effects of changes in accounting estimates on the current and future periods' profit/loss:
There is no issue to be disclosed.
- (11) Other items in the Income Statement:
The other items under Fees and Commissions Received and Fees and Commissions Paid generally consist of credit card and other banking transaction commissions.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

V. EXPLANATIONS RELATED TO THE RISK GROUP OF THE PARENT BANK

(1) Volume of the Parent Bank's transactions with its risk group and outstanding loan and deposit balances as of the period-end, period income and expenses from the risk group:

a) Information on the loans of the Parent Bank's risk group:

Current Period							
Risk group	Subsidiaries, associates and jointly controlled entities (joint ventures)		Direct or indirect shareholders of the Bank		Other real and legal persons in the risk group		
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash	
Loans							
Beginning Balance	-	4.176	-	-	-	-	
Closing Balance	-	2.350	-	-	-	-	
Interest and commissions	-	20	-	-	-	-	
Prior Period							
Risk group	Subsidiaries, associates and jointly controlled entities (joint ventures)		Direct or indirect shareholders of the Bank		Other real and legal persons in the risk group		
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash	
Loans							
Beginning Balance	-	2.255	-	-	-	-	
Closing Balance	-	4.176	-	-	-	-	
Interest and commissions	-	176	-	-	-	-	

b) Deposits held by the Parent Bank's risk group:

Risk group	Subsidiaries, associates and jointly controlled entities (joint ventures)		Direct or indirect shareholders of the Bank		Other real and legal persons in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Beginning Balance	2.007.811	522.749	-	-	-	-
Closing Balance	1.376.685	2.007.811	-	-	-	-
Interest expense on deposits	149.267	72.595	-	-	-	-

c) Forward and option contracts and similar transactions with the Parent Bank's risk group:

Risk group	Subsidiaries, associates and jointly controlled entities (joint ventures)		Direct or indirect shareholders of the Bank		Other real and legal persons in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss						
Beginning Balance	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

V. EXPLANATIONS RELATED TO THE RISK GROUP OF THE PARENT BANK (continued)

(2) Disclosures for risk group of the Parent Bank:

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

In the normal course of its banking activities, the Parent Bank conducted various business transactions with related parties at commercial terms and at rates which approximate market rates.

The Parent Bank performs brokerage on the activities of Halk Yatırım Menkul Değerler AŞ within the scope of “the Brokerage Contract for Order Submission”.

- 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:

Current Period	Amount	Compared To The Amounts In The Financial Statements (%)
Cash Loans	-	-
Non-Cash Loans	2.350	<0,01
Deposits	1.376.685	0,07
Forward and Option Contracts	-	-

Prior Period	Amount	Compared To The Amounts In The Financial Statements (%)
Cash Loans	-	-
Non-Cash Loans	4.176	<0,01
Deposits	2.007.811	0,10
Forward and Option Contracts	-	-

Pricing of these transactions are in accordance with the general pricing policies of the Parent Bank and are in line with market rates.

- 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 b).

- d) Transactions accounted under the equity method:

None.

(3) Benefits given to the key management personnel:

Benefits given to the key management personnel of the Group are TRY 45.190 as of 31 March 2024.

(31 March 2023: TRY 24.849).

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

VI. EXPLANATIONS RELATED TO THE SUBSEQUENT EVENTS

None.

VII. OTHER EXPLANATIONS ON THE PARENT BANKS' ACTIVITY

On October 15, 2019, the U.S. Department of Justice, United States Attorney Southern District of New York indicted the Parent Bank by repeating the allegations set forth in the case filed against the former executive of the Parent Bank due to the Iranian sanction violations.

First, the Bank applied to the District Court on November 4, 2019 and requested a special appearance to discuss the issues of personal jurisdiction and recusal. On December 5, 2019, the District Court denied the request of special appearance. The Parent Bank objected to the District Court's decision and appealed the decision at the Second Circuit on December 17, 2019. On February 21, 2020, the Second Circuit denied Parent Bank's objection.

In the meeting held by the Parent Bank's Board of Directors on March 27, 2020, it was decided to attend the District Court hearing at which the case starts to be heard on the merits on March 31, 2020, to accept the arraignment and to appoint Williams & Connolly law firm with a proxy to represent the Parent Bank.

At the hearing on March 31, 2020, the District Court decided to postpone the hearing initially to June 9, 2020 and subsequently to June 30, 2020 due to the global scale COVID-19 outbreak.

