

*(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS AND
REVIEW REPORT ORIGINALLY ISSUED IN TURKISH)*

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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

Convenience Translation of the Auditor's Review Report Originally Issued in Turkish

Independent Auditors' Report on Review of Unconsolidated Interim Financial Information

To the General Assembly of Türk Ekonomi Bankası Anonim Şirketi

Introduction

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

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "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 of Qualified Conclusion

As explained in Section Five Part II.7.d and IV.5.a the accompanying unconsolidated financial statements as of June 30, 2024, include a free provision at an amount of TL 850,000 thousands of which TL 2,050,000 thousands was provided in prior years and TL 1,200,000 thousands was reversed in the current period by the Bank management which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Qualified Conclusion

Based on our review, except for the effect of the matter referred in the basis of qualified conclusion paragraph on the unconsolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the unconsolidated financial position of Türk Ekonomi Bankası A.Ş. at June 30, 2024 and the results of its operations and its unconsolidated cash flows for the six-month-period then ended in all material respects in accordance with the BRSA Accounting and Financial Reporting Legislation

Other Matter

The unconsolidated financial statements of the Bank as at December 31, 2023 and June 30, 2023 prepared in accordance with BRSA Accounting and Financial Reporting Legislation were audited and reviewed by another auditor who expressed a qualified opinion in the report of the relevant audit firm issued on January 31, 2024 due to the effect of the free provision amounting to TL 2,050,000 thousands of which TL 400,000 thousands was provided in prior years and TL 1,650,000 thousands was provided in the current period by the Bank management and unqualified conclusion in the review report of relevant audit firm issued on July 27, 2023 respectively.

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 VII, are not consistent with the reviewed unconsolidated financial statements and disclosures in all material respects.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst&Young Global Limited

Fatma Ebru Yücel, SMMM
Partner

July 24 2024
İstanbul, Türkiye

**Convenience Translation of
Publicly Announced Unconsolidated Interim Financial Statements and Review Report
Originally Issued in Turkish, See in Note I. of Section Three**

**UNCONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.
AS OF AND FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

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The unconsolidated financial report for the six-month period, prepared in accordance with “Communiqué on the Financial Statements and the Related Policies and Disclosures to be Publicly Announced” as regulated by the Banking Regulation and Supervision Agency, is consist of the sections listed below:

- General Information about the Bank
- Unconsolidated Financial Statements of the Bank
- Explanations on the Accounting Policies Applied in the Related Period
- Information on Financial Structure and Risk Management of the Bank
- Disclosures and Notes on Unconsolidated Interim Financial Statements
- Review Report
- Interim Activity Report

The accompanying unconsolidated financial statements for the six-month period, related disclosures and notes which have been reviewed and presented in this report are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, the related statements and guidance, and incompliance with the financial records of our Bank, and unless stated otherwise, presented in **thousands of Turkish Lira (TL)**.

Dr. Akın Akbaygil	Patrick Philippe Poupon	Ayşe Aşardağ	Ümit Leblebici	Tolga Güler	Kamer Kıdıl
Chairman of the Board of Directors	Chairman of the Audit Committee	Vice Chairman of the Audit Committee	Chief Executive Officer	Assistant General Manager Responsible of Financial Reporting	Director Responsible of Financial Reporting

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname/Title : Ashhan Kaya / External Reporting Senior Manager
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TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION ONE

GENERAL INFORMATION

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

Türk Ekonomi Bankası Anonim Şirketi ("TEB" or "Bank"), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş., was acquired by the Çolakoğlu Group in 1982. Its title was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to İstanbul. On 10 February 2005, BNP Paribas took over 50% of shares of TEB Holding A.Ş. Consequently, BNP Paribas became indirect shareholder of TEB with 42.125% ownership. In 2009 BNP Paribas Group successively acquired 75% of Fortis Bank Belgium and 66% of Fortis Bank Luxembourg and became the shareholder holding the majority of the shares of Fortis Bank Turkey. The indirect majority shareholders of TEB which are BNP Paribas and Çolakoğlu Group has agreed on the merger of TEB and Fortis Bank under the trademark of TEB and following the authorizations obtained from the regulatory authorities on 14 February 2011 the legal merge of two banks has been performed. The process regarding the procedure has been summarized below. As a result of the merger of TEB Holding, TEB has a majority stake of 55% and on the other hand Çolakoğlu Group and BNP Paribas have the share of 50%.

II. Explanation on the Bank's Capital Structure, Shareholders of the Bank who are in Charge of the Management and/or Auditing of the Bank Directly or Indirectly, Changes in These Matters (if any), and the Group the Bank Belongs to

As of 30 June 2024 and 31 December 2023, the shareholders' structure and their respective ownerships are summarized as follows:

Name of Shareholders	30 June 2024		31 December 2023	
	Paid in Capital	%	Paid in Capital	%
TEB Holding A.Ş.	1,212,415	55.00	1,212,415	55.00
BNPP Yatırımlar Holding A.Ş.	518,342	23.51	518,342	23.51
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23	467,879	21.23
BNP Paribas SA	5,253	0.24	5,253	0.24
Kocaeli Chamber of Commerce	501	0.02	501	0.02
	2,204,390	100.00	2,204,390	100.00

As of 30 June 2024, the Bank's paid-in-capital consists of 2,204,390,000 shares of TL 1.00 (full TL) nominal each.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Shares of the Bank They Possess

<u>Name</u>	<u>Title</u>	<u>Education</u>
Board of Directors;		
Dr. Akın Akbaygil	Chairman of the Board of Directors	PhD
François Andre Jesualdo Benaroya	Deputy Chairman of the Board of Directors	University
Patrick Philippe Poupon	Member of the Board of Directors and Chairman of the Audit Committee	Master
Ayşe Aşardağ	Member of the Board of Directors and Vice Chairman of the Audit Committee	University
Yavuz Canevi	Member of the Board of Directors	Master
Hans Wilfried J. Broucke	Member of the Board of Directors	Master
Özden Odabaşı	Member of the Board of Directors	Master
Jean-Charles Joseph Gabriel Aranda	Member of the Board of Directors	Master
Ayşe Meral Çimenbiçer	Member of the Board of Directors, Member of the Audit Committee	University
Metin Toğay	Member of the Board of Directors	Master
Didier Albert N. Van Hecke	Member of the Board of Directors, Member of the Audit Committee	Master
Ümit Leblebici	Chief Executive Officer and the Executive Member	Master
Assistant General Managers;		
Gökhan Mendi	Senior Assistant General Manager Responsible from Retail and Private Banking Group	Master
Ali İhsan Arıdaşır	Assistant General Manager Responsible from SME Loans	University
Melis Coşan Baban	Chief Legal Advisor and Secretary of the Board of Directors	Master
Ali Gökhan Cengiz	Assistant General Manager Responsible from SME Banking	Master
Mehmet Ali Cer	Assistant General Manager Responsible from Information Technologies	Master
Tolga Güler	Assistant General Manager Responsible from Financial Affairs Group	University
Osman Durmuş	Assistant General Manager Responsible from Retail and Small Business Credit Group	University
Orhan Hatipoğlu	Assistant General Manager Responsible from Banking Operations and Support Services Group	University
Çiğdem Ünsal	Assistant General Manager Responsible from Human Resources Group	University
Tolga Gürdem	Assistant General Manager Responsible from Asset Liability Management and Treasury Group	University
Göker Orhan	Assistant General Manager Responsible from Financial Markets	Master
Gökhan Özdil	Assistant General Manager Responsible from Corporate Loans	University
Ömer Abidin Yenidoğan	Assistant General Manager Responsible from Corporate Investment Banking Group	Master
Group Heads (*);		
Nimet Elif Kocaayan	Head of Group Risk Management	University
Birol Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer	Master
Internal Audit (*);		
Hasan Onar	Head of Internal Audit	Master

(*) Group Heads and Head of Internal Audit are in Assistant General Manager status.

There are no Bank shares owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Information on the Bank's Qualified Shareholders

Name / Commercial Name	Share Amount	Share Ratio	Paid-up Shares	Unpaid Shares
TEB Holding A.Ş.	1,212,415	55.00%	1,212,415	-
BNPP Yatırımlar Holding A.Ş.	518,342	23.51%	518,342	-
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879	21.23%	467,879	-

TEB Holding A.Ş. is a member of both Çolakoğlu and BNP Paribas groups. 50% of the shares of TEB Holding A.Ş. are controlled by BNP Paribas, Fortis Yatırımlar Holding A.Ş., while the remaining 50% is controlled by Çolakoğlu Group. BNP Paribas Fortis Yatırımlar Holding A.Ş. is controlled by Fortis Bank SA/NV whose shareholders are BNP Paribas Fortis NV/SA by 100% shares, respectively. 100% of the shares of BNPP Yatırımlar Holding are controlled by BNP Paribas SA.

V. Summary on the Bank's Functions and Lines of Activity

The Bank's operating areas include, corporate, commercial, SME, retail and private banking as well as project finance and custody operations. Besides the ordinary banking operations, the Bank is handling agency functions through its branches on behalf of TEB Portföy Yönetimi A.Ş., Zurich Sigorta A.Ş., Cardif Hayat Sigorta A.Ş. and HDI Sigorta A.Ş. As of 30 June 2024, the Bank has 443 local branches and 4 foreign branches (31 December 2023: 440 local branches, 4 foreign branches). As of 30 June 2024, the number of employees of the Bank is 8,176 (31 December 2023: 8,333).

VI. Differences between the Communiqué on Preparation of Financial Statements of Banks and Turkish Accounting Standards and Short Explanation about the Entities Subject to Full Consolidation or Proportional Consolidation and Entities which are Deducted from Equity or Entities which are not Included in These Three Methods

There is no difference for the Bank, except for the non-financial subsidiary, between the consolidation process according to the Turkish Accounting Standards and the Communiqué of the Preparation of Financial Statements of Banks in Turkey.

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş., it is presented as joint venture in financial statements however, and it is carried by cost value since necessary requirements for consolidation is not met.

TEB ARF Teknoloji A.Ş., a non-financial subsidiary owned 100% and by the Bank, was registered in the Trade Registry Gazette on 16 July 2020. The Bank presents TEB ARF Teknoloji A.Ş. in the subsidiaries line in its financial statements.

VII. Current or Likely, Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Bank and its Subsidiaries

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet
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- III. Statement of Profit or Loss
- IV. Statement of Profit or Loss and Other Comprehensive Income
- V. Statement of Changes in Shareholders' Equity
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TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

BALANCE SHEET FOR THE INTERIM PERIOD AS OF 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

ASSETS			Reviewed Current Period 30.06.2024			Audited Prior Period 31.12.2023		
		Section 5 Note	TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		59,311,785	72,283,954	131,595,739	62,556,957	74,152,574	136,709,531
1.1	Cash and Cash Equivalents		49,348,754	67,502,750	116,851,504	54,430,193	69,429,745	123,859,938
1.1.1	Cash and Balances with Central Bank	(I-1)	46,510,642	58,333,747	104,844,389	40,590,024	63,894,514	104,484,538
1.1.2	Banks	(I-4)	670,497	9,214,625	9,885,122	1,607,670	5,586,915	7,194,585
1.1.3	Money Market Placement		2,189,473	-	2,189,473	12,243,739	-	12,243,739
1.1.4	Expected Loss Provisions (-)		21,858	45,622	67,480	11,240	51,684	62,924
1.2	Financial Assets at Fair Value Through Profit or Loss		2,073,782	851,429	2,925,211	352,244	660,327	1,012,571
1.2.1	Government Debt Securities	(I-2)	1,924,580	489,137	2,413,717	242,988	345,477	588,465
1.2.2	Equity Securities		149,202	182,305	331,507	109,256	164,734	273,990
1.2.3	Other Financial Assets		-	179,987	179,987	-	150,116	150,116
1.3	Financial Assets at Fair Value Through Other Comprehensive Income	(I-5)	5,148,341	2,842,170	7,990,511	5,103,118	2,722,321	7,825,439
1.3.1	Government Debt Securities		5,059,309	2,842,170	7,901,479	5,020,783	2,722,321	7,743,104
1.3.2	Equity Securities		89,032	-	89,032	82,335	-	82,335
1.3.3	Other Financial Assets		-	-	-	-	-	-
1.4	Derivative Financial Assets		2,740,908	1,087,605	3,828,513	2,671,402	1,340,181	4,011,583
1.4.1	Derivative Financial Assets at Fair Value Through Profit and Loss	(I-3)	2,740,861	970,547	3,711,408	1,935,635	1,037,427	2,973,062
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(I-12)	47	117,058	117,105	735,767	302,754	1,038,521
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		245,460,141	98,391,682	343,851,823	180,572,861	71,874,109	252,446,970
2.1	Loans	(I-6)	199,826,577	87,139,389	286,965,966	150,617,852	59,267,626	209,885,478
2.2	Lease Receivables	(I-11)	-	-	-	-	-	-
2.3	Factoring Receivables		-	-	-	-	-	-
2.4	Other Financial Assets Measured at Amortized Cost	(I-7)	50,557,168	12,604,897	63,162,065	34,609,839	14,681,619	49,291,458
2.4.1	Government Debt Securities		50,557,168	12,604,897	63,162,065	34,609,839	14,681,619	49,291,458
2.4.2	Other Financial Assets		-	-	-	-	-	-
2.5	Expected Credit Loss (-)		4,923,604	1,352,604	6,276,208	4,654,830	2,075,136	6,729,966
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(I-14)	77,508	-	77,508	82,060	-	82,060
3.1	Held for Sale Purpose		77,508	-	77,508	82,060	-	82,060
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		279,026	-	279,026	279,026	-	279,026
4.1	Associates (Net)	(I-8)	-	-	-	-	-	-
4.1.1	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	Subsidiaries (Net)	(I-9)	279,021	-	279,021	279,021	-	279,021
4.2.1	Unconsolidated Financial Subsidiaries		278,971	-	278,971	278,971	-	278,971
4.2.2	Unconsolidated Non-Financial Subsidiaries		50	-	50	50	-	50
4.3	Joint Ventures (Net)	(I-10)	5	-	5	5	-	5
4.3.1	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		5	-	5	5	-	5
V.	TANGIBLE ASSETS (Net)		2,208,159	-	2,208,159	1,933,104	-	1,933,104
VI.	INTANGIBLE ASSETS (Net)		1,546,743	-	1,546,743	1,269,693	-	1,269,693
6.1	Goodwill		421,124	-	421,124	421,124	-	421,124
6.2	Other		1,125,619	-	1,125,619	848,569	-	848,569
VII.	INVESTMENT PROPERTIES (Net)	(I-13)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		279,402	-	279,402	220,897	-	220,897
IX.	DEFERRED TAX ASSET		3,436,005	-	3,436,005	2,410,400	-	2,410,400
X.	OTHER ASSETS (Net)		14,669,809	729,612	15,399,421	10,973,389	593,949	11,567,338
TOTAL ASSETS			327,268,578	171,405,248	498,673,826	260,298,387	146,620,632	406,919,019

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

BALANCE SHEET FOR THE INTERIM PERIOD AS OF 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

LIABILITIES		Section 5 Note	Reviewed Current Period 30.06.2024			Audited Prior Period 31.12.2023		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS		(II-1)	243,768,055	100,225,801	343,993,856	185,454,941	99,290,895	284,745,836
II. FUNDS BORROWED		(II-3)	274,027	16,406,742	16,680,769	112,235	19,827,362	19,939,597
III. MONEY MARKET FUNDS			10,012,964	37,355,999	47,368,963	-	28,109,842	28,109,842
IV. SECURITIES ISSUED (Net)		(II-3)	-	-	-	-	-	-
4.1 Bills			-	-	-	-	-	-
4.2 Asset Backed Securities			-	-	-	-	-	-
4.3 Bonds			-	-	-	-	-	-
V. FUNDS			-	-	-	-	-	-
5.1 Borrower Funds			-	-	-	-	-	-
5.2 Other			-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS			-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES			2,450,768	815,489	3,266,257	1,834,898	800,400	2,635,298
7.1 Derivative Financial Liabilities at Fair Value Through Profit and Loss		(II-2)	2,408,093	800,555	3,208,648	1,752,443	800,400	2,552,843
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		(II-6)	42,675	14,934	57,609	82,455	-	82,455
VIII. FACTORING LIABILITIES			-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)		(II-5)	1,359,439	6,436	1,365,875	965,961	25,188	991,149
X. PROVISIONS		(II-7)	4,314,158	1,013,340	5,327,498	5,580,312	781,515	6,361,827
10.1 Restructuring Provisions			-	-	-	-	-	-
10.2 Reserve for Employee Benefits			2,614,423	178,046	2,792,469	2,777,948	108,441	2,886,389
10.3 Insurance Technical Provisions (Net)			-	-	-	-	-	-
10.4 Other Provisions			1,699,735	835,294	2,535,029	2,802,364	673,074	3,475,438
XI. CURRENT TAX LIABILITY		(II-8)	2,565,038	1	2,565,039	1,282,111	3	1,282,114
XII. DEFERRED TAX LIABILITY			-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)			-	-	-	-	-	-
13.1 Held for Sale			-	-	-	-	-	-
13.2 Held from Discontinued Operations			-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS			-	20,504,809	20,504,809	-	11,637,967	11,637,967
14.1 Loans			-	-	-	-	-	-
14.2 Other Debt Instruments			-	20,504,809	20,504,809	-	11,637,967	11,637,967
XV. OTHER LIABILITIES		(II-4)	17,016,674	1,909,941	18,926,615	13,722,859	2,447,840	16,170,699
XVI. SHAREHOLDERS' EQUITY		(II-9)	38,630,586	43,559	38,674,145	34,911,647	133,043	35,044,690
16.1 Paid-in Capital			2,204,390	-	2,204,390	2,204,390	-	2,204,390
16.2 Capital Reserves			389,769	-	389,769	389,769	-	389,769
16.2.1 Share Premiums			2,565	-	2,565	2,565	-	2,565
16.2.2 Share Cancellation Profits			-	-	-	-	-	-
16.2.3 Other Capital Reserves			387,204	-	387,204	387,204	-	387,204
16.3 Other Accumulated Comprehensive Income or Expense that will not be Reclassified at Profit or Loss			(327,466)	-	(327,466)	(344,917)	-	(344,917)
16.4 Other Accumulated Comprehensive Income or Expense that will be Reclassified at Profit or Loss			(222,460)	43,559	(178,901)	(26,971)	133,043	106,072
16.5 Profit Reserves			31,516,711	-	31,516,711	20,962,728	-	20,962,728
16.5.1 Legal Reserves			836,739	-	836,739	718,690	-	718,690
16.5.2 Status Reserves			-	-	-	-	-	-
16.5.3 Extraordinary Reserves			30,679,972	-	30,679,972	15,627,134	-	15,627,134
16.5.4 Other Profit Reserves			-	-	-	4,616,904	-	4,616,904
16.6 Profit or Loss			5,069,642	-	5,069,642	11,726,648	-	11,726,648
16.6.1 Prior Periods' Profit / Loss			-	-	-	-	-	-
16.6.2 Current Periods' Profit / Loss			5,069,642	-	5,069,642	11,726,648	-	11,726,648
TOTAL LIABILITIES			320,391,709	178,282,117	498,673,826	243,864,964	163,054,055	406,919,019

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

OFF-BALANCE SHEET ITEMS FOR THE INTERIM PERIOD AS OF 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. OFF-BALANCE SHEET ITEMS

		Reviewed Current Period 30.06.2024			Audited Prior Period 31.12.2023		
	Section 5 Note	TL	FC	Total	TL	FC	Total
A.	OFF BALANCE SHEET LIABILITIES (I+II+III)	298,745,890	416,375,031	715,120,921	219,914,666	342,246,423	562,161,089
I.	GUARANTEES AND WARRANTIES	29,341,501	63,548,366	92,889,867	19,654,698	62,281,912	81,936,610
1.1	Letters of Guarantee	16,530,370	33,272,529	49,802,899	13,366,519	31,813,601	45,180,120
1.1.1	Guarantees Subject to State Tender Law	107,012	221,234	328,246	104,520	205,134	309,654
1.1.2	Guarantees Given for Foreign Trade Operations	1,019,447	1,334,487	2,353,934	862,611	1,207,038	2,069,649
1.1.3	Other Letters of Guarantee	15,403,911	31,716,808	47,120,719	12,399,388	30,401,429	42,800,817
1.2	Bank Acceptances	-	169,942	169,942	-	70,513	70,513
1.2.1	Import Letter of Acceptance	-	169,942	169,942	-	70,513	70,513
1.2.2	Other Bank Acceptances	-	-	-	-	-	-
1.3	Letters of Credit	262	22,704,563	22,704,825	-	22,935,305	22,935,305
1.3.1	Documentary Letters of Credit	-	4,018,193	4,018,193	-	5,661,471	5,661,471
1.3.2	Other Letters of Credit	262	18,686,370	18,686,632	-	17,273,834	17,273,834
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	Purchase Guarantees for Securities Issued	-	-	-	-	-	-
1.7	Factoring Guarantees	-	-	-	-	-	-
1.8	Other Guarantees	7,674,924	7,401,332	15,076,256	3,246,496	7,446,704	10,693,200
1.9	Other Collaterals	5,135,945	-	5,135,945	3,041,683	15,789	3,057,472
II.	COMMITMENTS	127,284,803	1,940,670	129,225,473	72,370,428	9,642,055	82,012,483
2.1	Irrevocable Commitments	125,934,506	1,940,670	127,875,176	71,516,146	9,642,055	81,158,201
2.1.1	Asset Purchase Commitments	230,911	951,834	1,182,745	1,651,971	8,591,528	10,243,499
2.1.2	Deposit Purchase and Sale Commitments	-	-	-	-	-	-
2.1.3	Share Capital Commitment to Associates and Subsidiaries	-	-	-	-	-	-
2.1.4	Loan Granting Commitments	21,068,123	138	21,068,261	13,465,372	111,782	13,577,154
2.1.5	Securities Issuance Brokerage Commitments	-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements	-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments	5,907,451	-	5,907,451	4,044,146	-	4,044,146
2.1.8	Tax and Fund Liabilities from Export Commitments	556,767	-	556,767	302,721	-	302,721
2.1.9	Commitments for Credit Card Limits	98,166,796	-	98,166,796	52,048,755	-	52,048,755
2.1.10	Commitments for Credit Cards and Banking Services Promotions	4,458	-	4,458	3,181	-	3,181
2.1.11	Receivables from Short Sale Commitments on Securities	-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments on Securities	-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments	-	988,698	988,698	-	938,745	938,745
2.2	Revocable Commitments	1,350,297	-	1,350,297	854,282	-	854,282
2.2.1	Revocable Loan Granting Commitments	-	-	-	-	-	-
2.2.2	Other Revocable Commitments	1,350,297	-	1,350,297	854,282	-	854,282
III.	DERIVATIVE FINANCIAL INSTRUMENTS	142,119,586	350,885,995	493,005,581	127,889,540	270,322,456	398,211,996
3.1	Derivative Financial Instruments for Hedging Purposes	2,100,000	10,559,576	12,659,576	1,665,300	24,498,209	26,163,509
3.1.1	Fair Value Hedge	-	-	-	-	-	-
3.1.2	Cash Flow Hedge	2,100,000	10,559,576	12,659,576	1,665,300	24,498,209	26,163,509
3.1.3	Foreign Net Investment Hedges	-	-	-	-	-	-
3.2	Held for Trading Transactions	140,019,586	340,326,419	480,346,005	126,224,240	245,824,247	372,048,487
3.2.1	Forward Foreign Currency Buy/Sell Transactions	25,626,250	35,040,112	60,666,362	14,255,687	21,682,347	35,938,034
3.2.1.1	Forward Foreign Currency Transactions-Buy	16,840,199	13,600,878	30,441,077	13,230,615	5,264,009	18,494,624
3.2.1.2	Forward Foreign Currency Transactions-Sell	8,786,051	21,439,234	30,225,285	1,025,072	16,418,338	17,443,410
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates	83,073,644	198,797,706	281,871,350	86,388,981	131,816,100	218,205,081
3.2.2.1	Foreign Currency Swap-Buy	6,239,382	76,892,429	83,131,811	869,068	59,729,356	60,598,424
3.2.2.2	Foreign Currency Swap-Sell	18,605,716	68,418,493	87,024,209	32,587,503	33,978,278	66,565,781
3.2.2.3	Interest Rate Swaps-Buy	29,114,273	26,743,392	55,857,665	26,466,205	19,054,233	45,520,438
3.2.2.4	Interest Rate Swaps-Sell	29,114,273	26,743,392	55,857,665	26,466,205	19,054,233	45,520,438
3.2.3	Foreign Currency, Interest Rate and Securities Options	24,436,889	100,473,677	124,910,566	24,999,030	88,493,331	113,492,361
3.2.3.1	Foreign Currency Options-Buy	15,457,272	42,163,996	57,621,268	13,714,144	37,016,644	50,730,788
3.2.3.2	Foreign Currency Options-Sell	8,979,617	47,762,229	56,741,846	11,284,886	40,045,729	51,330,615
3.2.3.3	Interest Rate Options-Buy	-	5,273,726	5,273,726	-	5,715,479	5,715,479
3.2.3.4	Interest Rate Options-Sell	-	5,273,726	5,273,726	-	5,715,479	5,715,479
3.2.3.5	Securities Options-Buy	-	-	-	-	-	-
3.2.3.6	Securities Options-Sell	-	-	-	-	-	-
3.2.4	Foreign Currency Futures	4,370,022	3,804,716	8,174,738	-	-	-
3.2.4.1	Foreign Currency Futures-Buy	-	3,804,716	3,804,716	-	-	-
3.2.4.2	Foreign Currency Futures-Sell	4,370,022	-	4,370,022	-	-	-
3.2.5	Interest Rate Futures	-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy	-	-	-	-	-	-
3.2.5.2	Interest rate Futures-Sell	-	-	-	-	-	-
3.2.6	Other	2,512,781	2,210,208	4,722,989	580,542	3,832,469	4,413,011
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)	427,815,095	152,776,576	580,591,671	303,612,583	145,764,338	449,376,921
IV.	ITEMS HELD IN CUSTODY	139,657,894	29,909,397	169,567,291	70,628,072	27,007,273	97,635,345
4.1	Customer Fund and Portfolio Balances	-	-	-	-	-	-
4.2	Investment Securities Held in Custody	63,797,522	28,073,807	91,871,329	13,670,212	25,264,456	38,934,668
4.3	Cheques Received for Collection	59,609,599	499,021	60,108,620	44,899,493	256,367	45,155,860
4.4	Commercial Notes Received for Collection	1,889,942	59,474	1,949,416	1,259,605	130,698	1,390,303
4.5	Other assets Received for Collection	125	1,277,095	1,277,220	125	1,355,752	1,355,877
4.6	Assets Received for Public Offering	-	-	-	-	-	-
4.7	Other Items under Custody	14,360,706	-	14,360,706	10,798,637	-	10,798,637
4.8	Custodians	-	-	-	-	-	-
V.	PLEDGES RECEIVED	284,977,307	122,642,921	407,620,228	231,628,157	118,400,989	350,029,146
5.1	Marketable Securities	927,844	1,429,543	2,357,387	537,996	1,056,614	1,594,610
5.2	Guarantee Notes	91,667,746	87,707,233	179,374,979	77,513,244	83,066,063	160,579,307
5.3	Commodity	165,991	756,695	922,686	664,315	604,663	1,268,978
5.4	Warranty	-	-	-	-	-	-
5.5	Immovable	137,607,502	25,118,937	162,726,439	114,279,639	27,356,588	141,636,227
5.6	Other Pledged Items	54,608,224	7,630,513	62,238,737	38,632,963	6,317,061	44,950,024
5.7	Pledged Items-Depository	-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES	3,179,894	224,258	3,404,152	1,356,354	356,076	1,712,430
TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		726,560,985	569,151,607	1,295,712,592	523,527,249	488,010,761	1,011,538,010

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE INTERIM PERIOD ENDED 1 JANUARY - 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. STATEMENT OF PROFIT OR LOSS

