

**TÜRKİYE EMLAK KATILIM BANKASI ANONİM ŞİRKETİ**

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS AND  
RELATED DISCLOSURES AT MARCH 31, 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 I.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 consolidated balance sheet of Türkiye Emlak Katılım Bankası Anonim Şirketi (“the Bank”) and its consolidated subsidiaries (collectively referred to as “the Group”) at 31 March 2024 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three-month period then ended. The Group 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 consolidated 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. 7.b of Explanations and Notes to the Consolidated Financial Statements; a portion of free provision amounting to TL 260.000 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 78.000 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 Group 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 31 March 2024 is TL 2.590.432 thousand and deferred tax calculated for the relevant provision is TL 777.130 thousand in the accompanying consolidated financial statements.



### *Qualified Conclusion*

Based on our review, except for the effects of the matter on the consolidated 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 consolidated financial information do not present fairly in all material respects the consolidated financial position of Türkiye Emlak Katılım Bankası Anonim Şirketi and its consolidated subsidiaries at 31 March 2024 and its consolidated financial performance and its consolidated cash flows for the three-month-period then ended in accordance with the BRSA Accounting and 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 consolidated 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 31 March 2024. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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

Talar Gül, SMMM  
Independent Auditor

Istanbul, 23 May 2024

**CONSOLIDATED FINANCIAL REPORT OF  
TÜRKİYE EMLAK KATILIM BANKASI A.Ş.  
AS OF AND FOR THE THREE-MONTH PERIOD MARCH 31, 2024**

Parent Bank's headquarter address : Barbaros Mahallesi, Begonya Sk. No:9A,  
34746 Ataşehir / İstanbul  
Parent Bank's phone number and facsimile : 0 (216) 266 26 26 – 0 (216) 275 25 25  
Parent Bank's website : www.emlakkatilim.com.tr  
Electronic mail contact info : bilgi@emlakkatilim.com.tr

The consolidated financial report for the three month period ended prepared in accordance with the Communiqué on 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 PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE ACCOUNTING PRINCIPLES APPLIED IN THE RELATED PERIOD
- INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR'S LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

Our subsidiaries whose financial statements are consolidated within the framework of this financial report are as follows:

**Subsidiaries**

- Emlak Varlık Kiralama A.Ş.
- Emlak Katılım Varlık Kiralama A.Ş.

The consolidated financial statements and related disclosures and footnotes for the three 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

**Ramazan GÜNGÖR**  
Member of the Audit  
Committee

**Tuğba GEDİKLİ**  
Chief Financial Officer

**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  
Telephone : 0 (216) 275 24 74  
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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 CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF MARCH 31, 2024**

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

**SECTION ONE**

**GENERAL INFORMATION**

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

Türkiye Emlak Katılım Bankası A.Ş. (“The Parent 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 Parent Bank is to support public construction, to provide necessary loan and to protect orphan’s right. The Parent Bank had restructured on 1 September 1946 and after this date the title of the Parent Bank had changed as Türkiye Emlak Kredi Bankası Anonim Ortaklığı. The Parent 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 Parent Bank’s important projects.

The Parent 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 November 21, 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 Parent 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 Parent Bank’s permission for banking activities and collection of deposit removed.

Board of Liquidation, Board of Directors and Board of Supervisors of the Parent 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 Parent 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 Parent Bank has been removed, as of May 27, 2017.

After the liquidation of the Parent 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 Parent Bank was registered as Türkiye Emlak Katılım Bankası A.Ş. on September 10, 2018.

The Parent 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 Parent Bank’s head office is located in İstanbul and there are 103 branches (including 1 e-branch) of the Bank as of March 31, 2024. (December 31, 2023: 101). The Parent Bank is operating with 1.511 staff as of March 31, 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 CONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 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 Parent Bank and disclosures on related changes in the current year, if any**

The Parent Bank’s share is TL 1.026.915 and 99,99% of the Parent 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 Parent Bank, if any**

<b>Name and Surname</b>	<b>Administrative Function and Responsibility</b>	<b>Educational Degree</b>
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
Ramazan GÜNGÖR	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

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 Parent Bank’s qualified shareholders**

The Parent 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.

<b>Name/Commercial name</b>	<b>Share Amount</b>	<b>Share Ratio</b>	<b>Paid Shares</b>	<b>Unpaid Shares</b>
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 CONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2024**

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

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**GENERAL INFORMATION(Continued)**

**V. Summary on the Parent Bank’s service activities and field of operations**

The Parent Bank operates in accordance with the principles of interest-free banking as a participation bank. The Parent 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 Parent 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 Parent Bank extends non-cash funds in the type of letter of guarantee, loan of acceptance, letter of credit.

The field of activity of the Parent Bank is not limited to the transactions written in the articles above. If it is deemed beneficial for the Parent 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 Parent 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 Parent Bank and its subsidiaries**

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



## **SECTION TWO**

### **THE CONSOLIDATED FINANCIAL STATEMENTS**

- I. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
- II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET
- III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS
- IV. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
- V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
- VI. CONSOLIDATED 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.**  
**CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)**  
**AS OF MARCH 31, 2024**

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

	Note (Fifth Section-I)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD			PRIOR PERIOD		
		(31/03/2024)			(31/12/2023)		
ASSETS		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. FINANCIAL ASSETS (NET)</b>		<b>20.233.889</b>	<b>81.905.230</b>	<b>102.139.119</b>	<b>25.230.481</b>	<b>72.995.979</b>	<b>98.226.460</b>
<b>1.1 Cash and cash equivalents</b>		<b>12.190.356</b>	<b>74.963.207</b>	<b>87.153.563</b>	<b>17.437.371</b>	<b>66.608.196</b>	<b>84.045.567</b>
1.1.1 Cash and Balances with Central Bank	(1)	12.177.852	57.902.667	70.080.519	17.401.769	52.842.067	70.243.836
1.1.2 Banks	(2)	17.187	17.138.847	17.156.034	42.378	13.835.514	13.877.892
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4 Expected Loss Provisions (-)		4.683	78.307	82.990	6.776	69.385	76.161
<b>1.2 Financial Assets Measured at Fair Value</b>							
<b>Through Profit/Loss (FVTPL)</b>	(3)	<b>110.086</b>	<b>2.056.085</b>	<b>2.166.171</b>	<b>1.420</b>	<b>2.048.892</b>	<b>2.050.312</b>
1.2.1 Government Debt Securities		1.539	2.020.499	2.022.038	1.420	2.017.761	2.019.181
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		108.547	35.586	144.133	-	31.131	31.131
<b>1.3 Financial Assets Measured at Fair Value</b>							
<b>Through Other Comprehensive Income (FVOCI)</b>	(4)	<b>7.929.776</b>	<b>4.873.103</b>	<b>12.802.879</b>	<b>7.788.752</b>	<b>4.337.825</b>	<b>12.126.577</b>
1.3.1 Government Debt Securities		7.922.117	4.873.103	12.795.220	7.781.093	4.337.825	12.118.918
1.3.2 Equity Securities		7.659	-	7.659	7.659	-	7.659
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>	(5)	<b>3.671</b>	<b>12.835</b>	<b>16.506</b>	<b>2.938</b>	<b>1.066</b>	<b>4.004</b>
1.4.1 Derivative Financial Assets Measured at FVTPL		3.671	12.835	16.506	2.938	1.066	4.004
1.4.2 Derivative Financial Assets Measured at FVOCI		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)</b>		<b>54.587.207</b>	<b>35.711.434</b>	<b>90.298.641</b>	<b>55.286.670</b>	<b>28.763.425</b>	<b>84.050.095</b>
<b>2.1 Loans</b>	(6)	<b>44.810.453</b>	<b>28.092.082</b>	<b>72.902.535</b>	<b>45.848.320</b>	<b>21.694.016</b>	<b>67.542.336</b>
<b>2.2 Lease Receivables</b>	(8)	<b>228.735</b>	<b>183.770</b>	<b>412.505</b>	<b>262.580</b>	<b>120.246</b>	<b>382.826</b>
<b>2.3 Other Financial Assets Measured at Amortized Cost</b>	(7)	<b>10.032.242</b>	<b>7.668.257</b>	<b>17.700.499</b>	<b>9.592.906</b>	<b>7.099.147</b>	<b>16.692.053</b>
2.3.1 Government Debt Securities		10.032.242	7.668.257	17.700.499	9.592.906	7.099.147	16.692.053
2.3.2 Other Financial Assets		-	-	-	-	-	-
<b>2.4 Expected Loss Provisions (-)</b>	(6)	<b>484.223</b>	<b>232.675</b>	<b>716.898</b>	<b>417.136</b>	<b>149.984</b>	<b>567.120</b>
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(9)	<b>12.120</b>	-	<b>12.120</b>	<b>8.283</b>	-	<b>8.283</b>
3.1 Asset Held for Sale		12.120	-	12.120	8.283	-	8.283
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
<b>IV. PARTNERSHIP INVESTMENTS</b>	(10)	<b>45.000</b>	-	<b>45.000</b>	<b>22.500</b>	-	<b>22.500</b>
<b>4.1 Associates (Net)</b>		<b>45.000</b>	-	<b>45.000</b>	<b>22.500</b>	-	<b>22.500</b>
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		45.000	-	45.000	22.500	-	22.500
<b>4.2 Subsidiaries (Net)</b>		-	-	-	-	-	-
4.2.1 Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>		-	-	-	-	-	-
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (NET)</b>	(11)	<b>999.005</b>	-	<b>999.005</b>	<b>922.856</b>	-	<b>922.856</b>
<b>VI. INTANGIBLE ASSETS (NET)</b>	(12)	<b>239.642</b>	-	<b>239.642</b>	<b>250.364</b>	-	<b>250.364</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		239.642	-	239.642	250.364	-	250.364
<b>VII. INVESTMENT PROPERTY (NET)</b>	(13)	-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSET</b>		-	-	-	-	-	-
<b>IX. DEFERRED TAX ASSETS</b>	(14)	<b>2.562.423</b>	-	<b>2.562.423</b>	<b>1.718.345</b>	-	<b>1.718.345</b>
<b>X. OTHER ASSETS</b>	(15)	<b>2.675.307</b>	<b>39.165</b>	<b>2.714.472</b>	<b>2.477.451</b>	<b>10.439</b>	<b>2.487.890</b>
<b>TOTAL ASSETS</b>		<b>81.354.593</b>	<b>117.655.829</b>	<b>199.010.422</b>	<b>85.916.950</b>	<b>101.769.843</b>	<b>187.686.793</b>

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.**  
**CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)**  
**AS OF MARCH 31, 2024**

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

LIABILITIES	Note (Fifth Section-II)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD			PRIOR PERIOD		
		(31/03/2024)			(31/12/2023)		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>I. FUNDS COLLECTED</b>	(1)	50.189.064	107.043.271	157.232.335	57.981.289	93.497.685	151.478.974
<b>II. FUNDS BORROWED</b>	(2)	198.702	1.412.173	1.610.875	242.905	1.004.966	1.247.871
<b>III. MONEY MARKET FUNDS</b>		-	-	-	-	-	-
<b>IV. SECURITIES ISSUED (Net)</b>	(3)	11.218.649	-	11.218.649	8.730.931	-	8.730.931
<b>V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		-	-	-	-	-	-
<b>VI. DERIVATIVE FINANCIAL LIABILITIES</b>		1.987	2.491	4.478	27.199	-	27.199
6.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss	(4)	1.987	2.491	4.478	27.199	-	27.199
6.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(6)	-	-	-	-	-	-
<b>VII. LEASE PAYABLES (NET)</b>	(5)	579.660	-	579.660	507.319	-	507.319
<b>VIII. PROVISIONS</b>	(7)	3.401.209	359.531	3.760.740	3.536.924	292.693	3.829.617
8.1 General Provisions		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		591.781	-	591.781	558.907	-	558.907
8.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
8.4 Other Provisions		2.809.428	359.531	3.168.959	2.978.017	292.693	3.270.710
<b>IX. CURRENT TAX LIABILITY</b>	(8)	2.890.667	-	2.890.667	1.336.476	-	1.336.476
<b>X. DEFERRED TAX LIABILITY</b>		-	-	-	-	-	-
<b>XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(9)	-	-	-	-	-	-
11.1 Held for Sale Purpose		-	-	-	-	-	-
11.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XII. SUBORDINATED DEBT INSTRUMENTS</b>	(10)	-	7.653.977	7.653.977	-	7.078.467	7.078.467
12.1 Loans		-	7.653.977	7.653.977	-	7.078.467	7.078.467
12.2 Other Debt Instruments		-	-	-	-	-	-
<b>XIII. OTHER LIABILITIES</b>	(11)	711.870	879.673	1.591.543	751.278	2.266.416	3.017.694
<b>XIV. SHAREHOLDERS' EQUITY</b>	(12)	12.350.191	117.307	12.467.498	10.323.361	108.884	10.432.245
14.1 Paid-in capital		1.026.915	-	1.026.915	1.026.915	-	1.026.915
14.2 Capital Reserves		39.272	-	39.272	39.272	-	39.272
14.2.1 Share Premium		-	-	-	-	-	-
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserve		39.272	-	39.272	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		677.669	117.307	794.976	671.615	108.884	780.499
14.5 Profit Reserves		3.434.584	-	3.434.584	3.434.584	-	3.434.584
14.5.1 Legal Reserves		428.286	-	428.286	428.286	-	428.286
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		3.006.298	-	3.006.298	3.006.298	-	3.006.298
14.5.4 Other Profit Reserves		-	-	-	-	-	-
14.6 Income or (Loss)		7.168.764	-	7.168.764	5.147.988	-	5.147.988
14.6.1 Prior Periods' Income or (Loss)		5.147.988	-	5.147.988	4.133	-	4.133
14.6.2 Current Period Income or (Loss)		2.020.776	-	2.020.776	5.143.855	-	5.143.855
<b>TOTAL LIABILITIES</b>		<b>81.541.999</b>	<b>117.468.423</b>	<b>199.010.422</b>	<b>83.437.682</b>	<b>104.249.111</b>	<b>187.686.793</b>

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.**

**CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET AS OF MARCH 31, 2024**

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

STATEMENT OF OFF BALANCE SHEET	Note (Fifth Section-III)	THOUSAND TL			THOUSAND TL		
		CURRENT PERIOD			PRIOR PERIOD		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>A. OFF BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>34.706.123</b>	<b>28.957.193</b>	<b>63.663.316</b>	<b>30.623.995</b>	<b>18.872.890</b>	<b>49.496.885</b>
<b>I. GUARANTEES AND SURETIES</b>	(1)	<b>19.411.069</b>	<b>5.590.322</b>	<b>25.001.391</b>	<b>15.438.616</b>	<b>4.450.678</b>	<b>19.889.294</b>
1.1 Letters of Guarantees		19.388.756	4.431.508	23.820.264	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		19.388.756	4.431.508	23.820.264	15.427.366	3.851.866	19.279.232
1.2. Bank Loans		2.250	16.101	18.351	11.250	6.905	18.155
1.2.1. Import Letter of Acceptances		2.250	16.101	18.351	11.250	6.905	18.155
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		20.063	1.142.713	1.162.776	-	591.907	591.907
1.3.1. Documentary Letter of Credits		20.063	1.142.713	1.162.776	-	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		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(1)	<b>15.018.104</b>	<b>15.279.101</b>	<b>30.297.205</b>	<b>9.525.408</b>	<b>9.017.365</b>	<b>18.542.773</b>
2.1. Irrevocable Commitments		15.018.104	15.279.101	30.297.205	9.525.408	9.017.365	18.542.773
2.1.1. Asset Purchase and Sale Commitments		194.285	14.704.200	14.898.485	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		14.269.410	-	14.269.410	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		508.856	-	508.856	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		-	574.901	574.901	-	524.822	524.822
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>276.950</b>	<b>8.087.770</b>	<b>8.364.720</b>	<b>5.659.971</b>	<b>5.404.847</b>	<b>11.064.818</b>
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)	276.950	8.087.770	8.364.720	5.659.971	5.404.847	11.064.818
3.2.1 Forward Foreign Currency Buy/Sell Transactions		276.950	4.521.543	4.798.493	256.594	234.281	490.875
3.2.1.1 Forward Foreign Currency Transactions-Buy		139.604	2.260.477	2.400.081	128.879	117.149	246.028
3.2.1.2 Forward Foreign Currency Transactions-Sell		137.346	2.261.066	2.398.412	127.715	117.132	244.847
3.2.2. Other Forward Buy/Sell Transactions		-	3.566.227	3.566.227	5.403.377	5.170.566	10.573.943
3.3. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>808.333.572</b>	<b>63.461.573</b>	<b>871.795.145</b>	<b>648.260.645</b>	<b>57.007.019</b>	<b>705.267.664</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>31.356.824</b>	<b>14.636.956</b>	<b>45.993.780</b>	<b>30.723.306</b>	<b>13.172.276</b>	<b>43.895.582</b>
4.1. Assets Under Management		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		9.268.321	1.976.344	11.244.665	7.639.437	1.464.484	9.103.921
4.3. Cheques Received for Collection		9.720.367	145.193	9.865.560	9.227.575	91.562	9.319.137
4.4. Commercial Notes Received for Collection		1.318.302	-	1.318.302	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		28.213	-	28.213	24.325	-	24.325
4.8. Custodians		11.021.621	12.515.419	23.537.040	12.433.056	11.616.230	24.049.286
<b>V. PLEDGED ITEMS</b>		<b>776.976.748</b>	<b>48.824.617</b>	<b>825.801.365</b>	<b>617.537.339</b>	<b>43.834.743</b>	<b>661.372.082</b>
5.1. Marketable Securities		2.418.325	-	2.418.325	817.400	-	817.400
5.2. Guarantee Notes		-	-	-	-	-	-
5.3. Commodity		11.640.301	2.732.382	14.372.683	10.073.899	3.175.397	13.249.296
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		105.794.973	-	105.794.973	89.186.170	-	89.186.170
5.6. Other Pledged Items		657.123.149	46.092.235	703.215.384	517.459.870	40.659.346	558.119.216
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>843.039.695</b>	<b>92.418.766</b>	<b>935.458.461</b>	<b>678.884.640</b>	<b>75.879.909</b>	<b>754.764.549</b>

