

**CONVENIENCE TRANSLATION INTO  
ENGLISH OF CONDENSED INTERIM  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE 2**

**QNB FİNANS FAKTORİNG A.Ş.**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 30 JUNE 2024  
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT**



## AUDITOR’S REVIEW REPORT ON INTERIM CONDENSED FINANCIAL INFORMATION

(Convenience translation into English of independent auditor’s review report originally issued in Turkish, See Note 2)

To the General Assembly of QNB Finans Faktoring A.Ş.

### *Introduction*

We have reviewed the accompanying condensed statement of financial position of QNB Finans Faktoring A.Ş. (“the Company”) as at 30 June 2024 and the condensed statement of profit or loss, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in shareholders’ equity, the condensed statement of cash flows to the condensed financial statements for the six-month-period then ended. The Company management is responsible for the preparation and fair presentation of interim condensed financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes ‘Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing and Saving Financing Companies’ published in the Official Gazette dated 24 December 2013 and numbered 28861 by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

### *Scope of Review*

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



*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information does not present fairly in all material respects the financial position of QNB Finans Faktoring A.Ş. at 30 June 2024 and the results of its operations and its cash flows for the six-month-period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

*Additional Paragraph for Convenience Translation:*

BRSA Accounting and Financial Reporting Legislation explained in detail in Note 2 differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of IAS 29 Financial Reporting in Hyperinflationary Economies by 30 June 2024. Accordingly, the accompanying condensed financial statements are not intended to present fairly the condensed financial position and results of operations of the Company in accordance with IFRS.

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

Talar Gül, SMMM  
Independent Auditor

Istanbul, 24 July 2024

## **QNB FINANS FAKTORING A.Ş.**

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# QNB FİNANS FAKTORİNG A.Ş.

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

ASSETS	Note	Reviewed Current Period 30 June 2024			Audited Prior Period 31 December 2023		
		TRY	FC	TOTAL	TRY	FC	TOTAL
<b>I. CASH, CASH EQUIVALENTS AND BALANCES AT CENTRAL BANK</b>		381.263	274.704	655.967	252.976	331.412	584.388
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)</b>		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL ASSETS</b>		-	-	-	-	-	-
<b>IV. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Net)</b>		-	-	-	-	-	-
<b>V. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)</b>		15.187.237	2.055.985	17.243.222	14.480.742	854.031	15.334.773
<b>5.1 Factoring Receivables</b>	3	15.187.237	2.055.985	17.243.222	14.480.742	854.031	15.334.773
5.1.1 Discounted Factoring Receivables (Net)		6.075.053	543.416	6.618.469	4.874.483	211.238	5.085.721
5.1.2 Other Factoring Receivables		9.112.184	1.512.569	10.624.753	9.606.259	642.793	10.249.052
<b>5.2 Financial Saving Receivables</b>		-	-	-	-	-	-
5.2.1 From Savings Fund Pool		-	-	-	-	-	-
5.2.2 Equity		-	-	-	-	-	-
<b>5.3 Financial Loans</b>		-	-	-	-	-	-
5.3.1 Consumer Loans		-	-	-	-	-	-
5.3.2 Credit Cards		-	-	-	-	-	-
5.3.3 Commercial Installment Loans		-	-	-	-	-	-
<b>5.4 Leasing Transactions (Net)</b>		-	-	-	-	-	-
5.4.1 Financial Lease Receivables		-	-	-	-	-	-
5.4.2 Operational Lease Receivables		-	-	-	-	-	-
5.4.3 Unearned Income (-)		-	-	-	-	-	-
<b>5.5 Other Financial Assets Measured at Amortised Cost</b>		-	-	-	-	-	-
<b>5.6 Non Performing Receivables</b>	3	155.927	-	155.927	160.573	-	160.573
<b>5.7 Allowance For Expected Credit Losses / Specific Provisions (-)</b>	3	(155.927)	-	(155.927)	(160.573)	-	(160.573)
<b>VI. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		2	-	2	2	-	2
6.1 Investments in Associates (Net)		2	-	2	2	-	2
6.2 Investments in Subsidiaries (Net)		-	-	-	-	-	-
6.3 Jointly Controlled Partnerships (JointVentures) (Net)		-	-	-	-	-	-
<b>VII. TANGIBLE ASSETS (Net)</b>		28.331	-	28.331	23.073	-	23.073
<b>VIII. INTANGIBLE ASSETS (Net)</b>		4.901	-	4.901	5.244	-	5.244
<b>IX. INVESTMENT PROPERTY (Net)</b>		-	-	-	-	-	-
<b>X. CURRENT TAX ASSETS</b>		-	-	-	-	-	-
<b>XI. DEFERRED TAX ASSET</b>		11.530	-	11.530	20.574	-	20.574
<b>XII. OTHER ASSETS</b>		89.404	1.759	91.163	61.735	1.305	63.040
<b>SUBTOTAL</b>		15.702.668	2.332.448	18.035.116	14.844.346	1.186.748	16.031.094
<b>XIII. ASSETS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	4	-	-	-	26.733	-	26.733
13.1 Held for Sale		-	-	-	26.733	-	26.733
13.2 Non-Current Assets From Discontinued Operations		-	-	-	-	-	-
<b>TOTAL ASSETS</b>		15.702.668	2.332.448	18.035.116	14.871.079	1.186.748	16.057.827

