

TÜRKİYE EMLAK KATILIM BANKASI ANONİM ŞİRKETİ

**PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS
AND RELATED DISCLOSURES AT JUNE 30, 2024 TOGETHER WITH
INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT**

*(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S LIMITED REVIEW
REPORT ORIGINALLY ISSUED IN TURKISH – SEE SECTION THREE NOTE 1.A)*



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I.a of Section Three)

To the General Assembly of Türkiye Emlak Katılım Bankası Anonim Şirketi;

Introduction

We have reviewed the unconsolidated balance sheet of Türkiye Emlak Katılım Bankası Anonim Şirketi ("the Bank") at 30 June 2024 and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the six-month period then ended. The Bank management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim unconsolidated financial information based on our review.

Scope of Review

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

Basis for the Qualified Conclusion

As explained in Section Five Part II. 6.b and Part IV. 6 of Explanations and Notes to the Unconsolidated Financial Statements; a portion of free provision amounting to TL 480.432 thousand is reversed in the current period out of the total free provision of TL 2.850.432 thousand and a portion of related deferred tax amounting to TL 144.130 thousand is reversed in the current period out of the total calculated and accounted deferred tax of TL 855.130 thousand which was provided by the Bank management in prior periods which is not within the requirements of BRSA Accounting and Financial Reporting Legislation; therefore, the remaining free provision amount as at 30 June 2024 is TL 2.370.000 thousand and deferred tax calculated for the relevant provision is TL 711.000 thousand in the accompanying unconsolidated financial statements.



Qualified Conclusion

Based on our review, except for the effects of the matter on the unconsolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial information do not present fairly in all material respects the unconsolidated financial position of Türkiye Emlak Katılım Bankası Anonim Şirketi at 30 June 2024 and its unconsolidated financial performance and its unconsolidated cash flows for the six-month-period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed unconsolidated financial statements and disclosures in all material respects.

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three 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 unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Talar Gül, SMMM
Independent Auditor

Istanbul, 12 August 2024

**UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE EMLAK KATILIM BANKASI
A.Ş. AS OF AND FOR THE SIX-MONTH JUNE 30, 2024**

Bank's headquarter address : Barbaros Mahallesi, Begonya Sk. No:9A,
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Bank's phone number and facsimile : 00 90 216 266 26 26 - 00 90 216 275 25 25
Bank's website : www.emlakkatilim.com.tr
Electronic mail contact info : bilgi@emlakkatilim.com.tr

The unconsolidated financial report for the six-month period ended prepared in accordance with the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by the Banking Regulation and Supervision Agency is comprised of the following sections.

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR'S LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

The unconsolidated financial statements and related disclosures and footnotes for the six-month period ended; presented in **thousands of Turkish Lira** unless otherwise indicated; have been prepared in accordance with the Communiqué on Accounting Applications of Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related appendices and interpretations and in compliance with the records of our Bank, have been reviewed and presented as attached.

Prof. Dr. Mehmet Emin BİRPINAR
Chairman of the Board
of Directors

Onur GÖK
General Manager

Mehmet Nuri YAZICI
Chairman of the Audit
Committee

Volkan Mutlu COŞKUN
Member of the Audit
Committee

Tuğba GEDİKLİ
Executive Vice President
Responsible of Finance

Hakan ULUS
Statutory Reporting
Manager

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname / Title : Hakan ULUS / Statutory Reporting Manager
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Convenience Translation of the Independent Auditor’s Limited Review Report Originally Issued in Turkish (See Note 1.a of Section Three)

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024**

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

SECTION ONE

General information

I. History of the Bank Including Its Incorporation Date, Initial Legal Status and Amendments to Legal Status:

The Bank was incorporated in Ankara June 3, 1926 with the name of Emlak ve Eytam Bankası, in accordance with instructions of Mustafa Kemal Atatürk. The aim of establishment of the Bank is to support public construction, to provide necessary loan and to protect orphan’s right. The Bank had restructured on 1 September 1946 and after this date the title of the Bank had changed as Türkiye Emlak Kredi Bankası Anonim Ortaklığı. The Bank had merged with Anadolu Bankası A.Ş. and assumed the title of Türkiye Emlak Bankası A.Ş. as of 6 January 1988.

Denizcilik Bankası A.Ş. had transferred to Türkiye Emlak Bankası A.Ş. with the all of its assets and liabilities on 29 November 1992 and maritime loans were also collected at this Bank.

During the period in which the Türkiye Emlak Bankası A.Ş. operates, in addition to its banking activities has become serious brand in the construction of qualified housing projects in line with the its establishment purpose, and has produced important housing projects in many provinces of Türkiye, especially in İstanbul, Ankara and İzmir. İstanbul-Ataköy, Ataşehir, Bahçeşehir, Mimaroba, Sinanoba, Ankara-Bilkent, Elvankent, Konutkent, İzmir-Gaziemir and Mavişehir projects are included in the Bank’s important projects.

The Bank has entered into a restructuring process with the Law about Türkiye Cumhuriyeti Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş. and Türkiye Emlak Bankası A.Ş. no. 4603 dated 21 November 2000, and the transition from the public law status to the status of private law has achieved.

According to BRSA’s decision dated July 6, 2001, Türkiye Emlak Bankası A.Ş. was transferred to Türkiye Cumhuriyeti Ziraat Bankası A.Ş. with its assets and liabilities. In this regard, No. 4684 Certain Laws and Delegated Legislation Law Amending the Law No. 4603 and Article 2 of the Law about Türkiye Cumhuriyeti Ziraat Bank, Türkiye Halk Bankası A.Ş. and Türkiye Emlak Bank A.Ş. attached Provisional Article 3 of the Law (3) In accordance with the provisions of paragraph, the permission of Türkiye Emlak Katılım Bankası A.Ş. to accept deposits and perform banking operations came to an end on July 6, 2001.

The Bank’s all assets including banking services, branches, deposits, and commitments and liabilities arising from and banking services were transferred to Ziraat and Halk Bank with the protocol held on July 7, 2001. From this date, the Bank’s permission for banking activities and collection of deposit removed.

Board of Liquidation, Board of Directors and Board of Supervisors of the Bank had established with the extraordinary general assembly held on September 14, 2001, and liquidation process had actually started with the personnel on temporary duty sent by Türkiye Cumhuriyeti Ziraat Bankası A.Ş. As a result of the Bank’s repayment of its debts to the Treasury Department and all other debts after the end of 16 years with the Law of “Some Receivables and Re-Structuring and Certain Laws and Decree Law Amending No. 7020 with the following regulation made in the Law of Türkiye Cumhuriyeti Ziraat Bankası A.Ş., Türkiye Halk Bankası A.Ş. and Türkiye Emlak Bank A.Ş. No. 4603, the liquidation of the Bank has been removed, as of May 27, 2017.

After the liquidation of the Bank, in the General Assembly held on September 3, 2018, the new Articles of Association approved and the status was determined as participation bank. The title of the Bank was registered as Türkiye Emlak Katılım Bankası A.Ş. on September 10, 2018.

The Bank has obtained the operating permission with the decision of the Banking Regulation and Supervision Board dated February 26, 2019 and numbered 8262 published in the Official Gazette dated February 27, 2019 and numbered 30699 and commenced operations as of March 21, 2019.

The Bank’s head office is located in İstanbul and there are 110 branches (including 1 e-branch) of the Bank as of June 30, 2024. (December 31, 2023: 101). The Bank is operating with 1.569 staff as of June 30, 2024 (December 31, 2023: 1.494).

Convenience Translation of the Independent Auditor's Limited Review Report Originally Issued in Turkish (See Note 1.a of Section Three)

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024**

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

General Information (Continued)

II. Shareholding structure, shareholders having direct or indirect, joint or individual control over the management of the Bank and disclosures on related changes in the current year, if any:

The Bank's share is TL 1.026.915 and 99,99% of the Bank's share are owned by Ministry of Treasury and Finance. Except by Ministry of Treasury and Finance, T. Emlak Bankası A.Ş. Emekli ve Yardım Sandığı Vakfı and 33 real person have shares amounting to TL 80,57 (full) and TL 3,38 (full), respectively.

TL 1.026.915 portion of the capital amounting to TL 1.026.915 has been paid and TL 2.82 (full) portion has not been paid by the 33 real person.

The part of the capital belonging to the Ministry of Treasury and Finance is represented by the Ministry of Environment, Urbanisation and Climate Change.

III. Explanation on the chairman and members of board of directors, members of audit committee, general manager and assistant general managers, their areas of responsibility and their shares in the Bank, if any:

Name and Surname	Administrative Function and Responsibility	Educational Degree
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate
Mahmut KAÇAR	Vice Chairman of the Board of Directors	Bachelor
Hasan SUVER	Member of BOD	Master
Mahmut GÜRCAN	Member of BOD	Bachelor
Mehmet Nuri YAZICI	Member of BOD and Chairman of the Audit Committee	Bachelor
Prof. Dr. Murat BALCI	Member of BOD	Doctorate
Volkan Mutlu COŞKUN ^(*)	Member of BOD and Member of Audit Committee	Bachelor
Onur GÖK	Member of BOD / General Manager	Master
Tuğba GEDİKLİ	Assistant General Manager Responsible for Finance	Bachelor
Ali Kemal KÜÇÜKCAN	Assistant General Manager Responsible for Treasury and International Banking	Master
Şenol ALTUNDAŞ	Assistant General Manager Responsible for Sales and Marketing	Master
Nihat BULUT	Assistant General Manager Responsible for Credits Risk Management	Bachelor
Bülent KARACALAR	Assistant General Manager Responsible for Credits Allocation	Bachelor
Serkan UMAN	Assistant General Manager Responsible for Digital Banking	Master
Yusuf OKUR	Assistant General Manager Responsible for Operations	Bachelor
Uğur KARA	Assistant General Manager Responsible for Human Resources	Master

^(*) Appointed as Member of Board with the Decision of Board of Directors dated August 2, 2024.

The Bank's Chairman and Members of the Board of Directors, Audit Committee Members, General Manager and Deputy General Managers do not have any shares in the Bank.

IV. Information on the Bank's qualified shareholders:

The Bank's paid in capital amounting to TL 1.026.915 consists of 102.691.549.916 number of shares with a nominal value of TL 0,01 (full) for each share.

Name/commercial name	Share amount	Share ratio	Paid shares	Unpaid shares
Ministry of Treasury and Finance	1.026.915	%99,99999	1.026.915	-
Other	-	%0,00001	-	-

Convenience Translation of the Independent Auditor's Limited Review Report Originally Issued in Turkish (See Note 1.a of Section Three)

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024**

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

General Information (Continued)

V. Summary on the Bank's service activities and field of operations:

The Bank operates in accordance with the principles of interest-free banking as a participation bank. The Bank mainly collects funds through current accounts and through profit sharing accounts based on profit/loss sharing agreement, lends such funds through corporate finance support, retail finance support, finance lease, financing commodity against document and joint investments.

Briefly, the fields of activity of the Bank are specified in the Articles of Association as follows;

- To buy or sell money or capital market instruments on the spot or in the term according to the legislation and interest-free banking principles, and to mediate their purchase and sale, to operate in stock exchanges,
- Within the principles of interest-free banking; to allocate funds to the economy, to use loans in cash and non- Cash in all types and forms,
- To make financial leasing transactions, to make operational leasing transactions,
- To make all kinds of payment and collection transactions, payment such as travel checks, credit cards the activities of the vehicles, to provide merchant services (POS), consultancy and advising, providing safe deposit services,
- Buying, acquiring, building any kind of real estate and transferring, renting them to other people when necessary and making all kinds of savings on them,
- For Companies and organizations (including insurance companies); giving services of representation, substitution and being agentship,
- To support Agricultural Credit Cooperatives and SMEs, to carry out activities to support urban transformation,
- To carry out portfolio management and management operations,
- Providing custody services,
- The Bank, extends non-cash funds in the type of letter of guarantee, loan of acceptance, letter of credit.

The field of activity of the Bank is not limited to the transactions written in the articles above. If it is deemed beneficial for the Bank to carry out any other transaction than these transactions, it will depend on the decision of the Board of Directors upon the proposal of the Board of Directors, the approval of the necessary legal authorities and the approval of the decision by the Ministry of Customs and Trade. In this way, the approved decision is added to the Articles of Association.

VI. Differences Between The Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and Short Explanation About The Institutions Subject To Line-By-Line Method or Proportional Consolidation and Institutions Which Are Deducted From Equity or Not Included in These Three Methods

The Bank and its subsidiaries Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş. consolidated financial statements with full consolidation method.

VII. The existing or potential, actual or legal obstacles on immediate transfer of equity or reimbursement of liabilities between the Bank and its subsidiaries:

There is no immediate transfer of equity between the Bank and its subsidiaries. There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Bank and its subsidiaries.

SECTION TWO

The unconsolidated financial statements

- I. Balance sheet (Statement of financial position)
- II. Statement of off-balance sheet
- III. Statement of profit or loss
- IV. Statement of profit or loss and other comprehensive income
- V. Statement of changes in shareholders' equity
- VI. Statement of cash flows

Convenience Translation of the Independent Auditor's Limited Review Report Originally Issued in Turkish
(See Note 1.a of Section Three)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)
AS OF JUNE 30, 2024

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

ASSETS	Note (Fifth Section-I)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD			PRIOR PERIOD		
		(30/06/2024)			(31/12/2023)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FINANCIAL ASSETS (NET)		22.418.142	77.690.739	100.108.881	26.431.481	72.995.979	99.427.460
1.1 Cash and cash equivalents		14.267.817	71.645.727	85.913.544	17.437.371	66.608.196	84.045.567
1.1.1 Cash and Balances with Central Bank	(1)	14.020.548	46.700.852	60.721.400	17.401.769	52.842.067	70.243.836
1.1.2 Banks	(2)	249.666	24.991.347	25.241.013	42.378	13.835.514	13.877.892
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provisions (-)		2.397	46.472	48.869	6.776	69.385	76.161
1.2 Financial Assets Measured at Fair Value Through Profit/Loss (FVTPL)	(3)	134.749	1.827.939	1.962.688	1.202.420	2.048.892	3.251.312
1.2.1 Government Debt Securities		1.482	1.792.866	1.794.348	1.420	2.017.761	2.019.181
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		133.267	35.073	168.340	1.201.000	31.131	1.232.131
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVOCI)	(4)	7.997.569	4.215.314	12.212.883	7.788.752	4.337.825	12.126.577
1.3.1 Government Debt Securities		7.989.910	4.210.400	12.200.310	7.781.093	4.337.825	12.118.918
1.3.2 Equity Securities		7.659	4.914	12.573	7.659	-	7.659
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	(5)	18.007	1.759	19.766	2.938	1.066	4.004
1.4.1 Derivative Financial Assets Measured at FVTPL		18.007	1.759	19.766	2.938	1.066	4.004
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)		57.910.145	38.964.106	96.874.251	55.286.670	28.763.425	84.050.095
2.1 Loans	(6)	47.671.273	38.422.950	86.094.223	45.848.320	21.694.016	67.542.336
2.2 Lease Receivables	(8)	171.970	177.987	349.957	262.580	120.246	382.826
2.3 Other Financial Assets Measured at Amortized Cost	(7)	10.556.162	725.510	11.281.672	9.592.906	7.099.147	16.692.053
2.3.1 Government Debt Securities		10.556.162	725.510	11.281.672	9.592.906	7.099.147	16.692.053
2.3.2 Other Financial Assets		-	-	-	-	-	-
2.4 Expected Loss Provisions(-)	(6)	489.260	362.341	851.601	417.136	149.984	567.120
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(9)	19.175	-	19.175	8.283	-	8.283
3.1 Asset Held for Sale		19.175	-	19.175	8.283	-	8.283
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. PARTNERSHIP INVESTMENTS		45.100	-	45.100	22.600	-	22.600
4.1 Associates (Net)	(10)	45.000	-	45.000	22.500	-	22.500
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		45.000	-	45.000	22.500	-	22.500
4.2 Subsidiaries (Net)		100	-	100	100	-	100
4.2.1 Unconsolidated Financial Investments in Subsidiaries		100	-	100	100	-	100
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)		-	-	-	-	-	-
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (NET)	(11)	1.063.263	-	1.063.263	922.856	-	922.856
VI. INTANGIBLE ASSETS (NET)	(12)	438.540	-	438.540	250.364	-	250.364
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		438.540	-	438.540	250.364	-	250.364
VII. INVESTMENT PROPERTY (NET)	(13)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	(14)	2.511.726	-	2.511.726	1.713.189	-	1.713.189
X. OTHER ASSETS	(15)	2.553.579	69.149	2.622.728	2.477.240	10.439	2.487.679
TOTAL ASSETS		86.959.670	116.723.994	203.683.664	87.112.683	101.769.843	188.882.526

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

**Convenience Translation of the Independent Auditor’s Limited Review Report Originally Issued in Turkish
(See Note 1.a of Section Three)**

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)
AS OF JUNE 30, 2024**

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

LIABILITIES	Note (Fifth Section-II)	THOUSAND TL CURRENT PERIOD (30/06/2024)			THOUSAND TL PRIOR PERIOD (31/12/2023)		
		TL	FC	TOTAL	TL	FC	TOTAL
I. FUNDS COLLECTED	(1)	54.966.004	105.136.613	160.102.617	57.999.233	93.497.685	151.496.918
II. FUNDS BORROWED	(2)	12.767.966	1.444.949	14.212.915	10.174.836	1.004.966	11.179.802
III. MONEY MARKET FUNDS		-	-	-	-	-	-
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES		8.149	-	8.149	27.199	-	27.199
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(3)	8.149	-	8.149	27.199	-	27.199
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(5)	-	-	-	-	-	-
VII. LEASE PAYABLES (NET)	(4)	615.083	-	615.083	507.319	-	507.319
VIII. PROVISIONS	(6)	3.115.419	391.580	3.506.999	3.536.924	292.693	3.829.617
8.1 General Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		483.385	-	483.385	558.907	-	558.907
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		2.632.034	391.580	3.023.614	2.978.017	292.693	3.270.710
IX. CURRENT TAX LIABILITY	(7)	1.488.765	-	1.488.765	1.336.476	-	1.336.476
X. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
XII. SUBORDINATED DEBT INSTRUMENTS	(9)	-	7.748.979	7.748.979	-	7.078.467	7.078.467
12.1 Loans		-	7.748.979	7.748.979	-	7.078.467	7.078.467
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(10)	677.366	131.833	809.199	746.531	2.266.416	3.012.947
XIV. SHAREHOLDERS’ EQUITY	(11)	15.137.428	53.530	15.190.958	10.304.897	108.884	10.413.781
14.1 Paid-in capital		1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.2 Capital Reserves		39.405	-	39.405	39.272	-	39.272
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserve		39.405	-	39.405	39.272	-	39.272
14.3 Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		2.987	-	2.987	2.987	-	2.987
14.4 Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		323.478	53.530	377.008	671.615	108.884	780.499
14.5 Profit Reserves		8.563.975	-	8.563.975	3.434.574	-	3.434.574
14.5.1 Legal Reserves		684.752	-	684.752	428.276	-	428.276
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		7.879.223	-	7.879.223	3.006.298	-	3.006.298
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Income or (Loss)		5.180.668	-	5.180.668	5.129.534	-	5.129.534
14.6.1 Prior Periods’ Income or (Loss)		-	-	-	-	-	-
14.6.2 Current Period Income or (Loss)		5.180.668	-	5.180.668	5.129.534	-	5.129.534
TOTAL LIABILITIES		88.776.180	114.907.484	203.683.664	84.633.415	104.249.111	188.882.526

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

**Convenience Translation of the Independent Auditor's Limited Review Report Originally Issued in Turkish
(See Note 1.a of Section Three)**

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF JUNE 30, 2024

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

STATEMENT OF OFF BALANCE SHEET	Note (Fifth Section- III)	THOUSAND TL CURRENT PERIOD (30/06/2024)			THOUSAND TL PRIOR PERIOD (31/12/2023)		
		TL	FC	TOTAL	TL	FC	TOTAL
		A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		39.362.586	14.737.249	54.099.835	30.623.995
I. GUARANTEES AND SURETIES	(1)	20.029.001	6.914.262	26.943.263	15.438.616	4.450.678	19.889.294
1.1 Letters of Guarantees		19.988.816	4.551.845	24.540.661	15.427.366	3.851.866	19.279.232
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		19.988.816	4.551.845	24.540.661	15.427.366	3.851.866	19.279.232
1.2 Bank Loans		-	45.731	45.731	11.250	6.905	18.155
1.2.1 Import Letter of Acceptances		-	45.731	45.731	11.250	6.905	18.155
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letter of Credits		40.185	2.316.686	2.356.871	-	591.907	591.907
1.3.1 Documentary Letter of Credits		40.185	2.316.686	2.356.871	-	591.907	591.907
1.3.2 Other Letter of Credits		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Other Guarantees		-	-	-	-	-	-
1.7 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1)	19.135.075	7.651.239	26.786.314	9.525.408	9.017.365	18.542.773
2.1 Irrevocable Commitments		19.135.075	7.651.239	26.786.314	9.525.408	9.017.365	18.542.773
2.1.1 Asset Purchase and Sale Commitments		1.565.307	7.067.217	8.632.524	17.597	8.492.543	8.510.140
2.1.2 Share Capital Commitment to Associates and Subsidiaries		45.000	-	45.000	67.500	-	67.500
2.1.3 Loan Granting Commitments		17.051.101	-	17.051.101	9.126.506	-	9.126.506
2.1.4 Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6 Payment Commitment for Cheques		473.114	-	473.114	313.805	-	313.805
2.1.7 Tax And Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8 Commitments for Credit Card Expenditure Limits		553	-	553	-	-	-
2.1.9 Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.10 Receivables From Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Other Irrevocable Commitments		-	584.022	584.022	-	524.822	524.822
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		198.510	171.748	370.258	5.659.971	5.404.847	11.064.818
3.1 Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2 Held for Trading Transactions	(3)	198.510	171.748	370.258	5.659.971	5.404.847	11.064.818
3.2.1 Forward Foreign Currency Buy/Sell Transactions		198.510	171.748	370.258	256.594	234.281	490.875
3.2.1.1 Forward Foreign Currency Transactions-Buy		100.133	85.874	186.007	128.879	117.149	246.028
3.2.1.2 Forward Foreign Currency Transactions-Sell		98.377	85.874	184.251	127.715	117.132	244.847
3.2.2 Other Forward Buy/Sell Transactions		-	-	-	5.403.377	5.170.566	10.573.943
3.3 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		920.051.947	64.015.473	984.067.420	648.260.645	57.007.019	705.267.664
IV. ITEMS HELD IN CUSTODY		32.771.650	7.578.013	40.349.663	30.723.306	13.172.276	43.895.582
4.1 Assets Under Management		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		10.409.130	1.536.472	11.945.602	7.639.437	1.464.484	9.103.921
4.3 Cheques Received for Collection		9.943.540	147.324	10.090.864	9.227.575	91.562	9.319.137
4.4 Commercial Notes Received for Collection		1.221.748	-	1.221.748	1.398.913	-	1.398.913
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		30.429	-	30.429	24.325	-	24.325
4.8 Custodians		11.166.803	5.894.217	17.061.020	12.433.056	11.616.230	24.049.286
V. PLEDGED ITEMS		887.280.297	56.437.460	943.717.757	617.537.339	43.834.743	661.372.082
5.1 Marketable Securities		7.268.688	-	7.268.688	817.400	-	817.400
5.2 Guarantee Notes		-	-	-	-	-	-
5.3 Commodity		11.652.936	2.939.644	14.592.580	10.073.899	3.175.397	13.249.296
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		118.363.275	-	118.363.275	89.186.170	-	89.186.170
5.6 Other Pledged Items		749.995.398	53.497.816	803.493.214	517.459.870	40.659.346	558.119.216
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		959.414.533	78.752.722	1.038.167.255	678.884.640	75.879.909	754.764.549