INCOME AND EXPENSE ITEMS		Section 5 Note	Reviewed Current Period 01.01-30.06.2024	Reviewed Prior Period 01.01-30.06.2023	Reviewed Current Period 01.04-30.06.2024	Reviewed Prior Period 01.04-30.06.2023
I.	INTEREST INCOME	(IV-1)	53,982,147	17,544,091	30,667,373	8,086,978
1.1	Interest Income on Loans		38,720,744	12,315,830	21,312,710	6,334,819
1.2	Interest Income on Reserve Requirements		2,722,227	57,039	2,024,272	46,586
1.3	Interest Income on Banks		1,443,150	255,374	704,315	159,003
1.4	Interest Income on Money Market Transactions		3,291,773	412,760	2,049,288	318,461
1.5	Interest Income on Securities Portfolio		7,358,738	4,449,829	4,233,673	1,193,216
1.5.1	Financial Assets at Fair Value Through Profit or Loss		287,103	137,735	174,869	56,905
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		1,060,930	501,873	582,765	267,487
1.5.3	Financial Assets Measured at Amortized Cost		6,010,705	3,810,221	3,476,039	868,824
1.6	Financial Lease Interest Income		-	-	-	-
1.7	Other Interest Income		445,515	53,259	343,115	34,893
II.	INTEREST EXPENSES (-)	(IV-2)	40,977,377	12,502,455	23,999,829	7,073,910
2.1	Interest Expense on Deposits		36,896,037	11,050,711	21,807,911	6,172,857
2.2	Interest Expense on Funds Borrowed		2,045,877	1,035,482	950,107	620,349
2.3	Interest Expense on Money Market Transactions		1,382,823	228,408	1,028,252	168,445
2.4	Interest Expense on Securities Issued		-	-	-	-
2.5	Interest Expense on Leases		196,606	128,938	106,615	66,699
2.6	Other Interest Expenses		456,034	58,916	106,944	45,560
III.	NET INTEREST INCOME /EXPENSE (I - II)		13,004,770	5,041,636	6,667,544	1,013,068
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		4,106,895	1,684,582	2,182,262	935,302
4.1	Fees and Commissions Received		8,398,325	3,028,739	4,507,375	1,683,652
4.1.1	Non-cash Loans		658,647	442,624	349,137	230,060
4.1.2	Other	(IV-9)	7,739,678	2,586,115	4,158,238	1,453,592
4.2	Fees and Commissions Paid (-)		4,291,430	1,344,157	2,325,113	748,350
4.2.1	Non-cash Loans		5,125	3,732	2,440	1,648
4.2.2	Other	(IV-9)	4,286,305	1,340,425	2,322,673	746,702
V.	DIVIDEND INCOME		22,505	13,775	21,746	432
VI.	TRADING PROFIT / LOSS (Net)	(IV-3)	(2,251,472)	8,085,315	(1,533,294)	5,697,466
6.1	Securities Trading Gains / Losses		(38,049)	1,366,648	(105,512)	150,340
6.2	Gains / Losses on Derivative Financial Instruments		(3,941,877)	(3,818,774)	(1,943,755)	(3,794,022)
6.3	Foreign Exchange Gains / Losses		1,728,454	10,537,441	515,973	9,341,148
VII.	OTHER OPERATING INCOME	(IV-4)	275,331	214,943	140,906	97,648
VIII.	GROSS OPERATING PROFIT (III+IV+V+VI+VII)		15,158,029	15,040,251	7,479,164	7,743,916
IX.	EXPECTED CREDIT LOSS (-)	(IV-5)	69,597	507,785	(418,834)	316,059
X.	OTHER PROVISION EXPENSES (-)	(IV-5)	(1,252,338)	(312,321)	(3,129)	(313,506)
XI.	PERSONNEL EXPENSES (-)		5,756,408	2,877,625	2,895,628	1,450,179
XII.	OTHER OPERATING EXPENSES (-)	(IV-6)	4,614,193	2,936,907	2,433,033	1,465,938
XIII.	NET OPERATING INCOME/LOSS (VIII-IX-X-XI-XII)		5,970,169	9,030,255	2,572,466	4,825,246
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XV.	INCOME/LOSS FROM INVESTMENTS IN SUBSIDIARIES		-	-	-	-
XVI.	CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XVII.	INCOME/LOSS ON NET MONETARY POSITION		-	-	-	-
XVIII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)		5,970,169	9,030,255	2,572,466	4,825,246
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (-)	(IV-7)	900,527	2,004,103	507,389	1,119,421
18.1	Current Tax Provision		1,809,327	226,509	491,144	(309,756)
18.2	Deferred Tax Expense Effect (+)		1,798,847	5,649,837	643,578	4,756,219
18.3	Deferred Tax Income Effect (-)		(2,707,647)	(3,872,243)	(627,333)	(3,327,042)
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)		5,069,642	7,026,152	2,065,077	3,705,825
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income from Non-current Assets Held for Sale		-	-	-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Income from Other Discontinued Operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses from Non-current Assets Held for Sale		-	-	-	-
21.2	Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Expenses for Other Discontinued Operations		-	-	-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)	(IV-7)	-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET INCOME/LOSS (XIX±XXIV)	(IV-8)	5,069,642	7,026,152	2,065,077	3,705,825
	Earnings/Loss per Share		2.2998	3.1873	0.9368	1.6811

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed Current Period 01.01-30.06.2024	Reviewed Prior Period 01.01-30.06.2023
I. CURRENT PERIOD PROFIT/LOSS	5,069,642	7,026,152
II. OTHER COMPREHENSIVE INCOME	(267,522)	(525,627)
2.1 Other Comprehensive Income that will not be Reclassified through Profit or Loss	17,451	29,454
2.1.1 Increases/Decreases on Revaluation of Property, Plant and Equipment	-	-
2.1.2 Increases/Decreases on Revaluation of Intangible Assets	-	-
2.1.3 Gains/Losses on Remeasurement of Defined Benefit Plans	16,080	14,632
2.1.4 Other Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	6,697	19,712
2.1.5 Taxes Relating to Components of Other Comprehensive Income that will not be Reclassified through Profit or Loss	(5,326)	(4,890)
2.2 Other Comprehensive Income that will be Reclassified to Profit or Loss	(284,973)	(555,081)
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value through Other Comprehensive Income	(207,331)	(736,491)
2.2.3 Income/Loss Related to Cash Flow Hedges	(199,773)	(3,617)
2.2.4 Income/Loss Related to Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Components of Other Comprehensive Income that will be Reclassified through Profit or Loss	-	-
2.2.6 Taxes on Other Comprehensive Income to be Reclassified to Profit or Loss	122,131	185,027
III. TOTAL COMPREHENSIVE INCOME (I+II)	4,802,120	6,500,525

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY					Accumulated Other Comprehensive Income and Expense Not to be Reclassified through Profit or Loss			Accumulated Other Comprehensive Income and Expense to be Reclassified through Profit or Loss			Profit Reserves	Prior Period Profit/(Loss)	Current Period Profit or Loss	Total Equity
Reviewed	Paid-in Capital	Share Premiums	Share Cancellation Profit	Other Capital Reserves	1	2	3	4	5	6				
I. Prior Period – 01.01-30.06.2023														
II. Prior Period End Balance	2,204,390	2,565	-	387,204	56,230	(469,889)	12,711	-	691,251	282,444	10,983,662	11,190,604	-	25,341,172
III. Corrections According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. New Balance (I+II)	2,204,390	2,565	-	387,204	56,230	(469,889)	12,711	-	691,251	282,444	10,983,662	11,190,604	-	25,341,172
V. Total Comprehensive Income	-	-	-	-	-	10,974	18,480	-	(552,369)	(2,712)	-	-	7,026,152	6,500,525
VI. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Increase/Decrease by Other Changes	-	-	-	-	92,478	-	-	-	-	-	(92,478)	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	10,071,544	(11,190,604)	-	(1,119,060)
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(1,119,060)	-	(1,119,060)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	10,071,544	(10,071,544)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 30.06.2023 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,204	148,708	(458,915)	31,191	-	138,882	279,732	20,962,728	-	7,026,152	30,722,637
I. Current Period – 01.01-30.06.2024														
II. Prior Period End Balance	2,204,390	2,565	-	387,204	148,708	(536,751)	43,126	-	(111,300)	217,372	20,962,728	11,726,648	-	35,044,690
III. Corrections According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. New Balance (I+II)	2,204,390	2,565	-	387,204	148,708	(536,751)	43,126	-	(111,300)	217,372	20,962,728	11,726,648	-	35,044,690
V. Total Comprehensive Income	-	-	-	-	-	11,256	6,195	-	(145,132)	(139,841)	-	-	5,069,642	4,802,120
VI. Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Increase by Internal Sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Paid-in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Convertible Bonds to Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Increase/Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution	-	-	-	-	-	-	-	-	-	-	10,553,983	(11,726,648)	-	(1,172,665)
11.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	(1,172,665)	-	(1,172,665)
11.2 Transfers to Reserves	-	-	-	-	-	-	-	-	-	-	10,553,983	(10,553,983)	-	-
11.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period-End Balance 30.06.2024 (III+IV+V+VI+VII+VIII+IX+X+XI)	2,204,390	2,565	-	387,204	148,708	(525,495)	49,321	-	(256,432)	77,531	31,516,711	-	5,069,642	38,674,145

1. Increase/decrease from tangible assets accumulated revaluation reserve,

2. Accumulated gains / losses on remeasurements of defined benefit plans,

3. Other (Other comprehensive income of associates and joint ventures accounted with equity method that will not be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will not be reclassified at profit or loss),

4. Foreign currency translation differences,

5. Accumulated revaluation and / or classification gains / losses of financial assets at fair value through other comprehensive income,

6. Other (Cash flow hedge gains / losses, other comprehensive income of associates and joint ventures accounted with equity method that will be reclassified at profit or loss and other accumulated amounts of other comprehensive income items that will be reclassified at profit or loss).

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

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM PERIOD 1 JANUARY – 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. STATEMENT OF CASH FLOWS

	Section 5 Note	Reviewed Current Period 01.01-30.06.2024	Reviewed Prior Period 01.01-30.06.2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Banking Operatins Assets and Liabilities		(2,646,834)	13,090,576
1.1.1 Interest Received		49,275,340	24,692,257
1.1.2 Interest Paid		(37,228,037)	(11,356,031)
1.1.3 Dividend Received		22,505	13,775
1.1.4 Fees and Commissions Received		7,824,482	3,181,859
1.1.5 Other Income		2,003,785	12,119,032
1.1.6 Collections from Previously Written Off Loans		1,125,488	644,642
1.1.7 Payments to Personnel and Service Suppliers		(5,562,052)	(2,785,278)
1.1.8 Taxes Paid		(4,591,350)	(4,432,486)
1.1.9 Others		(15,516,995)	(8,987,194)
1.2 Changes in Banking Operatins Assets and Liabilities		(15,341,429)	23,350,152
1.2.1 Net Decrease in Financial Asset at Fair Value through Profit or Loss		(1,894,879)	2,480,959
1.2.2 Net (Increase) in Due from Banks		(222,756)	(98,183)
1.2.3 Net (Increase) in Loans		(70,175,848)	(3,360,356)
1.2.4 Net (Increase) in Other Assets		(11,636,609)	200,120
1.2.5 Net Increase / (Decrease) in Bank Deposits		19,046,870	10,761,441
1.2.6 Net Increase in Other Deposits		49,614,319	7,089,084
1.2.7 Net Increase / (Decrease) in Financial Liabilities at Fair Value through Profit or Loss		-	-
1.2.8 Net Increase / (Decrease) in Funds Borrowed		(3,217,715)	4,845,603
1.2.9 Net Increase / (Decrease) in Matured Payables		-	-
1.2.10 Net Increase in Other Liabilities		3,145,189	1,431,484
I. Net Cash Flow Provided from Banking Operations		(17,988,263)	36,440,728
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flow Provided from Investing Activities		(10,993,790)	4,440,467
2.1 Purchase of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)		-	(162,985)
2.2 Sale of Entities Under Common Control, Associates and Subsidiaries (Joint Vent.)		-	-
2.3 Purchase of Tangible Assets		(66,267)	(41,767)
2.4 Sale of Tangible Assets		1,279	2,902
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(66,599)	(4,743,061)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		490,935	5,497,824
2.7 Purchase of Financial Assets Measured at Amortized Cost		(14,611,465)	(4,673,171)
2.8 Sale of Financial Assets Measured at Amortized Cost		3,673,018	8,809,105
2.9 Other		(414,691)	(248,380)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities		6,659,043	(1,364,603)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		16,301,290	-
3.2 Cash Outflow from Repayment of Funds Borrowed and Securities Issued		(8,090,823)	-
3.3 Equity Instruments Issued		-	-
3.4 Dividends Paid		(1,172,665)	(1,119,060)
3.5 Payments For Leases		(378,759)	(245,543)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		2,058,779	2,119,766
V. Net Increase in Cash and Cash Equivalents		(20,264,231)	41,636,358
VI. Cash and Cash Equivalents at Beginning of the Period		96,413,803	42,026,935
VII. Cash and Cash Equivalents at End of the Period		76,149,572	83,663,293

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

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on Basis of Presentation

a. Financial statements and related explanations and preparation of footnotes in compliance with Turkish Accounting Standards (“TAS”) and Regulation on Accounting Applications for Banks and Safeguarding of Documents:

The unconsolidated financial statements are prepared within the scope of the Regulation on Accounting Applications for Banks and Safeguarding of Documents related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to reporting principles on accounting records of Banks published by the Banking Regulation and Supervision Agency (“BRSA”) and Turkish Financial Reporting Standards (“TFRS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”) for those matters not regulated by the aforementioned regulations. The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements” and “Communiqué on Disclosures About Risk Management to Be Announced to Public by Banks” and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

The financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

b. The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements:

The accounting policies and valuation principles used in the preparation of the financial statements are subject to the regulations, communiqués, annotations and circulars issued by BRSA on accounting and financial reporting principles and the TFRS (“BRSA Accounting and Financial Reporting Legislation”) which has been put into force by the POA on issues not regulated by the BRSA determined according to the principles.

The amendments to TAS/TFRS, effective from 1 January 2024, do not have a significant impact on the Bank's accounting policies, financial position and performance. The amendments to TAS and TFRS, which have been published but not yet entered into force as of the finalization date of the financial statements, will not have a significant impact on the Bank's accounting policies, financial position and performance.

TAS 29 Financial Reporting in Hyperinflationary Economies requires entities whose functional currency is the currency of a hyperinflationary economy to report their financial statements in terms of the purchasing power of money at the end of the reporting period. TAS 29 defines the characteristics which may indicate that an economy is a hyperinflationary economy.

In addition, TAS 29 requires all entities reporting in the currency of a hyperinflationary economy to adopt this Standard from the same date. Therefore, as stated in TAS 29, it is expected that all entities will start to apply TAS 29 at the same time with the announcement to be made by the Public Oversight Accounting and Auditing Standards Authority to ensure consistency in practice across the country. POA, on 23 November 2023, published an announcement regarding that companies that apply Turkish Financial Reporting Standards and the Financial Reporting Standard for Large and Medium-Sized Enterprises (FRS for LME) should present their financial statements for the annual reporting period ending on or after 31 December 2023 in accordance with the relevant accounting principles in “Turkish Accounting Standard 29 Financial Reporting in Economies with High Inflation” and “FRS for LME Chapter 25 Financial Reporting in Economies with High Inflation”, adjusted for the effect of inflation. However, institutions or organizations authorized to regulate and supervise their own fields may determine transition dates different from those foreseen above for the implementation of the provisions in TAS 29 or FRS for LME. Based on this announcement, BRSA, in accordance with its decision dated 12 December 2023 and numbered 10744, has 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 was decided that banks and financial leasing, factoring, financing, savings financing and asset management companies will switch to inflation accounting as of January 1, 2025. In this scope, no inflation adjustment was made in accordance with TAS 29 while preparing the financial statements dated 30 June 2024.

The accounting policies and valuation principles for the current period are explained in Note II and Note XXV below.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Bank aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and small individual investors in line with Banking Legislation. The primary objective of the Bank is to increase profitability with optimum liquidity and minimum risk while fulfilling customer needs.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Bank, risk bearing short term positions of currency, interest or price movements is performed only by the Asset-Liability Management and Treasury Group using the limits defined by the Board of Directors. The Asset-Liability Committee manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors allows a purchase risk in treasury operations and individual limits are defined by the Board of Directors for each product.

The Bank’s foreign currency asset and liability balances are valued with the Bank’s exchange buying rate at the reporting date and recognized as “Foreign Exchange Gains / Losses” within statement of income.

The Bank’s hedging activities for the currency risk due to foreign currency available for sale equity instruments are described under the Currency Risk section; and the Bank’s hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are described in detail under Interest Rate Risk section.

The Bank’s Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards and similar derivatives to hedge interest and currency exchange risks in line with the balance sheet structure.

III. Explanations on Investments in Associates, Subsidiaries and Joint Ventures

In accordance with “TAS 27”, investments in associates, subsidiaries and joint ventures are accounted with cost values and are reflected on the financial statements after deducting the provision for impairment, if any.

The dividends received from investments in associates, subsidiaries and joint ventures are reflected to income statements at the date of the right to receive dividend.

IV. Explanations on Forward and Option Contracts and Derivative Instruments

The Bank's derivative transactions mainly consist of foreign currency swaps and interest rate swaps, cross currency swaps, currency options and forward foreign currency purchase and sale contracts.

Pursuant to “TFRS 9 Financial Instruments” (“TFRS 9”), derivative financial instruments of the Bank are classified as “Derivative Financial Assets at Fair Value Through Profit or Loss” or “Derivative Financial Assets at Fair Value Through Other Comprehensive Income”.

The portion of derivative financial assets at fair value through profit or loss

Receivables and liabilities arising from derivative transactions are recorded in off-balance sheet through their contractual amounts. Derivative transactions are measured at fair value after initial recognition. Derivative financial instruments are initially recognized at fair value and attributable transaction costs are recognized in profit or loss on the date they are incurred. In the periods following the recording of derivative transactions, the part of derivative financial assets at fair value through profit or loss or the part of derivative financial liabilities at fair value through profit or loss are shown in the balance sheet, depending on whether the fair value is positive or negative. Differences in fair value as a result of the valuation are reflected in the profit or loss statement from derivative financial transactions.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Explanations on Forward and Option Contracts and Derivative Instruments (continued)

The portion of derivative financial assets at fair value through profit or loss (continued)

Derivative financial instruments are booked under off-balance sheet items. Derivative financial instruments where the underlying asset is money or commodity, are booked based on the amounts to be received/paid at the maturity date. Derivative financial instruments based on interest rate are booked with the principal amount on which the interest rate is calculated.

All derivative financial instruments are measured with fair value method. The fair value of the derivative financial instruments traded in organized markets is the price on the organized market. Within the scope of TFRS 13 Fair Value Measurement standard; The Bank considers that (i) the fair value of the asset or liability (or similar asset or liability) has significantly decreased in its volume or level of activity relative to normal market volume, (ii) when a transaction price or quoted price does not reflect fair value and/or (iii) when a material adjustment is required so that the price of a similar asset is comparable to the subject asset, or (iv) when the price is no longer valid, it adjusts the transaction price or the quoted price and reflects this adjustment in the fair value measurement. In this context, the Bank determines the point in the range that best reflects the fair value in the current market conditions.

The cash flows of forward, currency swap, interest rate swap, and cross currency swap transactions should be determined firstly in order to measure with fair value method. Expected cash flows due to the floating interest rate for these products are defined according to market interest rate at the valuation date. Valuation is calculated by discounting the cash flows with the market interest rate and foreign currencies are converted into Turkish Lira with exchange rates at the valuation date.

Derivative financial instruments based on interest rate are measured not only with fair value method but also with amortized cost. While the fair value of derivatives is reflected in a single valuation account within the balance sheet, the amortized cost and the difference between the fair value and the amortized cost are reflected separately on the income / expense accounts.

Black and Scholes Model is used to measure the fair value of options. Options premiums are accrued on the start date of maturity. The valuation amount is composed of premiums valued at each valuation date. Premium to be paid calculated within this model is recorded as income, and the premium to be collected as expense.

Explanations on derivatives for hedging purposes

In the admission of the accounting policies, TFRS 9 presents the option of postponing the adoption of TFRS 9 hedge accounting and continuing to apply the hedge accounting provisions of TAS 39. Within this context, the Bank continues to apply the hedge accounting provisions of TAS 39.

The Bank applies fair value hedge and cash flow hedge accounting. In cash flow hedge accounting, the effective part of the fair value change of the hedging instrument is recognized in the "accumulated other comprehensive income or expense to be reclassified in profit or loss" account under equity, and the ineffective part is recognized in the statement of profit or loss. In periods when the cash flows related to the hedged item affect the profit or loss, the profit/loss of the related hedging instrument is also eliminated from the equity and reflected in the profit or loss statement. Hedge accounting is applied to prevent fluctuations that may arise in the income statement in the short term as a result of differences in the valuation methods of assets and liabilities in the balance sheet that are subject to interest rate risk and the derivative instruments that protect them from risk.

The Bank is also hedged from the cash flow risk arising from its financial debts with interest rate swaps and cross currency swaps.

The portion of derivative financial assets at fair value through other comprehensive income

The Bank carries out effectiveness tests at the beginning of hedge accounting and in each reporting period, and if the effectiveness is within the range of 80%-125%, hedge accounting continues.

In cases where cash flow hedge accounting is terminated, the hedging instrument is sold, the hedge is discontinued, or the hedge is not continued due to ineffectiveness of the effectiveness test, the profit/loss recognized under equity within the scope of cash flow hedge accounting is retained under equity until the cash flows related to the hedged item are realized. It continues to remain in the "accumulated other comprehensive income and expense to be reclassified through profit or loss" account.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

V. Explanations on Interest Income and Expense

Interest income, when purchased or used according to the effective interest method specified in TFRS 9 (the ratio that equates to the present net value of the future cash flows of the financial asset or liability), credit-impaired financial assets and when purchased or granted, except for financial assets that are not credit-impaired financial assets but later become credit-impaired financial assets, is recognized by applying an effective interest rate to the gross book value of the financial asset. While applying the effective interest rate method, the Bank determines the fees that are an integral part of the effective interest rate of the financial instrument. Fees, which are an integral part of the effective interest rate of the financial instrument, are considered as adjustments to the effective interest rate, unless the financial instrument is measured at fair value through profit or loss. In such cases, these fees are recognized as income or expense during the initial recognition of the financial instrument.

The Bank, when applying the effective interest method, amortizes the fees, transaction costs and other premiums or discounts included in the calculation of the effective interest rate over the expected life of the financial instrument.

If there is an unpaid interest accrual prior to the acquisition of an interest-bearing security; subsequently collected interest is divided into pre-acquisition and post-acquisition periods and only the post-acquisition portion is reflected in the financial statements as interest income. If the expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the change is reflected in the carrying value of the asset and the related income statement item and amortized over the estimated life of the financial instrument.

Interest income and expenses are recorded on accrual basis. As the interest income and expense is accrued, all tax liabilities are fulfilled.

Accrued but not collected interests and discounts of loans, those classified as non-performing (Stage 3) are not reversed and included in interest income.

The interest amount representing the time value of the future collections of the non-performing loans is recognized under interest income and fully provisioned. The income effect arising from the discount of the estimates of expected collection as getting closer to the estimated date of collection, is recorded under interest income.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. Explanations on Fees and Commission Income and Expenses

Fees and commissions other than integral part of the effective interest rate of the financial instruments measured at amortized cost are accounted in accordance with the TFRS 15 Revenue from Contracts with Customers Standard.

Income on banking services which are not related to periodic services are recorded as income when they are collected. In order to classify the fees and commissions collected from customers as income on banking services or as other non-interest income, they should not be related with a credit transaction.

All type of fees and commissions collected from customers regarding cash loans are deferred in commissions on cash loans account and are recognized as income over the period of the loan by discounting with effective interest rate.

For Bank assurance services provided by the Bank commissions from insurance companies are recorded as income on accrual basis.

The commissions related with non-cash loans or periodic banking services, are deferred and recorded as income over the period according to the cut-off principle. Credit fee and commission expenses which are paid to other companies and institutions regarding financial liabilities and which create operational costs are discounted by effective interest rate and are recorded as expenses in the relevant period according to the cut-off principle.

VII. Explanations on Financial Assets

The Bank classifies and recognizes its financial assets as "Financial Assets at Fair Value Through Profit or Loss", "Financial Assets Measured at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost". The financial assets are recognized or derecognized in accordance with the "Recognition and Derecognition" principles defined in Section 3 related to the classification and measurement of financial instruments of the "TFRS 9 Financial Instruments" standard published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). At initial recognition, financial assets are measured at fair value. In the case of financial assets are not measured "Financial Assets at Fair Value Through Profit or Loss", transaction costs are added or deducted to/from their fair value.

The Bank recognizes a financial asset in the financial statement when, and only when, the Bank becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognized on the settlement date. When the Bank first recognizes a financial asset, the business model and the characteristics of contractual cash flows of the financial asset are considered by management.

Financial Assets at Fair Value Through Profit/Loss

Financial assets at fair value through profit or loss are financial assets that are managed by business model other than the business model that aims to "hold to collect" and "hold & sell" the contractual cash flows; acquired for the purpose of generating profit from short-term fluctuations in price, or regardless of this purpose, the financial assets that are a part of a portfolio with evidence of short-time profit-taking; and the financial assets, whose terms do not give rise to cash flows that are solely payments of principal of interest at certain dates. Financial assets at fair value through profit/loss are initially recognized at fair value and are subsequently measured at fair value. Gain and losses upon their valuation are accounted under the profit/loss accounts.

Equity securities classified as financial assets at fair value through profit or loss are recognized at fair value.

Accounting policies related to derivative financial instruments at fair value through profit or loss are explained in Section III. Note IV.

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are classified as financial assets at fair value through other comprehensive income where the business models aim to hold financial assets in order to collect the contractual cash flows and selling assets and the terms of financial asset give rise to cash flows that are solely payments of principal of interest at certain dates.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VII. Explanations on Financial Assets (continued)

Financial Assets at Fair Value Through Other Comprehensive Income (continued)

Financial assets at fair value through other comprehensive income are recognized at acquisition costs that reflect their fair value by adding transaction costs. Financial assets at fair value through other comprehensive income are subsequently measured at their fair value. The interest income of financial assets at fair value through other comprehensive income that are calculated by effective interest rate method are reflected in the statement of profit or loss. The difference between the fair value of the financial assets at fair value through other comprehensive income and the amortized cost of the financial assets, i.e. "Unrealized gains and losses", is not recognized in the statement of profit or loss until the realization of the financial asset, the sale of the asset, the disposal of the asset or being impaired of the asset are accounted under "Other Accumulated Comprehensive Income or Expenses that will be reclassified at Profit or Loss" under shareholders' equity. Accumulated fair value differences under equity are reflected to the income statement when such securities are collected or disposed.

The Bank may elect at initial recognition to irrevocably designate an equity investment at fair value other comprehensive income where those investments are hold for purposes other than to generate investments returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss. Dividends continue to be recognized in profit or loss in the financial statements.

All equity instruments classified as financial assets at fair value through other comprehensive income are measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. In case of disposal of the equity investment, the accumulated total gain or loss is followed in the "Other Accumulated Comprehensive Income or Expense that cannot be reclassified to Profit or Loss".

In addition, the Bank'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 ("CPI") indexed government bonds classified as financial assets measured at amortized cost. These securities are valued and accounted by 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. The Bank determines the estimated inflation rate in parallel with this. The estimated inflation rate, taking into account the Central Bank of the Republic of Türkiye and the Bank's expectations, is updated during the year when deemed necessary. In this context, as of 30 June 2024, the valuation of the mentioned assets was based on an annual inflation forecast of 44%. At the end of the year, the actual inflation rate is used.

Financial Assets Measured at Amortized Cost

Financial investments measured at amortized cost:

A financial asset is classified as a financial asset measured at amortized cost when the Bank's policy within a business model is to hold the asset to collect contractual cash flows and the terms give rise to cash flows that are solely payments of principal of interest at certain dates.

Financial asset measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at "Amortized cost" by using the "Effective interest (IRR) rate method". Interest income related to the financial asset measured at amortized cost is recognized in the statement of profit or loss.

Loans:

Loans are financial assets with fixed or determinable payment terms which are not traded on an active market and measured at amortized cost is recognized at cost which represents its fair value at initial recognition by adding the transaction costs and subsequently measured at amortized cost by using the "Effective interest (IRR) rate method".

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VIII. Explanations on Impairment of Financial Assets

As of 1 January 2018, a loss allowance for expected credit losses is provided for all financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income, all financial assets, which are not measured at fair value through profit or loss, loan commitments and financial guarantee contracts in accordance with TFRS 9 principles and the regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with “Procedures and Principles regarding Classification of Loans and Allowances Allocated for Such Loans” which came into force starting from 1 January 2018. Equity instruments are not subject to impairment assessment as they are measured at fair value.

Measurement of the expected credit losses reflects:

- Time value of money
- Reasonable and supportable information on past events, current conditions and forecasts of future economic conditions at the reporting date

The Bank has changed its credit calculation method with the expected credit loss model as of 1 January 2018. Expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions and the time value of money. The financial assets are divided into “3 stage categories” depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12 month expected credit losses.

