

*(Convenience Translation of Consolidated Financial Statements and Related Disclosures and Footnotes  
Originally Issued in Turkish)*

**İş Finansal Kiralama  
Anonim Şirketi and Its Subsidiary**

**Consolidated Financial Statements as at and for the year ended 30 June 2024**



## AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

To the General Assembly of İş Finansal Kiralama A.Ş.;

### **Introduction**

We have reviewed the consolidated balance sheet of İş Finansal Kiralama A.Ş. (“the Group”) and its subsidiary (collectively referred to as the “Group”) at 30 June 2024 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the six-months-period. Group management has determined that the interim financial information in question is determined by the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing and Savings Financing Companies published in the Official Gazette No. 28861 dated 24 December 2013 and by the Banking Regulation and Supervision Agency (“BRSA”). published regulations, notifications, circulars and statements made; and on matters not regulated by these, it is responsible for its preparation and fair presentation in accordance with the "BRSA Accounting and Financial Reporting Legislation", which includes the provisions of Turkish Accounting Standard 34, "Interim Financial Reporting Standard". Our responsibility is to express a conclusion on these interim financial statements 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***

According to our review, the consolidated interim financial information, the consolidated financial position of İş Finansal Kiralama A.Ş and its consolidated subsidiary as of 30 June 2024 and the consolidated financial performance and consolidated cash flows for the six-months-period ended on the same date, are in accordance with BRSA Accounting and Financial Reporting Regulations. Nothing has come to our attention that causes us to believe that it has not been presented fairly, in all material respects.

### ***Other Matter***

The full comprehensive audit of the Group's consolidated financial statements for the accounting period ending on 31 December 2023 and the limited audit of the consolidated financial statements for the six-month interim accounting period ending on 30 June 2023 were carried out by another independent audit company, and the said independent audit company It expressed a positive opinion in the full audit report dated 31 January 2024, and a positive conclusion in the limited audit report dated 31 July 2023.

### ***Additional Paragraph for Convenience Translation***

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Two differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2024. Accordingly, the accompanying financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Company in accordance with IFRS.

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

A handwritten signature in blue ink, consisting of a stylized 'G' followed by a long horizontal stroke and a small loop at the end.

Gökçe Yaşar Temel, SMMM  
Independent Auditor

Istanbul, 31 July 2024

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# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) YEAR ENDED 30 JUNE 2024

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

	ASSETS	Notes	Reviewed Current Period 30 June 2024			Audited Prior Period 31 December 2023		
			TL	FC	TOTAL	TL	FC	TOTAL
I.	CASH, CASH EQUIVALENTS and CENTRAL BANK	4	2.319.030	247.257	2.566.287	940.853	1.572.058	2.512.911
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	5	610.704	-	610.704	24.328	-	24.328
III.	DERIVATIVE FINANCIAL ASSETS	6	3.308	90.035	93.343	-	83.917	83.917
IV.	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Net)	7	2.901.046	-	2.901.046	2.228.384	-	2.228.384
V.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		22.189.048	22.777.103	44.966.151	25.132.703	20.180.155	45.312.858
5.1	Factoring Receivables	8	15.953.788	5.734.492	21.688.280	18.941.882	3.213.355	22.155.237
5.1.1	Discounted Factoring Receivables (Net)		7.588.970	97.100	7.686.070	7.815.427	194.938	8.010.365
5.1.2	Other Factoring Receivables		8.364.818	5.637.392	14.002.210	11.126.455	3.018.417	14.144.872
5.2	Savings Financing Receivables		-	-	-	-	-	-
5.2.1	From the Savings Fund Pool		-	-	-	-	-	-
5.2.2	From equity		-	-	-	-	-	-
5.3	Financing loans		-	-	-	-	-	-
5.3.1	Consumer Loans		-	-	-	-	-	-
5.3.2	Credit Cards		-	-	-	-	-	-
5.3.3	Installment Commercial Loans		-	-	-	-	-	-
5.4	Lease Receivables (Net)	9	6.289.515	17.136.283	23.425.798	6.181.132	17.130.631	23.311.763
5.4.1	Finance Lease Receivables		9.013.900	19.204.196	28.218.096	8.658.729	18.947.202	27.605.931
5.4.2	Operational Lease Receivables		-	-	-	-	-	-
5.4.3	Unearned Income (-)		2.724.385	2.067.913	4.792.298	2.477.597	1.816.571	4.294.168
5.5	Other Financial Assets Measured at Amortised Cost		-	-	-	-	-	-
5.6	Non-Performing Loans	8,9	652.890	419.453	1.072.343	746.915	462.802	1.209.717
5.7	Expected Credit Loss (-) / Specific Provisions (-)		707.145	513.125	1.220.270	737.226	626.633	1.363.859
VI.	EQUITY INVESTMENTS		-	-	-	-	-	-
6.1	Investments in Associates (Net)		-	-	-	-	-	-
6.2	Subsidiaries (Net)		-	-	-	-	-	-
6.3	Joint Ventures (Net)		-	-	-	-	-	-
VII.	TANGIBLE ASSETS (Net)	11	53.535	-	53.535	34.179	-	34.179
VIII.	INTANGIBLE ASSETS (Net)	12	35.991	-	35.991	28.420	-	28.420
IX.	INVESTMENT PROPERTY (Net)		-	-	-	-	-	-
X.	CURRENT TAX ASSET	21	1.360	-	1.360	239	-	239
XI.	DEFERRED TAX ASSET	13	168.387	-	168.387	257.835	-	257.835
XII.	OTHER ASSETS	15	528.047	1.542.209	2.070.256	282.978	789.065	1.072.043
	<b>SUB TOTAL</b>		<b>28.810.456</b>	<b>24.656.604</b>	<b>53.467.060</b>	<b>28.929.919</b>	<b>22.625.195</b>	<b>51.555.114</b>
XIII.	ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	14	2.432	-	2.432	2,432	-	2,432
13.1	Held for Sale		2,432	-	2,432	2,432	-	2,432
13.2	Discontinued Operations		-	-	-	-	-	-
	<b>TOTAL ASSETS</b>		<b>28.812.888</b>	<b>24.656.604</b>	<b>53.469.492</b>	<b>28.932.351</b>	<b>22.625.195</b>	<b>51.557.546</b>

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

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) YEAR ENDED 30 JUNE 2024

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

	LIABILITIES	Notes	Reviewed Current Period 30 June 2024			Audited Prior Period 31 December 2023		
			TL	FC	TOTAL	TL	FC	TOTAL
<b>I.</b>	<b>FUNDS BORROWED</b>	<b>16</b>	<b>17.252.994</b>	<b>23.771.462</b>	<b>41.024.456</b>	<b>18.482.860</b>	<b>20.978.447</b>	<b>39.461.307</b>
<b>II.</b>	<b>FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>III.</b>	<b>LIABILITIES FROM THE SAVING FUND POOL</b>		-	-	-	-	-	-
<b>IV.</b>	<b>LEASE PAYABLES</b>	<b>18</b>	<b>33.679</b>	-	<b>33.679</b>	<b>6.455</b>	-	<b>6.455</b>
<b>V.</b>	<b>SECURITIES ISSUED (Net)</b>	<b>19</b>	<b>2.155.703</b>	-	<b>2.155.703</b>	<b>3.745.276</b>	-	<b>3.745.276</b>
<b>VI.</b>	<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VII.</b>	<b>DERIVATIVE FINANCIAL LIABILITY</b>	<b>6</b>	<b>57.671</b>	<b>2.350</b>	<b>60.021</b>	-	<b>5.837</b>	<b>5.837</b>
<b>VIII.</b>	<b>PROVISIONS</b>	<b>20</b>	<b>100.562</b>	<b>29.063</b>	<b>129.625</b>	<b>72.394</b>	<b>27.191</b>	<b>99.585</b>
8.1	Restructuring Provisions		-	-	-	-	-	-
8.2	Reserves For Employee Benefits		90.097	-	90.097	65.998	-	65.998
8.3	General Provisions		-	-	-	-	-	-
8.4	Other Provisions		10.465	29.063	39.528	6.396	27.191	33.587
<b>IX.</b>	<b>CURRENT PERIOD TAX LIABILITY</b>	<b>21</b>	<b>138.156</b>	-	<b>138.156</b>	<b>297.849</b>	-	<b>297.849</b>
<b>X.</b>	<b>DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XI.</b>	<b>SUBORDINATED LOANS</b>		-	-	-	-	-	-
<b>XII.</b>	<b>OTHER LIABILITY</b>	<b>17</b>	<b>508.089</b>	<b>912.728</b>	<b>1.420.817</b>	<b>418.235</b>	<b>753.102</b>	<b>1.171.337</b>
	<b>SUB TOTAL</b>		<b>20.246.854</b>	<b>24.715.603</b>	<b>44.962.457</b>	<b>23.023.069</b>	<b>21.764.577</b>	<b>44.787.646</b>
<b>XIII.</b>	<b>PAYABLES RELATED TO ASSETS FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>		-	-	-	-	-	-
13.1	Held For Sale		-	-	-	-	-	-
13.2	Discontinued Operations		-	-	-	-	-	-
<b>XIV.</b>	<b>SHAREHOLDER'S EQUITY</b>		<b>8.507.035</b>	-	<b>8.507.035</b>	<b>6.769.900</b>	-	<b>6.769.900</b>
14.1	Paid-in Capital	<b>23</b>	695.303	-	695.303	695.303	-	695.303
14.2	Capital Reserves	<b>23</b>	1.763	-	1.763	1.763	-	1.763
14.2.1	Share Premiums		-	-	-	-	-	-
14.2.2	Share Cancellation Profits		-	-	-	-	-	-
14.2.3	Other Capital Reserves		1.763	-	1.763	1.763	-	1.763
14.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss	<b>23</b>	2.400.637	-	2.400.637	1.843.962	-	1.843.962
14.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		-	-	-	-	-	-
14.5	Profit Reserves	<b>24</b>	3.550.541	-	3.550.541	1.783.089	-	1.783.089
14.5.1	Legal Reserves		154.907	-	154.907	111.904	-	111.904
14.5.2	Statutory Reserves		-	-	-	-	-	-
14.5.3	Extraordinary Reserves		3.395.634	-	3.395.634	1.671.185	-	1.671.185
14.5.4	Other Profit Reserves		-	-	-	-	-	-
14.6	Profit or Loss		1.015.755	-	1.015.755	1.772.928	-	1.772.928
14.6.1	Prior Periods Profit/Loss	<b>25</b>	5.476	-	5.476	5.868	-	5.868
14.6.2	Current Period Profit/Loss		1.010.279	-	1.010.279	1.767.060	-	1.767.060
	Non-Controlling Interests	<b>22</b>	843.036	-	843.036	672.855	-	672.855
	<b>TOTAL LIABILITIES</b>		<b>28.753.889</b>	<b>24.715.603</b>	<b>53.469.492</b>	<b>29.792.969</b>	<b>21.764.577</b>	<b>51.557.546</b>

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

**İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF OFF BALANCE SHEET ITEMS**  
**YEAR ENDED 30 JUNE 2024**

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

	OFF-BALANCE SHEET ITEMS	Notes	Reviewed Current Period 30 June 2024			Audited Prior Period 31 December 2023		
			TL	FC	TOTAL	TL	FC	TOTAL
<b>I.</b>	<b>IRREVOCABLE FACTORING TRANSACTIONS</b>		131.867	2.195.056	2.326.923	363.240	1.804.641	2.167.881
<b>II.</b>	<b>REVOCABLE FACTORING TRANSACTIONS</b>		2.441.119	696.228	3.137.347	1.235.817	323.520	1.559.337
<b>III.</b>	<b>SAVING FINANCE AGREEMENTS TRANSACTIONS</b>		-	-	-	-	-	-
<b>IV.</b>	<b>COLLATERALS RECEIVED</b>	38	152.090.556	358.360.550	510.451.106	123.287.938	326.072.036	449.359.974
<b>V.</b>	<b>COLLATERALS GIVEN</b>	26	12.051.120	12.146	12.063.266	8.700.586	11	8.700.597
<b>VI.</b>	<b>COMMITMENTS</b>		1.011.430	2.868.548	3.879.978	549.975	977.643	1.527.618
<b>6.1</b>	Irrevocable Commitments		-	67.265	67.265	-	181.806	181.806
<b>6.2</b>	Revocable Commitments		1.011.430	2.801.283	3.812.713	549.975	795.837	1.345.812
<b>6.2.1</b>	Lease Commitments		1.011.430	2.801.283	3.812.713	549.975	795.837	1.345.812
<b>6.2.1.1</b>	Finance Lease Commitments		1.011.430	2.801.283	3.812.713	549.975	795.837	1.345.812
<b>6.2.1.2</b>	Operational Lease Commitments		-	-	-	-	-	-
<b>6.2.2</b>	Other Revocable Commitments		-	-	-	-	-	-
<b>VII.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>	26	1.830.044	17.379.900	19.209.944	-	12.829.346	12.829.346
<b>7.1</b>	Derivative Financial Instruments for Risk Management		-	-	-	-	-	-
<b>7.1.1</b>	Fair Value Hedges		-	-	-	-	-	-
<b>7.1.2</b>	Cash Flow Hedges		-	-	-	-	-	-
<b>7.1.3</b>	Net Foreign Investment Hedges		-	-	-	-	-	-
<b>7.2</b>	Derivative Financial Instruments Held For Trading		1.830.044	17.379.900	19.209.944	-	12.829.346	12.829.346
<b>7.2.1</b>	Forward Foreign Currency Purchases/Sales		1.330.044	1.584.660	2.914.704	-	407.597	407.597
<b>7.2.2</b>	Swap Purchases/Sales		500.000	15.795.240	16.295.240	-	12.421.749	12.421.749
<b>7.2.3</b>	Put/call options		-	-	-	-	-	-
<b>7.2.4</b>	Futures purchases/sales		-	-	-	-	-	-
<b>7.2.5</b>	Others		-	-	-	-	-	-
<b>VIII.</b>	<b>ITEMS HELD IN CUSTODY</b>		6.008.208	606.201	6.614.409	3.675.476	514.948	4.190.424
	<b>TOTAL OFF-BALANCE SHEET ITEMS</b>		<b>175.564.344</b>	<b>382.118.629</b>	<b>557.682.973</b>	<b>137.813.032</b>	<b>342.522.145</b>	<b>480.335.177</b>

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

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS YEAR ENDED 30 JUNE 2024

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

		Notes	Reviewed Current Period 01.01-30.06.2024	Unaudited Current Period 01.04-30.06.2024	Reviewed Prior Period 01.01-30.06.2023	Unaudited Prior Period 01.04-30.06.2023
	<b>PROFIT OR LOSS STATEMENT</b>					
<b>I.</b>	<b>OPERATING INCOME</b>	<b>29</b>	<b>5.802.657</b>	<b>2.968.047</b>	<b>3.298.458</b>	<b>1.800.640</b>
	<b>FACTORING INCOME</b>		<b>3.777.028</b>	<b>1.901.166</b>	<b>1.990.945</b>	<b>1.072.773</b>
1.1	Factoring Interest Income		3.646.947	1.829.369	1.598.742	760.686
1.1.1	Discounted		2.073.437	1.097.122	737.238	344.174
1.1.2	Other		1.573.510	732.247	861.504	416.512
1.2	Factoring Commission Income		130.081	71.797	392.203	312.087
1.2.1	Discounted		72.504	40.178	207.307	161.904
1.2.2	Other		57.577	31.619	184.896	150.183
	<b>INCOME FROM FINANCING LOANS</b>		-	-	-	-
1.3	Interest income from Financing Loans		-	-	-	-
1.4	Fees and Commission Income from Financing Loans		-	-	-	-
	<b>LEASE INCOME</b>		<b>2.025.629</b>	<b>1.066.881</b>	<b>1.307.513</b>	<b>727.867</b>
1.5	Finance Lease Income		2.023.629	1.065.921	1.305.619	726.862
1.6	Operational Lease Income		2.000	960	1.894	1.005
1.7	Fees and Commission Income from Lease Operations		-	-	-	-
	<b>SAVING FINANCE INCOME</b>		-	-	-	-
1.8	Dividends Received from Savings Financing Receivables		-	-	-	-
1.9	Fees and Commissions Received from Savings Financing Activities		-	-	-	-
<b>II.</b>	<b>FINANCING EXPENSES (-)</b>	<b>32</b>	<b>(4.555.112)</b>	<b>(2.286.389)</b>	<b>(2.127.047)</b>	<b>(1.143.496)</b>
2.1	Interest Expense on Funds Borrowed		(4.068.677)	(2.113.858)	(1.590.667)	(882.539)
2.2	Interest Expense on Factoring Payables		-	-	-	-
2.3	Interest Expense of Finance Leasing Expenses		(5.740)	(3.934)	(1.007)	(595)
2.4	Interest Expense on Securities Issued		(367.655)	(112.202)	(278.944)	(89.635)
2.5	Other Interest Expenses		-	-	-	-
2.6	Fees and Commissions Paid		(113.040)	(56.395)	(256.429)	(170.727)
<b>III.</b>	<b>GROSS PROFIT / LOSS (I+II)</b>		<b>1.247.545</b>	<b>681.658</b>	<b>1.171.411</b>	<b>657.144</b>
<b>IV.</b>	<b>OPERATING EXPENSES (-)</b>	<b>30</b>	<b>(384.466)</b>	<b>(179.613)</b>	<b>(188.381)</b>	<b>(87.205)</b>
4.1	Personal Expenses		(270.817)	(131.813)	(120.197)	(55.538)
4.2	Employee Severance Indemnity Expense		(18.913)	(1.126)	(7.237)	(297)
4.3	Research and Development Expenses		-	-	-	-
4.4	General Administration Expenses		(94.736)	(46.674)	(60.947)	(31.370)
4.5	Other		-	-	-	-
<b>V.</b>	<b>GROSS OPERATING PROFIT / LOSS (III+IV)</b>		<b>863.079</b>	<b>502.045</b>	<b>983.030</b>	<b>569.939</b>
<b>VI.</b>	<b>OTHER OPERATING INCOME</b>	<b>31</b>	<b>1.019.499</b>	<b>366.800</b>	<b>1.169.420</b>	<b>834.508</b>
6.1	Interest Income on Bank Deposits		148.786	95.733	3.530	900
6.2	Interest Income on Marketable Securities Portfolio		-	-	-	-
6.3	Dividend Income		77.849	77.838	36.730	-
6.4	Gains on Securities Trading		1.990	1.768	108	74
6.5	Income From Derivative Financial Instruments		213.783	72.817	184.659	73.881
6.6	Foreign Exchange Gains		84.552	24.467	692.122	621.456
6.7	Other		492.539	94.177	252.271	138.197
<b>VII.</b>	<b>PROVISION EXPENSES (-)</b>	<b>33</b>	<b>(185.764)</b>	<b>(90.667)</b>	<b>(480.062)</b>	<b>(328.955)</b>
7.1	Specific Provisions		-	-	-	-
7.2	Expected Credit Losses		(185.764)	(90.667)	(480.062)	(328.955)
7.3	General Provisions		-	-	-	-
7.4	Other		-	-	-	-
<b>VIII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>34</b>	<b>(173.802)</b>	<b>(76.329)</b>	<b>(287.032)</b>	<b>(119.969)</b>
8.1	Impairment Losses on Securities Portfolio		-	-	-	-
8.2	Impairment Losses on Tangible and Intangible Assets		-	-	-	-
8.3	Losses on Securities Trading		-	-	-	-
8.4	Losses From Derivative Financial Instruments		(157.155)	(68.882)	(254.709)	(111.053)
8.5	Foreign Exchange Losses		-	-	-	-
8.6	Other		(16.647)	(7.447)	(32.323)	(8.916)
<b>IX.</b>	<b>NET OPERATING PROFIT (V+...+VIII)</b>		<b>1.523.012</b>	<b>701.849</b>	<b>1.385.356</b>	<b>955.523</b>
<b>X.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-	-	-
	<b>PROFIT/LOSS FROM ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD</b>		-	-	-	-
<b>XI.</b>	<b>NET MONETARY POSITION GAIN/LOSS</b>		-	-	-	-
<b>XII.</b>	<b>PROFIT/LOSS ON CONTINUING OPERATIONS BEFORE TAX (IX+X+XI+XII)</b>		<b>1.523.012</b>	<b>701.849</b>	<b>1.385.356</b>	<b>955.523</b>
<b>XIII.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	<b>35</b>	<b>(411.001)</b>	<b>(153.982)</b>	<b>(368.030)</b>	<b>(264.376)</b>
14.1	Current Tax Provision		(369.091)	(95.829)	(378.029)	(259.888)
14.2	Deferred Tax Income Effect (+)		(41.910)	(41.910)	-	-
14.3	Deferred Tax Expense Effect (-)		-	(16.243)	9.999	(4.488)
<b>XV.</b>	<b>NET PERIOD PROFIT/LOSS FROM CONTINUING OPERATIONS (XIII±XIV)</b>		<b>1.112.011</b>	<b>547.867</b>	<b>1.017.326</b>	<b>691.147</b>
<b>XVI.</b>	<b>INCOME ON DISCONTINUED OPERATIONS</b>		-	-	-	-
16.1	Income on Assets Held for Sale		-	-	-	-
16.2	Gain on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-
16.3	Other Income on Discontinued Operations		-	-	-	-
<b>XVII.</b>	<b>EXPENSE ON DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
17.1	Expense on Assets Held for Sale		-	-	-	-
17.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Ventures)		-	-	-	-
17.3	Other Expense on Discontinued Operations		-	-	-	-
<b>XVIII.</b>	<b>PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XVI-XVII)</b>		-	-	-	-
<b>XIX.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
19.1	Current Tax Provision		-	-	-	-
19.2	Deferred Tax Expense Effect (+)		-	-	-	-
19.3	Deferred Tax Income Effect (-)		-	-	-	-
<b>XX.</b>	<b>NET PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XVIII±XIX)</b>		-	-	-	-
	<b>NON-CONTROLLING INTEREST</b>	<b>22</b>	<b>(101.732)</b>	<b>(55.008)</b>	<b>(134.487)</b>	<b>(82.663)</b>
<b>XXI.</b>	<b>NET PROFIT FOR THE PERIOD (XV+XX)</b>		<b>1.010.279</b>	<b>492.859</b>	<b>882.839</b>	<b>608.484</b>
	<b>EARNINGS PER SHARE (**)</b>	<b>36</b>	<b>0,0145</b>	<b>0,0071</b>	<b>0,0127</b>	<b>0,0088</b>
	Earnings Per Share from Continued Operations		0,0145	0,0071	0,0127	0,0088
	Earnings Per Share from Discontinued Operations		-	-	-	-
	<b>DILUTED EARNINGS PER SHARE</b>	<b>36</b>	<b>0,0145</b>	<b>0,0071</b>	<b>0,0127</b>	<b>0,0088</b>
	Earnings Per Share from Continued Operations		0,0145	0,0071	0,0127	0,0088
	Earnings Per Share from Discontinued Operations		-	-	-	-