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

Convenience Translation of the Independent Auditor's Limited Review Report Originally Issued in Turkish
(See Note 1.a of Section Three)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF JUNE 30, 2024

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

	Note (Fifth Section- IV)	THOUSAND TL	THOUSAND TL	THOUSAND TL	THOUSAND TL
		Current period 1 January – 30 June 2024	Previous period 1 January – 30 June 2023	Current period (for 3 months) 1 April – 30 June 2024	current period (for 3 months) 1 April – 30 June 2023
STATEMENT OF PROFIT AND LOSS					
I. PROFIT SHARE INCOME	(1)	15.326.457	5.992.207	7.876.822	2.973.825
1.1 Profit Share on Loans		11.330.270	3.764.799	5.680.166	1.918.533
1.2 Income Received from Reserve Deposits		859.615	341.254	696.611	130.389
1.3 Income Received from Banks		11.125	1.367	2.556	992
1.4 Income Received from Money Market Placements		-	-	-	-
1.5 Income Received from Marketable Securities Portfolio		3.070.078	1.828.759	1.468.639	893.732
1.5.1 Financial Assets at Fair Value Through Profit and Loss		122.546	194.801	49.176	109.676
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		1.723.023	1.029.932	835.412	487.134
1.5.3 Financial Assets Measured at Amortised Cost		1.224.509	604.026	584.051	296.922
1.6 Finance Lease Income		38.187	49.907	19.625	26.841
1.7 Other Profit Share Income		17.182	6.121	9.225	3.338
II. PROFIT SHARE EXPENSE (-)	(2)	11.468.293	3.396.768	5.764.539	1.851.931
2.1 Expense on Profit Sharing Accounts		8.989.609	2.414.038	4.433.240	1.290.258
2.2 Profit Share Expense on Funds Borrowed		2.438.539	928.316	1.309.989	537.520
2.3 Profit Share Expense on Money Market Borrowings		1.671	12.144	1.178	1.630
2.4 Expense on Securities Issued		-	-	-	-
2.5 Lease Profit Share Expense		38.474	42.270	20.132	22.523
2.6 Other Profit Share Expenses		-	-	-	-
III. NET PROFIT SHARE INCOME (I - II)		3.858.164	2.595.439	2.112.283	1.121.894
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		1.125.702	880.711	583.922	492.583
4.1 Fees and Commissions Received		1.200.192	907.972	638.339	511.620
4.1.1 Non-Cash Loans		134.242	63.555	71.289	34.338
4.1.2 Other	(3)	1.065.950	844.417	567.050	477.282
4.2 Fees and Commissions Paid (-)		74.490	27.261	54.417	19.037
4.2.1 Non-Cash Loans		182	64	109	45
4.2.2 Other	(3)	74.308	27.197	54.308	18.992
V. DIVIDEND INCOME	(4)	-	-	-	-
VI. NET TRADING INCOME	(5)	4.391.568	2.338.774	2.754.470	1.619.478
6.1 Capital Market Transaction Gains / (Losses)		3.772	10.156	878	7.464
6.2 Gains/ (Losses) from Derivative Financial Instruments		(147.884)	(920.363)	46.837	(950.748)
6.3 Foreign Exchange Gains / (Losses)		4.535.680	3.248.981	2.706.755	2.562.762
VII. OTHER OPERATING INCOME	(6)	840.441	271.800	404.993	136.483
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		10.215.875	6.086.724	5.855.668	3.370.438
IX. PROVISION FOR EXPECTED LOSS (-)	(7)	549.505	202.161	222.937	52.336
X. OTHER PROVISION EXPENSES (-)	(7)	186.814	102.248	54.073	82.561
XI. PERSONNEL EXPENSES (-)		1.551.479	426.115	754.666	229.943
XII. OTHER OPERATING EXPENSES (-)	(8)	848.310	1.443.128	406.080	232.986
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		7.079.767	3.913.072	4.417.912	2.772.612
XIV. INCOME RESULTED FROM MERGERS		-	-	-	-
XV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XVI. PROFIT/LOSS FROM PARTNERSHIPS USING THE EQUITY METHOD		-	-	-	-
XVII. PROFIT/LOSS BEFORE TAXES (XIII+...+XV)		-	-	-	-
XVIII. PROVISION FOR TAXES (±)		7.079.767	3.913.072	4.417.912	2.772.612
XVIII. TAX PROVISION FOR CONTINUING OPERATIONS (±)	(10)	1.899.099	912.192	1.244.548	710.596
18.1 Current Tax Provision		2.550.678	1.086.172	1.046.300	482.692
18.2 Deferred Tax Expense (+)		1.900.324	1.137.517	504.992	408.804
18.3 Deferred Tax Income (-)		2.551.903	1.311.497	306.744	180.900
XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)	(9)	5.180.668	3.000.880	3.173.364	2.062.016
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1 Income from Assets Held for Sale		-	-	-	-
20.2 Income from Sale of Associates, Subsidiaries and Joint-Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1 Expenses on Assets Held for Sale		-	-	-	-
21.2 Expenses on Sale of Associates, Subsidiaries and Joint-Ventures		-	-	-	-
21.3 Expenses from Other Discontinued Operations		-	-	-	-
XXII. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)		-	-	-	-
XXIII. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)	(9)	-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense (+)		-	-	-	-
23.3 Deferred Tax Income (-)		-	-	-	-
XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-	-	-
XXV. NET PROFIT/LOSS (XVIII+XXIII)		5.180.668	3.000.880	3.173.364	2.062.016
Earnings Per Share		0,05045	0,02922	0,03090	0,02008

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

Convenience Translation of the Independent Auditor’s Limited Review Report Originally Issued in Turkish
(See Note 1.a of Section Three)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS OF JUNE 30, 2024

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

	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2024- 30/06/2024)	PRIOR PERIOD 01/01/2023- 30/06/2023)
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
I. CURRENT PERIOD PROFIT/LOSS	5.180.668	3.000.880
II. OTHER COMPREHENSIVE INCOME	(403.491)	(352.195)
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
2.1.1 Revaluation Surplus on Tangible Assets	-	-
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans’ Actuarial Gains/Losses	-	-
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	-	-
2.2 Other Income/Expense Items to be Recycled to Profit or Loss	(403.491)	(352.195)
2.2.1 Translation Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Fair Value through Other Comprehensive Income	(550.449)	(473.735)
2.2.3 Gains/losses from Cash Flow Hedges	-	-
2.2.4 Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6 Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	146.958	121.540
III. TOTAL COMPREHENSIVE INCOME (I+II)	4.777.177	2.648.685

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

Convenience Translation of the Independent Auditor’s Limited Review Report Originally Issued in Turkish (See Note 1.a of Section Three)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY AS OF JUNE 30, 2024

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

CHANGES IN EQUITY	Current Period (01/01/2024-30/06/2024)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods’ Profit/Loss	Current Period’s Net Profit/Loss	Total Shareholders’ Equity
						1	2	3	4	5	6				
I.	Balances at Beginning Period	1.026.915	-	-	39.272	-	2.987	-	-	780.499	-	3.434.574	-	5.129.534	10.413.781
II.	Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Balances at Beginning of Period (I+II)	1.026.915	-	-	39.272	-	2.987	-	-	780.499	-	3.434.574	-	5.129.534	10.413.781
IV.	Total Comprehensive Income	-	-	-	-	-	-	-	-	(403.491)	-	-	-	5.180.668	4.777.177
V.	Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	133	-	-	-	-	-	-	5.129.401	-	(5.129.534)	-
11.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves	-	-	-	133	-	-	-	-	-	-	5.129.401	-	(5.129.534)	-
11.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV...+X+XI)	1.026.915	-	-	39.405	-	2.987	-	-	377.008	-	8.563.975	-	5.180.668	15.190.958

1. Revaluation surplus on tangible and intangible assets,
2. Defined Benefit Plans' Actuarial Gains/Losses,
3. Other (Accumulated amounts of share of investments accounted for by the equity method that can not be classified as profit / loss from other comprehensive income with other comprehensive income that will not be reclassified to other profit or loss),
4. Foreign Currency Translation Differences,
5. Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI,
6. Other (Accumulated amount of cash flow hedge gains / losses, equity attributable to equity holders of the Group for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss),

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

Convenience Translation of the Independent Auditor’s Limited Review Report Originally Issued in Turkish (See Note 1.a of Section Three)

TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY AS OF JUNE 30, 2024

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

CHANGES IN EQUITY		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods’ Profit/Loss	Current Period’s Net Profit/Loss	Total Shareholders’ Equity	
						1	2	3	4	5	6					
	Prior Period (01/01/2023-30/06/2023)															
I.	Balances at Beginning Period	1.026.915	-	-	33.186	-	(19.114)	-	-	1.542.227	-	630.711	-	2.809.949	6.023.874	
II.	Correction made as per TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	Adjusted Balances at Beginning of Period (I+II)	1.026.915	-	-	33.186	-	(19.114)	-	-	1.542.227	-	630.711	-	2.809.949	6.023.874	
IV.	Total Comprehensive Income	-	-	-	-	-	-	-	(352.195)	-	-	-	-	3.000.880	2.648.685	
V.	Capital Increase in Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VI.	Capital Increase from Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VII.	Adjustments to Paid-in Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
VIII.	Convertible Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Subordinated Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
X.	Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	2.809.949	(2.809.949)	-	-	
11.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.2	Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11.3	Others	-	-	-	-	-	-	-	-	-	-	2.809.949	(2.809.949)	-	-	
	Balances at end of the period (III+IV...+X+XI)	1.026.915	-	-	33.186	-	(19.114)	-	-	1.190.032	-	630.711	2.809.949	3.000.880	8.672.559	

1. Revaluation surplus on tangible and intangible assets,
2. Defined Benefit Plans' Actuarial Gains/Losses,
3. Other (Accumulated amounts of share of investments accounted for by the equity method that can not be classified as profit / loss from other comprehensive income with other comprehensive income that will not be reclassified to other profit or loss),
4. Foreign Currency Translation Differences,
5. Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI,
6. Other (Accumulated amount of cash flow hedge gains / losses, equity attributable to equity holders of the Group for profit or loss from other comprehensive income and other comprehensive income to be reclassified to other profit or loss),

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

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TÜRKİYE EMLAK KATILIM BANKASI A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF JUNE 30, 2024

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

STATEMENT OF CASH FLOWS	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2024- 30/06/2024)	PRIOR PERIOD (01/01/2023- 30/06/2023)
A. CASH FLOWS FROM BANKING OPERATIONS		
I.1 Operating Profit Before Changes In Assets And Liabilities from Banking Operations	7.479.166	(1.146.831)
1.1.1 Profit Share Income Received	14.411.952	5.572.835
1.1.2 Profit Share Expense Paid	(10.478.728)	(3.154.453)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	1.200.192	907.972
1.1.5 Other Income	676.267	272.064
1.1.6 Collections from Previously Written off Loans	103.254	42.587
1.1.7 Payments to Personnel and Service Suppliers	(1.989.937)	(1.596.095)
1.1.8 Taxes Paid	(2.087.301)	(836.299)
1.1.9 Others	5.643.467	(2.355.442)
I.2 Changes in Assets and Liabilities from Banking Operations	(21.757.506)	10.225.385
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	1.228.001	(664.922)
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(5.748.138)	(1.741.233)
1.2.3 Net (Increase) Decrease in Loans	(12.350.723)	(3.476.496)
1.2.4 Net (Increase) Decrease in Other Assets	953.983	(138.225)
1.2.5 Net Increase (Decrease) in Bank Deposits	(669.301)	(322.015)
1.2.6 Net Increase (Decrease) in Other Deposits	(425.710)	16.170.962
1.2.7 Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss	-	-
1.2.8 Net Increase (Decrease) in Funds Borrowed	(3.033.113)	(2.345.869)
1.2.9 Net Increase (Decrease) in Matured Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(1.712.505)	2.743.183
I. Net Cash Flows from Banking Operations	(14.278.340)	9.078.554
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash flow from investing activities	6.027.708	(1.369.146)
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries	(22.500)	(22.500)
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(119.849)	(82.491)
2.4 Disposals of Property and Equipment	1.374	-
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(86.306)	(2.546.009)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income	491.364	1.441.051
2.7 Purchase of Financial Assets Measured at Amortised Cost	(983.259)	-
2.8 Sale of Financial Assets Measured at Amortised Cost	6.936.398	-
2.9 Other	(189.514)	(159.197)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Flows from Financing Activities	1.944.581	806.345
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	130.533.603	78.635.016
3.3 Issued Capital Instruments	(128.526.076)	(77.636.966)
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	-	-
3.6 Other	(62.946)	(191.705)
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	2.398.598	3.913.794
V. Net increase/(decrease) in cash and cash equivalents	(3.907.453)	12.429.547
VI. Cash and Cash Equivalents at the Beginnig of the period	53.215.879	17.247.813
VII. Cash and Cash Equivalents at the End of the period	49.308.426	29.677.360

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

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NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE

Accounting policies

I. Explanations on basis of presentation:

a. The preparation of the financial statements and related notes and explanations in accordance with the “Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks” Accounting Application and Safeguarding of Documents

The Bank prepares its financial statements according to the "Regulation on the Procedures and Principles Regarding the Accounting Practices of Banks and Storage of Documents" published in the Official Gazette dated 1 November 2006 and numbered 26333 and other regulations published by the Banking Regulation and Supervision Board regarding the accounts and records of banks and the Banking Regulation and Supervision Agency. Turkish Accounting Standard 34 (TAS 34) Interim Financial Reporting Standard and Turkish Financial Reporting Standards (TFRS 34), which were put into effect by the Public Oversight Accounting and Auditing Standards Authority (“KGK”) in the circulars and statements of the Auditing Authority (“BRSA”) and on matters not regulated by them. It is regulated in accordance with the "BRSA Accounting and Financial Reporting Legislation", which includes the provisions of "TFRS".

The format and contents of the unconsolidated financial statements to be disclosed to the public and their explanations and footnotes are in accordance with the "Communiqué on Financial Statements to be Announced to the Public by Banks and Related Disclosures and Footnotes" published in the Official Gazette dated 28 June 2012 and numbered 28337, and the communiqués that make additions and amendments to this communiqué. has been prepared appropriately. The Bank keeps its accounting records in Turkish currency, in accordance with the Banking Law, Turkish Commercial Code and Turkish tax legislation.

Financial statements have been prepared in TL based on historical cost principle, except for financial assets and liabilities that are shown at their fair values.

Additional paragraph for convenience translation to English:

BRSA Accounting and Financial Reporting Legislation, as described in this section, differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board and the differences between accounting principles have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

b. Accounting policies and valuation principles applied in the preparation of unconsolidated financial statements:

The accounting policies followed and the valuation principles used in the preparation of financial statements are in accordance with the regulations, communiqués, explanations and circulars published by the BRSA regarding accounting and financial reporting principles, and in matters not regulated by these, within the scope of TFRS put into effect by the KGK (all "BRSA Accounting and Financial Reporting Legislation") determined according to the principles set out herein.

With its announcement dated November 23, 2023, KGK stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after December 31, 2023 should be prepared in accordance with the Financial Reporting Standard in High Inflation Economies (“TAS 29”). He explained that institutions or organizations authorized to regulate and supervise in their own fields may determine different transition dates for the implementation of TAS 29 provisions. Based on this announcement of the KGK, BRSA, with its decision numbered 10744 dated 12 December 2023, decided that the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies dated 31 December 2023 will not be subject to the inflation adjustment required within the scope of TAS 29. In accordance with the BRSA's decision dated January 11, 2024 and numbered 10825; It has been decided that banks, financial leasing, factoring, financing, savings financing and asset management companies will switch to inflation accounting as of January 1, 2025. Accordingly, no inflation adjustment was made in the unconsolidated financial statements dated 30 June 2024 within the scope of TAS 29 Financial Reporting Standard in Highly Inflationary Economies.

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Accounting policies (Continued)

I. Explanations on basis of presentation: (Continued)

c. Comparative information and classifications:

Significant changes in accounting policies are applied retrospectively and the financial statements of the previous period are restated. The financial statements of the Bank are prepared in comparison with the previous period in order to allow the determination of financial status and performance trends. Comparative information is restated when necessary in order to comply with the presentation of the current period financial statements.

II. Explanations on strategy of using financial instruments and foreign currency transactions:

The Bank develops its strategies regarding financial instruments by taking into account its resource structure. The Bank's resource structure mainly consists of funds collected as "special current accounts", "participation accounts" and "participation accounts investment proxy pools". Apart from the collected funds, the Bank's most important fund sources are equity and funds provided by domestic/foreign financial institutions.

Exchange rate difference income and expenses arising from foreign currency transactions are accounted for in the period in which the transaction is made, based on the "Turkish Accounting Standard on the Effects of Exchange Rate Changes" ("TAS 21"). Foreign currency assets and liabilities are converted into Turkish Lira by being valued at the end-of-period exchange rates, and the resulting exchange rate differences are reflected in the records as foreign exchange transaction profit or loss.

When loans monitored in foreign currency credit accounts are transferred to follow-up, they continue to be monitored in foreign currency credit accounts and are valued at current rates.

Differences arising from the conversion of securities representing debt and monetary financial assets into Turkish Lira are included in the income statement.

Assets and liabilities in precious metals that are monitored in asset and liability accounts and are not subject to a maturity are converted into Turkish Lira by being valued at the Borsa Istanbul weighted average price at the end of the period, and the resulting valuation differences are reflected in the records as foreign exchange transaction profit or loss.

III. Explanations on forward, option contracts and derivative instruments:

The derivative financial instruments of the Bank consist of forward foreign currency, forward precious metal and swap agreements. The Bank records the spot foreign currency transactions in asset purchase and sale commitments.

The Bank's derivative instruments are classified, measured and accounted in accordance with "IFRS 9 Financial Instruments". Derivative instruments are initially recognized at fair value and subsequently measured at fair value.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values. The derivative transactions are accounted for at fair value subsequent to initial recognition and are presented in the "Derivative Financial Assets at Fair Value Through Profit or Loss", "Derivative Financial Assets at Fair Value Through Other Comprehensive Income" or "Derivative Financial Liabilities at Fair Value Through Profit or Loss" and "Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income" items of the balance sheet depending on the resulting positive or negative amounts of the computed value. These amounts on the balance sheet present the fair values of derivative transactions. The differences that occur in the fair value as a result of the valuation are accounted in the "Income / loss from derivative financial transactions" in the income statement.

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Accounting policies (Continued)

IV. Explanations on profit share income and expenses:

Profit share income

Profit share income is accounted in accordance with the internal rate of return method, which is equal to the net present value of the future cash flows of the financial asset determined in TFRS 9 and reflected to the accrual basis.

Profit share expense

The Bank records profit share expenses on accrual basis. The profit share expense accrual calculated in accordance with the unit value method on profit sharing accounts has been included under the account ‘Funds Collected’ in the balance sheet.

V. Explanations on fees, commission income and expenses:

Other than commission income and fees and expenses for various banking services that are reflected as income/expense when collected/paid, fees and commission income and expenses are reflected to income statement depending on the term of the related transaction. The commissions and fees other those whose amortised costs are integral part of their effective profit rate, are accounted for in accordance with the TFRS 15 Revenue from Contracts With Customer Standard.

In accordance with provisions of TFRS the portion of the commission and fees which are related to the reporting period and collected in advance for cash and non-cash loans granted is reflected to the income statement by using the internal rate of return method and straight line methods, respectively over the commission period of the related loan, respectively. Fees and commission collected in advance which are related to the future periods are recorded under the account “Unearned Revenues” and included in “Other Liabilities” in the balance sheet. The commission received from cash loans corresponding to the current period is presented in “Profit Share from Loans” in the statement of profit or loss.

VI. Explanations on financial assets and liabilities:

The Bank categorizes its financial assets as “Fair Value Through Profit or Loss”, “Fair Value Through Other Comprehensive Income” or “Measured at Amortized Cost”. Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part three Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated January 19, 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements.

During the initial recognition of financial assets other than "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added to fair value or deducted from fair value.

The Bank recognizes a financial asset into financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, business model determined by the Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Bank's management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments is made to earnings, losses or profit share that were previously recorded in the financial statements.

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Accounting policies (Continued)

VI. Explanations on financial assets and liabilities: (Continued)

Financial assets at fair value through profit or loss:

Financial assets at fair value through profit or loss classified under two main categories as "Derivative Financial Assets" and "Financial assets at fair value through profit or loss". Financial assets classified in this group are taken into the financial statements with cost values that reflect their fair values and are shown in the financial statements at fair value in the following periods. The resulting valuation gain and loss are included in the profit / loss accounts.

Financial assets valued at fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income are initially recognized at cost; which reflects their fair values; including the transaction costs. After the initial recognition, financial assets valued at fair value through other comprehensive income are measured at fair value and the unrealized gains or losses resulting from the difference between the amortized cost and the fair value is recorded in “accumulated other comprehensive income or expense to be reclassified through profit or loss” under equity. In case of a disposal of financial assets valued at fair value through profit and loss, increases/decreases which have been recorded in the Accumulated other comprehensive income or expense to be reclassified through profit or loss under the equity is transferred to income statement. Financial assets at fair value through other comprehensive income which do not have a quoted market price in an active market and whose fair values can not be reliably measured are carried at cost, less impairment, if any.

In addition, the appropriate value difference to be kept in the Bank's securities portfolio is considered as other comprehensive income financial assets given, financial assets held at fair value through profit or loss and amortization as financial assets saved at estimated cost government bonds. These securities are real coupon rates, and the effective interest rate is based on the index calculated by taking into account the inflation index and the estimated inflation rate at the time of issue they are valued and accounted for using the method. As stated in the Indexed Bonds Investor's Guide, the actual coupon payment of these securities is based on the CPI of two months ago, and the reference indices used in the calculation of the amounts are based on the CPI of two months ago.