Stage 2:

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 based on the instrument’s lifetime expected credit losses. Following criteria have been taken into account in classification a financial asset as Stage 2:

- Loans having past due more than 30 days and less than 90 days
- Restructuring loans
- Concordatum events
- Significant deterioration in probability of default

In the case of the occurrence of any of the first three items above, it is classified under Stage 2 loans regardless of the comparison between probability of default.

Significant deterioration in probability of default is considered as significant increase in credit risk and the financial asset is classified under Stage 2 loans. In this regard, it is assumed that the probability of default deteriorates, if the probability of default exceeds the thresholds defined by the Bank's internal rating based credit rating models.

Stage 3:

Stage 3 includes financial assets that have objective evidence that they are impaired as of the reporting date. For these assets, lifetime expected credit losses are recorded. For the related financial assets, the probability of default is taken into account as 100%.

Expected Credit Loss Calculation

Expected credit loss calculation refers to the calculation to estimate the loss of the financial instrument in case of default and it is based on 3-stage impairment model based on the change in credit quality. The Bank uses two different calculations considering 12-month and lifetime probability of default of the financial instruments.

If there is a significant increase in credit risk between the origination date and the reporting date of the loan, the lifetime probability of default is used and if there is no significant increase in credit risk the 12 month probability of default is used.

There are three loan portfolios as Commercial portfolios, Retail portfolios and Public portfolios.

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VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

While the Bank uses the internal credit ratings for commercial portfolios, the internal behavioral scores is used for the retail portfolios. It is determined significant increase in credit risk by comparing the credit ratings/behavioral scores at the origination date and reporting date for both portfolios.

Default Definition: Debts having past due more than 90 days; in addition, the fact that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

The Bank considers different scenarios in the calculation of expected credit loss by evaluating current economic conditions and expert opinions. Accordingly, the macroeconomic value estimates taken into account in the expected loss provision calculation are presented below.

	2024				2025				2026				2027			
Period (*)	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
GDP	3.90	3.80	3.60	3.10	5.10	2.70	3.00	3.40	4.70	3.00	3.20	3.30	4.60	3.20	3.30	3.30

(*) It represents 3-month periods.

The Bank does not have any financial asset as purchased or originated credit-impaired.

Probability of Default (PD): Probability of Default represents the likelihood of default over a specified time period. Based on the historical data, 1-year PD of a customer is calculated for each portfolio on the basis of credit ratings and behavioral scores. PDs and LGDs used in the ECL calculation are point in time ("PIT") based on key portfolios and consider both current conditions and expected cyclical changes. Two types of probability of default are calculated.

- 12-Month Probability of Default: as the estimated probability of default occurring within the next 12 months
- Lifetime Probability of Default: as the estimated probability of default occurring over the remaining life of the financial instrument

Internal rating systems are used to measure the risk of both commercial and retail portfolios. The internal rating models used in the commercial portfolio include the customer's financial information and the answers to the qualitative question set. Behavioral score cards used in the retail portfolio include the behavioral data of the customer and the product in the Bank, the demographic information of the customer and the behavioral data of the customer in the sector.

The probability of default is calculated based on historical data, current conditions and forward-looking macroeconomic expectations.

Loss Given Default (LGD): If a loan defaults, it represents the economic loss incurred on the loan. It is expressed as a percentage.

LGD estimates for commercial segments are calculated with statistical models that take into account historical collection and direct cost items and explain the realized LGD rates based on risk factors. Historical collection rates by collateral type for the corporate segment and by product class for the retail segment are calculated by taking into account the time value of money, and these rates are used in the calculation of LGD estimates. For the corporate segment, collaterals are included in the calculation by taking into account the expected cash conversion rate order.

Exposure at Default (EAD): The Exposure at Default represents an estimate of the exposure to credit risk at the time of a potential default occurring during the life of a financial instrument. The expected default amount is calculated by discounting the principal and interest repayments for cash loans and income accruals by effective interest method while it refers to the value calculated through using credit conversion factors for non-cash loans and commitments. It shows the risk of the borrower at the date of default.

Effective interest rate: The discount factor which reflects the time value of money.

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VIII. Explanations on Impairment of Financial Assets (continued)

Expected Credit Loss Calculation (continued)

Lifetime ECL is calculated by taking into account the period during which the Bank will be exposed to credit risk. The maturity information defined for all cash and non-cash loans is used in the calculation of the expected credit loss along with their maturity and payment plans. The maturity refers to the contractual life of a financial instruments unless there is the legal right to call it earlier. The maturity analysis and credit risk mitigation processes such as cancellation/revision of the limits have been developed for the definition of behavioral maturity for loans that do not have maturity information and revolving loans.

When expected credit losses are estimated, it is considered that three different macroeconomic scenarios as “Base”, “Adverse” and “Favorable” and the weighted average of the results of these scenarios is taken into account. Forward-looking PDs based on the weighted average of these three scenarios are calculated on segment basis. The fundamental macroeconomic variable in the macroeconomic models is the estimated annual growth rate in gross national product. The Bank periodically reviews the parameters included in the calculation and updates them when necessary.

Expected Credit Loss Calculation of Stage 1 Loans: It is calculated by considering 12 month (1 year) PDs for the financial assets measured at amortized cost, which do not reflect a significant increase in credit risk. Therefore, it is a part of the lifetime expected credit losses. Such expected 12 month PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In the case of the current default rate is below a defined threshold without comparison with the origination date, the related loans are classified under Stage 1 loans by considering their credit qualities. Treasury Bills, Government Bonds and CBRT balances are classified under Stage 1 loans. In addition, the institutions related to risk group of the Bank and other banks’ placements are classified under Stage 1 loans.

Expected Credit Loss Calculation of Stage 2 Loans: It is calculated by considering lifetime PDs for the loans which has shown a significant increase in credit risk since origination. Such expected lifetime PDs are applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

In determining of the significant increase in credit risk, qualitative and quantitative assessments are performed.

Qualitative assessments:

The loans with a delay on repayment more than 30 days are classified under Stage 2 loans. In addition, the restructured loans are classified under this stage. Also, all the customers declaring concordatum are classified under this stage.

The Bank periodically reviews the parameters included in the calculation and updates them when necessary.

Quantitative assessments:

“Significant increase in credit risk” is quantitatively based on the comparison the risk of default at the reporting date with the risk of default at the date of initial recognition. Where the change is above the defined threshold it is considered as significant increase in the credit risk, meaning that the credit is classified under Stage 2 loans.

In the case of the internal credit rating of the loan is above a defined threshold, “high risk portfolio”, without comparison with the origination date, the related loans are classified under Stage 2 loans.

In addition, the Bank allocates overlay in addition to the Expected Credit Loss model provisions against potential credit risks that may arise in line with its macroeconomic expectations. Allocated overlays are evaluated monthly by the Bank’s Provisions Committee and if it is determined that the provisions are no longer relevant, they are reversed.

Expected Credit Loss Calculation of Stage 3 Loans: Lifetime expected credit losses are booked for the loans considered as impaired. When calculating the provisions by discounting the individual cash flow expectations for financial instruments which are above a defined threshold, loss given default rates are taken into account in case of default for financial instruments which are below the defined threshold.

IX. Explanations on Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has legally enforceable rights to offset the recognized amounts and to collect/pay related financial assets and liabilities on a net basis, or there is an intention to realize the asset and settle the liability simultaneously.

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X. Explanations on Sales and Repurchase Agreements and Lending of Securities

Treasury bills and government bonds within the scope of repurchase agreements are classified in financial statements as financial assets carried at amortized costs, financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income according to the classification of marketable securities subject to repurchase agreement and are valued according to the measurement rules of the relevant category. Funds obtained through repurchase agreements are booked in a separate liability account, namely funds provided under repurchase agreements under money market balances. Income and expenses arisen from these transactions are booked in "Interest Income on Marketable Securities Portfolio" and "Interest Expense on Money Market Borrowings" in income statement.

Securities purchased under repurchase agreements ("reverse repo") are accounted under "Money Market Placements" in the balance sheet. The difference between the purchase and resell price of the repurchase agreements is accrued over the life of repurchase agreements. As of 30 June 2024, the Bank does not have any reverse repo transaction (31 December 2023: 12,243,734).

As of 30 June 2024, the Bank does not have any marketable securities lending transaction (31 December 2023: None).

XI. Explanations on Assets Held for Sale, Discontinued Operations and Liabilities Related to Those Assets

Non-current assets held for sale consists of property, plant and equipment acquired for impairment and accounted in financial statements convenient with "TFRS 5 Assets Held for Sale and Discontinued Operations". An asset (or disposal group) classified as held for sale in accordance with TFRS 5 is measured at the lower of its carrying amount and fair value less costs to sell. For an asset to be held for sale, the asset (or disposal group) must be available for immediate sale under the conditions common and customary for the sale of such assets, and the sale must be highly probable. In order to have a high probability of sale; A plan for the sale of the asset must have been made by an appropriate level of management and an active program of identification of buyers and completion of the plan must have been initiated. In addition, the asset must be actively marketed at a price consistent with its fair value.

As of 30 June 2024, assets held for sale and discontinued operations of the Bank are TL 77,508 (31 December 2023: TL 82,060). As per the appraisals performed for the real estates held for sale included "Assets Held for Sale" in the financial statements, TL 3,339 (31 December 2023: TL 3,806) has been reserved as provision for impairment losses.

As of 30 June 2024, the Bank has no discontinued operations.

XII. Explanations on Goodwill and Other Intangible Assets

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the merger transaction where acquirer and acquiree exchange equity instruments, it is taken into account the fair value of equity shares exchanged and the difference between such amount and fair value of the acquiree's identifiable net asset value is accounted as goodwill. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statement's provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period shall not exceed one year from the acquisition date.

As explained in footnote 1 of Section 1, under the Banking Regulation and Supervision Agency decision dated 10 February 2011 and the release of decision in Official Gazette 12 February 2011 dated and numbered as 27844, all rights, receivables, (assets and liabilities) of Fortis Bank A.Ş. would be transferred to the Bank as stated in Istanbul Commerce Trade dated 14 February 2011.

Within the framework of TFRS 3 Business Combination, identifiable assets and liabilities acquired at the merger date are measured at their acquisition date fair value. In this context, the Bank has measured the identifiable assets acquired and the identifiable liabilities acquired in the date of the merger of Fortis Bank A.Ş. at fair value and presented in the financial statements as related items. The resulting difference of TL 48,783 is shown in related assets and liability section, the equity impact is shown under other shareholder's equity section. The amount of TL 421,124, which is the difference between TL 2,385,482, the fair value of transferred amount and TL 1,964,358, the identifiable net asset value is accounted as goodwill in the financial statements of the Bank and the equity impact is shown under other shareholder's equity section.

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XII. Explanations on Goodwill and Other Intangible Assets (continued)

Goodwill arising on an acquisition of a business or a merger is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill is allocated to each of the Bank's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the income statement. An impairment loss recognized for goodwill is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets are accounted for at restated cost until 31 December 2004 in accordance with inflation accounting and are amortized with straight-line method, after 31 December 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and are amortized on a straight-line method. The cost of assets subject to amortization is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Bank comprise mainly software. The useful lives of such assets acquired are determined as 3-5 years by taking into consideration the expected utilization period, technical, technological or any other impairment and maintenance expenses necessary for the economic use of such assets. Software used are mainly developed within the Bank by the Bank's personnel and the related expenses are not capitalized.

There are no anticipated changes in the accounting estimates about the amortization rate and amortization method and residual values that would have a significant impact in the current and future periods.

XIII. Explanations on Tangible Assets

Tangible assets of the Bank are accounted for at their restated cost until 31 December 2004 and afterwards, the acquisition cost and any other cost incurred to prepare the asset ready for use are reflected, less reserve for impairment, if any.

Depreciation rates are defined according to the economic life of the relevant assets.

Depreciation is calculated using the straight line method, without taking residual values into consideration, based on the number of months that the asset is used. No amendment has been made to the depreciation method in the current period. The economic useful lives of the tangible fixed assets are as follows:

Buildings	50 years
Furniture, Fixtures and Office Equipment and Others	5-15 years

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of the related asset and other maintenance costs are expensed. Leasehold improvements amount is subject to depreciation during leasing period. This period is taken into consideration maximum five years. For the branches, this period is considered as three years in parallel with the Bank's business plans.

The Bank employs independent appraisers in determining the current fair values of its real estate's when there is any indication of impairment in value of real estates.

XIV. Explanations on Leasing Transactions

"TFRS 16 Leases" was promulgated in the Official Gazette dated 16 April 2018 and numbered 30393, effective from 1 January 2019. This Standard specifies the principles for the leasing, presentation and disclosure of leases. The purpose of the standard is to provide tenants and lessees with appropriate information and faithful representation. This information is the basis for evaluating the impact of the leases on the entity's financial position, financial performance and cash flows by users of financial statements. The Bank has started to apply the related standard for the first time on 1 January 2019 by reflecting the application effects to the equity accounts.

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XIV. Explanations on Leasing Transactions(continued)

Lease obligations under the contract in the amount of liabilities on the balance sheet equal to the sum of all cash payments and offset with the form shown gross interest expense arising from the contract. The right of use arising from the leasing transactions, at the date of commencement, the present value of the lease payments which have not been paid at that date is measured. In this measurement, if the interest can be easily determined, the implied interest rate in the lease is used. If this ratio is not easily determined, the Bank's alternative borrowing interest rate announced by the Asset and Liability Management Department is used.

With the “IFRS 16 Leases” standard which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed and the lease transactions are started to be recognized under “Tangible Assets” as an asset (tenure) and under “Lease Payables” as a liability.

XV. Explanations on Provisions and Contingent Liabilities

Provisions are provided for liabilities of uncertain timing or amount arising from past events have the probability to result in an expense or loss in the future and when it can be measured reliably.

Provisions are determined by using the Bank management best expectation of expenses in fulfilling the obligation as of the balance sheet date and discounted to present value if material. Provisions and contingent liabilities, excluding specific and general provisions for loans and other receivables, are recognized in accordance with the Turkish Accounting Standards (TAS 37) regarding Provisions, Contingent Liabilities and Contingent Assets.

XVI. Explanations on Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized.

Contingent assets are disclosed in the financial statements' notes where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. In case it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements.

XVII. Explanations on Liabilities Regarding Employee Benefits

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over 1 year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. According to the Turkish Accounting Standard on Employee Benefits No. 19, the total benefit is calculated for employees who have completed one year of employment and whose working period has expired due to retirement, or who are left voluntarily or dismissed.

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method.

Employees transferred to the Bank following the business combination defined in the Section One “General Information” of the Bank and Fortis Bank A.Ş. are the members of “Fortis Bank A.Ş. Mensupları Emekli Sandığı” (the “Pension Fund”) which was established in May 1964 under the Provisional Article 20 of Social Insurance Law No: 506. Technical financial statements of the Pension Fund are audited by a licensed actuary in accordance with Article 38 of the Insurance Supervisory Law and the “Actuary Regulations” issued based on the same article. As of 30 June 2024, the Pension Fund has 793 employees and 2,131 pensioners (31 December 2023, 891 employees and 2,031 pensioners).

Provisional Article 23 (1) of Banking Law No: 5411 (the “Banking Law”) published in the Official Gazette repeated No: 25983 on 1 November 2005 requires the transfer of bank funds to the Social Security Institution (the “SSI”) within 3 years after the effective date of the Banking Law and the related paragraph also sets out the basis for the related transfer. However, Article 23 (1) of Banking Law No: 5411 was annulled based on the Constitutional Court's ruling issued on 22 March 2007 and ruled for the stay of execution as of 31 March 2007. The related Court ruling and its basis were published in the Official Gazette No: 26731 on 15 December 2007.

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XVII. Explanations on Liabilities Regarding Employee Benefits (continued)

Immediately following the publication of the reasoned decision of the Constitutional Court regarding the annulment, the Grand National Assembly of Türkiye (“TBMM”) started to work on new legal regulations providing for the transfer of bank fund participants to SSI and the relevant articles of the Social Security Law regulating the principles regarding the transfer were adopted on 8 May 2008. and entered into force by being published in the Official Gazette No. 26870.

The application made by the main opposition party to the Constitutional Court on 19 June 2008, requesting the annulment and suspension of the enforcement of some articles of the New Law, including the transfer of funds to the Social Security Institution, was rejected by the decision taken at the meeting of the Constitutional Court on 30 March 2011, and the reasoned The decision was published in the Official Gazette dated 28 December 2011 and numbered 28156.

The cash value of the liability regarding the transferred persons as of the New Law transfer date; Using a technical interest rate of 9.8 percent, the insurance branches of the funds within the scope of the Law are determined by a commission consisting of SSI, The Ministry of Finance, Treasury Undersecretary, Undersecretariat of State Planning Organization, BRSA, Savings Deposit Insurance Fund (TMSF), bank and fund representatives. It was stated that if the income and expenses and the pensions and incomes paid by the funds were above the salaries and incomes within the framework of SSI regulations, the said differences would be calculated and the transfer would be completed by May 8, 2011.

With the decision of the Council of Ministers published in the Official Gazette dated 9 April 2011 and numbered 27900, it was decided to extend the transfer process for 2 years. Within the framework of the postponement authority given to the Council of Ministers with the amendment in the first paragraph of the temporary article 20 of the Social Insurance and General Health Insurance Law No. 5510, published in the Official Gazette No. 28227 dated 8 March 2012, it was published in the Official Gazette No. 28987 dated 30 April 2014. The transfer process, which was postponed for another year by the Council of Ministers' Decision No. 2014/6042, was supposed to be completed by 8 May 2015 with this change. This time, The Council of Ministers has been lastly authorized to determine the transfer date in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated 23 April 2015 numbered 29335. According to paragraph (I) of Article 203 of Law no. 703 which published on the Official Gazette no. 30473 dated 9 July 2018, the phrase, placed in 20th provisional article of Social Insurance and General Health Insurance Law no.5510, “Council of Ministers” is authorized to determine the date of transfer to the Social Security Institution has been replaced with “President”.

The technical financial statements of the Pension Fund are prepared by an independent actuary company considering related regulation and the Fund is not required to provide any provisions for any technical or actual deficit in the financial statements based on the actuarial report prepared as of 30 June 2024. Since the Bank has no legal rights to carry the economic benefits arising from repayments of Pension Funds and/or decreases in future contributions at present value; no asset has been recognized in the balance sheet.

Since the Bank management anticipates that any potential liability that may be incurred during or after the transfer within the above-mentioned limits will be likely recoverable by the assets of the Pension Fund, they believe such liabilities will not bring any additional liability to the Bank.

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XVIII. Explanations on Taxation

Corporate Tax

In Turkey, corporate tax applied at the rate of 20% for corporate income is applied at 25% for the corporate income for the taxation period of 2021 and 23% for the corporate income for the taxation period of 2022 in accordance with the regulation introduced by the Law No. 7316 "Law on the Amendment of the Law on the Procedure for Collection of Public Receivables and Certain Laws", and pursuant to the regulation numbered 7394 "Law on the Amendment of Certain Laws and Decree Laws with the Law on the Evaluation of Immovable Properties Belonging to the Treasury and Amendment to the Value Added Tax Law", this rate has been determined as 25% to be applied to the corporate income of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies for the taxation period starting from 2022. In addition, with the Law No. 7417 "Law on the Amendment of the Law on Civil Servants and Certain Laws and the Decree Law No. 375", the effective article of the 25% rate determined within the scope of Law No. 7394 has been amended, and thus, the relevant regulation has been made that 25% corporate tax will be calculated on the corporate income of the above-mentioned banks and financial institutions for the taxation period of 2023 and the following periods. With the latest regulation on corporate tax rates, the general corporate tax rate was increased from 20% to 25% and the corporate tax rate for financial institutions was increased from 25% to 30% within the scope of the "Law No. 7456 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375". The aforementioned article enters into force on the date of its publication, starting from the declarations to be submitted as of 1 October 2023 (3rd Provisional Tax Period).

The tax legislation requires advance tax to be calculated and paid based on earnings generated for each quarter, the amounts thus calculated and paid are offset from the final tax computed over the earnings of the year. With the Tax Procedure Law No. 7338 published in the Official Gazette dated 26 October 2021 and numbered 31640, the 4th period provisional tax return to be implemented in 2022 was abolished. In the new application, a total of 3 temporary tax returns will be submitted in quarterly periods for the first 9 months of the year. On the other hand, corporate tax and any related taxes paid to foreign tax offices for the income obtained from foreign branches are taken into account in the Tax Statement according to Article 22 of the Prevention of Double Taxation Treaty signed between Northern Cyprus and the Turkish Republic.

50% portion of the gains derived from the sale of immovable (from 5 December 2017) which have been acquired due to loans under follow up from the Bank and 75% portion of participation shares, founder's shares, dividend shares and pre-emption rights is tax exempt. 75% portion of the capital gains derived from the sale of equity investments are exempt from corporate taxation, providing that such gains are added to paid-in capital or held in a special fund account under liability for 5 years. In addition, within the scope of the "Law No. 7456 on Additional Motor Vehicles Tax for the Compensation of Economic Losses Caused by the Earthquakes Occurring on 6/2/2023 and Amendments to Certain Laws and Decree Law No. 375", the Corporate Tax exemption (Corporate Tax Law 5/1-e) on the sales gains of immovable properties held in assets for at least 2 years has been repealed. However, for the immovables acquired before the publication date of the Law (for the immovables in the assets of the institutions before 15 July 2023), the exemption rate will be applied as 25% for the gains obtained.

Tax returns are required to be declared and paid between the first and last day of the fourth month following the accounting period.

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

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XVIII. Explanations on Taxation (continued)

Corporate Tax (continued)

Within the scope of repetitive article 298 of the Tax Procedure Law, it has been decided that the financial statements will be subject to inflation adjustment if the increase in the producer price index is more than 100% in the last 3 accounting periods, including the current period, and more than 10% in the current accounting period and as of 31 December 2021, these conditions have been fulfilled. 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, it has been enacted that the financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods including the provisional tax 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, the financial statements as at 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, the profit/loss differences arising from the inflation adjustment to be made will be shown in the prior years' profit/loss account, the prior year's profit determined in this way will not be subject to tax, and the loss of the prior year's loss will not be considered as loss. In addition, the "Law on Amendments to Certain Laws and Decree Laws" numbered 7491 was published in the Official Gazette dated December 28, 2023, and in Article 17 of this law; Profits resulting from inflation adjustments to be made by banks, companies within the scope of Law No. 6361, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods (including provisional tax periods). and the loss is not taken into account in the corporate tax base. Issues regarding inflation adjustment are explained in the Tax Procedure Law Communiqué No. 555 and the Tax Procedure Law Circular No. 165.

On the other hand, with the Temporary Article 32 added to the Tax Procedure Law with the relevant articles of the Tax Procedure Law No. 7338 and the Law on Amending Certain Laws, taxpayers within the scope of the duplicate article 298/ç were allowed to revalue their real estate and depreciable economic assets recorded in their balance sheets. In addition, with the Communiqué Amending the Tax Procedure Law General Communiqué (line no. 537) with line no. 547 published in the Official Gazette dated 14 January 2023 and numbered 32073, additional explanations have been introduced in the procedures and principles regarding the revaluation of real estate and economic assets subject to depreciation for taxpayers who, despite keeping books on the balance sheet basis, have to use different accounting techniques in terms of their fields of activity. Accordingly, the Bank made a revaluation of the immovable in its balance sheet and its depreciable economic assets, provided that the conditions in the Tax Procedure Law Provisional Article 32 and Reiterated Article 298/ç are met. Thus, corporate tax will be paid according to the new depreciation expenses found after revaluation of real estate and depreciable economic assets. However, in accordance with paragraph (A) of Article 298 of the TPL and Provisional Article 33, revaluation cannot be made within the scope of paragraph (Ç) of the same article in periods when inflation adjustment is required. In case of inflation adjustment in the period following the end of the revaluation period, inflation adjustment is applied based on the values found by taking into account the last values of the revalued depreciated economic assets.

Deferred Tax Asset/Liability

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In the scope of TAS 12 Income Taxes standard, deferred tax assets or liabilities are calculated based on tax rates (and tax laws) that are in effect or nearly effective as of the end of the reporting period (balance sheet date), using tax rates expected to be applied in the periods when assets are converted into income or liabilities are paid. As of 30 June 2024, the deferred tax is calculated over 30% in accordance with the tax legislation in effect. According to the Provisional Article 33 of the Tax Procedural Law, in the financial statements dated 30 June 2024, the tax effects arising from inflation adjustment of corporate tax are included in the deferred tax calculation as of 30 June 2024.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deferred tax assets can be utilized.

Deferred tax asset is calculated over temporary differences arisen from expected credit loss provision in line with TFRS 9 principles from 1 January 2018.

The deferred tax effects of the transactions which is subjected to deferred taxes that are recognized directly in equity are also shown in equity.

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XVIII. Explanations on Taxation (continued)

Transfer Pricing

Article 13 of the Corporate Tax Law contains detailed explanations on “concealed gain profit distribution through transfer pricing” and in this context, if the corporations purchase or sell goods or services with related parties at a price or price determined in violation of the arm's length principle, the profit is deemed to be distributed in whole or in part as disguised through transfer pricing. In the application of Corporate Tax laws, the earnings distributed in a disguised manner through transfer pricing in whole or in part are taken into consideration as the dividend distributed as of the last day of the accounting period in which the conditions in this article are met, or the amount transferred to the head office for limited taxpayers, and the earnings distributed in a disguised manner cannot be deducted in the determination of corporate income.

The “arm's length principle”, which forms the basis of the regulation on transfer pricing, means that the price or price applied in the purchase or sale of goods or services with related parties is in accordance with the price or price that would occur in the absence of such a relationship between them. In this sense, important issues such as related person, arm's length principle, arm's length price determination methods, which are handled within the scope of transfer pricing application, are included in detail in the Transfer Pricing communiqués published on the subject.

Corporate taxpayers are required to fill in the “Transfer Pricing, Controlled Foreign Entities and Thin Capitalization Form” for the purchase or sale of goods or services with related parties within an accounting period and submit it to the tax office in the annex of the corporate tax return.

XIX. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

XX. Explanations on Issued Equity Securities

There is no share issued in 2024.

XXI. Explanations on Bill Guarantees and Acceptances

Acceptances are realized simultaneously with the payment dates of the customers, and they are presented as probable commitments in off-balance sheet accounts.

XXII. Explanations on Government Incentives

There is no government incentive utilized by the Bank.

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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XXIII. Explanations on Reporting According to Segmentation

The operating segments of the Bank include Retail and Private Banking, SME Banking, Corporate Banking, Treasury and Asset-Liability Management.

Retail and Private Banking lines of the Bank provide consumer loans, personal financing, housing, workplace and vehicle loans for customer needs related to general consumption, purchase of durable goods, and real estate. The Bank also provides account products like Marifetli, Fırsat and CEPTETEB along with the standard time deposit products to enable advantageous savings in different currencies and maturities. In regard to investment needs for customers, retail and private banking offers brokerage services for treasury bill transactions, government bonds, Eurobonds, foreign exchange purchases/sales, a wide range of investment funds, private pension funds and equity securities transactions. It also provides practical account, credit deposit account, automatic bill/regular payment options, safe-deposit boxes and insurance services beside credit and debit cards offering advantages in shopping and banking transactions. These products and services are provided to customers through widespread physical branches and ATM network and also via a 24/7 call center, internet and mobile banking. In addition to small businesses, Business Banking, Agricultural Banking and Women's Banking for agricultural producers and women boss segments; Financial problems faced by customers are solved on a larger scale, and information, training and network access support are provided on non-financial issues.

Corporate banking provides financial solutions and banking services to large-scale local firms, holdings and their group companies, and multinational companies operating in Turkey. In addition to the bank deposit services provided to corporate customers, corporate banking also develops tailored solutions and products for standard cash and non-cash loans, investment loans, cash management services in line with customer needs and demands and foreign trade financing. Foreign exchange purchase and sale transactions, corporate financing services, derivative products and solutions to manage foreign exchange and interest rate risk and commodity financing are other services provided by the Bank. The Bank provides these services and products for its corporate customers via teams, located in its corporate branches and Head Office, who are specialized in foreign trade, cash management, structured finance and multinational companies. It also benefits from the global business network and expertise of BNP Paribas Group.

SME banking provides small and medium-sized enterprises with financial solutions and exclusive services for non-financial matters. The Bank, which specifically designed its services for different segments in the field of SME Banking, has developed solutions that are tailored to the needs of these segments. In addition to solutions developed for medium-sized enterprises, solutions were developed for jewelers, entrepreneurship segments and for SME Banking, Gold Banking and Entrepreneurship Banking. These solutions are provided on a larger scale based on the types of financial problems encountered by customers, and they are supported in non-financial matters via offering access to information, training and networks. At this point, the Bank does not only provide financial support to the SMEs but also provides the training and expertise they need to grow their business, strengthen their competitiveness and use their financing properly.