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

# QNB FİNANS FAKTORİNG A.Ş.

## STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	LIABILITIES	Note	Reviewed Current Period 30 June 2024			Audited Prior Period 31 December 2023		
			TRY	FC	TOTAL	TRY	FC	TOTAL
<b>I.</b>	<b>BORROWINGS</b>	<b>5</b>	<b>11.661.413</b>	<b>2.392.750</b>	<b>14.054.163</b>	<b>10.631.471</b>	<b>1.171.537</b>	<b>11.803.008</b>
<b>II.</b>	<b>FACTORING PAYABLES</b>		<b>4.512</b>	<b>323</b>	<b>4.835</b>	<b>11.787</b>	<b>4</b>	<b>11.791</b>
<b>III.</b>	<b>LIABILITIES FROM THE SAVING FUND POOL</b>		-	-	-	-	-	-
<b>IV.</b>	<b>LEASE PAYABLES (Net)</b>		<b>8.231</b>	-	<b>8.231</b>	<b>8.204</b>	-	<b>8.204</b>
<b>V.</b>	<b>SECURITIES ISSUED (Net)</b>	<b>6</b>	<b>545.614</b>	-	<b>545.614</b>	<b>2.528.497</b>	-	<b>2.528.497</b>
<b>VI.</b>	<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII.</b>	<b>DERIVATIVE FINANCIAL LIABILITIES</b>		-	-	-	-	-	-
<b>VIII.</b>	<b>PROVISIONS</b>		<b>49.357</b>	-	<b>49.357</b>	<b>62.356</b>	-	<b>62.356</b>
8.1	Provision for Restructuring		-	-	-	-	-	-
8.2	Reserves For Employee Benefits		49.357	-	49.357	61.987	-	61.987
8.3	General Loan Loss Provisions		-	-	-	-	-	-
8.4	Other provisions		-	-	-	369	-	369
<b>IX.</b>	<b>CURRENT TAX LIABILITIES</b>		<b>158.331</b>	-	<b>158.331</b>	<b>73.621</b>	-	<b>73.621</b>
<b>X.</b>	<b>DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XI.</b>	<b>SUBORDINATED DEBT</b>		-	-	-	-	-	-
<b>XII.</b>	<b>OTHER LIABILITIES</b>		<b>66.123</b>	<b>1.666</b>	<b>67.789</b>	<b>40.452</b>	<b>7.064</b>	<b>47.516</b>
	<b>SUBTOTAL</b>		<b>12.493.581</b>	<b>2.394.739</b>	<b>14.888.320</b>	<b>13.356.388</b>	<b>1.178.605</b>	<b>14.534.993</b>
<b>XIII.</b>	<b>LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
13.1	Held For Sale		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV.</b>	<b>EQUITY</b>	<b>7</b>	<b>3.146.796</b>	-	<b>3.146.796</b>	<b>1.522.834</b>	-	<b>1.522.834</b>
14.1	Issued capital		1.065.000	-	1.065.000	65.000	-	65.000
14.2	Capital Reserves		-	-	-	-	-	-
14.2.1	Equity Share Premiums		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserves		-	-	-	-	-	-
14.3	Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit Or Loss		(6.830)	-	(6.830)	(6.830)	-	(6.830)
14.4	Other Accumulated Comprehensive Income That Will Be Reclassified In Profit Or Loss		-	-	-	-	-	-
14.5	Profit Reserves		1.464.664	-	1.464.664	525.264	-	525.264
14.5.1	Legal Reserves		26.905	-	26.905	26.905	-	26.905
14.5.2	Statutory Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		1.437.759	-	1.437.759	498.359	-	498.359
14.5.4	Other Profit Reserves		-	-	-	-	-	-
14.6	Profit or Loss		623.962	-	623.962	939.400	-	939.400
14.6.1	Prior Years' Profit or Loss		-	-	-	-	-	-
14.6.2	Current Period Net Profit Or Loss		623.962	-	623.962	939.400	-	939.400
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>15.640.377</b>	<b>2.394.739</b>	<b>18.035.116</b>	<b>14.879.222</b>	<b>1.178.605</b>	<b>16.057.827</b>

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

# QNB FİNANS FAKTORİNG A.Ş.

## STATEMENTS OFF-BALANCE SHEET ITEMS AT 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	OFF-BALANCE SHEET ITEMS	Note	Reviewed Current Period 30 June 2024			Audited Prior Period 31 December 2023		
			TRY	FC	TOTAL	TRY	FC	TOTAL
<b>I.</b>	<b>RECOURSE FACTORING TRANSACTIONS</b>		268.699	270.517	539.216	233.496	158.671	392.167
<b>II.</b>	<b>NON-RECOURSE FACTORING TRANSACTIONS</b>		1.636.387	542.957	2.179.344	1.089.049	344.782	1.433.831
<b>III.</b>	<b>FINANCIAL SAVING AGREEMENT TRANSACTIONS</b>		-	-	-	-	-	-
<b>IV.</b>	<b>GUARANTEES RECEIVED</b>	9	198.114.859	10.678.266	208.793.125	147.961.519	9.498.591	157.460.110
<b>V.</b>	<b>GUARANTEES GIVEN</b>	9	6.109.508	-	6.109.508	3.922.540	-	3.922.540
<b>VI.</b>	<b>COMMITMENTS</b>		-	-	-	-	-	-
6.1	Irrevocable Commitments		-	-	-	-	-	-
6.2	Revocable Commitments		-	-	-	-	-	-
6.2.1	Lease Commitments		-	-	-	-	-	-
6.2.1.1	Financial Lease Commitments		-	-	-	-	-	-
6.2.1.2	Operational Lease Commitments		-	-	-	-	-	-
6.2.2	Other Revocable Commitments		-	-	-	-	-	-
<b>VII.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	9	-	-	-	-	-	-
7.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
7.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
7.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
7.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
7.2	Trading Transactions		-	-	-	-	-	-
7.2.1	Forward Buy/Sell Transactions		-	-	-	-	-	-
7.2.2	Swap Buy/Sell Transactions		-	-	-	-	-	-
7.2.3	Options Buy/Sell Transactions		-	-	-	-	-	-
7.2.4	Futures Buy/Sell Transactions		-	-	-	-	-	-
7.2.5	Other		-	-	-	-	-	-
<b>VIII.</b>	<b>ITEMS HELD IN CUSTODY</b>	9	7.703.616	529.458	8.233.074	5.632.815	294.640	5.927.455
	<b>TOTAL OFF-BALANCE SHEET ITEMS</b>		<b>213.833.069</b>	<b>12.021.198</b>	<b>225.854.267</b>	<b>158.839.419</b>	<b>10.296.684</b>	<b>169.136.103</b>