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

**Convenience Translation of the Independent Auditor's Limited Reivew Report originally issued in Turkish  
(See Note 1.a of Section Three)**

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AS OF MARCH 31, 2024**

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

STATEMENT OF PROFIT AND LOSS	Note (Fifth Section- IV)	THOUSAND TL	THOUSAND TL
		CURRENT PERIOD (01/01/2024-31/03/2024)	PRIOR PERIOD (01/01/2023-31/03/2023)
<b>I. PROFIT SHARE INCOME</b>	<b>(1)</b>	<b>7.417.234</b>	<b>3.014.269</b>
1.1 Profit Share on Loans		5.650.104	1.846.266
1.2 Income Received from Reserve Deposits		163.004	210.865
1.3 Income Received from Banks		8.569	375
1.4 Income Received from Money Market Placements		-	-
1.5 Income Received from Marketable Securities Portfolio		1.569.038	930.914
1.5.1 Financial Assets at Fair Value Through Profit and Loss		40.969	81.012
1.5.2 Financial Assets at Fair Value through Other Comprehensive Income		887.611	542.798
1.5.3 Financial Assets Measured at Amortised Cost		640.458	307.104
1.6 Finance Lease Income		18.562	23.066
1.7 Other Profit Share Income		7.957	2.783
<b>II. PROFIT SHARE EXPENSE (-)</b>	<b>(2)</b>	<b>5.669.763</b>	<b>1.539.524</b>
2.1 Expense on Profit Sharing Accounts		4.556.369	1.123.368
2.2 Profit Share Expense on Funds Borrowed		184.104	86.233
2.3 Profit Share Expense on Money Market Borrowings		493	10.514
2.4 Expense on Securities Issued		910.455	299.662
2.5 Lease Profit Share Expense		18.342	19.747
2.6 Other Profit Share Expenses		-	-
<b>III. NET PROFIT SHARE INCOME (I - II)</b>		<b>1.747.471</b>	<b>1.474.745</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>555.179</b>	<b>388.468</b>
4.1 Fees and Commissions Received		575.252	396.692
4.1.1 Non-Cash Loans		62.953	29.217
4.1.2 Other		512.299	367.475
4.2 Fees and Commissions Paid (-)		20.073	8.224
4.2.1 Non-Cash Loans		73	19
4.2.2 Other		20.000	8.205
<b>V. DIVIDEND INCOME</b>	<b>(4)</b>	<b>-</b>	<b>-</b>
<b>VI. NET TRADING INCOME</b>	<b>(5)</b>	<b>1.635.508</b>	<b>718.096</b>
6.1 Capital Market Transaction Gains / (Losses)		1.304	1.492
6.2 Gains/ (Losses) from Derivative Financial Instruments		(194.721)	30.385
6.3 Foreign Exchange Gains / (Losses)		1.828.925	686.219
<b>VII. OTHER OPERATING INCOME</b>	<b>(6)</b>	<b>438.615</b>	<b>136.426</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>4.376.773</b>	<b>2.717.735</b>
<b>IX. PROVISION FOR EXPECTED LOSS (-)</b>	<b>(7)</b>	<b>326.568</b>	<b>149.825</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>(7)</b>	<b>132.741</b>	<b>19.687</b>
<b>XI. PERSONNEL EXPENSES (-)</b>		<b>796.813</b>	<b>196.172</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>(8)</b>	<b>444.706</b>	<b>1.210.883</b>
<b>XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>2.675.945</b>	<b>1.141.168</b>
<b>XIV. INCOME RESULTED FROM MERGERS</b>		<b>-</b>	<b>-</b>
<b>XV. GAIN/LOSS ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XVI. PROFIT/LOSS FROM PARTNERSHIPS USING THE EQUITY METHOD</b>		<b>-</b>	<b>-</b>
<b>XVII. PROFIT/LOSS BEFORE TAXES (XIII+...+XV)</b>		<b>-</b>	<b>-</b>
<b>XVIII. PROVISION FOR TAXES (±)</b>	<b>(9)</b>	<b>2.675.945</b>	<b>1.141.168</b>
<b>XIX. TAX PROVISION FOR CONTINUING OPERATIONS (±)</b>	<b>(10)</b>	<b>655.169</b>	<b>203.050</b>
18.1 Current Tax Provision		1.504.996	604.934
18.2 Deferred Tax Expense (+)		1.395.332	728.713
18.3 Deferred Tax Income (-)		2.245.159	1.130.597
<b>XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)</b>		<b>2.020.776</b>	<b>938.118</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XXII. PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XIX-XX)</b>		<b>-</b>	<b>-</b>
<b>XXIII. PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)</b>	<b>(9)</b>	<b>-</b>	<b>-</b>
23.1 Current Tax Provision		-	-
23.2 Deferred Tax Expense (+)		-	-
23.3 Deferred Tax Income (-)		-	-
<b>XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>
<b>XXV. NET PROFIT/LOSS (XVIII+XXIV)</b>		<b>2.020.776</b>	<b>938.118</b>
25.1 Group's Income/Loss (-)		2.020.776	938.118
25.2 Minority Shares Profit/Loss (-)		-	-
Earnings Per Share		1,96781	0,91353

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.  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME AS OF MARCH 31, 2024**

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2024- 31/03/2024)	PRIOR PERIOD 01/01/2023- 31/03/2023)
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>2.020.776</b>	<b>938.118</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>14.477</b>	<b>234.978</b>
<b>2.1 Other Income/Expense Items not to be Recycled to Profit or Loss</b>		
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	-	-
<b>2.2 Other Income/Expense Items to be Recycled to Profit or Loss</b>	<b>14.477</b>	<b>234.978</b>
2.2.1 Translation Differences	-	-
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	21.877	313.623
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	(7.400)	(78.645)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>2.035.253</b>	<b>1.173.096</b>

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.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF MARCH 31, 2024**

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

CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves <sup>(*)</sup>	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 Equity Excluding Minority Shares	Minority Shares	Total Equity Except for Minority Interests
					1	2	3	4	5	6						
<b>I. Balances at Beginning Period</b>	1.026.915	-	-	39.272	-	2.987	-	-	780.499	-	3.434.584	4.133	5.143.855	10.432.245	-	10.432.245
<b>II. Correction made as per TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Balances at Beginning of Period (I+II)</b>	1.026.915	-	-	39.272	-	2.987	-	-	780.499	-	3.434.584	4.133	5.143.855	10.432.245	-	10.432.245
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	14.477	-	-	-	2.020.776	2.035.253	-	2.035.253
<b>V. Capital Increase in Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase from Internal Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustments to Paid-in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	-	5.143.855	(5.143.855)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	5.143.855	(5.143.855)	-	-	-
<b>Balances at end of the period (III+IV...+X+XI)</b>	1.026.915	-	-	39.272	-	2.987	-	-	794.976	-	3.434.584	5.147.988	2.020.776	12.467.498	-	12.467.498

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.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF MARCH 31, 2024**

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

CHANGES IN SHAREHOLDERS' 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 Equity Excluding Minority Shares	Minority Shares	Total Equity Except for Minority Interests
					1	2	3	4	5	6						
<b>I. Balances at Beginning Period</b>	1.026.915	-	-	33.186	-	(19.114)	-	-	1.542.227	-	630.721	287	2.813.795	6.028.017	-	6.028.017
<b>II. Correction made as per TAS 8</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Adjusted Balances at Beginning of Period (I+II)</b>	1.026.915	-	-	33.186	-	(19.114)	-	-	1.542.227	-	630.721	287	2.813.795	6.028.017	-	6.028.017
<b>IV. Total Comprehensive Income</b>	-	-	-	-	-	-	-	-	234.978	-	-	-	938.118	1.173.096	-	1.173.096
<b>V. Capital Increase in Cash</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase from Internal Sources</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustments to Paid-in Capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Liabilities</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Other Changes</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>	-	-	-	-	-	-	-	-	-	-	-	2.813.795	(2.813.795)	-	-	-
11.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Others	-	-	-	-	-	-	-	-	-	-	-	2.813.795	(2.813.795)	-	-	-
<b>Balances at end of the period (III+IV...+X+XI)</b>	1.026.915	-	-	33.186	-	(19.114)	-	-	1.777.205	-	630.721	2.814.082	938.118	7.201.113	-	7.201.113

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.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS AS OF MARCH 31, 2024**  
(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

	THOUSAND TL	THOUSAND TL
	CURRENT PERIOD (01/01/2024- 31/03/2024)	PRIOR PERIOD (01/01/2023- 31/03/2023)
<b>STATEMENT OF CASH FLOWS</b>		
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes In Assets And Liabilities from Banking Operations</b>	<b>6.627.943</b>	<b>1.493.838</b>
I.1.1 Profit Share Income Received	7.029.695	3.057.257
I.1.2 Profit Share Expense Paid	(5.576.347)	(1.542.493)
I.1.3 Dividend Received	-	-
I.1.4 Fees and Commissions Received	575.252	396.692
I.1.5 Other Income	343.804	136.618
I.1.6 Collections from Previously Written off Loans	35.886	12.394
I.1.7 Payments to Personnel and Service Suppliers	(796.813)	(84.081)
I.1.8 Taxes Paid	(702.941)	(149.635)
I.1.9 Others	5.719.407	(332.914)
<b>1.2 Changes in Assets and Liabilities from Banking Operations</b>	<b>(10.118.249)</b>	<b>6.264.519</b>
I.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	1.548.975	(213.994)
I.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions	(3.828.607)	663.429
I.2.3 Net (Increase) Decrease in Loans	(2.584.085)	(4.414.275)
I.2.4 Net (Increase) Decrease in Other Assets	(404.683)	(1.425.581)
I.2.5 Net Increase (Decrease) in Bank Deposits	4.314.567	(282.040)
I.2.6 Net Increase (Decrease) in Other Deposits	(5.963.106)	10.951.997
I.2.7 Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss	-	-
I.2.8 Net Increase (Decrease) in Funds Borrowed	(363.004)	(14.242)
I.2.9 Net Increase (Decrease) in Matured Payables	-	-
I.2.10 Net Increase (Decrease) in Other Liabilities	(2.838.306)	999.225
<b>I. Net Cash Flows from Banking Operations</b>	<b>(3.490.306)</b>	<b>7.758.357</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net cash flow from investing activities</b>	<b>188.461</b>	<b>(873.300)</b>
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	(78.107)	(15.237)
2.4 Disposals of Property and Equipment	590	587
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(676.302)	(2.199.899)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income	955.396	1.441.051
2.7 Purchase of Financial Assets Measured at Amortised Cost	-	-
2.8 Sale of Financial Assets Measured at Amortised Cost	-	-
2.9 Other	9.384	(77.302)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Flows from Financing Activities</b>	<b>898.694</b>	<b>1.882.586</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued	126.957.923	63.026.330
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued	(126.038.358)	(61.050.521)
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(20.871)	(93.223)
3.6 Other	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>1.689.369</b>	<b>683.370</b>
<b>V. Net increase/(decrease) in cash and cash equivalents</b>	<b>(713.782)</b>	<b>9.451.013</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the period</b>	<b>53.215.879</b>	<b>17.247.813</b>
<b>VII. Cash and Cash Equivalents at the End of the period</b>	<b>52.502.097</b>	<b>26.698.826</b>

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2024**

(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 consolidated financial statements have been prepared in accordance with the provisions of the Regulation on the Procedures and Principles Regarding Accounting Applications of Banks and Safeguarding of Documents, published in the Official Gazette dated 1 November 2006 and numbered 26333, in relation to the Banking Law numbered 5411, and other regulations, communiqués, explanations and circulars published by the Banking Regulation and Supervision Agency ("BRSA") on accounting and financial reporting principles, and in cases not regulated by these, the provisions of the Turkish Accounting Standard 34 (TAS 34) Interim Financial Reporting Standard and Turkish Financial Reporting Standards ("TFRS") put into effect by the Public Oversight, Accounting and Auditing Standards Authority ("KGK") (collectively, "BRSA Accounting and Financial Reporting Legislation"). The format and content of the consolidated financial statements to be disclosed to the public, as well as their explanations and footnotes, have been prepared in accordance with the “Communiqué on Financial Statements to be Disclosed to the Public by Banks and the Relevant Explanations and Footnotes” and “Communiqué on Disclosures to be Made to the Public by Banks on Risk Management” published in the Official Gazette dated 28 June 2012 and numbered 28337, as well as the communiqués that make additions and amendments to these. The Parent Bank keeps its accounting records in Turkish currency in accordance with the Banking Law, the Turkish Commercial Code and Turkish tax legislation.

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

In preparing financial statements in accordance with TFRS, the Group management is required to make assumptions and estimates regarding the assets and liabilities in the balance sheet and contingent issues as of the balance sheet date. The assumptions and estimates in question include the fair value calculations of financial instruments and the impairment of financial assets and are reviewed regularly. Necessary adjustments are made and the effects of these adjustments are reflected in the income statement. The assumptions and estimates used are explained in the relevant footnotes.

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

**b. Accounting policies and valuation principles applied in the preparation of consolidated 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 the principles of accounting and financial reporting, and TAS/TFRS put into effect by the KGK on matters not regulated by these (all "BRSA Accounting and Financial Reporting Legislation") has been determined according to the principles included in the scope. Accounting policies for the current periods and valuation principles used are explained in footnotes II to XXIII.

With its announcement dated November 2023, KGK stated that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting Standard in High Inflation Economies (“TAS 29”). He explained that institutions or organizations authorized to regulate and supervise 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 December 12, 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 consolidated financial statements dated March 31, 2024 within the scope of TAS 29 Financial Reporting Standard in Highly Inflationary Economies.

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.  
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2024**

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

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

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

When loans monitored in foreign currency loan accounts are transferred to follow-up, they continue to be monitored in foreign currency loan accounts and are valued at current exchange 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 denominated in precious metals, which are monitored in asset and liability accounts and are not subject to a maturity date, 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 profit or loss from foreign exchange transactions.

**III. Information on consolidated associates**

Parent Bank and its subsidiaries Emlak Varlık Kiralama A.Ş. and Emlak Katılım Varlık Kiralama A.Ş. It is included in the accompanying consolidated financial statements using the full consolidation method. In the preparation of consolidated financial statements, the methods, procedures and principles specified in the "Communiqué on the Preparation of Consolidated Financial Statements of Banks" and the "Turkish Financial Reporting Standard on Consolidated Financial Statements" ("TFRS 10") published in the Official Gazette dated 8 November 2006 and numbered 26340 are followed.

**a. Consolidation principles of subsidiaries**

Subsidiaries are the Parent Bank's shares, either (a) through its authority to exercise more than 50% of the voting rights regarding the shares in the companies as a result of the shares directly and/or indirectly owned by it, or (b) through its authority to exercise more than 50% of the voting rights. It refers to companies that have the authority and power to control the financial and operating policies in line with the interests of the Group, by using the actual dominant influence over the financial and operating policies, although it does not have the authority to use them.

Control is the Parent Bank's direct or indirect ownership of the majority of the capital in a legal entity, or its holding of privileged shares although it does not have this majority, or its ability to exercise the majority of the voting rights pursuant to agreements made with other shareholders, or its ability to appoint the majority of the members of the board of directors in any way, or It was accepted that he had the power to dismiss.

Subsidiaries are consolidated using the full consolidation method within the framework of the materiality principle on the basis of their operating results, asset and equity sizes.

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2024**

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

**ACCOUNTING POLICIES (Continued)**

**III. Information on consolidated associates (Continued)**

**a. Consolidation principles of subsidiaries (Continued)**

Subsidiaries are included in the scope of consolidation from the date on which control over their activities is transferred to the Group and will be excluded from the scope of consolidation on the date on which control ceases. When deemed necessary, the accounting policies applied for subsidiaries may be changed to ensure consistency with the accounting policies applied by the Group.