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



**İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024  
(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

<b>PROFIT/LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT</b>		<b>Reviewed Current Period 01.01-30.06.2024</b>	<b>Unaudited Current Period 01.04-30.06.2024</b>	<b>Reviewed Prior Period 01.01-30.06.2023</b>	<b>Unaudited Prior Period 01.04-30.06.2023</b>
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>1.112.011</b>	<b>547.867</b>	<b>1.017.326</b>	<b>691.147</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>625.124</b>	<b>592.248</b>	<b>5.496</b>	<b>342.451</b>
<b>2.1</b>	<b>Items that will not be Reclassified to Profit or Loss</b>	<b>625.124</b>	<b>592.248</b>	<b>5.496</b>	<b>342.451</b>
2.1.1	Tangible Assets Revaluation Increases/Decreases	-	-	-	-
2.1.2	Intangible Assets Revaluation Increases/Decreases	-	-	-	-
2.1.3	Employee Benefits Re-Measuring Loss/Income	-	-	-	-
2.1.4	Other Comprehensive Income that will not be Reclassified to Profit or Loss (Note 2.3)	672.663	639.170	5.496	342.451
2.1.5	Taxes related with Comprehensive Income that will not be Reclassified to Profit or Loss	(47.539)	(46.922)	-	-
<b>2.2</b>	<b>Items that may be Reclassified subsequently to Profit or Loss</b>	-	-	-	-
2.2.1	Foreign Exchange Differences for Foreign Currency Transactions	-	-	-	-
2.2.2	Value Increases or Decreases on Assets Held for Sales (Note 2.3)	-	-	-	-
2.2.3	Cash Flow Hedge Income/Losses	-	-	-	-
2.2.4	Net Investment Hedge Income/Losses	-	-	-	-
2.2.5	Other Comprehensive Income that may be Reclassified subsequently to Profit or Loss	-	-	-	-
2.2.6	Taxes related with Comprehensive Income that may be Reclassified subsequently to Profit or Loss	-	-	-	-
<b>III.</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>1.737.135</b>	<b>1.140.115</b>	<b>1.022.822</b>	<b>1.033.598</b>

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

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 30 JUNE 2024 (Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

CHANGES IN EQUITY	Notes	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Accumulated Comprehensive Income that will be not reclassified to Profit/Loss			Other Accumulated Comprehensive Income that may be reclassified subsequently to Profit/Loss			Profit Reserves	Prior Period Profit/(Loss)	Net Current Period Profit/ Loss	Non-Controlling Interest	Total Equity
						1	2	3	4	5	6					
<b>Prior Period (30.06.2023)(Reviewed)</b>																
<b>I. Balance at the Beginning of the Period</b>		695.303	-	-	1.763	-	(2.107)	948.916	-	-	-	954.367	7.824	826.766	311.213	3.744.045
<b>II. Correction Made According to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I-II)</b>	23	695.303	-	-	1.763	-	(2.107)	948.916	-	-	-	954.367	7.824	826.766	311.213	3.744.045
<b>IV. Total Comprehensive Income</b>		-	-	-	-	-	4.897	-	-	-	-	-	-	882.839	135.086	1.022.822
<b>V. Cash Capital Increase</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase from internal reserves</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-in-Capital Inflation Adjustment</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Loans</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increases / Decreases due to other changes</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>		-	-	-	-	-	-	-	-	-	-	828.722	(1.956)	(826.766)	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfer to Reserves		-	-	-	-	-	-	-	-	-	-	828.722	(1.956)	(826.766)	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the End of the Period (III+IV+.....+XI)</b>		695.303	-	-	1.763	-	(2.107)	953.813	-	-	-	1.783.089	5.868	882.839	446.299	4.766.867
<b>Current Period (30.06.2024)(Reviewed)</b>																
<b>I. Balance at the Beginning of the Period</b>		695.303	-	-	1.763	-	(3.018)	1.846.980	-	-	-	1.783.089	5.868	1.767.060	672.855	6.769.900
<b>II. Correction Made According to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Correction of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I-II)</b>	23	695.303	-	-	1.763	-	(3.018)	1.846.980	-	-	-	1.783.089	5.868	1.767.060	672.855	6.769.900
<b>IV. Total Comprehensive Income</b>		-	-	-	-	-	556.675	-	-	-	-	-	-	1.010.279	170.181	1.737.135
<b>V. Cash Capital Increase</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase from internal reserves</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Paid-in-Capital Inflation Adjustment</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Loans</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Increases / Decreases due to other changes</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>		-	-	-	-	-	-	-	-	-	-	1.767.452	(392)	(1.767.060)	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfer to Reserves		-	-	-	-	-	-	-	-	-	-	1.767.452	(392)	(1.767.060)	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at the End of the Period (III+IV+.....+XI+XII)</b>		695.303	-	-	1.763	-	(3.018)	2.403.655	-	-	-	3.550.541	5.476	1.010.279	843.036	8.507.035

1. Revaluation increase/decrease of property and equipment,
2. Employee benefits re-measuring income/loss,
3. Other (Other comprehensive income related with equity pick up investment portions and accumulated other comprehensive income components that will not be re-classified to profit/loss) (Note 2.3)
4. Foreign currency translation differences for foreign operations,
5. Net change in fair value of available-for-sale financial assets,
6. Other (Cash flow hedge income/ (losses), accumulated other comprehensive income components that may re-classified subsequently to profit/loss)

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

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 JUNE 2024

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

		Reviewed Current Period	Reviewed Prior Period
	Notes	01.01-31.06.2024	01.01-31.06.2023
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>1.1 Operating Profit Before Changes In Operating Assets And Liabilities</b>		<b>531.472</b>	<b>557.818</b>
1.1.1 Interests Received/Lease Income		5.854.565	2.522.525
1.1.2 Interest Paid / Lease Expenses		(4.936.653)	(1.901.464)
1.1.3 Dividends Received		77.849	36.730
1.1.4 Fees and Commissions Received		130.081	392.203
1.1.5 Other Income		155.352	73.710
1.1.6 Collections from Non-performing Receivables	31	337.187	178.561
1.1.7 Payments to Personnel and Service Suppliers		(238.597)	(105.232)
1.1.8 Taxes Paid	21	(567.233)	(233.441)
1.1.9 Others		(281.079)	(405.774)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>1.015.348</b>	<b>2.361.166</b>
1.2.1 Net (Increase) Decrease in Factoring Receivables		614.368	1.062.123
1.2.2 Net (Increase) Decrease in Financing Loans		-	-
1.2.3 Net (Increase) Decrease in Lease Receivables		1.239.445	411.466
1.2.4 Net (Increase) Decrease in Savings Financing Receivables		-	-
1.2.5 Net (Increase) Decrease in Other Assets		(1.964.227)	122.848
1.2.6 Net Increase (Decrease) in Factoring Payables		-	-
1.2.7 Net (Increase) Decrease in Savings Financing Payables		-	-
1.2.8 Net Increase (Decrease) in Lease Payables		27.224	4.817
1.2.9 Net Increase (Decrease) in Funds Borrowed		501.160	255.828
1.2.10 Net Increase (Decrease) in Due Payables		-	-
1.2.11 Net Increase (Decrease) in Other Liabilities		597.378	504.084
<b>I. Net Cash Provided from / (Used in) Operating Activities</b>		<b>1.546.820</b>	<b>2.918.984</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
2.1 Cash Paid for Purchase Of Associates, Subsidiaries and Joint-ventures		-	-
2.2 Cash Obtained From Sale of Associates, Subsidiaries and Joint-Ventures		-	-
2.3 Purchases of Tangible and Intangible Assets	11,12	(59.917)	(31.033)
2.4 Proceeds From Sale of Tangible and Intangible Assets	11,12	16.881	2.734
2.5 Cash Paid for Purchase of Financial Assets Available for Sale		-	-
2.6 Proceeds From Sale of Financial Assets Available for Sale		-	-
2.7 Cash Paid for Purchase of Held-to-Maturity Investment Securities		-	-
2.8 Proceeds from Sale of Held-to-Maturity Investment Securities		-	-
2.9 Other		(3)	4
<b>II. Net cash used in investing activities</b>		<b>(43.039)</b>	<b>(28.295)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
3.1 Cash obtained from funds borrowed and securities issued		3.653.089	2.716.445
3.2 Cash used for repayment of funds borrowed and securities issued		(5.108.404)	(5.486.639)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other		-	-
<b>III. Net Cash Used in Financing Activities</b>		<b>(1.455.315)</b>	<b>(2.770.194)</b>
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>1.567</b>	<b>224</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>50.033</b>	<b>120.719</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period</b>	4	<b>2.510.720</b>	<b>362.710</b>
<b>VII. Operating Profit Before Changes In Operating Assets And Liabilities</b>	4	<b>2.560.753</b>	<b>483.429</b>

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

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 1. ORGANIZATION AND OPERATIONS OF THE COMPANY

İş Finansal Kiralama A.Ş. (“the Company”) was incorporated on 9 March 1988 to operate in Turkey in accordance with Finance Lease, Factoring, Financing and Savings Financing Companies Law No: 6361. The core business of the Company is leasing operations, both domestic and abroad, and it started its leasing operations in July 1988. The head office of the Company is located at İş Kuleleri Kule:1 Kat:6 34330 Levent-İstanbul/Turkey.

The Company has purchased nominal shares of İş Faktoring A.Ş. (“İş Faktoring”) amounting to TL 12.517 in consideration of USD10.952.375 on 11 August 2004. The Company owns 78,23% of the İş Faktoring A.Ş. and it has been consolidated in the accompanying financial statements. The Company and its subsidiary run their operations in accordance with “Finance Lease, Factoring and Financing Companies Law” published on the Official Gazette no. 28496 dated 13 December 2012 and “Regulation on Principles for Establishment and Operations of Finance Lease, Factoring and Financing Companies” of Banking Regulation and Supervision Agency (“BRSA”).

The ultimate parent of the Company is Türkiye İş Bankası A.Ş. The main shareholders of the Company are Türkiye İş Bankası A.Ş. with 30,43% and Türkiye Sınai Kalkınma Bankası A.Ş. (“TSKB”) with 29,46% participation. The Company’s 39,18% of shares are publicly traded and listed on the Borsa İstanbul.

As at 30 June 2024, the Company and its subsidiary (“the Group”) have 259 employees

(31 December 2023: 257 employees).

#### Dividend Payable

As at 30 June 2024, the Company does not have any dividend payable.

#### Approval of the Financial Statements

The consolidated financial statements and consolidated profit and loss table of the Group as at 30 June 2024 have been approved by the Board of Directors of the Group and authorized for issue as at 31.07.2024 The General Assembly and / or legal authorities have power to amend the consolidated financial statements after its issue.

### 2. BASIS OF THE FINANCIAL STATEMENTS

#### 2.1 Basis of the Presentation

##### Accounting Standards Applied

The Group prepared accompanying consolidated financial statements accordingly to the “Communiqué on Uniform Chart of Accounts and Prospectus to be implemented by Financial Leasing, Factoring and Financing Companies” and “Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing and Savings Financing Companies” the published in the Official Gazette dated 29 June 2021 and numbered 31526 published by “Banking Regulation and Supervision Agency” (BRSA) and Turkish Accounting Standards (“TAS”), Turkish Financial Reporting Standards (“TFRS”) and their additions and comments issued by Public Oversight Accounting and Auditing Standards’ Authority (“POA”) and other regulations, communiqués, and circulars announced by the Banking Regulation and Supervision Agency (all together refer to as “BRSA Accounting and Reporting Legislation”) in respect of accounting and financial reporting.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of the Presentation (Continued)

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2023 in accordance with TAS 29.

BRSA also stated that, in accordance with the board decision dated January 11, 2024, banks and financial leasing, factoring, financing, savings financing and asset management companies will switch to inflation accounting as of 1 January 2025.

In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of June 30, 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant accounting estimates used are described in the following notes:

Note 5 – Financial assets and liabilities at fair value through profit or loss

Note 8 – Factoring receivables

Note 9 – Lease receivables

Note 20 – Provisions

Note 26 – Provisions, contingent assets and liabilities

#### Basis of Consolidation

The details of the Group’s subsidiary as at 30 June 2024 and 31 December 2023 are as follows:

Subsidiary	Establishment and operation location	Shareholding rate %	Voting right rate %	Core business
İş Faktoring	İstanbul	78,23	78,23	Factoring operations

The accompanying consolidated financial statements include the accounts of the Company and its subsidiary on the basis set out in “Subsidiaries” section below. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

#### 2.1 Basis of the Presentation (Continued)

##### (i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

In determining control power, existing and convertible voting rights are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

As at 30 June 2024 and 31 December 2023, the Company owns 78,23% of İş Faktoring A.Ş.. As the Company has the power to control the operations of the İş Faktoring A.Ş., the financial statements of İş Faktoring A.Ş. have been fully consolidated in the accompanying consolidated financial statements.

##### (ii) Transactions eliminated on consolidation

Financial statements of İş Faktoring A.Ş. have been fully consolidated in the accompanying financial statements and profit or loss table and the investment balance in the Company’s statement of financial position have been eliminated against the paid-in capital of İş Faktoring A.Ş. Intra-group balances, transactions and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The accounting policies of the subsidiary have been adjusted when necessary to align them with the policies adopted by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

##### (iii) Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group’s equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest in equity since the date of the combination.

#### Offsetting

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### 2.1.2 Explanation for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Two differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2024. Accordingly, the accompanying financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Company in accordance with IFRS.

#### 2.2 Changes in Accounting Policies

Accounting policies taken as the basis in preparing the financial statements of the accounting periods ended on 30 June 2024 are applied consistently with the financial statements prepared as of December 31, 2023.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

#### 2.3 Changes in Accounting Estimates and Errors

If the changes in accounting estimates relate to a specific period, they are applied in the period they relate to whereas if the changes are related to future periods, they are applied both in the period the change is made and prospectively in the future periods. There has not been any significant change in the accounting estimates of the Group in the current period. Material accounting errors are adjusted retrospectively and prior periods consolidated financial statements are restated.

#### 2.4 Changes in Standards and Interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at June 30, 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 January 1, 2024. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

##### i) Standards, amendments, and interpretations applicable as of 30 June 2024

- **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.
- **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.
- **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.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 2. BASIS OF THE FINANCIAL STATEMENTS (Continued)

#### 2.4 Changes in Standards and Interpretations(Continued)

##### i) Standards, amendments, and interpretations that are issued but not effective as of 30 June 2024:

- **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.
- **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.



# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### a. Revenue

*Finance lease income:* Initial value of leased assets at the beginning of the leasing period under the Finance Lease, factoring and Financing Companies Law No: 6361 is recognized as finance lease receivables in the consolidated statement of financial position. Interest income resulting from the difference between the total finance lease receivables and the investment value of the leased assets are recognized in the period in which the relevant receivable portion for each accounting period is distributed over the related period using the fixed interest rate through the leasing period. The interest income not accrued yet is followed up under the account of unearned interest income.

*Factoring revenue:* Consists of factoring interest and commission income collected or accrued on advances given to the customers. Factoring commission income is a certain percentage of the total amount of invoices subject to factoring transactions.

*Other interest income:* The outstanding amount of the principal and cash inflows to be calculated over the expected life of the asset is reduced to the related period at the effective interest rate. Dividend income from equity share investments is recognized when the shareholders have the right to receive the dividend. Fee and commissions collected or paid on any transactions are recorded on accrual basis.

#### b. Tangible Assets

Tangible assets, acquired before 1 January 2005 are carried at restated cost for the effects of inflation in TL units current at the 31 December 2004 less accumulated depreciation and impairment losses, and tangible assets acquired after 31 December 2004 are carried at acquisition cost less accumulated depreciation and impairment losses.

Tangible assets are depreciated over the estimated useful lives of the related assets on a straight-line basis over the cost. The estimated useful life, residual values and amortization method of tangible assets are reviewed at each reporting period and corrected if necessary.

Leasehold improvements are depreciated on a straight-line basis at the lower of over their lease periods or over the useful life of the leasehold improvements.

Expenses incurred to replace any part of tangible fixed assets are capitalized. Subsequent expenditures may be capitalized if they increase the future economic benefits of the asset. All other expense items are accounted on an accrual basis in the consolidated statement of income.

The estimated useful lives for the current and comparative periods are as follows:

<u>Definition</u>	<u>Years</u>
Furniture and fixtures	5 years
Other tangible assets	5 years
Leasehold improvements	5 years
Operational Leasing Assets	3 years

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### b. Tangible Assets(Continued)

Gains and losses on disposal of an item of tangible assets are determined by comparing the proceeds from disposal with the carrying amount of tangible assets, and are recognized net within other operating income/expense in the consolidated statement of income.