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

# QNB FİNANS FAKTORİNG A.Ş.

## STATEMENT OF PROFIT OR LOSS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

		Note	Reviewed 1 January - 30 June 2024	Unreviewed 1 April - 30 June 2024	Reviewed 1 January - 30 June 2023	Unreviewed 1 April - 30 June 2023
	<b>INCOME AND EXPENSE ITEMS</b>					
<b>I.</b>	<b>OPERATING INCOME</b>		<b>3,455,183</b>	<b>2,015,353</b>	<b>1,417,034</b>	<b>839,385</b>
	<b>FACTORING INCOME</b>		<b>3,455,183</b>	<b>2,015,353</b>	<b>1,417,034</b>	<b>839,385</b>
1.1	Interest Income on Factoring Receivables		3,241,528	1,911,711	1,028,802	505,999
1.1.1	Discounted		1,498,684	881,432	575,262	290,486
1.1.2	Other		1,742,844	1,030,279	453,540	215,513
1.2	Fees and Commissions Received from Factoring Receivables		213,655	103,642	388,232	333,386
1.2.1	Discounted		180,766	86,177	247,788	209,098
1.2.2	Other		32,889	17,465	140,444	124,288
	<b>FINANCE LOAN INCOME</b>		-	-	-	-
1.3	Interest Income from Finance Loans		-	-	-	-
1.4	Fees and Commissions from Finance Loans		-	-	-	-
	<b>FINANCE LEASE INCOME</b>		-	-	-	-
1.5	Financial Lease Income		-	-	-	-
1.6	Operating Lease Income		-	-	-	-
1.7	Fees and Commissions Received from Leasing Transactions		-	-	-	-
	<b>SAVING FINANCE INCOME</b>		-	-	-	-
1.8	Dividends Received from Saving Finance Receivables		-	-	-	-
1.9	Fees and Commissions Received from Saving Finance Activities		-	-	-	-
<b>II.</b>	<b>FINANCIAL EXPENSES (-)</b>		<b>(2,508,040)</b>	<b>(1,433,166)</b>	<b>(775,740)</b>	<b>(418,780)</b>
2.1	Dividends Given to the Saving Fund Pool		-	-	-	-
2.2	Interest Expense from Funds Borrowed		(2,214,406)	(1,332,168)	(603,952)	(310,086)
2.3	Interest Expense from Factoring Payables		-	-	-	-
2.4	Interest Expense of Finance Lease Expenses		(1,347)	(742)	(292)	(134)
2.5	Interest Expense from Securities Issued		(220,870)	(62,925)	(34,724)	(11,810)
2.6	Other Interest Expenses		-	-	-	-
2.7	Fees and Commissions		(71,417)	(37,331)	(136,772)	(96,750)
<b>III.</b>	<b>GROSS PROFIT/LOSS (I+II)</b>		<b>947,143</b>	<b>582,187</b>	<b>641,294</b>	<b>420,605</b>
<b>IV.</b>	<b>OPERATING EXPENSES (-)</b>		<b>(170,467)</b>	<b>(75,009)</b>	<b>(80,361)</b>	<b>(38,730)</b>
4.1	Personnel Expenses		(118,606)	(49,973)	(56,200)	(27,568)
4.2	Employee Severance Indemnity Expense		(1,949)	(1,949)	(1,218)	(1,218)
4.3	Research and Development Expenses		-	-	-	-
4.4	General Administration Expenses		(46,740)	(23,721)	(22,201)	(9,925)
4.5	Other		(3,172)	634	(742)	(19)
<b>V.</b>	<b>GROSS OPERATING PROFIT/LOSS (III+ IV)</b>		<b>776,676</b>	<b>507,178</b>	<b>560,933</b>	<b>381,875</b>
<b>VI.</b>	<b>OTHER OPERATING INCOME</b>		<b>220,945</b>	<b>118,399</b>	<b>43,494</b>	<b>22,675</b>
6.1	Interest Income from Bank Deposits		108,672	65,679	6,279	4,653
6.2	Interest Income from Securities Portfolio		-	-	-	-
6.3	Dividend Income		-	-	-	-
6.4	Capital Market Transactions Profit		-	-	-	-
6.5	Interest From Derivative Financial Transactions		-	-	-	-
6.6	Foreign Exchange Gains		19,674	7,509	9,613	6,922
6.7	Other		92,599	45,211	27,602	11,100
<b>VII.</b>	<b>PROVISIONS</b>		<b>(79,184)</b>	<b>(52,459)</b>	<b>(6,548)</b>	<b>(4,755)</b>
7.1	Specific Provisions		(79,184)	(52,459)	(6,548)	(4,755)
7.2	Expected Credit Loss		-	-	-	-
7.3	General Provisions		-	-	-	-
7.4	Other		-	-	-	-
<b>VIII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>		<b>(17,208)</b>	<b>(8,345)</b>	<b>(6,020)</b>	<b>(3,977)</b>
8.1	Impairment of Marketable Securities		-	-	-	-
8.2	Impairment Losses from Non-Current Assets		-	-	-	-
8.3	Trading Account Loss		-	-	-	-
8.4	Loss from Derivative Financial Transaction		-	-	-	-
8.5	Foreign Exchange Loss		(17,208)	(8,345)	(6,020)	(3,977)
8.6	Other		-	-	-	-
<b>IX.</b>	<b>NET OPERATING PROFIT/LOSS (V+.....+VIII)</b>		<b>901,229</b>	<b>564,773</b>	<b>591,859</b>	<b>395,818</b>
<b>X.</b>	<b>SURPLUS WRITTEN AS GAIN AFTER MERGER</b>		-	-	-	-
<b>XI.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-	-	-
<b>XII.</b>	<b>NET MONETARY POSITION GAIN/LOSS</b>		-	-	-	-
<b>XIII.</b>	<b>PROFIT/LOSS BEFORE TAX FROM CONTINUING OPERATIONS (IX+X+XI+XII)</b>		<b>901,229</b>	<b>564,773</b>	<b>591,859</b>	<b>395,818</b>
<b>XIV.</b>	<b>TAXATION ON INCOME FROM CONTINUING OPERATIONS (±)</b>		<b>(277,267)</b>	<b>(175,572)</b>	<b>(150,574)</b>	<b>(98,948)</b>
14.1	Current Tax Provision		(268,224)	(162,681)	(148,520)	(102,780)
14.2	Deferred Tax Expense Effect (-)		(9,043)	(9,043)	(2,054)	3,832
14.3	Deferred Tax Income Effect (+)		-	(3,848)	-	-
<b>XV.</b>	<b>NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XIII+XIV)</b>		<b>623,962</b>	<b>389,201</b>	<b>441,285</b>	<b>296,870</b>
<b>XVI.</b>	<b>INCOME FROM DISCONTINUING OPERATIONS</b>		-	-	-	-
16.1	Income from Assets Held for Resale		-	-	-	-
16.2	Income from Investment and Associates, Subsidiaries and Joint Ventures		-	-	-	-
16.3	Other income		-	-	-	-
<b>XVII.</b>	<b>EXPENSES FROM DISCONTINUING OPERATIONS (-)</b>		-	-	-	-
17.1	Expenses from Assets Held for Resale		-	-	-	-
17.2	Income from Investment and Associates, Subsidiaries and Joint Ventures		-	-	-	-
17.3	Other Expenses		-	-	-	-
<b>XVIII.</b>	<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUING OPERATIONS (XVI-XVII)</b>		-	-	-	-
<b>XIX.</b>	<b>TAXATION ON INCOME FROM DISCONTINUING OPERATIONS (±)</b>		-	-	-	-
19.1	Current Tax Provision		-	-	-	-
19.2	Deferred Tax Expense Effect (+)		-	-	-	-
19.3	Deferred Tax Income Effect (-)		-	-	-	-
<b>XX.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVII±XVIII)</b>		-	-	-	-
<b>XXI.</b>	<b>NET PROFIT/LOSSES (XIV+XIX)</b>		<b>623,962</b>	<b>389,201</b>	<b>441,285</b>	<b>296,870</b>
	Earnings Per Share		0,7479	0,3654	6,789	4,5672

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

## QNB FİNANS FAKTORİNG A.Ş.

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Reviewed 1 January - 30 June 2024	Unreviewed 1 April - 30 June 2024	Reviewed 1 January - 30 June 2023	Unreviewed 1 April - 30 June 2023
<b>I. CURRENT PROFIT/LOSS</b>	<b>623.962</b>	<b>389.201</b>	<b>441.285</b>	<b>296.870</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	-	-	-	-
2.1 <b>Items not to be reclassified under profit and loss</b>	-	-	-	-
2.1.1 Revaluation differences of property and equipment	-	-	-	-
2.1.2 Revaluation differences of intangible assets	-	-	-	-
2.1.3 Defined benefit plans remeasurement gains / losses	-	-	-	-
2.1.4 Other comprehensive income items not to be reclassified under profit and loss	-	-	-	-
2.1.5 Taxes on other comprehensive income not to be reclassified under profit or loss	-	-	-	-
2.2 <b>Items to be reclassified under profit and loss</b>	-	-	-	-
2.2.1 Foreign exchange differences from foreign currency transactions	-	-	-	-
2.2.2 Income/expenses on revaluation or reclassification of available for sale financial assets	-	-	-	-
2.2.3 Income/loss on cash flow hedge derivative financial assets	-	-	-	-
2.2.4 Income/loss from foreign investment hedge derivative financial assets	-	-	-	-
2.2.5 Other comprehensive income items to be reclassified under profit and loss	-	-	-	-
2.2.6 Taxes on other comprehensive income to be reclassified under profit or loss	-	-	-	-
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>623.962</b>	<b>389.201</b>	<b>441.285</b>	<b>296.870</b>