According to the full consolidation method, 100% of the subsidiary's assets, liabilities, profit or loss and off-balance sheet items are combined with the Parent Bank's assets, liabilities, profit or loss and off-balance sheet items. The book value of the Group's investment in the subsidiary and the portion of the capital of the subsidiary belonging to the Group are netted off. Balances and unrealized profits and losses arising from transactions between partnerships within the scope of consolidation have been mutually offset. There are no minority rights in the consolidated subsidiary net income.

Emlak Varlık Kiralama A.Ş., a subsidiary of the Parent Bank, was established on 5 August 2019 in accordance with the permission received from the Banking Regulation and Supervision Board and the Capital Markets Board and was registered in the trade registry. It was established and started its operations on 5 August 2019 with a capital of 50 TL, fully paid by the Parent Bank, for the sole purpose of issuing lease certificates within the framework of the CMB's Lease Certificates Communiqué (III-61.1) published in the Official Gazette dated 7 June 2013 and numbered 28760.

Emlak Katılım Varlık Kiralama A.Ş., a subsidiary of the Parent Bank, was established on January 20, 2020, in line with the permission received from the Banking Regulation and Supervision Agency and the Capital Markets Board, and was registered in the trade registry. Emlak Katılım Varlık Kiralama Anonim Şirketi was established on 16 March 2019 with a capital of 50 TL, fully paid by the Parent Bank, for the sole purpose of issuing lease certificates within the framework of the CMB's Lease Certificates Communiqué (III-61.1) published in the Official Gazette dated 7 June 2013 and numbered 28760. The company was established and started its operations.

The titles of the partnerships within the scope of consolidation, their headquarters, their fields of activity and their effective, direct and indirect partnership rates are as follows:

<b>Title</b>	<b>Operation Center (City/Country)</b>	<b>Main Activities</b>	<b>Effective Rates (%)</b>	<b>Direct and Indirect Rates (%)</b>
Emlak Varlık Kiralama A.Ş.	İstanbul/Türkiye	Lease Certificate Issue	100	100
Emlak Katılım Varlık Kiralama A.Ş.	İstanbul/Türkiye	Lease Certificate Issue	100	100

**b. Presentation of subsidiaries, affiliates and jointly controlled partnerships not included in the scope of consolidation in consolidated financial statements**

The Group does not have any affiliates, subsidiaries or jointly controlled partnerships that are not included in the scope of consolidation.

**IV. Explanations on forward, option contracts and derivative instruments**

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

The Group’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.

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2024**

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

**ACCOUNTING POLICIES (Continued)**

**IV. Explanations on forward, option contracts and derivative instruments (Continued)**

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.

**V. 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 Group 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.

**VI. Explanations on fees, commission income and expenses**

Fees and commissions are accounted for in accordance with “TFRS 15 Revenue from Contracts with Customers” except for fees and commissions that are integral part of the effective profit share rates of financial instruments measured at amortized costs.

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 commissions 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 on Loans” in the income statement.

Related to financial liabilities; loan fees and commission expenses which constitute the transaction cost and which are paid to other institutions and organizations are accounted under the prepaid expense account and reflected in the expense accounts according to the internal rate of return method.

**VII. Explanations on financial assets and liabilities**

The Group classifies its financial assets as “Financial Assets at Fair Value Reflected in Profit/Loss”. It is classified and accounted for as “Financial Assets at Fair Value Reflected in Other Comprehensive Income” or “Financial Assets Measured at Amortized Cost”. The relevant classification depends on the contractual cash flow characteristics of financial assets at initial recognition. The financial assets in question are recorded or excluded in accordance with the "Recognition and Derecognition" provisions in the third part of the TFRS 9 standard regarding the classification and measurement of financial instruments published by the POA in the Official Gazette dated 19 January 2017 and numbered 29953. Financial assets are measured at fair value when they are first recognized in the financial statements.

In the initial measurement of financial assets other than “Financial Assets at Fair Value Reflected in Profit/Loss”, transaction costs are added to or deducted from the fair value.

The Group includes a financial asset in the statement of financial position only when it becomes a party to the contractual provisions regarding the financial instrument. When a financial asset is included in the financial statements for the first time, the characteristics of the financial asset's contractual cash flows are taken into account. When the Group makes a change, all financial assets affected by this change are reclassified and the reclassification is applied prospectively. In such cases, no adjustment is made for gains, losses or dividends previously recognized in the financial statements.

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**ACCOUNTING POLICIES (Continued)**

**VII. Explanations on financial assets and liabilities (Continued)**

**Financial assets at fair value through profit or loss**

Financial assets whose fair value difference is reflected in profit/loss; They are grouped under two main headings: "Derivative Financial Assets" and "Financial assets classified as financial assets at fair value through profit/loss". Financial assets classified in this group are included in the financial statements at cost reflecting their fair value and are shown in the financial statements at their fair value in subsequent periods. Gains and losses resulting from the valuation 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 Group’s securities portfolio includes financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, and consumer price indexed government bonds classified as financial assets measured at amortized cost. These securities are valued and accounted for using the effective interest method based on the real coupon rates, the reference inflation index on the issue date, and the index calculated by taking into account the estimated inflation rate. As stated in the CPI-Indexed Bonds Investor's Guide of the Undersecretariat of Treasury, the reference indices used in calculating the actual coupon payment amounts of these securities 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 within the scope of business model where those cash flows represent solely payments of principal and profit share on certain dates are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs, which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in income statement.

**Loans:**

Loans are non-derivative financial assets with fixed or identifiable payments that are not quoted in an active market. These loans are initially recognized at acquisition cost reflecting their fair value plus transaction costs and subsequently measured at amortized cost using the "internal rate of return method".

The Bank periodically evaluates the provisions for loans and other receivables in accordance with TFRS 9 based on the results of these evaluations and, as a result of these evaluations, updates the staging rules and the parameters used in the calculation of the related provision balances, if deemed necessary.

**ACCOUNTING POLICIES (Continued)**

**VIII. Explanations on expected credit losses**

As of January 1, 2020, the Group 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 Group 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 Group measures expected credit losses with the reasonable, objective and supportable information based on a probability-weighted including estimations about past events, current conditions as of the reporting date, without undue cost or effort. The Group has not developed an internal model for estimating these risk parameters due to insufficient historical data for modeling. The average annual default rates are used as the default probability (CR) parameter in the 12-month expected loan loss provision calculations, based on year-end data announced by participation banks after 2014. The average of the close monitoring reserve ratios is used as the PD parameter in the calculation of the lifetime expected loan loss provision, based on year-end data announced by participation banks after 2014. For LGD, the Group uses a 45% ratio in compliance with the basic IDD approach in Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach published by the BRSA with a reasonable approach. The calculation of expected credit losses consists of three main parameters: Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

**Parameters used in calculating expected loss provisions**

**Probability of Default (PD)**

PD represents the likelihood of a default over a specified time period. The Group 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.

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**ACCOUNTING POLICIES (Continued)**

**VIII. Explanations on expected credit losses (Continued)**

**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 Group 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 Parent 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 Parent 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.

According to the internal procedures of the Group 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.

**IX. Explanations on offsetting of financial instruments**

Financial instruments are offset when the Group 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.



**ACCOUNTING POLICIES (Continued)**

**X. 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 Group 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 Group has no securities lending transactions.

Accounting Policies (Continued)

**XI. 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 Group’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 Group has no discontinued operations.

**XII. 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 December 31, 2024, there is no goodwill in the financial statements of the Group. (December 31, 2023: None).

The Group’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 Group over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Group’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.

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**ACCOUNTING POLICIES (Continued)**

**XIII. 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.

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

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.

**XIV. Explanations on leasing transactions**

The Group applies the TFRS 16 leases standard. The Group 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 Group, 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 Group 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.

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**ACCOUNTING POLICIES (Continued)**

**XIV. Explanations on leasing transactions (Continued)**

**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 Group.

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 Group 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 Group 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 Group employs its alternative borrowing profit share rate.

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 Group 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.

**XV. 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.

**ACCOUNTING POLICIES (Continued)**

**XVI. Explanations on liabilities regarding employee rights**

The Group 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 Group 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 Group'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.

According to the new law Group 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.

**ACCOUNTING POLICIES (Continued)**

**XVI. Explanations on liabilities regarding employee rights (Continued)**

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 Group 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 above-mentioned fund. Since the Group 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 Group’s financial statements.

**XVII. Explanations on taxation**

**Current tax:**

In the financial statements as of September 30, 2023, the corporate tax rate is applied 25%. The corporate tax rate has been permanently increased to 25% for banks, consumer finance companies, factoring and financial leasing companies, capital market institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in accordance with the publication of the Law No. 7394 in the Official Gazette dated April 15,2022. However, with the Law No. 7456 published on July 15, 2023, the rate was increased to 30% to be applied to the cumulative tax base for the declarations to be submitted as of October 1, 2023. Starting from for the period of January 1, 2023- December 30, 2023 provisional corporate tax declaration, the corporate tax rate will be applied as 30% for the following periods. Dividends paid to the resident institutions are not subject to withholding tax in Türkiye. Withholding tax rate on the dividend payments other than these is 10%. Appropriation of the retained earnings to capital is not considered as profit distribution and accordingly is not subject to withholding tax.

Corporations calculate advance tax with their current rate on quarterly profits and pay until the evening of the same day by declaring until the 17th day of the second month following that period. The prepaid taxes can be deducted from the annual corporate tax calculated on the annual corporate income. The remaining prepaid tax, if any after deduction, can be refunded in cash or deducted from other financial liabilities to the government.

**ACCOUNTING POLICIES (Continued)**

**XVII. Explanations on taxation (Continued)**

75% portion of the capital gains derived from the sale of equity investments and 50% portion of the capital gains derived from the sale of immovable properties held for at least two years is tax exempt if such gains are added to paid-in capital or held in a special fund account under liability for five years. However, with the Law No. 7456 published on July 15, 2023, this exemption has been abolished for the real estates to be acquired after the publication date of the decision, and if the real estates acquired before this date are sold after the effective date of the decision, 25% of the real estate sales profit will be exempt from corporate tax.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods. In Türkiye, there is no procedure for a final and definite agreement on tax assessments.

Companies file their tax returns until the last day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings and carry out sectorial investigations.

As of the end of 2021 calendar year, the conditions required for inflation adjustment in corporate tax calculation have been realized in accordance with the reiterated article 298/A of the Tax Procedure Law (VUK). However, with the Law No. 7352 on the Amendment of the Tax Procedure Law and the Corporate Tax Law, published in the Official Gazette dated 29 January 2022 and numbered 31734, the temporary article 33 was added to the Tax Procedure Law No. 213, including the provisional tax periods. Financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods (for those designated as a special accounting period, as of the accounting periods ending in 2022 and 2023) and the provisional tax periods for the 2023 accounting period, regardless of whether the conditions for the repetitive inflation adjustment within the scope of Article 298 are met, it has been enacted that the 2023 financial statements will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, and the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years profit/loss account.

Assets within the scope of the provisional Article 32 of the Tax Procedure Law No. 213 were valued and taxed at a rate of 2%. The assets covered by the reiterated 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 March 31, 2024, the Bank used a 30% tax rate for temporary differences expected to be realized or closed.

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**ACCOUNTING POLICIES (Continued)**

**XVII. Explanations on taxation (Continued)**

**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.

**XVIII. Additional explanations on borrowings**

Funds provided from debt instruments issued by the Parent Bank through an asset leasing company are presented under "Securities Issued". 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.

**XIX. Explanations on issued share certificates**

None.

**XX. Explanations on acceptances and availed drafts**

The Group carries out the payments of avals and acceptances simultaneously with the payments of the customers. Avals and acceptances are shown in off-balance sheet liabilities as possible liabilities and commitments.

**XXI. Explanations on government grants**

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

**XXII. Explanations on segment reporting**

Business segment is a component of the Group that engages in business activities from which the Group may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group'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.

**XXIII. 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 consolidated financial statements after deducting the provision for impairment, if any.

**XXIV. Information on other issues:**

None.

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**SECTION FOUR**

**INFORMATION ON CONSOLIDATED 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 Group's current period equity amount calculated as of March 31, 2024 is 17.192.060 TL and the capital adequacy standard rate is 19,60%. The equity amount for December 31, 2023 is 15.374.501 TL and the capital adequacy standard rate is 23,08%. The Group's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation.

**a) Information on consolidated total capital items:**

	<b>Current Period 31 March 2024</b>	<b>Prior Period 31 December 2023</b>
<b>COMMON EQUITY TIER 1 CAPITAL</b>		
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	3.434.584	3.434.584
Gains recognized in equity as per TAS	713.403	705.872
Profit	7.168.764	5.147.988
Current Period Profit	2.020.776	5.143.855
Prior Period Profit	5.147.988	4.133
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>12.343.666</b>	<b>10.315.359</b>
<b>Deductions from Common Equity Tier 1 Capital</b>		
Common Equity as per the 1 <sup>st</sup> 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	-	19.114
Leasehold improvements	128.417	119.326
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	237.662	248.862
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
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	1.364.664	723.628
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	-	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>1.730.743</b>	<b>1.091.816</b>
<b>Total Common Equity Tier 1 Capital</b>	<b>10.612.923</b>	<b>9.223.543</b>



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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanation on consolidated shareholder's equity items (Continued)**

**a) Information on consolidated shareholder's equity (Continued)**

	Current Period 31 March 2024	Prior Period 31 December 2023
<b>ADDITIONAL TIER 1 CAPITAL</b>		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	6.095.014	5.709.739
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>6.095.014</b>	<b>5.709.739</b>
<b>Deductions from Additional Tier I Capital</b>		
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	-	-
<b>Transition from the Core Capital to Continue to deduce Components</b>		
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 (-)	-	-
<b>Total Deductions from Additional Tier I Capital</b>	<b>-</b>	<b>-</b>
<b>Total Additional Tier I Capital</b>	<b>6.095.014</b>	<b>5.709.739</b>
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>16.707.937</b>	<b>14.933.282</b>
<b>TIER 2 CAPITAL</b>		
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)	487.294	444.659
<b>Contribution Capital Before Discounts</b>	<b>487.294</b>	<b>444.659</b>
<b>Deductions from Tier II Capital</b>		
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 (-)	-	-
<b>Total Deductions from Tier II Capital</b>	<b>-</b>	<b>-</b>
<b>Total Tier II Capital</b>	<b>487.294</b>	<b>444.659</b>
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>17.195.231</b>	<b>15.377.941</b>
<b>Deductions from Capital</b>	<b>17.195.231</b>	<b>15.377.941</b>
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	3.171	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 CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanation on consolidated shareholder's equity items (Continued)**

**a) Explanation on consolidated shareholder's equity (Continued)**

	Current Period 31 March 2024	Prior Period 31 December 2023
<b>SHARHOLDER'S EQUITY</b>		
Total Capital (The sum of Tier I Capital and Tier II Capital and After The Deductions from Total Capital )	17.192.060	15.374.501
Total Risk Weighted Amounts	87.707.203	66.615.195
<b>Capital Adequacy Ratios</b>		
Core Capital Adequacy Ratio (%)	12,10	13,85
Tier I Capital Adequacy Ratio (%)	19,05	22,42
Capital Adequacy Ratio (%)	19,60	23,08
<b>BUFFERS</b>		
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 1 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 (%)	7,6	9,35
<b>Amounts Lower Than Excesses as per Deduction Rules</b>		
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	1.197.759	994.717
<b>Limits related to provisions considered in Tier II calculation</b>		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	487.294	444.659
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	487.294	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	-	-
<b>Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)</b>		
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 Group, 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 March 31, 2024, the Parent Bank had taken advantage of these opportunities in its Capital Adequacy calculations. Board decisions have a 7,05% impact on the standard capital adequacy ratio."

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanation on consolidated shareholder’s equity items (Continued)**

**b) Information on consolidated 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
<b>Special Consideration in the Calculation of Equity</b>	
As of January 1, 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)	5.470.252
Par Value of Instrument	6.979.204
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	-
<b>Profit Share/Dividends</b>	
Fixed or floating profit share/dividend	-
Profit share rate and any related index	-
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	Fully discretionary
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
<b>Convertible or Non-convertible</b>	
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	-
<b>Write-down feature</b>	
If write-down, write-down trigger(s)	In case of the ratio of core capital adequacy ratio 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 CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanation on consolidated shareholder’s equity items (Continued)**

**b) Information on consolidated 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
<b>Special Consideration in the Calculation of Equity</b>	
As of January 1, 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)	624.762
Par Value of Instrument	1.105.802
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	Last Payment Date: 09.03.2032 Total Repayment Amount: TL 500.000 million (full) EUR equivalent
Subsequent call dates	-
<b>Profit Share/Dividends</b>	
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
<b>Convertible or Non-convertible</b>	
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	-
<b>Write-down feature</b>	
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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**I. Explanation on consolidated shareholder’s equity items (Continued)**

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

The difference between Total Capital and Equity in the consolidated 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 consolidated 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 consolidated currency risk:**

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

- a) The Group is exposed to currency risks as a market risk and pay attention to keep at a minimum level by avoiding keeping any positions. The Group 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 Group 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 Group are as follows:

	USD	EUR
As of March 31, 2024 - Balance sheet evaluation rate	32,3654	34,8960
As of March 29, 2024	32,3654	34,8960
As of March 28, 2024	32,3185	34,8916
As of March 27, 2024	32,2412	34,8968
As of March 26, 2024	32,1874	34,9253
As of March 25, 2024,	32,0889	34,7225

- e) The simple arithmetical average of the major foreign exchange buying rates of the Group for the thirty days before the balance sheet date is full TL 32,0224 for 1 USD (December 2023: full TL 29,1176), full TL 34,7796 for 1 Euro (December, 2023: full TL 31,8008).