The estimated useful life, residual values and amortization method of intangible assets are reviewed at each reporting period and corrected if necessary.

#### c. Intangible Assets

Intangible assets include computer software, licenses and goodwill. Computer software and licenses acquired before 1 January 2005 are carried at restated cost for the effects of inflation in TL units current at the 31 December 2004 less accumulated amortisation and impairment losses and intangible assets acquired after 31 December 2004 are carried at acquisition cost less accumulated amortisation and impairment losses. The estimated useful lives, residual values and amortization method of intangible assets other than goodwill are reviewed at each reporting date. Amortization is charged on a straight-line basis over their estimated useful lives. The useful lives of computer software and licenses are 5 years.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their useful lives. Costs associated with developing or maintaining computer software programs are recognized in the statement of income as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Computer software development costs recognized as assets are amortized over their estimated useful lives, not exceeding five years.

The estimated useful life, residual value and amortization method of intangible assets are reviewed at each reporting period and corrected if necessary.

#### d. Impairment of Non-Financial Assets

Assets that have an indefinite useful life, like goodwill, are not subject to amortization, but tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impaired non-financial assets other than goodwill are reviewed for possible reversal of the impairment at each reporting date.

#### e. Borrowing Costs

All borrowing costs are recorded in the income statement on accrual basis.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### f. Financial Assets Held For Sale

Assets that are expected to be disposed by sale rather than usage (or disposal asset group) are classified as held for sale. Immediately before classification as held for sale, the assets (or disposal asset group) are remeasured in accordance with the Group’s accounting policies. Thereafter generally the assets (or disposal asset group) are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in the consolidated profit or loss table. Gains are not recognized in excess of any cumulative impairment loss.

#### g. Financial Instruments

##### Financial Assets

As of 1 January 2018, the Group within the scope of “IFRS 9 Financial Instruments”, classifies and accounts its financial assets as “Financial Assets at Fair Value Through Profit or Loss”, “Financial Assets at Fair Value Through Other Comprehensive Income” or “Financial Assets at Measured at Amortised Cost” by taking into account their business model and contractual cash flow characteristics. Financial assets are recognized or derecognized according to IFRS 9 “Recognition and Derecognition in the financial statements” requirements. The Company recognizes a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the financial instrument. Financial assets are measured at their fair value on initial recognition in the financial statements.

##### Financial Assets at Fair Value Through Profit or Loss

Financial assets other than financial assets that are measured at amortized cost or at fair value through other comprehensive income, are measured at fair value through profit or loss. Financial assets at fair value through profit or loss are financial assets held for the purpose of generating profit from short-term fluctuations in price or similar factors in the market or being part of a portfolio for profitability in the short term, regardless of the acquisition reason. Financial assets at fair value through profit or loss are initially measured at fair value on the balance sheet and are subsequently re-measured at fair value. Gains or losses arising from the valuation are related to profit or loss.

##### Financial Assets Measured at Amortized Cost

Financial assets measured at amortized cost are those financial assets where the group has the intention and ability to held to the maturity, fixed or determinable payment plan, fixed-term debt instruments. Financial assets measured at amortized cost by using the effective interest rate method, net of any provision for impairment.

##### Financial Assets at Fair Value Through Other Comprehensive Income

The Group has equity investments and debt securities quoted on an active market and investments in fair values are classified as financial assets carried at fair value through other comprehensive income. The Group has equity instruments that are not traded and not quoted in an active market whose fair value differences are reflected in other comprehensive income and are measured at cost, since their fair value cannot be measured reliably.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g. Financial Instruments (Continued)

Gains and losses arising from changes in the fair value impairment loss recognized in the income statement, interest and monetary assets and interest and monetary assets calculated using the effective interest method are recognized in other comprehensive income and the financial assets are accumulated in the fund of revaluation. In the event that the investment is disposed of or is impaired, the total profit / loss accumulated in the revaluation fund of financial assets is classified in the income statement. Dividends on equity instruments recognized at fair value through other comprehensive income are recognized in income statement when the Company's right to receive payment is established.

#### Financial Lease Receivables, Factoring Receivables and Expected Credit Loss

In accordance with the “IFRS 9-Financial Instruments, the Group recognizes expected credit loss allowance on financial assets at fair value through other comprehensive income or financial assets measured at amortized cost.

Under IFRS 9, the expected credit loss and specific provision is calculated according to the “three-stage” impairment model based on the change in the loan quality of financial assets after initial recognition and detailed in the following headings:

#### **Stage 1:**

An important determinant for calculating the expected credit loss in accordance with IFRS 9 is to assess whether there is a significant increase in the credit risk of the financial asset. Financial assets that have not experienced a significant increase in credit risk since the initial recognition are monitored in the first stage. Impairment for credit risk for the financial assets is equal to the 12-month expected credit losses.

#### **Stage 2:**

Financial assets that experienced a significant increase in the credit risk since initial recognition, are transferred to Stage 2. The expected credit loss of these financial assets are measured at an amount equal to the instrument’s lifetime expected credit loss. In order to classify a financial asset in the second stage, the following criteria is considered:

- Overdue between 30-90 days
- Restructuring of the loan
- Significant deterioration in the probability

In the event of a significant deterioration in the probability of default, the credit risk is considered to be increased significantly and the financial asset is reclassified as stage 2.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g. Financial Instruments (Continued)

##### **Stage 3**

Financial assets with sufficient and fair information for impairment at the reporting date, are classified in the third stage. Expected credit loss of these financial assets is measured at an amount equal to the lifetime expected credit loss. The following basic factors are considered for the classification of a financial asset in the third stage:

-More than 90 days past due

-Whether the credit rating is weakened, has suffered a significant weakness or can not be collected or there is a certain opinion on this matter

Specific provision is provided for factoring receivables in Stage 3.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments with maturities of three months or less than three months from date of acquisition and that are readily convertible to cash and are subject to an insignificant risk of changes in value.

##### Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

##### Financial liabilities at fair value through profit loss

Financial liabilities at fair value through profit loss are initially measured at fair value on the balance sheet and are subsequently re-measured at fair value. The change in fair value is accounted under the statement of profit or loss. The net gain or loss recognized in profit or loss includes any interest paid on the financial liability.

##### Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method plus the interest expense recognized on effective interest method.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g. Financial Instruments (Continued)

The effective interest method that calculates the amortized cost of a financial liability and allocates interest expense over the relevant period. The effective interest rate discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period to net present value of financial liabilities.

#### Derivative financial instruments and hedge accounting

The Group’s activities exposes primarily to the financial risks of changes in foreign exchange rates and interest rates. The Group uses derivative financial instruments (primarily foreign currency forward and currency swap contracts) to hedge its risks associated with foreign currency and interest rate fluctuations. Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured at fair value at subsequent reporting dates.

#### h. Business Combinations

The acquisitions of subsidiaries are accounted for by using the purchase method. The cost of the acquisition is measured at the aggregate of fair value, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for the control of the acquiree. The acquiree’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under TFRS 3 “Business Combinations” are recognized at fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-Current Assets Held for Sale and Discontinued Operations”, which are recognized and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. Goodwill is measured at cost less accumulated impairment. When the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, excess amount is recognized immediately as profit.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling party’s proportion of the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

#### i. Effects of Changes in Exchange Rates

The individual financial statements of each entity within the group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i. Effects of Changes in Exchange Rates (Continued)

The foreign currency exchange rates used by the Group as at 30 June 2024 and 31 December 2023 are as follows:

	30 June 2024	31 December 2023
USD	32,8262	29,4382
EUR	35,1284	32,5739
GBP	41,4365	37,4417
CHF	36,4135	34,9666
100 JPY	20,3699	20,7467
AUD	21,7642	20,0213

In preparation of the financial statements of the individual entities, transactions in currencies other than TL (foreign currencies) are recorded at the prevailing exchange rates at the transaction date. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

#### j. Earnings Per Share

Earnings per share presented in the accompanying consolidated income statement is determined by dividing net income by the weighted average number of shares in issue during the year. In case the number of shares increases through rights issue as a result of capital increases from internal sources, earnings per share calculations are made by restating the weighted average number of shares in comparison periods. The correction refers to the consideration of the number of shares used in the calculation as if the unpaid issue was performed at the beginning of the comparison period.

In Turkey, companies can increase their share capitals by issue of “Bonus Shares” to their shareholders from their retained earnings. In computing earnings per share, such issues of “Bonus Shares” are treated as issued shares. Accordingly, the retrospective effect for those share issues is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

#### k. Events After the Reporting Period

Subsequent events means the events occurred between the reporting date and the authorization date for the announcement of the financial statements. In accordance with IAS 10 “Events After Reporting Period Date”; subsequent balance sheet events that provide additional information about the Group’s position at the balance sheet dates (adjusting events) are reflected in the consolidated financial statements. Events that does not require adjustment of financial statements are disclosed in the notes when material.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 1. Provisions, Contingent Liabilities and Contingent Assets:

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognized when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Group discloses the related issues in the accompanying notes. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability if the time value of the money is significant to the provision.

Contingent assets are disclosed in the notes and not recognized unless they are realized.

#### m. Segment Reporting

The Group has two different operating segments, leasing and factoring, that is used by management to make decisions about resources to be allocated to the segments and assess their performance, and for which discrete financial information is available (Note 27)

#### n. Taxes on Income

Turkish Tax Legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the accompanying consolidated financial statements, have been calculated on a separate-entity basis. Income tax expense or credit comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.



# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### n. Employee Benefits / Reserve for Employee Termination Benefits

A deferred tax asset is recognized for unused tax losses, investment incentives, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred taxes related to fair value measurement of available for sale assets are charged or credited to Other Comprehensive Income and subsequently recognized in profit or loss together with the deferred gains that are realized.

In accordance with the provisions of the duplicate 298th article of the Tax Procedure Law, it has been legislated that financial statements will be subject to inflation adjustment in the event that the increase in the producer price index exceeds 100% in the last 3 accounting periods, including the current period, and exceeds 10% in the current accounting period. The transition to inflation accounting will be made on the financial statements dated 31 December 2023. According to Article 17 of Law No. 7491 on Some Amendments to Some Laws and Decrees Having the Force of Law, published in the Official Gazette No.32413 on 28 December 2023, it has become law that the profit/loss differences resulting from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including provisional tax periods, by banks, companies covered by the Financial Leasing, Factoring, Financing and Savings Finance Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies, will not be taken into account in determining the profit. The President is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including provisional tax periods.

#### o. Employee Benefits / Reserve for Employee Termination Benefits

In accordance with the existing social legislation in Turkey, the Group is required to make certain lump-sum payments to employees whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are recognized in the accompanying consolidated financial statements as accrued. The computation of the liability is based upon the retirement pay ceiling announced by the government.

In accordance with IAS 19 “Employee Benefits”, the Group calculated the employee severance indemnities incurred due to retirement of its employees by discounting the future liabilities to their present values, by using actuarial method and reflected to the consolidated financial statements. The main estimates used are as follows:

	30 June 2024	31 December 2023
Discount rate	%3,26	%3,26
Expected rate of salary/limit increase	%21,10	%21,10
Probability of retirement	%94,76	%94,76

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### p. Statement of Cash Flows

The Group presents statement of cash flows as an integral part of its financial statements to inform the users of financial statements about its ability to manage changes in its net assets, its financial structure and the amount and timing of its cash flows under changing conditions.

In the statement of cash flows, the cash flows for the period are reported with a classification of operating, investment and financing activities. Cash flows related with operating activities compose of the cash flows arising from core operations of the Company. Cash flows related with investment activities compose of cash flows that the Group generates from or uses in investment activities (tangible and financial investments). Cash flows related with financing activities represent resources that the Group uses for financing activities and the reimbursements of such resources.

#### r. Share Capital and Dividends

Common shares are classified as equity. Dividends on common shares are reclassified as dividend payables by netting off from the retained earnings in the period in which they are approved and disclosed.

#### s. Related Parties

In accordance with IAS 24 “Related Party Disclosures” shareholders, key management and board members, in each case together with companies controlled by or affiliated with them, and associated companies are considered and referred to as related parties. Related party transactions consist of the transfer of the assets and liabilities between related parties by a price or free of charge. For the purpose of the accompanying consolidated financial statements, shareholders of the Company, the companies controlled by/associated with them, key management and the Board members of the Company are referred to as related parties (Note 10)

### 4. CASH AND CASH EQUIVALENTS

As at 30 June 2024 and 31 December 2023, the details of the banks are as follows:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Demand Deposits	766.070	206.063	434.486	116.892
Time Deposits	1.547.427	41.193	504.180	1.455.162
Interest accrual	5.533	1	2.187	4
	<b>2.319.030</b>	<b>247.257</b>	<b>940.853</b>	<b>1.572.058</b>

The details of the time deposits as at 30 June 2024 are as follows:

Currency	Interest Rate(%)	Maturity	30 June 2024
TL	47%-52,06%	01.07.2024	1.552.960
EUR	0,15%	26.07.2024	41.194
			<b>1.594.154</b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 4. CASH AND CASH EQUIVALENTS (Continued)

The details of the time deposits as at 31 December 2023 are as follows:

<u>Currency</u>	<u>Interest Rate(%)</u>	<u>Maturity</u>	<u>31 December2023</u>
TL	41,75%-43,51%	02.01.2024-05.01.2024	506.367
EUR	0,01%-0,2%	02.01.2024-15.01.2024	1.455.166
			<b>1.961.533</b>

As at 30 June 2024, TL 41.194 portion of total foreign currency deposits (31 December 2023: TL 1.558.294) and TL 1.505.345 portion of total TL deposits (31 December 2023: TL 39.781) consist of accounts at the Group’s main shareholder, Türkiye İş Bankası A.Ş.

The reconciliation of carrying value of cash and cash equivalents in the accompanying consolidated statement of financial position and the statement of cash flow is as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Demand deposits	972.133	551.378
Time deposits (1-3 months) (excluding accrual)	1.588.620	1.959.342
<b>Cash and cash equivalents</b>	<b>2.560.753</b>	<b>2.510.720</b>

As at 30 June 2024 and 31 December 2023, there is no blockage on cash and cash equivalents.

### 5. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

#### Financial Assets at fair value through profit or loss / Expected Credit Loss

As at 30 June 2024 and 31 December 2023, details of financial assets at fair value through profit or loss are as follows:

	<u>30 June 2024</u>	
	<u>TL</u>	<u>FC</u>
Debt securities issued by private sector	-	-
Specific provisions/ Expected Credit Loss	-	-
Mutual funds	610.704	-
	<b>610.704</b>	-
	<u>31 December 2023</u>	
	<u>TL</u>	<u>FC</u>
Debt securities issued by private sector	-	-
Specific provisions/ Expected Credit Loss	-	-
Mutual funds	24.328	-
	<b>24.328</b>	-

The Group has investments in Türkiye İş Bankası A.Ş. mutual funds amounting to TL 610.704 (31 December 2023: 19.619).

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 6. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Derivative financial assets are measured at fair value and if the valuation difference is positive they are classified as "Derivative Financial Assets available for sale", if it is negative they are classified as "Derivative Financial Liabilities available for sale".

#### Derivative Financial Assets

	30 June 2024		31 December 2023	
	TP	YP	TP	YP
Swap Transactions	3.308	85.620	-	80.232
Futures Transactions	-	4.415	-	3.685
	<b>3.308</b>	<b>90.035</b>	<b>-</b>	<b>83.917</b>

#### Derivative Financial Liabilities

	30 June 2024		31 December 2023	
	TP	YP	TP	YP
Swap Transactions	-	2.254	-	5.837
Futures Transactions	57.671	96	-	-
	<b>57.671</b>	<b>2.350</b>	<b>-</b>	<b>5.837</b>

### 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As at 30 June 2024 and 31 December 2023, details of financial assets at fair value through other comprehensive income are as follows:

Name of the investment	Core business	Incorporation and location	Voting right(%)	Ownership Rate (%)		Carrying Amount	
				30 June   December 2024	December 2023	30 June   December 2024	December 2023
<u>Quoted Investments:</u>							
İş Yatırım Menkul Değerler A.Ş. (İş Yatırım)	Investment and Securities Services	İstanbul	4,86	4,86	4,86	2.893.588	2.220.926
<u>Unquoted investments:</u>							
Yatırım Finansman Menkul Değerler A.Ş. Efes Varlık Yönetimi A.Ş.	Investment and Securities Services Asset Management	İstanbul	0,06	0,06	0,06	29	29
		İstanbul	5,72	5,7	5,7	7.429	7.429
<b>Total</b>						<b>2.901.046</b>	<b>2.228.384</b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 8. FACTORING RECEIVABLES

As at 30 June 2024 and 31 December 2023 details of factoring receivables are as follows:

	30 June 2024	31 December 2023
Factoring receivables	22.255.796	22.884.104
Factoring interest income accrual (-)	(567.516)	(728.867)
<b>Total factoring receivables</b>	<b>21.688.280</b>	<b>22.155.237</b>
Stage 1 (Expected Credit Loss)	(130.311)	(110.523)
Stage 2 (Expected Credit Loss)	(70.478)	(56.510)
<b>Total factoring receivables</b>	<b>21.487.491</b>	<b>21.988.204</b>
Non-performing factoring receivables	353.085	336.848
Specific provisions- Stage 3	(237.599)	(232.908)
<b>Factoring receivables, net</b>	<b>21.602.977</b>	<b>22.092.144</b>

As at 30 June 2024, the rating of factoring receivables are as follows:

Ratings – 30 June 2024	Stage 1	Stage 2	Stage 3	Total
Total portfolio	21.375.534	312.746	353.085	22.041.365
Very good (*)	7.895.871	-	-	7.895.871
Standard	13.479.663	-	-	13.479.663
Substandard	-	312.746	353.085	665.831
Expected credit losses	(130.311)	(70.478)	(237.599)	(438.388)
<b>Factoring receivables, net</b>	<b>21.245.223</b>	<b>242.268</b>	<b>115.486</b>	<b>21.602.977</b>

(\*) Companies in the corporate segment with integrated degrees of 1, 2 and 3 are included.

As at 31 December 2023, the rating of factoring receivables are as follows:

Ratings - 31 December 2023	Stage 1	Stage 2	Stage 3	Total
Total portfolio	21.899.753	255.484	336.848	22.492.085
Very good (*)	10.333.636	-	-	10.333.636
Standard	11.566.117	-	-	11.566.117
Substandard	-	255.484	336.848	592.332
Expected credit losses	(110.523)	(56.510)	(232.908)	(399.941)
<b>Factoring receivables, net</b>	<b>21.789.230</b>	<b>198.974</b>	<b>103.940</b>	<b>22.092.144</b>

(\*) Companies in the corporate segment with integrated degrees of 1, 2 and 3 are included.

The movement of expected credit loss and specific provisions are as follows:

<u>Movement of expected credit losses</u>	1 January- 30 June 2024	1 January- 31 December 2023
Provision at the beginning of the period	(399.941)	(377.699)
Additions	(116.551)	(177.091)
Collections	85.938	164.662
Exchange difference income/expense	(7.834)	(26.426)
Write-off (*)	-	16.613
<b>Provision at the end of the period</b>	<b>(438.388)</b>	<b>(399.941)</b>

(\*) As at 31 December 2023, The Group's non-performing factoring receivables amounting to TL 18.434 was written-off from the assets regarding the protocol signed and the provision amounting to TL 16.613 allocated for the mentioned receivables.

## İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### 8. FACTORING RECEIVABLES (Continued)

As at 30 June 2024, the average interest rates applicable for the factoring receivables are 51,42% for TL, for 11,04% USD, 7,43% for EUR and 9,15% for GBP (31 December 2023: 44,99% for TL, 11,60% for USD, 8,37% for EUR and 9,33% for GBP).