When determining the short, medium and long-term pricing strategy, Asset-Liability Management and the Treasury Group also manage the maturity mismatch, by adopting a principle foreseeing to work with a positive balance sheet margin. Spot and forward TL and foreign exchange purchase-sale transactions, treasury bill, government bond, and Eurobond purchase-sale transactions, and derivative product purchase/sale transactions are carried out under defined authorizations. The Bank also carries out activities related to providing medium and long-term funding, enabling funding at a price below the price reflecting the country risk price, diversifying funding resources, and creating an international investor base in this field.

The Financial Markets Group provides structured financial solutions to hedge foreign exchange/interest rate risks of customers and provides the most appropriate price for the market instruments offered to customers by monitoring market conditions.

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XXIII. Explanations on Reporting According to Segmentation (continued)

The details of the income statement and the balance sheet which the Bank operates as a business line:

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	22,505	22,505
Profit Before Tax	1,630,858	4,061,651	(259,856)	537,516	5,970,169
Tax Provision (-)	-	-	-	900,527	900,527
Net Profit for the Period	1,630,858	4,061,651	(259,856)	(363,011)	5,069,642

Current Period	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Segment Assets	86,888,114	119,318,530	70,036,385	222,151,771	498,394,800
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	279,026	279,026
Total Assets	86,888,114	119,318,530	70,036,385	222,430,797	498,673,826
Segment Liabilities	238,570,509	74,330,735	23,529,750	123,568,687	459,999,681
Shareholders' Equity	-	-	-	38,674,145	38,674,145
Total Liabilities	238,570,509	74,330,735	23,529,750	162,242,832	498,673,826

Prior Period (30.06.2023)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Dividend Income	-	-	-	13,775	13,775
Profit Before Tax	571,880	3,479,407	656,613	4,322,355	9,030,255
Tax Provision (-)	-	-	-	2,004,103	2,004,103
Net Profit for the Period	571,880	3,479,407	656,613	2,318,252	7,026,152

Prior Period (31.12.2023)	Retail and Private Banking	Corporate Banking	SME Banking	Other	Total
Segment Assets	68,214,361	88,506,389	45,401,615	204,517,628	406,639,993
Investments in Associates, Subsidiaries and Jointly Controlled Entities	-	-	-	279,026	279,026
Total Assets	68,214,361	88,506,389	45,401,615	204,796,654	406,919,019
Segment Liabilities	192,800,817	65,240,726	22,216,126	91,616,660	371,874,329
Shareholders' Equity	-	-	-	35,044,690	35,044,690
Total Liabilities	192,800,817	65,240,726	22,216,126	126,661,350	406,919,019

XXIV. Explanations on Other Matters

According to the decision taken at the Ordinary General Assembly Meeting of the Bank held on 27 March 2024, from TL 11,726,648, which constitutes the net balance sheet profit of 2023, as recommended by the Board of Directors, TL 1,172,665 to shareholders and 9.96 full TL to founders' redemption certificate holders after that the remaining balance is fully reserved as Extraordinary Reserves.

XXV. Reclassifications

None.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Components of Shareholders’ Equity

Equity amount and capital adequacy standard ratio has been calculated in accordance with the “Regulation on Banks’ Equity” and “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” and in addition to these, the BRSA’s regulations, dated 1 July 2021 and numbered 9645, dated 28 April 2022 and numbered 10188, dated 23 June 2022 and numbered 10248, dated 7 July 2022 and numbered 10265, dated 31 July 2023 and numbered 10630, dated 24 August 2023 and numbered 10655, dated 12 December 2023 and numbered 10747. According to the latest regulation changes;

In the calculation of the amount subject to credit risk, while calculating the revalued amounts in foreign currency, in accordance with the Board decision dated 12 December 2023 and numbered 10747, the Central Bank foreign exchange buying rates as of 26 June 2023 were used.

In accordance with the Standard Approach, 0% risk weight is used in the calculation of the amount subject to credit risk for FX receivables of Banks which are from Republic of Türkiye Central Management within the scope of Regulation on Measurement and Assessment of Capital Adequacy of Banks published on the Official Gazette dated 23 October 2015 and numbered 29511.

In accordance with the BRSA Board Decision dated 1 July 2021 and numbered 9645, the risk weights of individual credit cards and consumer loans were changed. In consumer loans extended after the decision was taken, the risk weight was applied 100% instead of 75% for those with a remaining maturity of 1-12 months, and 150% instead of 75% for those with more than 1 year. Likewise, after the date of the decision, in individual credit cards; the risk weight was applied to 100% instead of 75% for those with 1-6 months to maturity, and 150% instead of 75% for those with 6 months or more.

With the Board decision dated 31 July 2023 and numbered 10630, the risk weights of general purpose loans (including overdraft accounts), personal credit cards (including credit card expenditures and cash withdrawals), vehicle loans for the acquisition of passenger cars to be extended to consumers and vehicle secured loans extended after 31 July 2023 were applied as 150%. (For overdraft accounts and credit cards, 150% was applied to the increase amount if there was an increase by considering the end of the previous month).

On the other hand, with respect to the decision dated 31 July 2023 and numbered 10630, it is stated that the Board Decision dated 1 July 2021 and numbered 9645 is abrogated for the loans extended as of 31 July 2023, and therefore, the decision dated 1 July 2021 and numbered 9645 remains valid for the loans extended before this date.

In accordance with the Board decision dated 12 December 2023 and numbered 10747, in case of the net valuation differences of the financial assets included in the portfolio of “Securities at Fair Value through Other Comprehensive Income” as of the decision date are negative, these differences have been calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756 and opportunity to not be taken into account in the amount of equity to be used for the capital adequacy ratio, it has been decided to continue to apply the existing provisions of the said Regulation for " Securities at Fair Value through Other Comprehensive Income" acquired after January 1, 2024.

In accordance with the BRSA Board Decision dated 28 April 2022 and numbered 10188, two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision).

With the BRSA Board Decision of 23 June 2022 and numbered 10248, five hundred percent risk weight has been applied to commercial cash loans in TL and FC that will be extended to non-residents, excluding banks and financial institutions, after the date of the mentioned Decision.

In addition, some regulations have been introduced regarding the use of loan by companies subject to independent auditing.

In case the companies fail to notify the bank of their documents in accordance with the board decision or give information contrary to the statement, pursuant to the decision numbered 10265 dated 7 July 2022, new cash commercial loans in TL should not be extended to the related companies and a risk weight of 500% should be applied to all TL-denominated cash commercial loans extended on or after 30 June 2022.

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I. Explanations Related to Components of Shareholders' Equity (continued)

With the Board decision dated 24 August 2023 and numbered 10655, a risk weight of 150% was applied to loans collateralised by mortgages on residential real estate to be extended to consumers after the date of the decision for the purpose of housing them if they own at least one residence owned by themselves, their spouse or their children under the age of 18.

The Bank's current period equity amount calculated as of 30 June 2024 is TL 61,625,085 (31 December 2023: TL 46,702,047), and the capital adequacy standard ratio is 15.13% (31 December 2023: 16.82%). The Bank's capital adequacy standard ratio is above the minimum ratio determined by the relevant legislation. Credit risk "standard approach" for banking accounts, market risk "standard method" for trading accounts, counterparty credit risk "standard approach method" for derivatives and repo transactions, credit valuation adjustment capital load "standard method" for over-the-counter derivative transactions method and operational risk were calculated using the "basic indicator method".

Information related to the Components of Shareholders' Equity:

	Current Period 30.06.2024	Prior Period 31.12.2023
Common Equity Tier 1 Capital		
Paid-in capital to be entitled for compensation after all creditors	2,404,652	2,404,652
Share issued premiums	2,565	2,565
Reserves	31,322,315	20,756,668
Gains recognized in equity as per Turkish Accounting Standards (TAS)	144,776	177,939
Profit	5,069,642	11,726,648
Current Period's Profit	5,069,642	11,726,648
Prior Years' Profit	-	-
Bonus shares from associates, subsidiaries and joint ventures not accounted in current period's profit	-	-
Common Equity Tier 1 Capital Before Deductions	38,943,950	35,068,472
Deductions from Common Equity Tier 1 Capital		
Valuation adjustments calculated as per the (I) item of first paragraph of Article 9 of the Regulation on Bank Capital	-	-
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	-	245,320
Leasehold improvements on operational leases	66,007	71,433
Goodwill netted off deferred tax liability	421,124	421,124
Other intangible assets netted off deferred tax liabilities except mortgage servicing rights.	1,070,656	798,777
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 value of Bank's liabilities	-	-
Net amount of defined-benefit plan assets	-	-
Direct and indirect investments of the Bank in its own Tier 1 Capital	-	-
Excess amount expressed in the law (Article 56 4th paragraph)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions (amount above 10% threshold) of Tier 1 Capital	-	-
Mortgage servicing rights (amount above 10% threshold) of Tier 1 Capital	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amounts exceeding 15% of Tier 1 Capital in accordance with the second paragraph of the Provisional Article 2 of the Regulation on Banks' Equity)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible long positions, where the Bank owns more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Amounts related to mortgage servicing rights	-	-
Excess amount of deferred tax assets from temporary differences	-	-
Other Items Determined by BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier 1 Capital	1,557,787	1,536,654
Total Common Equity Tier 1 Capital	37,386,163	33,531,818

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I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity: (continued)

	Current Period 30.06.2024	Prior Period 31.12.2023
ADDITIONAL TIER 1 CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	-	-
Debt instruments and premiums approved by BRSA (In the scope of Provisional Article 4)	-	-
Additional Tier 1 Capital Before Deductions		
Deductions from Additional Tier 1 Capital		
Bank's direct or indirect investment on its own Tier 1 Capital	-	-
Investments in equity instruments issued by banks or financial institutions invested in Bank's additional Tier I Capital which are compatible with the article 7 of the regulation	-	-
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 Common Equity Tier 1 Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier 1 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital	-	-
Other Items Determined by BRSA	-	-
Items to be deducted from Tier I Capital during the Transition Period		
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 Bank Capital (-)	-	-
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 Bank Capital (-)	-	-
The amount to be deducted from Additional Tier 1 Capital (-)	-	-
Total Deductions from Additional Tier 1 Capital	-	-
Total Additional Tier 1 Capital	-	-
Total Tier 1 Capital (Tier 1 Capital=Common Equity+Additional Tier 1 Capital)	37,386,163	33,531,818
TIER 2 CAPITAL		
Debt instruments and related issuance premiums defined by the BRSA	19,742,620	10,096,945
Debt instruments and related issuance premiums defined by the BRSA (Provisional Article 4)	-	-
Provisions (Amounts stated in the first paragraph of the article 8 of the Regulation on the Bank Capital)	4,500,324	3,082,754
Tier 2 Capital Before Deductions	24,242,944	13,179,699
Deductions From Tier 2 Capital		
Bank's direct or indirect investment on its own Tier 2 Capital (-)	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital which are compatible with Article 8 of the regulation	-	-
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 Common Equity Tier 1 Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Core Capital and Tier 2 Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier 1 Capital (-)	-	-
Other Items Determined by BRSA (-)	-	-
Total Deductions from Tier 2 Capital	-	-
Total Tier 2 Capital	24,242,944	13,179,699
Total Capital (The sum of Tier 1 and Tier 2 Capital)	61,629,107	46,711,517

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I. Explanations Related to Components of Shareholders' Equity (continued)

Information related to the Components of Shareholders' Equity: (continued)

	Current Period 30.06.2024	Prior Period 31.12.2023
The sum of Tier 1 Capital and Tier 2 Capital (Total Capital)		
Loan granted to Customer against the Articles 50 and 51 of the Banking Law	876	330
Net Book Values of Immovables Exceeding 50% of the Equity and of Assets Acquired against Overdue Receivables and Held for Sale as per the Article 57 of the Banking Law but Retained More Than Five Years	-	-
Other items to be defined by the BRSA	3,146	9,140
Items to be deducted from the sum of Tier I and Tier II Capital ("Capital") during the Transition Period		
Portion of the total of net long positions of investments made in Common 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 not to be deducted from the Common Equity, Additional Tier 1 Capital, Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier 1 and Tier 2 Capital 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 not to be deducted from the Additional Tier 1 Capital and Tier 2 Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Portion of the total of net long positions of investments made 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, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
TOTAL CAPITAL		
Total Capital (The sum of Tier 1 Capital and Tier 2 Capital)	61,625,085	46,702,047
Total Risk Weighted Amounts	407,429,684	277,638,792
CAPITAL ADEQUACY RATIOS		
Common Equity Tier 1 Capital Adequacy Ratio (%)	9.18	12.08
Tier 1 Capital Adequacy Ratio (%)	9.18	12.08
Capital Adequacy Ratio (%)	15.13	16.82
BUFFERS		
Total additional Common Equity Tier 1 Capital requirement ratio (a+b+c)	2.50	2.50
a) Capital conservation buffer requirement (%)	2.50	2.50
b) Bank specific counter-cyclical buffer requirement (%)	0.00	0.00
c) Systemic significant 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 (%)	0.67	3.57
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	510,614	423,280
Amounts arising from the net long positions of investments made in Tier 1 Capital items of banks and financial institutions where the Bank owns more than 10% of the issued common share capital	-	-
Mortgage servicing rights	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	3,436,005	2,410,400
Limits related to provisions considered in Tier Calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	5,304,817	6,007,999
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	4,500,324	3,082,754
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	-	-

(*) The cyclical capital buffer rate is written as 0.00 due to the two digits being shown in the note, our rate is full digit 0.00004 (December 31, 2023: 0.0049).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. Explanations Related to Components of Shareholders’ Equity (continued)

Explanations on Reconciliation of Capital Items to Balance Sheet:

	Current Period	Prior Period
Total capital per balance sheet	38,674,145	35,044,690
Hedging funds (effective portion)	(77,531)	(217,372)
Deductions made under regulation	(1,565,209)	(1,299,164)
Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income	354,758	3,664
Common Equity Tier 1 Capital	37,386,163	33,531,818
Additional Tier 1 Capital	-	-
Tier 1 Capital	37,386,163	33,531,818
Expected loss provision (Stage 1 and 2)	4,500,324	3,082,754
Debt Instruments Defined by the BRSA	19,742,620	10,096,945
Deductions made under regulation	(4,022)	(9,470)
Total Equity	61,625,085	46,702,047

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations Related to Components of Shareholders' Equity (continued)

Information Related to Debt Instruments Included in Equity Calculation:

All of the debt instruments included in equity calculation are issued by the Bank.

Issuer	TEB	TEB	TEB
Unique identifier of the debt instrument (e.g. CUSIP, ISIN)	XS2023308278	XS2796472384	XS2744911830
Governing law(s) of the debt instrument	It is subject to English law except for the provisions regarding classification, which will be subject to Turkish law.	It is subject to English law and, in certain respects, Turkish law.	It is subject to English law and, in certain respects, Turkish law.
Consideration in Equity Calculation			
Subject to 10% deduction as of 1/1/2015	No	No	No
Eligible at unconsolidated/consolidated/consolidated and unconsolidated	Available	Available	Available
Type of the debt instrument	Subordinated Debt Instrument (Bond)	Subordinated Debt Instrument (Bond)	Subordinated Debt Instrument (Bond)
Amount recognized in regulatory capital (TL Currency in mil, as of most recent reporting date)	3,441.33	3,441.33	12,859.96
Par value of debt instrument (TL Currency in mil)	3,441.33	3,441.33	12,859.96
Accounting classification of the debt instrument	34701100	34701030	34701100
Original date of issuance	22.07.2019	08.05.2024	17.01.2024
Perpetual or dated (Demand/Time)	Time	Time	Time
Original maturity date	23.07.2029	08.05.2034	17.01.2034
Issuer call subject to prior supervisory approval	Available	Available	Available
Optional call date, contingent call dates and redemption amount	22.07.2024	08.05.2029	17.01.2029
Subsequent call dates, if applicable	-	-	-
Interest / dividend payments			
Fixed or floating dividend/coupon	Floating	Floating	Fixed
Coupon rate and any related index	6mEuribor+7.10%	6mEuribor+3.70%	9.375%
Existence of a dividend stopper	None	None	None
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
Existence of step up or other incentive to redeem	None	None	None
Noncumulative or cumulative	None	None	None
Convertibility of equity shares			
If convertible, conversion trigger(s)	-	-	-
If convertible, fully or partially	-	-	-
If convertible, conversion rate	-	-	-
If convertible, mandatory or optional conversion	-	-	-
If convertible, specify instrument type convertible into	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-
Write-down feature			
If write-down, write-down trigger(s)	-	-	-
If write-down, full or partial	-	-	-
If write-down, permanent or temporary	-	-	-
If temporary write-down, description of write-up mechanism	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to the debt instrument)	deposit and other receivables	deposit and other receivables	deposit and other receivables
Whether conditions which stands in Article of 7 and 8 of Banks' shareholder equity law are possessed or not	Possess	Possess	Possess
According to Article 7 and 8 of Banks' shareholders equity law that are not possessed (*)	-	-	-

(*) Under Article 8/2 in subsection (ğ) mechanism of write-down or conversion to common shares are stated.

Provided that the necessary permissions for the exercise of the early amortization option are obtained, the Board of Directors has decided to exercise the early amortization option on 22 July 2024 for the subordinated bond (Tier II Capital) issued on 22 July 2019 amounting to EUR 100 million with a maturity of 10 years and an early amortization option at the end of the 5th year.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Currency Risk

Foreign currency risk indicates the probability of loss that the Bank is subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Bank are taken into consideration and risk is calculated by using the standard method.

The Board of Directors of the Bank sets limits for the positions, which are followed up daily. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

As an element of the Bank's risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

Asset Liability Management and Treasury Department of the Bank is responsible for the management of Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Bank's Asset-Liability Committee on a weekly basis.

As of 30 June 2024, the Bank's balance sheet short position is TL 7,393,385 (31 December 2023: TL 16,277,619 short position) off-balance sheet long position is TL 4,510,169 (31 December 2023: TL 19,027,263 long position) and as a result net foreign currency short position is TL 2,883,216 (31 December 2023: net TL 2,749,644 long position).

The announced current foreign exchange buying rates of the Bank at 30 June 2024 and the previous five working days in full TL are as follows:

	24.06.2024	25.06.2024	26.06.2024	27.06.2024	28.06.2024	30.06.2024
USD	32.3628	32.4342	32.1887	32.2638	32.1499	32.1499
EURO	34.7577	34.6819	34.3969	34.5803	34.4133	34.4133

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before 30 June 2024 are as follows:

	Monthly Average Foreign Buying Rate
USD	31.9401
EURO	34.3556

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank:

Current Period	EURO	USD	Other FC	Total
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽¹⁾	30,159,567	22,677,137	5,486,038	58,322,742
Banks ⁽²⁾	1,692,870	1,074,302	6,412,836	9,180,008
Financial Assets at Fair Value Through Profit or Loss	23,731	827,698	-	851,429
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	2,659,847	156,492	25,831	2,842,170
Loans ⁽³⁾	57,951,858	23,452,134	4,415,962	85,819,954
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-
Financial Assets Measured at Amortized Cost ⁽⁴⁾	4,603,630	7,998,712	-	12,602,342
Derivative Financial Assets for Hedging Purposes ⁽⁵⁾	80,236	36,822	-	117,058
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽⁶⁾	407,986	683,820	30,263	1,122,069
Total Assets	97,579,725	56,907,117	16,370,930	170,857,772
Liabilities				
Bank Deposits	368	-	44	412
Foreign Currency Deposits ⁽⁷⁾	34,104,886	40,707,545	26,114,946	100,927,377
Money Market Funds	16,017,786	21,338,213	-	37,355,999
Funds Provided from Other Financial Institutions	17,591,990	19,319,561	-	36,911,551
Securities Issued	-	-	-	-
Derivative Financial Liabilities for Hedging Purposes	-	14,934	-	14,934
Other Liabilities ⁽⁸⁾	2,097,785	920,932	22,167	3,040,884
Total Liabilities	69,812,815	82,301,185	26,137,157	178,251,157
Net Balance Sheet Position	27,766,910	(25,394,068)	(9,766,227)	(7,393,385)
Net Off-Balance Sheet Position⁽¹¹⁾	(27,130,704)	21,816,130	9,824,743	4,510,169
Financial Derivative Assets ⁽⁹⁾	45,100,608	85,963,506	14,012,625	145,076,739
Financial Derivative Liabilities ⁽⁹⁾	72,231,312	64,147,376	4,187,882	140,566,570
Non-Cash Loans ⁽¹⁰⁾	23,914,236	29,987,143	9,646,987	63,548,366
Prior Period				
Total Assets	82,528,413	51,827,262	11,741,676	146,097,351
Total Liabilities	68,052,675	76,317,547	18,004,748	162,374,970
Net Balance Sheet Position	14,475,738	(24,490,285)	(6,263,072)	(16,277,619)
Net Off-Balance Sheet Position	(14,152,998)	26,957,755	6,222,506	19,027,263
Financial Derivative Assets ⁽⁹⁾	41,407,709	69,038,258	10,300,564	120,746,531
Financial Derivative Liabilities ⁽⁹⁾	55,560,707	42,080,503	4,078,058	101,719,268
Non-Cash Loans ⁽¹⁰⁾	27,122,681	25,955,219	9,204,012	62,281,912

⁽¹⁾ Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye includes the balances of expected credit losses amounting to TL 11,005 (31 December 2023: TL 11,729). The item in question includes a precious metal account in the amount of 4,707,467 TL (31 December 2023: TL 4,180,416).

⁽²⁾ The banks include TL 34,617 of expected credit loss provisions (31 December 2023: TL 39,955).

⁽³⁾ Foreign currency indexed loans amounting to TL 30,614 (31 December 2023: TL 47,557) are included in the loan portfolio. Also, it includes TL 1,350,049 (31 December 2023: TL 2,071,833) amounting to expected credit loss.

⁽⁴⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 2,555 (31 December 2023: TL 3,303).

⁽⁵⁾ There is no (31 December 2023: None) income accruals from derivative financial instruments are deducted from derivative financial assets held for risk management.

⁽⁶⁾ TL 583,668 (31 December 2023: TL 574,412) income accruals from derivative financial instruments are deducted from other assets.

⁽⁷⁾ Precious metal accounts amounting to TL 14,605,085 (31 December 2023: TL 12,519,232) are included in the foreign currency deposits. In addition, the accrual effect of foreign exchange converted deposits is 701,988 TL.

⁽⁸⁾ TL 689,389 (31 December 2023: TL 546,042) expense accruals from derivative financial instruments are deducted from other liabilities.

⁽⁹⁾ Forward asset and marketable securities purchase-sale commitments of TL 475,970 (31 December 2023: TL 4,655,233) are added to derivative financial assets and TL 475,864 (31 December 2023: TL 3,776,883) has been added to derivative financial assets.

⁽¹⁰⁾ There is no effect on the net off-balance sheet position.

⁽¹¹⁾ As of 10 December 2022, with the amendment made in the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis" with the decision numbered 32039; As of 9 January 2023, delta equivalents have been taken into account by multiplying the nominal value of the currency option with the delta value in the calculation of the net foreign currency position.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations Related to Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

The priority of the risk management department is to protect from interest rate volatility. Duration, maturity and sensitivity analysis performed within this context are calculated by the risk management department and reported to the Liquidity Risk and Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted macroeconomic indicators used in the budget of the Bank.

The Bank management monitors the market interest rates on a daily basis and revises the interest rates of the Bank when necessary.

The Bank carries interest rate risk within the legal and internal limits and manages the interest rate risk in accordance with the bank's risk appetite.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Current Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	-	-	-	-	-	104,823,256	104,823,256
Banks ⁽³⁾	2,618,378	-	-	-	-	7,220,397	9,838,775
Financial Assets at Fair Value Through Profit or Loss	16,990	200,211	165,728	1,520,167	525,366	496,749	2,925,211
Money Market Placements ⁽⁴⁾	2,189,473	-	-	-	-	-	2,189,473
Financial Assets at Fair Value Through Other Comprehensive Income	3,264,332	550,288	3,548,868	537,991	-	89,032	7,990,511
Loans ⁽⁵⁾	41,387,214	31,611,040	120,157,936	90,142,699	1,097,891	(3,694,897)	280,701,883
Financial Assets Measured at Amortized Cost ⁽⁶⁾	7,311,278	15,360,745	9,777,310	11,771,551	18,941,181	(12,125)	63,149,940
Other Assets	82,998	42,894	392,311	717,184	241,789	25,577,601	27,054,777
Total Assets	56,870,663	47,765,178	134,042,153	104,689,592	20,806,227	134,500,013	498,673,826
Liabilities							
Bank Deposits	2,024,947	-	-	-	-	408,220	2,433,167
Other Deposits	185,694,064	27,169,453	13,221,978	7,000	-	115,468,194	341,560,689
Money Market Funds	40,571,660	6,797,303	-	-	-	-	47,368,963
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial	4,769,679	12,803,069	5,851,877	346,206	13,414,747	-	37,185,578
Other Liabilities	2,037	46,946	414,125	536,778	169,481	68,956,062	70,125,429
Total Liabilities	233,062,387	46,816,771	19,487,980	889,984	13,584,228	184,832,476	498,673,826
Balance Sheet Long Position	-	948,407	114,554,173	103,799,608	7,221,999	-	226,524,187
Balance Sheet Short Position	(176,191,724)	-	-	-	-	(50,332,463)	(226,524,187)
Off-Balance Sheet Long Position	-	-	-	10,257	-	-	10,257
Off-Balance Sheet Short Position	-	-	(96,231)	-	-	-	(96,231)
Total Position	(176,191,724)	948,407	114,457,942	103,809,865	7,221,999	(50,332,463)	(85,974)

⁽¹⁾ The expected loss provisions are presented under the "Non-Interest Bearing" column.

⁽²⁾ Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye's outstanding loss provisions in the amount of TL 21,133.

⁽³⁾ Banks include balance of expected loss provisions amounting to TL 44,347.

⁽⁴⁾ The revolving loans amounting to TL 33,708,405 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 6,264,083

⁽⁵⁾ Financial assets at amortized cost include balance of expected loss provisions of TL 12,125.

Other assets line in the non-interest-bearing column includes tangible assets amounting to TL 2,208,159, intangible assets amounting to TL 1,546,743, assets held for sale amounting to TL 77,508, subsidiaries amounting to TL 279,021 and jointly controlled entities amounting to TL 5 and other liabilities line includes shareholders' equity amounting to TL 38,674,145.

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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations Related to Interest Rate Risk (continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates): (continued)

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing ⁽¹⁾	Total
Prior Period							
Assets							
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	17,283,685	-	-	-	-	87,184,067	104,467,752
Banks ⁽³⁾	3,896,162	-	-	-	-	3,253,083	7,149,245
Financial Assets at Fair Value Through Profit or Loss	7,375	4,538	134,884	293,162	148,506	424,106	1,012,571
Money Market Placements ⁽⁴⁾	12,243,739	-	-	-	-	(798)	12,242,941
Financial Assets at Fair Value Through Other Comprehensive Income	2,936,500	539,223	800,806	3,466,575	-	82,335	7,825,439
Loans ⁽⁵⁾	36,498,266	33,858,878	83,178,669	53,049,601	1,118,859	(4,537,671)	203,166,602
Financial Assets Measured at Amortized Cost ⁽⁶⁾	6,603,672	12,999,218	7,003,976	12,130,606	10,553,986	(11,090)	49,280,368
Other Assets	95,871	766,283	478,556	967,730	248,749	19,216,912	21,774,101
Total Assets	79,565,270	48,168,140	91,596,891	69,907,674	12,070,100	105,610,944	406,919,019
Liabilities							
Bank Deposits	2,248,143	-	-	-	-	329,106	2,577,249
Other Deposits	136,883,142	25,173,681	14,920,246	54,965	-	105,136,553	282,168,587
Money Market Funds	21,312,539	6,797,303	-	-	-	-	28,109,842
Miscellaneous Payables	-	-	-	-	-	-	-
Securities Issued	-	-	-	-	-	-	-
Funds Provided from Other Financial	4,180,414	11,488,641	8,813,053	7,095,456	-	-	31,577,564
Other Liabilities	12,777	72,552	202,499	900,067	155,868	61,142,014	62,485,777
Total Liabilities	164,637,015	43,532,177	23,935,798	8,050,488	155,868	166,607,673	406,919,019
Balance Sheet Long Position	-	4,635,963	67,661,093	61,857,186	11,914,232	-	146,068,474
Balance Sheet Short Position	(85,071,745)	-	-	-	-	(60,996,729)	(146,068,474)
Off-Balance Sheet Long Position	1,617,985	563,163	137,881	-	-	-	2,319,029
Off-Balance Sheet Short Position	-	-	-	(1,903,500)	-	-	(1,903,500)
Total Position	(83,453,760)	5,199,126	67,798,974	59,953,686	11,914,232	(60,996,729)	415,529

⁽¹⁾ The expected loss provisions are presented under the "Non-Interest Bearing" column.