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

# QNB FİNANS FAKTORİNG A.Ş.

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

STATEMENT OF CHANGES IN EQUITY	Paid in Capital	Capital Reserves	Share Premium	Share Cancellation Profits	Accumulated other comprehensive income or losses not to be reclassified under profit or loss statement			Accumulated other comprehensive income or losses to be reclassified under profit or loss statement			Profit Reserves	Prior Period Net Income /(Loss)	Net Profit / Loss	Total Equity
					1	2	3	4	5	6				
<b>Prior Period (1 January - 30 June 2023)</b> (Reviewed)														
<b>I. Period Opening Balance (1 January 2023)</b>	65.000	-	-	-	-	(6.340)	-	-	-	-	210.527	314.737	-	583.924
<b>II. Changes in Accounting Policies according to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	<b>65.000</b>	-	-	-	-	<b>(6.340)</b>	-	-	-	-	<b>210.527</b>	<b>314.737</b>	-	<b>583.924</b>
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	-	-	-	441.285	441.285
<b>V. Increase in Paid-in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase From Internal Resources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Inflation Adjustments to Paid in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Loans</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	314.737	(314.737)	-	-
11.1 Dividend Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	314.737	(314.737)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (30 June 2023)</b>	<b>65.000</b>	-	-	-	-	<b>(6.340)</b>	-	-	-	-	<b>525.264</b>	-	<b>441.285</b>	<b>1.025.209</b>
<b>Current Period (1 January - 30 June 2024)</b> (Reviewed)														
<b>I. Period Opening Balance (1 January 2024)</b>	65.000	-	-	-	-	(6.830)	-	-	-	-	525.264	939.400	-	1.522.834
<b>II. Changes in Accounting Policies according to TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>	<b>65.000</b>	-	-	-	-	<b>(6.830)</b>	-	-	-	-	<b>525.264</b>	<b>939.400</b>	-	<b>1.522.834</b>
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	-	-	-	-	623.962	623.962
<b>V. Increase in Paid-in Capital</b>	1.000.000	-	-	-	-	-	-	-	-	-	-	-	-	1.000.000
<b>VI. Capital Increase From Internal Resources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Inflation Adjustments to Paid in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Loans</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	939.400	(939.400)	-	-
11.1 Dividend Distribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	939.400	(939.400)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (30 June 2024)</b>	<b>1.065.000</b>	-	-	-	-	<b>(6.830)</b>	-	-	-	-	<b>1.464.664</b>	-	<b>623.962</b>	<b>3.146.796</b>

1. The accumulated revaluation increases/losses on property and equipment,
2. The accumulated remeasurement gains/losses on defined benefit plans,
3. Other (Accumulated other comprehensive income or losses not to be reclassified under profit or loss statement),
4. Foreign currency translation differences,
5. The accumulated revaluation increases/losses on available for sale asset,
6. Other (Cash flow hedge gains/losses, accumulated other comprehensive income or losses to be reclassified under profit or loss statement).

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

# QNB FİNANS FAKTORİNG A.Ş.

## STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

	Reviewed 1 January - 30 June 2024	Reviewed 1 January - 30 June 2023
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>1.1 Operating Profit before Changes in Operating Assets and Liabilities</b>	<b>744.773</b>	<b>429.668</b>
1.1.1 Interest Received/Dividends Received /Leasing income	3.272.334	1.028.147
1.1.2 Interest Paid / Dividends Paid/Leasing expense	(2.426.332)	(636.964)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	213.655	388.233
1.1.5 Other Income	11.234	8.232
1.1.6 Collections from Previously Written-off Doubtful Receivables	83.830	22.965
1.1.7 Payments to Personnel and Service Suppliers	(118.605)	(58.757)
1.1.8 Taxes Paid	(174.208)	(72.623)
1.1.9 Other	(117.135)	(249.565)
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>325.758</b>	<b>517.317</b>
1.2.1 Net (Increase)/Decrease in Factoring Receivables	(1.909.767)	(99.441)
1.2.2 Net (Increase)/Decrease in Finance Loans	-	-
1.2.3 Net (Increase)/Decrease in Lease Receivables	-	-
1.2.4 Net (Increase)/Decrease in Other Assets	4.250	(20.353)
1.2.5 Net (Increase)/Decrease in Savings Finance Receivables	-	-
1.2.6 Net Increase/(Decrease) in Factoring Payables	(6.956)	(2.771)
1.2.7 Net Increase/(Decrease) in the Savings Fund Pool	-	-
1.2.8 Net Increase/(Decrease) in Lease Payables	27	(2.493)
1.2.9 Net Increase/(Decrease) in Funds Borrowed	2.242.210	578.531
1.2.10 Net Increase/(Decrease) in Due Payables	-	-
1.2.11 Net Increase/(Decrease) in Other Liabilities	(4.006)	63.844
<b>I. Net Cash Used in Operating Activities</b>	<b>1.070.531</b>	<b>946.985</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
2.1 Acquisition of Investments, Associates and Subsidiaries	-	-
2.2 Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(8.495)	(55)
2.4 Disposals of Property and Equipment	-	-
2.5 Financial Assets Reflected in Revenue	-	-
2.6 Disposals of Fair Value Differences of Other Comprehensive Financial Assets Reflected in Revenue	-	-
2.7 Purchase of Investment Securities Held to Maturity	-	-
2.8 Sale of Investment Securities Held to Maturity	-	-
2.9 Other	-	-
<b>II. Net Cash (Used in)/Provided from Investing Activities</b>	<b>(8.495)</b>	<b>(55)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	246.967
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(1.982.883)	(1.132.652)
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(8.177)	-
3.6 Other	1.000.000	-
<b>III. Net Cash Provided from Financing Activities</b>	<b>(991.060)</b>	<b>(885.685)</b>
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>603</b>	<b>1.650</b>
<b>V. Net Increase in Cash and Cash Equivalents</b>	<b>71.579</b>	<b>62.895</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>	<b>584.388</b>	<b>135.296</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>	<b>655.967</b>	<b>198.191</b>

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

# QNB FİNANS FAKTORİNG A.Ş.

## EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

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### 1 - ORGANIZATION AND FIELD OF ACTIVITY OF THE COMPANY

QNB Finans Factoring A.Ş. (“The Company”) was established in Turkey on 8 June 2009 and started its operations in October 2009. The Company's field of activity is domestic and international factoring transactions. The main shareholder of the Company is QNB Finansbank A.Ş. with a 99.99% share.

The Company has 164 employees as of 30 June 2024 (31 December 2023: 147).

The Company has 17 branches in total, namely Adana, Ankara, Antakya, Antalya, Anadolu Ticari Merkez, Avrasya Ticari Merkez, Bursa, Denizli, Eskişehir, Gaziantep, Gebze, Halkalı, İzmir, İvedik, Kayseri, Konya, Samsun (31 December 2023: 17).

As of 22 December 2015, National Bank of Greece SA (“NBG”) has sold its 99.81% shares in Finansbank Anonim Şirketi (“Finansbank”) to Qatar National Bank (“QNB”) for 2 billion 750 million Euros. The share transfers were completed on 15 June 2016 after obtaining the necessary permits in the relevant countries, and Finansbank, the main shareholder of the Company, and QNB, the ultimate main shareholder of the Company.