At the hearing held in the District Court on June 30, 2020; the schedule was determined regarding the motion to recuse, discovery motions, and filings of other motions. It was decided that the jury trials would begin on March 1, 2021 for which the schedule was revised on October 26, 2020. Accordingly, the jury trials are scheduled to be held on May 3, 2021. In this regard, the Parent Bank filed its recusal motion on July 14, 2020 and its other motions to dismiss the indictment on August 10, 2020 at the District Court.

Parent Bank's recusal motion was denied by the District Court on August 24, 2020 and the Second Circuit on December 23, 2020.

District Court denied Parent Bank's motion to dismiss the indictment on October 1, 2020. The Parent Bank appealed to the Second Circuit against the dismissal of its motion to dismiss the indictment on the grounds that the Parent Bank entitled to sovereign immunity under both the FSIA (Foreign Sovereign Immunity Act) and common law. On December 23, 2020, the Second Circuit accepted to hear the appeal on the merits and granted Parent Bank's motion to stay the case pending sovereign immunity appeal. Before the Second Circuit, the oral argument was presented on April 12, 2021. The Second Circuit denied the Parent Bank's appeal on October 22, 2021. The Parent Bank filed its petition with the Second Circuit for an en banc rehearing. Second Circuit denied Parent Bank's petition on December 15, 2021.

As the Parent Bank would file its petition for a writ of certiorari with the US Supreme Court in regard to the sovereign immunity decision, it requested the Second Circuit to stay the mandate so that the stay on the proceedings in the District Court continues. The petition was granted by the Second Circuit on January 14, 2022. The proceedings in the District Court are stayed until the process is completed in the US Supreme Court.

The Parent Bank filed its sovereign immunity petition for a writ of certiorari with the US Supreme Court on May 13, 2022. The Solicitor General under the U.S. Department of Justice filed their brief in opposition to the Parent Bank's writ of certiorari on July 18, 2022, and the briefing was concluded on August 2, 2022.

The US Supreme Court reviewed the Parent Bank's petition for a writ of certiorari on September 28, 2022 and announced its decision to grant review on October 3, 2022. Following the grant of review, the Parent Bank filed its appeal on the merits with the Supreme Court on November 14, 2022. Then, the Solicitor General under the U.S. Department of Justice filed its reply brief on December 14, 2022. Briefing was concluded with the Parent Bank filing its counter reply brief with the Court on January 6, 2023. Oral argument was held before the Court on January 17, 2023.

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SECTION V: EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

VII. OTHER EXPLANATIONS ON THE PARENT BANKS' ACTIVITY(continued)

The US Supreme Court announced its opinion regarding the Parent Bank's sovereign immunity appeal on April 19, 2023, ruling that FSIA applied only in civil cases and not in criminal cases. On the other hand, the Supreme Court ruled that the Second Circuit did not fully consider the Parent Bank's sovereign immunity status under common law and remanded the case to the Second Circuit for reconsideration.

The briefing with the Second Circuit started with the Parent Bank's opening brief filed on July 31, 2023 and completed on January 12, 2024. The oral argument was held on February 28, 2024 however, the Second Circuit has not yet made a decision regarding the matter. If the Second Circuit review results in a decision that the Parent Bank is entitled to common law sovereign immunity the case will be dismissed before the trial process. In the case of an adverse ruling, the case will be returned to the District Court for the Southern District of New York, with Parent Bank's rights to appeal being fully reserved, and the District Court will need to create a new schedule for the trials.

In addition, a civil case (the *Owens* or *first civil* case) was filed by a group of plaintiffs against the Parent Bank on March 27, 2020 with a claim for damages in the Southern District of New York Court "on the grounds that they (the plaintiffs) could not collect their judgments from Iran due to violations of sanctions" and it was served to the Parent Bank's attorneys on July 1, 2020. The Parent Bank filed a motion at the District Court to dismiss the complaint of plaintiffs, and thereby dismiss the case on September 25, 2020. The case was fully briefed on December 16, 2020. District Court conditionally granted Parent Bank's motion to dismiss on the grounds of forum non conveniens on February 16, 2021. The case was closed at the District Court on March 3, 2021.