⁽²⁾ Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye's outstanding loss provisions in the amount of TL 16,786.

⁽³⁾ Banks include balance of expected loss provisions amounting to TL 45,340.

⁽⁴⁾ Money Market Placement includes balance of expected loss provisions amounting to TL 798.

⁽⁵⁾ The revolving loans amounting to TL 22,812,905 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 6,718,876.

⁽⁶⁾ Financial assets at amortized cost include balance of expected loss provisions of TL 11,090.

Other assets line in the non-interest bearing column includes tangible assets amounting to TL 1,933,104, intangible assets amounting to TL 1,269,693, assets held for sale amounting to TL 82,060, subsidiaries amounting to TL 279,021 and jointly controlled entities amounting to TL 5 and other liabilities line includes shareholders' equity amounting to TL 35,044,690.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations Related to Interest Rate Risk (continued)

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TL %
Current Period				
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye	-	-	-	-
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit or Loss	4.89	3.05	-	17.46
Money Market Placements	-	-	-	53.49
Financial Assets at Fair Value Through Other Comprehensive Income	2.69	4.40	-	41.10
Loans	6.78	7.76	3.86	49.73
Financial Assets Measured at Amortized Cost	3.27	5.26	-	25.77
Liabilities				
Bank Deposits	-	-	-	31.18
Other Deposits	2.43	1.60	-	46.66
Money Market Funds	4.18	4.59	-	49.41
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	7.84	8.76	-	47.02
	EURO %	USD %	YEN %	TL %
Prior Period				
Assets				
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye	-	-	-	42.10
Banks	-	-	-	42.70
Financial Assets at Fair Value Through Profit or Loss	3.90	2.94	-	21.24
Money Market Placements	-	-	-	43.64
Financial Assets at Fair Value Through Other Comprehensive Income	2.69	4.40	-	41.23
Loans	7.13	8.85	5.73	41.37
Financial Assets Measured at Amortized Cost	3.14	5.18	-	28.17
Liabilities				
Bank Deposits	3.30	-	-	28.14
Other Deposits	3.08	3.21	-	37.94
Money Market Funds	4.78	7.00	-	-
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided from Other Financial Institutions	8.47	9.50	-	42.14

IV. Explanations Related to Equity Share Position Risk in Banking Accounts

Equity securities which are not publicly traded in the Bank's financial statements are booked as their fair value, or otherwise booked as their cost value whereby fair value cannot be calculated properly.

The Bank has no shares traded on Borsa Istanbul.

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio

- a) Information on liquidity risk management, such as the Bank's risk capacity, responsibilities and the structure of liquidity risk management, Bank's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application:

The Asset-Liability Management and Treasury Group is responsible for following up the Bank's current liquidity position and for complying with liquidity limits approved by the Board of Directors. After evaluating the liquidity position, the Asset-Liability Management and Treasury Group use authorized products to provide sufficient liquidity based on liquidity position.

Responsibilities for liquidity management are described in the Liquidity Risk Policy which is reviewed and approved by the Board of Directors annually. The various responsibilities have been shared among the appropriate departments and committees as outlined in duty descriptions. While the Asset-Liability Management and Treasury Group alone is responsible for managing liquidity and for developing short-term liquidity estimates, the Asset-Liability Management and Treasury Group works with the Asset-Liability Management Committee to jointly developing/setting short-term liquidity strategies and middle and long-term liquidity estimates. The Asset-Liability Management Committee is responsible for preparing middle and long-term liquidity strategies.

The Risk Management Group monitors daily all set liquidity risk limits, and periodically reports internal and legal liquidity rates and changes to the Risk Committee, Audit Committee and Board of Directors, in addition to providing daily reports to senior management. Information about the Bank's liquidity structure and policies is provided to the relevant business lines at an Assets-Liabilities Committee meeting which is held every couple of weeks and at a Market and Liquidity Risk Committee meeting which is held monthly.

- b) Information on the centralization degree of liquidity management and funding strategy, and on operations between Bank and its partnerships:

The Asset-Liability Management and the Treasury Group manage the Bank's liquidity risk and performs this role only for the bank. Liquidity gap values are monitored within the limits set by the Board of Directors, and for compliance with these limits, the necessary debt instruments are used, while considering price and maturity structure. Our subsidiaries manage their own liquidity, and we provide them borrowing facilities within market conditions and legal limits.

- c) Information about the Bank's funding strategy including policies on funding types and variety of maturities:

While the Bank tries to diversify its funding resources, it also tries to extend its payment terms. Customer deposits are the bank's main funding resource. Our main strategy for deposit management is to be inclusive while extending the average maturity. In addition to borrowings from money markets and collecting deposit, the Bank uses instruments such as long-term syndicated loans, securities issued in TL and foreign currency to diversify funding resources.

- d) Information on liquidity management based on currency which constituting at least five percent of the Bank's total liabilities:

Excluding TL, USD and EUR, there is no foreign currency which exceeds 5% of total liabilities. For these currencies, liquidity gaps are reported on a monthly basis and the Liquidity Coverage Ratio is calculated daily for Total and Foreign Currency. The Asset-Liability Management and Treasury Group is responsible for taking the necessary steps to keep ratios within the limits determined by the Board of Directors. Trend of these ratios are monitored on a monthly basis by the Liquidity Risk Committee which includes the General Manager, Assistant General Manager responsible from Financial Affairs Group, Group Risk Chief Officer, and the Assistant General Manager in charge of the Asset-Liability Management and Treasury Group. Furthermore, senior management is periodically informed about the relevant ratios.

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

e) Information on liquidity risk mitigation techniques:

The Bank's main liquidity management strategy is to diversify funding resources and extend the maturity structure. The Bank's balance sheet liquidity risk is periodically measured by Assets-Liabilities Management and closely monitored with the Treasury. In accordance with market expectations, the Assets-Liabilities Management and Treasury Group carries out the actions necessary to minimize risk.

Within this framework, the Bank's liquidity risk is attempted to manage efficiently by long-term structural changes (such as diversifying funding sources, extending maturity structure etc.) and short and mid-term money market and derivative transactions.

In the short term, liquidity risk is minimized with FX swaps, interbank borrowings and repurchase agreements, while cross currency swap transactions are used to minimize these risks in the long-term.

f) Explanations on the usage of the stress test:

The aim of the liquidity stress test is to analyze how liquidity squeeze affects bank liquidity. Cash inflows and outflows which may arise in cases of stress event are analyzed based on products with different maturities. Stress events which may arise as a result of the liquidity squeeze, both in the Bank and in the whole banking system, in cases of stress event are analyzed. Also, situations where the two scenarios might coincide are considered. The analysis addresses how much of the net cash outflows of different maturities would be covered by the current liquid stock during all relevant stress events.

g) General information on liquidity emergency and contingency plans:

The extraordinary liquidity situation is evaluated to determine;

- Whether the liquidity problem is specific to the bank or applies to the whole banking system and
- Whether there is a permanent or temporary problem.

Profitability has second degree importance in extraordinary liquidity conditions. In cases of cash shortage or cash withdrawal, the branches are responsible for informing the Asset-Liability Management and Treasury Group about withdrawn liabilities. The Asset-Liability Management and Treasury Group takes the necessary actions to cover the cash outflow which may occur in the accounts and informs the Asset-Liability Committee of any related delays.

In a liquidity crisis, the Asset-Liability Management and Treasury Group, the Asset-Liability Committee, the Liquidity Risk Committee, senior management, and the Board of Directors are responsible for solving the liquidity problem. It is predicted that, in a liquidity crisis, in order to create additional liquidity, written actions (considering the cost) must be taken within current market conditions.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Liquidity Coverage Ratio:

Current Period – 30 June 2024	Rate of Percentage to Be Taken into Account not Implemented Total Value (*)		Rate of Percentage to Be Taken into Account Implemented Total Value (*)	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			118,282,730	59,478,130
Cash Outflows				
Real person and retail deposits	244,309,260	74,561,610	21,271,799	7,456,161
Stable deposits	63,182,539	-	3,159,127	-
Less stable deposits	181,126,721	74,561,610	18,112,672	7,456,161
Unsecured debts other than real person and retail deposits	97,758,865	37,994,303	58,975,304	18,886,980
Operational deposits	3,490,556	340,991	872,639	85,248
Non-operational deposits	79,025,269	33,381,733	44,451,606	14,699,033
Other unsecured funding	15,243,040	4,271,579	13,651,059	4,102,699
Secured funding	-	-	-	-
Other cash outflows	2,388,733	15,882,836	2,388,733	15,882,836
Outflows related to derivative exposures	2,388,733	15,882,836	2,388,733	15,882,836
Outflows related to restructured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	198,587,336	60,835,626	14,849,882	6,662,377
Total Cash Outflows			97,485,718	48,888,354
Cash Inflows				
Secured Receivables	-	-	-	-
Unsecured Receivables	39,846,958	12,457,136	26,512,433	9,806,352
Other Cash Inflows	451,834	16,311,960	451,834	16,311,960
Total Cash Inflows	40,298,792	28,769,096	26,964,267	26,118,312
			Upper Limit Applied Values	
Total High Quality Liquid Assets Inventory			118,282,730	59,478,130
Total Net Cash Outflows			70,521,451	22,770,042
Liquidity Coverage Ratio (%)			167.73	261.21

(*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

Prior Period – 31 December 2023	Rate of Percentage to Be Taken into Account not Implemented Total Value (*)		Rate of Percentage to Be Taken into Account Implemented Total Value (*)	
	TL+FC	FC	TL+FC	FC
High Quality Liquid Assets				
High Quality Liquid Assets			110,341,265	53,236,655
Cash Outflows				
Real person and retail deposits	195,799,316	66,529,998	17,442,172	6,653,000
Stable deposits	42,755,195	-	2,137,760	-
Less stable deposits	153,044,121	66,529,998	15,304,412	6,653,000
Unsecured debts other than real person and retail deposits	79,490,394	35,310,873	47,538,486	18,260,651
Operational deposits	2,910,749	291,039	727,687	72,760
Non-operational deposits	62,122,689	29,525,658	33,890,011	12,850,233
Other unsecured funding	14,456,956	5,494,176	12,920,788	5,337,658
Secured funding	-	-	-	-
Other cash outflows	1,780,968	5,898,993	1,780,968	5,898,993
Outflows related to derivative exposures	1,780,968	5,898,993	1,780,968	5,898,993
Outflows related to restructured financial instruments	-	-	-	-
Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
Other irrevocable or conditionally revocable off-balance sheet obligations	130,905,699	52,408,416	11,154,973	6,097,801
Total Cash Outflows			77,916,599	36,910,445
Cash Inflows				
Secured Receivables	-	-	-	-
Unsecured Receivables	41,718,293	13,365,580	32,207,211	11,277,871
Other Cash Inflows	1,802	14,137,293	1,802	14,137,293
Total Cash Inflows	41,720,095	27,502,873	32,209,013	25,415,164
			Upper Limit Applied Values	
Total High Quality Liquid Assets Inventory			110,341,265	53,236,655
Total Net Cash Outflows			45,707,586	11,495,282
Liquidity Coverage Ratio (%)			241.41	463.12

(*) Simple arithmetic average of the last three months data calculated by using weekly simple arithmetic averages.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Liquidity Coverage Ratio: (continued)

The amount of high-quality liquid assets, distribution of deposits based on segment, maturity types of borrowings and the share of revolving loans in loan portfolio can be considered as the most important factors affecting Liquidity Coverage Ratio.

High quality liquid assets in order to their priority consist of the time accounts, bond portfolio, required reserve, cash and effective deposit. Funding sources consists of corporate customer deposits, real person deposits, borrowings and SME deposit accounts which are weighted by ratios used in Liquidity Coverage Ratio reporting considering their maturity types. Due to amount differences between buy and sell transactions, derivative products effect more FC Liquidity Coverage Ratio rather than the total. Besides, cash outflows due to withdrawal of the collaterals securing derivatives and market valuation changes on derivative transactions are considered in calculations.

There are concentration limits on funding sources approved by Board of Directors. Proportional limits on product type are reported in relation to how much of the funding can be obtained from deposits, group funding, borrowings from banks and repo and other long-term sources.

Liquidity management of the subsidiaries subject to consolidation is carried out by the companies themselves. Although there is a consolidated reporting for the Liquidity Coverage Ratio, there is no centralized liquidity management. Finally, there is no significant cash inflow and cash outflow related to the liquidity profile of the Bank, which is included in the calculation of liquidity coverage ratio, but which is not included in the public disclosure template in the second paragraph of the related communiqué.

The weeks with lowest and highest liquidity coverage ratio for the last three months calculated by using weekly simple arithmetic averages are presented below.

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
Lowest	145.96%	203.09%	203.65%	280.77%
Week	05.05.2024	05.05.2024	12.11.2023	24.12.2023
Highest	182.01%	433.64%	289.21%	691.74%
Week	16.06.2024	19.05.2024	08.10.2023	19.11.2023

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed ⁽¹⁾	Total
Assets								
Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye ⁽²⁾	42,014,656	62,829,733	-	-	-	-	(21,133)	104,823,256
Banks ⁽³⁾	9,885,122	-	-	-	-	-	(46,347)	9,838,775
Financial Assets at Fair Value Through Profit and Loss	-	16,987	2,465	144,403	1,739,241	525,366	496,749	2,925,211
Money Market Placements	-	2,189,473	-	-	-	-	-	2,189,473
Financial Assets at Fair Value Through Other Comprehensive Income	89,032	66,598	-	3,548,868	3,893,862	392,151	-	7,990,511
Loans Given ⁽⁴⁾	-	40,837,106	31,626,474	120,599,793	90,235,516	1,097,891	(3,694,897)	280,701,883
Financial Assets Measured at Amortized Cost ⁽⁵⁾	-	1	3,224,070	9,482,465	18,577,342	31,878,187	(12,125)	63,149,940
Other Assets	-	5,806,943	507,672	1,161,179	1,079,417	241,789	18,257,777	27,054,777
Total Assets	51,988,810	111,746,841	35,360,681	134,936,708	115,525,378	34,135,384	14,980,024	498,673,826
Liabilities								
Bank Deposits	408,220	2,024,947	-	-	-	-	-	2,433,167
Other Deposit	115,468,194	185,694,064	27,169,453	13,221,978	7,000	-	-	341,560,689
Funds Provided from Other Financial Institutions	-	4,703,339	1,810,085	13,304,341	473,525	16,894,288	-	37,185,578
Money Market Funds	-	40,571,660	6,797,303	-	-	-	-	47,368,963
Securities Issued	-	-	-	-	-	-	-	-
Other Liabilities	-	20,985,196	1,136,464	1,864,401	1,672,765	464,960	44,001,643	70,125,429
Total Liabilities	115,876,414	253,979,206	36,913,305	28,390,720	2,153,290	17,359,248	44,001,643	498,673,826
Liquidity Gap	(63,887,604)	(142,232,365)	(1,552,624)	106,545,988	113,372,088	16,776,136	(29,021,619)	-
Net Off-Balance Sheet Position	-	2,669,605	771,907	(2,190,427)	74,948	-	-	1,326,033
Financial Derivative Assets	-	72,961,889	38,488,018	70,715,217	52,172,693	12,827,990	-	247,165,807
Financial Derivative Liabilities	-	70,292,284	37,716,111	72,905,644	52,097,745	12,827,990	-	245,839,774
Non-Cash Loans	17,358,198	5,345,274	9,876,722	40,112,946	20,196,727	-	-	92,889,867
Prior Period								
Total Assets	37,758,216	125,775,929	37,592,841	89,504,936	83,691,711	23,354,201	9,241,185	406,919,019
Total Liabilities	105,465,659	178,641,564	33,828,050	32,632,864	9,180,722	5,763,643	41,406,517	406,919,019
Liquidity Gap	(67,707,443)	(52,865,635)	3,764,791	56,872,072	74,510,989	17,590,558	(32,165,332)	-
Net Off-Balance Sheet Position	-	(947,460)	(802,540)	1,485,484	(574,582)	-	-	(839,098)
Financial Derivative Assets	-	43,490,520	52,123,934	54,483,720	37,117,365	11,470,910	-	198,686,449
Financial Derivative Liabilities	-	44,437,980	52,926,474	52,998,236	37,691,947	11,470,910	-	199,525,547
Non-Cash Loans	16,929,591	6,595,718	12,268,123	25,401,747	20,741,431	-	-	81,936,610

⁽¹⁾ Active accounts with fixed assets, associates and subsidiaries, fixed assets, prepaid expenses and non-performing loans, which are required for the continuation of banking activities and which do not have the chance to convert to cash in a short time, are recorded here. The expected loss provisions are also shown here.

⁽²⁾ Cash Balances (Cash, Effective Deposit, Money in Transit, Cheques Purchased) and the Central Bank of Türkiye includes expected loss provisions amounting to TL 21,133.

⁽³⁾ Banks include TL balance of expected loss provisions amounting to TL 44,637.

⁽⁴⁾ The revolving loans amounting to TL 33,708,405 are presented under the "Up to 1 Month" column. It includes expected loss provisions amounting to TL 6,264,083.

⁽⁵⁾ Financial assets at amortized cost includes expected credit loss amounting to TL 12,125.

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Net Stable Funding Rate:

Current Period	Based on the remaining maturity, the amount to which the consideration rate has not been applied				Total amount with consideration rate applied
	Demand (*)	Term Shorter Than 6 Months	6 Months and Longer than 6 Months and Shorter than 1 Year Term	1 Year and Longer Than 1 Year Term	
Current Stable Fund					
Capital Items	-	-	-	61,274,349	61,274,349
Tier 1 Capital and Tier 2 Capital	-	-	-	61,274,349	61,274,349
Other Capital Items	-	-	-	-	-
Individuals and retail customer deposits/participation funds	77,178,134	170,997,421	-	6,121	226,752,012
Stable deposit/participation fund	14,645,755	53,123,839	-	466	64,381,558
Low stability deposit/participation fund	62,532,379	117,873,582	-	5,655	162,370,454
Debts to other individuals	79,760,175	71,608,208	-	-	35,804,104
Operational deposit/participation fund	-	3,538,039	-	-	1,769,020
Other debts	79,760,175	68,070,169	-	-	34,035,084
Liabilities equivalent to interdependent assets					
Other liabilities	27,112,421	-	1,650,832	5,567,494	6,392,910
Derivative liabilities					
Other Capital Items and liabilities not listed above	27,112,421	-	1,650,832	5,567,494	6,392,910
Current Stable Fund					330,223,375
Required Stable Fund					
High-quality liquid assets					2,795,673
Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
Performing Receivables	-	14,808,406	159,478,571	124,212,819	186,607,664
Receivables from credit institutions or financial institutions, the collateral of which is a high-quality liquid asset	-	-	-	-	-
Receivables from credit institutions or financial institutions that are unsecured or whose collateral is not a high-quality liquid asset	-	14,808,406	4,448,214	617,436	5,062,804
Receivables from corporate customers, organizations, individuals and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	-	-	155,030,357	120,996,547	179,855,617
Receivables subject to a risk weighting of 35% or less	-	-	-	2,533,135	1,646,538
Receivables collateralized by a residential real estate mortgage	-	-	-	2,598,836	1,689,243
Receivables subject to a risk weighting of 35% or less	-	-	-	2,598,836	1,689,243
Stock exchange-traded stocks and debt instruments that do not qualify as high-quality liquid assets					
Assets equivalent to interdependent liabilities					
Other assets	20,064,793	1,128,161	-	7,954,364	29,097,086
Physically delivered commodities, including gold	283,196				240,717
Initial collateral of derivative contracts or guarantee fund given to the central counterparty				51,690	43,937
Derivative assets				994,922	994,922
The amount of derivative liabilities before deduction of the exchange collateral				81,549	81,549
Other assets not listed above	19,781,597	-	-	7,954,364	27,735,961
Off-balance sheet liabilities				219,632,452	10,981,623
Stable Fund Required					229,482,046
Net Stable Funding Rate (%)					143.89

(*) The items reported in the Demand column do not have a specific maturity. These include, but are not limited to, capital items that do not have a specific maturity, demand deposits, short positions, positions with uncertain futures, stocks that are not high-quality liquid assets, and physically delivered commodities.

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Net Stable Funding Rate: (continued)

Prior Period	Based on the remaining maturity, the amount to which the consideration rate has not been applied				
	Demand (*)	Term Shorter Than 6 Months	6 Months and Longer than 6 Months and Shorter than 1 Year Term	1 Year and Longer Than 1 Year Term	Total amount with consideration rate applied
Current Stable Fund					
Capital Items	-	-	-	46,707,852	46,707,852
Tier 1 Capital and Tier 2 Capital	-	-	-	46,707,852	46,707,852
Other Capital Items	-	-	-	-	-
Individuals and retail customer deposits/participation funds	66,345,406	132,733,949	-	53,318	181,439,651
Stable deposit/participation fund	9,874,380	34,529,978	-	555	42,184,667
Low stability deposit/participation fund	56,471,026	98,203,971	-	52,763	139,254,984
Debts to other individuals	47,388,376	65,133,802	-	-	32,566,901
Operational deposit/participation fund	-	2,927,972	-	-	1,463,986
Other debts	47,388,376	62,205,830	-	-	31,102,915
Liabilities equivalent to interdependent assets					
Other liabilities	19,746,667	-	19,509,558	808,993	10,563,772
Derivative liabilities					
Other Capital Items and liabilities not listed above	19,746,667	-	19,509,558	808,993	10,563,772
Current Stable Fund					271,278,176
Required Stable Fund					
High-quality liquid assets					2,315,190
Operational deposits/participation funds deposited with credit institutions or financial institutions	-	-	-	-	-
Performing Receivables	-	20,087,806	126,786,439	85,930,314	138,993,831
Receivables from credit institutions or financial institutions, the collateral of which is a high-quality liquid asset	-	12,200,000	-	-	1,220,000
Receivables from credit institutions or financial institutions that are unsecured or whose collateral is not a high-quality liquid asset	-	7,887,806	3,064,307	5,267,601	7,982,925
Receivables from corporate customers, organizations, individuals and retail customers, central governments, central banks and public institutions other than credit institutions or financial institutions	-	-	123,722,132	79,023,737	128,725,571
Receivables subject to a risk weighting of 35% or less	-	-	-	1,528,359	993,433
Receivables collateralized by a residential real estate mortgage	-	-	-	1,638,976	1,065,335
Receivables subject to a risk weighting of 35% or less	-	-	-	1,638,976	1,065,335
Stock exchange-traded stocks and debt instruments that do not qualify as high-quality liquid assets					
Assets equivalent to interdependent liabilities					
Other assets	18,576,525	670,420	-	-	19,164,773
Physically delivered commodities, including gold	524,666				445,966
Initial collateral of derivative contracts or guarantee fund given to the central counterparty				23,149	19,677
Derivative assets				567,231	567,231
The amount of derivative liabilities before deduction of the exchange collateral				80,040	80,040
Other assets not listed above	18,051,859	-	-	-	18,051,859
Off-balance sheet liabilities				153,236,487	7,661,824
Stable Fund Required					168,135,618
Net Stable Funding Rate (%)					161.35

(*) The items reported in the Demand column do not have a specific maturity. These include, but are not limited to, capital items that do not have a specific maturity, demand deposits, short positions, positions with uncertain futures, stocks that are not high-quality liquid assets, and physically delivered commodities.

The net stable funding rate for the last three months, including the reporting period, is 141.47% (last quarter 2023: 166.82%).

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V. Explanations Related to Liquidity Risk Management and Liquidity Coverage Ratio (continued)

Net Stable Funding Rate: (continued)

The Bank's Net Stable Funding Rate (NSFR) declined from 166.82% to 141.47% on a standalone basis in the 4th quarter 2023- 2nd quarter 2024 period, but remained well above the regulatory requirements (100%). During the relevant period, the decrease in NSFR is mainly due to the increase in the loan portfolio and securities investments is greater than the increase in the deposit portfolio. The rapid growth in the loan portfolio, especially in the first quarter of the year, was part of the liquidity optimization strategy and the targeted levels in NSFR were reached. The balanced growth strategy in the deposit base and the increase in equity items made the increase in the Bank's assets possible. Following the monetary policy implemented in the second quarter of 2024, loan and deposit growth was limited and NSFR followed a horizontal course in the 2nd quarter.

VI. Explanations Related to Leverage Ratio

a) Information on issues that cause differences between current period and previous period leverage ratios:

The leverage ratio decreased due to the increase in on-balance sheet assets and off-balance sheet commitments.

b) Leverage ratio:

Assets on the balance sheet	Current Period (*)	Prior Period (*)
Assets on the balance sheet (Excluding derivative financial instruments and loan derivatives, including collaterals)	483,873,920	386,479,339
(Assets deducted from core capital)	(1,481,617)	(1,200,116)
Total risk amount for assets on the balance sheet	482,392,303	385,279,223
Derivative financial instruments and credit derivatives		
Renewal cost of derivative financial instruments and loan derivatives	4,658,890	4,238,669
Potential credit risk amount of derivative financial instruments and loan derivatives	2,437,740	1,484,227
Total risk amount of derivative financial instruments and loan derivatives	7,096,630	5,722,896
Financing transactions with securities or goods warranties		
Risk amount of financial transactions with securities or goods warranties (Excluding those in the balance sheet)	7,646,819	4,581,750
Risk amount arising from intermediated transactions	-	-
Total risk amount of financing transactions with securities or goods warranties	7,646,819	4,581,750
Off-the-balance sheet transactions		
Gross nominal amount of the off-balance sheet transactions	236,150,500	158,382,111
(Adjustment amount arising from multiplying by the credit conversion rate)	-	-
Total risk amount for off-balance sheet transactions	236,150,500	158,382,111
Capital and total risk		
Tier 1 Capital	36,146,973	33,598,560
Total risk amount	733,286,252	553,965,980
Leverage ratio		
Leverage ratio	4.9%	6.1%

(*) The amounts in the table are calculated by using the 3 months average amounts.

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VII. Explanations Related to Risk Management

Notes and explanations prepared in accordance with "the Communiqué on Disclosures about Risk Management to be Announced to Public by Banks" published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016 are presented in this section. The notes to be presented within the scope of Internal Rating-Based Approach ("IRB") have not been presented due to use of standard approach for the calculation of capital adequacy ratio by the Bank.

Overview of risk weighted amounts

	Risk Weighted Amounts		Minimum Capital Requirement
	Current Period	Prior Period	Current Period
Credit risk (excluding counterparty credit risk)	351,227,180	239,589,156	28,098,174
Of which Standardized approach	351,227,180	239,589,156	28,098,174
Of which Internal model approach	-	-	-
Counterparty credit risk	8,798,725	7,031,153	703,898
Of which standardized approach for counterparty credit risk	8,798,725	7,031,153	703,898
Of which internal model method	-	-	-
Equity positions in banking accounts under market-based approach	-	-	-
Equity investment in funds - look-through approach	-	-	-
Equity investment in funds - mandate-based approach	-	-	-
Equity investment in funds - 1250% weighted risk approach	-	-	-
Settlement risk	-	-	-
Securitization positions in banking accounts	-	-	-
Of which irb ratings-based approach	-	-	-
Of which irb supervisory formula approach	-	-	-
Of which sa/simplified supervisory formula approach	-	-	-
Market risk	9,062,418	8,105,978	724,993
Standardized approach	9,062,418	8,105,978	724,993
Internal model approaches	-	-	-
Operational risk	38,341,361	22,912,505	3,067,309
Of which Basic indicator approach	38,341,361	22,912,505	3,067,309
Of which Standard approach	-	-	-
Advanced measurement approach	-	-	-
Amounts below the thresholds for deduction (subject to a 250% risk weight)	-	-	-
Floor adjustment	-	-	-
Total	407,429,684	277,638,792	32,594,374

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VII. Explanations Related to Risk Management (continued)

Credit quality of assets

Current Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Provisions/depreciation and impairment	Net values
	Defaulted	Non-defaulted		
Loans	2,569,186	284,396,780	6,264,083	280,701,883
Debt securities	-	71,063,544	12,125	71,051,419
Off-balance sheet exposures	-	222,115,340	1,218,814	220,896,526
Total	2,569,186	577,575,664	7,495,022	572,649,828

Prior Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Provisions/depreciation and impairment	Net values
	Defaulted	Non-defaulted		
Loans	2,181,205	207,704,273	6,718,876	203,166,602
Debt securities	-	57,034,562	11,090	57,023,472
Off-balance sheet exposures	-	163,949,093	910,591	163,038,502
Total	2,181,205	428,687,928	7,640,557	423,228,576

Changes in stock of defaulted loans and debt securities

1 Defaulted loans and debt instruments as of 31 December 2023	2,181,205
2 Loans and debt securities that have defaulted since the last reporting period	1,923,863
3 Returned to non-defaulted status	-
4 Amounts written off (*)	(641,517)
5 Other changes (**)	(894,365)
6 Defaulted loans and debt securities as of 30 June 2024 (1+2-3-4-5)	2,569,186

(*) The Bank has derecognised TL 38,630 of its non-performing receivables. In addition, the portion of the Bank's non-performing receivables portfolio amounting to TL 602,887 with a provision of TL 477,934 was sold for TL 230,900 in 2024 and the sale proceeds were collected after the completion of the necessary procedures and the related non-performing receivables were derecognised.