As of 30 June 2024 TL 1.221.183, EUR 70.656 thousand, USD 15.634 thousand, GBP 6.293 thousand factoring receivables have variable interest rates, (31 December 2023: TL 568.865 thousand, EUR 24.757 thousand, USD 10.286 thousand, GBP 2.922 thousand), TL 14.634.884 thousand, EUR 20.991 thousand, USD 53.417 thousand and GBP2 thousand faktoring receivable have stabil interest rates (31 December 2023: TL 18.263.351 thousand, EUR 15.914 thousand, USD 51.723 thousand and GBP 7 thousand).

The details of the factoring receivables based on types of factoring transactions are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Domestic irrevocable	7.789.674	11.168.949
Foreign irrevocable	1.164.095	1.193.331
Domestic revocable	9.930.272	9.120.106
Foreign revocable	2.718.936	609.758
	<b>21.602.977</b>	<b>22.092.144</b>

The Group’s aging of non-performing factoring receivables is as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Up to 90 days	7.426	19.298
Between 90 – 180 days	12.671	32
Between 180 – 360 days	9.946	2.973
Over 360 days	323.042	314.545
	<b>353.085</b>	<b>336.848</b>

The Group has contractual sureties as collateral for the above non-performing factoring receivables.

As at 30 June 2024, standard and close monitoring factoring receivables and the close monitoring factoring receivable amendments made related to the extension of the payment plan as follows:

	<b>Standard Receivables</b>	<b>Receivables Under Close Monitoring</b>
<b>Number of Amendments Related to the Extension of the Payment Plan</b>	-	<b>159.358</b>
Extended for 1 or 2 Times	-	947
Extended for 3,4 or 5 Times	-	158.411
Extended for More than 5 Times	-	-

## İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

#### 8. FACTORING RECEIVABLES (Continued)

	Standard Receivables	Receivables Under Close Monitoring
<b>The Time Extended via the Amendment on payment Plan</b>	-	<b>159.358</b>
0-6 Months	-	-
6 Months – 12 Months	-	947
1 – 2 Years	-	-
2 –5 Years	-	158.411
5 Years and More	-	-

As at 31 December 2023, standard and close monitoring factoring receivables and the close monitoring factoring receivable amendments made related to the extension of the payment plan as follows:

	Standard Receivables	Receivables Under Close Monitoring
<b>Number of Amendments Related to the Extension of the Payment Plan</b>	-	<b>142.655</b>
Extended for 1 or 2 Times	-	142.655
Extended for 3,4 or 5 Times	-	-
Extended for More than 5 Times	-	-

	Standard Receivables	Receivables Under Close Monitoring
<b>The Time Extended via the Amendment on payment Plan</b>	-	<b>142.655</b>
0-6 Months	-	-
6 Months – 12 Months	-	142.655
1 – 2 Years	-	-
2 –5 Years	-	-
5 Years and More	-	-

#### 9. LEASE RECEIVABLES

##### A. Financial Lease Receivables

As at 30 June 2024, details of finance lease receivables are as follows:

	Short Term	Long Term	Total
Financial Lease Receivables	14.373.283	13.844.813	28.218.096
Unearned interest income (-)	(3.034.748)	(1.757.550)	(4.792.298)
<b>Subtotal</b>	<b>11.338.535</b>	<b>12.087.263</b>	<b>23.425.798</b>
Expected Credit Loss– Stage 1	(19.085)	(86.848)	(105.933)
Expected Credit Loss – Stage 2	(104.274)	(162.409)	(266.683)
<b>Total Financial Lease Receivables</b>	<b>11.215.176</b>	<b>11.838.006</b>	<b>23.053.182</b>
Non- Performing Lease Receivables	582.675	136.583	719.258
Specific provision– Stage 3	(331.549)	(77.717)	(409.266)
<b>Net finance lease receivables</b>	<b>11.466.302</b>	<b>11.896.872</b>	<b>23.363.174</b>

**İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED 30 JUNE 2024**

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

**9. LEASE RECEIVABLES (Continued)**

**A.Financial Lease Receivables(Continued)**

	Carried value			Expected credit loss		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Financial Assets	2.566.287	-	-	(41)	-	-
Financial Lease Receivables	22.337.395	1.088.403	719.258	(105.933)	(266.683)	(409.266)

As at 31 December 2023, details of finance lease receivables are as follows:

	Short Term	Long Term	Total
Financial Lease Receivables	13.618.321	13.987.610	27.605.931
Unearned interest income (-)	(2.704.912)	(1.589.256)	(4.294.168)
<b>Subtotal</b>	<b>10.913.409</b>	<b>12.398.354</b>	<b>23.311.763</b>
Expected Credit Loss– Stage 1	(10.600)	(88.721)	(99.321)
Expected Credit Loss – Stage 2	(93.997)	(259.470)	(353.467)
<b>Total Financial Lease Receivables</b>	<b>10.808.812</b>	<b>12.050.163</b>	<b>22.858.975</b>
Non- Performing Lease Receivables	731.177	141.692	872.869
Specific provision– Stage 3	(428.159)	(82.971)	(511.130)
<b>Net finance lease receivables</b>	<b>11.111.830</b>	<b>12.108.884</b>	<b>23.220.714</b>

	Carried value			Expected credit loss		
	1.aşama	2.aşama	3.aşama	1.aşama	2.aşama	3.aşama
Financial Assets	2.512.911	-	-	(235)	-	-
Financial Lease Receivables	21.879.732	1.432.031	872.869	(99.321)	(353.467)	(511.130)

As at 30 June 2024, the rating of finance lease receivables are as follows:

Ratings	Stage 1	Stage 2	Stage 3	Total
<b>Internal ratings</b>				
A+ (Excellent)	67.069	-	-	67.069
A (Very good))	182.863	-	-	182.863
A- (Good)	695.765	212	264.428	960.405
B+ (Enough)	4.193.805	146.931	43.617	4.384.353
B (Reasonable)	4.212.628	65.137	1.082	4.278.847
B- (Close Monitoring)	6.659.062	783.582	121.505	7.564.149
C+ (Insufficient)	3.308.559	72.719	170.883	3.552.161
C (Suspicious)	1.602.550	628	96.741	1.699.919
<b>Scoring</b>				
Y (High)	767.378	5.328	673	773.379
O (medium)	583.000	13.499	17.800	614.299
D (Low)	64.716	367	2.529	67.612
Expected Loss Provisions	(105.933)	(266.683)	(409.266)	(781.882)
<b>Leasing receivables</b>	<b>22.231.462</b>	<b>821.720</b>	<b>309.992</b>	<b>23.363.174</b>



# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 9. LEASE RECEIVABLES (Continued)

#### A. Financial Lease Receivables (Continued)

As at 31 December 2023, the rating of finance lease receivables are as follows:

Ratings	Stage 1	Stage 2	Stage 3	Total
<b>Internal ratings</b>				
A+ (Excellent)	54.077	-	-	54.077
A (Very good))	202.382	-	139.334	341.716
A- (Good)	836.834	452	1.541	838.827
B+ (Enough)	4.759.394	360.165	45.119	5.164.678
B (Reasonable)	3.928.263	123.263	275.650	4.327.176
B- (Close Monitoring)	5.987.602	799.373	248.845	7.035.820
C+ (Insufficient)	3.143.232	91.929	74.207	3.309.368
C (Suspicious)	1.570.940	33.998	55.699	1.660.637
<b>Scoring</b>				
Y (High)	747.219	8.759	2.908	758.886
O (medium)	586.633	10.862	23.296	620.791
D (Low)	63.156	3.230	6.270	72.656
Expected Loss Provisions	(99.321)	(353.467)	(511.130)	(963.918)
<b>Leasing receivables</b>	<b>21.780.411</b>	<b>1.078.564</b>	<b>361.739</b>	<b>23.220.714</b>

As at 30 June 2024, standard and close monitoring leasing receivables and the close monitoring leasing receivable amendments made related to the extension of the payment plan as follows:

	Standard Receivables	Receivables Under Close Monitoring
<b>Number of Amendments Related to the Extension of the Payment Plan</b>	-	<b>1.093.614</b>
Extended for 1 or 2 Times	-	1.093.614
Extended for 3,4 or 5 Times	-	-
Extended for More than 5 Times	-	-
	Standard Receivables	Receivables Under Close Monitoring
<b>The Time Extended via the Amendment on payment Plan</b>	-	<b>1.093.614</b>
0-6 Months	-	-
6 Months – 12 Months	-	1.093.614
1 – 2 Years	-	-
2 –5 Years	-	-
5 Years and More	-	-

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 9. LEASE RECEIVABLES (Continued)

#### A. Financial Lease Receivables (Continued)

As at 31 December 2023, standard and close monitoring leasing receivables and the close monitoring leasing receivable amendments made related to the extension of the payment plan as follows:

	Standard Receivables	Receivables Under Close Monitoring
<b>Number of Amendments Related to the Extension of the Payment Plan</b>	-	<b>932.422</b>
Extended for 1 or 2 Times	-	932.422
Extended for 3,4 or 5 Times	-	-
Extended for More than 5 Times	-	-

	Standard Receivables	Receivables Under Close Monitoring
<b>The Time Extended via the Amendment on payment Plan</b>	-	<b>932.422</b>
0-6 Months	-	-
6 Months – 12 Months	-	932.422
1 – 2 Years	-	-
2 – 5 Years	-	-
5 Years and More	-	-

As at 30 June 2024, analysis of finance lease receivables according to their maturities is as follows:

	2024	2025	2026	2027	2028	2029 and after	Total
Finance lease receivables (gross)	8.100.307	10.901.063	5.530.328	2.523.339	768.236	332.199	28.155.472
Unearned interest	(1.833.492)	(1.960.427)	(676.161)	(197.105)	(63.945)	(61.168)	(4.792.298)
<b>Finance lease receivables (net)</b>	<b>6.266.815</b>	<b>8.940.636</b>	<b>4.854.167</b>	<b>2.326.234</b>	<b>704.291</b>	<b>271.031</b>	<b>23.363.174</b>

As at 31 December 2023, analysis of finance lease receivables according to their maturities is as follows:

	2024	2025	2026	2027	2028	2029 and after	Total
Finance lease receivables (gross)	13.385.580	8.128.229	3.733.515	1.576.568	413.119	277.871	27.514.882
Unearned interest	(2.704.912)	(1.094.664)	(316.769)	(93.504)	(29.470)	(54.849)	(4.294.168)
<b>Finance lease receivables (net)</b>	<b>10.680.668</b>	<b>7.033.565</b>	<b>3.416.746</b>	<b>1.483.064</b>	<b>383.649</b>	<b>223.022</b>	<b>23.220.714</b>

As at 30 June 2024, the average compound interest rates applicable for the finance lease receivables are 53,39% for TL, 9,67% for USD, 6,98% for EUR (31 December 2023: 44,92% for TL, 9,00% for USD, 5,83% for EUR).

## İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

#### 9. LEASE RECEIVABLES (Continued)

##### A. Financial Lease Receivables (Continued)

As at 30 June 2024, details of finance lease receivables in terms of currency types are as follows:

<b>Currency</b>	<b>Principal in foreign currency</b>	<b>Principal (Net) (TL)</b>	<b>Unearned interest in foreign currency</b>	<b>Unearned interest (TL)</b>
USD	91.363.760	2.999.125	11.575.931	379.994
Avro	399.422.381	14.031.069	48.049.982	1.687.919
TL		6.332.980		2.724.385
<b>Total</b>		<b>23.363.174</b>		<b>4.792.298</b>

As at 31 December 2023, details of finance lease receivables in terms of currency types are as follows:

<b>Currency</b>	<b>Principal in foreign currency</b>	<b>Principal (Net) (TL)</b>	<b>Unearned interest in foreign currency</b>	<b>Unearned interest (TL)</b>
USD	100.226.610	2.950.491	14.869.586	437.734
Avro	428.862.905	13.969.737	42.329.496	1.378.837
TL		6.300.486		2.477.597
<b>Total</b>		<b>23.220.714</b>		<b>4.294.168</b>

The collaterals obtained by the Group, except for the leased assets, for its all finance lease receivables, except for non-performing finance lease receivables are as follows (if the amount of collaterals exceeds the amount of receivables during the calculation of collaterals, only the corresponding portion of the receivable is included in the below table):

<b>Collateral type:</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Mortgages	652.849	576.701
Pledged equity	165.595	189.598
Sureties of credit guarantee fund	90.125	139.858
Pledged shares	28.013	32.032
Letters of guarantee	19.139	18.425
Pledged movable	2.255	2.083
Cash blockages	-	1.500
	<b>957.976</b>	<b>960.197</b>

In addition to collaterals above, the Group also has sureties amounting to TL21.297.889 pledged vehicles amounting to TL 369.872 , pledged accounts receivable to TL 518.030 (31 December 2023: sureties amounting to TL 21.339.679, pledged vehicles amounting to TL 314.595, pledged accounts receivable to TL 429.008.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 9. LEASE RECEIVABLES (Continued)

#### A. Financial Lease Receivables (Continued)

As at 30 June 2024 and 31 December 2023 details of overdue finance lease receivables are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Up to 30 days	177.737	184.468
Between 30 – 60 days	3.561	26.625
Between 60 – 90 days	891	204
	<u><b>182.189</b></u>	<u><b>211.297</b></u>

Details of the collaterals obtained by Group for overdue lease receivables mentioned above are as follows:

<u>Collateral type:</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Mortgages	138.908	116.256
Pledged equity	37.324	48.991
Letters of guarantee	7.099	4.662
Pledged movable	2.255	2.084
	<u><b>185.586</b></u>	<u><b>171.993</b></u>

In addition to above guarantees, the Group also has sureties amounting to TL 1.147.518, pledged vehicles amounting to TL 27.567 and Share certificates amounting to TL 152.179 (31 December 2022: sureties amounting to TL 865.941, pledged vehicles amounting to TL 7.358).

In determining the recoverability of the finance lease receivables, the Group considers any change in the credit quality of receivables from the date that receivable was initially recognized to the reporting date. The Group does not have significant credit risk concentration. The sectoral distribution of the finance lease receivables are given in Note 38.

As at 30 June 2024 and 31 December 2023, the aging of non-performing finance lease receivables is as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Between 90 – 240 days	32.509	20.169
Between 240 – 360 days	26.691	144
Over 360 days	290.647	491.110
Uninvoiced non-performing finance lease receivables	627.024	596.819
Unearned interest of non-performing finance lease receivables	(257.613)	(235.373)
	<u><b>719.258</b></u>	<u><b>872.869</b></u>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 9. LEASE RECEIVABLES (Continued)

#### A. Financial Lease Receivables (Continued)

Collaterals obtained for non-performing finance lease receivables as at 30 June 2024 and 31 December 2023 are as follows:

<b><u>Guarantee type:</u></b>	<b><u>30 June 2024</u></b>	<b><u>31 December 2023</u></b>
Mortgages	2.487	3.967
	<b><u>2.487</u></b>	<b><u>3.967</u></b>

In addition to the above collaterals, the Group also has sureties amounting to TL 409.266, pledged vehicles amounting to TL 508 and leased equipments amounting to TL 306.997 (31 December 2023: sureties amounting to TL 511.130, pledged vehicles amounting to TL 510 and leased equipments amounting to TL 357.262).

Movement of expected loss provision for financial lease receivables is as follows:

<b><u>Movement of expected credit losses:</u></b>	<b><u>1 January- 30 June 2024</u></b>	<b><u>1 January- 31 December 2023</u></b>
Provision at the beginning of the period	(963.918)	(798.605)
Provision set during the period	(69.213)	(269.172)
Collections	251.249	103.859
Written off from assets	-	-
<b>Provision at the end of the period</b>	<b><u>(781.882)</u></b>	<b><u>(963.918)</u></b>

#### B. Operating Lease Receivables (Continued)

As at 30 June 2024 and 31 December 2023 analysis of time lease receivables occurred from operating lease receivables according to their maturities is as follows

	<b><u>30 June 2024</u></b>	<b><u>31 December 2023</u></b>
2024 Year	1.887	3.947
2025 Year	2.344	2.316
2026 Year	1.926	1.926
	<b><u>6.157</u></b>	<b><u>8.189</u></b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 10. RELATED PARTIES

As at 30 June 2024 and 31 December 2023, details of related party receivables and payables are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
<u>Finance lease receivables from related parties</u>		
Radore Veri Merkezi Hizm.A.Ş.	15.852	12.947
Türkiye Sınai Kalkınma Bankası A.Ş.	4.323	3.527
<b>Total</b>	<b><u>20.175</u></b>	<b><u>16.474</u></b>
<u>Factoring receivables from related parties</u>		
Ortopro Tıbbi Aletler San ve Tic. A.Ş.	32.820	20.998
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	-	190.792
<b>Total</b>	<b><u>32.820</u></b>	<b><u>211.790</u></b>
<u>Payables to related parties</u>		
Anadolu Anonim Türk Sigorta Şirketi (Sigorta Primi)	207.098	135.047
İş Net Elekt.Bilgi Ür.Dağ.Tic.ve İlet.Hiz.A.Ş.	268	1.627
İş Merkezleri Yönetim ve İşletim A.Ş.	310	546
Softtech Yazılım Teknolojileri	832	143
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	2	430
Anadolu Hayat Emeklilik A.Ş.	236	41
Ortopro Tıbbi Aletler San ve Tic. A.Ş.	220	59
KKB Kredi Kayıt Bürosu A.Ş.	27	8
Türkiye İş Bankası A.Ş.	20	56
<b>Total</b>	<b><u>209.013</u></b>	<b><u>137.957</u></b>
<u>Deposits placed to related parties</u>		
Türkiye İş Bankası A.Ş. Demand Deposits	255.780	142.910
Türkiye İş Bankası A.Ş. Time Deposits	1.546.539	1.455.165
Türkiye Sınai Kalkınma Bankası A.Ş.	319	246
İşbank AG Demand Deposits	109	106
<b>Total</b>	<b><u>1.802.747</u></b>	<b><u>1.598.427</u></b>
<u>Mutual Fund</u>		
Türkiye İş Bankası A.Ş.	610.704	19.619
<b>Total</b>	<b><u>610.704</u></b>	<b><u>19.619</u></b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 10. RELATED PARTIES (Continued)

	<u>30 June 2024</u>	<u>31 December 2023</u>
<u>Derivative financial assets held for trading from related parties</u>		
Türkiye Sınai Kalkınma Bankası A.Ş.	625.665	563.567
Türkiye İş Bankası A.Ş.	2.652.510	1.388.601
<b>Total</b>	<b><u>3.278.175</u></b>	<b><u>1.952.168</u></b>
<u>Derivative financial liabilities held for trading from related parties</u>		
Türkiye Sınai Kalkınma Bankası A.Ş.	612.578	552.665
Türkiye İş Bankası A.Ş.	3.036.819	1.385.700
<b>Total</b>	<b><u>3.649.397</u></b>	<b><u>1.938.365</u></b>

As at 30 June 2024 and 31 December 2023, details of borrowings from related parties are as follows:

#### Borrowings from related parties

##### Türkiye İş Bankası A.Ş.

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>30 June 2024</u>
TL	% 18,51-% 60,10	19.07.2024-01.06.2026	2.346.605
USD	% 6,90	30.09.2024	274.493
EUR	% 4,44-% 8,51	30.09.2024-23.08.2025	4.408.083
GBP	% 7,18-% 7,76	02.07.2024-29.06.2026	7.049.610
			<b><u>14.078.791</u></b>
<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>31 December 2023</u>
TL	% 18,51-% 48,00	04.01.2024-07.04.2025	7.723.509
USD	% 6,00-% 10,10	02.01.2024-08.04.2024	954.504
EUR	% 4,50-% 8,51	02.01.2024-19.03.2026	3.997.992
GBP	% 6,43-% 7,76	04.01.2024-17.12.2024	6.167.576
			<b><u>18.843.581</u></b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 10. RELATED PARTIES (Continued)

#### Türkiye Sınai Kalkınma Bankası A.Ş.

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>30 June 2024</u>
USD	%7,90-%8,44	01.07.2024-13.06.2025	931.274
EUR	%2,97-%7,83	01.07.2024-03.06.2025	838.575
			<b>1.769.849</b>