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

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT  
(Continued)**

**III. Explanations on consolidated currency risk (continued):**

**Information on the Group's Currency Risk**

	EUR	USD	Other FC	Total
<b>Current Period</b>				
<b>Assets</b>				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye (*)	17.057.538	40.519.117	326.012	57.902.667
Banks (**)	1.249.357	886.412	15.003.078	17.138.847
Financial assets at fair value through profit and loss		686.824	1.369.261	2.056.085
Money market placements	-	-	-	-
Financial Assets Valued at Fair Value Through Profit and Loss	1.231.542	3.641.561	-	4.873.103
Loans and financial lease receivables (**)	11.439.152	16.836.700	-	28.275.852
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	7.668.257	-	-	7.668.257
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets (***)	7.166	26.453	18.381	52.000
<b>Total Assets</b>	<b>38.653.012</b>	<b>62.597.067</b>	<b>16.716.732</b>	<b>117.966.811</b>
<b>Liabilities</b>				
Current account and funds collected from banks via participation accounts	482.248	5.084	2.414.064	2.901.396
Other current and profit-sharing accounts	27.374.738	64.044.485	12.722.652	104.141.875
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	9.032.123	34.027	-	9.066.150
Marketable securities issued	-	-	-	-
Miscellaneous payables	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities (***)	451.632	323.307	584.063	1.359.002
<b>Total liabilities</b>	<b>37.340.741</b>	<b>64.406.903</b>	<b>15.720.779</b>	<b>117.468.423</b>
<b>Net balance sheet position</b>	<b>1.312.271</b>	<b>(1.809.836)</b>	<b>995.953</b>	<b>498.388</b>
<b>Net off balance sheet position</b>	<b>(1.670.986)</b>	<b>1.617.009</b>	<b>60.222</b>	<b>6.245</b>
Derivative financial instruments assets	893.690	2.683.045	470.273	4.047.008
Derivative financial instruments liabilities	2.564.676	1.066.036	410.051	4.040.763
Non-cash loans	2.221.793	3.295.775	72.754	5.590.322
<b>Prior Period</b>				
<b>Total assets</b>	<b>32.242.100</b>	<b>55.909.251</b>	<b>13.837.861</b>	<b>101.989.212</b>
<b>Total liabilities</b>	<b>32.709.463</b>	<b>59.049.069</b>	<b>12.490.579</b>	<b>104.249.111</b>
<b>Net balance sheet position</b>	<b>(467.363)</b>	<b>(3.139.818)</b>	<b>1.347.282</b>	<b>(2.259.899)</b>
<b>Net off balance sheet position</b>	<b>575.485</b>	<b>3.297.563</b>	<b>(1.368.325)</b>	<b>2.504.723</b>
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
<b>Non-cash loans</b>	<b>1.830.598</b>	<b>2.563.907</b>	<b>56.173</b>	<b>4.450.678</b>

(\*) The currency risk calculation does not include an expected loss provision of TL 54.540 for Cash and the Central Bank and TL 23.767 for banks.

(\*\*) The currency risk calculation excludes an expected loss provision of TL 232.675 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 on consolidated position risk of equity securities in banking book**

None (December 31, 2023: None).

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**IV. Explanations on consolidated 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 Group.

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 Group’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 Parent Bank is exposed to and considering the Group’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 Group'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 Group'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 Group'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 Group'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 Group 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 Group 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 CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**IV. Explanations on consolidated liquidity risk (Continued):**

**Liquidity on Consolidated Coverage Ratio:**

Current Period	Rate of "Percentage to be taken into account " not Implemented Total value <sup>(*)</sup>		Rate of "Percentage to be taken into account " Implemented Total value <sup>(*)</sup>	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>				
<b>1 HIGH QUALITY LIQUID ASSETS</b>			<b>85.540.122</b>	<b>62.333.536</b>
<b>CASH OUTFLOWS</b>				
2 Retail and Real Person Funds Collected	43.936.076	37.562.256	4.349.275	3.756.226
3 Stable Funds Collected	886.651	-	44.333	-
4 Less stable Funds Collected	43.049.425	37.562.256	4.304.942	3.756.226
5 Unsecured Funding other than Retail and Real Person	66.548.772	54.974.433	31.134.505	22.849.038
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	64.241.666	54.793.719	28.827.399	22.668.324
8 Non-Operational Funds Collected	2.307.106	180.714	2.307.106	180.714
9 Secured Funding				
10 Other Cash Flows	10.449.467	6.643.132	10.449.467	6.643.132
11 Liquidity needs related to derivatives and market valuation changes on derivatives transactions	8.490.214	6.643.132	8.490.214	6.643.132
12 Debts related to the structured financial products	1.959.253	-	1.959.253	-
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	33.439.714	5.371.676	11.846.502	529.654
<b>16 TOTAL CASH OUTFLOWS</b>			<b>57.779.749</b>	<b>33.778.050</b>
<b>CASH INFLOWS</b>				
17 Secured Lending Transactions	-	-	-	-
18 Unsecured Lending Transactions	31.823.769	15.853.595	27.166.504	14.644.138
19 Other contractual cash inflows	8.525.081	6.954.436	8.525.081	6.954.436
<b>20 TOTAL CASH INFLOWS</b>	<b>40.348.850</b>	<b>22.808.031</b>	<b>35.691.585</b>	<b>21.598.574</b>
<b>21 TOTAL HQLA</b>			<b>85.540.122</b>	<b>62.333.536</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>22.088.164</b>	<b>12.179.476</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			<b>387,27</b>	<b>511,79</b>

<sup>(\*)</sup> It is the average of the liquidity coverage ratio calculated by taking the simpleweekly arithmetic average for the last three months.

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated March 21, 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 – 31.03.2024			
	TL+FC	Month	FC	Month
Lowest (%)	249,29	February 12, 2024	312,91	January 7, 2024
Highest (%)	611,32	January 3, 2024	804,20	March 19, 2024
<b>Average</b>	<b>401,96</b>		<b>525,65</b>	



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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**IV. Explanations on consolidated liquidity risk (Continued):**

**Liquidity on Consolidated Coverage Ratio (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
<b>1 HIGH QUALITY LIQUID ASSETS (HQLA)</b>			<b>75.297.535</b>	<b>55.105.123</b>
<b>2 CASH OUTFLOWS</b>				
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	62.355.538	55.332.483	26.921.614	22.628.418
6 Customers Deposits	-	-	-	-
7 Operational Funds Collected	61.554.037	55.269.466	26.120.113	22.565.401
8 Non-Operational Funds Collected	801.501	63.017	801.501	63.017
9 Secured Funding				
10 Other Cash Flows	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
<b>16 TOTAL CASH OUTFLOWS</b>			<b>48.348.705</b>	<b>30.874.874</b>
<b>CASH INFLOWS</b>				
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
<b>20 TOTAL CASH INFLOWS</b>	<b>40.352.730</b>	<b>24.332.730</b>	<b>36.001.798</b>	<b>23.411.170</b>
<b>21 TOTAL HQLA</b>			<b>75.297.535</b>	<b>55.105.123</b>
<b>22 TOTAL NET CASH OUTFLOWS</b>			<b>12.346.907</b>	<b>7.718.719</b>
<b>23 LIQUIDITY COVERAGE RATIO (%)</b>			<b>609,85</b>	<b>713,92</b>

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

Liquidity Coverage Ratio (%)	Current Period – 31.03.2024			
	TL+FC	Month	FC	Month
Lowest(%)	364,81	February 29, 2024	371,94	January 7, 2024
Highest(%)	726,01	October 3, 2024	821,33	March 19, 2024
<b>Average</b>	<b>577,23</b>		<b>648,85</b>	

The liquidity coverage ratio is calculated by dividing the high-quality liquid assets held by the Group by the net cash outflows in the 30-day maturity window. The important balance sheet items that determine the ratio can be listed as; required reserves held by the Central Bank, receivables from banks, and collected funds. Since these items have a high share in liquid assets and net cash outflows, their rates of consideration are high and they can vary over time, their effects on the liquidity coverage ratio are 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 allowed by the relevant central bank policies to be used by banks in times of liquidity shortage.

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

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**IV. Explanations on consolidated liquidity risk (Continued):**

**Liquidity on Consolidated Coverage Ratio (Continued):**

The Group's high quality liquid assets are composed of 2,64% cash, 73,14% deposits in central banks and 24,22% securities considered as high quality liquid assets.

The Group's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 88,47% funds collected, 4,31% funds borrowed and 7,22% subordinated debt instruments.

**Presentation of assets and liabilities according to their remaining maturities:**

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Unallocated</b>	<b>Total</b>
<b>Assets</b>								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	35.346.063	34.734.456	-	-	-	-	-	70.080.519
Banks	17.156.034	-	-	-	-	-	-	17.156.034
Financial Assets at Fair Value Through Profit and Loss	-	-	245.560	668.049	1.144.015	-	108.547	2.166.171
Money Market Placements	-	-	-	-	-	-	-	-
Financial assets valued at fair value through other comprehensive income	-	-	924.505	39.690	10.535.476	1.295.549	7.659	12.802.879
Loans	-	7.327.114	7.198.783	42.614.303	13.395.130	2.360.192	419.518	73.315.040
Financial assets valued at amortised cost	-	7.036.074	-	-	6.283.332	4.334.142	-	17.653.548
Other Assets (*)	-	-	-	-	-	-	6.589.168	6.589.168
<b>Total Assets</b>	<b>52.502.097</b>	<b>49.097.644</b>	<b>8.368.848</b>	<b>43.322.042</b>	<b>31.357.953</b>	<b>7.989.883</b>	<b>7.124.892</b>	<b>199.763.359</b>
<b>Liabilities</b>								
Current account and funds collected from banks via participation accounts	7.472.181	-	-	-	-	-	-	7.472.181
Other current and profit-sharing accounts	92.918.082	34.694.902	16.358.969	5.521.352	266.849	-	-	149.760.154
Funds provided from other financial institutions and subordinated loans	-	925.380	28.492	164.756	492.247	-	7.653.977	9.264.852
Money market borrowings	-	-	-	-	-	-	-	-
Marketable securities issued	-	1.092.689	5.461.622	4.664.338	-	-	-	11.218.649
Other liabilities (**)	-	3.168.959	-	-	-	-	18.125.627	21.294.586
<b>Total Liabilities</b>	<b>100.390.263</b>	<b>39.881.930</b>	<b>21.849.083</b>	<b>10.350.446</b>	<b>759.096</b>	<b>-</b>	<b>25.779.604</b>	<b>199.010.422</b>
<b>Liquidity Gap</b>	<b>(47.888.166)</b>	<b>9.215.714</b>	<b>(13.480.235)</b>	<b>32.971.596</b>	<b>30.598.857</b>	<b>7.989.883</b>	<b>(18.654.712)</b>	<b>752.937</b>
<b>Net Off-balance sheet Position</b>								
Financial Derivative Assets	-	6.274	406	1.816	-	-	-	8.496
Financial Derivative Liabilities	-	3.940.735	73.951	171.922	-	-	-	4.186.608
Non-cash Loans	-	3.934.461	73.545	170.106	-	-	-	4.178.112
<b>Non-cash Loans</b>	<b>-</b>	<b>480.322</b>	<b>1.493.788</b>	<b>9.105.192</b>	<b>4.699.608</b>	<b>1.661.664</b>	<b>6.379.690</b>	<b>23.820.264</b>
<b>Prior Period</b>								
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
<b>Liquidity Gap</b>	<b>(37.679.386)</b>	<b>(4.952.491)</b>	<b>(9.234.807)</b>	<b>36.464.161</b>	<b>24.253.564</b>	<b>9.040.874</b>	<b>(17.293.530)</b>	<b>598.385</b>
<b>Net Off-balance sheet Position</b>								
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
<b>Non-cash Loans</b>	<b>-</b>	<b>461.967</b>	<b>1.182.872</b>	<b>6.822.917</b>	<b>4.725.789</b>	<b>165.948</b>	<b>5.919.739</b>	<b>19.279.232</b>

(\*) 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 undistributed liabilities column consists of equity and provision balances.

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**(Continued)**

**IV. Explanations on consolidated liquidity risk (Continued):**

**Liquidity on Consolidated Coverage Ratio (Continued):**

The net stable funding rate (NFSR) 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 NFSR calculated monthly as of the equity calculation periods as of March, June, September and December cannot be less than one hundred percent.

Current Period 31.03.2024		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	
<b>Current stable funding</b>						
1	Capital Instruments	18.925.974	-	-	-	18.925.974
2	Tier 1 Capital and Tier 2 Capital	18.925.974	-	-	-	18.925.974
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	39.504.781	14.980.395	-	236.527	51.315.323
5	Stable Deposits	31.505.025	9.743.758	-	67.032	39.250.024
6	Less Stable Deposits	7.999.756	5.236.637	-	169.495	12.065.299
7	Other Obligations	-	91.751.856	3.990.476	470.601	48.341.767
8	Operational deposits	-	-	-	-	-
9	Other Obligations	-	91.751.856	3.990.476	470.601	48.341.767
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	12.542.526	-	-	-	-
12	Derivative liabilities	-	-	-	-	-
13	All other equity not included in the above categories	12.542.526	-	-	-	-
14	<b>Available stable funding</b>					<b>118.083.698</b>
<b>Required stable funding</b>						
15	High Quality Liquid Assets	-	-	-	-	924.291
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	-	3.826.360	53.133.047	14.000.898	38.920.627
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	-	3.826.360	-	-	573.954
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	-	53.133.047	-	26.566.524
21	Loans with a risk weight of less than or equal to %35	-	-	-	13.400.998	11.390.214
22	Residential mortgages	-	-	-	599.900	389.935
23	Residential mortgages with a risk weight of less than or equal to %35	-	-	-	599.900	389.935
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	384.601	11.381.183	-	39.413.050	51.178.834
27	Physical traded commodities, including gold	-	-	-	-	-
28	Initial margin posted or given guarantee fund to central counterparty	-	-	-	-	-
29	Derivative Assets	-	11.381.183	-	-	11.381.183
30	Derivative Liabilities before the deduction of the variation margin	-	-	-	-	-
31	Other Assets not included above	384.601	-	-	39.413.050	39.797.651
32	Off-balance sheet commitments	-	49.586.175	-	-	2.479.309
33	<b>Total Required stable funding</b>					<b>93.503.061</b>
34	<b>Net Stable Funding Ratio (%)</b>					<b>126,82</b>

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

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**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**IV. Explanations on consolidated liquidity risk (Continued):**

**Liquidity on Consolidated Coverage Ratio (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	
<b>Current Stable Funding</b>					
1 Capital Instruments	16.473.197	-	-	-	16.473.197
2 Tier 1 Capital and Tier 2 Capital	16.473.197	-	-	-	16.473.197
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	11.151.044	-	-	-	-
12 Derivative liabilities	-	-	-	-	-
13 All other equity not included in the above categories	11.151.044	-	-	-	-
14 Available stable funding	-	-	-	-	111.710.824
<b>Required stable funding</b>					
15 High Quality Liquid Assets	-	-	-	-	1.165.975
16 Deposits held at financial institutions for operational purposes	-	-	-	-	-
17 Performing Loans	-	482.426	53.289.512	11.198.320	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	-	26.644.756
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	-	28.990.873	33.361.228
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	-	-	28.990.873	29.224.010
32 Off-balance sheet commitments	-	33.571.361	-	-	1.678.568
33 Total Required stable funding	-	-	-	-	72.317.691
34 Net Stable Funding Ratio (%)	-	-	-	-	154,47

As of March 31, 2024, the Net Stable Funding Rate was 126,13% (previous period: 154,47%). 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 15,96% of the Current Stable Fund amount (previous period: 14,75%) and the Real Person and Retail Customer Participation Fund is the amount of the Current Stable Fund. It constitutes 43,27% (previous period: 43,91%). The item with the largest share in the Required Stable Fund is the Other Assets item with 54,73% (previous period: 46,13%). 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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**V. Explanations on consolidated leverage ratio:**

As of March 31, 2024, leverage ratio of the Group calculated from the arithmetic average of the last 3 months is 6,05% (December 31, 2023 6,64%). Leverage ratio is required to remain minimum 3% as per “Communiqué on Measurement and Evaluation for Leverage Ratios of Banks”.