(**) Includes collections during the period.

1 Defaulted loans and debt instruments as of 31 December 2022	2,625,892
2 Loans and debt securities that have defaulted since the last reporting period	1,783,803
3 Returned to non-defaulted status	-
4 Amounts written off (*)	(995,717)
5 Other changes (**)	(1,232,773)
6 Defaulted loans and debt securities as of 31 December 2023 (1+2-3-4-5)	2,181,205

(*) The Bank has derecognised TL 99,443 of its non-performing receivables. In addition, the portion of the Bank's non-performing receivables portfolio amounting to TL 896,274 with a provision of TL 747,165 was sold for TL 367,959 in 2024 and the sale proceeds were collected after the completion of the necessary procedures and the related non-performing receivables were derecognised.

(**) Includes collections during the period.

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VII. Explanations Related to Risk Management (continued)

Credit risk mitigation techniques

	Exposures unsecured: Valued amount in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
Current Period							
1 Loans	256,950,064	19,578,816	17,273,388	8,758,591	6,114,696	-	-
2 Debt Securities	71,065,118	-	-	-	-	-	-
3 Total	328,015,182	19,578,816	17,273,388	8,758,591	6,114,696	-	-
4 Of which defaulted	2,547,966	11,222	6,758	9,998	1,004	-	-

(*) In calculating the amount subject to credit risk; while calculating the evaluated amounts in foreign currency, the Central Bank foreign exchange buying rates as of 26 June 2023 were used in accordance with the Board decision numbered 10747 dated 12 December 2023.

	Exposures unsecured: Valued amount in accordance with TAS	Exposures secured by collateral	Exposures secured by collateral, of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives of which: secured amount
Prior Period							
1 Loans	186,579,517	14,672,845	13,201,392	7,146,212	4,546,415	-	-
2 Debt Securities	57,036,340	-	-	-	-	-	-
3 Total	243,615,857	14,672,845	13,201,392	7,146,212	4,546,415	-	-
4 Of which defaulted	2,129,015	41,635	27,011	10,555	117	-	-

(*) In calculating the amount subject to credit risk; while calculating the evaluated amounts in foreign currency, the Central Bank foreign exchange buying rates as of 30 December 2022 were used in accordance with the Board decision numbered 10496 dated 31 January 2023.

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VII. Explanations Related to Risk Management (continued)

Credit risk exposure and Credit Risk Mitigation (CRM) effects

Current Period	Credit conversion rate and credit amount before credit risk mitigation		Credit conversion rate and credit amount after credit risk mitigation		Risk weighted amounts and risk weighted amounts density	
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
Exposures to central governments or central banks	158,170,633	-	159,669,533	137,000	2,300,310	1%
Exposures to regional governments or local authorities	597,400	1,849	592,548	861	296,709	50%
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to institutions	13,713,647	5,530,990	13,667,286	3,403,223	5,229,434	31%
Exposures to corporates	105,080,786	70,524,815	102,857,267	39,054,273	137,114,255	97%
Retail exposures	73,404,801	125,618,854	71,312,741	12,302,737	63,762,724	76%
Exposures secured by residential property	7,419,338	1,025,325	7,419,338	452,463	2,755,130	35%
Exposures secured by commercial real estate	12,868,166	3,384,083	12,614,899	1,389,617	9,537,683	68%
Past-due loans	742,244	327,617	754,984	120,279	729,697	83%
Higher-risk categories by the Agency Board	67,721,048	-	67,697,870	-	118,610,220	175%
Exposures in the form of covered bonds	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
Other assets	19,411,585	3,165,349	19,411,583	4	10,373,617	53%
Investments in equities	517,402	-	517,401	-	517,401	100%
Total	459,647,050	209,578,882	456,515,450	56,860,457	351,227,180	68%

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VII. Explanations Related to Risk Management (continued)

Credit risk exposure and Credit Risk Mitigation (CRM) effects

Prior Period	Credit conversion rate and credit amount before credit risk mitigation		Credit conversion rate and credit amount after credit risk mitigation		Risk weighted amounts and risk weighted amounts density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
Risk classes						
Exposures to central governments or central banks	126,925,090	-	127,645,090	-	1,753,945	1%
Exposures to regional governments or local authorities	374,705	6,557	340,904	3,190	172,052	50%
Exposures to public sector entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to institutions	8,478,242	5,360,939	8,478,241	4,025,743	4,464,571	36%
Exposures to corporates	66,774,692	48,637,682	65,577,790	25,205,169	87,958,321	97%
Retail exposures	58,643,242	70,745,307	57,010,439	8,349,726	50,547,051	77%
Exposures secured by residential property	4,930,336	787,370	4,930,337	353,927	1,849,492	35%
Exposures secured by commercial real estate	9,068,901	2,823,826	8,799,003	1,230,380	6,568,460	65%
Past-due loans	603,476	115,949	603,382	32,999	415,467	65%
Higher-risk categories by the Agency Board	45,162,514	-	45,142,217	-	77,993,207	173%
Exposures in the form of covered bonds	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	-	-	-	-
Other assets	15,850,988	8,555,673	15,850,971	4	7,473,967	47%
Investments in equities	392,622	-	392,622	-	392,622	100%
Total	337,204,808	137,033,303	334,770,996	39,201,138	239,589,155	64%

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VII. Explanations Related to Risk Management (continued)

Receivables by risk classes and risk weights

													Total credit risk exposure amount (after CCF and CRM)
Current Period						50% secured by real estate							
Risk Classes / Risk Weights	0%	10%	20%	25%	35%	(*)	75%	100%	150%	250%	500%	Other (**)	
1 Exposures to governments or central banks	157,506,223	-	-	-	-	-	-	2,300,310	-	-	-	-	159,806,533
2 Exposures to regional governments or local authorities	-	-	-	-	-	593,400	-	9	-	-	-	-	593,409
3 Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Exposures to banks and financial intermediaries	-	-	11,187,689	-	-	5,800,169	-	64,332	18,319	-	-	-	17,070,509
7 Exposures to corporates	-	-	492,883	-	-	8,805,959	-	132,612,698	-	-	-	-	141,911,540
8 Retail exposures	-	-	25	-	-	13,348	79,384,239	4,217,866	-	-	-	-	83,615,478
9 Exposures secured by residential property	-	-	-	-	7,871,801	-	-	-	-	-	-	-	7,871,801
10 Exposures secured by commercial real estate	-	-	-	-	-	8,933,666	-	5,070,850	-	-	-	-	14,004,516
11 Past-due loans	-	-	-	-	-	561,404	-	131,514	169,784	-	12,561	-	875,263
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	36,365,611	-	465,762	30,866,497	67,697,870
13 Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Exposures in the form of units or shares in collective	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Investments in equities	-	-	-	-	-	-	-	517,401	-	-	-	-	517,401
17 Other assets	8,872,362	-	206,941	-	-	-	219	10,332,065	-	-	-	-	19,411,587
18 Total	166,378,585	-	11,887,538	-	7,871,801	24,707,946	79,384,458	155,247,045	36,553,714	-	478,323	30,866,497	513,375,907

(*) The amount shown on the line of “Exposures secured by commercial real estate” is “Exposures secured by real estate” and other amounts shown on this column represented exposures subject to 50% risk weight.

(**) In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision) and shown in the “Others” column.

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VII. Explanations Related to Risk Management (continued)

Receivables by risk classes and risk weights

Prior Period Risk Classes / Risk Weights		0%	10%	20%	25%	35%	50% secured by real estate (*)	75%	100%	150%	250%	500%	Other (**)	Total credit risk exposure amount (after CCF and CRM)
1	Exposures to governments or central banks	125,891,145	-	-	-	-	-	-	1,753,945	-	-	-	-	127,645,090
2	Exposures to regional governments or local authorities	-	-	-	-	-	344,084	-	10	-	-	-	-	344,094
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and financial intermediaries	-	-	6,287,266	-	-	6,092,490	-	50,939	73,289	-	-	-	12,503,984
7	Exposures to corporates	-	-	113,553	-	-	5,467,593	-	85,201,813	-	-	-	-	90,782,959
8	Retail exposures	-	-	7,071	-	-	14,934	59,199,962	6,138,198	-	-	-	-	65,360,165
9	Exposures secured by residential property	-	-	-	-	5,284,264	-	-	-	-	-	-	-	5,284,264
10	Exposures secured by commercial real estate	-	-	-	-	-	6,921,847	-	3,107,536	-	-	-	-	10,029,383
11	Past-due loans	-	-	-	-	-	451,811	-	174,588	9,982	-	-	-	636,381
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	27,145,390	-	427,156	17,569,671	-	45,142,217
13	Exposures in the form of covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of units or shares in collective	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	392,622	-	-	-	-	392,622
17	Other assets	8,309,945	-	83,826	-	-	-	4	7,457,200	-	-	-	-	15,850,975
18	Total	134,201,090	-	6,491,716	-	5,284,264	19,292,759	59,199,966	104,276,851	27,228,661	-	427,156	17,569,671	373,972,134

(*) The amount shown on the line of “Exposures secured by commercial real estate” is “Exposures secured by real estate” and other amounts shown on this column represented exposures subject to 50% risk weight.

(**) In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision) and shown in the “Others” column.

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VIII. Explanations Related to Credit Risk

Analysis of counterparty credit risk (CCR) exposure by approach

Current Period	Replacement cost	Potential future exposure	EEPE (*)	Alpha used for Computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Amounts
Standardized approach - CCR (for derivatives) (**)	2,784,295	2,271,303		1.4	4,955,695	4,380,112
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple approach for credit mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive approach for credit risk mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					8,773,926	2,407,029
Total						6,787,141

(*) Effective Expected Positive Exposure

(**) CSD obligations and transactions with the CCP are excluded.

Prior Period	Replacement cost	Potential future exposure	EEPE (*)	Alpha used for Computing regulatory Exposure at Default	Exposure at Default post Credit Risk Mitigation	Risk Weighted Amounts
Standardized approach - CCR (for derivatives)	1,350,406	1,376,928		1.4	2,710,248	2,064,377
Internal Model Method (for derivatives, repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
Simple approach for credit mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
Comprehensive approach for credit risk mitigation (for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
VaR for repo transactions, marketable securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					7,263,300	3,631,653
Total						5,696,030

(*) Effective Expected Positive Exposure

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VIII. Explanations Related to Credit Risk (continued)

Credit valuation adjustment (CVA) capital charge

Current Period	Exposure at default post-credit risk mitigation	Risk weighted amounts
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) VaR component (including the 3×multiplier)		-
(ii) Stressed VaR component (including the 3×multiplier)		-
All portfolios subject to the Standardized CVA capital charge	4,955,695	1,980,191
Total subject to the CVA capital charge	4,955,695	1,980,191

Prior Period	Exposure at default post-credit risk mitigation	Risk weighted amounts
Total portfolios subject to the Advanced CVA capital charge	-	-
(i) VaR component (including the 3×multiplier)		-
(ii) Stressed VaR component (including the 3×multiplier)		-
All portfolios subject to the Standardized CVA capital charge	2,710,248	1,315,620
Total subject to the CVA capital charge	2,710,248	1,315,620

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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VIII. Explanations Related to Credit Risk (continued)

Counterparty credit risk by risk classes and risk weights

Current Period											
Risk Weights / Risk Classes	%0	%2	%10	%20	%50	%75	%100	%150	%500	Diğer	Total credit risk (*)
Claims from central governments and central banks	302,286	-	-	-	-	-	-	-	-	-	302,286
Claims from regional and local governments	-	-	-	-	-	-	-	-	-	-	-
Claims from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-	-
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-	-
Claims from banks and financial intermediaries	-	1,476,772	-	6,120,606	3,376,416	-	-	-	-	-	10,973,794
Corporates	-	-	-	286	15,265	-	3,727,254	-	-	-	3,742,805
Retail portfolios	-	-	-	853	1,182	185,474	-	-	-	-	187,509
Other assets	-	-	-	-	-	-	-	-	-	-	-
Total	302,286	1,476,772	-	6,121,745	3,392,863	185,474	3,727,254	-	-	-	15,206,394

(*) Total credit risk: The amount relevant for the capital requirements calculation after applying counterparty credit risk measurement techniques

Prior Period											
Risk Weights / Risk Classes	%0	%2	%10	%20	%50	%75	%100	%150	%500	Diğer	Total credit risk (*)
Claims from central governments and central banks	466,650	-	-	-	-	-	-	-	-	-	466,650
Claims from regional and local governments	-	-	-	-	-	-	-	-	-	-	-
Claims from administration and non-commercial entity	-	-	-	-	-	-	-	-	-	-	-
Claims from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
Claims from international organizations	-	-	-	-	-	-	-	-	-	-	-
Claims from banks and financial intermediaries	-	855,980	-	23,075	7,564,930	-	-	-	-	-	8,443,985
Corporates	-	-	-	1,860	-	-	1,883,211	-	-	-	1,885,071
Retail portfolios	-	-	-	-	-	33,822	-	-	-	-	33,822
Other assets	-	-	-	-	-	-	-	-	-	-	-
Total	466,650	855,980	-	24,935	7,564,930	33,822	1,883,211	-	-	-	10,829,528

(*) Total credit risk: The amount relevant for the capital requirements calculation after applying counterparty credit risk measurement techniques

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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VIII. Explanations Related to Credit Risk (continued)

Composition of collateral for counterparty credit risk exposure

Current Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given (*)
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	855,856	-	-	-	1,103,668
Cash – other currencies	-	1,062	-	274,055	-	-
Government bonds/bills - domestic	-	-	-	-	-	-
Government bonds/bills - other	-	-	-	-	-	-
Government agency bonds/bills	-	-	-	-	-	-
Corporate bonds/bills	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	856,918	-	274,055	-	1,103,668

(*)Collaterals given to the CCP create credit risk with a risk weight of 2%.

Prior Period	Collateral used in derivative transactions				Collateral used in other transactions	
	Collateral received		Collateral given		Collateral received	Collateral given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency	-	1,618,392	-	-	-	689,592
Cash – other currencies	-	105,433	-	250,698	-	-
Government bonds/bills - domestic	-	-	-	-	-	-
Government bonds/bills - other	-	-	-	-	-	-
Government agency bonds/bills	-	-	-	-	-	-
Corporate bonds/bills	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	1,723,825	-	250,698	-	689,592

Credit derivatives

None (31 December 2023 None).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VIII. Explanations Related to Credit Risk (continued)

Exposures to Central Counterparties

	Current Period		Prior Period	
	Risk Amount After CRA	RAT	Risk Amount After CRA	RAT
Total risks arising from transactions with qualified CCPs		9,320		5,711
Regarding the risks arising from transactions in the CCP (excluding initial margin and guarantee fund amount)	-	-	-	-
(i) OTC derivative financial instruments	373,105	7,462	166,388	3,328
(ii) Other derivative financial instruments	-	-	-	-
(iii) Repo-reverse repo transactions, securities on credit transactions and securities or commodity lending or borrowing transactions	-	-	-	-
(iv) Netting groups to which cross product netting is applied	-	-	-	-
Reserved initial margin	-		-	
Unallocated initial margin	-		-	
Paid guarantee fund amount	70,232	1,858	99,300	2,383
Unpaid guarantee fund commitment	-	-	-	-
Total risks arising from transactions with non-qualified CCPs		-		-
Regarding the risks arising from transactions in the CCP (excluding initial margin and guarantee fund amount)	-	-	-	-
(i) OTC derivative financial instruments	-	-	-	-
(ii) Other derivative financial instruments	-	-	-	-
(iii) Repo-reverse repo transactions, securities on credit transactions and securities or commodity lending or borrowing transactions	-	-	-	-
(iv) Netting groups to which cross product netting is applied	-	-	-	-
Reserved initial margin	-	-	-	-
Unallocated initial margin	-		-	
Paid guarantee fund amount	-	-	-	-
Unpaid guarantee fund commitment	-	-	-	-

IX. Securitization Disclosures

Since the Parent Bank does not hold securitization position, the notes to be presented according to the "Communiqué on Disclosures about Risk Management to be announced to Public by Banks" have not been presented.

X. Explanations Related to Market Risk

	Risk Weighted Amounts Current Period	Risk Weighted Amounts Prior Period
Outright products		
Interest rate risk (general and specific)	5,104,167	2,554,246
Equity risk (general and specific)	-	-
Foreign exchange risk	1,200,348	2,935,826
Commodity risk	1,850,740	1,866,568
Options		
Simplified approach	-	-
Delta-plus method	907,163	749,338
Scenario approach	-	-
Securitization	-	-
Total	9,062,418	8,105,978

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Disclosures Related to the Assets

1.a) Information on Cash and Balances with the Central Bank of the Republic of Türkiye:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	1,498,504	9,136,480	1,034,157	11,238,000
Balances with the Central Bank of Türkiye	45,012,138	48,912,206	39,555,867	52,128,885
Other	-	285,061	-	527,629
Total	46,510,642	58,333,747	40,590,024	63,894,514

b) Information related to the account of the Central Bank of the Republic of Türkiye:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	31,094,611	-	18,986,133	-
Unrestricted Time Deposit	-	22,450,215	17,283,685	28,228,037
Restricted Time Deposit	13,917,527	26,461,991	3,286,049	23,900,848
Total	45,012,138	48,912,206	39,555,867	52,128,885

As of 30 June 2024, the applicable rates for the reserve requirements established at the CBRT are between 3% and 33% (31 December 2023: between 0% and 30%) in Turkish Lira, and between 5% and 30% in foreign currency, depending on the maturity structure (31 December 2023: between 5% and 30%). The rate of Turkish currency held for foreign currency is 8%.

2. Information on financial assets at fair value through profit or loss (net):

- Information on financial assets at fair value through profit or loss given as collateral / blocked: None (31 December 2023: None).
- Financial assets at fair value through profit or loss subject to repurchase agreements: None (31 December 2023: None).

Net book value of unrestricted financial assets at fair value through profit or loss is TL 2,413,717 (31 December 2023: TL 588,465).

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Debt Securities	1,924,580	489,137	242,988	345,477
Securities Representing Share in Capital	149,202	182,305	109,256	164,734
Other Financial Assets	-	179,987	-	150,116
Total	2,073,782	851,429	352,244	660,327

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

3. Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	1,083,759	32,264	213,972	94,335
Swap Transactions	1,162,945	467,979	1,237,871	524,285
Futures Transactions	-	-	-	-
Options	494,157	470,304	483,792	418,807
Other	-	-	-	-
Total	2,740,861	970,547	1,935,635	1,037,427

4. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	1,163	873	1,305,465	795
Foreign	669,334	9,213,752	302,205	5,586,120
Foreign Head Offices and Branches	-	-	-	-
Total	670,497	9,214,625	1,607,670	5,586,915

An expected loss provision of TL 46,347 (31 December 2023: TL 45,340) has been set aside for receivables from banks.

5. Information on financial assets at fair value through other comprehensive income:

a.1) Information on financial assets at fair value through other comprehensive income given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury Bill and Similar Investment Securities	3,658,427	-	3,751,191	-
Other	-	-	-	-
Total	3,658,427		3,751,191	

a.2) Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bonds	1,352,611	2,775,544	996,753	2,649,642
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	1,352,611	2,775,544	996,753	2,649,642

The book value of debt securities and equity securities in unrestricted financial assets at fair value through other comprehensive income is TL 203,929 (31 December 2023: TL 427,853).

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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I. Explanations and Disclosures Related to the Assets (continued)

5. Information on financial assets at fair value through other comprehensive income (continued):

b.1) Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt Securities	7,901,479	7,743,104
Quoted on a Stock Exchange	7,834,854	7,670,426
Unquoted on a Stock Exchange	66,625	72,678
Equity Securities	89,032	82,335
Quoted on a Stock Exchange	-	-
Unquoted on a Stock Exchange	89,032	82,335
Impairment Provision (-)	-	-
Total	7,990,511	7,825,439

An expected loss provision of TL 1,574 (31 December 2023: TL 1,778) has been reserved for financial assets at fair value through other comprehensive income.

6. Information on loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	-	790,982	-	1,607,169
Corporate Shareholders	-	790,982	-	1,607,169
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	442,482	-	341,242	-
Total	442,482	790,982	341,242	1,607,169

b) Information on the standard loans and loans under close monitoring and restructured loans under close monitoring:

Current Period:

		Loans under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Restructuring	
Cash Loans	Standard Loans		Loans with Revised Contract Terms	Refinancing
Non-Specialized Loans	263,578,345	19,660,960	134,942	1,022,533
Working Capital Loans	33,531,355	2,684,164	-	874,998
Export Loans	58,690,277	593,317	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	7,476,873	9,177	-	-
Consumer Loans	36,164,427	6,662,156	18,208	74,601
Credit Cards	28,296,989	4,816,227	112,990	-
Other	99,418,424	4,895,919	3,744	72,934
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	263,578,345	19,660,960	134,942	1,022,533

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

b) Information on the Standard Loans and Loans under Close Monitoring and restructured loans under close monitoring:
(continued)

Prior Period:

Cash Loans	Standard Loans	Loans under Close Monitoring		
		Not Under the Scope of Restructuring	Loans Under Restructuring	
			Loans with Revised Contract Terms	Refinancing
Non-Specialized Loans	192,710,647	13,917,088	82,658	993,880
Working Capital Loans	18,799,021	3,316,949	-	843,000
Export Loans	45,631,545	189,599	-	772
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,595,877	8,401	-	-
Consumer Loans	32,135,421	5,307,828	28,012	77,199
Credit Cards	21,143,243	2,896,900	51,297	-
Other	69,405,540	2,197,411	3,349	72,909
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	192,710,647	13,917,088	82,658	993,880

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	872,026	-	687,130	-
Significant increase in Credit Risk	-	3,564,716	-	4,465,775
Total	872,026	3,564,716	687,130	4,465,775

Aging analysis for loans under close monitoring

30 June 2024	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	370,300	136,237	57,423	563,960
Consumer Loans	1,647,337	346,747	726,782	2,720,866
Credit Cards	1,031,981	619,113	477,293	2,128,387
Total	3,049,618	1,102,097	1,261,498	5,413,213
31 December 2023	1-30 Days	31-60 Days	61-90 Days	Total
Loans and Receivables				
Commercial Loans	100,292	19,299	137,509	257,100
Consumer Loans	1,099,934	229,895	541,569	1,871,398
Credit Cards	370,971	268,744	218,052	857,767
Total	1,571,197	517,938	897,130	2,986,265

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

c) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	15,563,998	23,010,167	38,574,165
Housing Loans	14,194	2,578,198	2,592,392
Vehicle Loans	441,424	967,915	1,409,339
General Purpose Loans	15,108,380	19,464,054	34,572,434
Other	-	-	-
Consumer Loans -Indexed to FC	-	5,986	5,986
Housing Loans	-	5,986	5,986
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	21,336	21,336
Housing Loans	-	1,734	1,734
Vehicle Loans	-	8,302	8,302
General Purpose Loans	-	11,300	11,300
Other	-	-	-
Individual Credit Cards-TL	27,283,007	76,709	27,359,716
With Instalments	6,975,423	76,709	7,052,132
Without Instalments	20,307,584	-	20,307,584
Individual Credit Cards-FC	121,946	-	121,946
With Instalments	-	-	-
Without Instalments	121,946	-	121,946
Personnel Loans-TL	157,685	121,742	279,427
Housing Loans	-	89	89
Vehicle Loans	-	-	-
General Purpose Loans	157,685	121,653	279,338
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	148,370	83	148,453
With Instalments	42,784	83	42,867
Without Instalments	105,586	-	105,586
Personnel Credit Cards-FC	2,189	-	2,189
With Instalments	-	-	-
Without Instalments	2,189	-	2,189
Overdraft Accounts-TL (Real Persons) (*)	4,038,462	-	4,038,462
Overdraft Accounts-FC (Real Persons)	16	-	16
Total	47,315,673	23,236,023	70,551,696

(*) Overdraft accounts include personnel loans amounting to TL 12,413.

(**) Loans granted via branches abroad.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

c) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:
(continued)

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	8,681,383	26,373,938	35,055,321
Housing Loans	2,514	2,839,333	2,841,847
Vehicle Loans	508,394	959,933	1,468,327
General Purpose Loans	8,170,475	22,574,672	30,745,147
Other	-	-	-
Consumer Loans –Indexed to FC	-	6,330	6,330
Housing Loans	-	6,330	6,330
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC (**)	-	14,982	14,982
Housing Loans	-	2,543	2,543
Vehicle Loans	-	-	-
General Purpose Loans	-	12,439	12,439
Other	-	-	-
Individual Credit Cards-TL	19,129,345	41,355	19,170,700
With Instalments	7,138,988	41,355	7,180,343
Without Instalments	11,990,357	-	11,990,357
Individual Credit Cards-FC	60,541	-	60,541
With Instalments	-	-	-
Without Instalments	60,541	-	60,541
Personnel Loans-TL	87,228	135,071	222,299
Housing Loans	-	143	143
Vehicle Loans	-	-	-
General Purpose Loans	87,228	134,928	222,156
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	108,846	16	108,862
With Instalments	45,205	16	45,221
Without Instalments	63,641	-	63,641
Personnel Credit Cards-FC	917	-	917
With Instalments	-	-	-
Without Instalments	917	-	917
Overdraft Accounts-TL (Real Persons) (*)	2,249,528	-	2,249,528
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	30,317,788	26,571,692	56,889,480

(*) Overdraft accounts include personnel loans amounting to TL 9,164.

(**) Loans granted via branches abroad.

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

d) Information on commercial loans with instalments and corporate credit cards:

Current Period	Short-Term	Medium and Long-Term	Total
Commercial Loans with Instalment – TL	7,919,048	31,567,718	39,486,766
Business Loans	970	76,877	77,847
Vehicle Loans	840,243	7,994,842	8,835,085
General Purpose Loans	7,077,835	23,495,999	30,573,834
Other	-	-	-
Commercial Loans with Instalment - Indexed to FC	-	3,328	3,328
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	3,328	3,328
Other	-	-	-
Commercial Loans with Instalment – FC	1,223	-	1,223
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	1,223	-	1,223
Other	-	-	-
Corporate Credit Cards-TL	5,572,836	8,180	5,581,016
With Instalments	1,114,942	8,180	1,123,122
Without Instalments	4,457,894	-	4,457,894
Corporate Credit Cards-FC	12,886	-	12,886
With Instalments	-	-	-
Without Instalments	12,886	-	12,886
Overdraft Accounts-TL (Legal Entities)	1,355,540	-	1,355,540
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	14,861,533	31,579,226	46,440,759
Prior Period	Short-Term	Medium and Long-Term	Total
Commercial Loans with Instalment – TL	6,285,919	16,466,506	22,752,425
Business Loans	-	74,389	74,389
Vehicle Loans	457,510	3,219,119	3,676,629
General Purpose Loans	5,828,409	13,172,998	19,001,407
Other	-	-	-
Commercial Loans with Instalment - Indexed to FC	-	9,576	9,576
Business Loans	-	3,387	3,387
Vehicle Loans	-	-	-
General Purpose Loans	-	6,189	6,189
Other	-	-	-
Commercial Loans with Instalment – FC	566	-	566
Business Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	566	-	566
Other	-	-	-
Corporate Credit Cards-TL	4,714,470	24,480	4,738,950
With Instalments	1,169,402	24,480	1,193,882
Without Instalments	3,545,068	-	3,545,068
Corporate Credit Cards-FC	11,470	-	11,470
With Instalments	-	-	-
Without Instalments	11,470	-	11,470
Overdraft Accounts-TL (Legal Entities)	941,417	-	941,417
Overdraft Accounts-FC (Legal Entities)	-	-	-
Total	11,953,842	16,500,562	28,454,404

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

e) Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	283,321,152	206,871,036
Foreign Loans	1,075,628	833,237
Total	284,396,780	207,704,273

f) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct Loans to Subsidiaries and Associates	-	277,413
Indirect Loans to Subsidiaries and Associates	-	-
Total	-	277,413

g) Specific or non-performing loan (Stage 3) provisions for loans:

	Current Period	Prior Period
Loans with Limited Collectability	668,557	332,737
Loans with Doubtful Collectability	495,968	289,351
Uncollectible Loans	662,816	943,883
Total	1,827,341	1,565,971

h) Information on non-performing loans (Net):

h.1) Information on non-performing loans and restructured loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectable Loans
Current Period			
Gross Amounts before Provisions	107,939	48,563	23,091
Restructured Loans	107,939	48,563	23,091
Prior Period			
Gross Amounts before Provisions	61,062	36,088	27,630
Restructured Loans	61,062	36,088	27,630

h.2) Movement of non-performing loans:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectable Loans
Prior Period End Balance	495,870	435,385	1,249,950
Additions during the Period (+)	1,877,633	6,733	39,497
Transfers from other accounts of Non-performing (+)	-	1,115,458	304,665
Transfers to other accounts of Non-performing (-)	1,115,458	304,665	-
Collections during the Period (-)	297,821	168,779	427,988
Write-Offs (-)	-	-	38,630
Sold (-) (*)	77	347,485	255,325
Corporate and Commercial Loans	4	2,241	13,278
Retail Loans	1	203,889	170,645
Credit Cards	72	141,355	71,402
Other	(1,761)	(105)	2,089
Current Period End Balance	958,386	736,542	874,258
Provision (-)	668,557	495,968	662,816
Net Balances on Balance Sheet	289,829	240,574	211,442

(*) The portion of the Bank's non-performing receivables portfolio amounting to TL 602,887 with a provision of TL 477,934 was sold for TL 230,900 in 2024 and the sale proceeds were collected after the completion of the necessary procedures and the related non-performing receivables were derecognised.