The company moved its office address, where it carries out its activities, to the following address on May 25, 2015:

Esentepe Mah. Büyükdere Caddesi Kristal Kule Binası No:215 Kat: 21 ŞİŞLİ - İSTANBUL

The Company carries its operations mainly in one geographical region (Turkey)

#### Approval of Financial Statements

Financial statements prepared as of 30 June 2024 were approved by the Board of Directors on 24 July 2024. The General Assembly has the authority to amend the financial statements.

### 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 2.1 Basis of Preparation

##### 2.1.1 Basis of Preparation of Financial Statements

The Company prepared the accompanying financial statements in thousands of Turkish Lira (“TRY”) according to the ‘Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring and Financing Companies’ and the ‘Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing’ published in the Official Gazette dated 24 December 2013 and numbered 28861 by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority (together referred as BRSA Accounting and Reporting Legislation) and in case where a specific regulation is not made by BRSA, preparations made according to the Turkish Financial Reporting Standards (“TFRS”) regulations included in; “BRSA Accounting and Financial Reporting Regulations”.

The companies are free to prepare their interim period statements in full set or condensed versions in accordance with TAS 34. The Group preferred to prepare full set consolidated financial statement for the interim period in this context.

## **QNB FİNANS FAKTORİNG A.Ş.**

### **EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

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#### **2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)**

##### **2.1 Basis of Preparation (Continued)**

Preparation of financial statements requires the amounts of the reported assets and liabilities or disclosed conditional assets and liabilities and income and estimation and assumption which affects the expense amounts which are reported in the relevant period. These estimations are based on the management’s best opinion and knowledge and real consequences may be different than these estimations.

The financial statements have been prepared on the historical cost basis.

##### **Additional paragraph for convenience translation into English**

The differences between accounting principles, as described in the preceding paragraphs, and accounting principles generally accepted in countries in which these accompanying financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2024 and the differences between accounting principles have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

##### **2.1.2 Adjustment of financial statements during periods of high inflation**

The financial statements have been adjusted for inflation in accordance with the “Turkish Accounting Standard for Financial Reporting in Hyperinflationary Economies” (“TAS 29”) until 31 December 2004. With the Circular dated 28 April 2005 published by the BRSA, it was announced that it was decided to terminate the inflation accounting practice applied in the banking system, and the application of inflation accounting was terminated as of 1 January 2005 in the preparation of the financial statements.

On November 20, 2023, the Public Oversight Authority made a statement regarding whether the Financial Reporting in High Inflation Economies (“TAS 29”) Standard should be applied within the scope of the Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises. Accordingly, an announcement was published stating that the financial statements of the enterprises applying TFRS for the annual reporting period ending on or after December 31, 2023 should be presented by adjusting them according to the inflation effect in accordance with the relevant accounting principles in TAS 29; however, institutions or organizations authorized to regulate and audit in their fields may determine different transition dates than those foreseen above for the application of the provisions in TAS 29 or BOBİ FRS. Following this announcement, the BRSA decided, in accordance with its decision numbered 10744 dated 12 December 2023, that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 would not be subject to the inflation adjustment required to be made within the scope of TAS 29, and subsequently, with its decision numbered 10825 dated 11 January 2024, it decided that the above-mentioned institutions would switch to inflation accounting as of 1 January 2025. Within the framework of these decisions, inflation accounting was not applied in accordance with TAS 29 while preparing the financial statements dated 30 June 2024.

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

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**2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Changes in Accounting Policies**

**2.2.1 Comparatives and changes in presentation of prior periods’ financial statements**

The Company's financial statements are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. The Company prepared its condensed balance sheet as of 30 June 2024 and as of 31 December 2023 and the condensed statement of comprehensive income, condensed equity movement and condensed cash flow statement for the interim period between 1 January - 30 June 2023.

**2.2.2 Changes in accounting policies**

Changes in accounting policies are applied retrospectively and the prior period financial statements are restated accordingly. There are no major changes in the accounting policies of the Company in the current period.

**2.2.3 Change in accounting estimates and errors**

The effect of a change in an accounting estimate is recognized prospectively in the period of the change, if the change affects that period only; or the period of the change and future periods, if the change affects both. There has not been any significant change in the accounting estimates of the Company in the current year. Material prior year errors are corrected retrospectively by restating the comparative amounts for the prior periods.

**2.2.4 Amendments in standards and interpretations**

**New and revised standards and comments**

The accounting policies adopted in preparation of the consolidated financial statements as at 30 June 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the Company’s financial position and performance have been disclosed in the related paragraphs.

**a. Standards, amendments, and interpretations applicable as of 30 June 2024**

- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendment to IAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

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**2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Changes in Accounting Policies (Continued)**

- **Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
- **IFRS S1, 'General requirements for disclosure of sustainability-related financial information;** effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **IFRS S2, 'Climate-related disclosures';** effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, in the Board Decision published in the Official Gazette on December 29, 2023, the Public Oversight Authority (KGK) announced that certain businesses would be subject to mandatory sustainability reporting starting from January 1, 2024. The "Board Decision on the Scope of Application of Turkey Sustainability Reporting Standards (TSRS)" dated January 5, 2024, specifies the businesses that will be subject to sustainability reporting, detailing the criteria for inclusion under sustainability reporting practices.

***b. Standards, amendments, and interpretations applicable as of 30 June 2024***

The IFRS codification remains unchanged for standards issued by the International Accounting Standards Board that have not yet been incorporated into the regulations by the Public Oversight Authority.

- **IFRS 17, 'Insurance Contracts':** Effective for annual reporting periods beginning on or after January 1, 2023. This standard replaces IFRS 4, which previously allowed a wide range of practices. IFRS 17 will fundamentally change the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features.

However, in a letter dated April 6, 2023, sent by the Public Oversight Authority (KGK) to the Insurance, Reinsurance, and Pension Companies Association of Turkey, it was communicated that the application of IFRS 17 for consolidated and individual financial statements of insurance, reinsurance, and pension companies, as well as banks and other companies with interests or investments in these entities, would be appropriate starting from January 1, 2024. On the other hand, the application date of IFRS 17 has been postponed by the KGK to January 1, 2025.

- **Amendments to IAS 21 - Lack of Exchangeability;** effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

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**2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)**

**2.2 Changes in Accounting Policies (Continued)**

- **Amendment to IFRS 9 and IFRS 7 -Classification and Measurement of Financial Instruments;** effective from annual reporting periods beginning on or after 1 January 2026 ( early adoption is available) These amendments:
  - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
  - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
  
- **IFRS 18 Presentation and Disclosure in Financial Statements;**effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
  - the structure of the statement of profit or loss;
  - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, managementdefined performance measures); and
  - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
  
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures;** effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19’s reduced disclosure requirements balance the information needs of the users of eligible subsidiaries’ financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
  - it does not have public accountability; and
  - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

**2.3 Change in accounting estimates and errors**

In the preparation of the financial statements, the Company management make assumptions and estimates that will affect the assets and liabilities and determine the liabilities and commitments likely to occur as of the balance sheet date and the income and expense amounts as of the reporting period. Although these estimates and assumptions are based on Company management's best knowledge of current events and transactions, actual results may differ from those estimates. Estimates are regularly reviewed, necessary adjustments are made and reflected in the income statement of the period they occur.