Financial assets and liabilities measured at amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and profit share are classified as financial assets measured at amortized cost. Financial assets and liabilities measured at amortized cost are initially recognized at cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using the internal rate of return. Profit share income and profit share expense obtained from financial assets and liabilities measured at amortized cost are accounted in the income statement.

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Muhasebe politikaları (Continued) Accounting policies (Continued)

VI. Explanations on financial assets and liabilities:

Credits:

Loans are non-derivative financial assets that have fixed or determinable payments and are not traded in an active market. These loans are first recorded by adding transaction costs to the acquisition cost, which reflects their fair value, and are measured at their amortized cost using the "internal rate of return method" following their recording. The Bank periodically evaluates the provisions set aside for loans and other receivables in accordance with TFRS 9, based on their results, and makes updates to the staging rules and parameters used in the calculation of the relevant provision balances, if deemed necessary, as a result of these evaluations.

VII. Explanations on expected credit losses:

As of January 1, 2020, the Bank recognizes a loss allowance for expected credit losses on financial assets based on TFRS 9 “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” and the regulation published in the Official Gazette no. 29750 dated June 22, 2016 in connection with “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans. In this context, as of December 31, 2019, the method of reserving credit provisions within the framework of the relevant legislation of the BRSA has changed by applying the expected credit losses model with the implementation of TFRS 9. The expected credit loss estimate contains unbiased, supportable information about current and future economic conditions. The Bank classifies the financial asset as stage 1 if the credit risk of a financial instrument does not materially increase since initial recognition to the financial statements and measures the amount of the impairment on the financial asset equal to 12-month expected credit losses at each reporting date. The purpose of impairment is to recognize lifetime expected credit losses in the financial statement for the credit risk of all financial instruments those materially increase since initial recognition to the financial statements with considering all supportable information individually or collectively including reasonable and prospective information.

Calculation of expected credit losses

The Bank measures expected credit losses with reasonable, objective and supportable information available as of the reporting date, including estimates of past events and current conditions, weighted according to probabilities determined by taking into account expected credit losses. The bank could not develop an internal model to estimate these risk parameters due to insufficient historical data for modelling. In 12-month expected credit loss provision calculations, the average of annual default rates is used as the probability of default (PD) parameter, based on the year-end data announced to the public by participation banks after 2014. In lifetime expected loan loss provision calculations, the average of close monitoring provision ratios is used as the PD parameter, based on the year-end data announced to the public by participation banks after 2014. For the Loss in Case of Default (LWD) parameter, it uses a reasonable approach of 45%, in line with the Basic IDD approach in the Communiqué on the Calculation of the Amount Subject to Credit Risk with Internal Rating-Based Approaches published by BRSA. Calculation of expected credit losses consists of three main parameters: Probability of Default (PD), Loss Given Default (LDL), Amount at Default (TT).

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Accounting policies (Continued)

VII. Explanations on expected credit losses: (Continued)

Parameters used in calculating expected loss provisions:

Probability of Default (PD):

PD represents the likelihood of a default over a specified time period. The Bank uses two different default probability values when calculating the expected credit loss in accordance with TFRS 9:

- 12-Month default probability: Estimate the probability of default in 12 months after the reporting date
- Lifetime default probability: Estimation of the probability that the financial instrument will default to its expected lifetime

Loss Given Default (LGD):

LGD represents an estimate of the loss at the time of a potential default occurring during the life of a financial instrument. It is expressed as a ratio.

Exposure at Default (EAD):

In cash loans, it refers to the balance as of the report date. In non-cash loans and commitments, it is the value calculated by applying the conversion ratio to the loan. The loan conversion rate corresponds to the loan conversion rate used in the adjustment of possible risk increases between the current date and the default date.

The expected credit loss estimate contains unbiased, supportable information about current and future economic conditions. These financial assets are divided into the following three categories depending on the increase in credit risks observed since they were first included in the financial statements:

12-Month Expected Loss Provision (Stage 1)

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. The number of delay days does not exceed 30 days. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. It is valid for all assets unless there is a significant deterioration in credit quality. The 12-month expected loss values are part of the expected lifetime loss calculation (within 12 months after the reporting date or less if the life of a financial instrument is less than 12 months).

Significant Increase in Credit Risk (Stage 2)

As of the reporting date of the financial asset, in the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument’s lifetime expected credit losses.

The Bank classifies financial assets as stage 2 by considering the following criterias:

- Loans with overdue days exceeding 30 days but not exceeding 90 days,
- Data received from the early warning system and the evaluation of the Bank in this case,
- In order to determine whether the default risk of the customer has increased significantly since the first definition of the loan, the Bank's management concludes that there is a significant increase in credit risk as a result of comparison with the risk of default in the loan,
- Loans whose reimbursement is totally collateralized and whose loans are below the net realizable value receivable amount.

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Accounting policies (Continued)

VII. Explanations on expected credit losses: (Continued)

Default (3rd Stage / Special Provision):

According to the internal procedures of the Bank, if the following conditions exist, the relevant financial asset is included in the default:

- Credits with a delay of 90 days from the date of the last installment (In this case, the customer is monitored as default on the 91st day),
- Restructured loans and classified as a performing loan and overdue more than 30 days during the one-year monitoring period (In this case, the customer is followed as default on the 31st day),
- Restructured loans and classified as performing loan and that have been structured at least once more during the one-year monitoring period.

VIII. Explanations on offsetting of financial instruments:

Financial instruments are offset when the Bank has a legally enforceable right to net off the recognized amounts, and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. There are no such offset of financial assets and liabilities.

IX. Explanations on sale and repurchase agreements and lending of securities:

Securities subject to repurchase agreement are classified as at “fair value through profit or loss”, “fair value through other comprehensive income” or “measured on amortised cost” according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from the related agreements are accounted under “Borrowings from Money Markets” in liabilities and the difference between the sale and repurchase price is accrued over the life of the agreements using the internal rate of return method. Profit share expense on such transactions is recorded under “Profit Share Expense on Money Market Borrowings” in the income statement. The Bank has no securities lending transactions.

X. Explanations on assets held for sale and discontinued operations and liabilities related to these assets:

Assets held for sale (or disposal group) in accordance with TFRS 5 (“Assets Held for Sale and Discontinued Operations”) are measured at the lower of the carrying amount of assets and fair value less any cost to be incurred for disposal. In order to classify an asset as held for sale, the possibility of sale should be highly probable and the asset (or disposal group) should be available for immediate sale in its present condition. Highly saleable condition requires a plan designed by an appropriate level of management regarding the sale of the asset to be disposed of together with an active program for the determination of buyers as well as for the completion of the plan. Also the asset shall be actively marketed in conformity with its fair value. In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan.

A discontinued operation is a part of the Bank’s business which has been disposed of or classified as held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Bank has no discontinued operations.

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Accounting policies (Continued)

XI. Explanations on goodwill and other intangible assets:

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 “Turkish Accounting Standards for Intangible Assets”.

As of June 30, 2024, there is no goodwill in the financial statements of the Bank. (December 31, 2023: None).

The Bank’s intangible assets consist of software and intangible rights. The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004 the date the hyperinflationary period is considered to be ended. Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Bank over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Bank’s software have been determined as 3 to 4 years and other intangible assets’ useful lives have been determined as 15 years.

If there is objective evidence of impairment, the asset’s recoverable amount is estimated in accordance with the TAS 36 “Turkish Accounting Standard for Impairment of Assets” and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is provided.

XII. Explanations on tangible assets:

The cost of the tangible assets purchased before December 31, 2004 have been restated by inflationary index from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs. Tangible assets are recorded at cost less accumulated depreciation and provision for impairment, if any in compliance with the TAS 16 “Turkish Accounting Standards for Tangible Assets” in the financial statements.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets. There are no changes in the accounting estimates which are expected to have an impact in the current or subsequent periods.

Depreciation is calculated on a straight-line basis. Depreciation rates used are determined by considering the estimated economic useful life of the assets.

The annual rates used are as follows:

	Depreciation Rate (%)
Computers	10-33
Furniture and Equipment	20
Other Moveables	7-33
Vehicles	20
Intangible Assets (Rights)	7-33
<u>Buildings</u>	<u>2</u>

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year-end.

Gain or loss resulting from disposals of the tangible assets is calculated as the difference between the net proceeds from the sale and the net book value of the related asset.

The repair and maintenance costs of the tangible assets are capitalized, if the expenditure increases the economic life of the asset, other repair and maintenance costs are expensed.

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XIII. Explanations on leasing transactions:

The Bank applies the TFRS 16 leases standard.

The Bank recognizes the right of use and the rent obligation on the financial statements at the effective date of the lease. The right of use is measured initially at cost value and subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for the re-measurement of the lease obligation. TAS 36 Impairment of Assets is applied in order to determine whether the real estates that are entitled to use have been impaired and to recognize the impairment loss.

With the TFRS 16 Leases Standard effective from January 1, 2019, the difference between operating leases and financial leases is eliminated and leases are presented as assets by the lessees under Tangible Assets and as liabilities under Liabilities from Leasing Transactions.

TFRS 16 introduces a single leasing accounting model for lessees. As a result, the Bank, as a lessee, has acquired the lease rights representing the lease rights representing the right to use the underlying asset and the lease payments to the financial statements. Accounting for the lessor is similar to the previous accounting policies.

The Bank when valuing its leasing obligations, discounted its leasing payments using an alternative borrowing rate. The weighted-average rate applied is 18% for leasing agreements denominated in Turkish liras.

Existence of right to use

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

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

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

- Accumulated depreciation and accumulated impairment losses are deducted and measures the restatement of the lease obligation at the restated cost.

The Bank applies depreciation provisions in TAS 16 Property, Plant and Equipment while depreciating the right to use assets.

The lease obligations

At the effective date of the lease, the the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the lease's implied profit share rate, if that rate is easily determined. If this ratio cannot be easily calculated, the Bank employs its alternative borrowing profit share rates.

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

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

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

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

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Accounting policies (Continued)

XIV. Explanations on provisions and contingent liabilities:

Provisions and contingent liabilities, excluding the general and specific provisions for impairment on loans, are accounted in accordance with TAS 37: “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets”.

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the cut-off principle.

A liability is recognized as a contingent liability where a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of more than one events not wholly within the control of the Group; or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability and disclosed in the footnotes.

XV. Explanations on liabilities regarding employee rights:

The bank fulfills its obligations for severance pay and leave rights under "TAS 19 - Provided to Employees Benefits" and in the balance sheet "Provision for Employee Benefits" account.

According to Türkiye's current labor laws, the Bank may resign and resign as specified in the Labor Law by making a certain lump sum payment to employees who are dismissed for reasons other than liable behavior.

Provision for severance pay, which is a probable liability under this law, is calculated over its present value using certain actuarial estimates and is reflected in the financial statements as actuarial losses and gains, in accordance with "TAS 19 - Employee Benefits" accounted for under equity. The leave fee obligation means that all personnel are legally entitled to leave each year in excess of the cumulative total of unused vacation days found by subtracting the is calculated.

Liability of T.C. Ziraat Bankası and T.Halk Bankası Members Pension and Relief Fund (TZHEMSAN)

Some of the Bank’s personnel are the members of T.C. Ziraat Bankası and T. Halk Bankası A.Ş. Employees' Pension Fund (“Fund”) which was established by 20th provisional article of Social Security Law Act numbered 506. In accordance with 23rd provisional clause of the Banking Law numbered 5411, the pension fund established within Social Security Law is expected to be transferred to the Social Security Institution by three years following the declaration of the Banking Law numbered 5411. Procedures and principles of the transfer are determined by the decision of Council of Ministers numbered 2006/11345 dated 30 November 2006. However, the 1st paragraph of the 1st article of the 23rd provisional clause of Banking Law numbered 5411 allowing pension funds to be transferred to Social Security Institution (“SSI”) is annulled following the resolution of Constitutional Court declared in the Official Gazette dated 31 March 2007 numbered 26479 E.2005/139, K.2007/13 and K.2007/33

With the publication of the reasoning of the decision, the Grand National Assembly of Türkiye (“GNAT”) started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the “Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations” No 5754 (“the New Law”) regulating the transfer of the funds were approved by the GNAT on 17 April 2008. The New Law was published in the Official Gazette dated 8 May 2008, numbered 26870 and came into force.

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Accounting policies (Continued)

XV. Explanations on liabilities regarding employee rights: (Continued)

Liability of T.C. Ziraat Bankası and T.Halk Bankası Members Pension and Relief Fund (TZHEMSAN) (Continued)

According to the new law bank pension funds participants and salaried members or the rightful owners would be transferred to Social Security Institution and would be subject to its legislation within three years beginning from the date of publication without any required transaction. Three years transfer period would be extended by two years at most with the decision of Council of Ministers. In accordance with the related legislation, as of the transfer date, the cash value of the liabilities will be calculated by considering the income and expenses of the transferred funds by the insurance branches and by using the actuarial interest rate of 9,80%. Moreover, the unfulfilled other social rights and payments existed in the settlement deeds of the subjected pension funds of the transferred participants, members or the rightful owners will be continued to be fulfilled by the employer entities of the funds and its participants.

In accordance with 58th article and 7th provisional article of the Banking Law, restricting banks from transferring any funds to the pension funds in order to compensate the actuarial deficits effective from 1 January 2008, has been delayed up to 5 years. Based on the Council of Ministers’ decree numbered 2011/1559 and issued in the Official Gazette numbered 27900, dated 9 April 2011, and 20th provisional article of law numbered 506, the deadline for transferring banks, insurance and reinsurance companies, chambers of commerce, chambers of industry, exchange markets and the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for two years.

Besides, the phrase of “two years” in Clause (2), Article 1 of the temporary 20th provision of the law numbered 5510 is revised as “four years” with the law numbered 6283 amending on the Social Insurance and General Health Insurance Law, published in the Official Gazette numbered 28227, dated 8 March 2012. Based on the Council of Ministers’ decree numbered 2014/6042 and issued in the Official Gazette numbered 28987 dated 30 April 2014, the participants of the funds that were founded for the personnel constituting these entities and the ones having salary or income and the right holders of them to Social Security Institution has been extended for one year.

Lastly, 51st article of Law No.6645 dated 23 April 2015, published on Official Gazette and the first paragraph of the transient 20th article of Law No.5510 related to the transfer of Bank and Insurance Funds to Social Security Institution; “Council of Ministers is the authority to determine the date of transfer of banks, insurance and reinsurance companies, boards of trade, chambers of industry and stock markets or the participants of funds established for their constitute union personnel and the ones that were endowed salary or income and their beneficiaries within the scope of transient 20th article of Law No.506. As from the transfer date, the participants are considered as insured within the scope of clause (a), first paragraph and 4th article of this Law. Based on the decision of the Council of Ministers dated 24 February 2014; May 2015 was determined as the transfer period. As a result of the last amendment made in the first paragraph of the provisional article 20 of the Law No. 5510 and the Occupational Health and Safety Law No. 6645 published in the Official Gazette dated 23 April 2015 and numbered 29335; The Council of Ministers has been authorized to determine the transfer date and the President has been authorized to determine the transfer date in the repeated Official Gazette numbered 30473 on 9 July 2018.

The technical balance sheet report as of 31 December 2023 which is prepared in accordance with the new law and the rate determined as 9,80%, concluded no technical deficit arises in the abovementioned fund. Since the Bank has no legal right to hold the present value of any economic benefits available in the form of refunds from Pension Fund or reductions in future contributions to Pension Fund, no asset is recognized in the Bank’s financial statements.

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Accounting policies (Continued)

XVI. Explanations on taxation:

Current tax:

With the publication of Law No. 7394 in the Official Gazette dated April 15, 2022, banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The corporate tax rate has been permanently increased to 25%. However, with Law No. 7456 published on July 15, 2023, the rate in question was increased to 30% to be applied to the cumulative bases included in the declarations that must be submitted as of October 1, 2023; The corporate tax rate will be applied as 30% in future periods, starting from the provisional corporate tax return to be submitted for the period 1 January 2023 - 30 September 2023. There is no withholding tax on dividends paid to institutions resident in Türkiye. Dividend payments made to individuals and institutions other than these are subject to 10% withholding tax. Addition of profit to capital is not considered profit distribution and withholding tax is not applied.

Corporations calculate provisional tax based on their quarterly financial profits at the current rate and declare it by the 17th day of the second month following that period and pay it by the evening of the same day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of advance tax paid remains despite the offset, this amount can be refunded in cash or offset against other financial debts to the state.

Provided that 50% of the profits arising from the sale of subsidiary shares and real estate held for at least two years are added to the capital for real estate and 75% for subsidiaries, as stipulated in the Corporate Tax Law, or are kept in a special fund account in liabilities for 5 years. is exempt from tax. However, with the Law No. 7456 published on July 15, 2023, this exception has been abolished for real estates to be acquired after the publication date of the decision; If real estate acquired before this date is sold after the effective date of the decision, 25% of the real estate sales gain will be exempt from corporate tax.

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 financial losses can not be offsetted from last year's profits. In Türkiye, there is no practice of reaching an agreement with the tax authority regarding the taxes to be paid.

Corporate tax returns are submitted to the relevant tax office by the evening of the last day of the fourth month following the month in which the accounting period closes. However, the authorities authorized for tax inspection may examine the accounting records within the five years before the current period, and if incorrect transactions are detected, the tax amounts to be paid may change and sectoral examinations may be carried out.

Within the framework of the provision of Article 298/A of the Tax Procedure Law, the conditions required for inflation adjustment in the corporate tax calculation have been met as of the end of the 2021 calendar year. However, with the "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law" numbered 7352, published in the Official Gazette numbered 31734 dated January 29, 2022, the temporary article 33 was added to the Tax Procedure Law numbered 213, including provisional tax periods. In the 2021 and 2022 accounting periods (as of the accounting periods ending in 2022 and 2023 for those assigned a special accounting period) and the 2023 accounting period provisional tax periods, the financial statements will not be subject to inflation adjustment, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met or not, 31 It has become law that the financial statements dated December 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met or not, and the profit/loss differences arising from the inflation adjustment will be shown in the previous years' profit/loss account.

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Accounting policies (Continued)

XVI. Explanations on taxation: (Continued)

Based on the Tax Procedural Law General Communiqué No. 560 published in the Official Gazette dated 30 April 2024; There will be no inflation adjustment for the 1st provisional tax period of the 2024 accounting period. However, according to the Communiqué, inflation adjustment will not be applied only in the 1st provisional tax period for now, and unless a contrary regulation is made in the following provisional accounting periods of the 2024 accounting period, inflation adjustment will continue to be applied if the conditions in Article 298/A of the TPL are met.

Assets within the scope of the provisional Article 32 of the Tax Procedure Law No. 213 are valued and taxed at 2%. The assets included in the scope of Repeated Article 298 are revalued with the revaluation rate announced in the relevant year and no tax is paid on the increase in value.

Deferred tax:

Deferred tax assets or liabilities, according to principles of “ Turkish Accounting Standards on Income Taxes” (“TAS 12”), are calculated as measuring the affect of the temporary difference that accours between the amount of assets and liabilities figured in financial tables and the amount calculated according to tax legislation, by considering tax rate for releated period.

Deferred tax is been figured in financial tables by netting assets and liabilities. While deferred tax liability can be calculated for all taxable temporary difference, deferred tax assets only can be calculated on the condition that if high possiibilty exists to take profit from difference occurs from deferred tax assets arises from reducable temporary differences to be profitable on taxes.

Deferred tax is calculated based on the tax rates that are valid or almost certain to come into force in the period when assets are created or liabilities are fulfilled and are recorded as expense or income in the statement of profit or loss. However, deferred tax is recognized directly in equity accounts if it relates to assets directly attributable to equity in the same or a different period. While preparing the financial statements dated June 30, 2024, the Bank used a 30% tax rate for temporary differences expected to be realized or closed.

Transfer pricing

Transfer pricing is regulated through the article 13 of Corporate Tax Law titled “Disguised Profit Distribution by way of Transfer Pricing”. Detailed information for the practice regarding the subject is found in the “General Communiqué on Disguised Profit Distribution by way of Transfer Pricing”.

According to the related regulation, in the case of making purchase or sales of goods or services with related persons/corporations at a price that is determined against “the arm’s length principle”, the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not deductible in calculation of corporate tax.

XVII. Additional explanations on borrowings:

The Bank generates funds from debt certificates issued by the asset leasing company and these funds have been presented under “Funds Borrowed”. Borrowings, except for funds collected, are recognized at amortized cost using the effective internal rate of return method in the following periods after the initial recognition.

XVIII. Explanations on issued share certificates:

None.

XIX. Explanations on acceptances and availed drafts:

The Bank aval and acceptances are carried out simultaneously with customers' payments and are shown in off-balance sheet obligations as possible debts and commitments.

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Accounting policies (Continued)

XX. Explanations on government grants:

As of the balance sheet date, there are no government grants received by the Bank.

XXI. Explanations on segment reporting:

Business segment is a component of the Bank that engages in business activities from which the Bank may earn revenues and incur expenses, whose operating results are regularly reviewed by the Bank's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, which and for discrete financial available.

Segment reporting is disclosed in Section Four, Note IX.

XXII. Explanations regarding subsidiaries, affiliates and jointly controlled partnerships:

Subsidiaries and affiliates denominated in Turkish currency are accounted for at cost in accordance with the "Turkish Accounting Standard for Individual Financial Statements" ("TAS 27") and are reflected in the unconsolidated financial statements after deducting the provision for impairment, if any.

XXIII. Information on other issues:

None.