**Disclosure of Leverage ratio template:**

	<b>Current Period</b>	<b>Prior Period</b>	
	<b>March 31, 2024 (*)</b>	<b>December 31, 2023 (*)</b>	
<b>Balance sheet assets</b>			
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	198.230.872	179.103.337
2	(Assets deducted from Core capital)	361.413	377.283
3	<b>Total risk amount of balance sheet assets (sum of lines 1 and 2)</b>	<b>197.869.459</b>	<b>178.726.054</b>
<b>Derivative financial assets and credit derivatives</b>			
4	Cost of replenishment for derivative financial assets and credit derivatives	-	-
5	Potential credit risk amount of derivative financial assets and credit derivatives	35.915	259.012
6	<b>Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)</b>	<b>35.915</b>	<b>259.012</b>
<b>Financing transactions secured by marketable security or commodity</b>			
7	Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	12.983.577	15.949.481
8	Risk amount arising from intermediary transactions	-	-
9	<b>Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)</b>	<b>12.983.577</b>	<b>15.949.481</b>
<b>Off-balance sheet transactions</b>			
10	Gross notional amount of off-balance sheet transactions	51.116.085	37.707.582
11	(Correction amount due to multiplication with credit conversion rates)	-	-
12	<b>Total risk of off-balance sheet transactions (sum of lines 10 and 11)</b>	<b>51.116.085</b>	<b>37.707.582</b>
<b>Capital and total risk</b>			
13	Core Capital	15.846.884	15.436.089
14	<b>Total risk amount (sum of lines 3, 6, 9 and 12)</b>	<b>262.005.036</b>	<b>232.642.129</b>
<b>Leverage ratio</b>			
15	<b>Leverage ratio (%)</b>	<b>6.05</b>	<b>6.64</b>

(\*) Amounts in the table show quarterly averages.

**VI. Explanations on consolidated 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”.

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**VIII. Explanations on consolidated 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.

**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)	72.278.105	58.177.245	5.782.230
2	Of which standardised approach (SA)	72.278.105	58.177.245	5.782.230
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	59.660	27.689	4.773
5	Of which standardised approach for counterparty credit risk (SA-CCR)	59.660	27.689	4.773
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	2.245.758	3.695.989	179.661
17	Of which standardised approach (SA)	2.245.758	3.695.989	179.661
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	13.102.671	4.708.826	1.049.894
20	Of which Basic Indicator Approach	13.102.671	4.708.826	1.049.894
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	-	-	-
<b>25</b>	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>87.747.198</b>	<b>66.609.749</b>	<b>7.016.576</b>

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**IX. Explanations on consolidated business segments:**

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

<b>Current Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
<b>Total Assets</b>	<b>4.211.781</b>	<b>66.614.903</b>	<b>122.657.915</b>	<b>5.525.823</b>	<b>199.010.422</b>
<b>Total Liabilities</b>	<b>64.828.969</b>	<b>105.834.642</b>	<b>14.374.070</b>	<b>13.972.741</b>	<b>199.010.422</b>
Net profit share income/(expense) (*)	508.813	2.656.428	(1.153.106)	(264.664)	1.747.471
Net fees and commissions income/(expense)	116.772	427.668	(1.761)	12.500	555.179
Other operating income/(expense)	535.763	782.748	291.472	(910.120)	699.863
Provision expenses	(52.210)	(251.670)	(22.688)	-	(326.568)
Profit/(loss) before tax	1.109.138	3.615.174	(886.083)	(1.162.284)	2.675.945
Provision for tax	-	-	-	(655.169)	(655.169)
<b>Net profit / (loss) for the period</b>	<b>1.109.138</b>	<b>3.615.174</b>	<b>(886.083)</b>	<b>(1.817.453)</b>	<b>2.020.776</b>

(\*) The distribution difference seen in the Group's retail, commercial and corporate banking sections arises from the fund allocation and fund collection procedures of participation banks.

<b>Prior Period</b>	<b>Retail</b>	<b>Commercial and Corporate</b>	<b>Treasury</b>	<b>Undistributed</b>	<b>Total</b>
<b>Total Assets</b>	<b>4.205.570</b>	<b>61.497.875</b>	<b>117.928.970</b>	<b>4.054.378</b>	<b>187.686.793</b>
<b>Total Liabilities</b>	<b>65.817.628</b>	<b>112.607.028</b>	<b>7.190.680</b>	<b>2.071.457</b>	<b>187.686.793</b>
Net profit share income/(expense) (*)	824.232	4.688.342	982.696	(208.700)	6.286.570
Net fees and commissions income/(expense)	519.594	1.811.869	(23.463)	(11.884)	2.296.116
Other operating income/(expense)	1.947.858	2.012.388	(2.941)	(4.509.777)	(552.472)
Provision expenses	(74.335)	(267.470)	(87.957)	(64)	(429.826)
Profit/(loss) before tax	3.217.349	8.245.129	868.335	(4.730.425)	7.600.388
Provision for tax	-	-	-	(2.456.533)	(2.456.533)
<b>Net profit / (loss) for the period</b>	<b>3.217.349</b>	<b>8.245.129</b>	<b>868.335</b>	<b>(7.186.958)</b>	<b>5.143.855</b>

(\*) The distribution difference seen in the Group's retail, commercial and corporate banking sections arises from the fund allocation and fund collection procedures of the Bank.

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**SECTION FIVE**

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**I. Explanations and notes related to consolidated assets**

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash / Foreign currency	169.851	621.786	77.430	319.727
CBRT	11.942.957	55.723.324	17.215.441	49.495.840
Other (*)	65.044	1.557.557	108.898	3.026.500
<b>Total</b>	<b>12.177.852</b>	<b>57.902.667</b>	<b>17.401.769</b>	<b>52.842.067</b>

(\*) As of 31 March 2024, it includes the precious metal deposit account amounting to TL 288.412 (December 31, 2023: TL 186.649) and the money in transit account amounting to TL 1.334.190 (December 31, 2023: TL 2.948.929).

**b) Information related to CBRT:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	4.677.006	28.254.819	13.772.897	22.032.535
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Reserve requirements	7.265.951	27.468.505	3.442.544	27.463.305
<b>Total</b>	<b>11.942.957</b>	<b>55.723.324</b>	<b>17.215.441</b>	<b>49.495.840</b>

**b.1) Explanations regarding the reserve requirement application:**

The Parent Bank establishes required reserves at the CBRT for its 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 March 31, 2024, the Parent Bank's valid rates for Turkish currency required reserves are between 0% and 25%, depending on the maturity structure for participation funds and other liabilities; The applicable rates for foreign currency required reserves are between 5% and 30% for participation funds and other liabilities, depending on the maturity structure.



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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**I. Explanations and notes related to consolidated assets (Continued)**

**2. a. Information on banks**

	Current Period		Prior Period	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	17.187	431.884	42.328	443.525
Foreign	-	16.706.963	50	13.391.989
<b>Total</b>	<b>17.187</b>	<b>17.138.847</b>	<b>42.378</b>	<b>13.835.514</b>

**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”.

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

As of March 31, 2024, there is no repurchase agreements in financial assets at fair value through profit and loss is not available (December 31, 2023: None).

Amount subject to guaranteed/blocked is TL 1.159.029 (December 31, 2023: TL 877.467).

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

	Current Period	Prior Period
Debt securities	2.172.200	2.054.346
Quoted on a stock exchange	1.374.645	1.478.927
Unquoted on a stock exchange (*)	797.555	575.419
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted on a stock exchange (*)	-	-
Impairment provision (-)	6.029	4.034
<b>Total</b>	<b>2.166.171</b>	<b>2.050.312</b>

(\*) 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 31 March 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 1.972.768 (December 31, 2023: TL 3.274.518).

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**4. Information on Financial Assets at fair value through other comprehensive income: (Continued)**

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

	Current Period	Prior Period
Debt securities	12.819.467	12.145.754
Quoted on a stock exchange	8.322.710	8.080.774
Unquoted on a stock exchange (*)	4.496.757	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 (-)	24.247	26.836
<b>Total</b>	<b>12.802.879</b>	<b>12.126.577</b>

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

**5. Information on derivative financial assets:**

**a. Table of positive differences related to derivative financial assets:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Swap Transactions	-	6.635	84	-
Forward Transactions	3.671	6.200	2.854	1.066
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>3.671</b>	<b>12.835</b>	<b>2.938</b>	<b>1.066</b>

**6. Information on loans:**

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct Loans to Bank Partners	-	-	-	-
Loans to Legal Person Partners	-	-	-	-
Loans to Real Person Partners	-	-	-	-
Indirect Loans to Bank Partners	3.447	-	3.637	-
Loans to Bank Members	3.447	-	3.637	-
<b>Total</b>	<b>3.447</b>	<b>-</b>	<b>3.637</b>	<b>-</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**6. Information on loans (Continued):**

**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:**

Current Period Cash Loans	Standard loans	Loans Not Subject to Restructured Loans	Loans Under Close Monitoring	
			Loans with Revised Contracts	Restructured Loans Refinance
<b>Loans</b>				
Export loans	71.631.542	375.533	490.690	-
Import loans	-	-	-	-
Business loans	6.582.868	2.863	-	-
Consumer loans	47.697.146	355.285	490.690	-
Credit cards	2.686.091	1.240	-	-
Loans given to financial sector	23	-	-	-
Other(*)	7.242.686	-	-	-
Other receivables	7.422.728	16.145	-	-
<b>Total</b>	<b>71.631.542</b>	<b>375.533</b>	<b>490.690</b>	<b>-</b>

(\*) Details of other loans are provided below:

Commercial loans with installments	6.345.355
Loans given to abroad	105.719
Other investment loans	986.659
Other	1.140
<b>Total</b>	<b>7.438.873</b>

Prior Period Cash Loans	Standard loans	Loans not Subject to Restructured Loans	Loans Under Close Monitoring	
			Loans with Revised Contracts	Restructured Loans Refinance
<b>Loans</b>				
Export loans	66.772.054	345.887	181.519	-
Import loans	-	-	-	-
Business loans	4.744.240	7.575	-	-
Consumer loans	45.508.742	164.942	181.519	-
Credit cards	2.769.781	1.699	-	-
Loans given to financial sector	-	-	-	-
Other (*)	6.345.775	-	-	-
Other (*)	7.403.516	171.671	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>66.772.054</b>	<b>345.887</b>	<b>181.519</b>	<b>-</b>

(\*) Details of other loans are provided below:

Commercial loans with installments	5.808.797
Loans given to abroad	127.382
Other investment loans	1.606.919
Other (*)	32.089
<b>Total</b>	<b>7.575.187</b>

(\*) It is comprised of compensated non-cash loan amounts.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**6. Information on loans (Continued):**

**b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans (Continued):**

**b2. Information on expected credit losses for standard loans and loans under close monitoring:**

<u>Current Period</u>	<u>Standard Loans</u>	<u>Loans under close monitoring</u>
12 Month Expected Credit Losses	385.608	-
Significant Increase in Credit Risk	-	65.926
<u>Prior Period</u>	<u>Standard Loans</u>	<u>Loans under close monitoring</u>
12 Month Expected Credit Losses	354.090	-
Significant Increase in Credit Risk	-	29.943

**c. Maturity analysis of cash loans:**

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.

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

**6. Information on loans (Continued):**

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

Current Period	Short-term	Medium and long-term	Total
<b>Consumer loans-TL</b>	<b>4.435</b>	<b>2.679.472</b>	<b>2.683.907</b>
Housing loans	852	2.563.940	2.564.792
Vehicle loans	3.509	100.444	103.953
Consumer loans	74	15.088	15.162
Other	-	-	-
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>324</b>	<b>3.100</b>	<b>3.424</b>
Housing loans	-	2.043	2.043
Vehicle loans	324	903	1.227
Consumer loans	-	154	154
Other	-	-	-
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>23</b>	<b>-</b>	<b>23</b>
With installment	-	-	-
Without installment	23	-	23
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4.782</b>	<b>2.682.572</b>	<b>2.687.354</b>

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

**6. Information on loans (Continued)**

Prior Period	Medium and long-term		Total
	Short-term		
<b>Consumer loans-TL</b>	<b>29.773</b>	<b>2.738.070</b>	<b>2.767.843</b>
Housing loans	11.877	2.596.282	2.608.159
Vehicle loans	5.470	120.900	126.370
Consumer loans	12.426	20.888	33.314
Other	-	-	-
<b>Consumer loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Retail credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Retail credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel loans-TL</b>	<b>139</b>	<b>3.498</b>	<b>3.637</b>
Housing loans	-	2.061	2.061
Vehicle loans	139	1.273	1.412
Consumer loans	-	164	164
Other	-	-	-
<b>Personnel loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Personnel credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without-installment	-	-	-
<b>Overdraft account-TL (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Overdraft account-FC (real person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29.912</b>	<b>2.741.568</b>	<b>2.771.480</b>

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

**6. Information on loans (Continued):**

**e. Information on commercial loans with installments and corporate credit cards**

Current Period	Short-term	Medium and long-term	Total
<b>Commercial installment loans-TL</b>	<b>2.666.732</b>	<b>3.426.399</b>	<b>6.093.131</b>
Business loans	115.147	148.408	263.555
Vehicle loans	2.409.269	2.068.847	4.478.116
Consumer loans	142.316	1.209.144	1.351.460
Other	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>70.514</b>	<b>181.686</b>	<b>252.200</b>
Business loans	-	22.492	22.492
Vehicle loans	66.509	105.943	172.452
Consumer loans	4.005	53.251	57.256
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (legal Entity)</b>	<b>24</b>	<b>-</b>	<b>24</b>
<b>Overdraft account-FC (legal Entity)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2.737.270</b>	<b>3.608.085</b>	<b>6.345.355</b>

Prior Period	Short-term	Medium and long-term	Total
<b>Commercial installment loans-TL</b>	<b>2.069.630</b>	<b>3.501.720</b>	<b>5.571.350</b>
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	-	-	-
<b>Commercial installment loans-FC indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Business loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Commercial installment Loans-FC</b>	<b>20.841</b>	<b>197.230</b>	<b>218.071</b>
Business loans	-	23.065	23.065
Vehicle loans	18.409	112.867	131.276
Consumer loans	2.432	61.298	63.730
Other	-	-	-
<b>Corporate credit cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Corporate credit cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installment	-	-	-
Without installment	-	-	-
<b>Overdraft account-TL (legal Entity)</b>	<b>17.488</b>	<b>-</b>	<b>17.488</b>
<b>Overdraft account-FC (legal Entity)</b>	<b>1.888</b>	<b>-</b>	<b>1.888</b>
<b>Total</b>	<b>2.109.847</b>	<b>3.698.950</b>	<b>5.808.797</b>

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

**6. Information on loans (Continued)**

**f. Allocation of loans by customers:**

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.

**g. Breakdown of domestic and foreign loans:**

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

	<b>Current Period</b>	<b>Prior Period</b>
Domestic loans	71.511.106	65.692.541
Foreign loans	986.659	1.606.919
<b>Total</b>	<b>72.497.765</b>	<b>67.299.460</b>

**h. Loans granted to subsidiaries and associates:**

None (December 31, 2023: None).

**i. Default provisions for loans (Third Stage) provisions**

	<b>Current Period</b>	<b>Prior Period</b>
Loans and Receivables with Limited Collectability	74.639	20.019
Doubtful Loans and Other Receivables	42.377	23.905
Uncollectible Loans and Receivables	148.348	139.163
<b>Total</b>	<b>265.364</b>	<b>183.087</b>

**j. Information on non-performing loans and receivables (net)**

**j.1) Non-performing loans and receivables which are restructured or rescheduled**

None (December 31, 2023: None).



**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**6. Information on loans (Continued)**

**j.2) Movements of non-performing loans**

<b>Current Period</b>	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectibility</b>	<b>Loans and receivables with doubtful collectibility</b>	<b>Uncollectible loans and receivables</b>
Closing balance of prior period	42.980	39.959	159.937
Additions in the current period (+)	181.752	8.703	7.325
Transfers from other categories of non-performing loans (+)	-	57.246	23.656
Transfers to other categories of non-performing loans (-)	57.246	23.656	-
Collections in the current period (-)	10.220	4.018	21.648
Write offs (-)	-	-	-
Sales (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	157.266	78.234	169.270
Provision (-)	74.639	42.377	148.348
<b>Net balance at the balance sheet</b>	<b>82.627</b>	<b>35.857</b>	<b>20.922</b>

<b>Prior Period</b>	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and receivables with limited collectibility</b>	<b>Loans and receivables with doubtful collectibility</b>	<b>Uncollectible loans and receivables</b>
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 (-)	-	-	-
Sales (-)	-	-	-
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
<b>Net balance at the balance sheet</b>	<b>22.961</b>	<b>16.054</b>	<b>20.774</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**6. Information on loans (Continued)**

**j.3) Non-performing loans and other receivables in foreign currencies**

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collection	Loss Loans
<b>Current Period</b>			
End of Period Balance	1.373	-	29.322
Provision Amount (-)	616	-	22.335
<b>Net Balance</b>	<b>757</b>	<b>-</b>	<b>6.987</b>

**j.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
<b>Current Period (Net)</b>			
Loans to individuals and corporates (gross)	157.266	78.234	169.270
Provision (-)	74.639	42.377	148.348
<b>Loans to individuals and corporates (net)</b>	<b>82.627</b>	<b>35.857</b>	<b>20.922</b>
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Prior Period (Net)</b>			
Loans to Real Persons and Legal Entities (Gross)	42.980	39.959	159.937
Specific provision (-)	20.019	23.905	139.163
<b>Loans to Real Persons and Legal Entities (Net)</b>	<b>22.961</b>	<b>16.054</b>	<b>20.774</b>
Banks (gross)	-	-	-
Provision (-)	-	-	-
<b>Banks (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other Loans (Gross)	-	-	-
Provision (-)	-	-	-
<b>Other Loans and Receivables (Net)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**j.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
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
<b>Current Period (Net)</b>			
Profit share accruals and valuation differences	12.226	5.785	5.329
Provisions (-)	5.803	3.134	4.670
<b>Prior Period (Net)</b>	<b>1.469</b>	<b>1.049</b>	<b>1.488</b>
Profit share accruals and valuation differences	2.416	2.637	8.124
Provisions (-)	947	1.588	6.636

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**6. Information on loans (Continued)**

**k) Liquidation policy for uncollectible loans and other receivables**

The Parent 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 Parent Bank receivables will be processed by the Parent Bank and in addition to this process the Parent Bank will try to collect and liquidate its receivables through administrative ways.