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

h) Information on non-performing loans (Net) (continued) :

h.3) Information on non-performing loans arising from foreign currency loans:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectable Loans and Receivables
30 June 2024			
Period End Balance	500	2,327	47,253
Provision Amount (-)	101	988	41,510
Net Balance on Balance Sheet	399	1,339	5,743
31 December 2023			
Period End Balance	95,542	6,216	75,789
Provision Amount (-)	78,190	2,508	56,563
Net Balance on Balance Sheet	17,352	3,708	19,226

h.4) Information on gross and net amounts of non-performing loans according to user groups:

	Group III Loans and Receivables with Limited Collectability	Group IV Loans and Receivables with Doubtful Collectability	Group V Uncollectable Loans and Receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	958,386	736,542	874,258
Provision Amount (-)	668,557	495,968	662,816
Loans to Real Persons and Legal Entities (Net)	289,829	240,574	211,442
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	495,870	435,385	1,249,950
Provision Amount (-)	332,737	289,351	943,883
Loans to Real Persons and Legal Entities (Net)	163,133	146,034	306,067
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

h.5) Information on interest accruals, rediscounts and valuation differences calculated for non-performing receivables and their provisions:

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectable Loans
Current Period (Net)	1,511	1,932	-
Interest Accruals, Rediscounts and Valuation Differences	135,116	124,148	282,130
Provision Amount (-)	133,605	122,216	282,130
Prior Period (Net)	1,901	1,011	187
Interest Accruals, Rediscounts and Valuation Differences	58,525	57,600	352,139
Provision Amount (-)	56,624	56,589	351,952

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FOR THE PERIOD ENDED 30 JUNE 2024**

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I. Explanations and Disclosures Related to the Assets (continued)

6. Information on loans: (continued)

i) Explanations on write-off policy:

Group 5 - Loans classified as Bad Debt, with at least one reporting period remaining in this group, and provided with life-long expected credit loss provision due to the debtor's default, constitute the bank's loans to be written-off. Write-off is an accounting practice and does not result in giving up the right on the receivable. Loans which are written-off do not affect the legal follow-up of the Parent Bank. Indicators are utilized concerning the absence of reasonable expectations regarding the recovery of loans. The write-off is examined on an incident basis with predefined criteria. And the following write-off criteria are considered:

- Limited possibility of recovery: Loans with low collateralization rates, limited collateral capability, limited assets that provide foreclosure collection opportunities, loans with higher collection costs and lower collection expectations are evaluated.
- Financial indicators: Financial indicators that show that the entire loan does not have the ability to recover, or that the monetary cost to be incurred due to lawsuits/prosecution to be filed is higher than the collection to be made, are evaluated.
- Long-term follow-up: Loans which do not have reasonable collection expectations, among the loans that have been in legal follow-up for a long time, are evaluated,

The following applications regarding the loans which is under follow-up and written-off cannot be different from registered loans.

- a) The methods applied for legal collection of loans from debtors,
- b) Decisions regarding the inclusion to the non-performing loans sale,
- c) Decisions to waive the receivables by waiving the loans.

The amount written-off by the Parent Bank within the scope of TFRS 9 during the financial period is TL 38,630 (31 December 2023: TL 99,443) and its effect on NPL ratio is 0.01% (31 December 2023: 0.05%). The follow-up conversion rate is 0.90% (31 December 2023: 1.04%) with the current period non-performing loans after write-offs, while the calculated rate including the loans written-off during the year is 0.91% (31 December 2023: 1.09%).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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I. Explanations and Disclosures Related to the Assets (continued)

7. Information on financial assets measured at amortized cost:

- a) a.1) Information on financial assets measured at amortized cost and subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	39,305,642	12,604,897	14,269,209	14,639,935
Total	39,305,642	12,604,897	14,269,209	14,639,935

- a.2) Information on financial assets measured at amortized cost and given as collateral / blocked:

	Current Period		Prior Period	
	TL	FC	TL	FC
Equity Securities	-	-	-	-
Bond, Treasury bill and similar investment securities	5,019,630	-	17,933,295	-
Other	-	-	-	-
Total	5,019,630	-	17,933,295	-

Unrestricted financial assets measured at amortized cost are TL 6,231,896 (31 December 2023: TL 2,449,019).

- a.3) Information on government debt securities measured at amortized cost:

	Current Period	Prior Period
Government Bonds	63,162,065	49,291,458
Treasury Bills	-	-
Other Public Sector Debt Securities	-	-
Total	63,162,065	49,291,458

An expected loss provision of TL 12,125 (31 December 2023: TL 11,090) is reserved for government debt securities classified in amortized cost portfolio.

- a.4) Information on financial assets measured at amortized cost:

	Current Period	Prior Period
Debt securities	63,162,065	49,291,458
Quoted on a Stock Exchange	63,162,065	49,291,458
Unquoted on a Stock Exchange	-	-
Impairment Provision (-)	-	-
Total	63,162,065	49,291,458

- a.5) Movement of financial assets measured at amortized cost:

	Current Period	Prior Period
Balance at the Beginning of the Period	49,291,458	40,455,936
Foreign Currency Differences on Monetary Assets	1,013,416	5,539,588
Purchases During the Year	14,611,465	15,451,927
Disposals Through Sales and Redemptions	(3,673,018)	(9,541,486)
Impairment Provision (-)	-	-
Valuation Effect(*)	1,918,744	(2,614,507)
Closing Balance	63,162,065	49,291,458

(*) Includes accrual amounts too.

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I. Explanations and Disclosures Related to the Assets (continued)

8. Information on associates (Net):

- a.1) Information on unconsolidated associates according to Communiqué on Preparing Banks' Consolidated Financial Statements and related Turkish Accounting Standard: None (31 December 2023: None).
- a.2) Information on the unconsolidated associates: None (31 December 2023: None).
- a.3) Information on the consolidated associates: None (31 December 2023: None).
- a.4) Information on sector information on consolidated associates: None (31 December 2023: None).
- a.5) Consolidated associates which are quoted on the stock exchange: None (31 December 2023: None).

9. Information on subsidiaries (Net):

- a) Information on shareholders' equity of significant subsidiaries:

Subsidiaries do not use internal capital adequacy assessment approach.

	TEB Factoring A.Ş.	TEB Yatırım Menkul Değerler A.Ş.	TEB Portföy Yönetimi A.Ş.	TEB Finansman A.Ş.
Paid-in capital to be entitled for compensation after all creditors	50,000	28,794	30,000	71,626
Reserves	772,369	33,843	5,088	674,138
Net income for the period and prior period income	242,057	1,037,200	275,455	88,919
Income/ Loss recognized under equity in accordance with TAS	-	-	(19)	-
Leasehold improvements on operational leases (-)	5,518	587	2,133	607
Goodwill and intangible asset and the related deferred tax liability (-)	18,475	18,164	3,164	5,081
Total Common Equity Tier 1 Capital	1,040,433	1,081,086	305,227	828,995
Provisions	19,390	-	-	5,392
Equity	1,059,823	1,081,086	305,227	834,387

- b) If there is any unconsolidated subsidiary, total equity amount that is lack of subjection to the reasonable justifications of non-consolidate and minimum capital requirement: None (31 December 2023: None).
- c) Information on the unconsolidated subsidiaries: None (31 December 2023: None).
- d) Information on the consolidated subsidiaries:

- d.1) Information on the consolidated subsidiaries:

Unvanı	Address (City/ Country)	The Bank's share percentage-If different voting percentage (%)	Other shareholders' share percentage (%)
1 TEB Faktoring A.Ş.	İstanbul/Türkiye	100.00	-
2 TEB Yatırım Menkul Değerler A.Ş. (*)	İstanbul/Türkiye	96.62	3.38
3 TEB Portföy Yönetimi A.Ş. (*)	İstanbul/Türkiye	25.60	29.14
4 TEB Finansman A.Ş.	İstanbul/Türkiye	100.00	-

Information on the consolidated subsidiaries with the order as presented in the table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income on Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit/Loss (**)	Fair Value
1	14,978,337	1,064,426	32,664	2,058,312	-	242,057	190,422	-
2	1,736,705	1,099,837	21,851	547,783	-	284,600	132,144	-
3	395,901	310,524	17,412	11,209	41	144,772	39,810	-
4	3,378,160	834,683	9,170	675,478	-	89,347	90,441	-

(*) Amounts adjusted according to the BRSA's financial statements prepared for consolidation as of 30 June 2024. Within the framework of BRSA regulations, it includes values as of 30 June 2024, which have not been subjected to inflation accounting.

(**) These are the amounts adjusted according to the financial statements prepared by the BRSA for consolidation as of 30 June 2023, which have not been subjected to inflation accounting.

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I. Explanations and Disclosures Related to the Assets (continued)

9. Information on subsidiaries (Net): (continued)

d) Information on consolidated financial subsidiaries.

d.2) Information on consolidated financial subsidiaries: (continued)

	Current Period	Prior Period
Balance at the Beginning of the Period	278,971	115,986
Movements during the Period	-	162,985
Purchases (*)	-	162,985
Bonus Shares Obtained	-	-
Share in Current Year Income	-	-
Sales	-	-
Revaluation Increase/(Decrease)	-	-
Provisions for Impairment	-	-
Balance at the end of the period	278,971	278,971
Capital commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) As of 4 November 2022, for the acquisition of 61,300,800 shares of BNP Paribas Personal Finance S.A. from a total of 71,626,000 registered shares in the capital of TEB Finansman A.Ş. and (ii) of 10,325,200 shares owned by TEB Holding A.Ş. by Türk Ekonomi Bankası A.Ş.; Share Transfer Agreement has been signed between BNP Paribas Personal Finance S.A., TEB Holding A.Ş. and Türk Ekonomi Bankası A.Ş. It was announced with the material event statement made on 16 January 2023 that the Banking Regulation and Supervision Agency and the Competition Authority's applications/information were made and the necessary approvals were received regarding the share transfer that the mentioned transaction was within the scope of intra-group restructuring. In this context, the acquisition of all (100%) shares of TEB Finansman A.Ş. by Türk Ekonomi Bankası A.Ş. and the share transfer transaction was carried out on 23 January 2023 and Türk Ekonomi Bankası A.Ş. became the sole shareholder of TEB Finansman A.Ş.

d.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	43,417	43,417
Leasing Companies	-	-
Finance Companies	162,985	162,985
Other Financial Subsidiaries	72,569	72,569
Total	278,971	278,971

d.4) Consolidated subsidiaries quoted on the stock exchange: None (31 December 2023: None).

e) Information on non-financial subsidiaries that are not consolidated:

TEB ARF Teknoloji A.Ş. was established by the Bank with TL 50,000 paid in capital and 100% ownership; it was registered in the Trade Registry Gazette on 16 July 2020.

10. Explanations on entities under common control (joint ventures):

a) Information on entities under common control (joint ventures):

						Share of the Group	
Entities under common control (joint ventures)				Share of the Bank (%)		(%)	
Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş.(*)				0.1		33.3	
Total Assets	Equity	Total Fixed Assets	Interest Income	Securities Income	Current Period P&L	Prior Period Profit/Loss	Fair Value
523,554	187,869	220,188	-	-	51,834	(7,694)	-

(*) As of 30 June 2024 and 30 June 2023, these are the amounts adjusted according to the financial statements prepared by the BRSA for consolidation that have not been subjected to inflation accounting.

b) The method used in accounting for joint ventures (joint ventures) in the unconsolidated financial statements of the parent bank due to the reasons why the unconsolidated joint venture (joint venture) is not consolidated:

The Bank owns 0.1% but the Group owns 33.3% share of Bantaş Nakit ve Kıymetli Mal Taşıma ve Güvenlik Hizmetleri A.Ş, it is presented as joint venture in financial statements however, it is carried by cost value since necessary requirements for consolidation is not met.

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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I. Explanations and Disclosures Related to the Assets (continued)

11. **Information on financial lease receivables (Net):** None (31 December 2023: None).

12. **Positive differences related to derivative financial assets for hedging purposes:**

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	47	117,058	735,767	302,754
Foreign Net Investment Hedge	-	-	-	-
Total	47	117,058	735,767	302,754

In case of termination of the fair value hedge accounting, any adjustment to the book value of the hedging instrument calculated using the effective interest method under fair value hedge accounting is amortized through profit or loss to the financial asset price until the maturity of the asset.

According to cash flow hedges terminated by the Bank, accumulated valuation differences amounted TL 28,549 (31 December 2023: TL 39,591) is recorded under equity as of 30 June 2024 and these accumulated differences are transferred into income statement by considering maturity date of hedged items.

13. **Information on investment properties:** None (31 December 2023: None).

14. **Information on assets held for sale and discontinued operations:**

	Current Period	Prior Period
Beginning of Period Cost	82,060	100,370
Beginning of Period Accumulated Depreciation (-)	-	-
Net Book Value	82,060	100,370
Opening Balance	82,060	100,370
Acquired	7,816	49,380
Disposed (-)	12,836	67,042
Impairment (-)	(468)	648
Depreciation Value (-)	-	-
Period End Cost	77,508	82,060
Period End Accumulated Depreciation (-)	-	-
Closing Net Book Value	77,508	82,060

As of 30 June 2024, the Bank has no non-current assets related to discontinued operations (31 December 2023: None).

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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II. Explanations and Disclosures Related to the Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current Period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Acc. Deposits	Total
Saving Deposits	17,004,165	-	60,046,316	59,479,349	9,540,251	20,345,974	2,944,457	-	169,360,512
Foreign Currency Deposits	62,838,000	-	9,590,046	12,946,169	124,755	17,930	103,404	-	85,620,304
Residents in Turkey	59,538,844	-	8,919,128	12,485,534	102,648	14,603	99,929	-	81,160,686
Residents Abroad	3,299,156	-	670,918	460,635	22,107	3,327	3,475	-	4,459,618
Public Sector Deposits	1,720,617	-	18,391	169,585	148,627	-	-	-	2,057,220
Commercial Deposits	17,997,912	-	22,965,961	21,582,613	1,521,286	1,920,851	1,337,022	-	67,325,645
Other Institutions Deposits	1,449,868	-	130,853	986,408	24,487	7	300	-	2,591,923
Precious Metals Deposits	14,457,632	-	21,351	89,694	10,302	25,742	364	-	14,605,085
Bank Deposits	408,220	-	2,024,947	-	-	-	-	-	2,433,167
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	4	-	-	-	-	-	-	-	4
Foreign Banks	408,216	-	2,024,947	-	-	-	-	-	2,433,163
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	115,876,414	-	94,797,865	95,253,818	11,369,708	22,310,504	4,385,547	-	343,993,856

Currency-protected deposit product, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL deposits are valued with interest rates and are protected against foreign currency exchange rates, started to be offered to bank customers as of the current accounting period reported. As of 30 June 2024, TL deposit amount includes TL 37,845,152 (31 December 2023: TL 44,388,822) deposits within this scope.

a.2) Prior Period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Acc. Deposits	Total
Saving Deposits	11,434,614	-	30,955,848	65,389,026	2,876,936	9,874,584	3,204,116	-	123,735,124
Foreign Currency Deposits	62,450,456	-	11,279,340	12,705,976	231,984	50,731	47,189	-	86,765,676
Residents in Turkey	59,084,682	-	10,540,158	12,196,472	211,226	47,602	42,603	-	82,122,743
Residents Abroad	3,365,774	-	739,182	509,504	20,758	3,129	4,586	-	4,642,933
Public Sector Deposits	1,838,949	-	14,044	205,711	1,547,150	-	-	-	3,605,854
Commercial Deposits	16,022,870	-	12,734,684	20,143,834	1,154,047	1,998,176	1,399,329	-	53,452,940
Other Institutions Deposits	1,007,541	-	183,111	833,605	65,215	11	278	-	2,089,761
Precious Metals Deposits	12,382,123	-	20,326	85,192	10,527	20,771	293	-	12,519,232
Bank Deposits	329,106	-	2,248,143	-	-	-	-	-	2,577,249
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	5	-	-	-	-	-	-	-	5
Foreign Banks	329,101	-	2,248,143	-	-	-	-	-	2,577,244
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	105,465,659	-	57,435,496	99,363,344	5,885,859	11,944,273	4,651,205	-	284,745,836

b) Information on saving deposits under the guarantee of saving deposit insurance:

b.1) Saving deposits exceeding the limit of insurance:

i) Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance (*):

Saving Deposit	Under the Guarantee of Insurance (**)		Exceeding the Insurance Limit (**)	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	78,314,645	49,743,453	88,311,128	72,203,333
Foreign Currency Saving Deposits	22,989,941	18,884,543	23,830,680	26,773,509
Other Deposits in the Form of Saving Deposits	6,245,899	4,671,518	5,795,250	6,054,464
Foreign Branches' Deposits under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits under Foreign Authorities' Insurance	-	-	-	-
Total	107,550,485	73,299,514	117,937,058	105,031,306

(*) Pursuant to the "Regulation Amending the Regulation on the Insured Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936, all deposits and participation funds, excluding those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions, started to be insured. In this context, commercial deposits covered by the insurance amount to TL 11,343,850 (31 December 2023: TL 8,720,452) and the relevant amount is not included in the note.

(**) According to the BRSA's circular no 1584 dated on 23 February 2005, accruals are included in the saving deposit amounts.

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II. Explanations and Disclosures Related to the Liabilities (continued)

b) Information on saving deposits under the guarantee of saving deposit insurance: (continued)

b.1) Saving deposits exceeding the limit of insurance: (continued)

ii) Deposits of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Foreign Branches' Deposits and Other Accounts	2,103,419	2,040,846
Deposits of Controlling Shareholders and Their Close Families	4,251,562	3,159,145
Deposits of Chairman and Members of the Board of Directors and Their Close Families	226,052	186,514
Deposits Obtained Through Illegal Acts Defined in the 282 nd Article of the 5237 Numbered Turkish Criminal Code Dated 26 September 2004.	-	-
Saving Deposits in Banks Established in Turkey Exclusively for Offshore Banking Activities	-	-

2. Information on derivative financial liabilities held for trading:

a) Negative differences related to derivative financial liabilities held-for-trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	229,142	44,714	344,298	14,767
Swap Transactions	1,773,196	323,358	1,020,999	347,925
Futures Transactions	-	-	-	-
Options	405,755	432,483	387,146	437,708
Other	-	-	-	-
Total	2,408,093	800,555	1,752,443	800,400

3. Information on funds borrowed and debt securities issued:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds Borrowed from Central Bank of Türkiye	-	-	-	-
From Domestic Banks and Institutions	274,027	42,450	112,235	12,801
From Foreign Banks, Institutions and Funds	-	16,364,292	-	19,814,561
Total	274,027	16,406,742	112,235	19,827,362

As of 30 June 2024, the Bank has no loans from the risk group it is included in (31 December 2023: None).

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	179,874	357,463	112,235	1,824,002
Medium and Long-Term	94,153	16,049,279	-	18,003,360
Total	274,027	16,406,742	112,235	19,827,362

c) Information on debt securities issued: None. (31 December 2023: None)

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities (continued)

4. Other external funding payables which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total:

Other external funding payables amounting to TL 19,899,199 (31 December 2023: TL 16,170,699) do not exceed 10% of the total balance sheet.

5. Explanations on financial lease obligations (Net):

With the "TFRS 16 Leases" standard which became effective as of 1 January 2020, the difference between the operating lease and financial lease have been removed and the lease transactions are started to be recognized under "Tangible Fixed Asset" as an asset (tenure) and under "Liabilities from Leasing" as a liability. As of 30 June 2024, the Bank has leasing liability amounting to TL 1,365,875 (31 December 2023: TL 991,149).

6. Negative differences related to derivative financial liabilities for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	42,675	14,934	82,455	-
Hedging the Risk of Net Investments Abroad	-	-	-	-
Total	42,675	14,934	82,455	-

In case the fair value hedge accounting is terminated, any adjustment made to the book value of the hedged financial instrument determined by using the effective interest method within the scope of fair value hedge accounting is amortized through profit or loss until the maturity of the financial instrument.

As of 30 June 2024, there are accumulated valuation differences of TL 28,549 (31 December 2023: TL 39,591) under equity. Regarding the cash flow hedging transactions terminated by the Bank, this amount is spread over the remaining terms of the hedged items by the Bank and transferred to the income statement.

7. Information on provisions:

- Foreign exchange provision on the foreign currency indexed loans and financial lease receivables: There are no provision on the foreign currency indexed loans that is offset from the loans on the balance sheet (31 December 2023: None).
- The specific provisions provided for unindemnified non-cash loans or expected credit loss for non-cash loans:

	Current Period	Prior Period
Stage 1	243,683	167,442
Stage 2	542,717	611,469
Stage 3	432,414	131,680
Total	1,218,814	910,591

- Liabilities on unused vacation, bonus, health and employment termination benefits:

As of 30 June 2024, TL 201,638 (31 December 2023: TL 46,844) unused vacation provision, TL 1,458,362 (31 December 2023: TL 1,410,470) employment termination benefit provision, TL 1,130,900 (31 December 2023: TL 1,427,188) bonus provision and TL 1,569 (31 December 2023: TL 1,887) other expense provision are presented under "Provision of Employee Rights" in financial statements.

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II. Explanations and Disclosures Related to the Liabilities (continued)

7. Information on provisions: (continued)

d) Information on other provisions:

	Current Period	Prior Period
Provision for Non-Cash Loans	1,218,814	910,591
Provision for Legal Cases	257,099	227,121
Provision for Promotions of Credit Cards and Banking Services	24,814	16,718
Other (*)	1,034,302	2,321,008
Total	2,535,029	3,475,438

(*) As of 30 June 2024, it includes a free provision of TL 850,000 (December 31, 2023: TL 2,050,000).

8. Information on taxes payable:

a) Information on tax provision:

As of 30 June 2024, the Bank's corporate tax liability is TL 1,850,976 (December 31, 2023: TL 250,538). As of 30 June 2024, the Bank's total debt for taxes and premiums is TL 2,565,039 (December 31, 2023: TL 1,282,114).

b) Information on current tax liability:

	Current Period	Prior Period
Corporate Tax Payable	850,976	250,538
Taxation on Securities	543,612	194,666
Property Tax	7,899	5,891
Banking Insurance Transaction Tax (BITT)	627,630	433,185
Foreign Exchange Transaction Tax	6,247	8,508
Value Added Tax Payable	16,924	60,258
Other (*)	145,454	112,821
Toplam	2,198,742	1,065,867

(*) Others include income taxes deducted from wages amounting to TL 132,041 (31 December 2023: TL 99,174) and stamp taxes payable amounting to TL 6,260 (31 December 2023: TL 5,757).

c) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	265,847	153,650
Social Security Premiums-Employer	83,848	52,207
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	5,967	3,761
Unemployment Insurance-Employer	10,635	6,629
Other	-	-
Total	366,297	216,247

d) Explanations on deferred tax liabilities, if any: Bank has no deferred tax liabilities as of 30 June 2024 (31 December 2023: None).