The Plaintiffs appealed to the decision by taking the District Court's decision to the Second Circuit on June 30, 2021. After the case is fully briefed, the oral arguments were heard before the Second Circuit on October 13, 2022. The Second Circuit ruled in the Parent Bank's favor and dismissed the lawsuit seeking to satisfy judgements on May 2, 2023. Plaintiffs applied to the US Supreme Court on August 30, 2023 for a writ of certiorari in order to appeal the Second Circuit decision. The Supreme Court reviewed the application on January 5, 2024 and announced its decision to reject the plaintiff's appeal on January 8, 2024. Accordingly, the *Owens* case brought against the Parent Bank on March 27, 2020 was conclusively dismissed.

Finally, on July 26, 2023, 151 plaintiffs filed a complaint in the U.S. District Court for the Southern District of New York and a new civil case (the *Hughes* or *second civil* case) against the Parent Bank seeking to satisfy judgments similar to the *Owens* case.

The service was processed on October 1, 2023. According to the complaint, the plaintiffs seek judgments decision from the Court to the fullest extent permitted by law, attempting to establish a connection between certain aggrievements they have suffered in various countries and the supposed allegations in the current criminal case against the Parent Bank, which was filed on October 15, 2019.

The Parent Bank filed its motion to dismiss with the District Court on December 22, 2023 and the fully briefing is ended on April 22, 2024. On May 1, 2024, the district court in an appeal against the Government's request, ruled to stay all judicial proceedings in the civil case until the conclusion of the criminal proceedings against the Parent Bank. Therefore, the *Hughes* case is stayed until the final decision is made in the criminal case against the Parent Bank. As per the briefing schedule, the plaintiffs responded to Halkbank's motion on February 9, 2024.

The proceedings of both the criminal case and the civil case are closely monitored by the Parent Bank through U.S. law firms with relevant expertise.

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SECTION VI: LIMITED REVIEW REPORT

I. EXPLANATIONS ON LIMITED REVIEW REPORT

The Parent Bank's publicly available consolidated financial statements and footnotes as of 31 March 2024 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ and the independent auditors' report dated 10 May 2024 is presented in front of the financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY THE INDEPENDENT AUDITOR

None.

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SECTION VII: INTERIM ACTIVITY REPORT

I. INTERIM PERIOD ACTIVITY REPORT INCLUDED CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO'S ASSESSMENTS FOR THE INTERIM ACTIVITIES

Chairman's Review

Esteemed Stakeholders,

As is well known, predictability, stability, and trust are of vital importance for sustainable economic growth and prosperity. Consequently, governments, central banks, and other economic actors have been continually striving in recent years to restore the disrupted stability of the global economy, working diligently to create an environment of renewed trust and stability.

Despite successive shocks in the last four years-from the pandemic and global supply chain disruptions to rising energy and commodity prices and regional conflicts impacting the global economy's predictability-there have been recent signs of improvement. The primary and crucial move to enhance predictability in the global economy is to ensure price stability. For this reason, the focus, particularly for advanced economies, is on implementing tight monetary policies to combat inflation.

Given its strategic location and economic strength, our country acts as a bridge in international trade, and is naturally influenced by the global economic climate. Consequently, Türkiye is implementing structural changes to sustain its competitiveness.

The 12th Development Plan and the Medium-Term Program recently implemented in Türkiye establish concrete, actionable, and predictable goals. At this juncture, significant responsibilities fall on everyone from our economic management to public institutions and the private sector.

After demonstrating significant democratic maturity during and after the March 31 Local Elections, our country now enters a crucial period for implementing structural reforms and executing its strategy. It should be remembered that 2024, anticipated to be a year defined by global elections and leadership debates, offers our country an opportunity due to its strong leadership and commitment to democracy.

The Economic Confidence Index's rebound to 100 by the end of the first quarter, following a period of decline, also confirms our optimism for the future. Our banking sector's total assets reached 24.6 trillion Turkish lira in February 2024, a 4.7-percent increase from the end of 2023, signaling a positive outlook for the future.

While our country needs higher rates of production, employment, investment, and exports to achieve price stability, our sector has the significant responsibility of being the driving force for growth. As a stalwart of the Turkish banking sector for 86 years, Halkbank remains dedicated to its responsibilities, continuing to support a Productive Türkiye by facilitating access to finance. Our Bank, having shown dedicated and successful performance throughout the first century of our Republic, is tirelessly striving to sustain this success into the Century of Türkiye.

Building on the value we have created over 86 years, we will continue to support our people in every area of need and make broad contributions to our country, from social projects to sports, arts, and culture. I sincerely thank you, our valued stakeholders, for your contributions to the values that define us, your efforts to grow our country, and your valuable collaboration to date. I hope to continue working together with you for a stronger future for our nation.