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SECTION FOUR

Information on financial structure and risk management

I. Explanations on capital adequacy standard ratio:

Equity amount and capital adequacy standard ratio are calculated within the framework of the "Regulation on Equity of Banks" and the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks". The Bank's current period equity amount calculated as of June 30, 2024 is 20.072.991 TL and the capital adequacy standard ratio is 21,43%. The equity amount for December 31 2023 is 15.359.347 TL and the capital adequacy standard rate is 23,05%. The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

a) Information about total capital items:

	Current Period 30 June 2024	Prior Period 31 December 2023
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.026.915	1.026.915
Share issue premiums	-	-
Reserves	8.563.975	3.434.574
Gains recognized in equity as per TAS	363.103	705.872
Profit	5.180.668	5.129.534
Current Period Profit	5.180.668	5.129.534
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	15.134.661	10.296.895
Deductions from Common Equity Tier 1 Capital		
Common Equity as per the 1 st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	-	-
Leasehold improvements(-)	-	-
Goodwill (net of related tax liability)	133.690	119.326
Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	-
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	435.895	248.862
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	1.055.218	720.318
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	1.624.803	1.088.506
Total Common Equity Tier 1 Capital	13.509.858	9.208.389

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Information on financial structure and risk management (Continued)

I. Explanations on capital adequacy standard ratio (Continued):

a) Information about total capital items (Continued):

	Current Period 30 June 2024	Prior Period 31 December 2023
ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	6.144.024	5.709.739
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	6.144.024	5.709.739
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	6.144.024	5.709.739
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	19.653.882	14.918.128
TIER 2 CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	421.847	444.659
Contribution Capital Before Discounts	421.847	444.659
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	421.847	444.659
Total Capital (The sum of Tier I Capital and Tier II Capital)	20.075.729	15.362.787
Deductions from Capital		
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	2.738	3.440
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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Information on financial structure and risk management (Continued)

I. Explanations on capital adequacy standard ratio (Continued):

a. Information about total capital items (Continued):

	Current Period 30 June 2024	Prior Period 31 December 2023
SHAREHOLDER'S EQUITY		
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital)	20.072.991	15.359.347
Total Risk Weighted Amounts	93.651.182	66.640.318
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	14,43	13,82
Tier I Capital Adequacy Ratio (%)	20,99	22,39
Capital Adequacy Ratio (%)	21,43	23,05
BUFFERS		
Total buffer requirement (a+b+c)	2,5	2,5
a) Capital conservation buffer requirement (%)	2,5	2,5
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic important bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets(%)	9,93	9,32
Amounts Lower Than Excesses as per Deduction Rules		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Limits related to provisions considered in Tier II calculation	-	-
Amount arising from deferred tax assets based on temporary differences	1.456.508	992.871
Limits related to provisions considered in Tier II calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	421.847	444.659
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	421.847	444.659
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(*) The Bank, provided subordinated loan from Türkiye Varlık Fonu Piyasa İstikrar ve Denge Alt Fonu with the approval of BRSA dated 22 April 2019, on 24 April 2019 amounting to 200 million (Full Euro) with no fixed term and no profit share within the scope of additional main capital and loan from Türkiye Varlık Fonu Piyasal İstikrar ve Denge Alt Fonu with the approval of BRSA dated March 8, 2022, on March 9,2022 amounting to 31.688.489 Euro (Full Euro) with no fixed term and no profit share within the scope of additional main capital.

“In accordance with the BRSA's Decision dated 12.12.2023 and numbered 10747; In accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks, published in the Official Gazette dated 23.10.2015 and numbered 29511, specified in the Board Decision dated 31.01.2023 and numbered 10496, in the calculation of the amount subject to credit risk; The practice of using the foreign exchange buying rate of the Central Bank of the Republic of Türkiye (Central Bank) dated 30.12.2022 when calculating the valued amounts and relevant special provision amounts of items other than items in foreign currency, as of 01.01.2024, until a Board Decision to the contrary is taken. It has been decided to continue to be implemented by using the Central Bank foreign exchange buying rate of 26.06.2023.

In addition, according to the BRSA's Decision dated 16 April 2020 and numbered 8999; Turkish Republic Center of Banks Measuring the Capital Adequacy of Banks for their receivables from their management and issued in FX, and Amount subject to credit risk in accordance with Standard Approach within the scope of Regulation on Evaluation It is possible to apply 0% risk weight in the calculation.

As of June 30, 2024, the Bank had taken advantage of these opportunities in its Capital Adequacy calculations. Board decisions have a 6% impact on the standard capital adequacy ratio.”

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Information on financial structure and risk management (Continued)

I. Explanations on capital adequacy standard ratio (Continued):

b) Information on debt instruments to be included in the equity calculation:

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT240424F22
Governing Law(s) of the Instrument	Regulation on Banks"Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
Special Consideration in the Calculation of Equity	
As of 1 January 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	5.514.265
Par Value of Instrument	7.035.596
Accounting Classification	Subordinated Loan
Original date of Issuance	24.04.2019
Perpetual or dated	Undated
Maturity date	24.04.2019
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: 24.05.2024 Total Repayment Amount: EUR 200 million (full)
Subsequent call dates	-
Profit Share/Dividends	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or Non-convertible	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliances with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

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Information on financial structure and risk management (Continued)

I. Explanations on capital adequacy standard ratio (Continued):

b Information on debt instruments to be included in the equity calculation (Continued):

Issuer	Türkiye Varlık Fonu Piyasa İstikrar Ve Denge Alt Fonu
Unique Identifier (CUSIP, ISIN etc.)	TRT250232F15
Governing Law(s) of the Instrument	Regulation on Banks"Equity Communique on Principles Regarding Borrowing Instruments to be Included in Bank"Equity Calculation
Special Consideration in the Calculation of Equity	
As of 1 January 2015 consideration to be subject to a 10% reduction application status	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Subordinated Loan
Amount recognized in regulatory capital (as of most recent reporting date)	629.759
Par Value of Instrument	1.114.737
Accounting Classification	Subordinated Loan
Original date of Issuance	09.03.2022
Perpetual or dated	Undated
Maturity date	09.03.2022
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	Repayment Option Date: 09.03.2032 and later Amount to be Repaid: 500.000 TL equivalent in Euro
Subsequent call dates	-
Profit Share/Dividends	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Full discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or Non-convertible	
If convertible, conversion trigger	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy falls below 5,125 %
If write-down, full or partial	At least to ensure that the core capital ratio exceeds 5,125 %
If write down, permanent or temporary	Permanent and Temporary
If temporary write-down, description of write-up mechanism	There is write-up mechanism.
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners
In compliance with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7
Details of incompliances with article number 7 and 8 of "Own fund regulation"	In compliance with article number 7

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Information on financial structure and risk management (Continued)

I. Explanations on capital adequacy standard ratio (Continued):

c. Explanations on reconciliation of equity items and balance sheet amounts

The difference between Total Capital and Equity in the unconsolidated balance sheet mainly arises from Stage 1 and Stage 2 expected credit losses, debt instruments, and share issue premiums deemed suitable by the BRSA. In the calculation of Total Capital, Stage 1 and Stage 2 expected credit losses up to 1,25% of the credit risk is taken into consideration as Tier II Capital. On the other hand, in the calculation of the Total Capital, improvement costs for operating leases followed under tangible assets in the balance sheet, intangible assets and related deferred tax liabilities, net book value of immovables that are acquired against overdue receivables and retained more than five years, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

II. Explanations on credit risk:

It has not been prepared in the interim period in accordance with Article 25 of the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to the Public by Banks.

III. Explanations on currency risk:

Foreign currency risk arises from the Bank’s possible exposure to the changes in foreign currencies.

- a) The Bank is exposed to currency risks as a market risk and pay attention to keep at a minimum level by avoiding keeping any positions. The Bank calculates the Value at Risk for the foreign currency position on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and value at market risk is calculated on a monthly basis.
- b) The Bank does not have any derivative financial instruments held for hedging purposes.
- c) TL resources are used in TL and foreign currency resources are used in related currencies without causing any currency inconsistency in the use of loans. Due to uncertainty and volatility that may arise in the markets, foreign currency position limit that can be formed for strategic purposes is limited and monitored.
- d) Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Bank are as follows:

	USD	EUR
As of June 30, 2024 - Balance sheet evaluation rate	32,8789	35,1780
As of June 28, 2024	32,8789	35,1780
As of June 27, 2024	32,8780	35,1818
As of June 26, 2024	32,9280	35,1847
As of June 25, 2024	32,9644	35,3289
As of June 24, 2024	32,8785	34,2496

- d) The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is full TL 32,5788 for 1 USD (December 2023: full TL 29,1176), full TL 35,0470 for 1 Euro (December 2023: full TL 31,8008).

The Bank is mainly exposed to USD and Euro currency risks.

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Information on financial structure and risk management (Continued)

III. Explanations on currency risk (Continued):

Information on the Bank's Currency Risk

	EURO	USD	Other FC	Total
Current Period				
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye ^(*)	14.094.125	31.453.151	1.153.576	46.700.852
Banks ^(*)	908.525	4.143.979	19.938.843	24.991.347
Financial assets at fair value through profit and loss	-	683.515	1.144.424	1.827.939
Money market placements	-	-	-	-
Financial Assets Valued At Fair Value Through Profit And Loss	540.818	3.674.496	-	4.215.314
Loans and financial lease receivable ^(**)	21.331.172	17.269.765	-	38.600.937
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	725.510	-	-	725.510
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets ^(***)	6.577	50.248	14.083	70.908
Total Assets	37.606.727	57.275.154	22.250.926	117.132.807
Liabilities				
Current account and funds collected from banks via participation accounts	59.595	5.140	208.082	272.817
Other current and profit sharing accounts ^(***)	28.976.044	56.587.429	19.300.323	104.863.796
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	9.130.893	63.035	-	9.193.928
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities ^(***)	263.458	291.239	22.246	576.943
Total liabilities	38.429.990	56.946.843	19.530.651	114.907.484
Net balance sheet position	(823.263)	328.311	2.720.275	2.225.323
Net balance sheet position	-	-	-	-
Derivative financial instruments assets	-	85.874	-	85.874
Derivative financial instruments liabilities	-	85.874	-	85.874
Non-cash loans ^(**)	3.592.052	3.282.512	39.698	6.914.262
Prior Period				
Total assets	32.242.100	55.909.251	13.837.861	101.989.212
Total liabilities	32.709.463	59.049.069	12.490.579	104.249.111
Net balance sheet position	(467.363)	(3.139.818)	1.347.282	(2.259.899)
Net off balance sheet position	575.485	3.297.563	(1.368.325)	2.504.723
Derivative financial instruments assets	747.873	6.371.091	1.082.092	8.201.056
Derivative financial instruments liabilities	172.388	3.073.528	2.450.417	5.696.333
Non-cash loans	1.830.598	2.563.907	56.173	4.450.678

^(*) The currency risk calculation does not include an expected loss provision of TL 9.311 for Cash and the Central Bank and TL 37.161 for banks.

^(**) The currency risk calculation excludes an expected loss provision of TL 362.341 for loans and financial lease receivables.

^(***) Financial Instruments with Derivatives Currency income and expense rediscounts, as well as the hedge accounting records associated with these rediscounts, are not considered in the calculation of currency risk not received.

Explanations regarding stock position risk arising from banking accounts

None (December 31, 2023: None).

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Information on financial structure and risk management (Continued)

IV. Explanations on liquidity risk:

Liquidity Risk is managed by Asset and Liability Committee (“ALCO”) in line with risk management policies and risk appetite approved by the Board of Directors in order to take the necessary measures in a timely and correct manner against possible liquidity shortages that may result from market conditions and balance sheet structure of the Bank.

The Board of Directors reviews the liquidity risk management strategy, policy and practices and approves the liquidity strategy and policies within the framework of risk management strategy and policies, ensures the effective of practice of policies and integrations with Bank’s risk management strategy. The Board of Directors determines the basic metrics in liquidity risk measurement and monitoring.

ALCO takes necessary decisions which will be executed by related departments by assessing the liquidity risk that the Bank is exposed to and considering the Bank’s strategy and conditions of competition and pursues the implementations.

The liquidity structure is evaluated in the framework of ALCO decisions for liquidity management and a placement strategy is developed. Liquidity risk management strategy is determined by considering both normal economic conditions and stress conditions.

Risk Management Presidency, liquidity risk; periodically reports to the relevant unit, the relevant committee and the senior management with the methods of measurement of liquidity risk in compliance with the standards. It manages liquidity risk in accordance with the Bank's portfolio, strategic plans and policies and legal limits, and informs and coordinates the relevant parties on time. In accordance with the market conditions and the Bank's structure, the relevant liquidity risk measurement methods establish, assumptions and parameters used in liquidity risk analyzes are reviewed. Liquidity risk analyzes and important liquidity indicators are regularly reported to senior management. In the stress conditions are carried out in the framework of “Emergency Funding Plan”.

The Bank's high level management to determine management strategies for liquidity risk;

- follows obligations arising from domestic and foreign currencies,
- determine the concentration risks of placements,
- actively follows funding sources,
- consider the portfolio diversity,
- follow up the fund flows related to assets and liabilities depending on the maturities.

Market conditions are continuously follow and access problems for the bank's fund requirements are analyzed and the impact of sudden changes in fund sources is evaluated. Liquidity adequacy is measured by applying stress test to the factors affecting liquidity. Liquidity Risk Stress Test analyzes the compliance of the Bank's cash flow capacity to the cash flow capacity within the framework of the specified scenarios. The scenarios needed for stress tests are based on the changing balance sheet structure. The results are taken into consideration in determining the policies related to liquidity risk and in the preparation of an emergency action plan.

For the purpose of reducing the liquidity risk that the Bank may be exposed to compliance with the strategies implemented (monitoring of concentration, diversification of funding sources, high quality liquid assets, etc.) is monitored effectively by the senior management of the Bank taking into account legal and prudential limits. For non-mitigation risks, acceptance of the current risk level, reducing or terminating the risk-causing activity are evaluated.

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Information on financial structure and risk management (Continued)

IV. Explanations on liquidity risk (Continued):

Current Period	Rate of "Percentage to be taken into account " not Implemented Total value ^(*)		Rate of "Percentage to be taken into account " Implemented Total value ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 High Quality Liquid Assets			82.403.436	58.968.727
CASH OUTFLOWS				
2 Retail and Real Person Funds Collected	39.950.928	35.629.487	3.954.573	3.562.949
3 Stable Funds Collected	810.400	-	40.520	-
4 Less stable Funds Collected	39.140.528	35.629.487	3.914.053	3.562.949
5 Unsecured Funding other than Retail and Real Person	62.599.933	52.800.258	27.651.329	21.916.395
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	61.667.589	52.691.923	26.718.985	21.808.060
8 Non-Operational Funds Collected	932.344	108.335	932.344	108.335
9 Secured funding				
10 Other cash outflows	8.650.468	6.161.105	8.650.468	6.161.105
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	6.629.490	6.161.105	6.629.490	6.161.105
12 Debts related to the structured financial products	2.020.978	-	2.020.978	-
13 Commitment related to the structured financial markets and other off balance sheet liabilities	-	-	-	-
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	42.617.678	6.848.560	17.335.264	615.411
16 TOTAL CASH OUTFLOWS			57.591.634	32.255.860
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	34.850.136	20.610.530	30.451.999	19.198.919
19 Other contractual cash inflows	6.661.877	5.777.285	6.661.877	5.777.285
20 TOTAL CASH INFLOWS	41.512.013	26.387.815	37.113.876	24.976.204
			Upper limit applied amounts	
21 TOTAL HQLA			82.403.436	58.968.727
22 TOTAL NET CASH OUTFLOWS			20.477.758	8.063.965
23 LIQUIDITY COVERAGE RATIO (%)			402,40	731,26

(*) It is the average of the liquidity coverage ratio calculated by taking the simple weekly arithmetic average for the last three months.

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated 21 March 2014, the weeks on which the minimum and maximum liquidity coverage ratios have been calculated for the last three months are as follows:

Liquidity Coverage Ratio (%)	Current Period – 30.06.2024			
	TL+FC	Month	FC	Month
Lowest(%)	316,91	June 10, 2024	455,51	May 23, 2024
Highest(%)	533,15	May 5, 2024	1.001,68	April, 14 2024
Avarage	400,46		682,92	

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Information on financial structure and risk management (Continued)

IV. Explanations on liquidity risk (Continued):

Prior Period	Rate of "Percentage to be taken into account " not Implemented Total value ^(*)		Rate of "Percentage to be taken into account " Implemented Total value ^(*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS (HQLA)				
1 HIGH QUALITY LIQUID ASSETS			75.297.535	55.105.123
CASH OUTFLOWS				
2 Retail and Real Person Funds Collected	35.459.748	29.504.308	3.503.855	2.950.431
3 Stable Funds Collected	842.402	-	42.120	-
4 Less stable Funds Collected	34.617.346	29.504.308	3.461.735	2.950.431
5 Unsecured Funding other than Retail and Real Person	62.359.481	55.332.483	26.923.191	22.628.418
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	61.557.980	55.269.466	26.121.690	22.565.401
8 Non-Operational Funds Collected	801.501	63.017	801.501	63.017
9 Secured funding				
10 Other Unsecured Funding	8.672.244	4.814.675	8.672.244	4.814.675
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	6.832.228	4.814.675	6.832.228	4.814.675
12 Debts related to the structured financial products	1.840.016	-	1.840.016	-
13 Commitment related to the structured financial markets and other off balance sheet liabilities	-	-	-	-
14 Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15 Other irrevocable or conditionally revocable commitments	25.576.887	5.021.127	9.250.992	481.350
16 TOTAL CASH OUTFLOWS			48.350.282	30.874.874
CASH INFLOWS				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	33.461.745	18.045.946	29.110.813	17.124.386
19 Other contractual cash inflows	6.890.985	6.286.784	6.890.985	6.286.784
20 TOTAL CASH INFLOWS	40.352.730	24.332.730	36.001.798	23.411.170
			Upper limit applied amounts	
21 TOTAL HQLA			75.297.535	55.105.123
22 TOTAL NET CASH OUTFLOWS			12.348.484	7.718.719
23 LIQUIDITY COVERAGE RATIO (%)			609.77	713.92

(*) It is the average of the liquidity coverage ratio calculated by taking the simple weekly arithmetic average for the last three months.

Liquidity Coverage Ratio (%)	Prior Period – 31.12.2023			
	TL+FC	Month	FC	Month
Lowest(%)	364,70	December 29, 2023	364,70	December 29, 2023
Highest(%)	725,97	September 27, 2023	725,97	September 27, 2023
Average	577,99		656,05	

Liquidity coverage ratio is calculated by dividing the high quality liquid assets owned by the Bank to the net cash outflows within the 30-day maturity window. Important balance sheet items that are decisive on the ratio; Required reserves held by the CBRT, receivables from banks. can be listed as collected funds. Since these items have a high share in liquid assets and net cash outflows, their rate of consideration is high, and they may vary over time, their impact on the liquidity coverage ratio is greater than other items.

High-quality liquid assets consist of cash, accounts with central banks and high-quality liquid securities. Required reserves are taken into account in the calculation of high quality liquid assets, limited to the amount that the relevant central bank policies allow banks to use in times of liquidity shortage.

The Bank's high quality liquid assets are composed of 4,83% cash, 71,85% deposits in central banks and 23,52% securities considered as high quality liquid assets.

The Bank's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 87,94% funds collected, 4,26% subordinated debt instruments and 7,80% funds borrowed.

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Information on financial structure and risk management (Continued)

IV. Explanations on liquidity risk (Continued):

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated	Total
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye Banks	24.067.413 25.241.013	36.653.987 -	- -	- -	- -	- -	- -	60.721.400 25.241.013
Financial Assets at Fair Value Through Profit and Loss	-	250.134	2.670	476.887	1.232.997	-	-	1.962.688
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	-	42.329	1.228.989	9.489.819	1.439.173	12.573	12.212.883
Loans	-	11.949.374	7.677.395	50.001.061	13.987.269	2.359.371	469.710	86.444.180
Financial assets valued at amortised cost	-	-	-	-	6.587.728	4.693.944	-	11.281.672
Other Assets (*)	-	-	-	-	-	-	6.720.298	6.720.298
Total Assets	49.308.426	48.853.495	7.722.394	51.706.937	31.297.813	8.492.488	7.202.581	204.584.134
Liabilities								
Current account and funds collected from banks via participation accounts	3.366.283	632.889	-	-	-	-	-	3.999.172
Other current and profit sharing accounts	94.511.183	41.879.260	11.219.731	8.231.240	262.031	-	-	156.103.445
Funds provided from other financial institutions and subordinated loans	-	2.100.239	5.291.551	5.843.718	977.407	-	7.748.979	21.961.894
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	-	-	-	-	-	-	-
Other liabilities (**)	-	3.023.614	-	-	-	-	18.595.539	21.619.153
Total Liabilities	97.877.466	47.636.002	16.511.282	14.074.958	1.239.438	-	26.344.518	203.683.664
Liquidity Gap	(48.569.040)	1.217.493	(8.788.888)	37.631.979	30.058.375	8.492.488	(19.141.937)	900.470
Net Off-balance sheet Position								
Financial Derivative Assets	-	857	936	(37)	-	-	-	1.756
Financial Derivative Liabilities	-	109.389	57.834	18.784	-	-	-	186.007
Non-cash Loans	-	385.782	1.598.885	8.916.781	4.987.594	1.484.765	7.166.854	24.540.661
Prior Period								
Total Assets	53.215.879	39.657.812	11.179.784	44.440.425	25.085.627	9.040.874	5.664.777	188.285.178
Total Liabilities	90.895.265	44.610.303	20.414.591	7.976.264	832.063	-	22.958.307	187.686.793
Liquidity Gap	(37.679.386)	(4.952.491)	(9.234.807)	36.464.161	24.253.564	9.040.874	(17.293.530)	598.385
Net Off-balance sheet Position								
Financial Derivative Assets	-	(285)	(232.726)	817	-	-	-	(232.194)
Financial Derivative Liabilities	-	1.329.288	4.024.789	62.235	-	-	-	5.416.312
Non-cash Loans	-	1.329.573	4.257.515	61.418	-	-	-	5.648.506

(*) Other undistributable assets column consists of assets held for sale, partnership investments, tangible and intangible assets, current and deferred tax assets and other assets.

(**) Other undistributable liabilities column consists of equity and provision balances.

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IV. Explanations on liquidity risk (Continued):

The net stable funding rate (NSFR) is calculated by dividing the current stable fund amount by the required stable fund amount. The current stable fund includes the portion of banks' liabilities and equity that are expected to be permanent; The required stable fund refers to the portion of banks' on-balance sheet assets and off-balance sheet liabilities that are expected to be refunded. The current stable fund amount is calculated by adding the amounts to be found after applying the relevant consideration rates determined within the scope of the legislation to the amounts of banks' liabilities and equity elements valued in accordance with TFRS. The required stable fund amount will be found after applying the relevant consideration rates determined within the scope of the legislation to the value calculated by deducting the special provisions set aside in accordance with the Regulation on the Procedures and Principles on the Classification of Loans and the Provisions to be Set Aside from the amounts of the banks' on-balance sheet assets and off-balance sheet liabilities valued in accordance with TFRS. The amounts are calculated by adding them together. The three-month simple arithmetic average of the consolidated and unconsolidated NSFR calculated monthly as of the equity calculation periods as of March, June, September and December cannot be less than one hundred percent.