**l) 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.

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:**

	<b>Current Period</b>	<b>Prior Period</b>
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities	17.700.499	16.692.053
<b>Total</b>	<b>17.700.499</b>	<b>16.692.053</b>

**b) Information on investment securities measured at amortized cost**

	<b>Current Period</b>	<b>Prior Period</b>
Debt Securities	17.700.499	16.692.053
Quoted on a stock Exchange	10.032.242	9.592.906
Unquoted (*)	7.668.257	7.099.147
Share certificates	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Impairment Provision (-)	-	-
<b>Total</b>	<b>17.700.499</b>	<b>16.692.053</b>

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**7. Information on Financial Assets Measured at Amortized Cost:**

**c) Information on movements of financial assets measured at amortized cost**

	<b>Current Period</b>	<b>Prior Period</b>
Balance at beginning of period	16.692.053	10.440.441
Foreign currency differences on monetary assets (*)	1.008.446	3.751.612
Purchases during period	-	2.500.000
Disposals through sales and redemptions	-	-
Impairment provision (-)	-	-
<b>Closing Balance</b>	<b>17.700.499</b>	<b>16.692.053</b>

(\*) This amount includes TL 614.516 (December 31, 2023: TL 1.490.267) income accrual.

**8. Information on lease receivables (net)**

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

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>
Less than 1 year	188.430	163.891	131.241	118.085
1 to 4 years	266.048	238.532	298.224	255.068
More than 4 years	11.781	10.082	11.400	9.673
<b>Total</b>	<b>466.259</b>	<b>412.505</b>	<b>440.865</b>	<b>382.826</b>

**b. Information on net investments through finance lease**

	<b>Current Period</b>	<b>Prior Period</b>
Finance lease receivables (gross)	466.259	440.865
Unearned finance lease receivable (-)	53.754	58.039
<b>Receivable from finance leases (net)</b>	<b>412.505</b>	<b>382.826</b>

**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:

<b>Finance Lease</b>	<b>Standard Loans</b>	<b>Leasing Receivables Under Close Monitoring</b>		
		<b>Leasing receivables not subject to restructured loans</b>	<b>Restructured or rescheduled</b>	<b>Refinance</b>
		<b>Leasing Receivables with Revised Contract Terms</b>		
<b>Current Period</b>				
Finance lease receivables (Net)	412.505	-	-	-
<b>Prior Period</b>				
Finance lease receivables (Net)	382.826	-	-	-

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**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.

	<b>Current Period</b>	<b>Prior Period</b>
Opening balance	8.283	5.242
Additions	4.384	4.164
Disposals	547	1.123
Transfers	-	-
Impairment Provision (-)	-	-
<b>Closing balance</b>	<b>12.120</b>	<b>8.283</b>

**10. Information on associates**

**a. Information on investments in associates (net)**

**a.1 Information on non-consolidated associates:**

The Parent 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 April 30, 2023 and 22.500 TL on January 31, 2024, totaling 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.

<b>Name</b>	<b>Address (City/Country)</b>	<b>Bank’s share percentage - if different voting percentage (%)</b>	<b>Percentage of other shareholders (%)</b>
Katılım Finans Kefalet A.Ş.	İstanbul/Türkiye	%15	%85

**a.2 Information about consolidated associates**

None. (December, 31 2023: None.).

**b. Information on subsidiaries (net)**

**b.1 Information on consolidated subsidiaries**

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

**b.2 Information on consolidated subsidiaries**

Emlak Varlık Kiralama A.Ş, which is 100% subsidiaries of the Bank was established and registered to the trade registry in August 5, 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 June 7, 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 August 5, 2019 with TL 50 capital amount paid by the Main Shareholder Parent Bank.

Emlak Katılım Varlık Kiralama A.Ş, 100% subsidiaries of the Parent Bank was established and registered to the trade registry in January 20, 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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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**b Information on subsidiaries (net) (Continued):**

Name	Adress (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
Emlak Varlık Kiralama A.Ş.	7.226.577	18.514	-	1.642.207	-	14.321	3.846	-
Emlak Katılım Varlık Kiralama A.Ş.	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	-	-
Movements inside the term	-	-
Purchases / new incorporations	-	-
Bonus shares	-	-
Profit received from current year share	-	-
Sales	-	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	-	-
Capital commitments	-	-
<b>Share of the capital at the end of the period (%)</b>	<b>100</b>	<b>100</b>

**b.2.2 Information on investments in joint-ventures**

None. (December 31, 2023: None.).

**11. Information on tangible assets**

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.

**12. 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”.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**13. Information on investment property:**

None (December 31, 2023: None.).

**14. Information related to deferred tax assets**

	<b>Current Period</b>	<b>Prior Period</b>
Lease certificates rediscount income	2.861.704	1.060.819
Prepaid wages and commissions and unearned income	118.827	110.388
Expected loss provisions	220.005	187.412
Securities valuation differences	115.573	72.000
Provisions for retirement premium and vacation pay liabilities	144.015	96.952
Derivative financial instruments	9.503	8.160
TFRS 16 allowance	20.191	19.999
Other provisions for debt and expenses (*)	1.276.648	1.294.066
<b>Deferred tax asset</b>	<b>4.766.466</b>	<b>2.848.231</b>
Valuation differences on marketable securities	300.228	307.628
Derivative financial instruments	4.359	769
Profit share rediscount	1.866.022	796.854
Difference between carrying value and tax base of fixed assets	33.434	26.200
Other	-	-
<b>Deferred tax liability</b>	<b>2.204.043</b>	<b>1.131.451</b>
<b>Deferred tax asset (Net)</b>	<b>2.562.423</b>	<b>1.718.345</b>

**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 Group's total other assets are 2.714.472 TL (December 31, 2023: 2.487.890 TL) and do not exceed 10% of the total assets.

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and notes related to consolidated 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
<b>I. Real Persons Current Accounts Non-Trade TL</b>	<b>626.174</b>	-	-	-	-	-	-	-	<b>626.174</b>
<b>II. Real Persons Participation Accounts Non-Trade TL(*)</b>	-	<b>3.207.875</b>	<b>1.690.146</b>	<b>290.045</b>	<b>769.914</b>	<b>494.490</b>	<b>266.849</b>	-	<b>6.719.319</b>
<b>III. Current Account other-TL</b>	<b>8.351.924</b>	-	-	-	-	-	-	-	<b>8.351.924</b>
Public Sector	109.278	-	-	-	-	-	-	-	109.278
Commercial Institutions	3.608.368	-	-	-	-	-	-	-	3.608.368
Other Institutions	19	-	-	-	-	-	-	-	19
Commercial and Other Institutions	63.475	-	-	-	-	-	-	-	63.475
Banks and Participation Banks	4.570.784	-	-	-	-	-	-	-	4.570.784
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	4.570.784	-	-	-	-	-	-	-	4.570.784
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>19.093.639</b>	<b>11.086.581</b>	<b>601.962</b>	<b>2.197.702</b>	<b>468.259</b>	-	-	<b>33.448.143</b>
Public Sector	-	7.287.139	4.628.106	121.986	261	6.338	-	-	12.043.830
Commercial Institutions	-	9.883.812	2.829.968	473.332	1.725.718	461.921	-	-	15.374.751
Other Institutions	-	536.734	119.237	-	-	-	-	-	655.971
Commercial and Other Institutions	-	1.385.954	3.509.270	6.644	471.723	-	-	-	5.373.591
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>V. Real Persons Current Accounts Non-Trade FC</b>	<b>33.275.806</b>	-	-	-	-	-	-	-	<b>33.275.806</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>4.433.314</b>	<b>378.275</b>	<b>148.044</b>	<b>35.653</b>	<b>32.550</b>	-	-	<b>5.027.836</b>
<b>VII. Other Current Accounts FC</b>	<b>55.475.515</b>	-	-	-	-	-	-	-	<b>55.475.515</b>
Residents in Türkiye-									
Corporate	21.924.419	-	-	-	-	-	-	-	21.924.419
Residents Abroad-Corporate	30.651.621	-	-	-	-	-	-	-	30.651.621
Banks and Participation Banks	2.899.475	-	-	-	-	-	-	-	2.899.475
Central Bank of Türkiye	480.106	-	-	-	-	-	-	-	480.106
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	2.419.369	-	-	-	-	-	-	-	2.419.369
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	<b>6.140.648</b>	<b>2.357.859</b>	<b>1.074</b>	<b>309</b>	<b>542</b>	-	-	<b>8.500.432</b>
Public sector	-	548.791	-	-	-	-	-	-	548.791
Commercial institutions	-	4.863.035	2.349.673	1.074	309	542	-	-	7.214.633
Other institutions	-	3.251	6.240	-	-	-	-	-	9.491
Commercial and Other Institutions	-	725.571	1.946	-	-	-	-	-	727.517
Banks and Participation Banks	-	-	-	-	-	-	-	-	-
<b>IX. Precious Metals Deposits</b>	<b>2.660.844</b>	<b>1.551.968</b>	<b>504.814</b>	<b>38.203</b>	<b>2.735</b>	<b>5.118</b>	-	-	<b>4.763.682</b>
<b>X. Participation Accounts Special Fund Pools TL</b>	-	<b>267.458</b>	<b>341.294</b>	<b>420.498</b>	<b>7.202</b>	<b>7.052</b>	-	-	<b>1.043.504</b>
Residents in Türkiye	-	267.458	341.294	420.498	7.202	7.052	-	-	1.043.504
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>100.390.263</b>	<b>34.694.902</b>	<b>16.358.969</b>	<b>1.499.826</b>	<b>3.013.515</b>	<b>1.008.011</b>	<b>266.849</b>	-	<b>157.232.335</b>

(\*) 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 No. 31696 dated 21 December 2021, "Foreign Exchange Convertible Exchange Rate Protected" It also includes the balances of 4.744.980 TL opened within the scope of "Turkish Lira Time Deposit" and 7.825.178 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and notes related to consolidated 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
<b>I. Real Persons Current Accounts Non-Trade TL</b>	<b>781.376</b>	-	-	-	-	-	-	-	<b>781.376</b>
<b>II. Real Persons Participation Accounts Non-Trade TL(*)</b>	-	<b>9.436.238</b>	<b>3.687.463</b>	<b>883.373</b>	<b>190.795</b>	<b>713.409</b>	<b>227.127</b>	-	<b>15.138.405</b>
<b>III. Current Account other-TL</b>	<b>6.301.157</b>	-	-	-	-	-	-	-	<b>6.301.157</b>
Public Sector	95.068	-	-	-	-	-	-	-	95.068
Commercial Institutions	3.806.827	-	-	-	-	-	-	-	3.806.827
Other Institutions	1	-	-	-	-	-	-	-	1
Commercial and Other Institutions	36.755	-	-	-	-	-	-	-	36.755
Banks and Participation Banks	2.362.506	-	-	-	-	-	-	-	2.362.506
Banks	-	-	-	-	-	-	-	-	-
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	-	-	-	-	-	-	-	-	-
Foreign Banks	2.362.506	-	-	-	-	-	-	-	2.362.506
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>IV. Participation Accounts-TL</b>	-	<b>21.335.831</b>	<b>10.912.720</b>	<b>509.179</b>	<b>19.617</b>	<b>2.040.700</b>	-	-	<b>34.818.047</b>
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
<b>V. Real Persons Current Accounts Non- Trade FC</b>	<b>26.522.486</b>	-	-	-	-	-	-	-	<b>26.522.486</b>
<b>VI. Real Persons Participation Accounts Non-Trade FC</b>	-	<b>3.493.552</b>	<b>248.923</b>	<b>42.297</b>	<b>61.886</b>	<b>33.363</b>	<b>10.344</b>	-	<b>3.890.365</b>
<b>VII. Other Current Accounts FC</b>	<b>55.255.620</b>	-	-	-	-	-	-	-	<b>55.255.620</b>
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	-	-	-	-	-	-	-	-	-
<b>VIII. Participation Accounts other-FC</b>	-	<b>3.661.601</b>	<b>570.150</b>	<b>55.690</b>	<b>135</b>	<b>855</b>	-	-	<b>4.288.431</b>
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	-	-	-	-	-	-	-	-	-
<b>IX. Precious Metals Deposits</b>	<b>2.034.626</b>	<b>1.089.434</b>	<b>389.630</b>	<b>22.634</b>	<b>1.508</b>	<b>2.953</b>	-	-	<b>3.540.785</b>
<b>X. Participation Accounts Special Fund Pools TL</b>	-	<b>269.058</b>	<b>254.212</b>	-	<b>404.524</b>	<b>14.508</b>	-	-	<b>942.302</b>
Residents in Türkiye	-	269.058	254.212	-	404.524	14.508	-	-	942.302
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>XI. Participation Accounts Special Fund Pools – FC</b>	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
<b>Total (I+II+.....+IX+X+XI)</b>	<b>90.895.265</b>	<b>39.285.714</b>	<b>16.063.098</b>	<b>1.513.173</b>	<b>678.465</b>	<b>2.805.788</b>	<b>237.471</b>	-	<b>151.478.974</b>

(\*) 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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**II. Explanations and notes related to consolidated 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:

	Under the quarantee of Insurance		Exceeding the quarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions	5.324.599	3.892.726	44.807.508	46.003.044
Turkish Lira accounts	1.943.879	1.722.154	6.441.339	15.134.112
Foreign currency accounts	3.380.720	2.170.572	38.366.169	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:

	Under the quarantee of Insurance		Exceeding the quarantee of Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Legal persons' current and participation accounts	3.889.084	2.342.310	82.450.915	86.433.036
Turkish Lira accounts	1.591.212	1.122.028	23.388.239	28.429.929
Foreign currency accounts	2.297.872	1.220.282	59.062.676	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.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**1. Information on funds collected (Continued):**

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

**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:

	<b>Current Period</b>	<b>Prior Period</b>
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	2.760	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	-	-

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

	<b>Current Period</b>	<b>Prior Period</b>
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	27.933	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	-	-

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**2. Information on funds borrowed**

**a.1 Information on types of funds borrowed:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication loans	-	-	-	-
Wakala	198.702	1.063.213	242.905	1.004.966
Loans obtained from lease certificates issued (Sukuk)	-	-	-	-
Other	-	348.960	-	-
<b>Total</b>	<b>198.702</b>	<b>1.412.173</b>	<b>242.905</b>	<b>1.004.966</b>

**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	198.702	494.408	242.905	472.290
Loans from foreign banks, institutions and funds	-	917.765	-	532.676
<b>Total</b>	<b>198.702</b>	<b>1.412.173</b>	<b>242.905</b>	<b>1.004.966</b>

**a.3 Maturity analysis of funds borrowed**

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	53.756	940.023	68.220	547.638
Medium and Long-Term	144.946	472.150	174.685	457.328
<b>Total</b>	<b>198.702</b>	<b>1.412.173</b>	<b>242.905</b>	<b>1.004.966</b>

**b. Additional disclosures on concentration areas of Parent Bank’s liabilities**

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**3. Information on securities issues**

Emlak Katılım Varlık Kiralama A.Ş., the subsidiary of the Group to raise funds from various investors. The Lease Certificate issuance transactions carried out through the company are as follows:

Date of issue	Amount of issue	Currency	Maturity	Share of Profit Rate % (*)
April 7, 2023 Friday	110.000.000	TL	April 19, 2024 Friday	Fixed Rate
May 4, 2023 Thursday	100.000.000	TL	May 8, 2024 Wednesday	Fixed Rate
May 23, 2023 Tuesday	120.000.000	TL	June 7, 2024 Friday	Fixed Rate
June 12, 2023 Monday	200.000.000	TL	June 14, 2024 Friday	Fixed Rate
June 16, 2023 Friday	215.000.000	TL	June 28, 2024 Friday	Fixed Rate
August 2, 2023 Wednesday	318.000.000	TL	August 2, 2024 Friday	Fixed Rate
September 1, 2023 Friday	200.000.000	TL	September 5, 2024 Thursday	Fixed Rate
October 3, 2023 Tuesday	210.000.000	TL	October 3, 2024 Thursday	Fixed Rate
October 5, 2023 Thursday	320.000.000	TL	October 9, 2024 Wednesday	Fixed Rate
November 1, 2023 Wednesday	162.000.000	TL	November 1, 2024 Friday	Fixed Rate
December 18, 2023 Monday	416.000.000	TL	April 5, 2024 Friday	Fixed Rate
December 27, 2023 Wednesday	195.320.000	TL	January 3, 2025 Friday	Fixed Rate
December 27, 2023 Wednesday	350.000.000	TL	April 19, 2024 Friday	Fixed Rate
January 2, 2024 Tuesday	200.000.000	TL	June 3, 2024 Monday	Fixed Rate
January 4, 2024 Thursday	200.000.000	TL	January 14, 2025 Tuesday	Fixed Rate
January 18, 2024 Thursday	145.000.000	TL	May 2, 2024 Thursday	Fixed Rate
January 19, 2024 Friday	600.000.000	TL	May 10, 2024 Friday	Fixed Rate
January 19, 2024 Friday	200.000.000	TL	April 19, 2024 Friday	Fixed Rate
January 19, 2024 Friday	500.000.000	TL	January 31, 2025 Friday	Fixed Rate
January 19, 2024 Friday	389.000.000	TL	January 31, 2025 Friday	Fixed Rate
January 31, 2024 Wednesday	225.000.000	TL	May 8, 2024 Wednesday	Fixed Rate
February 2, 2024 Friday	700.000.000	TL	May 29, 2024 Wednesday	Fixed Rate
February 5, 2024 Monday	300.000.000	TL	February 28, 2025 Friday	Fixed Rate
February 7, 2024 Wednesday	169.000.000	TL	February 28, 2025 Friday	Fixed Rate
February 14, 2024 Wednesday	310.000.000	TL	May 29, 2024 Wednesday	Fixed Rate
February 22, 2024 Thursday	155.500.000	TL	June 6, 2024 Thursday	Fixed Rate
February 26, 2024 Monday	80.000.000	TL	June 6, 2024 Thursday	Fixed Rate
March 7, 2024 Thursday	760.000.000	TL	June 6, 2024 Thursday	Fixed Rate
March 7, 2024 Thursday	658.000.000	TL	March 28, 2025 Friday	Fixed Rate
March 7, 2024 Thursday	500.000.000	TL	March 28, 2025 Friday	Fixed Rate
March 7, 2024 Thursday	300.000.000	TL	March 28, 2025 Friday	Fixed Rate
March 8, 2024 Friday	100.000.000	TL	June 10, 2024 Monday	Fixed Rate
March 12, 2024 Tuesday	90.000.000	TL	June 13, 2024 Thursday	Fixed Rate
March 13, 2024 Wednesday	1.000.000.000	TL	June 13, 2024 Thursday	Fixed Rate
March 15, 2024 Friday	50.000.000	TL	June 21, 2024 Friday	Fixed Rate
March 22, 2024 Friday	200.000.000	TL	June 24, 2024 Monday	Fixed Rate

**a. Spreadsheet on securities issued**

	Current Period		Prior Period	
	TP	YP	TP	YP
Lease Certificate	11.218.649	-	8.730.931	-
<b>Total</b>	<b>11.218.649</b>	<b>-</b>	<b>8.730.931</b>	<b>-</b>

**4. Information on derivative financial liabilities**

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	1.987	2.491	2.612	-
Swap Transactions	-	-	24.587	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>1.987</b>	<b>2.491</b>	<b>27.199</b>	<b>-</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**5. Information on Finance Lease Payables (Net):**

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than 1 year	99.652	-	83.294	-
Between 1-5 years	383.030	-	330.463	-
Over 5 years	96.978	-	93.562	-
<b>Total</b>	<b>579.660</b>	<b>-</b>	<b>507.319</b>	<b>-</b>

**6. Information on hedging derivative financial liabilities:**

None (December 31, 2023: None).

**7. Information on provisions:**

**a. Information on provisions for employee rights:**

As of the balance sheet date, the Group's severance pay provision amounting to 36.430 TL (31 December 2023: 32.146 TL), leave wages provision amounting to 41.351 TL (31 December 2023: 25.761 TL), performance bonus provision of 514.000 TL (31 December 2023: 501.000 TL), There is a total provision for employee rights of 591.781 TL (31 December 2023: 558.907 TL).

The group reflected the severance pay 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 reserve for employment termination benefits in the balance sheet is as follows:

	Current Period	Prior Period
Prior period at the end of period	32.146	38.248
Change in the period	35.857	25.471
Actuarial (gain)/loss	(31.573)	(31.573)
<b>Balance at the end of period</b>	<b>36.430</b>	<b>32.146</b>

**b. Other Provisions:**

	Current Period	Prior Period
Provisions allocated from profit shares to be distributed to profit sharing accounts	405.113	281.150
Free provisions allocated for possible losses (*)	2.590.432	2.850.432
Provisions for cases on trial	5.822	4.552
Impairment provision	5.595	3.275
Expected expected credit loss for Stage 1 and Stage 2 for non-cash loans	161.997	131.301
<b>Total</b>	<b>3.168.959</b>	<b>3.270.710</b>

(\*) Includes a free provision amounting to 2.590.432 TL which provided in prior year by the Group management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation (December 31,2023: 2.850.432 TL).

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

**7. Information on provisions:**

**c. Information on provisions for foreign exchange losses on foreign currency indexed loans and financial lease receivables**

None. (December 31, 2023: None).

**8. Information on taxes payable**

**a. Explanations on current tax liability**

**a.1. Explanations on the provision for money**

As of March 31, 2024, the Group's remaining tax liability after deducting the provisional taxes paid from the corporate tax is 2.586.591 TL. (December 31, 2023: 1.082.213 TL).

**a.2. Information on taxes payable**

	<b>Current Period</b>	<b>Prior Period</b>
Corporate tax payable	2.586.591	1.082.213
Banking insurance transaction tax	86.407	83.987
Income tax deducted from wages	28.302	21.857
Taxation on securities income	40.335	28.205
Foreign exchange transaction tax	77.021	69.303
Value added tax payable	10.421	11.876
Taxation on real estate income	1.619	1.335
Other	1.350	2.021
<b>Total</b>	<b>2.832.046</b>	<b>1.300.797</b>

**a.3. Information on premiums**

	<b>Current Period</b>	<b>Prior Period</b>
Social security premiums-employee	4	3
Social security premiums-employer	6	2
Unemployment insurance-employee	18.989	12.392
Unemployment insurance-employer	30.617	18.158
Bank pension fund premium- employees	-	-
Bank pension fund premium- employer	-	-
Pension fund membership fees and provisions-employees	2.678	3.422
Pension fund membership fees and provisions- employer	6.327	1.702
Other	-	-
<b>Total</b>	<b>58.621</b>	<b>35.679</b>

**9. Liabilities for assets held for sale and discontinued operations**

None. (December 31, 2023: None.).

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**10. Detailed explanations on number, maturity, profit share rate, creditor and option to convert to share certificates; if any; of subordinated loans**

**Information on subordinated loans:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Borrowing Instruments to be Included in Additional Capital Calculation	-	7.653.977	-	7.078.467
Subordinated Loans	-	7.653.977	-	7.078.467
Subordinated Debt Instruments	-	-	-	-
Debt Instruments to be Included in the Contribution Capital Calculation	-	-	-	-
Subordinated Loans	-	-	-	-
Subordinated Debt Instruments	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7.653.977</b>	<b>-</b>	<b>7.078.467</b>

As of March 31, 2024 the Group 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 March 9, 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.

**11. 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 Group's total other liabilities amount to TL 1.591.543 (December 31, 2023: TL 3.017.694) and do not exceed 10% of the total liabilities.

**12. 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 Group and if so, amount of the registered share capital ceiling**

As of March 31, 2024 and December 31, 2023, the Parent Bank does not apply the registered share capital system.

**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 CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**12. Information on shareholders’ equity (Continued):**

**d. 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.

**e. 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**

The Group has no capital commitments until the end of the last fiscal year and the following interim period.

**f. Estimated effects on the shareholders equity of the Group, 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 Group continues its operations in a profitable manner and majority of the profits are kept in shareholders’ equity through transfer to reserves. Moreover, the Group’s shareholders’ equity is invested in liquid and earning assets.

**g. Information on privileges given to stocks representing the capital**

There is no privilege given to stocks representing the capital.

**h. Information on marketable securities valuation reserve**

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference (*)	677.669	117.307	671.615	108.884
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>677.669</b>	<b>117.307</b>	<b>671.615</b>	<b>108.884</b>

**i. Information on other capital reserves**

As of March 31, 2024, the Group's Creditor Institution 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 nominal value and 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 Parent 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 Parent Bank's Ordinary General Assembly held on 4 August 2023, it was decided to transfer 140.498 TL of the 2023 period profit of 2.809.949 TL to legal reserves and the remaining amount to extraordinary reserves.

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**1. Explanations on off balance sheet liabilities:**

**a. Type and amount of irrevocable loan commitments:**

	<b>Current Period</b>	<b>Prior Period</b>
Guaranteed Loan Allocation Commitments	14.269.410	9.126.506
Forward Asset Value Purchase and Sale Commitments	14.898.485	8.510.140
Our Payment Commitments for Cheques	508.856	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	574.901	524.822
<b>Total</b>	<b>30.297.205</b>	<b>18.542.773</b>

**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:**

	<b>Current Period</b>	<b>Prior Period</b>
Letters of Guarantees	23.820.264	19.279.232
Letters of Credit	18.351	18.155
Bank Loans	1.162.776	591.907
Other Guarantees and Sureties	-	-
<b>Total</b>	<b>25.001.391</b>	<b>19.889.294</b>

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

	<b>Current Period</b>	<b>Prior Period</b>
Temporary letters of guarantees	3.043.131	549.398
Advance letters of guarantees	1.326.902	11.488.909
Letters of guarantees given to customs	3.011.668	1.914.180
Definitive Letters of Guarantee	1.739.617	749.671
Letters of Guarantee Given for the Guarantee of Cash Loans	10.017.546	41.058
Other	4.681.400	4.536.016
<b>Total</b>	<b>23.820.264</b>	<b>19.279.232</b>

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**1. Explanations on off balance sheet liabilities:**

**c. Within the Non-cash Loans:**

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

	<b>Current Period</b>	<b>Prior Period</b>
Non-cash loans given against cash loans	4.681.400	4.536.016
With original maturity of 1 year or less	89.679	89.679
With original maturity of more than 1 year	4.591.721	4.446.337
Other non-cash loans	20.319.991	15.353.278
<b>Total</b>	<b>25.001.391</b>	<b>19.889.294</b>

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

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.

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

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.

**2. Explanations regarding derivative transactions:**

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.

**3. Explanations on contingent liabilities and assets:**

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.

**4. Explanations regarding services provided on behalf of others:**

The Bank does not engage in placement activities on behalf of real and legal persons, foundations, pension insurance funds and other institutions.

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

**1. Information on profit share income:**

**a) Information on profit share income received from loans:**

	<b>Current Period</b>		<b>Prior Period</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
<b>Profit share received from loans</b>				
Short Term Loans	2.912.057	315.457	921.857	145.561
Medium and Long Term Loans	2.167.661	250.063	705.344	72.956
Profit Share on Non-Performing Loans	4.806	60	525	23
<b>Total</b>	<b>5.084.524</b>	<b>565.580</b>	<b>1.627.726</b>	<b>218.540</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**1. Information on profit share income: (Continued)**

**b) Information on profit share income received from banks:**

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	163.004	-	210.865	-
Domestic Banks	8.569	-	375	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
<b>Total</b>	<b>171.573</b>	<b>-</b>	<b>211.240</b>	<b>-</b>

**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)	18.138	22.831	73.139	7.873
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	813.242	74.369	505.304	37.494
Financial Assets Measured at Amortized Cost	555.428	85.030	258.655	48.449
<b>Total</b>	<b>1.386.808</b>	<b>182.230</b>	<b>837.098</b>	<b>93.816</b>

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

None. (March 31, 2023: None.).

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

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED 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**

Current Period	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 year	More than 1 year		
<b>TL</b>								
Funds collected from banks through current and profit sharing accounts	-	6.019	152.709	-	-	-	-	158.728
Real persons' non-trading profit sharing accounts	45.519	594.177	94.170	-	2.270	148.066	-	884.202
Public sector profit-sharing accounts	539.319	167.525	268.365	-	309	3.170	-	978.688
Commercial sector profit sharing accounts	295.534	1.459.191	386.601	-	8.147	185.367	-	2.334.840
Other institutions profit sharing accounts	3.470	136.180	4.275	-	-	-	-	143.925
<b>Total</b>	<b>883.842</b>	<b>2.363.092</b>	<b>906.120</b>	<b>-</b>	<b>10.726</b>	<b>336.603</b>	<b>-</b>	<b>4.500.383</b>
<b>FC</b>								
Banks	-	-	-	-	-	-	-	-
Real persons' non-trading profit sharing accounts	2.038	4.244	183	-	356	46	-	6.867
Public sector profit sharing accounts	-	1.200	-	-	-	-	-	1.200
Public sector profit sharing accounts	7.028	38.720	864	-	2	-	-	46.614
Other institutions profit sharing accounts	2	109	-	-	-	-	-	111
Precious metals deposits	1.194	-	-	-	-	-	-	1.194
<b>Total</b>	<b>10.262</b>	<b>44.273</b>	<b>1.047</b>	<b>-</b>	<b>358</b>	<b>46</b>	<b>-</b>	<b>55.986</b>
<b>Grand Total</b>	<b>894.104</b>	<b>2.407.365</b>	<b>907.167</b>	<b>-</b>	<b>11.084</b>	<b>336.649</b>	<b>-</b>	<b>4.556.369</b>
Prior Period	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 year	More than 1 year		
<b>TL</b>								
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	27.246	-	5.323	54.697	-	471.063
Other institutions profit sharing accounts	1.996	10.531	195	-	-	-	-	12.722
<b>Total</b>	<b>288.757</b>	<b>572.235</b>	<b>151.048</b>	<b>-</b>	<b>8.209</b>	<b>77.600</b>	<b>-</b>	<b>1.097.849</b>
<b>FC</b>								
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
<b>Total</b>	<b>4.915</b>	<b>13.198</b>	<b>334</b>	<b>-</b>	<b>6.987</b>	<b>85</b>	<b>-</b>	<b>25.519</b>
<b>Grand Total</b>	<b>293.672</b>	<b>585.433</b>	<b>151.382</b>	<b>-</b>	<b>15.196</b>	<b>77.685</b>	<b>-</b>	<b>1.123.368</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	71.977	19.521	19.200	14.485
CBRT	-	-	-	-
Domestic banks	71.977	8.744	19.200	5.160
Foreign banks	-	10.777	-	9.325
Head offices and branches abroad	-	-	-	-
Other institutions	1	92.605	1	52.547
<b>Total</b>	<b>71.978</b>	<b>112.126</b>	<b>19.201</b>	<b>67.032</b>

**c) Profit share expense paid to associates and subsidiaries:**

None. (March 31, 2023: None.).

**d) Profit share expenses paid to marketable securities issued**

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share expense paid to marketable securities issued	910.455	-	299.662	-
<b>Total</b>	<b>910.455</b>	<b>-</b>	<b>299.662</b>	<b>-</b>

**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	270.813	212.606
Remittance Commissions	110.633	86.647
Fees and commissions from correspondents	52.420	28.069
Import commissions	9.537	7.520
Appraisal fees	11.781	4.876
Insurance and brokerage commissions	23.395	3.441
Early closing commission income	2.790	5.263
Limit allocation commission	1.199	5.357
Fees and commissions from member merchant pos	2.083	1.355
Safe deposit box revenues	1.462	341
Other commissions received and service income	26.186	12.000
<b>Total</b>	<b>512.299</b>	<b>367.475</b>

Other Fees and Commissions Given	Current Period	Prior Period
Expenses and commissions given to correspondents	12.472	3.666
Fees and commissions for Swift, EFT and money transfer	2.043	1.148
CBRT Reserve Requirement Commissions Paid for FX	952	583
Fees and commissions given for loans used	91	90
Fees and commissions paid to member workplaces	-	-
Other commissions and fees	4.442	2.718
<b>Total</b>	<b>20.000</b>	<b>8.205</b>

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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**4. Information on dividend income:**

None. (March, 31 2023: None.).