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>31 December 2023</u>
USD	%8,44	29.06.2026	374.580
EUR	%2,97-%10,20	25.03.2024-29.06.2026	1.958.075
			<b>2.332.655</b>

#### İşbank AG

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>30 June 2024</u>
EUR	%2,42-%8,54	26.08.2024-03.02.2024	1.949.187
USD	%6,9	30.09.2024	274.493
TL	%51,75	19.07.2024	582.626
			<b>2.806.306</b>

<u>Currency</u>	<u>Interest Rate %</u>	<u>Maturity</u>	<u>31 December 2023</u>
EUR	%2,42-%8,54	20.06.2024-18.12.2024	328.098
			<b>328.098</b>



# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 10. RELATED PARTIES (Continued)

For the periods ended 30 June 2024 and 30 June 2023, finance income and expenses from related parties are as follows:

	<b>01.01.2024- 30.06.2024</b>	<b>01.04.2024- 30.06.2024</b>	<b>01.01.2023- 30.06.2023</b>	<b>01.04.2023- 30.06.2023</b>
<u>Finance lease interest income from related parties</u>				
Radore Veri Merkezi Hizm.A.Ş.	3.251	1.765	2.539	1.219
Türkiye Sınai Kalkınma Bankası A.Ş.	852	427	-	-
Bayek Tedavi Sağlık Hizmetleri ve İşletmeciliği A.Ş.	-	-	18	5
<b>Total</b>	<b>4.103</b>	<b>2.192</b>	<b>2.557</b>	<b>1.224</b>
<u>Operating Lease Income from related parties</u>				
Türkiye Sınai Kalkınma Bankası A.Ş.	2.000	960	1.830	973
TSKB Gayrimenkul Değerleme A.Ş.	-	-	64	32
<b>Total</b>	<b>2.000</b>	<b>960</b>	<b>1.894</b>	<b>1.005</b>
<u>Interest income from related parties</u>				
Türkiye İş Bankası A.Ş.	6.664	5.438	88	25
<b>Total</b>	<b>6.664</b>	<b>5.438</b>	<b>88</b>	<b>25</b>
<u>Dividend income from related parties</u>				
İş Yatırım Menkul Değerler A.Ş.	77.838	77.838	36.730	-
Yatırım Finansman Menkul Değerler A.Ş.	11	-	-	-
<b>Total</b>	<b>77.849</b>	<b>77.838</b>	<b>36.730</b>	<b>-</b>
<u>Finance expense</u>				
Türkiye İş Bankası A.Ş.	1.086.528	433.321	619.659	350.636
Türkiye Sınai Kalkınma Bankası A.Ş.	89.010	37.780	65.587	42.918
İş Yatırım Menkul Değerler A.Ş.	4.800	1.041	7.327	2.282
İşbank AG	10.708	5.233	3.325	1.805
<b>Total</b>	<b>1.191.046</b>	<b>477.375</b>	<b>695.898</b>	<b>397.641</b>
<u>Rent expense</u>				
Türkiye İş Bankası A.Ş.	5.102	2.489	2.031	1.010
İş Gayrimenkul Yatırım Ortaklığı A.Ş.	150	75	28	14
<b>Total</b>	<b>5.252</b>	<b>2.564</b>	<b>2.059</b>	<b>1.024</b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 10. RELATED PARTIES (Continued)

	<u>01.01.2024-</u> <u>30.06.2024</u>	<u>01.04.2024-</u> <u>30.06.2024</u>	<u>01.01.2023-</u> <u>30.06.2023</u>	<u>01.04.2023-</u> <u>30.06.2023</u>
<u>Factoring commission income from related parties</u>				
Bayek Tedavi Sağlık Hizm. ve İşlet. A.Ş.	428	71	98	50
Ortopro Tıbbi Aletler San ve Tic. A.Ş.	275	148	56	31
Nevotek Bil.Ses ve İlet. Sist. San.ve Tic. A.Ş.	-	-	31	17
<b>Total</b>	<b>703</b>	<b>219</b>	<b>185</b>	<b>98</b>
<u>Factoring interest income from related parties</u>				
Bayek Tedavi Sağlık Hizm. ve İşlet. A.Ş.	15.244	3.263	4.161	2.095
Ortopro Tıbbi Aletler San ve Tic. A.Ş.	1.791	981	795	250
Nevotek Bil.Ses ve İlet. Sist. San.ve Tic. A.Ş.	-	-	375	223
<b>Total</b>	<b>17.035</b>	<b>4.244</b>	<b>5.331</b>	<b>2.568</b>
<u>Commission income</u>				
Anadolu Anonim Türk Sigorta Şirketi	30.600	17.458	14.746	8.733
<b>Total</b>	<b>30.600</b>	<b>17.458</b>	<b>14.746</b>	<b>8.733</b>
<u>Finance lease liability to related parties</u>				
Türkiye İş Bankası A.Ş.	2.955	1.480	2.194	1.101
<b>Total</b>	<b>2.955</b>	<b>1.480</b>	<b>2.194</b>	<b>1.101</b>
<u>Mutual funds income</u>				
Türkiye İş Bankası A.Ş.	2.880	1.996	371	239
<b>Total</b>	<b>2.880</b>	<b>1.996</b>	<b>371</b>	<b>239</b>

### **Total salaries and similar benefits paid to the (key management) (\*)**

For the periods ended 30 June 2024 and 30 June 2023, total salary and benefits paid to the key management during year comprised the following:

	<u>01.01.2024-</u> <u>30.06.2024</u>	<u>01.04.2024-</u> <u>30.06.2024</u>	<u>01.01.2023-</u> <u>30.06.2023</u>	<u>01.04.2023-</u> <u>30.06.2023</u>
Salaries and other short-term benefits (**)	46.142	21.935	22.104	13.129
	<b>46.142</b>	<b>21.935</b>	<b>22.104</b>	<b>13.129</b>

(\*) *The Group’s key management consists of members of the board of directors, general manager and assistant general managers.*

(\*\*) *Consists of monetary benefits such as; salaries, bonuses and premiums along with vehicle rentals and other associated expenses.*

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 11. TANGIBLE ASSETS

For the periods ended 30 June 204 and 30 June2023, movements in tangible assets are as follows.

	Furniture and Fixtures	Leasehold Improvements	Assets Subject To Operational Lease	Vehicles	Other Tangible Assets	Right of Use	Real Estate	Total
<b>Cost</b>								
Opening balance at 1 January 2024	39.859	6.653	5.657	-	1.456	15.899	-	69.524
Additions	15.502	224	-	-	-	31.934	-	47.660
Transfers	-	-	-	-	-	-	-	-
Disposals	(18.930)	-	(500)	-	-	(7.739)	-	(27.169)
<b>Closing balance at 30 June 2024</b>	<b>36.431</b>	<b>6.877</b>	<b>5.157</b>	<b>-</b>	<b>1.456</b>	<b>40.094</b>	<b>-</b>	<b>90.015</b>
<b>Accumulated depreciation</b>								
Opening balance at 1 January 2024	(18.012)	(5.083)	(834)	-	(1.456)	(9.960)	-	(35.345)
Depreciation for the period	(3.302)	(251)	(407)	-	-	(7.463)	-	(11.423)
Transfers	-	-	-	-	-	-	-	-
Disposals	2.104	-	500	-	-	7.684	-	10.288
<b>Closing balance at 30 June 2024</b>	<b>(19.210)</b>	<b>(5.334)</b>	<b>(741)</b>	<b>-</b>	<b>(1.456)</b>	<b>(9.739)</b>	<b>-</b>	<b>(36.480)</b>
<b>Carrying amounts at 30 June 2024</b>	<b>17.221</b>	<b>1.543</b>	<b>4.416</b>	<b>-</b>	<b>-</b>	<b>30.355</b>	<b>-</b>	<b>53.535</b>
<b>Carrying amounts at 01 January 2024</b>	<b>21.847</b>	<b>1.570</b>	<b>4.823</b>	<b>-</b>	<b>-</b>	<b>5.939</b>	<b>-</b>	<b>34.179</b>
<b>Cost</b>								
Opening balance at 1 January 2023	41.616	5.979	4.872	183	1.456	9.023	8.750	71.879
Additions	78.617	674	2.878	-	-	11.587	1.310	95.066
Transfers	-	-	-	-	-	-	-	-
Disposals	(80.374)	-	(2.093)	(183)	-	(4.711)	(10.060)	(97.421)
<b>Closing balance at 31 December 2023</b>	<b>39.859</b>	<b>6.653</b>	<b>5.657</b>	<b>-</b>	<b>1.456</b>	<b>15.899</b>	<b>-</b>	<b>69.524</b>
<b>Accumulated depreciation</b>								
Opening balance at 1 January 2023	(11.798)	(4.648)	(1.717)	(147)	(1.456)	(4.836)	(730)	(25.332)
Depreciation for the period	(7.355)	(435)	(1.210)	(6)	-	(9.835)	-	(18.841)
Transfers	-	-	-	-	-	-	-	-
Disposals	1.141	-	2.093	153	-	4.711	730	8.828
<b>Closing balance at 31 December 2023</b>	<b>(18.012)</b>	<b>(5.083)</b>	<b>(834)</b>	<b>-</b>	<b>(1.456)</b>	<b>(9.960)</b>	<b>-</b>	<b>(35.345)</b>
<b>Carrying amounts at 31 December 2023</b>	<b>21.847</b>	<b>1.570</b>	<b>4.823</b>	<b>-</b>	<b>-</b>	<b>5.939</b>	<b>-</b>	<b>34.179</b>
<b>Carrying amounts at 1 January 2023</b>	<b>29.818</b>	<b>1.331</b>	<b>3.155</b>	<b>36</b>	<b>-</b>	<b>4.187</b>	<b>8.020</b>	<b>46.547</b>

## İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

#### 12. INTANGIBLE ASSETS

For the periods ended 30 June 2024 and 31 December 2023, movements in intangible assets except goodwill are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
<u>Cost</u>		
Opening balance at 1 January	45.971	25.718
Additions	12.257	20.253
Disposals	-	-
Closing balance at the end of the period	<u>58.228</u>	<u>45.971</u>
<u>Amortization</u>		
Opening balance at 1 January	(17.717)	(12.676)
Amortization for the period	(4.686)	(5.041)
Transfer	-	-
Disposals	-	-
Closing balance at the end of the period	<u>(22.403)</u>	<u>(17.717)</u>
<b>Carrying amounts(*)</b>	<u><b>35.825</b></u>	<u><b>28.254</b></u>

(\*) *The Group's intangible assets other than goodwill consist of computer software.*

#### Goodwill

The Company has purchased nominal shares of İş Faktoring A.Ş. amounting to TL 12.517 in consideration of USD 10.952.375 on 11 August 2004. The ownership rate of the Company in this subsidiary is 78,23%. Goodwill has arisen amounting to TL 166 on purchased equity of TL 16.603. As at 31 December 2023, net amount of goodwill is TL166 (31 December 2023: TL166). Based on TFRS 3, for the annual periods beginning on 1 January 2005, after the reporting period ended on 30 June 2004 the Group has ceased amortization of goodwill arising from the acquisitions before 31 December 2004

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 13. DEFERRED TAX ASSETS AND LIABILITIES

As at 30 June 2024 and 31 December 2023 details of deferred tax assets and deferred tax liabilities based on the temporary differences calculated by the prevailing tax rate are as follows:

<b>Temporary time differences subject to deferred tax</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Provision for lawsuit	30.489	28.379
Deferred Income	1.551	739
Financial assets valuation difference	(28.822)	(45.777)
Finance lease adjustment	(32.448)	(20.252)
Finance lease income accruals	(385.724)	(343.899)
Expected Credit Losses for Doubtful Receivables	757.755	704.657
Expected credit losses of financial assets	3.764	4.688
Expense Accruals	4.483	26
IFRS-16 Adjustment	33.679	6.455
Unearned factoring income	567.516	728.867
Actuarial Difference for severance pay	2.482	2.482
Reserve for employee benefits	44.978	29.706
Unused vacation provision	20.759	10.416
Tax base differences in tangible and intangible assets	34.398	66.449
Employee bonus accrual	21.878	23.393
Prepaid expenses	(3.827)	(9.443)
Deferred Factoring Commission Income	43.085	24.936
Tax procedure law subsidiary inflation valuation difference	(2.405.356)	(1.771.498)
Other	46.632	90.503
<b>Temporary time differences subject to deferred tax</b>	<b>(1.242.728)</b>	<b>(469.173)</b>
<b>Deferred tax assets (liabilities)</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
Provision for lawsuit	9.147	8.514
Deferred Income	465	222
Financial assets valuation difference	(8.647)	(13.733)
Finance lease adjustment	(9.734)	(6.076)
Finance lease income accruals	(115.717)	(103.170)
Expected Credit Losses for Doubtful Receivables	227.327	211.397
Expected credit losses of financial assets	1.129	1.406
Expense Accruals	1.344	7
IFRS-16 Adjustment	10.104	1.937
Unearned factoring income	170.255	218.660
Actuarial Difference for severance pay	745	745
Reserve for employee benefits	13.493	8.912
Unused vacation provision	6.228	3.125
Tax base differences in tangible and intangible assets	10.319	19.935
Employee bonus accrual	6.563	7.018
Prepaid expenses	(1.148)	(2.833)
Deferred Factoring Commission Income	12.926	7.481
Tax procedure law subsidiary inflation valuation difference	(180.402)	(132.862)
Other	13.990	27.150
<b>Deferred tax assets (liabilities)</b>	<b>168.387</b>	<b>257.835</b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 13. DEFERRED TAX ASSETS AND LIABILITIES (Continued)

The corporate tax rate is 30% as of 30 June 2024 (31 December 2023: 30%). With the Law proposed to the Turkish Grand National Assembly on 5 July 2023 and published in the Official Gazette dated 15 July 2023, amendments were made to the Corporate Tax Law No. 5520. According to this; Starting from the declarations that must be submitted as of 1 October, 2023, the corporate tax rate for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and insurance companies and pension companies, increased from 25% to 30%. This regulation starts with the declarations that must be submitted as of 1 October 2023; It entered into force on 15 July 2023, to be applied to the earnings of institutions in the 2023 and subsequent taxation periods, and to the earnings of institutions subject to the special accounting period in the special account taxation periods starting in the 2023 calendar year.

Accordingly, the corporate tax rate will be applied as 30% for the above-mentioned institutions as of the third provisional tax period of 2023.

Movements in deferred tax assets are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Opening balance at 1 January	257.835	165.380
Deferred tax income / (expense) (Net)	(41.910)	224.768
Classified in Equity	(47.538)	(132.313)
<b>Closing balance</b>	<b>168.387</b>	<b>257.835</b>

### 14. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

As at 30 June 2024 and 31 December 2023, details of assets held for sale and discontinued operations are as follows:

	<b>30 June 2024</b>		<b>31 December 2023</b>	
	TL	FC	TL	FC
Assets held for sale (*)	2.432	-	2.432	-
	<b>2.432</b>	<b>-</b>	<b>2.432</b>	<b>-</b>

(\*) *Consist of properties which is included in Group asset acquired as a result of the legal proceedings in relation to its non-performing receivables.*

## İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

#### 15. OTHER ASSETS

As at 30 June 2024 and 31 December 2023, details of other assets are as follows:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Leasing Contracts in Progress	268.756	404.517	127.280	114.435
Advances Given for Lease Transactions	78.132	1.090.531	8.969	637.669
Amounts to be invoiced	32.697	825	22.005	23
Commissions expense on debt securities issued and funds borrowed	14.652	-	15.048	-
Other Finance Lease Receivables	57.109	45.588	34.606	35.587
Refundable VAT	-	-	-	-
Advanced given	866	-	327	-
Deposits given	140	-	139	-
Others	75.695	748	74.604	1.351
	<b>528.047</b>	<b>1.542.209</b>	<b>282.978</b>	<b>789.065</b>

#### 16. FUNDS BORROWED

As at 30 June 2024 and 31 December 2023, details of funds borrowed are as follows:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Short-term borrowings	17.252.994	18.995.496	18.232.860	16.380.907
Short-term portion of long-term borrowings	-	1.435.970	-	1.374.854
<b>Total short-term borrowings</b>	<b>17.252.994</b>	<b>20.431.466</b>	<b>18.232.860</b>	<b>17.755.761</b>
Long-term borrowings	-	3.339.996	250.000	3.222.686
<b>Total long-term borrowings</b>	<b>-</b>	<b>3.339.996</b>	<b>250.000</b>	<b>3.222.686</b>
<b>Total borrowings</b>	<b>17.252.994</b>	<b>23.771.462</b>	<b>18.482.860</b>	<b>20.978.447</b>

As at 30 June 2024 and 31 December 2023, borrowings has no collateral.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 16. FUNDS BORROWED (Continued)

As at 30 June 2024 and 31 December 2023, details of short term borrowings based on types of currency are as follows:

Currency (*)	Interest rate %	Original Currency	
		Amount	30 June 2024
TL	18,51%-84,35%	16.680.300	16.680.300
USD	6,85%-10,50%	69.055.216	2.266.821
EUR	2,42%-10,47%	260.519.520	9.151.634
GBP	6,95%-7,76%	172.841.828	7.161.960
Interest accruals			987.775
<b>TOTAL</b>			<b>36.248.490</b>

  

Currency (*)	Interest rate %	Original Currency	
		Amount	31 December 2023
TL	14,01%-57,05%	17.304.531	17.304.531
USD	6,00%-11,50%	55.843	1.643.925
EUR	2,42%-10,47%	250.549	8.161.355
GBP	6,43%-7,76%	164.412	6.155.858
Interest accruals			1.348.098
<b>TOTAL</b>			<b>34.613.767</b>

(\*) Foreign currency indexed borrowings have been presented in TL column in the accompanying consolidated statement of financial position.

As at 30 June 2024 and 31 December 2023, details of long-term borrowings and short-term portion of long-term borrowings based on types of currency are as follows:

Currency	Interest rate %	Original Currency	
		Amount	30 June 2024
USD	6,49% - 10,69%	49.821.693	1.635.457
Avro	2,97% - 9,88%	89.400.868	3.140.509
<b>TOTAL</b>			<b>4.775.966</b>

  

Currency	Interest rate %	Original Currency	
		Amount	31 December 2023
TL	18,51%-19,11%	250.000	250.000
USD	6,64%-8,19%	20.361	599.400
Avro	2,97%-9,86%	122.741	3.998.140
<b>TOTAL</b>			<b>4.847.540</b>

As at 30 June 2024 and 31 December 2023, compounded interest rates have been presented.

As 30 June 2024 and 31 December 2023, details of borrowings based on types of interest rate are as follows:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Fixed rate	17.252.994	16.081.382	16.645.370	14.943.616
Variable rate	-	7.690.080	1.837.490	6.034.831
	<b>17.252.994</b>	<b>23.771.462</b>	<b>18.482.860</b>	<b>20.978.447</b>

Fair values of the funds borrowed are presented in Note 38.

As at 30 June 2024 the Group has available credit limit of TL 64.149.019 which has fulfilled all necessary conditions but has not been used. (31 December 2023: TL 40.751.979).



# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 17. OTHER LIABILITIES

As at 30 June 2024 and 31 December 2023, details of miscellaneous payables are as follows:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Advances received (*)	336.044	439.962	201.185	289.291
Banking and Insurance Transaction Tax	16.951	-	43.865	-
Social Security Premium Liability	16.010	-	9.250	-
Income Tax Liability	6.918	-	3.948	-
Payables to suppliers for lease transactions	1.005	292.590	5.546	330.771
Deferred Income	1.551	-	739	-
Other Tax and Liabilities	869	-	224	-
Value Added Tax	25.172	-	14.078	-
Other(**)	103.569	180.176	139.400	133.040
	<b>508.089</b>	<b>912.728</b>	<b>418.235</b>	<b>753.102</b>

(\*) Advances received consist of advances received from lessees in accordance with the leasing agreements for machinery and equipments that are not readily in use of the customers.