Current Period 30.06.2024		a	b	c	c	d
		Unweighted Amount According to Residual Maturity				Total Amount with Consideration Applied
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Current Stable Funding						
1	Capital Instruments	21.700.532	-	-	-	21.700.532
2	Tier 1 Capital and Tier 2 Capital	21.700.532	-	-	-	21.700.532
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	32.892.331	14.696.227	-	215.867	44.826.733
5	Stable Deposits	26.366.145	9.617.182	-	71.684	34.252.260
6	Less Stable Deposits	6.526.186	5.079.045	-	144.183	10.574.473
7	Other Obligations	-	102.862.188	4.199.566	1.131.687	54.662.564
8	Operational deposits	-	-	-	-	-
9	Other Obligations	-	102.862.188	4.199.566	1.131.687	54.662.564
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	11.366.348	-	-	-	-
12	Derivative liabilities	-	-	-	-	-
13	All other equity not included in the above categories	11.366.348	-	-	-	-
14	Available stable funding					121.189.829
Required stable funding						
15	High Quality Liquid Assets					842.021
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	97.306	37.615.956	30.636.834	16.154.287	45.101.928
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	7.713.443	-	-	1.157.018
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	97.306	29.902.513	30.636.834	15.639.324	43.610.184
21	Loans with a risk weight of less than or equal to %35	-	-	-	15.639.324	13.291.857
22	Residential mortgages	-	-	-	514.963	344.726
23	Residential mortgages with a risk weight of less than or equal to %35	-	-	-	514.963	344.726
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	-	-
25	Assets equivalent to interconnected liabilities					
26	Other Assets	422.372	4.372.540	-	41.767.077	46.561.989
27	Physical traded commodities, including gold	-	-	-	-	-
28	Initial margin posted or given guarantee fund to central counterparty	-	-	-	-	-
29	Derivative Assets	-	4.372.540	-	-	4.372.540
30	Derivative Liabilities before the deduction of the variation margin	-	-	-	-	-
31	Other Assets not included above	422.372	-	-	41.767.077	42.189.449
32	Off-balance sheet commitments		49.839.687	-	-	2.491.994
33	Total Required stable funding					94.997.932
34	Net Stable Funding Ratio (%)					127.57

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Information on financial structure and risk management (Continued)

IV. Explanations on liquidity risk (Continued):

Prior Period 31.12.2023	a	B	c	d	e
	Unweighted Amount According to Residual Maturity				Total Amount with Consideration Applied
	Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Current Stable Funding					
1 Capital Instruments	16.454.733	-	-	-	16.454.733
2 Tier 1 Capital and Tier 2 Capital	16.454.733	-	-	-	16.454.733
3 Other Capital Instruments	-	-	-	-	-
4 Real-person and Retail Customer Deposits	30.895.449	21.226.863	-	224.753	49.055.979
5 Stable Deposits	22.243.664	16.553.409	-	75.340	36.928.792
6 Less Stable Deposits	8.651.785	4.673.454	-	149.413	12.127.187
7 Other Obligations	-	90.964.514	1.398.782	-	46.181.648
8 Operational deposits	-	-	-	-	-
9 Other Obligations	-	90.964.514	1.398.782	-	46.181.648
10 Liabilities equivalent to interconnected assets					
11 Other Liabilities	12.348.258	-	-	-	-
12 Derivative liabilities	-	-	-	-	-
13 All other equity not included in the above categories	12.348.258	-	-	-	-
14 Available stable funding					111.692.360
Required stable funding					
15 High Quality Liquid Assets					1.275.507
16 Deposits held at financial institutions for operational purposes	-	-	-	-	-
17 Performing Loans	-	482.426	53.289.512	11.813.744	36.111.920
18 Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19 Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	482.426	-	-	72.364
20 Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	-	53.289.512	10.582.896	35.639.530
21 Loans with a risk weight of less than or equal to %35	-	-	-	10.582.896	8.994.774
22 Residential mortgages	-	-	-	615.424	400.026
23 Residential mortgages with a risk weight of less than or equal to %35	-	-	-	615.424	400.026
24 Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	-	-	-	-
25 Assets equivalent to interconnected liabilities					
26 Other Assets	233.137	4.137.218	-	29.092.854	33.463.209
27 Physical traded commodities, including gold	-	-	-	-	-
28 Initial margin posted or given guarantee fund to central counterparty	-	-	-	-	-
29 Derivative Assets	-	4.137.218	-	-	4.137.218
30 Derivative Liabilities before the deduction of the variation margin	-	-	-	-	-
31 Other Assets not included above	233.137	-	-	29.092.854	29.325.991
32 Off-balance sheet commitments		33.571.361	-	-	1.678.568
33 Total Required stable funding					72.529.204
34 Net Stable Funding Ratio (%)					154,00

As of June 30, 2024, the Net Stable Funding Rate was 127,57% (previous period: 154,00%). Considering the amounts to which the consideration rate is applied, the Equity Elements to which the highest consideration rate is applied within the scope of the legislation are 18% of the Current Stable Fund amount (previous period: 14,73%) and the Real Person and Retail Customer Participation Fund is the amount of the Current Stable Fund. It constitutes 37% (previous period: 43,92%). The item with the largest share in the Required Stable Fund is the Other Assets item with 49% (previous period: 46,14%). Factors such as the development of major balance sheet items such as inter-period Loans and Participation Fund, change in balance sheet maturity structure and asset collateralization are effective in the development of the rate.

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Information on financial structure and risk management (Continued)

V. Explanations regarding leverage ratio:

As of June 30, 2024, leverage ratio of the Bank calculated from the arithmetic average of the last 3 months is 7,26%.(December 31, 2023: 6,58%) Leverage ratio is required to remain minimum 3% as per “Communiqué on Measurement and Evaluation for Leverage Ratios of Banks”.

Disclosure Template for Leverage Ratio:

	Current Period 30 June 2024 (*)	Prior Period 31 December 2023 (*)
Balance sheet assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	199.764.266	180.715.357
2 (Assets deducted from Core capital)	442.829	377.283
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	199.321.437	180.338.074
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	-	-
5 Potential credit risk amount of derivative financial assets and credit derivatives	79.067	259.012
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	79.067	259.012
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	3.403.939	15.949.481
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	3.403.939	15.949.481
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	55.572.435	37.707.582
11 (Correction amount due to multiplication with credit conversion rates)	-	-
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	55.572.435	37.707.582
Capital and total risk		
13 Core Capital	18.753.053	15.421.014
14 Total risk amount (sum of lines 3, 6, 9 and 12)	258.376.878	234.254.149
Leverage ratio		
15 Leverage ratio (%)	7,26	6,58

(*) Amounts in the table show quarterly averages.

VI. Information regarding the fair value of financial assets and liabilities

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

VII. Explanations Regarding the Activities Carried Out on Behalf and Account of Other Persons

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

VIII. Explanations on risk management

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 on October 23, 2015 and became effective as of June 30, 2016. The tables related to ‘Internal Rating-Based (IRB) Approach’ are not presented due to the usage of standard approach for the calculation of capital adequacy.

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Information on financial structure and risk management (Continued)

VIII. Explanations on risk management (continued):

a. General overview of risk weighted amounts:

		Risk weighted assets		Minimum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	77.766.133	58.177.245	6.221.291
2	Of which standardised approach (SA)	77.766.133	58.177.245	6.221.291
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	60.989	27.689	4.879
5	Of which standardised approach for counterparty credit risk (SA-CCR)	60.989	27.689	4.879
6	Of which internal model method (IMM)	-	-	-
7	Equity positions in banking book under market-based approach	-	-	-
8	Equity investments in funds – look-through approach	-	-	-
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – fall-back approach (1250% risk weight)	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB Supervisory Formula Approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	2.721.389	3.726.558	217.711
17	Of which standardised approach (SA)	2.721.389	3.726.558	217.711
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	13.102.671	4.708.826	1.048.214
20	Of which Basic Indicator Approach	13.102.671	4.708.826	1.048.214
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	93.651.182	66.640.318	7.492.095

b. Links Between Financial Statements and Risk Amounts

The Communiqué on Changeable Disclosures to the Public Regarding Risk Management by Banks has not been prepared.

c. Disclosures on Credit risk:

c.1. General information on credit risk:

c.1.1. General qualitative information on credit risk:

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

c.1.2. Credit Quality of Assets

Current Period		Gross carrying values of (according to TAS)		Allowances/impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
1	Loans	422.372	86.021.808	302.388	86.141.792
2	Debt Securities	-	25.457.243	-	25.457.243
3	Off-balance sheet exposures	16.186	44.451.292	3.492	44.463.986
4	Total	438.558	155.930.343	305.880	156.063.021
Prior Period		Gross carrying values of (according to TAS)		Allowances/impairments	Net values
		Defaulted exposures	Non-defaulted exposures		
1	Loans	242.876	67.682.286	522.224	67.402.938
2	Debt Securities	-	32.069.942	132.392	31.937.550
3	Off-balance sheet exposures	6.184	29.323.421	131.301	29.198.304
4	Total	249.060	129.075.649	785.917	128.538.792

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Information on financial structure and risk management (Continued)

VIII. Explanations on risk management (continued):

c.1.3. Changes in Stock of Defaulted Loans and Debt Securities

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	242.876	93.376
2 Loans and debt securities that have defaulted since the last reporting period	312.726	454.068
3 Returned to non-defaulted status	-	-
4 Amounts written off	-	-
5 Other changes	(103.254)	(304.568)
6 Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	452.348	242.876

c.1.4. Additional information on credit quality of assets:

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

c.2. Credit risk mitigation

c.2.1. Qualitative disclosure on credit risk mitigation techniques:

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

c.2.2. Credit Risk Mitigation Techniques

Overview

		Exposures unsecured: carrying amount (According to TAS)	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralize d amount of exposures secured by credit derivatives
Current Period								
1	Loans	78.848.758	7.595.422	2.224.642	590.251	572.822	-	-
2	Debt Securities	25.457.243	-	-	-	-	-	-
3	Total	104.306.001	7.595.422	2.224.642	590.251	572.822	-	-
4	Of which defaulted	422.376	-	-	-	-	-	-
Prior Period								
1	Loans	59.674.449	7.728.489	2.731.872	683.695	674.345	-	-
2	Debt Securities	31.937.550	-	-	-	-	-	-
3	Total	91.611.999	7.728.489	2.731.872	683.695	674.345	-	-
4	Of which defaulted	242.876	-	-	-	-	-	-

c.3. Credit risk under standardised approach:

c.3.1. Qualitative disclosures on banks’ use of external credit ratings under the standardised approach for credit risk:

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

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Information on financial structure and risk management (Continued)

VIII. Explanations on risk management (continued):

c.3.2. Standardised Approach - Exposures by Asset Classes and Risk Weights

Current Period	Risk Classes	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	77.842.466	-	77.860.956	4	-	-
2	Exposures to regional governments or local authorities	26.049	3.387	-	1.693	-	0,00%
3	Exposures to public sector entities	486.436	30.863	486.436	25.363	506.337	98,93%
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	16.552.255	-	16.770.721	49.318	3.605.830	21,44%
7	Exposures to corporates	21.193.840	36.165.733	20.985.263	14.561.652	33.610.889	94,55%
8	Retail exposures	5.314.731	5.680.177	5.312.400	2.950.540	5.954.040	72,06%
9	Exposures secured by residential property	704.864	133.091	704.864	66.160	269.858	35,00%
10	Exposures secured by commercial real estate	1.430.599	1.021.736	1.430.599	521.646	1.337.567	68,51%
11	Past-due loans	64.597	-	64.597	-	44.784	69,33%
12	Higher-risk categories by the Agency Board	15.808.706	-	15.808.706	-	28.555.708	1,81
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-
16	Other assets	6.699.601	-	6.699.601	-	3.858.882	57,60%
17	Investments in equities	-	-	-	-	-	-
18	Total	146.124.144	43.034.987	146.124.143	18.176.376	77.743.895	47,32%

Prior Period	Risk Classes	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central banks	76.371.917	-	76.392.704	590	-	-
2	Exposures to regional governments or local authorities	94.283	532	-	266	-	0,00%
3	Exposures to public sector entities	440.321	4.880	440.321	2.346	433.999	98,04%
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Exposures to international organisations	-	-	-	-	-	-
6	Exposures to institutions	6.411.940	-	6.655.330	-	1.990.427	29,91%
7	Exposures to corporates	20.169.210	18.958.926	20.003.308	9.105.319	27.131.195	93,21%
8	Retail exposures	5.726.788	7.722.348	5.722.796	3.240.271	6.499.063	72,51%
9	Exposures secured by residential property	722.796	126.095	722.796	64.683	275.936	35,04%
10	Exposures secured by commercial real estate	1.272.753	839.679	1.272.753	464.608	1.164.048	67,00%
11	Past-due loans	30.284	-	30.284	-	21.007	69,37%
12	Higher-risk categories by the Agency Board	9.199.949	-	9.199.949	-	16.974.184	184,32%
13	Exposures in the form of covered bonds	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-
16	Other assets	5.692.488	-	5.692.488	-	3.687.386	64,78%
17	Investments in equities	-	-	-	-	-	-
18	Total	126.132.729	27.652.460	126.132.729	12.878.083	58.177.245	41,84%

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Information on financial structure and risk management (Continued)

VIII. Explanations on risk management (continued):

c.3.3. Exposures by Asset Classes and Risk Weights

Current Period												Total credit risk exposure amount (after CCF and CRM)
Risk classes/ Risk weight	0%	10%	20%	35% Secured by Real Estate Mortgage	50%	75%	100%	150%	200%	Others		
1 Exposures to central governments or central banks	77.860.960	-	-	-	-	-	-	-	-	-	77.860.960	
2 Exposures to regional governments or local authorities	1.693	-	-	-	-	-	-	-	-	-	1.693	
3 Exposures to public sector entities	5.461	-	-	-	-	-	506.337	-	-	-	511.798	
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	
6 Exposures to institutions	-	-	16.108.116	-	655.432	-	56.491	-	-	-	16.820.039	
7 Exposures to corporates	867.600	-	378.717	-	1.530.905	-	32.769.693	-	-	-	35.546.915	
8 Retail exposures	222.219	-	139.093	-	-	7.901.629	-	-	-	-	8.262.941	
9 Exposures secured by residential property	-	-	-	771.024	-	-	-	-	-	-	771.024	
10 Exposures secured by commercial real estate	-	-	-	-	1.229.357	-	722.889	-	-	-	1.952.246	
11 Past-due loans	-	-	-	-	39.626	-	24.971	-	-	-	64.597	
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	6.725.800	8.982.508	100.398	15.808.706	
13 Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	
15 Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	
16 Other assets	1.812.738	-	1.284.970	-	-	20	3.601.872	-	-	-	6.699.600	
17 Investments in equities	-	-	-	-	-	-	-	-	-	-	-	
18 Total	80.770.671	-	17.910.896	771.024	3.455.320	7.901.649	37.682.253	6.725.800	8.982.508	100.398	164.300.519	

(*) Represents %200 and %500 risk weight.

Prior Period												Total credit risk exposure amount (after CCF and CRM)
Risk classes/ Risk weight	0%	10%	20%	35% Secured by Real Estate Mortgage	50%	75%	100%	150%	200%	Others		
1 Exposures to central governments or central banks	76.393.294	-	-	-	-	-	-	-	-	-	76.393.294	
2 Exposures to regional governments or local authorities	266	-	-	-	-	-	-	-	-	-	266	
3 Exposures to public sector entities	8.668	-	-	-	-	-	433.999	-	-	-	442.667	
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	
5 Exposures to international organisations	-	-	-	-	-	-	-	-	-	-	-	
6 Exposures to institutions	-	-	5.369.047	-	739.331	-	546.952	-	-	-	6.655.330	
7 Exposures to corporates	972.740	-	290.880	-	1.543.976	-	26.301.031	-	-	-	29.108.627	
8 Retail exposures	226.511	-	97.007	-	-	8.639.549	-	-	-	-	8.963.067	
9 Exposures secured by residential property	-	-	-	785.356	2.123	-	-	-	-	-	787.479	
10 Exposures secured by commercial real estate	-	-	-	-	1.146.626	-	590.735	-	-	-	1.737.361	
11 Past-due loans	-	-	-	-	18.553	-	11.731	-	-	-	30.284	
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	3.308.878	5.820.551	70.520	9.199.949	
13 Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	
15 Exposures in the form of units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	
16 Other assets	496.703	-	1.883.731	-	-	5.663	3.306.391	-	-	-	5.692.488	
17 Investments in equities	-	-	-	-	-	-	-	-	-	-	-	
18 Total	78.098.182	-	7.640.665	785.356	3.450.609	8.645.212	31.190.839	3.308.878	5.820.551	70.520	139.010.812	

(*) Represents %200 and %500 risk weight.

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Information on financial structure and risk management (Continued)

VIII. Explanations on risk management (continued):

d. Counterparty credit risk:

d.1. Qualitative disclosure on counterparty credit risk:

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

d.2. Counterparty Credit Risk (CCR) Approach Analysis

	Revaluation cost	Potential credit risk exposure	EEPE (*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
Current Period						
1 Standardised Approach (for derivatives)	19.768	32.692		-	73.444	60.989
2 Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
3 Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
4 Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
5 VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit						
6 Total						60.989

(*) Effective Expected Positive Exposure

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Information on financial structure and risk management (Continued)

VIII. Explanations on risk management (continued):

d.2. Counterparty Credit Risk (CCR) Approach Analysis (continued):

	Revaluation cost	Potential credit risk exposure	EEPE (*)	Alpha	Exposure after credit risk mitigation	Risk Weighted Amounts
Prior Period						
1 Standardised Approach (for derivatives)	4.004	23.685		-	27.689	27.689
2 Internal Model Method (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
3 Simple Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
4 Comprehensive Approach for credit risk mitigation (for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit)						
5 VaR for for derivatives, Repo Transactions, Marketable Securities or EMTIA lending or borrowing transactions, transactions with a long settlement time, Marketable Security transactions with credit						
6 Total						27.689

(*) Effective Expected Positive Exposure

d.3. Capital requirement for credit valuation adjustment (CVA):

	Current Period		Prior Period	
	Exposure (After credit risk mitigation methods)	Risk Weighted Amounts	Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
Total portfolio value with comprehensive approach CVA capital adequacy	-	-	-	-
1 (i) Value at risk component (3*multiplier included)				
2 (ii) Stressed Value at Risk (3*multiplier included)				
3 Total portfolio value with simplified approach CVA capital adequacy	73.444	22.239	27.689	27.689
4 Total amount of CVA capital adequacy	73.444	22.239	27.689	27.689

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Information on financial structure and risk management (Continued)

VIII. Explanations on risk management (continued):

d.4. Standardised Approach of CCR Exposures by Regulatory Portfolio and Risk Weights

Current Period

Risk Classes	Risk Weights								Total Credit Risk ^(*)
	%0	%10	%20	%50	%75	%100	%150	Other	
Central governments and central banks receivables	-	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	29.587	3.691	-	-	26.120	-	59.398
Corporate receivables	-	-	-	-	-	14.046	-	-	14.046
Retail receivables	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-
Securitisation Positions	-	-	-	-	-	-	-	-	-
Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	29.587	3.691	-	14.046	26.120	-	73.444

(*) Total credit risk: Represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

Prior Period

Risk Classes	Risk Weights								Total Credit Risk ^(*)
	%0	%10	%20	%50	%75	%100	%150	Other	
Central governments and central banks receivables	-	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
International Organisations receivables	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	-	-	-	27.689	-	-	27.689
Corporate receivables	-	-	-	-	-	-	-	-	-
Retail receivables	-	-	-	-	-	-	-	-	-
Non performing receivables	-	-	-	-	-	-	-	-	-
High risk defined receivables	-	-	-	-	-	-	-	-	-
Mortgage backed securities	-	-	-	-	-	-	-	-	-
Securitisation Positions	-	-	-	-	-	-	-	-	-
Short term credit rated banks and Intermediary Institutions receivables	-	-	-	-	-	-	-	-	-
Collective investment undertaking investments	-	-	-	-	-	-	-	-	-
Equity investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	27.689	-	-	27.689

(*) Total credit risk: Represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

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Information on financial structure and risk management (Continued)

VIII. Explanations on risk management (continued):

d.5. Collaterals for CCR:

The Bank does not have any collaterals used for CCR (31 December 2023: None).

d.6. Information on the risks of the Bank arising from purchased or sold credit derivatives

The Bank does not have any risks arising from purchased or sold credit derivatives (31 December 2023: None).

d.7. Information on risks of the Bank arising from central counterparty

The Bank does not have any risks arising from central counterparty ((31 December 2023: None).

e. Securitization explanations:

There is not any information to be announced to public on securitization (31 December 2023: None).

f. Disclosures on market risk

f.1. Qualitative disclosure on market risk:

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

f.2. Market Risk Explanations-Standardised Approach

	Current Period	Prior Period
	RWA	RWA
Outright products		
1 Interest rate risk (general and specific)	953.540	1.120.447
2 Equity risk (general and specific)	-	-
3 Foreign exchange risk	1.248.125	2.199.503
4 Commodity risk	519.725	406.608
Options		
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitisation	-	-
Total	2.721.390	3.726.558

g. Disclosures on operational risk

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

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Information on financial structure and risk management (Continued)

IX. Explanations on business segments:

The Bank has operations in retail banking, corporate and entrepreneurial banking, specialized banking, investment banking and international banking areas.

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	4.077.460	76.825.541	117.225.412	5.555.251	203.683.664
Total Liabilities	53.150.689	126.832.527	13.598.198	10.102.250	203.683.664
Net profit share income/(expense) (*)	1.003.913	5.065.018	(2.304.085)	93.318	3.858.164
Net fees and commissions income/(expense)	260.470	1.297.493	(404.401)	(27.860)	1.125.702
Other operating income/(expense)	1.202.829	2.210.954	847.126	(1.615.503)	2.645.406
Provision expenses	(82.711)	(394.142)	(4.894)	(67.758)	(549.505)
Profit/(loss) before tax	2.384.501	8.179.323	(1.866.254)	(1.617.803)	7.079.767
Provision for tax	-	-	-	(1.899.099)	(1.899.099)
Net profit / (loss) for the period	2.384.501	8.179.323	(1.866.254)	(3.516.902)	5.180.668

(*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Bank.

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Total Assets	4.205.570	62.693.608	117.928.970	4.054.378	188.882.526
Total Liabilities	65.817.628	113.821.225	7.190.680	2.052.993	188.882.526
Net profit share income/(expense) (*)	824.232	4.688.338	982.696	(208.700)	6.286.566
Net fees and commissions income/(expense)	519.594	1.796.913	(23.463)	(11.884)	2.281.160
Other operating income/(expense)	1.947.858	2.008.531	(2.941)	(4.509.777)	(556.329)
Provision expenses	(74.335)	(267.470)	(87.957)	(64)	(429.826)
Profit/(loss) before tax	3.217.349	8.226.312	868.335	(4.730.425)	7.581.571
Provision for tax	-	-	-	(2.452.037)	(2.452.037)
Net profit / (loss) for the period	3.217.349	8.226.312	868.335	(7.182.462)	5.129.534

(*) The distribution difference in the retail, commercial and corporate segments stems from fund allocation and fund collection methods of the Bank.