Sincerely,

R. Süleyman Özdil

Chairman

(*) Interim activity report information concerning amounts are consolidated and full TRY unless otherwise stated..

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SECTION VII: INTERIM ACTIVITY REPORT (continued)

I. INTERIM PERIOD ACTIVITY REPORT INCLUDED CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO'S ASSESSMENTS FOR THE INTERIM ACTIVITIES (continued)

CEO's Review

Esteemed Stakeholders,

In 2023, the world navigated through a year marked by geopolitical issues that posed risks to global trade, fluctuations in energy markets, tightening financial conditions, and concerns over slow economic growth on a global scale. The ongoing Ukraine-Russia war, along with the humanitarian tragedy causing immense suffering in Palestine, has exacerbated the risks to global stability.

Meanwhile, during the first quarter, Türkiye consistently and effectively implemented policies from the Medium-Term Program and the 12th Development Program, especially those targeting inflation. The national economy has grown by 4.5 percent throughout 2023 and the stable growth rate over the last 14 quarters is expected to last through 2024.

Esteemed Stakeholders,

Our bank's commercial loan volume reached 1.2 trillion Turkish lira by the first quarter of 2024. We increased the share of our SME loans in commercial loans to 56 percent. We are currently the leading bank in SME loans with a 17.3-percent market share. As a result of our inclusive support for all tradespeople, the number of tradespeople who took out loans has reached 835,000, with the total value of tradespeople loans reaching 255.3 billion Turkish lira.

In the first quarter of 2024, they continued to prioritize regional development as a key component of national economic growth. We aimed to support the normalization of social and economic life through our newly established Hatay Regional Coordination Office in Hatay province, the area most severely affected by the February 6th earthquakes. We also opened our Afyonkarahisar Regional Coordination Office to provide closer and more efficient services to SMEs, tradespeople, artisans, and individual customers in the Afyonkarahisar, Burdur, and Isparta provinces.

In our ongoing support of entrepreneurship, a strategic driver of economic growth and development, we place particular emphasis on empowering women and young entrepreneurs. As of today, we have supported 156,000 entrepreneurs and issued 25.7 billion Turkish lira in loans. We continue to provide extensive support to young entrepreneurs across all sectors. This year, we are breaking new ground in the field of entrepreneurship with the HUBrica Acceleration Program. In our mission to support and nurture entrepreneurs in Türkiye, we initially focused on fintech start-ups.

We have reached out to 225,000 women entrepreneurs all over Türkiye with the Women Entrepreneurs Loan Package, which we conceived to support women entrepreneurs. With nearly 64,2 billion Turkish lira in support, we are committed to promoting the inclusion of women in all fields, recognizing and celebrating their knowledge, skills, and competencies.

This year, we organized the third "Productive Women Competition." We also implemented significant changes to the structure of our competition. We evaluated over 6,000 entrepreneurial applicants in our competition and offered the top 100 women entrepreneurs MasterClass Brand Training at the Productive Women Academy.

We went beyond offering specialized financial products to our women and young entrepreneurs to foster a culture of entrepreneurship. We also supported their skill development in generating innovative ideas and understanding current business trends through the Vision Meetings we hosted. In our meetings, we connected women and young entrepreneurs with distinguished leaders who have made significant contributions to Türkiye. These sessions provided comprehensive insights into various essential topics, including branding, digitalization opportunities, sustainability, and available corporate endorsements.

(*) Interim activity report information concerning amounts are consolidated and full TRY unless otherwise stated.

TÜRKİYE HALK BANKASI AŞ
EXPLANATIONS AND NOTES TO THE CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

(Amounts expressed in thousand Turkish Lira (TRY) unless otherwise stated.)

SECTION VII: INTERIM ACTIVITY REPORT (continued)

I. INTERIM PERIOD ACTIVITY REPORT INCLUDED CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO'S ASSESSMENTS FOR THE INTERIM ACTIVITIES (continued)

CEO's Review (continued)

Our bank continues its digital banking efforts by providing personalized services to customers of all ages and backgrounds. Given the rapid evolution of payment systems and the growing demand in this area, we have successfully obtained licensing approval for our subsidiary, Platform A.Ş. We will now expand our product range by offering our customers products such as digital wallets, electronic money, electronic cash registers, and POS systems. Through innovative strategies, we have grown the number of active customers on our digital channels to nearly 7 million by the end of the first quarter of 2024.