(\*\*) The Group insures the equipments that are subject to the leasing transactions and pays for the relevant costs in instalments. Other payables consist of the Group's insurance premium payables and payables to suppliers resulting from intercorporate daily operations of the Group. The Group purchases generally in cash from the suppliers. The Group has a financial risk management policy that enables the Group to pay all its payables at their maturities.

### 18. LEASE PAYABLES

	30 June 2024	31 December 2023
Lease Payables	33.679	6.455
	<b>33.679</b>	<b>6.455</b>

As of 30 June 2024 and 31 December 2023, the group's forward-looking debt arising from leasing transactions is as follows:

	30 June 2024	31 December 2023
2024	7.160	3.376
2025	8.969	2.042
2026	12.726	1.037
2027	4.824	-
	<b>33.679</b>	<b>6.455</b>

### 19. DEBT SECURITIES ISSUED

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Bills bonds	1.988.827	-	3.444.142	-
Interest accruals	166.876	-	301.134	-
	<b>2.155.703</b>	<b>-</b>	<b>3.745.276</b>	<b>-</b>

As of 30 June 2024, The characteristics of financing bills issued by the group are as follows:

ISIN CODE	Maturity Starting Date	Nominal Value of Capital Market Instrument Sold	Maturity Date	Sale Type	Coupon Period
TRFISFN72416	05.01.2024	750.000	02.07.2024	Qualified Investor	Payment at maturity
TRFISFN52517	22.05.2024	100.000	21.05.2025	Qualified Investor	Quarterly
TRFISFN62516	04.06.2024	400.000	03.06.2025	Qualified Investor	Payment at maturity
TRFISFA92411	14.06.2024	161.500	12.09.2024	Qualified Investor	Payment at maturity
TRFISFAE2412	26.06.2024	838.500	04.10.2024	Qualified Investor	Payment at maturity

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 20. PROVISIONS

As at 30 June 2024 and 31 December 2023, reserve for employee benefits are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Reserve for employee severance indemnity	47.460	32.188
Provision for employee bonus	21.878	23.394
Vacation pay provision	20.759	10.416
	<u><b>90.097</b></u>	<u><b>65.998</b></u>

Under the Turkish Labor Law, the companies are required to pay termination benefits to each employee who has qualified for such amount at the end of its employment contract. Also, employees who are entitled to retirement are required to be paid retirement pay in accordance with the requirements of Act no. 2422 dated 6 March 1981, Act no. 4447 dated 25 August 1999 and the amended Article 60 of the existing Social Insurance Code no. 506. Some transitional provisions related to the pre-retirement service term were excluded from the scope of the Law since the related law was amended on 23 May 2002.

IAS 19 – “Employee Benefits” requires actuarial valuation methods to be developed to estimate the enterprise’s obligation under defined benefit plans. As at 30 June 2024 and 31 December 2023, the following actuarial assumptions are used in the calculation of the total liability:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Discount rate	%3,26	%3,26
Inflation	%21,10	%21,10
Estimated probability of retirement	%94,76	%94,76

For the periods ended 30 June 2024 and 30 June 2023, movements in reserve for employee severance indemnity are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the year	32.188	19.035
Service cost	18.913	11.334
Interest cost	-	4.706
Actuarial difference	-	1.461
Reversed severance indemnity provision	-	(357)
Amounts paid to employee severance indemnity	(3.641)	(3.991)
<b>Balance at the end of the year</b>	<u><b>47.460</b></u>	<u><b>32.188</b></u>

The movement of the vacation pay liability for the periods ended 30 June 2024 and 31 December 2023 are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the year	10.416	5.103
Increase during the period	10.343	5.313
<b>Balance at the end of the year</b>	<u><b>20.759</b></u>	<u><b>10.416</b></u>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 20. PROVISIONS (Continued)

The movement of the provision for employee bonus for the periods ended 30 June 2024 and 31 December 2023 are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the year	23.394	10.135
Increase during the period	21.877	23.394
Payment made during the period	(23.393)	(10.135)
<b>Balance at the end of the year</b>	<b><u>21.878</u></b>	<b><u>23.394</u></b>

As at 30 June 2024 and 31 December 2023, other provisions are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Provision for lawsuits	30.489	28.379
Expected Credit Loss for Financial Assets	3.763	4.688
Provision for general administrative expenses	5.276	520
	<b><u>39.528</u></b>	<b><u>33.587</u></b>

Movements in other provisions for the periods ended 30 June 2024 and 31 December 2023 are as follows:

	<b>General provision for financial lease receivables</b>	<b>Provision for lawsuits</b>	<b>Provision for administrative expenses</b>	<b><u>Expected Credit Loss for Financial Assets</u></b>
<b>30 June 2024</b>				
At the beginning of the year	-	28.379	520	4.688
Period Expense	-	9.072	4.756	3.764
Payments	-	-	-	-
Cancellations	-	(6.962)	-	(4.689)
<b>At the end of the period</b>	<b><u>-</u></b>	<b><u>30.489</u></b>	<b><u>5.276</u></b>	<b><u>3.763</u></b>
<b>31 December 2023</b>				
At the beginning of the year	-	15.154	308	769
Period Expense	-	13.516	4.205	4.688
Payments	-	-	(3.659)	-
Cancellations	-	(291)	(334)	(769)
<b>At the end of the period</b>	<b><u>-</u></b>	<b><u>28.379</u></b>	<b><u>520</u></b>	<b><u>4.688</u></b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 21. CURRENT PERIOD TAX ASSET AND PAYABLE

The current years tax asset as at 30 June 2024 and 31 December 2023 are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Income taxes withheld	1.360	239
<b>Total</b>	<b><u>1.360</u></b>	<b><u>239</u></b>

As at 30 June 2024 and 31 December 2023, details of current year tax liability are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Current period corporate tax provision (Note:35)	369.091	1.062.283
Previous period corporate tax provision	-	-
Taxes paid for the current period	38.449	21.162
Payments During the Term	(269.384)	(785.596)
<b>Corporate tax payable</b>	<b><u>138.156</u></b>	<b><u>297.849</u></b>

For the periods ended 30 June 2024 and 31 December 2023, movements of corporate tax payable are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Corporate Tax Payable at the Beginning of the Term	297.849	1.062.283
Current Period Expense	369.091	-
Corporate Tax to be offset	-	-
Tax Payable	38.449	21.162
Previous period corporate tax provision	-	116.648
Payments During the Term	(567.233)	(902.244)
<b>Corporate tax payable</b>	<b><u>138.156</u></b>	<b><u>297.849</u></b>

### 22. NON-CONTROLLING INTERESTS

The Company owns 78,23% of İş Faktoring A.Ş. As at 30 June 2024, the non-controlling interests amounting to TL 843.036 (31 December 2023: TL 672.855) have been calculated on the total equity of the subsidiary and the non-controlling interests amounting to TL 101.732 (31 December 2023: TL 252.392) have been calculated on the net profit of the subsidiary.

The movements of non-controlling interests for the periods ended 30 June 2024 and 31 December 2023 are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Balance at the beginning of the year	672.855	311.213
From the Profit.Loss of the year	101.732	252.392
Fair value changes of marketable securities	68.449	109.628
Prior Year Adjustment	-	(378)
<b>Balance at the end of the year</b>	<b><u>843.036</u></b>	<b><u>672.855</u></b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 23. PAID-IN CAPITAL AND CAPITAL RESERVES

As at 30 June 2024 nominal capital of the Company is 695.303 TL, the share capital of the Company consists 69.530.264.500 of shares Kurus 1 price.

As at 30 June 2024 and 31 December 2023, shareholders and their ownership percentages are as follows:

<u>Shareholders</u>	<u>(%)</u>	<u>30 June 2024</u>	<u>(%)</u>	<u>31 December 2023</u>
Türkiye İş Bankası A.Ş.	30,43	211.581	27,79	193.253
Türkiye Sınai Kalkınma Bankası A.Ş.	29,46	204.850	29,46	204.850
Trakya Yatırım Holding A.Ş.	0,93	6.483	0,93	6.483
Halka açık	39,18	272.389	41,82	290.717
<b>Total</b>	<b>100</b>	<b>695.303</b>	<b>100</b>	<b>695.303</b>

Group A shareholders have the privilege of nominating board of directors members As a result of this privilege, board of directors members are selected among the candidates nominated by Group A shareholders. Allocation of Group A shares among shareholders is as follows;

<u>Shareholders</u>	<u>30 June 2024</u>	<u>31 December 2023</u>
Türkiye İş Bankası A.Ş.	300.000.000	300.000.000
Türkiye Sınai Kalkınma Bankası A.Ş.	255.000.000	255.000.000
Trakya Yatırım Holding A.Ş.	45.000.000	45.000.000
<b>Total</b>	<b>600.000.000</b>	<b>600.000.000</b>

Any change in the articles of association of the Company is subject to the consent of Group A shareholders.

### Capital Reserves

	<u>30 June 2024</u>	<u>31 December 2023</u>
Other Capital Reserves(*)	1.763	1.763
	2.400.637	1.843.962
Accumulated Other Comprehensive Income.Expenditure Not Reclassified in Profit.Loss	(3.018)	(3.018)
<i>Accumulated Other Comprehensive Income.Expenditure Reclassified in Profit.Loss</i>	2.403.655	1.846.980
Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss(**)	<b>2.402.400</b>	<b>1.845.725</b>

(\*) Comprised of bonus shares obtained from associates, subsidiaries and jointly controlled entities

(\*\*) Other Comprehensive Income or Expenses to be reclassified in profit or Loss consists of the valuation differences arised from the fair value of the financial assets.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2024

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

### 24. PROFIT RESERVES

As at 30 June 2024 and 31 December 2023, details of profit reserves are as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
Legal reserves	154.907	111.904
Extraordinary reserves	3.395.634	1.671.185
<b>Total</b>	<b><u>3.550.541</u></b>	<b><u>1.783.089</u></b>

(\*) *As per the BRSA, income associated with deferred tax assets shall not be considered as cash or internally generated source and accordingly such amounts taking part of net period profit shall not be included in profit distribution and capital increase. The Group has deferred tax amounting to TL 107.131 classified in extraordinary tax income reserves which will not be considered in profit distribution and capital increase as at 30 June 2024 (31 December 2023: TL 60.401).*

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. The first and second legal reserves cannot be distributed unless they exceed 50% of the total capital; however, in case of exhaustion of discretionary reserves, it can be used to cover damages. TL 43.003 calculated on legal profit has been transferred to legal reserves by a decision of the Company’s Board of Directors.

### 25. PRIOR YEARS’ PROFIT.LOSS

The group has profit amounting to TL 5.476 as at 30 June 2024 (31 December 2023: TL 5.868)

### 26. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2024, TL12.063.266 of letters of guarantee are given to customs, authorities and banks (31 December 2023: TL8.700.597).

As at 30 June 2024, the total risk of litigations filed and currently pending against the Group amounting to approximately TL43.326 (31 December 2023: TL35.218). The Group has provided a provision amounting to TL30.489 for litigations (31 December 2023: TL28.379) in the accompanying consolidated financial statements (Note 20). The Group management does not anticipate any further provision for the remaining litigations.

As at 30 June 2024, the Group has letter of credit commitments of USD142.900, EUR1.781.300 (Total TL67.265) (31 December 2023: USD3.217.130, EUR2.673.902, (Total TL181.806)).

As at 30 June 2024 has no factoring commitment. (31 December 2023: None)

As at 30 June 2024, the Group has lease commitments of USD17.939.086, EUR62.980.689 and full TL1.011.430 (Total TL3.812.713) (31 December 2023: USD3.869.598, EUR20.934.644 and full TL549.975 (Total TL1.345.812)

As at the reporting date, the Group does not have any guarantees, pledges or mortgages given for the purpose of guaranteeing any third party payables.

## İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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

#### 26. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

As at 30 June 2024 details of derivatives are as follows:

	30 June 2024	
	Amount as Original Currency	Thousand TL
Currency Swap Purchases:		
GBP	169.897.579	7.039.961
USD	28.173.000	924.813
TL	500.000	500.000
		<b>8.464.774</b>
Currency Swap Sales:		
USD	63.986.369	2.100.429
EUR	163.116.932	5.730.037
		<b>7.830.466</b>
	30 June 2024	
	Amount as Original Currency	Thousand TL
Currency Futures Purchases:		
GBP	6.865.526	284.483
USD	6.835.232	224.375
EUR	21.288.195	747.820
		<b>1.256.678</b>
Currency Futures Sales:		
USD	3.170.381	104.072
EUR	6.374.042	223.910
TL	1.330.044	1.330.044
		<b>1.658.026</b>

As at 31 December 2023 details of derivatives transactions are as follows:

	31 December 2023	
	Amount as Original Currency	Thousand TL
Currency Swap Purchases:		
GBP	164.438.416	6.156.854
Avro	2.800.235	91.214
		<b>6.248.068</b>
Currency Swap Sales:		
USD	70.386.519	2.072.052
EUR	125.917.638	4.101.629
		<b>6.173.681</b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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### 26. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

	31 December 2023	
	Amount as Original Currency	Thousand TL
Currency Futures Purchases		
GBP	5.487.940	205.478
		<b>205.478</b>
Currency Futures Sales:		
USD	3.164.018	93.143
Avro	3.345.495	108.976
		<b>202.119</b>

Group’s derivative transactions performed with related parties are presented in Note 10.

As of 30 June 2024, there is an unrealized loss amounting to TL 60.021 and there is an unrealized gain amounting to TL 93.343 (Note 6) consisting of changes in the fair value of derivative contracts and associated with profit and loss (31 December 2023: TL 5.837 unrealized loss and TL 83.917 unrealized gain).

As at 30 June 2024 analysis of derivative transactions according to their maturities is as follows:

	<u>Short Term</u>	<u>Long Term</u>	<u>Total</u>
Currency Swap Purchases	8.464.774	-	8.464.774
Currency Swap Sales	7.830.466	-	7.830.466
Currency Futures Purchases	1.256.678	-	1.256.678
Currency Futures Sales	1.658.026	-	1.658.026

As at 31 December 2023, analysis of derivative transactions according to their maturities is as follows:

	<u>Short Term</u>	<u>Long Term</u>	<u>Total</u>
Currency Swap Purchases	6.248.068	-	6.248.068
Currency Swap Sales	6.173.681	-	6.173.681
Currency Futures Purchases	205.478	-	205.478
Currency Futures Sales	202.119	-	202.119

### 27. SEGMENT REPORTING

Information regarding the Group’s operating business segments is based on the Group’s management and internal reporting structure.

Segment capital expenditure is the total cost incurred during the period to acquire tangible assets and intangible assets.

#### ***Business segments***

The Group comprises the following main business segments:

- Leasing Includes the Group’s finance lease activities
- Factoring operations Includes the Group’s factoring activities



**İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

**27. SEGMENT REPORTING (Continued)**

<b>30 June 2024</b>	<b>Leasing</b>	<b>Factoring</b>	<b>Consolidation Adjustments</b>	<b>Consolidated</b>
Total assets	29.399.733	24.123.525	(53.766)	53.469.492
Total liabilities	24.711.630	20.250.827	-	44.962.457
Net profit for the year	644.679	467.332	(101.732)	1.010.279
<b>31 December 2023</b>	<b>Leasing</b>	<b>Factoring</b>	<b>Consolidation Adjustments</b>	<b>Consolidated</b>
Total assets	27.606.958	24.004.354	(53.766)	51.557.546
Total liabilities	23.874.221	20.913.425	-	44.787.646
Net profit for the year	860.027	1.159.425	(252.392)	1.767.060
<b>30 June 2024</b>	<b>Leasing</b>	<b>Factoring</b>	<b>Consolidation Adjustments</b>	<b>Total</b>
Operating Income	2.025.629	3.777.028	-	5.802.657
Financial Expenses (-)	(1.424.184)	(3.130.928)	-	(4.555.112)
Gross Profit . Loss	601.445	646.100	-	1.247.545
Operating Expense (-)	(217.896)	(166.570)	-	(384.466)
Gross Operating Profit.Loss	383.549	479.530	-	863.079
Other Operating Income	730.942	288.557	-	1.019.499
Provisions (-)	(69.213)	(116.551)	-	(185.764)
Other operating Expenses (-)	(172.191)	(1.611)	-	(173.802)
Net Operating Profit . Loss	873.087	649.925	-	1.523.012
Profit or Loss from Continuing Operations before tax	873.087	649.925	-	1.523.012
Provision for Taxes from Continuing Operations (±)	(228.408)	(182.593)	-	(411.001)
Net Profit or Loss from Continuing Operations	644.679	467.332	-	1.112.011
Non-controlling Interests	-	-	(101.732)	(101.732)
<b>Net Profit or Loss for the Period</b>	<b>644.679</b>	<b>467.332</b>	<b>(101.732)</b>	<b>1.010.279</b>
Fixed Asset Additions	38.382	21.535	-	59.917
Depreciation and Amortisation	(7.472)	(8.637)	-	(16.109)

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 27. SEGMENT REPORTING (Continued)

<b>30 June 2023</b>	<b>Leasing</b>	<b>Factoring</b>	<b>Consolidation Adjustments</b>	<b>Total</b>
Operating Income	1.307.513	1.990.945	-	3.298.458
Financial Expenses (-)	(906.780)	(1.220.267)	-	(2.127.047)
Gross Profit . Loss	400.733	770.678	-	1.171.411
Operating Expense (-)	(109.328)	(79.053)	-	(188.381)
Gross Operating Profit.Loss	291.405	691.625	-	983.030
Other Operating Income	951.130	218.290	-	1.169.420
Provisions (-)	(405.506)	(74.556)	-	(480.062)
Other operating Expenses (-)	(273.959)	(13.073)	-	(287.032)
Net Operating Profit . Loss	563.070	822.286	-	1.385.356
Profit or Loss from Continuing Operations Before Tax	563.070	822.286	-	1.385.356
Provision for Taxes from Continuing Operations (±)	(163.548)	(204.482)	-	(368.030)
Net Profit or Loss from Continuing Operations	399.522	617.804	-	1.017.326
Non-controlling Interests	-	-	(134.487)	(134.487)
<b>Net Profit or Loss for the Period</b>	<b>399.522</b>	<b>617.804</b>	<b>(134.487)</b>	<b>882.839</b>
Fixed Asset Additions	18.993	12.040	-	31.033
Depreciation and Amortisation	(6.620)	(5.178)	-	(11.798)

### 28. EVENTS AFTER THE REPORTING PERIOD

İş Finansal Kiralama A.Ş. within the scope of the Board of Directors' decision dated 02.02.2023 regarding the issuance of debt instruments, financial bills with a nominal value of 300,000 TL and bonds with a nominal value of 100,000 TL were issued after 30.06.2024.