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SECTION FIVE

Explanations And Notes On The Unconsolidated Financial Statements

I. Explanations and notes related to assets:

1. a) Cash and balances with the Central Bank of Republic of Türkiye (CBRT):

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash / Foreign currency	111.224	1.265.551	77.430	319.727
CBRT	13.832.191	42.811.656	17.215.441	49.495.840
Other (*)	77.133	2.623.645	108.898	3.026.500
Total	14.020.548	46.700.852	17.401.769	52.842.067

(*) As of June 30, 2024 it includes precious metal deposit account amounting to TL 1.096.391 (December 31, 2023: TL 186.469) and money in transit account amounting to TL 1.604.387 (December 31, 2023: TL 2.948.929)

b) Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	5.782.792	14.207.068	13.772.897	22.032.535
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	8.049.399	28.604.588	3.442.544	27.463.305
Total	13.832.191	42.811.656	17.215.441	49.495.840

b.1) Explanations regarding the reserve requirement application:

The Bank establishes required reserves at the CBRT for Turkish currency and foreign currency liabilities in accordance with the CBRT's Communiqué No. 2005/1 on Reserve Requirements. Required reserves can be kept in Turkish Lira, US Dollar and/or Euro and standard gold according to the "Communiqué on Required Reserves" at the CBRT.

As of June 30, 2024, the Bank's applicable rates for Turkish lira required reserves are between 3% and %33, depending on the maturity structure for participation funds and other liabilities and the applicable rates for FX required reserves are between 5% and %30 and the required reserves for precious metal deposit accounts are %22 and %26 depending on the maturity structure. The reserve requirement ratio for participation funds in FX (excluding participation funds of banks abroad and precious metal deposit accounts) is 8%.

2. a. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	249.666	287.705	42.328	443.525
Foreign	-	24.703.642	50	13.391.989
Total	249.666	24.991.347	42.378	13.835.514

b. Information on foreign bank accounts:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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Explanations and notes on the unconsolidated financial statements (Continued):

I. Explanations and notes related to assets (Continued):

3. a. Information on financial assets at fair value through profit/loss subject to repurchase agreements and given as collateral/blocked

As of 30 June 2024, there is no amount subject to sales with repurchase agreements among the financial assets whose fair value difference is reflected in profit or loss (31 December 2023: None). The amount of blocked items given as collateral is 829.619 TL (31 December 2023: 887.467 TL).

b. Information on financial assets at fair value through profit/loss

	Current Period	Prior Period
Debt securities	1.963.550	3.255.346
Quoted on a stock exchange	1.250.904	1.699.889
Unquoted on a stock exchange (*)	712.646	1.555.457
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted on a stock exchange	-	-
Impairment provision (-)	862	4.034
Total	1.962.688	3.251.312

(*) Includes debt securities that are listed on the stock exchange but are not traded at the end of the relevant period.

4. Information on Financial Assets at fair value through other comprehensive income:

a. Information on financial assets valued at fair value through other comprehensive income subject to repurchase transactions, given as a guarantee or blocked:

As of 30 June 2024, there is no amount subject to sale transactions with promises of repurchase in assets reflected in other comprehensive income financial statements. (December 31, 2023: None). The amount of those blocked given as collateral is TL 505.479 (December 31, 2023: TL 3.274.518).

b. Financial assets valued at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	12.228.659	12.145.754
Quoted on a stock exchange (*)	8.308.953	8.080.774
Unquoted on a stock exchange	3.919.706	4.064.980
Share certificates	7.659	7.659
Quoted on a stock exchange (*)	-	-
Unquoted on a stock exchange	7.659	7.659
Impairment provision (-)	23.435	26.836
Total	12.212.883	12.126.577

(*) Includes debt securities that are listed on the stock exchange but are not traded at the end of the relevant period.

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Explanations and notes on the unconsolidated financial statements (Continued):

I. Explanations and notes related to assets (Continued):

5. Information on derivative financial assets

a. Positive differences related to the derivative financial assets

	Current Period		Prior Period	
	TL	FC	TL	FC
Swap Transactions	-	-	84	-
Forward Transactions	18.007	1.759	2.854	1.066
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	18.007	1.759	2.938	1.066

6. Information on loans

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans to Bank Partners	133.267	-	1.201.000	-
Loans to Legal Person Partners	133.267	-	1.201.000	-
Loans to Real Person Partners	-	-	-	-
Indirect Loans to Bank Partners	3.758	-	3.637	-
Loans to Bank Members	3.758	-	3.637	-
Total	137.025	-	1.204.637	-

b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans:

b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans:

Cash Loans Current Period	Standard Loans	Loans Not subject to restructured loans	Loans Under Close Monitoring	
			Loans with Revised Contract Terms	Restructured Loans Refinance
Loans	84.273.866	863.699	504.310	-
Export loans	-	-	-	-
Import loans	6.571.776	7.401	-	-
Business loans	49.875.245	804.395	504.310	-
Consumer loans	2.624.833	2.820	-	-
Credit cards	95	-	-	-
Loans given to financial sector	10.326.396	-	-	-
Other (*)	14.875.521	49.083	-	-
Other receivables	-	-	-	-
Total	84.273.866	863.699	504.310	-

(*) The details of other loans are as follows:

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I. Explanations and notes related to assets (Continued):

6. Information on loans (Continued)

Installment Commercial Loans	13.826.691
Loans Extended Abroad	73.125
Other Investment Loans	999.204
Other	25.584
Total	14.924.604

Cash Loans Prior Period	Standard Loans	Loans Not subject to restructured loans	Loans Under Close Monitoring	
			Loans with Revised Contract Terms	Restructured Loans Refinance
Loans	66.772.054	345.887	181.519	-
Export loans	-	-	-	-
Import loans	4.744.240	7.575	-	-
Business loans	45.508.742	164.942	181.519	-
Consumer loans	2.769.781	1.699	-	-
Credit cards	-	-	-	-
Loans given to financial sector	6.345.775	-	-	-
Other (*)	7.403.516	171.671	-	-
Other receivables	-	-	-	-
Total	66.772.054	345.887	181.519	-

(*) The details of other loans are as follows:

Installment Commercial Loans	5.808.797
Loans Extended Abroad	127.382
Other Investment Loans	1.606.919
Other	32.089
Total	7.575.187

b2. Explanations on expected loss provisions for standard and closely monitored loans:

Current Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	444.031	-
Substantial increase in credit risk	-	105.181
Prior Period	Standard Loans	Loans Under Close Monitoring
Expected loss of provision for 12 Months	354.090	-
Substantial increase in credit risk	-	29.943

c. Maturity analysis of cash loans:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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Explanations and notes on the unconsolidated financial statements (Continued):

I. Explanations and notes related to assets (Continued):

6. Information on loans (Continued)

ç. Information on consumer loans, retail credit cards, loans given to personnel and personnel credit cards:

Current Period	Short-term	Medium and long-term	Total
Consumer loans-TL	2.638	2.621.352	2.623.990
Housing loans	906	2.531.613	2.532.519
Vehicle loans	1.728	78.649	80.377
Consumer loans	4	11.090	11.094
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	245	3.418	3.663
Housing loans	-	2.227	2.227
Vehicle loans	245	1.045	1.290
Consumer loans	-	146	146
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	95	-	95
With installment	-	-	-
Without installment	95	-	95
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(Real Person)	-	-	-
Overdraft account-FC(Real Person)	-	-	-
Total	2.978	2.624.770	2.627.748

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I. Explanations and notes related to assets (Continued):

6. Information on loans (Continued)

Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TL	29.773	2.738.346	2.768.119
Housing loans	11.877	2.596.558	2.608.435
Vehicle loans	5.470	120.900	126.370
Consumer loans	12.426	20.888	33.314
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Retail credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	139	3.498	3.637
Housing loans	-	2.061	2.061
Vehicle loans	139	1.273	1.412
Consumer loans	-	164	164
Other	-	-	-
Personnel loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel loans-FC	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL(Real Person)	-	-	-
Overdraft account-FC(Real Person)	-	-	-
Total	29.912	2.741.844	2.771.756

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Explanations and notes on the unconsolidated financial statements (Continued):

I. Explanations and notes related to assets (Continued):

6. Information on loans (Continued)

d. Information on commercial loans with installments and corporate credit cards:

Current Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	3.285.830	3.077.106	6.362.936
Business loans	78.607	127.590	206.197
Vehicle loans	2.637.611	1.985.913	4.623.524
Consumer loans	569.612	963.603	1.533.215
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	99.729	328.430	428.159
Business loans	-	20.057	20.057
Vehicle loans	85.460	270.077	355.537
Consumer loans	14.269	38.296	52.565
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	7.035.596	-	7.035.596
Overdraft account-FC(Legal Entity)	-	-	-
Total	10.421.155	3.405.536	13.826.691
Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	2.069.630	3.501.720	5.571.350
Business loans	155.018	166.685	321.703
Vehicle loans	1.624.565	2.058.795	3.683.360
Consumer loans	290.047	1.276.240	1.566.287
Other	-	-	-
Commercial installment loans-FC indexed	-	-	-
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	20.841	197.230	218.071
Business loans	-	23.065	23.065
Vehicle loans	18.409	112.867	131.276
Consumer loans	2.432	61.298	63.730
Other	-	-	-
Corporate credit cards-TL	-	-	-
With installment	-	-	-
Without installment	-	-	-
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	17.488	-	17.488
Overdraft account-FC(Legal Entity)	1.888	-	1.888
Total	2.109.847	3.698.950	5.808.797

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I. Explanations and notes related to assets (Continued):

6. Information on loans (Continued)

e) Allocation of loans by customers:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

f) Breakdown of domestic and foreign loans:

The distribution of loans excluding non-performing loans is as follows:

	Current Period	Prior Period
Domestic loans	84.642.671	65.692.541
Foreign loans	999.204	1.606.919
Total	85.641.875	67.299.460

g) Loans granted to subsidiaries and associates:

None (31 December 2023: None).

ğ) Default provisions for loans (Third Stage) provisions:

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	45.826	20.019
Doubtful Loans and Other Receivables	97.905	23.905
Uncollectible Loans and Receivables	158.658	139.163
Total	302.389	183.087

h) Information on non-performing loans and receivables (net):

h.1) Non-performing loans and receivables which are restructured or rescheduled:

None (31 December 2023: None).

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I. Explanations and notes related to assets (Continued):

6. Information on loans (Continued)

h.2) Movements of non-performing loans:

Current Period	III. Group	IV. Group	V. Group
	Loans and ables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Closing balance of prior period	42.980	39.959	159.937
Additions in the current period (+)	279.470	24.284	8.972
Transfers from other categories of non-performing loans (+)	-	159.334	37.340
Transfers to other categories of non-performing loans (-)	159.334	37.340	-
Collections in the current period (-)	64.677	11.102	27.475
Write offs (-)	-	-	-
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	98.439	175.135	178.774
Provision (-)	45.826	97.905	158.658
Net balance at the balance sheet	52.613	77.230	20.116

Prior Period	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Closing balance of prior period	35.852	27.204	30.320
Additions in the current period (+)	205.681	125.511	122.876
Transfers from other categories of non-performing loans (+)	-	76.412	61.424
Transfers to other categories of non-performing loans (-)	76.412	61.424	-
Collections in the current period (-)	122.141	127.744	54.683
Write offs (-)	-	-	-
Sale (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	42.980	39.959	159.937
Provision (-)	20.019	23.905	139.163
Net balance at the balance sheet	22.961	16.054	20.774

h.3) Non-performing loans and other receivables in foreign currencies:

Current Period	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Doubtful Loans	Loss Loans
End of period balance	4.561	1.405	29.278
Provision Amount (-)	2.151	730	24.381
Total	2.410	675	4.897
Prior Period	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Doubtful Loans	Loss Loans
End of period balance	-	11.228	16.121
Provision Amount (-)	-	6.917	11.926
Total	-	4.311	4.195

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I. Explanations and notes related to assets (Continued):

6. Information on loans (Continued)

h.4) Gross and net non-performing loans and other receivables per customer categories:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net)	52.613	77.230	20.116
Loans to individuals and corporates (gross)	98.439	175.135	178.774
Provision (-)	45.826	97.905	158.658
Loans to individuals and corporates (net)	52.613	77.230	20.116
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net)	22.961	16.054	20.774
Loans to Real Persons and Legal Entities (Gross)	42.980	39.959	159.937
Specific provision (-)	20.019	23.905	139.163
Loans to Real Persons and Legal Entities (Net)	22.961	16.054	20.774
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

h.5) Information on profit share accrual accruals and valuation differences calculated for non-performing loans by banks allocating expected credit losses according to TFRS 9 and their equivalents

	III. Group	IV. Group	V. Group
	Limited Collection Loans	Doubtful Loans	Loss Loans
Current Period (Net)	5.096	6.434	658
Profit share accruals and valuation differences	9.535	14.590	5.851
Provisions (-)	4.439	8.156	5.193
Prior Period (Net)	1.469	1.049	1.488
Profit share accruals and valuation differences	2.416	2.637	8.124
Provisions (-)	947	1.588	6.636

i) Liquidation policy for uncollectible loans and other receivables:

The Bank initiates a legal process for the collection of receivables arising from credit transactions. The debtor’s and debtor related’s assets’ together with process of cash conversion of the collaterals which constitute of the Bank receivables will be processed by the Bank and in addition to this process the Bank will try to collect and liquidate its receivables through administrative ways.

i) Information on “Write-off” policies:

In accordance with Article 8 of the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for them", loans classified under “Fifth Group Loans of Loss” and which does not have reasonable expectations regarding the recovery of loans with a lifetime expected due to the default of the debtor or the provision of special provisions can be deducted from the records within the scope of TFRS 9 as of the first reporting period following their classification in this group. Deducting loans from records is an accounting practice that has no effect on withdrawal.

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I. Explanations and notes related to assets (Continued):

6. Information on loans (Continued)

It is an accounting practice to deduct loans that do not have the possibility to collect from the records within the scope of the above provision, does not mean that result in giving up the right to receivable.

The general policy of the Bank is to write-off the receivables which are deemed to be impossible to collect during the legal follow-up process from the assets in accordance with the decision taken by the top management of the bank. There is no cancellation of the loans brought because it is believed that it will not be possible to collect it in 2024. (December 31, 2023: None).

7. Information on Financial Assets Measured at Amortized Cost

a) Information on government debt securities measured at amortized cost

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities	11.281.672	16.692.053
Total	11.281.672	16.692.053

b) Information on investment securities measured at amortized cost

	Current Period	Prior Period
Debt Securities	11.281.672	16.692.053
Quoted on a stock Exchange	10.041.782	9.592.906
Unquoted (*)	1.239.890	7.099.147
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
Total	11.281.672	16.692.053

(*)It also includes debt securities that are listed on the stock exchange but are not traded on the stock exchange at the end of the relevant period.

c) Information on the movements of financial assets valued at amortized cost during the year:

	Current Period	Prior Period
Balance at beginning of period	16.692.053	10.440.441
Foreign currency differences on monetary assets (*)	542.758	3.751.612
Purchases during period	983.259	2.500.000
Disposals through sales and redemptions	(6.936.398)	-
Impairment provision (-)	-	-
Closing Balance	11.281.672	16.692.053

(*) This amount includes TL 98.716 (December 31, 2023: TL 1.490.267) income accrual.

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I. Explanations and notes related to assets (Continued):

8. Information on lease receivables (net):

a. Presentation of remaining maturities of funds lent under finance lease method:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	144.422	127.149	131.241	118.085
1 to 4 years	243.554	222.808	298.224	255.068
More than 4 years	-	-	11.400	9.673
Total	387.976	349.957	440.865	382.826

b. Information on net investments through finance lease:

	Current Period	Prior Period
Finance lease receivables (gross)	387.976	440.865
Unearned finance lease receivable (-)	38.019	58.039
Receivable from finance leases (net)	349.957	382.826

c. General explanation on finance lease contracts:

Finance lease contracts are realized in accordance with the related articles of Finance Lease, Factoring and Financing Companies Act numbered 6361. There are no restrictions due to finance lease contracts, no renewals or contingent rent payments that materially affect the financial statements.

Information on leasing receivables:

Finance Lease	Standard Loans	Leasing Receivables Under Close Monitoring		
		Leasing receivables not subject to restructured loans	Restructured or rescheduled	Refinance
		Leasing Receivables with Revised Contract Terms		
Current Period				
Finance lease receivables (Net)	349.321	-	636	-
Prior Period				
Finance lease receivables (Net)	382.826	-	-	-

9. Information on assets held for sale and assets of discontinued operations:

Financial assets held for sale consist of tangible assets acquired due to receivables.

	Current Period	Prior Period
Opening balance	8.283	5.242
Additions	11.518	4.164
Disposals	626	1.123
Transfers	-	-
Impairment (-)	-	-
Closing balance	19.175	8.283

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Explanations and notes on the unconsolidated financial statements (Continued):

I. Explanations and notes related to assets (Continued):

10. Information on associates

a. Associates (net):

a.1 Information on unconsolidated associates:

The Bank became a shareholder of Katılım Finans Kefalet A.Ş., which was established for the purpose of creating a guarantee system in accordance with the principles and principles of Participation Banking. with a participation fee of 22.500 TL on 30 April 2023 and 22.500 TL on 31 January 2024, for a total of 45.000 TL. The total capital of the company is 600.000 TL and the Bank's total participation amount is 90.000 TL, which corresponds to 15%. The remaining 45.000 TL will be paid within 2 years. There is a member of the board of directors in the company to represent the Bank's shares.

Title	Address (City/Country)	If the Parent Bank's Share Ratio is Different Voting Rate (%)	Share Ratio of Other Partners (%)
Katılım Finans Kefalet A.Ş.	İstanbul/Türkiye	% 15	% 85

a.2 Information on consolidated associates:

None (31 December 2023:None).

b. Information on subsidiaries (net)

b.1 Information on unconsolidated subsidiaries

Emlak Menkul Değerler A.Ş., which is owned by the Bank by 50%, has been reported to be bankrupt in the Audit Report prepared by Court of Account dated 31 October 2018. Emlak Menkul Değerler A.Ş. has not been consolidated as of June 30, 2024 and December 31, 2023.

b.2 Information on consolidated subsidiaries

Emlak Varlık Kiralama A.Ş, which is a %100 subsidiaries of the Bank, was established and registered to the trade registry in 5 August 2019 with the permission taken from “Banking Regulation and Supervision Agency” and “Capital Markets Board of Türkiye”. Emlak Varlık Kiralama A.Ş has been founded to operate lease certificate according to rulings of Capital Markets Board of Türkiye which was dated 7 June 2013 and numbered 28760 serial: 3 no: 61.1 published in Official Gazette. Emlak Varlık Kiralama A.Ş. was established and began to operate on 5 August 2019 with TL 50 capital amount paid by the Main Shareholder Bank.

Emlak Katılım Varlık Kiralama A.Ş, 100% subsidiaries of the Bank was established and registered to the trade registry in 20 January 2020 with the permission taken from “Banking Regulation and Supervision Agency” and “Capital Markets Board of Türkiye”. Within the framework of the CMB's Communiqué on Lease Certificates (III-61.1) published in the Official Gazette dated June 7, 2013 and numbered 28760, Emlak Katılım Varlık Kiralama A.Ş. was established on December 16, 2019, with a capital of TL 50 and started its activity.

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I. Explanations and notes related to assets (Continued):

10. Information on consolidated subsidiaries (Continued):

	Name	Address (City/Country)	Operating Subject	Bank's share percentage (%)	Direct and Indirect Share Percentages (%)
1	Emlak Varlık Kiralama A.Ş.	İstanbul/Türkiye	Issuance Of Lease Certificate	100	100
2	Emlak Katılım Varlık Kiralama A.Ş.	İstanbul/Türkiye	Issuance Of Lease Certificate	100	100

The values stated in the table below are taken from the audited financial statements of Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş.'s dated December 31, 2023, which have not been subjected to inflation accounting.

Name	Total Assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period income /loss	Prior period income /loss	Fair Value
1	7.226.577	18.514	-	1.642.207	-	14.321	3.846	-
2	9.932.223	50	-	1.967.200	-	-	-	-

b.2.1 Movement information on subsidiaries

	Current Period	Prior Period
Amount at the beginning of the period	100	100
Movements inside the term	-	-
Purchases / new incorporations / capital increases	-	-
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	100	100
Capital commitments	-	-
Share of the capital at the end of the period (%)	100	100

b.2.2 Information on investments in joint-ventures

None (31 December 2023: None).

11. Information on tangible assets:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

12. Information on intangible assets:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

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I. Explanations and notes related to assets (Continued):

13. Information on investment property:

None (December 31, 2023: None).

14. Information related to deferred tax asset:

	Current Period	Prior Period
Lease certificates rediscount income	2.696.931	1.060.819
Prepaid wages and commissions and unearned income	116.456	110.388
Expected Loss Provisions	227.254	187.412
Securities valuation differences	63.859	72.000
Provisions for retirement premium and vacation pay liabilities	164.596	96.952
Derivative financial instruments	10.605	8.160
TFRS 16 allowance	18.031	19.999
Other debt and expense provisions	1.288.378	1.288.910
Deferred tax asset	4.586.110	2.844.640
Securities valuation differences	150.043	307.628
Derivative instruments	3.539	769
Profit share rediscount	1.878.046	796.854
Difference between book value and tax value of tangible fixed assets	42.756	26.200
Other	-	-
Deferred tax liability	2.074.384	1.131.451
Deferred tax asset (Net)	2.511.726	1.713.189

15. Breakdown of items in other assets except commitments presented in off-balance sheet, which exceed 10% of the balance sheet total and breakdown of items which constitute at least 20% of grand total

As of the balance sheet date, the Bank's total other assets are 2.622.728 TL (December 31, 2023: 2.487.679 TL) and do not exceed 10% of the total assets.