Esteemed Stakeholders,

Our bank leveraged its robust banking infrastructure during the first quarter of 2024 to increase its total assets by 49.3 percent compared to the same period last year, reaching 2.4 trillion Turkish lira. In the first quarter of 2024, our bank's securities portfolio expanded by 48.9 percent compared to the same period last year, reaching a total of 653.8 billion Turkish lira. During this period, our cash loans rose by 32.4 percent compared to the first quarter of the previous year, reaching over 1.3 trillion Turkish lira. Meanwhile, our total loans grew by 47.2 percent, exceeding 2 trillion Turkish lira. Our deposits surged by 55.5 percent year-over-year to approximately 2 trillion Turkish lira, and our equity increased by 11 percent to 133 billion Turkish lira.

In the first quarter of 2024, our bank achieved a remarkable 13.2 percent increase in quarterly profits compared to the previous year, reaching 4.8 billion Turkish lira. With over 27,000 employees and 1,205 service units dedicated to our nation's values, we remain committed to advancing our national economy, upholding our responsibility as the People's Bank.

Leveraging our deep expertise and the trust our community places in us, I sincerely thank our valued stakeholders for helping elevate our bank to one of our country's top brands. With great respect and confidence in our shared future, I eagerly anticipate our continued partnership and further success.

Sincerely,

Osman Arslan
General Manager

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SECTION VII: INTERIM ACTIVITY REPORT (continued)

I. INTERIM PERIOD ACTIVITY REPORT INCLUDED CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO'S ASSESSMENTS FOR THE INTERIM ACTIVITIES (continued)

Major Financial Information

Summary Balance Sheet (TRY Million)	March 2024	December 2023	Change (%)
Total Assets	2.522.897	2.297.011	9,8
Loans	1.376.092	1.314.292	4,7
<i>TRY</i>	1.028.795	1.006.260	2,2
<i>FC</i>	347.297	308.032	12,7
Marketable Securities	665.966	594.364	12,0
Deposit	2.038.513	1.930.882	5,6
<i>TRY</i>	1.111.071	1.120.393	(0,8)
<i>FC</i>	927.442	810.489	14,4
Total Equity	148.181	142.915	3,7

Summary Statement of Profit or Loss (TRY Million)	March 2024	March 2023	Change (%)
Interest Income	139.129	49.990	178,3
<i>On Loan</i>	90.299	28.237	219,8
<i>On Securities</i>	41.186	20.601	99,9
Interest Expense	124.619	33.221	275,1
<i>On Deposit</i>	108.935	29.541	268,8
Net Interest Income	14.510	16.769	(13,5)
Net Fee and Commission	8.683	3.315	161,9
Net Profit	5.609	4.709	19,1

Ratio (%)	March 2024	December 2023
Cash Loans/Total Asset	54,5	57,2
Non-Performing Loans/Total Cash Loans (Gross)	1,5	1,5
Demand Deposit/Total Deposit	29,4	28,4
Loan/Deposit Ratio	67,5	68,1
Average Return on Asset (ROA)	0,94	0,95
Average Return on Equity (ROE)	15,50	15,12
Capital Adequacy Ratio	13,34	14,68

TÜRKİYE HALK BANKASI AŞ
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SECTION VII: INTERIM ACTIVITY REPORT (continued)

I. INTERIM PERIOD ACTIVITY REPORT INCLUDED CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO'S ASSESMENTS FOR THE INTERIM ACTIVITIES (continued)

2024 First Quarter Interim Developments

Significant Developments

- Our Bank has issued commercial paper with a par value of 10,601 billion Turkish lira to qualified investors during the period.

New Products and Campaigns

- The “Growing Exporters Loan” product was developed to meet the pre-shipment operational financing needs of SME segment companies.
- The “Growing Women Exporters Loan” product was developed to increase the number of women exporters by addressing the pre-shipment operational financing needs of SMEs with at least 50 percent women ownership.
- The “Winter Loan” product was developed to offer financing solutions with budget-friendly repayment options to meet our customers’ heightened cash requirements during the winter season.
- The “Tourism Sector Merchant Cash Advance” product was developed to provide working capital financing for SMEs in the tourism industry and to create additional on-demand resources for our bank.
- The “Early Holiday Loan” product was designed to offer favorable interest rates and flexible repayment options to address our customers’ financial needs during the month of Ramadan.
- The “Medicine Day Consumer Loan” product was designed with competitive interest rates to cater to the financial needs of healthcare sector workers.

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