### 29. OPERATING INCOME

For the periods ended 30 June 2024 and 30 June 2023, details of operating income are as follows:

	<b>01.01.2024- 30.06.2024</b>	<b>01.04.2024- 30.06.2024</b>	<b>01.01.2023- 30.06.2023</b>	<b>01.04.2023- 30.06.2023</b>
Finance Lease income	2.023.629	1.065.921	1.305.619	726.862
Operating lease income	2.000	960	1.894	1.005
Factoring income	3.777.028	1.901.166	1.990.945	1.072.773
	<b>5.802.657</b>	<b>2.968.047</b>	<b>3.298.458</b>	<b>1.800.640</b>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 30. OPERATING EXPENSES

For the periods ended 30 June 2024 and 30 June 2023, operating expenses are as follows:

	<b>01.01.2024- 30.06.2024</b>	<b>01.04.2024- 30.06.2024</b>	<b>01.01.2023- 30.06.2023</b>	<b>01.04.2023- 30.06.2023</b>
Personnel expenses	(270.817)	(131.813)	(120.197)	(55.538)
Provision for employee severance	(18.913)	(1.126)	(7.237)	(297)
Depreciation and amortization expenses	(16.109)	(8.640)	(11.797)	(6.578)
Information technology expenses	(15.775)	(8.932)	(7.747)	(4.130)
Office rent expenses	(12.606)	(5.345)	(6.509)	(3.202)
Taxes, duties and charges	(4.772)	(1.921)	(2.683)	(1.287)
Board of Directors attendance fee	(7.871)	(4.901)	(4.199)	(2.970)
BRSA participation fee	(4.467)	(2.234)	(1.996)	(998)
Consultancy expenses	(5.655)	(3.215)	(1.988)	(1.210)
Travel and car expenses	(4.236)	(2.368)	(1.260)	(649)
Communication expense	(562)	(308)	(368)	(194)
Capital increase expense	(878)	(601)	(324)	(211)
Advertising expense	(531)	(159)	(385)	(277)
Expenses of Staying on Level	(30)	-	(19)	-
Insurance expense	(223)	(127)	(274)	(256)
Other general administrative expenses	(21.021)	(7.923)	(21.398)	(9.408)
	<b>(384.466)</b>	<b>(179.613)</b>	<b>(188.381)</b>	<b>(87.205)</b>

### 31. OTHER OPERATING INCOME

For the periods ended 30 June 2024 and 30 June 2023, details of other operating income are as follows:

	<b>01.01.2024- 30.06.2024</b>	<b>01.04.2024- 30.06.2024</b>	<b>01.01.2023- 30.06.2023</b>	<b>01.04.2023- 30.06.2023</b>
Foreign exchange gains	84.552	24.467	692.122	621.456
Income from derivative financial transactions	213.783	72.817	184.659	73.881
Collections from prior period non-performing receivables and cancellation income	337.187	27.844	178.561	102.576
Dividend income	77.849	77.838	36.730	-
Commission income	30.600	17.458	14.746	8.733
Interest income	150.776	97.501	3.638	974
Other	124.752	48.875	58.964	26.888
	<b>1.019.499</b>	<b>366.800</b>	<b>1.169.420</b>	<b>834.508</b>

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### 32. FINANCE EXPENSES

For the periods ended 30 June 2024 and 30 June 2023, details of finance expenses are as follows:

	<b>01.01.2024- 30.06.2024</b>	<b>01.04.2024- 30.06.2024</b>	<b>01.01.2023- 30.06.2023</b>	<b>01.04.2023- 30.06.2023</b>
Interest expense on funds borrowed	(4.068.677)	(2.113.858)	(1.590.667)	(882.539)
Interest expense on debt securities issued	(367.655)	(112.202)	(278.944)	(89.635)
Fees and commissions expense	(113.040)	(56.395)	(256.429)	(170.727)
Interest expense related to rents	(5.740)	(3.934)	(1.007)	(595)
	<b>(4.555.112)</b>	<b>(2.286.389)</b>	<b>(2.127.047)</b>	<b>(1.143.496)</b>

#### 33. PROVISIONS

For the periods ended 30 June 2024 and 30 June 2023, details of provision for non-performing receivables are as follows:

	<b>01.01.2024- 30.06.2024</b>	<b>01.04.2024- 30.06.2024</b>	<b>01.01.2023- 30.06.2023</b>	<b>01.04.2023- 30.06.2023</b>
Specific Provisions	(185.764)	(90.667)	(480.062)	(328.955)
	<b>(185.764)</b>	<b>(90.667)</b>	<b>(480.062)</b>	<b>(328.955)</b>

#### 34. OTHER OPERATING EXPENSES

For the periods ended 30 June 2024 and 30 June 2023, details of other operating expenses are as follows:

	<b>01.01.2024- 30.06.2024</b>	<b>01.04.2024- 30.06.2024</b>	<b>01.01.2023- 30.06.2023</b>	<b>01.04.2023- 30.06.2023</b>
Losses From Derivative Financial Instruments	(157.155)	(68.882)	(254.709)	(111.053)
Foreign exchange loss	-	-	-	-
Other	(16.647)	(7.447)	(32.323)	(8.916)
	<b>(173.802)</b>	<b>(76.329)</b>	<b>(287.032)</b>	<b>(119.969)</b>

Derivative financial instruments with a view to direct the Group’s financial risks (forward and currency swap contracts) consist of combination of more than one sub-transaction as time or spot. Entire such transactions are not trading and are preferred due to economic worth occurred at the maturity. Although, entire such transactions do not cover all conditions for hedge accounting, buy-sell spot transactions at the transaction date are recorded at initial amounts, buy-sell transactions that held to maturity date are recorded in fair values. Measurement differences of such sub-transactions which are integrated and fixed by the initial date economic worth at the maturity date on initial measurement of buy-sell transactions and measurement at the maturity date of buy-sell transactions cause the differences on income expense components in the in periods.

The difference as foreign currency expenses difference between loss is at amounting TL 57.254 from measurement difference of such transactions in the Group’s financial statements as at 30 June 2024 (31 December 2023: TL 36.140 foreign exchange loss). The difference is expected to be substantially expired at the maturity of transactions.

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#### 35. TAXATION

For the periods ended 30 June 2024 and 30 June 2023, details of tax expense are as follows:

	<b>01.01.2024- 30.06.2024</b>	<b>01.04.2024- 30.06.2024</b>	<b>01.01.2023- 30.06.2023</b>	<b>01.04.2023- 30.06.2023</b>
Current corporate tax charge	(369.091)	(95.829)	(378.029)	(259.888)
Deffered tax income. (expense)	(41.910)	(58.153)	9.999	(4.488)
	<b>(411.001)</b>	<b>(153.982)</b>	<b>(368.030)</b>	<b>(264.376)</b>

The reported tax expenses for the period is different than the amounts computed by applying the statutory tax rate of the Company to profit before income tax of the Group, as shown in the following reconciliation:

	<b>%</b>	<b>1 January- 30 June 2024</b>	<b>%</b>	<b>1 January- 30 June 2023</b>
Net profit for the period		1.112.011		1.017.326
Total tax expense		411.001		368.030
Profit before tax		1.523.012		1.385.356
Income tax using the Group's tax rate	30,00	456.903	25,00	346.339
Non-deductible expenses	1,22	18.549	2,58	35.757
Tax exempt income	(1,53)	(23.355)	(0,66)	(9.182)
Other	(2,70)	(41.096)	(0,35)	(4.884)
<b>Total income tax expense</b>	<b>26,99</b>	<b>411.001</b>	<b>26,57</b>	<b>368.030</b>

#### Corporate Tax

The Group is subject to the Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated charge based on the Group’s results for the period.

Turkish tax legislation does not allow a parent company to file a tax return on its consolidated financial statements. Therefore, the tax liabilities reflected in this consolidated financial statements are calculated separately for all companies included in the scope of consolidation.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

The corporate tax rate is 30% as of 30 June 2024 (31 December 2023: 30%). With the Law proposed to the Turkish Grand National Assembly on July 5, 2023 and published in the Official Gazette dated July 15, 2023, amendments were made to the Corporate Tax Law No. 5520. According to this; Starting from the declarations that must be submitted as of October 1, 2023, the corporate tax rate for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, increased from 25% to 30%. This regulation starts with the declarations that must be submitted as of October 1, 2023; It entered into force on July 15, 2023, to be applied to the earnings of institutions in the 2023 and subsequent taxation periods, and to the earnings of institutions subject to the special accounting period in the special account taxation periods starting in the 2023 calendar year.

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#### 35. TAXATION (Continued)

In Turkey, provisional tax is calculated and accrued quarterly. The provisional tax rate that must be calculated on corporate earnings during the taxation of 2024 corporate earnings as of the provisional tax periods is 30% for 30.06.2024. (December 31, 2023: 30%). According to Turkish tax legislation, financial losses shown on the declaration can be deducted from the period corporate income for a period not exceeding 5 years. However, losses cannot be deducted retroactively from profits made in previous years. According to the 17th article of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, Banks are subject to the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21/11/2012. Profit/loss differences arising from inflation adjustments to be made in the 2024 and 2025 accounting periods, including provisional tax periods, by the companies within the scope of the scope of payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. It has become law that it will not be taken into account in the determination. The President is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including provisional tax periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1 April and 30 April of the following year (between 1st and 30th of the following fourth month of the tax year for the tax responsible who have special tax years). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

#### Transfer Pricing

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

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes. Purchase, sale, manufacturing and construction operations, leasing and leasing transactions, borrowing and issuing money, bonuses, fees and similar transactions that require payments are considered as purchase or sale of goods or services in every condition. Companies are required to fill in the transfer pricing form which will be included in the annex of the annual corporate tax return. In this form, the amounts of all transactions with related companies and the methods of transfer pricing related to these transactions are specified in the related accounting period.

#### 36. EARNINGS PER SHARE

Earnings per share are calculated by dividing profit or loss by the weighted average number of ordinary shares outstanding during the period. In Turkey, companies can raise their share capital by distributing “bonus shares” to shareholders from retained earnings. In computing earnings per share, such “bonus share” distributions are assessed as issued shares. Accordingly, the retrospective effect for those share distributions is taken into consideration in determining the weighted-average number of shares outstanding used in this computation.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

### 36. EARNINGS PER SHARE (Continued)

Earnings per share is calculated by dividing net income distributable to shareholders by the weighted average number of shares issued.

The weighted average number of shares of the Group and earnings per share for the periods ended 30 June 2024 and 30 June 2023 are as follows:

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
Weighted average number of outstanding shares (*)	69.530.264.500	69.530.264.500
Net profit for the year (TL)	1.010.279	882.839
Basic earnings per share (full TL)	0,0145	0,0127

(\*) As at 30 June 2024, the share capital of the Company consists 69.530.264.500 of shares having Kurus 1 nominal price.

	<b>30 June 2024</b>	<b>31 December 2023</b>
Number of shares at beginning of the year	69.530.264.500	69.530.264.500
Capital increase	-	-
Number of shares at end of the year	<b>69.530.264.500</b>	<b>69.530.264.500</b>

### 37. OTHER ISSUES THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR OTHER ISSUES REQUIRED FOR UNDERSTANDING OF THE FINANCIAL STATEMENTS

None.

### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS

#### (a) Capital risk management

The Group manages its capital by sustaining its status as a going concern while maximizing the return to stakeholders through the optimization of the debt and the equity balance.

Although there is no change in the capital risk management strategy in 2024, the debt equity ratio is 20% (31 December 2023: 16 %). As at 30 June 2024 and 31 December 2023, the leverage ratios are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Funds borrowed	41.024.456	39.461.307
Debt securities issued	2.155.703	3.745.276
Other liabilities	1.420.817	1.171.337
<b>Total liabilities</b>	<b>44.600.976</b>	<b>44.377.920</b>
Cash and Cash Equivalents and the central bank (-)	(2.566.287)	(2.512.911)
<b>Net liabilities</b>	<b>42.034.689</b>	<b>41.865.009</b>
Total shareholders' equity	8.507.035	6.769.900
Shareholders' equity. liabilities	%20	%16

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

According to the credit rating reports of Fitch issued at 27.06.2024 credit ratings of the Company are as follows:

#### Foreign Currency

Long term	B
Short term	B
Outlook	Positive

#### TL

Long term	B+
Short term	B
Outlook	Positive

#### National

Long term	AA-(tur)
Outlook	Stable
Sharehold Support	b

#### (b) Significant accounting policies

The Group’s accounting policies on financial instruments are disclosed in Note 3 “Significant accounting policies”.

#### (c) Categories of financial instruments

	<u>30 June 2024</u>	<u>31 December 2023</u>
<b><u>Financial Assets:</u></b>		
Cash and Cash Equivalents and the central bank	2.566.287	2.512.911
Derivative Financial Assets	93.343	83.917
Finance lease receivables and non-performing receivables, net	23.363.174	23.220.714
Leasing Contracts in Progress	673.273	241.715
Advances Given for Lease Transactions	1.168.663	646.638
Other Finance Lease Receivables	102.697	70.193
Factoring receivables and non-performing factoring receivables, Net	21.602.977	22.092.144
Financial Assets at Fair Value Through Other Comprehensive Income	2.901.046	2.228.384
Financial assets at fair value through profit or loss	610.704	24.328
<b><u>Financial Liabilities:</u></b>		
Derivative financial liabilities at fair value		
Finance Lease Obligations	(60.021)	(5.837)
Other liabilities	(33.679)	(6.455)
Funds borrowed	(1.420.817)	(1.171.337)
Debt securities issued	(41.024.456)	(39.461.307)
<b><u>Financial Assets:</u></b>	(2.155.703)	(3.745.276)



## İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2024

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

#### **38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)**

(d) Financial risk management objectives

The Group’s corporate treasury function provides services to the business, coordinates access to domestic and international markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risk. Such risks include market risk (including currency risk, interest rate risk and price risk), liquidity risk and credit risk.

The Group uses derivative instruments to minimize the effects of such risks and it also uses such instruments for hedging. The Group does not enter into or trade any financial instruments (including derivative financial instruments) for speculative purposes.

In order to minimize potential risks, the Group reports monthly to the risk management committee which is in charge of monitoring risks and the policies applied.

(e) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (refer to section f), interest rates (refer to section g) and equity prices will affect the Group’s income or the value of its holdings of financial instruments. To manage risks relating to exchange rates and interest rates, the Group uses various derivative financial instruments including the following:

“Forward foreign exchange contracts” to hedge the exchange rate risk arising from operations.

“Currency swaps” to control the exchange rate risk of foreign currency denominated liabilities.

At the Group level, market risk exposures are measured by sensitivity analysis.

There has been no change in the Group’s exposure to market risks or the method it uses to manage and measure such risks.

(f) Currency risk management

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group has exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its consolidated financial position and cash flows. The Group manages this currency risk by using the foreign exchange derivative contracts.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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YEAR ENDED 30 JUNE 2024

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

### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

#### (f) Currency risk management (Continued)

As 30 June 2024 and 31 December 2023, details of foreign currency denominated assets and liabilities are as follows:

<b>30 June 2024</b>	<b>USD (000)</b>	<b>EUR (000)</b>	<b>CHF (000)</b>	<b>GBP (000)</b>	<b>JPY (000)</b>	<b>AUD (000)</b>	<b>CNY (000)</b>	<b>TL Equivalent</b>
Banks	534	5.419	3	946	28	2	5	247.257
Finance lease receivables	91.364	399.422	-	-	-	-	-	17.030.194
Factoring receivables	69.051	91.647	-	6.295	-	-	-	5.746.909
Advances given for lease transactions	12.482	19.361	-	-	-	-	-	1.090.531
Leasing contracts in progress	1.021	10.561	-	-	-	-	-	404.517
Other receivables from leasing transactions	229	1.084	-	-	-	-	-	45.588
Other assets	4	41	-	-	-	-	-	1.573
<b>Total assets (*)</b>	<b>174.685</b>	<b>527.535</b>	<b>3</b>	<b>7.241</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>24.566.569</b>
Funds borrowed(**)	(121.001)	(354.853)	-	(176.994)	-	-	-	(23.771.462)
Lease Obligations	-	-	-	-	-	-	-	-
Other provisions	-	(827)	-	-	-	-	-	(29.063)
Other Liabilities	(5.600)	(20.619)	(1)	(110)	-	-	-	(912.728)
<b>Total liabilities (*)</b>	<b>(126.601)</b>	<b>(376.299)</b>	<b>(1)</b>	<b>(177.104)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24.713.253)</b>
<b>Balance sheet position</b>	<b>48.084</b>	<b>151.236</b>	<b>2</b>	<b>(169.863)</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>(146.684)</b>
<b>Off balance sheet position</b>	<b>(32.149)</b>	<b>(148.203)</b>	<b>-</b>	<b>176.763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.063.004</b>
<b>Net foreign currency position</b>	<b>15.935</b>	<b>3.033</b>	<b>2</b>	<b>6.900</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>916.320</b>

(\*) As at 30 June 2024, derivative financial assets amounting to TL 33.322 are not included.

(\*\*) As at 30 June 2024, has no foreign currency indexed borrowings.

<b>31 December 2023</b>	<b>USD (000)</b>	<b>Avro (000)</b>	<b>CHF (000)</b>	<b>GBP (000)</b>	<b>JPY (000)</b>	<b>AUD (000)</b>	<b>CNY (000)</b>	<b>TL Equivalent</b>
Banks	466	46.796	3	904	28	2	5	1.572.058
Finance lease receivables	100.227	428.863	-	-	-	-	-	16.920.228
Factoring receivables	62.009	40.671	-	2.929	-	-	-	3.259.927
Advances given for lease transactions	7.961	12.362	-	-	-	-	-	637.669
Leasing contracts in progress	70	3.450	-	-	-	-	-	114.435
Other receivables from leasing transactions	207	905	-	-	-	-	-	35.587
Other assets	26	18	-	-	-	-	-	1.374
<b>Total assets (*)</b>	<b>170.966</b>	<b>533.065</b>	<b>3</b>	<b>3.833</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>22.541.278</b>
Funds borrowed(**)	(77.002)	(381.157)	-	(3.427)	-	-	-	(20.978.447)
Lease Obligations	-	-	-	-	-	-	-	-
Other provisions	(1)	(833)	-	(1)	-	-	-	(27.191)
Other Liabilities	(4.868)	(18.451)	(1)	(233)	-	-	-	(753.102)
<b>Total liabilities (*)</b>	<b>(81.871)</b>	<b>(400.441)</b>	<b>(1)</b>	<b>(3.661)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21.758.740)</b>
<b>Balance sheet position</b>	<b>89.095</b>	<b>132.624</b>	<b>-</b>	<b>172</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>782.538</b>
<b>Off balance sheet position</b>	<b>(54.339)</b>	<b>(110.830)</b>	<b>-</b>	<b>141.030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77.746</b>
<b>Net foreign currency position</b>	<b>34.756</b>	<b>21.794</b>	<b>2</b>	<b>141.202</b>	<b>28</b>	<b>2</b>	<b>5</b>	<b>860.284</b>

(\*) As at 31 December 2023, derivative financial assets amounting to TL 78.080 are not included.

(\*\*) As at 31 December 2023, has no foreign currency indexed borrowings.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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

### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

#### Foreign currency sensitivity

The Group is mainly exposed to USD and EUR exchange rate risks.

The table below indicates the sensitivity of the Group to USD and Euro when there is a 15 % of change in such exchange rates. The Group uses 15% of rate change when it reports its foreign currency risk to the top management and this rate represents the top management’s expectation on the exchange rate fluctuations. Sensitivity analysis made in relation to the Group’s exposure to foreign currency at the reporting period is determined based on the fluctuations at the beginning of the fiscal year and the analysis are fixed during the reporting period. Positive amount refers to an increase in the net profit.