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Explanations and notes on the unconsolidated financial statements (Continued):

II. Explanations and notes related to liabilities:

1. Information on funds collected:

a. Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	923.052	-	-	-	-	-	-	-	923.052
II. Real Persons Participation Accounts Non-Trade TL(*)	-	3.654.868	1.179.242	1.080.655	536.821	311.684	261.989	-	7.025.259
III. Current Account other-TL	10.201.094	-	-	-	-	-	-	-	10.201.094
Public Sector	354.421	-	-	-	-	-	-	-	354.421
Commercial Institutions	6.629.929	-	-	-	-	-	-	-	6.629.929
Other Institutions	19	-	-	-	-	-	-	-	19
Commercial and Other Institutions	65.812	-	-	-	-	-	-	-	65.812
Banks and Participation Banks									
Banks	3.150.913	-	-	-	-	-	-	-	3.150.913
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	3.150.913	-	-	-	-	-	-	-	3.150.913
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	22.184.034	7.738.579	4.363.665	720.800	715.110	-	-	35.722.188
Public Sector	-	8.451.272	2.057.956	1.071.718	89.229	283.668	-	-	11.953.843
Commercial Institutions	-	11.468.279	5.138.347	2.781.894	631.571	431.442	-	-	20.451.533
Other Institutions	-	414.373	50.124	7.988	-	-	-	-	472.485
Commercial and Other Institutions	-	1.274.835	492.152	502.065	-	-	-	-	2.269.052
Banks and Participation Banks	-	575.275	-	-	-	-	-	-	575.275
V. Real Persons Current Accounts Non- Trade FC	27.984.091	-	-	-	-	-	-	-	27.984.091
VI. Real Persons Participation Accounts Non-Trade FC	-	3.941.950	327.200	58.848	33.105	1.678	42	-	4.362.823
VII. Other Current Accounts FC	56.315.996	-	-	-	-	-	-	-	56.315.996
Residents in Türkiye-Corporate	22.264.090	-	-	-	-	-	-	-	22.264.090
Residents Abroad-Corporate	33.839.473	-	-	-	-	-	-	-	33.839.473
Banks and Participation Banks	212.433	-	-	-	-	-	-	-	212.433
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	212.433	-	-	-	-	-	-	-	212.433
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	10.435.145	978.159	298.214	547	42.387	-	-	11.754.452
Public sector	-	1.617.712	156	-	-	-	-	-	1.617.868
Commercial institutions	-	7.578.708	924.558	298.214	547	42.387	-	-	8.844.414
Other institutions	-	6.895	2.117	-	-	-	-	-	9.012
Commercial and Other Institutions	-	1.174.216	51.328	-	-	-	-	-	1.225.544
Banks and Participation Banks	-	57.614	-	-	-	-	-	-	57.614
IX. Precious Metals Deposits	2.453.233	1.648.183	564.295	37.331	5.127	11.083	-	-	4.719.252
X. Participation Accounts Special Fund Pools TL	-	647.969	432.256	7.032	7.153	-	-	-	1.094.410
Residents in Türkiye	-	647.969	432.256	7.032	7.153	-	-	-	1.094.410
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	97.877.466	42.512.149	11.219.731	5.845.745	1.303.553	1.081.942	262.031	-	160.102.617

(*) Participation account balance, 470.797 TL “Exchange Rate Protected Turkish Lira Time Deposit” opened within the scope of the announcement of the Ministry of Treasury and Finance of the Republic of Türkiye dated 24 December 2021, the product published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, “Foreign Exchange Convertible Exchange Rate Protected” It also includes the balances of 4.508.851 TL opened within the scope of "Turkish Lira Time Deposits" and 7.825.178 TL opened within the scope of the product "YUVAM Accounts" published in the Official Gazette dated February 1, 2022 and numbered 31737

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II. Explanations and notes related to liabilities (Continued): :

1. Information on funds collected (Continued):

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	781.376	-	-	-	-	-	-	-	781.376
II. Real Persons Participation Accounts Non-Trade TL(*)	-	9.436.238	3.687.463	883.373	190.795	713.409	227.127	-	15.138.405
III. Current Account other-TL	6.319.101	-	-	-	-	-	-	-	6.319.101
Public Sector	95.068	-	-	-	-	-	-	-	95.068
Commercial Institutions	3.824.771	-	-	-	-	-	-	-	3.824.771
Other Institutions	1	-	-	-	-	-	-	-	1
Commercial and Other Institutions	36.755	-	-	-	-	-	-	-	36.755
Banks and Participation Banks	2.362.506	-	-	-	-	-	-	-	2.362.506
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	2.362.506	-	-	-	-	-	-	-	2.362.506
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	21.335.831	10.912.720	509.179	19.617	2.040.700	-	-	34.818.047
Public Sector	-	5.997.846	1.334.736	244.220	-	6.063	-	-	7.582.865
Commercial Institutions	-	12.512.878	5.327.649	139.351	14.952	1.591.822	-	-	19.586.652
Other Institutions	-	1.699.819	37.316	-	-	-	-	-	1.737.135
Commercial and Other Institutions	-	1.022.832	2.803.886	125.608	4.665	442.815	-	-	4.399.806
Banks and Participation Banks	-	102.456	1.409.133	-	-	-	-	-	1.511.589
V. Real Persons Current Accounts Non-Trade FC	26.522.486	-	-	-	-	-	-	-	26.522.486
VI. Real Persons Participation Accounts Non-Trade FC	-	3.493.552	248.923	42.297	61.886	33.363	10.344	-	3.890.365
VII. Other Current Accounts FC	55.255.620	-	-	-	-	-	-	-	55.255.620
Residents in Türkiye-									
Corporate	17.684.685	-	-	-	-	-	-	-	17.684.685
Residents Abroad-Corporate	36.804.911	-	-	-	-	-	-	-	36.804.911
Banks and Participation Banks	766.024	-	-	-	-	-	-	-	766.024
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	766.024	-	-	-	-	-	-	-	766.024
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	3.661.601	570.150	55.690	135	855	-	-	4.288.431
Public sector	-	153.936	-	-	-	-	-	-	153.936
Commercial institutions	-	2.821.103	507.954	55.690	135	855	-	-	3.385.737
Other institutions	-	6.013	1.963	-	-	-	-	-	7.976
Commercial and Other Institutions	-	680.549	60.233	-	-	-	-	-	740.782
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
IX. Precious Metals Deposits	2.034.626	1.089.434	389.630	22.634	1.508	2.953	-	-	3.540.785
X. Participation Accounts Special Fund Pools TL	-	269.058	254.212	-	404.524	14.508	-	-	942.302
Residents in Türkiye	-	269.058	254.212	-	404.524	14.508	-	-	942.302
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+....+IX+X+XI)	90.913.209	39.285.714	16.063.098	1.513.173	678.465	2.805.788	237.471	-	151.496.918

(*) Participation account balance, 3.393.717 TL "Exchange Rate Protected Turkish Lira Time Deposit" opened within the scope of the announcement of the Ministry of Treasury and Finance of the Republic of Türkiye dated 24 December 2021, the product "Foreign Currency Conversion" published by the CBRT in the Official Gazette No. 31696 dated 21 December 2021. It also includes the balances of 5.629.942 TL opened within the scope of "Exchange-Protected Turkish Lira Time Deposit" and 7.524.046 TL opened within the scope of the product "Yuvam Accounts" published in the Official Gazette dated 1 February 2022 and numbered 31737.

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Explanations and notes on the unconsolidated financial statements (Continued):

II. Explanations and notes related to liabilities (Continued):

1. Information on funds collected (Continued):

b) Saving deposits and other deposits accounts insured by Saving Deposit Insurance Fund:

b.1) Exceeding the limit of Insurance Fund:

Information on real persons’ current and participation accounts not subject to trading transactions under the guarantee of insurance and exceeding the limit of Insurance Fund:

	<u>Under the guarantee of Insurance</u>		<u>Exceeding the guarantee of Insurance</u>	
	<u>Current Period</u>	<u>Prior Period</u>	<u>Current Period</u>	<u>Prior Period</u>
Real persons’ current and participation accounts not subject to trading transactions	5.172.842	3.892.726	39.795.031	46.003.044
Turkish Lira accounts	1.994.044	1.722.154	7.044.618	15.134.112
Foreign currency accounts	3.178.798	2.170.572	32.750.413	30.868.932
Foreign branches’ deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities’ insurance	-	-	-	-

Information on legal persons’ current and participation accounts under the guarantee of insurance and exceeding the limit of Insurance Fund:

	<u>Under the guarantee of Insurance</u>		<u>Exceeding the guarantee of Insurance</u>	
	<u>Current Period</u>	<u>Prior Period</u>	<u>Current Period</u>	<u>Prior Period</u>
Legal persons’ current and participation accounts	3.921.673	2.342.310	93.021.575	86.433.036
Turkish Lira accounts	1.637.663	1.122.028	28.174.395	28.429.929
Foreign currency accounts	2.284.010	1.220.282	64.847.180	58.003.107
Foreign branches’ deposits subject to foreign authorities insurance	-	-	-	-
Off-shore deposits under foreign authorities’ insurance	-	-	-	-

Funds collected by Participation Banks (except foreign branches) from current and participation accounts denominated in Turkish Lira or foreign currency up to a limit of maximum TL 650 (including both capital and profit shares) for each real person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law numbered 5411.

b.2) Funds collected which are not under the guarantee of insurance fund:

Funds collected of real persons which are not under the guarantee of insurance fund:

	<u>Current Period</u>	<u>Prior Period</u>
Foreign Branches’ Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	5.349	2.263
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Türkiye in order to engage solely in Off-Shore Banking Activities	-	-

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II. Explanations and notes related to liabilities (Continued): :

1. Information on funds collected: (Continued)

Funds collected of legal persons which are not under the guarantee of insurance fund:

	Current Period	Prior Period
Foreign Branches’ Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	24.489	17.944
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Türkiye in order to engage solely in Off-Shore Banking Activities	-	-

2. Information on received loans:

a.1 Information on the type of loan received

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication loans	-	-	-	-
Wakale loans	107.708	1.093.169	242.905	1.004.966
Loans obtained from Issued Lease certificates (Sukuk)	12.660.258	-	9.931.931	-
Other	-	351.780	-	-
Total	12.767.966	1.444.949	10.174.836	1.004.966

a.2 Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	12.767.966	519.768	10.174.836	472.290
Loans from foreign banks, institutions and funds	-	925.181	-	532.676
Total	12.767.966	1.444.949	10.174.836	1.004.966

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Explanations and notes on the unconsolidated financial statements (Continued):

II. Explanations and notes related to liabilities (Continued) :

2. Information on received loans (Continued) :

a.3 Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	5.617.648	981.685	5.952.220	547.638
Medium and Long-Term	7.150.318	463.264	4.222.616	457.328
Total	12.767.966	1.444.949	10.174.836	1.004.966

b. Additional disclosures on concentration areas of Bank's liabilities

The Bank does not have concentration on customer or sector group providing funds (December 31, 2023: None).

3. Information on derivative financial liabilities held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	8.149	-	2.612	-
Swap Transactions	-	-	24.587	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	8.149	-	27.199	-

4. Lease payables:

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than 1 year	107.263	-	83.294	-
Between 1-5 years	419.153	-	330.463	-
Over 5 years	88.667	-	93.562	-
Total	615.083	-	507.319	-

5. Information on hedging derivative financial liabilities:

None (December 31, 2023: None).

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Explanations and notes on the unconsolidated financial statements (Continued):

II. Explanations and notes related to liabilities (Continued): :

6. Information on provisions:

a) Information on provisions for employee rights:

As of the balance sheet date, the Bank's employment termination benefits provision amounting to 40.713 TL (December 31, 2023: 32.146 TL), vacation pay provision amounting to 42.672 TL (December 31, 2023: 25.761 TL), performance premium provision of 400.000 TL (December, 2023: 501.000 TL). There is a total provision for employee rights of 483.385 TL (December 31, 2023: 558.907 TL).

The Bank reflected the employee termination benefits provision in the financial statements using the actuarial valuation method specified in TAS 19. In this context, the following actuarial assumptions were used in calculating total liabilities.

	Current Period	Prior Period
Discount rate (%)	24,60	24,60
Estimated increase rate of salary ceiling (%)	21,56	21,56

Movement of the provision for employment termination benefits in the balance sheet:

	Current Period	Prior Period (*)
Prior period ending balance	32.146	38.248
Change in the period	8.567	11.179
Actuarial (gain) / loss	-	-
Balance at the end of the period	40.713	49.427

(*) Prior period data is as of June 30, 2023.

b) Other Provisions:

	Current Period	Prior Period
Free provisions allocated for possible losses (*)	2.370.000	2.850.432
Provisions allocated from profit shares to be distributed to profit sharing accounts	456.675	281.150
Non-cash loans first and second stage expected loss provisions	190.129	131.301
Provisions for cases on trial	5.750	4.552
Impairment provision	1.060	3.275
Total	3.023.614	3.270.710

(*) Includes a free provision amounting to 2.370.000 TL which provided in prior year by the Bank management which is not within the requirements of BRSAs Accounting and Financial Reporting Legislation (December 31, 2023 : 2.850.432 TL).

c) Information on provisions for foreign exchange losses on foreign currency indexed loans and financial lease receivables:

None (December 31, 2023: None).

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Explanations and notes on the unconsolidated financial statements (Continued):

II. Explanations and notes related to liabilities (Continued): :

7. Information on taxes payable:

a. Information on taxes payable:

a.1. Explanations on current tax liability:

As of June 30, 2024, the Bank's remaining tax liability after deducting the provisional taxes paid from the corporate tax is 1.046.300 TL. (December 31, 2023: 1,082,213 TL).

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	1.046.300	1.082.213
BSMV	86.162	83.987
Income tax deducted from wages	103.436	21.857
Income Tax on Securities	89.056	28.205
Foreign Exchange Transaction Tax	50.834	69.303
Value Added Tax Payable	22.708	11.876
Real Estate Capital Gains Tax	1.949	1.335
Other	3.407	2.021
Total	1.403.852	1.300.797

a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	5	3
Social security premiums-employer	4	2
Unemployment insurance-employee	30.098	12.392
Unemployment insurance-employer	44.073	18.158
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions-employees	7.156	3.422
Pension fund membership fees and provisions- employer	3.577	1.702
Other	-	-
Total	84.913	35.679

8. Information on liabilities for non-current assets related to held for sale and discontinued operations

None (December 31, 2023: None).

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Explanations and notes on the unconsolidated financial statements (Continued):

II. Explanations and notes related to liabilities (Continued): :

9. Detailed explanations regarding the number of subordinated loans used by the Bank, their maturity, dividend ratio, the institution from which the loan was obtained and the option to convert into shares, if any:

Information on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing Instruments to be Included in Additional Capital Calculation	-	7.748.979	-	7.078.467
Subordinated Loans	-	7.748.979	-	7.078.467
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
Total	-	7.748.979	-	7.078.467

As of June 30, 2024 the Bank has a subordinated debt that the creditor is Türkiye Varlık Fonu Yönetimi A.Ş., with TRT240424F22 ISIN code, with initial date April 24, 2019, with at least five-year repayment option and with no fixed term, amounting to EUR 200.000.000 (Full EUR) and a subordinated debt that creditor is Türkiye Varlık Fonu A.Ş., starting date of 9 March 2022, with the earliest ten-year repayment option and a demand deposit amounting to Euro 31.688.489 (Full Euro). The related borrowing instrument has no option to pay dividends and convert to share certificates.

10. Breakdown of items in other liabilities which exceed 10% of the balance sheet total and breakdown of items which constitute at least 20% of grand total:

As of the balance sheet date, the Bank's total other liabilities are 809.199 TL (December 31, 2023: 3.012.947 TL) and do not exceed 10% of the total liabilities.

11. Information on shareholders’ equity:

a. Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	1.026.915	1.026.915
Preferred stock	-	-

b. Paid-in capital amount, explanation as to whether the registered share capital system is applicable at the Bank and if so, amount of the registered share capital ceiling:

The Bank's registered capital system did not apply as of June 30, 2024 and December 31, 2023.

c. Information on the share capital increases during the period and their sources; other information on increased capital in the current period

None.

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Explanations and notes on the unconsolidated financial statements (Continued):

II. Explanations and notes related to liabilities (Continued): :

11. Information on shareholders' equity (Continued):

ç. Information on share capital increases from capital reserves during the current period:

There is no share capital increase from capital reserves during the current period.

d. Capital commitments in the last fiscal year and by the end of the following interim period, general purpose of these commitments and projected resources required to meet these commitments:

There are no capital commitments.

e. Estimated effects on the shareholders equity of the Bank , of predictions to be made by taking into account previous period indicators regarding the Bank's income, profitability and liquidity, and uncertainties regarding such indicators:

The Bank's profits are kept in shareholders' equity through transfer to reserves. Moreover, the Bank's shareholders' equity is invested in liquid and earning assets.

f. Information on privileges given to stocks representing the capital:

There is no privilege given to stocks representing the capital.

g. Information on marketable securities valuation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference	323.478	53.530	671.615	108.884
Foreign exchange difference	-	-	-	-
Total	323.478	53.530	671.615	108.884

ğ. Information on other capital reserves:

The Bank's Creditor Institution as of June 30, 2024 is Türkiye Varlık Vakfı Yönetimi A.Ş. with ISIN code TRT240424F22, with a starting date of April 24, 2019, with a five-year repayment option at the earliest and a maturity value of 200.000.000 Euros (Full Euros) and the Creditor Institution is Türkiye Wealth Fund Management A.Ş. There are two subordinated debt instruments in total amounting to 31.688.489 Euros (Full Euro) with a starting date of March 9, 2022, with a ten-year repayment option at the earliest and with a maturity date of 31.688.489 Euros (Full Euro). The financial liability in question is reflected in the records at its fair value and its cost value The difference between the nominal value and the fair value was accounted for in the 'Other Capital Reserves' account in shareholders' equity at the date of initial acquisition.

In addition, regarding this transaction, current public securities with 0% return were classified as 'financial assets carried at amortized cost' in line with the decision taken by the Bank Management and were included in the balance sheet with the amount discounted by the public security return rates. The difference between the initial acquisition date cost value and the discounted amount is accounted for in the 'Other Capital Reserves' account within shareholders' equity.

In accordance with the decision of the Bank's Ordinary General Assembly held on August 4, 2023, it was decided to transfer 140.498 TL of the 2023 period decision, which is 2.809.949 TL, to legal reserves and the remaining amount to extraordinary reserves.

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Explanations and notes on the unconsolidated financial statements (Continued):

III. Explanations and notes related to off-balance sheet:

1. Explanations on liabilities related to off-balance sheet:

a. Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Guaranteed Loan Allocation Commitments	17.051.101	9.126.506
Forward Asset Value Purchase and Sale Commitments	8.632.524	8.510.140
Our Payment Commitments for Cheques	473.114	313.805
Tax and Fund Obligations Resulting from Export Commitments	-	-
Credit Card Spending Limit Commitments	553	-
Participation Capital Commitments	45.000	67.500
Other Irrevocable Commitments	584.022	524.822
Total	26.786.314	18.542.773

b. Type and amount of possible losses and commitments arising from off-balance sheet items:

b.1. Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letters of credit:

	Current Period	Prior Period
Guarantees	24.540.661	19.279.232
Letters of credit	2.356.871	591.907
Bank loans	45.731	18.155
Other guaranties and sureties	-	-
Total	26.943.263	19.889.294

b.2. Revocable, irrevocable guarantees and other similar commitments and contingencies:

	Current Period	Prior Period
Temporary letters of guarantees	509.045	549.398
Advance letters of guarantees	2.490.254	1.914.190
Letters of guarantees given to customs	926.411	749.671
Definitive Letters of Guarantee	16.050.291	11.488.909
Letters of Guarantee Given for the Guarantee of Cash Loans	4.520.463	4.536.016
Other	44.197	41.058
Total	24.540.661	19.279.232

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Explanations and notes on the unconsolidated financial statements (Continued):

III. Explanations and notes related to off-balance sheet: (Continued)

1. Explanations on liabilities related to off-balance sheet: (Continued)

c. Within the Non-cash Loans:

c.1. Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against cash loans	4.520.463	4.536.016
With original maturity of 1 year or less	76.221	89.679
With original maturity of more than 1 year	4.444.242	4.446.337
Other non-cash loans	22.422.800	15.353.278
Total	26.943.263	19.889.294

c.2. Sectoral risk concentration of non-cash loans:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

c.3. Information on the non-cash loans classified in Group I and Group II:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

2. Explanations on derivative transactions:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

3. Explanations on credit derivatives and risk beared due to these:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

4. Explanations on contingent assets and liabilities:

The bank does not engage in activities such as conducting plasma transactions on behalf of real and legal persons, foundations, pension insurance funds and other institutions.

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Explanations and notes on the unconsolidated financial statements (Continued):

IV. Explanations and notes related to the statement of income or loss:

1. Information on profit share income:

a) Information on profit share income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans				
Short Term Loans	5.914.490	616.201	921.857	145.561
Medium and Long Term Loans	4.234.588	555.654	705.344	72.956
Profit Share on Non-Performing Loans	9.228	109	525	23
Total	10.158.306	1.171.964	1.627.726	218.540

b) Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	859.615	-	210.865	-
Domestic Banks	11.125	-	375	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	870.740	-	211.240	-

c) Information on profit share income received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	83.030	39.516	77.252	7.873
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	1.576.185	146.838	505.304	37.494
Financial Assets Measured at Amortized Cost	1.108.971	115.538	258.655	48.449
Total	2.768.186	301.892	841.211	93.816

ç) Information on profit share income received from associates and subsidiaries:

	Current Period		Prior Period	
	TL	FC	TL	FC
Dividends received from subsidiaries and affiliates	1.963	-	20.670	-
Total	1.963	-	20.670	-

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Explanations and notes on the unconsolidated financial statements (Continued):

IV. Explanations and notes related to the statement of income or loss (Continued):

2. Explanations on profit share expenses:

a. Distribution of profit share expense on funds collected based on maturity of funds collected:

Account Name	Profit Sharing Accounts						Accumulated participation accounts	Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 years	More than 1 years		
TL								
Funds collected from banks through current and profit sharing accounts	57.953	6.019	152.709	-	-	-	-	216.681
Real persons' non-trading profit sharing accounts	92.599	1.025.807	136.626	-	4.718	324.890	-	1.584.640
Public sector profit sharing accounts	1.253.796	283.919	819.689	-	8.058	9.248	-	2.374.710
Commercial sector profit sharing accounts	638.159	2.605.508	736.816	-	42.675	438.881	-	4.462.039
Other institutions profit sharing accounts	6.310	179.458	11.965	-	-	-	-	197.733
Total	2.048.817	4.100.711	1.857.805	-	55.451	773.019	-	8.835.803
FC								
Banks	-	437	-	-	-	-	-	437
Real persons' non-trading profit sharing accounts	3.715	8.599	334	-	602	86	-	13.336
Public sector profit sharing accounts	33	12.304	-	-	-	-	-	12.337
Public sector profit sharing accounts	20.118	88.074	15.561	-	176	-	-	123.929
Other institutions profit sharing accounts	5	1.165	-	-	-	-	-	1.170
Precious metals deposits	2.597	-	-	-	-	-	-	2.597
Total	26.468	110.579	15.895	-	778	86	-	153.806
Grand Total	2.075.285	4.211.290	1.873.700	-	56.229	773.105	-	8.989.609

Account Name	Profit Sharing Accounts						Accumulated participation accounts	Total
	Up to 1 month	Up to 3 month	Up to 6 month	Up to 9 month	Up to 1 years	More than 1 years		
Prior Period								
TL								
Funds collected from banks through current and profit sharing accounts	-	1.331	-	-	-	-	-	1.331
Real persons' non-trading profit sharing accounts	9.938	256.745	59.933	-	350	22.358	-	349.324
Public sector profit sharing accounts	171.897	24.757	63.674	-	2.536	545	-	263.409
Commercial sector profit sharing accounts	104.926	278.871	27.658	-	5.323	54.697	-	471.475
Other institutions profit sharing accounts	1.996	10.531	195	-	-	-	-	12.722
Total	288.757	572.235	151.460	-	8.209	77.600	-	1.098.261
FC								
Banks	-	-	-	-	-	-	-	-
Real persons' non-trading profit sharing accounts	2.101	6.312	296	-	6.147	85	-	14.941
Public sector profit sharing accounts	797	14	-	-	-	-	-	811
Public sector profit sharing accounts	1.067	6.859	38	-	840	-	-	8.804
Other institutions profit sharing accounts	10	13	-	-	-	-	-	23
Precious metals deposits	940	-	-	-	-	-	-	940
Total	4.915	13.198	334	-	6.987	85	-	25.519
Grand Total	293.672	585.433	151.794	-	15.196	77.685	-	1.123.780

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Explanations and notes on the unconsolidated financial statements (Continued):

IV. Explanations and notes related to the statement of income or loss (Continued):

2. Explanations on profit share expenses (Continued):

b) Information on profit share expense paid to funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	87.990	41.715	49.350	31.013
CBRT	-	-	-	-
Domestic banks	87.990	18.764	49.350	15.930
Foreign banks	-	22.951	-	15.083
Head offices and branches abroad	-	-	-	-
Other institutions	2.183.487	125.347	732.501	115.452
Total	2.271.477	167.062	781.851	146.465

c) Profit share expense paid to associates and subsidiaries:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share expense given to associates and subsidiaries	2.183.487	-	732.501	-
Total	2.183.487	-	732.501	-

ç) Profit share expenses paid to marketable securities issued:

None (June 30, 2023: None).

