

Circular

Istanbul, 23 December 2020

Circular No: 119

Subject: The period of the low rate withholding applied on deposit interests and profit share paid by participation banks extended until 31 March 2021.

The withholding rates applied on interest earned from Turkish Lira deposit accounts and profit share paid by participation banks were temporarily reduced through the Presidential Decision no.3032 published in the Official Gazette dated 30 September 2020.

The period of the concerning rate reductions have been extended until 31 March 2021 through the Presidential Decision no.3321 published in the Official Gazette dated 23 December 2020.

Accordingly, withholding will be made at the rates of 5%, 3% and 0% depending on the term over the Turkish Lira deposit interests and the profit shares paid by participation banks in return for a TL participation account.

The aforementioned withholding rates will be applied on interest and profit share to be paid to demand and private current accounts until 31 March 2021 (including this date) and interest and profit share to be paid to accounts opened between 30 September 2020 and 31 March 2021 (including this date) or whose maturity is renewed between these dates.

Our explanations provided above include general information on the issue. No responsibility can be claimed against EY and Kuzey YMM ve Bağımsız Denetim A.Ş. due to the implications arising from the context of this document or emerging with respect to its context.

Best Regards,

KUZEY YMM VE BAĞIMSIZ DENETİM A.Ş.