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

#### 2 - BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Continued)

##### 2.4 Classifications

The current period financial statements of the Company are prepared comparatively with the previous period in order to enable the determination of the financial situation and performance trends. Comparative information is reclassified when deemed necessary in order to comply with the presentation of the current period financial statements.

#### 3 - FACTORING RECEIVABLES AND NON PERFORMING RECEIVABLES

	30 June 2024		31 December 2023	
	TRY	FC	TRY	FC
Domestic factoring receivables	15.726.236	1.349.091	14.839.224	464.377
Import and export factoring receivables	-	719.092	-	399.270
Unearned interest income	(538.999)	(12.198)	(358.482)	(9.616)
	<b>15.187.237</b>	<b>2.055.985</b>	<b>14.480.742</b>	<b>854.031</b>

Unearned interest income represents revenues collected in advance, calculated on the basis of the maturities of factoring receivables.

Factoring transactions are classified as follows:

	30 June 2024	31 December 2023
Domestic revocable	7.548.102	5.831.438
Domestic irrevocable	8.976.029	9.104.065
Foreign revocable	437.773	192.093
Foreign irrevocable	281.318	207.177
	<b>17.243.222</b>	<b>15.334.773</b>

As of 30 June 2024, the total amount of postdate cheques and bills received by the Company against its factoring receivables is TRY 8.233.074 (31 December 2023: TRY 5.927.455). These cheques and bills are classified in off-balance sheet accounts.

	30 June 2024	31 December 2023
<i>Factoring Receivables:</i>		
Fixed Rate	14.911.413	13.812.215
Floating Rate	2.331.809	1.522.558
	<b>17.243.222</b>	<b>15.334.773</b>

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

#### 3 - FACTORING RECEIVABLES AND NON PERFORMING RECEIVABLES (Continued)

Breakdown of factoring receivables by average maturity

	30 June 2024	31 December 2023
0-30 days	6.370.110	8.844.836
30-60 days	3.721.150	2.982.734
60-90 days	3.402.108	1.588.480
90-180 days	3.439.233	1.735.736
180-365 days	310.621	182.987
1 year and above	-	-
	<b>17.243.222</b>	<b>15.334.773</b>

Factoring receivables are analysed as follows:

	30 June 2024	31 December 2023
Not overdue and not impaired	17.238.871	15.333.482
Overdue, but not impaired	4.351	1.291
Impaired	155.927	160.573
<b>Toplam</b>	<b>17.399.149</b>	<b>15.495.346</b>
Less: Provision for impairment	(155.927)	(160.573)
<b>Factoring receivables, net</b>	<b>17.243.222</b>	<b>15.334.773</b>

The Company's guarantees for factoring receivables which are as follows. To calculate the amount of guarantees, only the portion corresponding to the amount of the receivables taken into account in case of the amount of the guarantee exceeds the receivable amount:

#### Guarantees Received:

	30 June 2024	31 December 2023
Notes	16.827.427	15.024.579
Mortgage	415.795	310.194
	<b>17.243.222</b>	<b>15.334.773</b>

As of 30 June 2024 and 31 December 2023, the distribution of the Company's non-performing factoring receivables and provisions is as follows:

	30 June 2024	31 December 2023
Non-performing factoring receivables	155.927	160.573
Specific provisions	(155.927)	(160.573)
<b>Non performing receivables, net</b>	<b>-</b>	<b>-</b>

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

#### 3 - FACTORING RECEIVABLES AND NON PERFORMING RECEIVABLES (Continued)

As of 30 June 2024 and 31 December 2023 the aging of the Company's non-performing factoring receivables is as follows:

	30 June 2024	31 December 2023
0 - 180 days	78.783	101.825
180 - 365 days	21.495	6.201
1 year and over	55.649	52.547
	<b>155.927</b>	<b>160.573</b>

Movements in specific provision are as follows:

	2024	2023
<b>Balance as at 1 January</b>	<b>(160.573)</b>	<b>(81.651)</b>
Provision booked during the period	(79.184)	(108.026)
Collections	83.830	29.104
<b>Balance at 30 June</b>	<b>(155.927)</b>	<b>(160.573)</b>

#### 4 - ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS

As of June 30, 2024, the company does not have any real estate held for sale. (31 December 2023: 26.733 TRY).

#### 5 - BORROWINGS

	30 June 2024		31 December 2023	
	TRY	FC	TRY	FC
Short term borrowings	11.661.413	2.392.750	10.631.471	1.171.537
<b>Total borrowings</b>	<b>11.661.413</b>	<b>2.392.750</b>	<b>10.631.471</b>	<b>1.171.537</b>

Short term borrowings are as follows:

Currency Type	Interest Rate	Original Amount	30 June 2024
TRY	%45.49-%64.58	11.661.413	11.661.413
EUR	% 5.80-%8.93	48.170	1.692.131
USD	%6.20-%9.45	19.425	637.639
GBP	8.10%	1.520	62.980
			<b>14.054.163</b>

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

#### 5 - BORROWINGS (Continued)

Currency Type	Interest Rate	Original Amount	31 December 2023
TRY	%41.00-%50.40	10.631.471	10.631.471
EUR	%6.22-%9.45	30.832	1.004.316
USD	%7.76-%9.98	5.680	167.218
GBP	%8.09	-	3
			<b>11.803.008</b>

The details of borrowings by interest type are as follows:

	30 June 2024		31 December 2023	
	TRY	FC	TRY	FC
Fixed rate	11.634.398	1.897.368	10.143.986	1.034.737
Floating rate	27.015	495.382	487.485	136.800
	<b>11.661.413</b>	<b>2.392.750</b>	<b>10.631.471</b>	<b>1.171.537</b>

#### 6 - SECURITIES ISSUED

	30 June 2024	31 December 2023
Securities issued	545.614	2.528.497
	<b>545.614</b>	<b>2.528.497</b>

Features of bonds that were issued by the Company to qualified investors are as follows:

ISIN CODE	30 June 2024				
	Date of issue	Nominal value	Due date	Interest rate	Coupon type
TRFFINFK2414	23 May 2024	500.000	26 November 2024	53.50%	Once at maturity
TRFFINF72413	13 February 2024	133.000	2 July 2024	46.75%	Once at maturity

ISIN KODU	31 December 2023				
	Date of issue	Nominal value	Due Date	Interest rate	Coupon type
TRFFINF42432	7 November 2023	263.120	16 April 2024	42,00%	Once at maturity
TRFFINF42424	2 November 2023	330.750	9 April 2024	42,00%	Once at maturity
TRFFINF42416	24 October 2023	100.000	2 April 2024	40,50%	Once at maturity
TRFFINF32417	12 December 2023	129.000	5 March 2024	45,00%	Once at maturity
TRFFINF22459	5 December 2023	400.000	27 February 2024	45,00%	Once at maturity
TRFFINF22442	28 November 2023	183.000	20 February 2024	43,00%	Once at maturity
TRFFINF22418	10 October 2023	250.250	13 February 2024	40,00%	Once at maturity
TRFFINF22426	14 November 2023	232.250	6 February 2024	40,00%	Once at maturity
TRFFINF12419	16 October 2023	786.630	16 January 2024	40,00%	Once at maturity