3. The Other Items in Net Fees and Commission Income / Expenses, which constitute at least 20% of the total of other items, if the total of other items in income statement exceed 10% of the total of income statement

Other Fees and Commissions Received	Current Period	Prior Period
Service package revenues	535.349	483.674
Remittance Commissions	222.764	201.472
Fees and commissions from correspondents	99.363	81.496
Import commissions	20.907	18.442
Appraisal fees	17.879	10.429
Insurance and brokerage commissions	137.737	9.355
Early closing commission income	4.157	7.209
Limit allocation commission	1.199	5.753
Fees and commissions from member merchant pos	4.686	3.512
Safe deposit box revenues	2.431	719
Other commission and service income received	19.478	22.356
Total	1.065.950	844.417

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Explanations and notes on the unconsolidated financial statements (Continued):

IV. Explanations and notes related to the statement of income or loss (Continued):

3. The Other Items in Net Fees and Commission Income / Expenses, which constitute at least 20% of the total of other items, if the total of other items in income statement exceed 10% of the total of income statement (Continued)

Other Fees and Commissions Given	Current Period	Prior Period
Expenses and commissions given to correspondents	34.984	17.188
Fees and commissions for Swift, EFT and money transfer	4.128	2.573
Fees and commissions given for debit cards	2.202	1.258
Fees and commissions given for loans used	157	182
Other commissions and fees ^(*)	32.837	5.996
Total	74.308	27.197

^(*) Other commissions and fees include; 24.574 TL reserve deposits commissions reserved for CBRT foreign currency, 1.657 TL commissions and fees paid to the clearing house, 1.226 TL gold and precious metal expenses and 5.380 TL other.

4. Information on dividend income:

None (June 30, 2024: None).

5. Explanations on trading income/loss (net):

	Current Period	Prior Period
Income	19.037.893	9.525.452
Income from capital market transactions	4.628	10.698
Income from derivative financial instruments	972.592	748.802
Foreign exchange income	18.060.673	8.765.952
Loss (-)	14.646.325	7.186.678
Loss on capital market transactions	856	542
Loss on derivative financial instruments	1.120.476	1.669.165
Foreign exchange losses	13.524.993	5.516.971
Trading income/loss (net)	4.391.568	2.338.774

6. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of expected loss provisions for prior years	320.728	214.270
Income from sales of assets	10.022	1.140
Income from provisions set aside in previous years	-	30.787
Cancellation of provision for communication expenses	239	221
Lease income	5	4
Other income ^(*)	509.447	25.378
Total	840.441	271.800

^(*) Other income amount consists of 480.432 TL free provision reversals, 17.366 TL adjustments to previous year expenses and 11.649 TL other income.

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Explanations and notes on the unconsolidated financial statements (Continued):

IV. Explanations and notes related to the statement of income or loss (Continued):

7. Expected loss provision expenses and other provision expenses:

	Current Period	Prior Period
Expected Credit Loss	549.506	202.161
12 month expected credit loss (stage 1)	310.024	161.525
Significant increase in credit risk (stage 2)	92.737	8.468
Non-performing loans (stage 3)	146.745	32.168
Marketable Securities Impairment Expense	15.518	2.369
Financial Assets at Fair Value through Profit or Loss	15.518	2.369
Financial Assets at Fair Value through Other Comprehensive	-	-
Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investments Held to Maturity	-	-
Other (*)	171.295	99.879
Total	736.319	304.409

(*) Provision expenses allocated for lawsuit provisions and profits to be distributed to participation accounts are classified under other provision expenses.

8. Information on other operating expenses:

	Current Period	Prior Period
Provision for retirement pay liability (*)	8.567	11.180
Accumulated allowance amount (*)	21.912	9.769
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	98.993	69.753
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	24.564	1.479
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	-	-
Other operating expenses	438.457	1.252.202
Lease expenses related to TFRS 16 exemptions	7.645	1.461
Operating Maintenance expenses	32.770	20.489
Advertisement expenses	87.917	60.272
Other expenses ⁽¹⁾	310.125	1.169.980
Loss on sale of assets	-	-
Other⁽²⁾	286.296	119.694
Total	878.789	1.464.077

(*) The amount of severance pay and accumulated vacation provisions shown in other provisions in the profit or loss statement, which are not included in other operating expenses, are also included in this table.

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Explanations and notes on the unconsolidated financial statements (Continued):

IV. Explanations and notes related to the statement of income or loss (Continued):

8. Information on other operating expenses (Continued):

(1) Details of “Other Expenses” balance under Other Operating Expenses are as follows:

	Current Period	Prior Period
Communication expenses	53.985	25.862
Cleaning expenses	63.261	24.564
Heating, lighting and water expenses	16.212	12.722
Transportation vehicle expenses	13.072	7.614
Representation and hospitality expenses	20.950	5.111
Movable property insurance expenses	9.803	3.908
Stationery expenses	3.355	1.800
Aid and donations	58.000	1.046.181
Participation in common expenses	2.547	1.359
Litigation and court expenses	1.524	330
Other	67.416	40.529
Total	310.125	1.169.980

(2) Other balance details are as below table:

	Current Period	Prior Period
Taxes, Duties, Charges and Funds	179.828	66.659
Audit and Consultancy Fees	39.390	17.304
Participation Share Expenses	3.733	6.210
Saving Deposit Insurance Fund	31.163	18.358
Other	32.182	11.163
Total	286.296	119.694

9. Explanations on income/loss from continued operations before taxes:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

10. Explanations on tax provision for continued and discontinued operations:

As of 30 June 2024, the Bank has deferred tax income of 2.551.903 TL (30 June 2023: 1.311.497 TL) and deferred tax expense of 1.900.324 TL (June 30, 2023: 1.137.517 TL). As of 30 June 2024, the Bank’s current tax provision is 2.550.678 TL (June 30, 2023: 1.086.172 TL).

Since the Bank does not have any discontinued operations, there is no tax provision regarding this. (June 30, 2023: Not available).

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Explanations and notes on the unconsolidated financial statements (Continued):

IV. Explanations and notes related to the statement of income or loss (Continued):

11. Explanations on net income/loss from continued and discontinued operations:

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

12. Explanations on net income/ loss:

a. The nature and amount of certain income and expense items from ordinary operations; if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank’s performance for the period:

None.

b. The effect of the change in accounting estimates to the net income/loss; including the effects on the future period:

None.

c. Profit / loss attributable to minority rights:

None.

V. Explanations and notes related to the statement of changes in shareholders’ equity

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

VI. Explanations and notes related to the statement of cash flows

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

VII. Explanations related to the risk group of the Bank

1. The volume of transactions related to the risk group that the Bank belongs to, credit and fund transactions collected at the end of the period, income and expenses for the period

a. Current Period

Risk Group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the beginning of period	1.201.000	-	3.637	-	-	-
Balance at the end of period	133.267	-	3.758	-	-	-
Dividend and Commission Income Received (*)	1.963	-	302	-	-	-

(*) It is defined in Article 49 of the Banking Law No. 5411 and Article 4 of the “Regulation on Credit Transaction of Banks” published on 1 November 2006.

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Explanations and notes on the unconsolidated financial statements (Continued):

VII. Explanations related to the risk group of the Bank (Continued)

1. The volume of transactions related to the risk group that the Bank belongs to, credit and fund transactions collected at the end of the period, income and expenses for the period (Continued)

b. Prior Period

Risk Group of the Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the beginning of period	1.273.002	-	2.355	-	-	-
Balance at the end of period	1.201.000	-	3.637	-	-	-
Dividend and Commission Income Received (*)	20.670	-	364	-	-	-

(*) It is defined in Article 49 of the Banking Law No. 5411 and Article 4 of the “Regulation on Credit Transaction of Banks” published on 1 November 2006.

c. Information on current and profit sharing accounts of the Bank’s risk group

Risk Group of the Bank	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	17.944	51.265	-	-	-	-
Balance at the end of period	24.559	17.944	-	-	-	-
Profit share expense	-	4.195	-	-	-	-

c.2. Information on forward and option agreements and other similar agreements with the risk group of the Bank

The Bank does not have any forward foreign exchange purchase / sale contracts with the risk group it is included.

d. Information on the benefits provided to the top management of the bank

The total amount of the remuneration and benefits provided to the top management of the Bank for the accounting period ended June 30, 2024 is TL 43.671 (June 30, 2023: TL 10.380).

VIII. Explanations related to domestic, foreign and offshore branches or investments and foreign representative offices

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

IX. Explanations and notes on matters after balance sheet:

None.

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SECTION SIX

Auditor’s Limited Review Report

I. Explanations on the Limited Review Report

The unconsolidated financial statements of the Participation Bank for the six months period ended June 30, 2024 were reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Auditors’ Limited Review Report dated August 12, 2024 is presented in the introduction of this report.

II. Notes and Disclosures Prepared by the Independent Auditor

None.

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SECTION SEVEN

Interim Activity Report

I. Interim activity report including the Message from the Chairman of the Board of Directors and CEO related to the interim activities:

a. Message from the Chairman of the Board of Directors

The first half of 2024, which was marked by extraordinary developments, political crises, and inflationary conditions worldwide, was defined by economic circles as a “transition and balancing period”. After a prolonged period, the global economies finally experienced a modest growth, which instilled a sense of cautious optimism and stability in the economic equation.

The World Bank has revised its global growth forecast upwards for 2024 in the June data of the Global Economic Prospects Report. While the growth forecast for 2024 was set at 2.4% in the report published in January, this rate was increased to 2.6% in the June report. The global economy is anticipated to grow by 2.7% in both 2025 and 2026, while the global inflation rate is also expected to decline to 3.5% in 2024 and to 2.9% in 2025.

In the second quarter of the year, the US Federal Reserve maintained the policy rate at 5.25–5.50% in line with market expectations. While the inflation rates in the Eurozone remained around 2.40–2.60%, the European Central Bank made its first interest rate cut in nearly 5 years, lowering the three key policy rates by 25 basis points.

In the first quarter of the year, the Turkish economy experienced a growth rate of 5.7%. Standard & Poor's (S&P), the international credit rating agency, raised Türkiye's credit rating from "B" to "B+", while maintaining the credit rating outlook as "positive". Due to the successful implementation of appropriate policies, the achievement of economic rebalancing, the reduction in external financing requirements, the increase in international reserves, and the disinflation process, Türkiye's long-term credit rating has been raised by two notches to B1 by the international credit rating agency Moody's, marking a significant milestone. The credit rating outlook was maintained as "positive". The Central Bank of the Republic of Türkiye is decisively utilizing all available measures to achieve its target of single-digit inflation. In this context, there is a consistent focus on maintaining the balance between monetary, fiscal, and revenue policies to ensure the long-term stability of the macroeconomy. With the decision made at the Plenary of FATF, our country's removal from the grey list will undoubtedly boost confidence in our financial system and facilitate the achievement of our program targets.

Contributing to the country's economy, environment, and sustainability through the projects it has implemented, Emlak Katılım is steadily growing and progressing among the strong players of its industry by means of its sustainable efficiency, customer focus, and participation finance principles. Our commitment to expanding our reach in every single corner of our country by increasing the number of branches in 39 provinces to 110, including e-branches, continues uninterrupted. Emlak Katılım is making significant contributions to the economy and employment through its active size of TL 203.7 billion in the second quarter of the year.

Our institution strives for an environmentally conscious, disaster-resistant, and stable Türkiye within the framework of the Twelfth Development Plan, crafted with a long-term perspective in the new century of the Republic. Emlak Katılım, which is a prominent stakeholder of the real sector by providing direct financing to trade, service, and production, is committed to creating added value for our country through its qualified, innovative, customer-centric, digital, social, and sustainable policies for the "Participation Finance" sector based on the fundamental values and expectations of our nation.

Best Regards,

Prof. Dr. Mehmet Emin BİRPINAR
Chairman of the Board of Directors

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Interim Activity Report (Continued)

I. Interim activity report including the Message from the Chairman of the Board of Directors and CEO related to the interim activities (Continued):

b. Message from the General Manager

Despite the stagnation experienced in global economies, Türkiye, which is making steady progress toward its vision of becoming a stable, value-added, robust, and prosperous country, experienced a 5.7% growth rate in the first quarter of 2024. Türkiye achieved the distinction of having the fastest-growing economy among OECD member countries and the second-fastest-growing economy among G20 countries. Our country, which maintained its outstanding performance in the first half of 2024, is expanding through investment, production, employment, and exports, and is steadily fortifying its real economy.

The public savings and efficiency package, which was implemented to strengthen the Medium-Term Program, reduces discretionary spending and develops investment plans based on efficiency. The savings package places emphasis on maintaining price stability, adhering to fiscal discipline, ensuring a sustainable current account deficit, and implementing structural transformation programs. The aim is to manage public spending, enhance savings, allocate investments to priority areas, expedite structural reforms, and ensure the effective, economical, and efficient utilization of public resources.

Our country has been removed from the FATF grey list in line with the successfully implemented action plan driven by the resolute determination of government. This decision, made as a consequence of economic reforms and successful policies implemented, will yield favorable outcomes for both the financial sector and the real sector. This development, which will have a positive impact on the foreign investments flowing into our country, will also enhance our country's reputation in the global arena.

The rapid and widespread impact of the green transition and the climate crisis is being felt on the global economy. Our country has set a definitive target for achieving net zero emissions by the year 2053 and intends to accomplish this objective through the implementation of a green development vision. In line with this vision, sustainable policies are being formulated with the aim of green transformation across several areas, from industry to energy, from transportation to retail. As Emlak Katılım, we make the utmost contribution to green transition by prioritizing sustainable finance practices in our operations and supporting projects that promote social awareness.

At Emlak Katılım, we are committed to providing ongoing support to our customers through our latest range of products and financing packages. We have introduced our Women Entrepreneur Support Financing product to assist our customers in financing their operating expenses, thereby supporting women entrepreneurs who add value to the economy. We have introduced a range of sustainability-themed products, such as “Environmentally Friendly Housing Financing, Energy Efficiency Management Financing, Individual Energy Efficiency Financing, and Wastewater Treatment and Recycling Investment and Operating Financing”.

We developed the "Digital Content Producer Account" product to help meet the income exemption requirements for digital content production and mobile application development. Our customers who produce social content and develop mobile applications for smartphones or tablets can easily open a Digital Content Producer Account at any of our branches. Our institution automatically applies a 15% income tax withholding on all amounts transferred to these accounts as of the transfer date and ensures that the tax payment is made.

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Interim Activity Report (Continued)

I. Interim activity report including the Message from the Chairman of the Board of Directors and CEO related to the interim activities (Continued):

b. Message from the General Manager (Continued):

For credit cards, we have established a brand partnership with Halkbank, one of the prominent representatives of our country's banking industry. Our customers will be able to take full advantage of the opportunities provided by over 550 thousand Paraf Member Businesses and thousands of contracted brands through Paraf Card, Türkiye's local and national payment method using TROY infrastructure. Thanks to the long-term collaboration between the two institutions, both card users and the retail industry will experience substantial benefits. By leveraging the synergy created by the large customer base, more profitable campaigns will be ensured and savings will be achieved in common costs.

As Emlak Katılım, we have made a significant contribution to the country's employment by expanding our branch network to 110, including e-branches, and increasing our workforce to over 1,500 employees. As of the second quarter of the year, we have increased our active size by 59% compared to the same period of the previous year, reaching TL 203.7 billion, and our collected funds by 60%, reaching TL 160.1 billion.

During the first half of 2024, the volume of lease certificate issuances we performed domestically experienced a significant 32% increase compared to the second half of the previous year, reaching TL 14.8 billion. In the company sukuk issuances that we have mediated, we have issued TL 2.2 billion in sukuk in the first half of 2024, while maintaining our 42% market share in the sector with a sukuk balance of TL 6.6 billion in circulation. Including the sukuk issuances we have mediated, we have successfully prevented a total of 142,240 tCO₂e of carbon emissions through our thematic sukuk issuances, which have totaled over TL 2 billion. As part of the 9th Golden Bull Awards organized by the Turkish Capital Markets Association (TSPB), we were deemed worthy of the Golden Bull Award as the institution that has issued the highest lease certificate in the category of “2023 Lease Certificate Issuance and Sales”.

Our roadmap is characterized by convenience, accessibility, and efficiency, which are consistent with our digital growth strategy and goals. In order to enhance business efficiency, reduce costs, ensure smooth service, and save time, we persist in our investments in digital banking, which is the most significant benefit.

Emlak Katılım will persist in its pursuit of its corporate goals. In the years to come, our institution will persist in developing sustainable financing models for strategic sectors that contribute to our country's economic growth and in financing initiatives that make positive contributions to the environment.

With Regards,

Onur GÖK
General Manager

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Interim Activity Report (Continued)

I. Interim Activity Report Interim activity report including the Message from the Chairman of the Board of Directors and CEO related to the interim activities (Continued):

c. Capital and Shareholder Structure

Name and Surname/ Trade name	Share Amounts	Share Rates	Paid Shares	Unpaid Shares
Ministry of Treasury and Finance	1.026.915	%99.99999	1.026.915	-
Other	-	%0.00001	-	-

ç. The amendments in the articles of association during period of January 1, 2024 – June 30, 2024

None.

d. Branch and Personal Information

The Bank's total number of branches is 110 (including 1 e-branch) and the total number of personnel is 1.569 at 30 June 2024.

e. Branch and Personal Information

Name and Surname	Administrative Function and Responsibility	Educational Degree
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate
Mahmut KAÇAR	Vice Chairman of the Board of Directors	Bachelor
Hasan SUVER	Member of BOD	Master
Mahmut GÜRCAN	Member of BOD	Bachelor
Mehmet Nuri YAZICI	Member of BOD and Chairman of the Audit Committee	Bachelor
Prof. Dr. Murat BALCI	Member of BOD	Doctorate
Volkan Mutlu COŞKUN ^(*)	Member of BOD and Member of Audit Committee	Bachelor
Onur GÖK	Member of BOD / General Manager	Master
Tuğba GEDİKLİ	Assistant General Manager Responsible for Finance	Bachelor
Ali Kemal KÜÇÜKCAN	Assistant General Manager Responsible for Treasury and International Banking	Master
Şenol ALTUNDAŞ	Assistant General Manager Responsible for Sales and Marketing	Master
Nihat BULUT	Assistant General Manager Responsible for Credits Risk Management	Bachelor
Bülent KARACALAR	Assistant General Manager Responsible for Credits Allocation	Bachelor
Serkan UMAN	Assistant General Manager Responsible for Digital Banking	Master
Yusuf OKUR	Assistant General Manager Responsible for Operations	Bachelor
Uğur KARA	Assistant General Manager Responsible for Human Resources	Master

^(*)Appointed as Member of Board with the Decision of Board of Directors dated August 2, 2024.

f. Managers of Units within the Scope of Internal Systems

Name and Surname	Professional Experience	Seniority in the Field of Responsibility	Education	Area of Responsibility
Abdulkadir CEBECİ	18 years 9 months	18 years 1 month	Master	Head of Inspection Committee
Halil İbrahim ÖZER	18 years 1 month	11 years 1 month	Master	Head of Internal Control and Compliance
Erhan ŞANLI	17 years 6 months	3 years 6 months	Master	Head of Risk Management

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Interim Activity Report (Continued)

I. Interim activity report including the Message from the Chairman of the Board of Directors and CEO related to the interim activities (Continued):

g. Committee and committee members formed after the distribution of duties among the board members

AUDIT COMITEE

Mehmet Nuri YAZICI (Head)
Volkan Mutlu COŞKUN

CREDIT COMITEE

Prof. Dr. Murat BALCI (Head)
Onur GÖK (Permanent Member)
Mahmut GÜRCAN (Permanent Member)
Prof. Dr. Mehmet Emin BİRPINAR (Substitute Member)
Hasan SUVER (Substitute Member)

CORPORATE GOVERNANCE COMMITTEE

Mahmut KAÇAR (Head)
Prof. Dr. Murat BALCI
Mahmut GÜRCAN

REMUNERATION COMMITTEE

Hasan SUVER (Head)
Mehmet Nuri YAZICI
Volkan Mutlu COŞKUN

EXECUTIVE COMMITTEE

Prof. Dr. Mehmet Emin BİRPINAR (Head)
Onur GÖK
Hasan SUVER

h. Türkiye Emlak Katılım Bankası A.Ş. Selected Financial Indicators as of June 30, 2024

Assets	Current Period	Prior Period
Loans and Financial Leasing Receivables	86.444.180	67.925.106
Total Securites	25.457.243	32.069.942
Total of Selected Assets	203.683.664	99.995.104
Liabilities	Current Period	Prior Period
Funds Collected	160.102.617	151.496.918
Funds Borrowed	14.212.915	11.179.802
Shareholders’ Equity	15.190.958	10.413.781
Total of Selected Liabilities	203.683.664	173.090.501

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Interim Activity Report (Continued)

I. Interim activity report including the Message from the Chairman of the Board of Directors and CEO related to the interim activities (Continued):

Income and Expense Items	Current Period	Prior Period
Profit Share Income	15.326.457	5.992.207
Profit Share Expense	(11.468.293)	3.396.768
Net Profit Share Income/Expenses	3.858.164	2.595.439
Net Fees and Commissions Income/Expenses	1.125.702	880.711
Personnel Expenses	(1.551.479)	426.115
Trading Income/Loss	4.391.568	2.338.774
Other Operating Income	840.441	271.800
Loans and Other Receivables from Provision for Losses	(736.319)	202.161
Other Operating Expenses	(843.310)	1.443.128
Profit Before Tax and Provisions	7.079.767	3.913.072
Tax Provisions	(1.899.099)	(912.192)
Net Profit/Losses	5.180.668	3.000.880

Ratios (%)	Current Period	Prior Period
Total Loans/Total Assets (*)	42,44	35,96
Total Loans/Total Deposits (*)	53,99	44,84
Capital Adequacy Ratio	21,43	23,05

(*) Financial Leasing Receivables are included in the Total Loans figure.