	Profit . (Loss)		Equity (*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>30 June 2024</b>				
15% change of the USD against TL				
1- Net USD asset liability	236.762	(236.762)	236.762	(236.762)
2- Hedged portion of TL against USD risk (-)	(158.299)	158.299	(158.299)	158.299
<b>3- Net effect of USD (1+ 2)</b>	<b>78.463</b>	<b>(78.463)</b>	<b>78.463</b>	<b>(78.463)</b>
15% change of the Euro against TL				
4- Net Euro asset liability	796.902	(796.902)	796.902	(796.902)
5- Hedged portion of TL against Euro risk (-)	(780.920)	780.920	(780.920)	780.920
<b>6- Net effect of Euro (4+5)</b>	<b>15.982</b>	<b>(15.982)</b>	<b>15.982</b>	<b>(15.982)</b>
15% change of other foreign currencies against TL				
7- Net other foreign currencies asset liability	42.901	(42.901)	42.901	(42.901)
8- Hedged portion of TL against other currencies risk (-)	-	-	-	-
<b>9- Net effect of other foreign currencies (7+8)</b>	<b>42.901</b>	<b>(42.901)</b>	<b>42.901</b>	<b>(42.901)</b>
<b>TOTAL (3+6+9)</b>	<b>137.346</b>	<b>(137.346)</b>	<b>137.346</b>	<b>(137.346)</b>

(\*) Includes profit.loss effect

	Profit . (Loss)		Equity (*)	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>31 December 2023</b>				
15% change of the USD against TL				
1- Net USD asset liability	393.419	(393.419)	393.419	(393.419)
2- Hedged portion of TL against USD risk (-)	(239.946)	239.946	(239.946)	239.946
<b>3- Net effect of USD ( 1+ 2)</b>	<b>153.473</b>	<b>(153.473)</b>	<b>153.473</b>	<b>(153.473)</b>
15% change of the Euro against TL				
4- Net Euro asset liability	648.012	(648.012)	648.012	(648.012)
5- Hedged portion of TL against Euro risk (-)	(541.525)	541.525	(541.525)	541.525
<b>6- Net effect of Euro (4+5)</b>	<b>106.487</b>	<b>(106.487)</b>	<b>106.487</b>	<b>(106.487)</b>
15% change of other foreign currencies against TL				
7- Net other foreign currencies asset liability	793.040	(793.040)	793.040	(793.040)
8- Hedged portion of TL against other currencies risk (-)	-	-	-	-
<b>9- Net effect of other foreign currencies (7+8)</b>	<b>793.040</b>	<b>(793.040)</b>	<b>793.040</b>	<b>(793.040)</b>
<b>TOTAL (3+6+9)</b>	<b>1.053.000</b>	<b>(1.053.000)</b>	<b>1.053.000</b>	<b>(1.053.000)</b>

(\*)Includes profit.loss effect

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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YEAR ENDED 30 JUNE 2024

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

### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(f) Currency risk management (Continued)

Forward foreign exchange contracts and currency swaps

The Group uses forward foreign exchange contracts and currency swaps to cover the risks of receipts and payments, expected sales and purchases in a certain foreign currency.

(g) Interest rate risk management

The Group is exposed to interest rate risk as the Group borrows funds at both fixed and variable rates. Such risk is managed by making a proper classification between fixed and variable rate liabilities.

Interest rate sensitivity

The interest rate sensitivity analysis below is based on the Group’s exposure to interest rate risk at the reporting date and estimated interest rate fluctuations at the beginning of the fiscal year, and is fixed during the reporting period. The Group management makes its sensitivity analysis based on a 100 base point interest rate fluctuation scenario. This rate is also used in reporting to the top management.

As at 30 June 2024 and 31 December 2023, the interest rate profile of the Group’s interest-bearing financial instruments is as follows:

	<u>30 June 2024</u>	<u>31 December 2023</u>
<b><u>Fixed rate instruments</u></b>		
Financial assets:		
Cash and Cash Equivalents	1.594.154	1.961.533
Finance lease receivables Net	23.099.123	23.193.312
Factoring receivables Net	17.125.842	20.304.633
Financial liabilities:		
Funds borrowed	33.334.376	31.588.986
Debt securities issued	1.636.099	3.745.276
<b><u>Variable rate instruments</u></b>		
Financial assets:		
Finance lease receivables Net	264.051	27.402
Factoring receivables Net	4.477.135	1.787.511
Financial liabilities:		
Funds borrowed	7.690.080	7.872.321
Debt securities issued	519.604	-

If interest rates were 100 base points higher at the reporting date and all other variables were fixed:

- Interest income from finance leases with variable interest rates would be higher at an amount of TL 2.560 (31 December 2023: TL 392).
- Interest income from factoring transactions with variable interest rates would be higher at an amount of TL 22.079 (31 December 2023: TL 17.630).
- Interest expense on funds borrowed with variable interest rates would be higher at an amount of TL 34.485 (31 December 2023: TL 76.238).

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

### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

#### (h) Other price risks

The Group is exposed to equity securities price risks because of equity investments. Equity securities are held especially for strategic purposes rather than trading purposes. These investments are not traded by the Group.

##### Equity price sensitivity

Sensitivity analysis below is determined based on the equity share price risks exposed as at the reporting date.

Equity price risk is the risk that the fair values of equities decrease as a result of the changes in the levels of equity indices and the value of individual stocks.

If data used in the valuation method were 15% higher . lower and all other variables were fixed:

The effect on equity (without tax effects) as a result of change in the fair value of equity instruments quoted to Borsa İstanbul (Istanbul Stock Exchange) held as financial assets available for sale in the accompanying consolidated financial statements, due to a reasonably possible change in equity indices, with all other variables held constant, would be TL 514.319 (31 December 2023: TL 351.160).

#### (i) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group’s exposure to credit risks and credit ratings of its counterparties are monitored periodically. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee.

Finance lease receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Sectoral allocation of finance lease receivables is as follows:

	<u>30 June 2024 (%)</u>	<u>31 December 2023 (%)</u>
Construction	23,62	19,48
Textile	15,70	17,73
Metal industry	10,06	10,82
Transportation	8,92	8,92
Mining	5,25	5,90
Real Estate	6,20	5,09
Forestry products and paper	3,55	3,92
Food and beverage	2,85	2,88
Agriculture and forestry	2,85	2,94
Machinery and Equipment	2,38	2,79
Energy	3,11	2,64
Rubber, Plastic	1,64	1,83
Healthcare	1,06	1,17
Wholesale-Per. Tic.	1,25	1,32
Finance	0,16	0,26
Tourism	0,36	0,46
Other	11,04	11,85
	<u>100,00</u>	<u>100,00</u>

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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

### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

#### (i) Credit risk management (Continued)

As at 30 June 2024, exposure to credit risk based on categories of financial instruments is as follows:

	<u>Receivables</u>				<u>Cash and Cash</u> <u>Equivalents</u>	<u>Financial</u> <u>Assets at Fair</u> <u>value through</u> <u>profit loss</u>	<u>Financial</u> <u>Assets at Fair</u> <u>Value Through</u> <u>Other</u> <u>Comprehensive</u> <u>Income</u>	<u>Derivative</u> <u>Financial</u> <u>Assets</u>
	<u>Finance Lease Receivables</u>		<u>Factoring Receivables</u>					
<u>30 June 2024</u>	<u>Related</u> <u>party</u>	<u>Third</u> <u>party</u>	<u>Related</u> <u>party</u>	<u>Third</u> <u>party</u>				
Exposure to maximum credit risk as at reporting date (*)	20.175	23.342.999	32.820	21.570.157	2.566.287	610.704	2.901.046	93.343
- The portion of maximum risk covered by guarantee	-	960.463	-	4.278.572	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	20.175	21.889.534	32.820	21.433.371	2.566.287	610.704	2.901.046	93.343
- The portion covered by guarantee	-	769.151	-	3.917.572	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	3.379	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	1.516.089	-	17.921	-	-	-	-
- The portion covered by guarantee	-	188.825	-	361.000	-	-	-	-
D. Net carrying value of impaired assets	-	(62.624)	-	115.486	-	-	-	-
- Overdue (gross book value)	-	465.224	-	353.085	-	-	-	-
- Impairment (-)	-	(778.232)	-	(237.599)	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.) (**)	-	2.487	-	-	-	-	-	-
- Not past due (gross book value)	-	254.034	-	-	-	-	-	-
- Impairment (-)	-	(3.650)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.) (**)	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

(\*) Guarantees received are not taken into account in the calculation.

(\*\*) Includes collaterals for the assets impaired but not overdue.

# İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

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

### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

#### (i) Credit risk management (Continued)

As at 31 December 2023 exposure to credit risk based on categories of financial instruments is as follows:

	<u>Receivables</u>				<u>Cash and Cash Equivalents</u>	<u>Financial</u>	<u>Financial</u>	<u>Derivative</u>
	<u>Finance Lease Receivables</u>	<u>Third party</u>	<u>Related party</u>	<u>Factoring Receivables</u>		<u>Assets at Fair value through profit loss</u>	<u>Assets at Fair Value Through Other Comprehensive Income</u>	
<b>31 December 2023</b>	Related party	Third party	Related party	Third party				
Exposure to maximum credit risk as at reporting date (*)	16.474	23.204.240	211.790	21.880.354	24.328	14.228.789	2.228.384	22.155.237
- The portion of maximum risk covered by guarantee	-	964.164	-	3.329.656	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	16.474	22.246.020	211.790	21.541.145	24.328	14.228.789	2.228.384	22.155.237
- The portion covered by guarantee	-	784.227	-	3.105.756	-	-	-	-
B. Net carrying value of financial assets that are restricted, otherwise which will be regarded as overdue or impaired	-	-	-	60	-	-	-	-
C. Net carrying value of financial assets which are overdue but not impaired	-	1.049.269	-	2.301	-	-	-	-
- The portion covered by guarantee	-	175.970	-	223.900	-	-	-	-
D. Net carrying value of impaired assets	-	(91.049)	-	336.848	-	-	-	-
- Overdue (gross book value)	-	615.275	-	336.848	-	-	-	-
- Impairment (-)	-	(911.447)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.) (**)	-	3.967	-	-	-	-	-	-
- Not past due (gross book value)	-	257.594	-	-	-	-	-	-
- Impairment (-)	-	(52.471)	-	-	-	-	-	-
- Covered portion of net book value (with letter of guarantee etc.) (**)	-	-	-	-	-	-	-	-
E. Off balance sheet items with credit risks	-	-	-	-	-	-	-	-

(\*) Guarantees received are not taken into account in the calculation.

(\*\*) Includes collaterals for the assets impaired but not overdue.

## İŞ FİNANSAL KİRALAMA ANONİM ŞİRKETİ AND ITS SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

##### (i) Credit risk management (Continued)

	30 June 2024		31 December 2023	
	Nominal Value	Authentic Value (*)	Nominal Value	Authentic Value(*)
Sureties	423.403.963	39.031.560	370.618.752	40.613.297
Collaterals of factoring transaction	50.585.080	4.207.250	45.348.004	3.287.380
Mortgage	15.623.125	726.657	14.310.737	622.944
Pledged shares	12.523.951	-	11.790.263	-
Guaranties of factoring transaction	3.331.299	28.013	3.106.503	32.032
Share certificates	2.302.880	518.030	1.807.287	429.008
Pledged commercial	993.658	165.595	946.871	189.598
Pledged vehicles	825.402	370.380	635.998	315.105
Sureties of credit guarantee fund	430.422	90.125	398.722	139.858
Guarantors	182.057	-	171.772	-
Securities Received For Collateral Purposes	107.354	-	99.153	-
Collaterals given by vendors	82.066	-	73.596	-
Cash blockages	34.270	19.139	29.427	18.425
Ship mortgage	2.750	-	1.475	-
Funds bonds as collateral	11.498	-	10.758	1.500
Collaterals of leasing transaction	8.447	-	7.942	-
Letters of guarantee	2.252	2.255	2.082	2.083
Pledged machines	502	-	502	-
Pledged account	130	-	130	-
	<b>510.451.106</b>	<b>45.159.004</b>	<b>449.359.974</b>	<b>45.651.230</b>

Collaterals obtained for finance lease receivables and factoring receivables including past dues and non-performing receivables are as follows:

(\*) *In determination of the fair value, lower of collateral amount or fair value up to the credit exposure amount has been taken into account.*

##### (j) Liquidity risk management

The Group management formed liquidity risk management policy for the Group’s short, medium and long term funding and liquidity management requirements. The Group manages its liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by constantly monitoring forecasts and actual cash flows and matching the maturity profile of financial assets and liabilities.

##### Liquidity risk table

The following table details the maturities of non-derivative financial assets and liabilities. The tables below have been drawn up based on the undiscounted contractual amounts of the financial assets and liabilities based on their maturities. Interest amounts to be collected and to be disbursed regarding the Group’s assets and liabilities have also been included in the table below.



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### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

#### Liquidity risk table (Continued)

30 June 2024	Carrying Amount	Contractual Cash Flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
<b>Contractual Maturities</b>						
Non-derivative Financial Assets:						
Banks	2.566.287	2.566.756	2.525.563	41.193	-	-
Financial Assets at Fair value through profit and Loss	610.704	610.704	610.704	-	-	-
Lease Receivables	23.363.174	27.769.746	3.768.366	10.019.985	13.781.639	199.756
Factoring Receivables	21.602.977	22.891.147	16.821.609	5.909.785	159.753	-
Other Lease Receivables	97.628	97.628	97.628	-	-	-
<b>Total Assets</b>	<b>5.069</b>	<b>5.069</b>	<b>5.069</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>48.245.839</b>	<b>53.941.050</b>	<b>23.828.939</b>	<b>15.970.963</b>	<b>13.941.392</b>	<b>199.756</b>
Non-derivative Financial Liabilities:						
Funds Borrowed	41.024.456	43.102.909	20.318.580	19.591.245	3.146.359	46.725
Debt Securities Issued	2.155.703	2.315.445	911.500	1.403.945	-	-
Lease Obligations	33.679	60.073	5.032	20.099	34.942	-
Other Liabilities	1.420.817	1.420.817	1.392.425	28.291	101	-
<b>Total Liabilities</b>	<b>44.634.655</b>	<b>46.899.244</b>	<b>22.627.537</b>	<b>21.043.580</b>	<b>3.181.402</b>	<b>46.725</b>
<b>31 December 2023</b>						
<b>Contractual Maturities</b>						
Non-derivative Financial Assets:						
Banks	2.512.911	2.515.323	2.515.323	-	-	-
Financial Assets at Fair value through profit and Loss	24.328	24.328	24.328	-	-	-
Lease Receivables (*)	23.220.714	27.170.982	3.483.679	9.558.002	13.823.696	305.605
Factoring Receivables	22.092.144	23.607.975	18.625.857	4.981.112	1.006	-
Other Lease Receivables	65.970	65.970	65.970	-	-	-
<b>Total Assets</b>	<b>4.223</b>	<b>4.223</b>	<b>4.223</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>47.920.290</b>	<b>53.388.801</b>	<b>24.719.380</b>	<b>14.539.114</b>	<b>13.824.702</b>	<b>305.605</b>
Non-derivative Financial Liabilities:						
Funds Borrowed	39.461.307	41.363.428	23.617.951	13.921.057	3.824.420	-
Debt Securities Issued	3.745.276	3.856.000	2.770.000	1.086.000	-	-
Lease Obligations	6.455	8.829	1.469	3.151	4.209	-
Other Liabilities	1.171.337	1.171.337	1.117.302	53.934	101	-
<b>Total Liabilities</b>	<b>44.384.375</b>	<b>46.399.594</b>	<b>27.506.722</b>	<b>15.064.142</b>	<b>3.828.730</b>	<b>-</b>

The following table details the maturities of derivative financial assets and liabilities as at 30 June 2024 and 31 December 2023.

30 June 2024	Carrying Amount	Contractual Cash Flows (I+II+III+IV)	Less than 3 Months (I)	3-12 Months (II)	1-5 Years (III)	More than 5 Years (IV)
<b>Contractual Maturities</b>						
Cash inflows from derivatives	232.960	9.721.452	422.498	9.298.954	-	-
Cash outflows from derivatives	-	9.488.492	423.189	9.065.303	-	-
<b>31 December 2023</b>						
<b>Contractual Maturities</b>						
Cash inflows from derivatives	77.746	6.453.546	2.290.267	4.163.279	-	-
Cash outflows from derivatives	-	6.375.800	2.253.897	4.121.903	-	-

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#### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

##### (k) Fair value of financial instruments

Except for the items below, the Group management estimates that the carrying amount of the financial assets and liabilities approximate to their fair value.

Fair value of the financial instruments is determined based on the reliable data provided from financial markets in Turkey. Fair value of other financial assets is determined by the benchmarking market value of a similar financial asset or by assumption methods which includes discounting future cash flows with current interest rates.

The table below refers to the comparison of carrying amounts and fair values of financial instruments:

30 June 2024	Financial assets and liabilities	Financial assets Measured at amortized cost	Loans and receivables	Financial Assets at Fair Value Through Other Comprehensive Income	Financial liabilities Measured at amortized cost	Carrying amount	Fair value	Notes
<b>Financial Assets</b>								
Cash and Cash Equivalents and the central bank	-	2.566.287	-	-	-	2.566.287	2.566.287	4
Financial Assets at Fair Value Through Profit or Loss	610.704	-	-	-	-	610.704	610.704	5
Financial Assets at Fair Value Through other comprehensive Income	-	-	-	2.901.046	-	2.901.046	2.901.046	7
Derivative financial assets	93.343	-	-	-	-	93.343	93.343	6
Finance lease receivables and non-performing lease receivables	-	-	23.363.174	-	-	23.363.174	22.371.044	9
Factoring receivables and non-performing factoring receivables	-	-	21.602.977	-	-	21.602.977	21.602.977	8
<b>Financial liabilities</b>								
Derivative financial Liabilities	60.021	-	-	-	-	60.021	60.021	6
Other liabilities	-	-	-	-	1.420.817	1.420.817	1.420.817	17
Lease Payables	-	-	-	-	33.679	33.679	33.679	18
Funds borrowed	-	-	-	-	41.024.456	41.024.456	41.149.096	16
Debt securities issued	-	-	-	-	2.155.703	2.155.703	2.177.035	19

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### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(k) Fair value of financial instruments (Continued)

31 December 2023	Financial assets and liabilities	Financial assets Measured at amortized cost	Loans and receivables	Financial Assets at Fair Value Through Other Comprehensive Income	Financial liabilities Measured at amortized cost	Carrying amount	Fair value	Notes
<b>Financial Assets</b>								
Cash and Cash Equivalents and the central bank	-	2.512.911	-	-	-	2.512.911	2.512.911	4
Financial Assets at Fair Value Through Profit or Loss	24.328	-	-	-	-	24.328	24.328	5
Financial Assets at Fair Value Through other comprehensive Income	-	-	-	2.228.384	-	2.228.384	2.228.384	7
Derivative financial assets	83.917	-	-	-	-	83.917	83.917	6
Finance lease receivables and non-performing lease receivables	-	-	23.220.714	-	-	23.220.714	20.644.658	9
F Factoring receivables and non-performing factoring receivables	-	-	22.092.144	-	-	22.092.144	22.092.144	8
<b>Financial liabilities</b>								
Derivative financial Liabilities	5.837	-	-	-	-	5.837	5.837	6
Other liabilities	-	-	-	-	1.171.337	1.171.337	1.171.337	17
Lease Payables	-	-	-	-	6.455	6.455	6.455	18
Funds borrowed	-	-	-	-	39.461.307	39.461.307	42.337.645	16
Debt securities issued	-	-	-	-	3.745.276	3.745.276	3.879.036	19

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### 38. ADDITIONAL INFORMATION ON FINANCIAL INSTRUMENTS (Continued)

(1) Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

<b>30 June 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	-	610.704	-	610.704
Derivative financial assets	-	93.343	-	93.343
Financial Assets at Fair Value Through Other Comprehensive Income	2.893.588	-	-	2.893.588
<b>Total financial assets carried at fair value</b>	<b>2.893.588</b>	<b>704.047</b>	<b>-</b>	<b>3.597.635</b>
Derivative financial liabilities	-	60.021	-	60.021
<b>Total financial liabilities carried at fair value</b>	<b>-</b>	<b>60.021</b>	<b>-</b>	<b>60.021</b>
<b>31 December 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	-	24.328	-	24.328
Derivative financial assets	-	83.917	-	83.917
Financial Assets at Fair Value Through Other Comprehensive Income	2.220.926	-	-	2.220.926
<b>Total financial assets carried at fair value</b>	<b>2.220.926</b>	<b>108.245</b>	<b>-</b>	<b>2.329.171</b>
Derivative financial liabilities	-	5.837	-	5.837
<b>Total financial liabilities carried at fair value</b>	<b>-</b>	<b>5.837</b>	<b>-</b>	<b>5.837</b>

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