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

#### 7 - SHAREHOLDERS' EQUITY

As of 30 June 2024 and 31 December 2023, the shareholders' of the Company and their share capitals with historical amounts are as follows:

##### *Capital*

Shareholders	30 June 2024		31 December 2023	
	% Share	Amount	% Share	Amount
QNB Finansbank A.Ş.	99,99999	1.064.999	99,99996	64.999
Ibtech Uluslararası Bilişim ve İletişim Tek. Araştırma Geliştirme Danışmanlık Destek San. Ve Tic. A.Ş.	0,00000	<1	0,00001	<1
QNB Finans Finansal Kiralama A.Ş.	0,00000	<1	0,00001	<1
QNB Finans Yatırım Menkul Değerler A.Ş.	0,00000	<1	0,00001	<1
QNB Finans Portföy Yönetimi A.Ş.	0,00000	<1	0,00001	<1
	<b>100</b>	<b>1.065.000</b>	<b>100</b>	<b>65.000</b>

The registered capital of the company varies from 65.000 TRY to 1.065.000 TRY by a Board of Directors' decision dated February 12, 2024. The company's registered capital consists of 1.065.000.000 shares, each with a nominal value of 1 TRY. (31 December 2023: 65.000.000).

##### *Capital Reserves*

In statutory financial statements, accumulated profits may be distributed except for legal reserves and subject to following requirements for legal reserves.

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

According to Law No. 5228 on "Amendments to Certain Tax Laws," published in the Official Gazette No. 25539 dated July 31, 2004, it is possible to offset the inflation adjustment differences related to equity items recorded under "Retained Earnings/Losses" against the resulting past year losses or to add them to the capital by corporate tax payers. These transactions are not considered profit distributions.

All "inflation-adjustments to shareholders' equity" may only be used to increase capital through bonus issues or to offset losses, while the carrying amount of extraordinary reserves are permitted to be used to increase capital through bonus issues, payment of cash dividends or to offset losses

##### *Profit Reserves*

	30 June 2024	31 December 2023
Legal Reserves	26.905	26.905
Extraordinary Reserves	1.437.759	498.359
<b>Total</b>	<b>1.464.664</b>	<b>525.264</b>

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

#### 7 - SHAREHOLDERS' EQUITY (Continued)

The company has allocated a total of 1.464.664 TRY from its accumulated profits, which includes 26.613 TRY as the first reserve under legal requirements, 292 TRY as the second reserve, 35.857 TRY under Article 298/C and Article 32 of the Tax Procedure Law as decided in the Ordinary General Assembly Meeting dated March 15, 2024, and 1.401.902 TRY as extraordinary reserves from previous years. (As of December 31, 2023, the company has set aside TRY 26.613 as first-order legal reserves and TRY 292 as second-order legal reserves totalling of TRY 26.905 from its accumulated profits. Additionally, as of 2022 the company has allocated a total of 525.264 TRY from its accumulated profits, which includes 25.830 TRY under Article 298/C and Article 32 of the Tax Procedure Law as decided in the Ordinary General Assembly Meeting and 472.529 TRY as extraordinary reserves from previous years.)

The legal reserves consist of first and second legal reserves, appropriated in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the historical paid-in share capital. The second legal reserve is appropriated after the first legal reserve and dividends, at the rate of 10% per annum of all cash dividend distributions.

#### Earnings per share

The weighted average number of shares of the Group and earnings per share are as follows:

	30 June 2024	30 June 2023
Number of shares, nominal value TRY0.01	1.065.000.000	65.000.000
Net profit for the period (Thousands of TRY)	623.962	441.285
Basic earnings per share (TRY1 per share)	0,7479	6,7890

#### 8 - RELATED PARTY TRANSACTIONS

##### Funds borrowed from related parties

##### QNB Finansbank A.Ş. (Shareholder)

	30 June 2024	31 December 2023
TRY	1.304.080	2.620.270
USD	534.485	167.199
EUR	1.011.555	353.143
	<b>2.850.120</b>	<b>3.140.612</b>

##### Deposits Held on Related Parties

	30 June 2024	31 December 2023
TRY	1.282	33
USD	3.055	6.596
EUR	224.548	301.618
GBP	10	41
	<b>228.895</b>	<b>308.288</b>

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

#### 8 - RELATED PARTY TRANSACTIONS (Continued)

	1 January - 30 June 2024	1 January - 30 June 2023
<b><u>Interest Income from Related Parties</u></b>		
QNB Finansbank A.Ş. (Shareholder)	33.869	2.315
	<b>33.869</b>	<b>2.315</b>
<b><u>Finance Expenses</u></b>		
QNB Finansbank A.Ş. (Shareholder)	(334.036)	(298.728)
	<b>(334.036)</b>	<b>(298.728)</b>
<b><u>General Administrative Expenses</u></b>		
<i>Shareholders</i>		
QNB Finansbank A.Ş.	(8.050)	(3.267)
QNB Finans Yatırım Menkul Değerler A.Ş.	(2.727)	(899)
IBTECH Uluslararası Bil. Ve İlt. Tekn. Ar. Ge. Dan. Des. San. ve Tic. A.Ş.	(547)	(333)
<i>Other group companies</i>		
QNB Sağlık, Hayat, Sigorta ve Emeklilik A.Ş.	(23)	(14)
EFinans Elektronik Ticaret ve Bilişim Hizmetleri A.Ş.	(161)	(27)
	<b>(11.508)</b>	<b>(4.540)</b>

As of 30 June 2024, the Company's total salaries and fees that provided to the top management and the Board of Directors are TRY 22.186 (30 June 2023: TRY 12.700).

#### 9 - COMMITMENTS AND CONTINGENCIES

##### *Guarantees Received*

As of 30 June 2024, the Company's guarantees received are TRY 208.793.125 (31 December 2023: TRY 157.460.110).

##### *Guarantee Given*

As of 30 June 2024 and 31 December 2023, collaterals are comprised of notes given to the following institutions:

	30 June 2024	31 December 2023
Letters of guarantee given to Takasbank	6.059.000	3.890.000
Collaterals given to courts	49.508	31.940
DBS	1.000	600
	<b>6.109.508</b>	<b>3.922.540</b>

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

#### 9 - COMMITMENTS AND CONTINGENCIES (Continued)

##### *Irrevocable Commitments*

None (31 December 2023: None).

##### *Assets Held in Custody*

The Company has obtained securities held in custody for its factoring receivables at 30 June 2024 and 31 December 2023 as detailed below:

	30 June 2024		31 December 2023	
	TRY	FC	TRY	FC
Customer checks	7.498.154	529.458	5.469.408	294.640
Customer notes	205.462	-	163.407	-
	<b>7.703.616</b>	<b>529.458</b>	<b>5.632.815</b>	<b>294.640</b>

##### *Derivative Transactions*

As of June 30, 2024, there are no such items. (31 December 2023: None).

#### 10 - FINANCIAL RISK MANAGEMENT

The Company’s activities expose it to a variety of financial risks:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Company’s exposure to each of the above risks, the Company’s objectives, policies and processes for measuring and managing risk.