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

	<b>Current Period</b>	<b>Prior Period</b>
<b>Income</b>	<b>8.982.117</b>	<b>2.831.471</b>
Income from capital market transactions	1.765	1.618
Income from derivative financial instruments	799.856	170.961
Foreign exchange income	8.180.496	2.658.892
<b>Loss (-)</b>	<b>7.346.609</b>	<b>2.113.375</b>
Loss on capital market transactions	461	126
Loss on derivative financial instruments	994.577	140.576
Foreign exchange losses	6.351.571	1.972.673
<b>Trading income/loss (net)</b>	<b>1.635.508</b>	<b>718.096</b>

**6. Explanations related to other operating income:**

	<b>Current Period</b>	<b>Prior Period</b>
Income from provisions reversals	156.339	129.656
Income from sales of assets	82	636
Income from provisions set aside in previous years	-	4.488
Cancellation of communication expenses provision	136	153
Lease income	2	2
Other income	282.056	1.491
<b>Total</b>	<b>438.615</b>	<b>136.4267</b>

(\*) Other income consists of 260.000 TL of free provision cancellations, 14.769 TL of adjustments to previous year expenses and 4.120 TL of other income.

**7. Expected loss provision expenses and other provision expenses:**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Expected Credit Loss</b>	<b>326.568</b>	<b>149.825</b>
12-month expected credit loss (stage 1)	172.843	130.352
Significant increase in credit risk (stage 2)	50.706	1.089
Non-performing loans (stage 3)	103.019	18.384
<b>Marketable Securities Impairment Expense</b>	<b>10.715</b>	<b>-</b>
Financial Assets at Fair Value through Profit or Loss	10.715	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
<b>Investments in Associates, Subsidiaries and Held-to-maturity Securities Value Decrease</b>	<b>-</b>	<b>-</b>
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investments Held to Maturity	-	-
<b>Other (*)</b>	<b>122.026</b>	<b>19.687</b>
<b>Total</b>	<b>459.309</b>	<b>169.512</b>

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

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
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(Amounts expressed in Thousands of Turkish Lira (TL) unless otherwise stated.)

**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

**8. Information on other operating expenses:**

	<b>Current Period</b>	<b>Prior Period</b>
Reserve for Employee Termination Benefits (*)	4.284	5.590
Unused vacation provision (*)	16.212	5.158
Bank Social Aid Provision Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Fixed Assets	47.748	33.245
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	12.060	759
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	233.658	1.115.339
Lease expenses related to TFRS 16 exemptions	2.695	776
Operating Maintenance expenses	16.300	9.339
Advertisement expenses	41.305	22.870
Other expenses (1)	173.358	1.082.354
Loss on sale of assets	-	-
Other (2)	151.240	61.540
<b>Total</b>	<b>465.202</b>	<b>1.221.631</b>

(\*) Provision for employment termination benefits and accumulated vacation provisions presented in other provisions, which are not included in other operating expenses in the statement of income or loss, are included in this table.

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

	<b>Current Period</b>	<b>Prior Period</b>
Communication Expenses	24.437	10.096
Cleaning Expenses	26.213	9.676
Heating, Lighting and Water Expenses	10.050	7.572
Vehicle Expenses	6.157	2.336
Representation and Hospitality expenses	11.808	3.075
Securities Insurance Expenses	4.125	1.833
Stationery expenses	1.721	848
Donations and grants	58.000	1.031.024
Participation in common expenses	1.083	533
Litigation and court expenses	532	155
Other	29.232	15.206
<b>Total</b>	<b>173.358</b>	<b>1.082.354</b>

(2) Other balance details are as below table:

	<b>Current Period</b>	<b>Prior Period</b>
Taxes, Duties, Charges and Funds	88.892	33.194
Audit and Consultancy Fees	22.816	6.844
Participation Share Expenses	1.932	4.839
Saving Deposit Insurance Fund	15.688	8.696
Other	21.912	7.967
<b>Total</b>	<b>151.240</b>	<b>61.540</b>



**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

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

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.

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

As of 31 March 2024, the Group has deferred tax income of 2.245.159 TL (31 March 2023: 1.130.597 TL) and deferred tax expense of 1.395.332 TL (31 March 2023: 728.713 TL). As of 31 March 2024, the Group's current tax provision is 1.504.996 TL (31 March 2023: 604.934 TL).

Since the Group does not have any discontinued operations, there is no tax provision for discontinued operations (March 31, 2023: None).

**11. Explanations on tax provision for 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 Group’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 shares**

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 consolidated 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”.

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

**VII. Explanations related to the risk group of the Parent Bank**

**1. The volume of transactions related to the risk group that the Parent 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 Parent Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
	<b>Loans and other receivables</b>					
Balance at the beginning of period	-	-	3.637	-	-	-
Balance at the end of period	-	-	3.447	-	-	-
<b>Profit Share and Commission Income (**)</b>	-	-	<b>130</b>	-	-	-

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

**b. Prior Period**

Risk Group of the Parent Bank (*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Parent Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
	<b>Loans and other receivables</b>					
Balance at the beginning of period	-	-	2.355	-	-	-
Balance at the end of period	-	-	3.637	-	-	-
<b>Profit Share and Commission Income (*)</b>	-	-	<b>364</b>	-	-	-

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

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

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

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

**VII. Explanations related to the risk group of the Parent Bank**

**d. Information regarding the benefits provided to the Parent Bank's senior management:**

The total amount of wages and benefits provided to the Parent Bank's senior managers for the accounting period ending on March 31, 2024 is 21.714 TL (31 March 2023: 5,889 TL).

**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
**NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**  
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**EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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

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.

**IX. Explanations related to subsequent events**

The Parent Bank will be a resource institution / fund user, and by Emlak Katılım Varlık Kiralama A.Ş., domestically, limited to TL 20.000.000, orderly, in Turkish Lira, Based on the lease certificate structure based on the Management Contract foreseen in the terms of 1-60 months and the Communiqué on Lease Certificates (III-61.1), the application to the Capital Markets Board (CMB) regarding the issuance of lease certificates to be sold to the allocated and / or qualified investor was approved by the CMB's decision dated February 3, 2022 and numbered 6/166. Within the scope of the relevant lease certificate issue ceiling, by Emlak Katılım Varlık Kiralama A.Ş., in February 3, 2022, within the scope of the approval of a consistent regular issuance of TL 20.000.000 from the CMB for sale to qualified investors,

- On April 4, 2024, 140.000 TL, with 391 days maturity for domestic qualified investors,
- On April 5, 2024, 550.000 TL, with 98 days maturity, for domestic qualified investors,
- On April 19, 2024, 480.000 TL, with 98 days maturity, for domestic qualified investors,
- On April 19, 2024, 134.000 TL, with 376 days maturity, for domestic qualified investors,
- On April 24, 2024, 300.000 TL, with 100 days maturity, for domestic qualified investors,
- On May 2, 2024, 165.000 TL, with 98 days maturity, for domestic qualified investors,
- On May 7, 2024, 200.000 TL, with 388 days maturity, for domestic qualified investors,
- On May 8, 2024, 500.000 TL, with 93 days maturity, for domestic qualified investors,
- On May 8, 2024, 121.500 TL, with 387 days maturity, for domestic qualified investors,
- On May 10, 2024, 780.000 TL, with 97 days maturity, for domestic qualified investors,
- On May 15, 2024, 320.000 TL, with 380 days maturity, for domestic qualified investors,
- On May 16, 2024, 300.000 TL, with 728 days maturity, for domestic qualified investors,
- On May 21, 2024, 500.000 TL, with 99 days maturity, for domestic qualified investors,

In the issuance of the lease certificates the Bank was involved as the authorized investment institution.

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**SECTION SIX**

**Auditor’s Limited Review Report**

**I. Explanations on the Limited Review Report**

The Group's consolidated financial statements for the six months period ended March 31, 2024 have been reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and Auditors’ Limited Review Report dated May 23, 2024 is presented in the introduction of this report.

**II. Notes and Disclosures Prepared by the Independent Auditor:**

None.

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**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.  
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**SECTION SEVEN**

**Interim Activity Report**

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

**a. Message from the Chairman of the Board of Directors**

The adverse repercussions of 2023, which we concluded amidst the pressure of the global political and economic crisis, persisted throughout the initial quarter of 2024. While the growth rate in Europe, particularly the United States, remained below expectations, the major economies of Germany, Spain, and France revised their growth projections downward for 2024.

In March 2024, the monetary policy decisions made by the central banks, particularly the US Federal Reserve, had a notable influence on the markets. As anticipated, the FED kept its federal funds rate unchanged within the range of 5.25%–5.5%, marking the highest level in 23 years. After 17 years, the Bank of Japan, BOJ, made its first interest rate increase, making it the last among the world's leading central banks to abandon its negative interest rate policy. The Bank of England, BOE, kept the policy rate constant at 5.25 percent, in line with expectations.

In the World Economic Outlook (WEO) report released by the International Monetary Fund in January 2024 titled "Moderate Inflation and Steady Growth Paves the Way for a Soft Landing", the global growth forecast was raised to 3.1% for 2024 while remaining constant at 3.2% for 2025. The upward revision of growth projections for the USA and China had a significant impact on the upward revision of 2024 forecasts.

In line with the Century of Türkiye targets, the steps taken by our economic management and our country positively differ in terms of growth prospects. We are confident that our country, which continues its economic development with the vision of "a stable, strong, and prosperous Türkiye", will enhance the real economy through continuous growth in investment, production, employment, and exports. When making policy decisions, the CBRT considers the impact of monetary tightening, aiming to decrease the main trend of the inflation rate and create favorable monetary and financial conditions to achieve the medium-term inflation target of 5 percent.

Emlak Katılım is steadily growing and progressing among the prominent actors of the participation finance sector, demonstrating a commitment to the principles of sustainable efficiency, customer focus, and profitability. Our efforts to expand our services throughout our country remain unwavering as we increase the number of our branches in 39 provinces to a total of 103, including our e-branch. We constantly enhance our bank's most valuable asset—its human resources—through the recruitment of new employees. Emlak Katılım has made significant contributions to the economy and employment, with a workforce of over 1500 employees and an asset size of TL 199.3 billion in the first quarter of the year.

For the future, our institution is committed to consistently developing banking services that align with our customer-oriented and accessible financing strategy by providing innovative and sustainable products and services for the "Participation Finance" sector.

**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 Parent Bank’s Chairman of the Board of Directors and CEO related to the interim activities (Continued)**

**a. Message from the General Manager**

Despite global economic uncertainties, our country remains committed to taking strategic strides to foster an environment of economic stability and confidence. In 2023, Türkiye's economy experienced a growth rate of 4.5%, resulting in the GDP surpassing USD 1 trillion for the first time, rising to USD 1 trillion 118 billion 593 million. The GDP per capita reached a noteworthy milestone of USD 13.110. 2023 has been a year characterized by various global trade risks triggered by geopolitical issues around the world, instability in energy markets, tightening of financial conditions, and slow growth of the global economy. Despite the challenges posed by regional disputes and conflicts, Türkiye effectively implemented the policies outlined in the Medium Term Program and the 12th Development Plan, particularly in the fight against inflation, during the first quarter of the year. By virtue of the successful policies implemented, the Organization for Economic Co-operation and Development (OECD) revised its 2024 growth forecast for Türkiye's economy from 2.9 percent to 3.4 percent.

Upon examining the participation finance sector, it is evident that the sector, characterized by a stable and healthy balance sheet, will sustain its upward growth trend in 2024. While our industry is gaining strength with the involvement of new players, it is taking firm steps forward into the future. At Emlak Katılım, we are committed to introducing innovative solutions to our sector in accordance with sustainable development and growth targets through our public responsibility and awareness.

As Emlak Katılım, we have expanded our network to 103 branches and grown our workforce to over 1,500 employees during this period. As of the first quarter of the year, we have successfully increased our asset size to TL 199.3 billion and our collected funds to TL 157.3 billion, and we are progressing on our way with firm steps.

The lease certificate export volume we issued domestically in the first quarter of 2024 amounted to approximately 7.8 billion TL, an increase of 37% compared to the first quarter of the previous year. In addition to the sukuk issuances we carried out, we actively shared our knowledge and experience in participation-based capital markets with corporate companies across various industries. Our bank, which maintains its sector leadership in lease certificate intermediation, has also successfully mediated Türkiye's first private sector social sukuk issuance by a stakeholder who developed the "Revenue Sharing E-Commerce Financing" model, marking a milestone in Türkiye.

Within the scope of the “Türk Eximbank Financial Leasing Transactions Credit Program”, we, as Emlak Katılım, provide financing for investments through financial leasing to exporters and manufacturer-exporters residing in Türkiye, companies engaged in foreign exchange earning services and activities, and companies residing in free zones in Türkiye that export goods and services, in return for their commitment to export goods and services of Türkiye origin.

Furthermore, we consistently introduce significant innovations and invest in digital banking, which is one of the most important and critical development areas in the financial sector today, ensuring that our customers can carry out their transactions quickly and efficiently.

In recognition of the significance of leaving a more livable planet to our future generations and acknowledging our duty in this regard, we engage in joint studies on sustainability with our internal, domestic, and international stakeholders. We will continue to exert greater effort and generate value for our country, which has kept pace with technology and stands out with its young and dynamic population, while upholding our founding values by focusing on fostering a robust, growing, and increasingly prosperous Türkiye.

Yours sincerely,

**Onur Gök**  
General Manager

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**Interim Activity Report (Continued)**

**I. Interim activity report including the Message from the Parent Bank's Chairman of the Board of Directors and CEO related to the interim activities (Continued)**

**a. Capital and Shareholder Structure**

<b>Name and Surname/ Trade name</b>	<b>Share Amounts</b>	<b>Share Rates</b>	<b>Paid Shares</b>	<b>Unpaid Shares</b>
Ministry of Treasury and Finance	1.026.915	%99,99999	1.026.915	-
Other	-	%0,00001	-	-

**b. The amendments in the articles of association during period of January 1, 2024 – March 31, 2024**

None.

**c. Branch and Personal Information**

The Bank's total number of branches is 103 (including 1 e-branch) and the total number of personnel is 1.511 at 31 March 2024.

**d. Board of Directors and Executive Management**

<b>Name and Surname</b>	<b>Administrative Function and Responsibility</b>	<b>Educational Degree</b>
Prof. Dr. Mehmet Emin BİRPINAR	Chairman of BOD	Doctorate
Mahmut KAÇAR <sup>1</sup>	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
Ramazan GÜNGÖR	Member of BOD and 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

**g. Managers of Units within the Scope of Internal Systems**

<b>Name and Surname</b>	<b>Professional Experience</b>	<b>Seniority in the Field of Responsibility</b>	<b>Education</b>	<b>Area of Responsibility</b>
Abdulkadir CEBECİ	18 year 6 month	17 year 10 month	Master	Head of Inspection Committee Head of Internal Control and
Halil İbrahim ÖZER	17 year 10 month	10 year 9 month	Master	Compliance
Erhan ŞANLI	17 year 3 month	3 year 3 month	Master	Head of Risk Management

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**Interim Activity Report (Continued)**

- I. Interim activity report including the Message from the Parent Bank’s Chairman of the Board of Directors and CEO related to the interim activities (Continued)**
- a. Committee and committee members formed after the distribution of duties among the board members**

**AUDIT COMITEE**

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Mehmet Nuri YAZICI (Head)  
Ramazan GÜNGÖR

**CREDIT COMITEE**

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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**

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

**REMUNERATION COMMITTEE**

---

Hasan SUVER (Head)  
Mehmet Nuri YAZICI  
Ramazan GÜNGÖR

**EXECUTIVE COMMITTEE**

---

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



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**TÜRKİYE EMLAK KATILIM BANKASI A.Ş.**  
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**Interim Activity Report (Continued)**

**I. Interim activity report including the Message from the Parent Bank's Chairman of the Board of Directors and CEO related to the interim activities (Continued)**

**a. Türkiye Emlak Katılım Bankası A.Ş. Selected Financial Indicators as of March 31, 2024**

<b>Assets</b>	<b>Current Period</b>	<b>Prior Period</b>
Loans and Financial Leasing Receivables	73.315.040	67.925.162
Total Securites	32.669.549	30.868.942
<b>Total of Selected Assets</b>	<b>105.984.589</b>	<b>98.794.104</b>
<b>Liabilities</b>	<b>Current Period</b>	<b>Prior Period</b>
Funds Collected	157.232.335	151.478.974
Funds Borrowed	1.610.875	1.247.871
Shareholders' Equity	12.467.498	10.432.245
<b>Total of Selected Liabilities</b>	<b>171.310.708</b>	<b>163.159.090</b>
<b>Income and Expense Items</b>	<b>Current Period</b>	<b>Prior Period</b>
Profit Share Income	7.417.234	3.014.269
Profit Share Expense	5.669.763	1.539.524
Net Profit Share Income/Expenses	1.747.471	1.474.745
Net Fees and Commissions Income/Expenses	555.179	388.468
Personnel Expenses	796.813	196.172
Trading Income/Loss	1.635.508	718.096
Other Operating Income	438.615	136.426
Loans and Other Receivables from Provision for Losses	326.568	149.825
Other Operating Expenses	444.706	1.210.883
Profit Before Tax and Provisions	2.675.945	1.141.168
Tax Provisions	(655.169)	(203.050)
Net Profit/Losses	2.020.776	938.118
<b>Ratios (%)</b>	<b>Current Period</b>	<b>Prior Period</b>
Total Loans/Total Assets (*)	36,84	36,19
Total Loans/Total Deposits (*)	46,63	44,84
Capital Adequacy Ratio	19,60	23,08

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

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