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. Explanations and Disclosures Related to the Liabilities (continued)

9. Information on shareholders' equity:

a) Presentation of paid-in capital:

	Current Period	Prior Period
Common Stock	2,204,390	2,204,390
Preferred Stock	-	-

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

Capital System	Paid-in capital	Ceiling
Registered Capital System	2,204,390	-

c) Information on share capital increases, their sources and other information on increased capital shares in current period: None.

d) Information on share capital increases from revaluation funds: None.

e) Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments: None.

f) Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

The income diversified with various business line and related channels/products/sectors, supported with different projects result a sustainable and relatively non-volatile profitability. Besides, interest rate, currency rate and liquidity risk under control are testing with various simulation and these tests prevents the risks of effect. The profitability of the Bank is followed up and estimated by the Bank's Planning and Performance Management in short, medium and long-term. It is also reported to Asset-Liability Committee and other related organs. As result, current and future negative effect on equity is not occurred and expected.

g) Information on preferred shares: None.

h) Information on marketable securities valuation differences:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	(226,290)	(30,142)	(81,628)	(29,672)
Foreign Exchange Difference	-	-	-	-
Total	(226,290)	(30,142)	(81,628)	(29,672)

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

III. Explanations and Disclosures Related to the Off-Balance Sheet Items

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Credit Card Limits	98,166,796	52,048,755
Loan Granting Commitments	21,068,261	13,577,154
Commitments for Cheque Payments	5,907,451	4,044,146
Asset Purchase Commitments	1,182,745	10,243,499
Tax and Fund Liabilities from Export Commitments	556,767	302,721
Commitments for Credit Cards and Banking Services Promotions	4,458	3,181
Other Revocable Commitments	1,350,297	854,282
Other Irrevocable Commitments	988,698	938,745
Total	129,225,473	82,012,483

b) Possible losses and commitments related to off-balance sheet items:

The Bank, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

	Current Period	Prior Period
Letters of credit	22,704,825	22,935,305
Bank acceptances	169,942	70,513
Other guarantees	15,076,256	10,693,200
Other contingencies	5,135,945	3,057,472
Total	43,086,968	36,756,490

b.2) Guarantees, temporary guarantees, suretyships, and similar transactions:

	Current Period	Prior Period
Guarantee letters	33,489,571	28,949,303
Advance guarantee letters	6,822,305	8,472,141
Guarantee letters given for customs	1,543,348	1,321,518
Temporary guarantee letters	718,328	659,207
Other guarantee letters	7,229,347	5,777,951
Total	49,802,899	45,180,120

c) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	7,022,983	5,609,748
With Maturity of One Year or Less Than One Year	727,471	821,496
With Maturity of More Than One Year	6,295,512	4,788,252
Other Non-Cash Loans	85,866,884	76,326,862
Total	92,889,867	81,936,610

For non-cash loans amounting to TL 774,392 (31 December 2023: TL 250,521) that are not compensated and not cashed in off-balance sheet accounts, a third stage provision for expected loss of TL 432,414 (31 December 2023: TL 131,680) has been set aside. In addition, TL 243,683 (31 December 2023: TL 167,442) Stage 1, TL 542,717 (31 December 2023: TL 611,469) Stage 2 TFRS 9 expected loss provision has been made.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Explanations and Disclosures Related to the Statement of Income

1. Explanations on Interest Income

a) Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short-Term Loans	22,500,235	1,880,492	5,932,820	985,397
Medium and Long-Term Loans	13,338,911	833,397	4,761,568	526,430
Interest on Loans Under Follow-Up	130,141	37,568	104,236	5,379
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	35,969,287	2,751,457	10,798,624	1,517,206

(*) Includes fees and commissions obtained from cash loans amounting to TL 580,018 (30 June 2023: TL 464,797).

b) Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Türkiye	529,774	-	-	11,464
Domestic Banks	743,346	7	106,225	419
Foreign Banks	80,474	89,549	39,102	98,164
Branches and Head Office Abroad	-	-	-	-
Total	1,353,594	89,556	145,327	110,047

c) Information on interest income on marketable securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	262,089	25,014	124,877	12,858
Financial Assets at Fair Value Through Other Comprehensive Income	1,020,764	40,166	417,129	84,744
Financial Assets Measured at Amortized Cost	5,724,784	285,921	3,639,705	170,516
Total	7,007,637	351,101	4,181,711	268,118

As stated in Note VII of Section Three, the Bank's securities portfolios, whose fair value difference is reflected in other comprehensive income and measured at amortized cost, include CPI-indexed bonds. 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. The reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago. The bank determines the estimated inflation rate in parallel with this. The estimated inflation rate used is updated during the year when deemed necessary. In this context, as of 30 June 2024, the valuation of the mentioned assets was made according to an annual inflation forecast of 44%. In case the CPI forecast increases or decreases by 5%, the profit for the period before tax as of 30 June 2024 will increase by approximately 448 million TL (full TL) or decrease by the same amount.

d) Interest income on subsidiaries and associates:

	Current Period	Prior Period
Interest Received from Subsidiaries and Associates	7,620	44,715

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

2. Explanations on Interest Expenses

a) Information on interest expense on funds borrowed (*):

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	58,534	1,948,288	35,662	999,820
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic Banks	51,742	656	35,662	2,490
Foreign Banks	6,792	1,947,632	-	997,330
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	-	39,055	-	-
Total	58,534	1,987,343	35,662	999,820

(*) It also includes fees and commission expenses related to borrowings, amounting to TL 74,593 (30 June 2023: TL 20,754).

b) Information on interest expense on associates and subsidiaries:

	Current Period	Prior Period
Interest Expenses to Associates and Subsidiaries	21,590	21,801

c) Information on interest expenses on securities issued: None.

d) Distribution of interest expenses on deposits based on maturity of deposits:

Account Name	Current Period Demand Deposits	Time Deposits						Acc. Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year			
TL									
Bank Deposits	-	542,663	-	-	-	-	-	-	542,663
Saving Deposits	-	8,017,636	13,736,611	1,413,120	3,971,914	549,889	-	-	27,689,170
Public Sector Deposits	-	10,294	44,696	101,243	-	-	-	-	156,233
Commercial Deposits	-	2,608,704	4,544,086	447,441	375,433	187,259	-	-	8,162,923
Other Deposits	-	14,293	208,044	11,338	-	29	-	-	233,704
7 Day Call Accounts	-	-	-	-	-	-	-	-	-
Total	-	11,193,590	18,533,437	1,973,142	4,347,347	737,177	-	-	36,784,693
FC									
Foreign Currency Deposits	-	18,012	86,755	480	523	4,883	-	-	110,653
Bank Deposits	-	691	-	-	-	-	-	-	691
7 Day Call Accounts	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Total	-	18,703	86,755	480	523	4,883	-	-	111,344
Grand Total	-	11,212,293	18,620,192	1,973,622	4,347,870	742,060	-	-	36,896,037

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

IV. Explanations and Disclosures Related to the Statement of Income (continued)

2. Explanations on Interest Expenses (continued)

d) Distribution of interest expenses on deposits based on maturity of deposits: (continued)

Prior Period Account Name	Demand Deposits	Time Deposits					Acc. Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TL								
Bank Deposits	-	49,386	-	-	-	-	-	49,386
Saving Deposits	2	1,767,369	6,007,914	146,770	2,325	171,370	-	8,095,750
Public Sector Deposits	-	6,390	111,849	-	-	-	-	118,239
Commercial Deposits	-	604,160	1,519,373	122,298	11,517	229,613	-	2,486,961
Other Deposits	-	5,969	71,147	5,912	1	599	-	83,628
7 Day Call Accounts	-	-	-	-	-	-	-	-
Total	2	2,433,274	7,710,283	274,980	13,843	401,582	-	10,833,964
FC								
Foreign Currency Deposits	-	2,320	195,892	14,049	879	332	-	213,472
Bank Deposits	-	291	-	-	-	-	-	291
7 Day Call Accounts	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2,778	206	-	-	-	2,984
Total	-	2,611	198,670	14,255	879	332	-	216,747
Grand Total	2	2,435,885	7,908,953	289,235	14,722	401,914	-	11,050,711

3. Information on trading profit/loss:

	Current Period	Prior Period
Profit	943,210,822	123,698,300
Profit on Capital Market Operations	398,649	1,676,650
Profit on Derivative Financial Instruments ⁽¹⁾	35,500,439	58,867,928
Foreign Exchange Profit	907,311,734	63,153,722
Loss (-)	945,462,294	115,612,985
Losses on Capital Market Operations	436,698	310,002
Losses on Derivative Financial Instruments ⁽¹⁾	39,442,316	62,686,702
Foreign Exchange Losses	905,583,280	52,616,281

(1) Includes exchange rate fluctuations of hedging transactions net loss of TL 491,993 (30 June 2023: TL 214,974 profit), derivative financial instruments exchange rate changes in accounts amounting to TL 148,287 (30 June 2023: TL 174,912 profit) net exchange profit.

4. Information on other operating income:

Other operating income of the Bank mainly consists of all transaction costs collected from clients and disposal of assets.

5. Provision expenses of banks for loans and other receivables:

a) Provision for Expected Credit Losses and Other Provision Expenses:

	Current Period	Prior Period
Expected Credit Losses	69,597	507,785
12-Month Expected Credit Losses (Stage 1)	252,576	(247,584)
Significant Increase in Credit Risk (Stage 2)	(1,136,000)	649,565
Credit-Impaired (Stage 3)	953,021	105,804
Impairment Provisions for Securities	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Impairment Provision Related to Investments in Associates, Subsidiaries and Joint Ventures	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	(1,252,338)	(312,321)
Total	(1,182,741)	195,464

(*) As of 30 June 2024, it includes the reversal of free provision amounting to TL 1,200,000 (30 June 2023: TL 315,000)

(**) As of 30 June 2024, the amount of overlay reversed in current period in the scope of TFRS9 which is allocated in previous periods is TL 1,134,793. (30 June 2023: TL 13,047).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

6. Information on other operating expenses:

	Current Period	Prior Period
Reserve for Employee Termination Benefits ⁽¹⁾	194,356	92,347
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	363,976	223,964
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Depreciation Expenses of Intangible Assets	136,289	81,156
Impairment for Investments Accounted with Equity Method	-	-
Impairment Expenses of Assets to be Disposed	(468)	21
Depreciation Expenses of Assets to be Disposed	-	-
Impairment Expenses of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	2,827,510	2,024,364
Leasing Expenses on TFRS 16 Exceptions	80,227	41,316
Maintenance and Repair Expenses	97,375	44,990
Advertisement Expenses	128,118	27,350
Other Expenses	2,521,790	1,910,708
Loss on Sales of Assets	25	997
Other ⁽²⁾	1,286,861	606,405
Total	4,808,549	3,029,254

⁽¹⁾ The provision for employment termination benefits is included in the personnel expenses item in the financial statements.

⁽²⁾ Includes other premiums and expenses paid to the Savings Deposit Insurance Fund amounting to TL 458,322 (30 June 2023: TL 288,850) and other taxes and fees paid-in the amount of TL 609,497 (30 June 2023: TL 223,114).

7. Information on tax provision for continued and discontinued operations:

- As of 30 June 2024, the current tax expense from continued operations is TL 1,809,327 (30 June 2023: TL 226,509 expense) and net deferred tax income is TL 908,800 (30 June 2023: TL 1,777,594 income) and there is no current and deferred tax income/expense from discontinued operations (30 June 2023: None).
- Deferred tax income on temporary differences resulted from continued operations is TL 908,800 (30 June 2023: TL 1,777,594 net deferred tax expense).

8. The explanations on net income and loss for the period:

- The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None (30 June 2023: None).
- Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None (30 June 2023: None).
- Profit/loss attributable to minority interest: None (30 June 2023: None).

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NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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IV. Explanations and Disclosures Related to the Statement of Income (continued)

9. If the other items in the income statement exceed 10% of the income statement total accounts amounting to at least 20% of these items:

	Current Period	Prior Period
<u>Other fees and commissions received</u>		
Card fee and commissions	5,873,510	1,467,742
Insurance commissions	479,276	322,528
Fund management commissions	325,956	98,176
Transfer commissions	293,318	161,748
General limit revision commissions	184,162	89,345
Settlement expense provision, eft, swift, agency commissions	89,612	80,577
Early closing commissions	13,228	19,129
Other	480,616	346,870
Total	7,739,678	2,586,115
<u>Other fees and commissions given</u>		
Credit cards commissions and fees	3,635,175	1,005,491
Commission and fees paid to correspondent banks	101,104	70,404
Settlement expense provision, eft, swift, agency commissions	61,317	35,573
Other	488,709	228,957
Total	4,286,305	1,340,425

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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V. Explanations and Disclosures Related to Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

Balance sheet items of previous periods are presented as of 31 December 2023 and income/expense items of previous periods are presented as of 30 June 2023.

a) Current Period:

Risk Group Involving the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of the Period	277,413	12,477	109,615	1,607,169	1,028,497	188,732
Balance at End of the Period	-	13,874	266,989	790,982	982,534	227,754
Interest and Commission Income	7,620	110	5,323	1	67,871	1,619

Direct and indirect shareholders of the Bank balance above include TL 266,989 and other entities included in the risk group balance above includes TL 219,812 placement in "Banks".

b) Prior Period:

Risk Group Involving the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at Beginning of the Period	437,163	2,934	257,375	1,118,603	1,213,006	93,918
Balance at End of the Period	277,413	12,477	109,615	1,607,169	1,028,497	188,732
Interest and Commission Income	44,715	29	2,893	995	70,350	1,070

Direct and indirect shareholders of the Bank balance above include TL 109,615 and other entities included in the risk group balance above includes TL 128,181 placement in "Banks".

c) c.1) Information on deposits belonging to the risk group of the Bank:

Risk Group Involving the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Entities Included in the Risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at Beginning of the Period	178,635	41,131	5,808,611	5,686,882	2,519,918	1,332,483
Balance at End of the Period	301,304	178,635	7,671,516	5,808,611	3,718,705	2,519,918
Deposit Interest Expense	21,590	21,801	340,129	335,607	188,823	91,009

c.2) Information on forward and option agreements and other similar agreements made with related parties:

Risk Group Involving the Bank	Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets at Fair Value Through Profit and Loss						
Beginning of the Period	-	-	93,842,978	58,227,206	4,740,236	2,322,171
End of the Period	-	-	113,913,156	93,842,978	4,630,930	4,740,236
Total Profit/Loss	-	-	724,801	129,786	(50,470)	17,186
Hedging Transactions purposes						
Beginning of the Period	-	-	21,460,631	16,690,868	-	-
End of the Period	-	-	10,859,576	21,460,631	-	-
Total Profit/Loss	-	-	(13,616)	49,862	-	-

d) As of 30 June 2024, the total amount of remuneration and benefits provided for the senior management of the Bank is TL 170,138 (30 June 2023: TL 96,363).

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

VI. Explanations and Disclosures Related to Subsequent Events

- On July 22 2024, Pursuant to the necessary approvals which is received from the BRSA, the debt instrument subject to the subordinated loan of 100 million Euros with a maturity of July 23, 2029, which has an early redemption option kept by our Bank as per the contract, was redeemed early.
- On July 19, 2024, Moody's Ratings, the international credit rating agency, upgraded the Bank's issuer rating from B3 to B1, country foreign exchange ceiling rating from B2 to Ba3, and the country's local currency ceiling rating from Ba3 to Ba1 while the outlook remained positive. Following this, on July 23, 2024, Moody's Ratings upgraded Türk Ekonomi Bankası A.Ş.'s long-term foreign currency and local currency ratings to Ba3 from B2 and B1, respectively. The baseline credit assessment and adjusted baseline credit assessment rating increased from b3 to b2 and from b1 to ba3, respectively. Long-term foreign currency and local currency counterparty risk ratings were also upgraded from B2 and B1 to Ba3 and Ba2, respectively.

The Bank's current credit ratings and rating outlooks are as follows:

	Note	Outlook
Long-Term Bank Deposit FC	Ba3	Positive
Short-Term Bank Deposit FC	NP	
Long-Term Bank Deposit TL	Ba3	Positive
Short-Term Bank Deposit TL	NP	
Baseline Credit Assessment	b2	
Adjusted Baseline Credit Assessment	ba3	
Long-Term FC Counterparty Risk	Ba3	
Long-Term TL Counterparty Risk	Ba2	

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION SIX

INDEPENDENT AUDITOR’S REVIEW REPORT

I. Explanations on the Independent Auditor’s Review Report

The unconsolidated financial statements of the Bank were reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) and the auditor’s interim review report dated 24 July 2024 is presented preceding the financial statements.

II. Other Notes and Explanations Prepared by the Independent Auditors

None.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

SECTION SEVEN (*)

INFORMATION ON INTERIM ACTIVITY REPORT

I. Interim Period Reports Included Chairman of the Board of Directors and CEO's of the Bank Assessments For The Interim Activities

A. Chairman of Board of Directors and CEO's of the Bank Assessments for the Interim Activities

Chairman of Board of Director's Message

Esteemed stakeholders,

In the first half of the year, global economic activity recovered despite tight financial conditions. The US economy grew by 1.6% y/y in the first quarter, the Eurozone grew by 0.4% y/y.

The US Federal Reserve (Fed) kept the policy rate unchanged at 5.5%. The Fed stated that inflation in the US is strong and needs to see more data for rate cuts. It is predicted that the Fed would make at least one interest rate cut in 2024.

At its June meeting, the European Central Bank (ECB) cut interest rates for the first time in five years, reducing the deposit interest rate to 3.75%. The ECB stated that there was an improvement in the inflation outlook and announced that the economy would recover faster in the second half. The ECB is expected to continue interest rate cuts in the second half of 2024.

The Turkish economy performed much better than expected in the first quarter of the year, recording an annual growth of 5.7%. Increasing private consumption and public expenditures before the local elections in March made a significant contribution to growth. The contribution of net exports to growth was positive in the first quarter thanks to the decline in imports. We expect growth to remain moderate in the rest of the year given the slowdown in domestic demand starting from the second quarter.

According to the Ministry of Commerce data, while exports increased by 2% y/y in the January-June period, imports decreased by 8.5%. In the first six months, the foreign trade deficit decreased by 29.5% compared to the same period last year, reaching USD43.2bn. Imports decreased with the decline in domestic demand, the current account balance began to improve. The current account balance is expected to show a positive performance thanks to tourism and service revenues in the second half of the year.

Inflation increased by 1.64% m/m in June, annual inflation decreased from 75.5% in May to 71.6% in June. The rate of inflation slows down in food and clothing items, inertia continues in the services group. Inflation is expected to decline significantly in the second half of the year due to the high base effect. Exchange rate developments, inertia in services inflation and additional tax regulations create risks on the inflation outlook.

The Central Bank of the Republic of Türkiye (CBRT) kept the policy rate at 50% at its June meeting. The CBRT last increased interest rates by 500 basis points in March. The bank announced that it would continue its tight monetary policy until there is a significant decline in the underlying trend of monthly inflation.

In the first half of the year, the cash budget deficit increased by 121% compared to last year, giving a deficit of TRY1.0 trillion. Last year, there was a deficit of TRY454bn in the first six months. The budget deficit in the last twelve months reached TRY1.2 trillion. In order to limit the budget deficit, the Ministry of Treasury and Finance announced savings measures in the public sector and new tax regulations.

In the second half of the year, the policies of developed countries' central banks and local monetary and fiscal policies will continue to be decisive on growth and inflation.

Kind Regards,
Dr. Akın AKBAYGİL

(*) The amounts in the Seventh Section represent the full TL amount unless otherwise stated.

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. Interim Period Reports Included Chairman of the Board of Directors and CEO’s of the Bank Assessments For The Interim Activities (continued)

A. Chairman of Board of Directors and CEO’s of the Bank Assessments for the Interim Activities (continued)

CEO’s Message

Türk Ekonomi Bankası (TEB) has announced its second-quarter 2024 (Q2 2024) financial results. In the announcement, the bank reported total assets TL 499 billion and a net profit of TL 5 billion 70 million as of 30 June 2024. Loans, the most important indicator of TEB’s support for its customers and the national economy, made up 57.5% of the bank’s total assets. Continuing to focus on risk management and asset quality as it always does, TEB showed total lendings of TL 287 billion and total deposits of TL 344 billion during the same quarter. With its robust capital structure once again continuing to nourish stable growth and profitability this year, TEB’s Q2 2024 shareholders’ equity amounted to TL 38.7 billion while the bank’s 15.13% capital adequacy ratio was well above the targeted 12%.

While contributing to the growth of the national economy through its banking activities, TEB continued to support sustainable finance for a “better future”. In the second quarter, TEB completed a EUR 100 million issue of Basel III-compliant Tier 2 subordinated capital bonds to the International Finance Corporation (IFC). Acting with the vision of being Turkey’s leading bank in the field of sustainable development, TEB aims to support projects in Turkey that address climate change mitigation and adaptation, as well as SME access to finance, with a special focus on women-owned businesses and agribusinesses, through its second bond issue in 2024.

As part of its efforts to diversify its medium and long-term financing sources, TEB signed a new cooperation agreement with the European Bank for Reconstruction and Development (EBRD) in the amount of EUR 25 million. With this agreement, the EBRD’s Digital Transformation Financing Program was introduced to SMEs in Turkey for the first time through TEB. The funds to be provided under the program will be used for the financing needs of SMEs in their digital transformation processes.

To celebrate the 10th anniversary of its Startup Business Banking business line launched in 2013, TEB hosted a special event for ecosystem stakeholders to mark the success of the bank’s support for innovative and entrepreneurial endeavors. Over the last decade, TEB has supported and provided financial and non-financial products and services to more than 2,000 entrepreneurs through its startup business banking. In partnership with Middle East Technical University’s ODTÜ Teknokent, TEB Startup Business Banking has launched a new acceleration program as part of its ongoing commitment to supporting entrepreneurs and fostering the growth of the entrepreneurial ecosystem. Ten startups at different stages of development participated in the VivaTech technology fair in France as part of this year’s inaugural program. The program also provides startups with a chance to create new business opportunities, develop collaborations, and connect with potential customers in other countries as well.

TEB was among the first banks in Turkey to offer a new product that allows individuals to use their Private Pension System (BES) contracts as collateral to secure loans at favorable interest rates and terms. TEB’s Private Pension System Collateral Loan product allows individuals to transfer a part or all of their accumulated pension savings (excluding government contributions) with any pension provider to TEB as collateral through an assignment-of-claims agreement.

In the second quarter, TEB renewed its CEPTETEB Mobil app to provide customers with a faster and more streamlined banking experience. The app’s updated login screen allows users to easily access many CEPTETEB Mobil features without having to log in at all. Users can withdraw/deposit cash and make payments using the QR code feature while the Quick Actions feature lets them instantly share IBAN information. Users can apply for loans, credit cards, overdraft accounts, and cash advances and it is also now easier to track the status of applications that they’ve already made. With streamlined access to CEPTETEB’s exclusive privileges and ongoing campaigns, the app enables users to enjoy discounts on hotel reservations, flight/bus tickets, car rentals, and electronic purchases through CEPTETEB Süper. The renewed app introduces an İstanbulKart menu, allowing users to conveniently manage their İstanbulKart -a contactless smart card used for public transportation in İstanbul- by adding it to the app so that they may display the current balance and top it up directly, all within CEPTETEB Mobil.

**NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

**I. Interim Period Reports Included Chairman of the Board of Directors and CEO’s of the Bank
Assessments For The Interim Activities (continued)**

A. Chairman of Board of Directors and CEO’s of the Bank Assessments for the Interim Activities (continued)

CEO’s Message (continued)

TEB has introduced CEPTETEB İŞTE Süper, a new commercial solution platform that consolidates the services that businesses require for the conduct of their day-to-day operations. This follows the development of CEPTETEB İŞTE, which was specifically designed to meet the needs of TEB’s commercial customers. CEPTETEB İŞTE Süper provides a range of benefits such as simplified sign-up, fast login, discounted services when using TEB credit cards, expedited purchasing, and convenient access to various services. A Digital Letter of Guarantee service is among the latest innovations offered to CEPTETEB İŞTE users. This newly added feature allows customers to digitally apply for letters of guarantee and also to display information about any existing letters of guarantee they may already have. CEPTETEB İŞTE users also have access to the EÖS (Electronic Payment System) Money Transfer service, facilitating money transfers within the TRNC via the Electronic Payment System of the Central Bank of the Turkish Republic of Northern Cyprus.

The TEB Women’s Banking program continues to support the presence of female business owners and entrepreneurs in the business world, facilitating their greater involvement in the economy and contributing to sustainable economic growth. During the second quarter, TEB continued to provide support to women entrepreneurs, particularly those in earthquake-affected regions, through TurWIB II Loans, a credit product specifically designed for women who own businesses. TEB signed a new loan agreement with the IFC to support SMEs’ access to finance, focusing on women-owned businesses and businesses involved in agriculture. Additionally, TEB partnered with İhracatı Geliştirme AŞ (İGE) to provide financial support to female exporters. TEB Women’s Banking reported a significant 44% growth in its loans to women-owned businesses in the second quarter of 2024 compared to the same period last year.

TEB continues its financial literacy initiatives under the TEB Family Academy with the goal of contributing to the realization of the country’s growth targets and to Türkiye’s sustainable social progress. During the first half of 2024, TEB Family Academy’s financial literacy training programs were attended by nearly 5,000 people employed by a dozen or so other companies and organizations. In addition to the academy’s ongoing “Environmental Law Literacy” and “Climate Literacy” training courses, a detailed financial literacy program on investment products has also been introduced.

Working closely with its global partner BNP Paribas, TEB continues to offer long-term and affordable financing solutions to customers, including both letters of guarantee for international projects and financing for machinery investments. In the first half of the year, TEB’s efforts to support exporters through affordable TCMB rediscount loans and Eximbank credits resulted in a total of TL 5 billion in TCMB rediscount loans being negotiated by the bank.

Kind Regards,

Ümit LEBLEBİCİ

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

I. Interim Period Reports Included Chairman of the Board of Directors and CEO’s of the Bank Assessments For The Interim Activities (continued)

B. Share Capital and Shareholding Structure

As of 30 June 2024;

Name of Shareholders-Title	TL 2,204,390,000.00 Paid-in Capital	
	Share	Rate
TEB Holding A.Ş.	1,212,414,500.002	% 55.0000
BNPP Yatırımlar Holding A.Ş.	518,342,498.520	% 23.5141
BNP Paribas Fortis Yatırımlar Holding A.Ş.	467,879,148.835	% 21.2249
BNP Paribas SA	5,253,352.000	% 0.2383
Kocaeli Chamber of Commerce	500,500.643	% 0.0227
Grand Total	2,204,390,000.000	% 100.00

C. Management and Corporate Governance Practices

The Chairman and the Members of Board of Directors

Name	Title
Dr. Akin Akbaygil	Chairman of the Board of Directors
François Andre Jesualdo Benaroya	Deputy Chairman of the Board of Directors
Patrick Philippe Poupon	Member of the Board of Directors and Chairman of the Audit Committee
Ayşe Aşardağ	Member of the Board of Directors and Vice Chairman of the Audit Committee
Yavuz Canevi	Member of the Board of Directors
Hans Wilfried J. Broucke	Member of the Board of Directors
Özden Odabaşı	Member of the Board of Directors
Jean-Charles Joseph Gabriel Aranda	Member of the Board of Directors
Ayşe Meral Çimenbiçer	Member of the Board of Directors, Member of Audit Committee
Metin Toğay	Member of the Board of Directors
Didier Albert N. Van Hecke	Member of the Board of Directors, Member of Audit Committee
Ümit Leblebici	Chief Executive Officer and the Executive Member

Information on Participation of Board Members and Committee Members into Respective Meetings

As of 30 June 2024, the Board of Directors have accepted 111 resolutions and Audit Committee 31 resolutions.

The Board Members and Committee Members have participated into respective meetings at sufficient levels.

Executive Management

General Manager, Assistant General Managers and Their Responsibilities in the Bank

Name	Title
Ümit Leblebici	Chief Executive Officer and the Executive Member
Gökhan Mendi	Senior Assistant General Manager, Retail and Private Banking
Ali İhsan Arıdaşır	Assistant General Manager Responsible for SME Loans
Melis Coşan Baban	Head of Legal Affairs, Secretary of the Board of Directors
Ali Gökhan Cengiz	Assistant General Manager, SME Banking
Mehmet Ali Cer	Assistant General Manager, Information Technologies
Tolga Güler	Assistant General Manager, Financial Affairs Group
Osman Durmuş	Assistant General Manager Responsible for Retail and Business Loans
Orhan Hatipoğlu	Assistant General Manager, Banking Operations and Support Services
Çiğdem Ünsal	Assistant General Manager, Human Resources
Tolga Gürdem	Assistant General Manager, Treasury & ALM
Göker Orhan	Assistant General Manager, Financial Markets
Gökhan Özdil	Assistant General Manager, Corporate Loans
Ömer Abidin Yenidoğan	Assistant General Manager, Corporate and Corporate Investment Banking Group
Nimet Elif Kocaayan	Chief Risk Officer
Hasan Onar	Head of Internal Audit
Biröl Deper	Head of Compliance Group and Internal Control Group, Consumer Relations Coordination Officer

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Interim Annual Report Containing the Evaluations of the Chairman of the Board of Directors and the General Manager of the Bank on the Interim Activities (continued)

D. Significant Events and Transactions in the Current Period

Amendments to Main Contract in 1 January – 30 June 2024:

There have been no changes to the main contract during the period of 1 January – 30 June 2024.

Significant Events and Transaction in the Current Period:

On May 6, 2024 following the receipt of the necessary permissions from the Banking Regulation and Supervision Agency, USD 210 million subordinated bond with maturity date of November 5, 2028 redeemed early.

On May 8, 2024, following the receipt of the necessary permits from the Banking Regulation and Supervision Agency and the Capital Markets Board regarding the issuance of subordinated debt instruments qualifying as tiered capital, the transaction was completed by issuing subordinated debt instruments qualifying as tiered capital worth EUR 100 million to be sold abroad on a private placement basis.

On May 14, 2024 following the receipt of the necessary permissions from the Banking Regulation and Supervision Agency, EUR 60 million subordinated bond with maturity date of May 14, 2029 redeemed early.

Summary of Financial Information:

(million TL)	30 June 2024 Unconsolidated Financial Statements	31 December 2023 Unconsolidated Financial Statements
Loans, Net	280,702	203,166
Loans	284,397	207,704
Non-Performing Loans	2,569	2,181
Provision for Expected Losses	(6,264)	(6,719)
Total Assets	498,674	406,919
Deposits	343,994	284,746
Shareholder's Equity	38,674	35,045
Net Profit (Prior Period 30 June 2023)	5,070	7,026

Summary of Financial Ratios:

	30 June 2024 Unconsolidated Financial Statements	31 December 2023 Unconsolidated Financial Statements
Loans / Total Assets	56.29%	49.93%
Deposits / Total Assets	68.98%	69.98%
Return on Equity (Prior Period 30 June 2023)	27.83%	50.89%
NPL Ratio	0.90%	1.04%
Capital Adequacy Ratio	15.13%	16.82%
Coverage Ratio	71.13%	71.80%

TÜRK EKONOMİ BANKASI ANONİM ŞİRKETİ

NOTES AND EXPLANATIONS TO UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. Interim Annual Report Containing the Evaluations of the Chairman of the Board of Directors and the General Manager of the Bank on the Interim Activities (continued)

E. Credit Ratings Assigned by Rating Agencies and Information on Their Contents^(*)

In terms of the ratings given by the institutions rating banks in Turkey, our Bank continues to be one of the banks with the highest rating. As of 30 June 2024, TEB's ratings were as follows:

Moody's Investor Services:

Baseline Credit Assessment	b3
Adjusted Baseline Credit Assessment	b1
Long Term FC Bank Deposits	B2
Short-term FC Bank Deposits	NP
Long Term LC Bank Deposits	B1
Short-term LC Bank Deposits	NP
Outlook	Positive

Fitch Ratings:

Foreign Currency Commitments

Long-Term	B
Short-Term	B
Outlook	Pozitif

Turkish Lira Commitments

Long-Term	B+
Short-Term	B
Outlook	Pozitif
National	AA (tur)
Outlook	Stable
Financial Capacity	b
Shareholder Support Rating	b

(*) Ratings above are not performed based on the "Communiqué for Authorization and Activities of Rating Institutions" published by the Capital Markets Board.

F. Donations

The Bank has donated TL 1,566,107 with 60 items to the several agencies and institutions during the period of 1 January 2024 – 30 June 2024.