The Company’s Board of Director’s have overall responsibility for the establishment and oversight of the Company’s risk management framework.

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

##### **Credit Risk**

The main activity of the Company is to focus on the sectors with high knowledge, and to perform factoring transactions within the limits of the credit and risk monitoring regulation for the companies operating in these sectors.

**EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 30 JUNE 2024**

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

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**10 - FINANCIAL RISK MANAGEMENT (Continued)**

Policies related to credit risk are detailed in the “Limit Allocation and Fund Disbursement Risk Management Policies” and the procedures regulated accordingly, and the practices within the Company are carried out within the framework of this policy and related procedures. The Credit Committee regularly reviews the Company's credit risk strategy and major credit risk policies. With this strategy, it is aimed to reflect the degree of tolerance of the Company regarding credit risk and the maximize profit expected to be received against various credit risks.

On the other hand, the Company ensures that the distribution of the portfolio is balanced. The Company's Credit Monitoring, Legal Follow-up and Legal Departments were also established. The Credit Department continuously carries out detailed intelligence control regarding customers and debtors of assigned receivables and works to minimize the credit risk, both at the stage of limit establishment and in factoring financing. All these intelligence studies are under the supervision and supervision of the Company's senior management (at the level of General Manager and Assistant General Managers). All operations of the Company are performed by the Central Operation Unit. It does not have the authority to make transactions and make payments at the branch level.

**Liquidity Risk**

Liquidity risk is the possibility that the Company will not be able to meet its net financing needs. As a precaution against this risk, the Company's management diversifies its financing resources and the assets are managed with the liquidity priority to maintain a healthy balance of cash and cash equivalents. Company evaluates its liquidity risks consistently in order to meet its aims to monitor and to determine the change in its funds.

**Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk management, control the market risk exposures within acceptable parameters, while aiming to optimize the return of risk.

***Foreign Currency Risk***

The Company is exposed to currency risk through transactions (such as factoring operations and borrowings) in foreign currencies. The Company monitors the balance of foreign exchange assets and foreign exchange liabilities on a daily basis to minimize the exchange rate risk.

In order not to be exposed to foreign exchange risk, the active and passive foreign exchange positions are carried out in a manner that does not give a short position in terms of foreign currency, and in order to balance the foreign exchange liabilities and foreign currency liabilities, it performs swap transactions if deemed necessary.

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira ("TRY") unless otherwise indicated.)

#### 10 - FINANCIAL RISK MANAGEMENT (Continued)

Table below summarizes the Company's foreign currency position risk in detailed as of 30 June 2024 and 31 December 2023. The amounts of foreign currency assets and liabilities held by the Company according to their foreign currency types are as follows:

<b>30 June 2024</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>Total</b>
Banks	10.202	237.635	26.867	274.704
Factoring receivables	572.538	1.418.781	64.666	2.055.985
Other assets	443	1.316	-	1.759
<b>Total assets</b>	<b>583.183</b>	<b>1.657.732</b>	<b>91.533</b>	<b>2.332.448</b>
Funds borrowed	(637.639)	(1.692.131)	(62.980)	(2.392.750)
Factoring payables	(24)	(299)	-	(323)
Other liabilities	(255)	(1.146)	(265)	(1.666)
<b>Total Liabilities</b>	<b>(637.918)</b>	<b>(1.693.576)</b>	<b>(63.245)</b>	<b>(2.394.739)</b>
Net foreign currency position due to derivative financial instruments	-	-	-	-
<b>Net foreign currency position</b>	<b>(54.735)</b>	<b>(35.844)</b>	<b>28.288</b>	<b>(62.291)</b>
<b>31 December 2023</b>	<b>USD</b>	<b>EUR</b>	<b>GBP</b>	<b>Total</b>
Banks	12.656	316.591	2.165	331.412
Factoring receivables	222.003	610.434	21.594	854.031
Other assets	378	927	-	1.305
<b>Total assets</b>	<b>235.037</b>	<b>927.952</b>	<b>23.759</b>	<b>1.186.748</b>
Funds borrowed	(167.218)	(1.004.316)	(3)	(1.171.537)
Factoring payables	-	(4)	-	(4)
Other liabilities	(119)	(6.626)	(319)	(7.064)
<b>Total liabilities</b>	<b>(167.337)</b>	<b>(1.010.946)</b>	<b>(322)</b>	<b>(1.178.605)</b>
Net foreign currency position due to derivative financial instruments	-	-	-	-
<b>Net foreign currency position</b>	<b>67.700</b>	<b>(82.994)</b>	<b>23.437</b>	<b>8.143</b>

#### *Foreign Currency Sensitivity Analysis*

The Company is exposed to currency risk mainly in USD and EUR.

The table below shows the sensitivity of the Company to the related foreign currencies of the 10% increase/decrease in the US Dollar, Euro and British Pound exchange rates. The 10% rate used is the rate used when reporting the currency risk to the senior management within the Company, and the said rate represents the possible change expected by the management in foreign exchange rates. Sensitivity analyzes regarding the exchange rate risk that the Company is exposed to at the reporting date are determined according to the change at the beginning of the financial year and are kept constant throughout the reporting period. A positive amount represents revenue growth in profit/loss.

## QNB FİNANS FAKTORİNG A.Ş.

### EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 30 JUNE 2024

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

#### 10 - FINANCIAL RISK MANAGEMENT (Continued)

30 June 2024	Profit / Loss		Equity	
	Appreciation foreign currency	Depretiation foreign currency	Appretiation foreign currency	Depretiation foreign currency
USD	(5.474)	5.474	(5.474)	5.474
EUR	(3.584)	3.584	(3.584)	3.584
GBP	2.829	(2.829)	2.829	(2.829)
<b>Total</b>	<b>(6.229)</b>	<b>6.229</b>	<b>(6.229)</b>	<b>6.229</b>

  

31 December 2023	Profit / Loss		Equity	
	Appreciation foreign currency	Depretiation foreign currency	Appretiation foreign currency	Depretiation foreign currency
USD	6.770	(6.770)	6.770	(6.770)
EUR	(8.300)	8.300	(8.300)	8.300
GBP	2.344	(2.344)	2.344	(2.344)
<b>Total</b>	<b>814</b>	<b>(814)</b>	<b>814</b>	<b>(814)</b>

Banks, factoring receivables and short-term bank loans denominated in TRY, which are measured at amortized cost discounted effective interest rate approximately due to the short-term nature and negligible possible gross amount.

The fair value of financial assets and financial liabilities are determined as follows:

- First level: Financial assets and liabilities in active markets for identical assets and liabilities are valued using stock market prices.
- Second level: Financial assets and liabilities, the related asset or liability, either directly or indirectly, other than quoted prices included within Level 1 observable market prices used for valuation purposes.
- Third level: Financial assets and liabilities, determining fair value of the asset or liability, are not based on observable market data used in the valuation.

As of 30 June 2024, the Company does not have any financial assets that are stated at their fair values.

#### 11 - SUBSEQUENT EVENTS

The bond issued by the Company on 13 February 2024 with a nominal value of 133.000 TRY, with a maturity of 140 days and with the ISIN code “TTRFFINF72413” with 46.75% annual simple interest was redeemed on July 2, 2024.

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