

HAYAT FİNANS KATILIM BANKASI A.Ş.

**CONSOLIDATED FINANCIAL STATEMENTS
AND NOTES FOR THE PERIOD ENDED 30 JUNE 2025
WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

***(CONVENIENCE TRANSLATION OF
CONSOLIDATED FINANCIAL STATEMENTS,
RELATED DISCLOSURES AND INDEPENDENT
AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)***



**CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT
AUDITOR'S REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**

**REPORT ON REVIEW OF INTERIM CONSOLIDATED
FINANCIAL INFORMATION**

To the General Assembly of Hayat Finans Katılım Bankası Anonim Şirketi

Introduction

We have reviewed the accompanying consolidated balance sheet of Hayat Finans Katılım Bankası Anonim Şirketi (the “Bank”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2025 and the consolidated statement of profit or loss, the consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows for the six-month period then ended and summary of significant accounting policies and other explanatory notes. The Group Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information 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 consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the consolidated 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 audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying consolidated interim financial information do not give a true and fair view of the financial position of Hayat Finans Katılım Bankası Anonim Şirketi as at 30 June 2025, and the results of its consolidated financial performance and its consolidated cash flows for the six-month-period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2025. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 12 August 2025

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**THE CONSOLIDATED FINANCIAL REPORT OF
HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025**

Address of the Parent Bank's Headquarters : Mahir İz Cad., No: 25, 34662 Altunizade Üsküdar / İstanbul
Telephone of the Parent Bank : 0 850 224 29 28
Web site of the Parent Bank : www.hayatfinans.com.tr
E-mail for correspondence : hayatfinans@hayatfinans.com.tr

The consolidated interim financial report for the six-month period includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- General Information About The Parent Bank
- Consolidated Financial Statements of The Parent Bank
- Explanations on Accounting Policies
- Information Related to Consolidated Financial Position and Risk Management
- Explanations and Notes Related to Consolidated Financial Statements
- Other Explanations
- Independent Auditor's Review Report
- Interim Activity report

The subsidiaries, associates and jointly controlled partners which are consolidated within the framework of this financial report are as follows.

	Subsidiaries	Associates	Jointly Controlled Partners
1.	Hayat Varlık Kiralama A.Ş.	-	-

The consolidated financial statements for the six-month period and related disclosures and footnotes that are subject to independent review, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance, and in compliance with the financial records of our Bank and, unless stated otherwise, presented in thousands of Turkish Lira.

Ahmet Yahya KİÇİLİ
Chairman of
Board of Directors

Osman AKYÜZ
Chairman of the Audit
Committee

Oğuz KAYHAN
Member of the Audit
Committee

Galip KARAGÖZ
General Manager

Özgür BİLGİLİ
Treasury and Financial Affairs
Deputy General Manager

Erkan AKGÜZEL
Reporting and
Financial Control
Manager

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

Name-Surname/Title : Erkan AKGÜZEL Reporting and Financial Control Manager
Telephone Number : 0 216 554 44 66

Hayat Finans Katılım Bankası A.Ş.

Mahir İz Cad. No: 25 34662 Altunizade, Üsküdar, İstanbul T +90 216 939 60 00
Ticari Sicil No: 398720-5 Mersis No: 0460 1078 9720 0001

hayatfinans.com.tr

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025

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

SECTION ONE

GENERAL INFORMATION

1. History of the Parent Bank including its incorporation date, initial legal status and amendments to legal status:

Hayat Finans Katılım Bankası A.Ş. ("The Parent Bank"), with the BRSA decision numbered 10165 dated April 21, 2022, has obtained establishment permission to operate in accordance with the operating principles for digital banks in the BRSA's Regulation on the Operating Principles of Digital Banks and Service Model Banking by completing the company establishment procedures dated August 10, 2022, the Parent Bank has completed registration its title as Hayat Finans Katılım Bankası A.Ş. The Parent bank became the first digital participation bank to obtain an operating license in Türkiye with the BRSA decision dated March 23, 2023 and numbered 10543. Main field of operation is, in addition to the Parent Bank's equity, to collect funds from domestic and foreign customers through "Current Accounts" and "Profit/ Loss Sharing Accounts" and allocate such funds to the economy, to perform all kinds of financing activities in accordance with the regulations, to encourage the investments of all individuals and legal entities operating in agricultural, industrial, trading and service industries, participating into the operations of these entities or individuals and to form joint business partnerships and to perform all these activities in a non-interest environment.

The Parent Bank has informed that it has actually started banking activities with the letter it has written to the BRSA dated August 7, 2023 and numbered DYZ-2023-GM-33/413.

2. Shareholding structure, shareholders jointly or individually having direct or indirect control over the management and supervision of the Parent Bank and the disclosures on any related changes in the current period, if any, and information about the Group that the Bank belongs to

As of 30 June 2025, 55.00000% of the Parent Bank's shares belong to Hayat Kimya Sanayi Anonim Şirketi, 24.99985% to Kastamonu Entegre Ağaç Sanayi Ticaret Anonim Şirketi, 20.00005% to Hayat Holding Anonim Şirketi and 0.00010% to other legal entities.

3. Explanations regarding the chairman and the members of board of directors, audit committee members, general manager and assistant general managers and their shares in the Parent Bank

Name ¹	Title	Date of Assignment	Date of Audit Committee Assignments	Audit Committee End Date	Educational Degree	Ownership Percentage
Ahmet Yahya KİGİLİ	Chairman of the Board	15.08.2022	-	-	-	-
Mehmet Avni KİGİLİ	Deputy Chairman of the Board of Directors	15.08.2022	-	-	-	-
Murat ULUS	Executive Board Member	15.08.2022	-	-	Postgraduate	-
Osman AKYÜZ	Member of the Board of Directors and Chairman of the Audit Committee	15.08.2022	15.08.2022	-	Graduate	-
Oğuz KAYHAN	Member of the Board of Directors and Member of the Audit Committee	15.08.2022	15.08.2022	-	PhD	-
Soner CANKO	Member of the Board	15.08.2022	-	-	PhD	-
Galip KARAGÖZ	Member of the Board of Directors and General Manager	01.12.2023	-	-	Postgraduate	-
Özgür BİLGİLİ	Assistant General Manager for Treasury and Financial Affairs	22.05.2024	-	-	Postgraduate	-
Özer BARAN	Assistant General Manager for Credits Analytics and Policies	16.08.2022	-	-	Postgraduate	-
Cevdet YILMAZ ²	Assistant General Manager of Information Systems and Banking Operations	15.04.2025	-	-	Postgraduate	-
Alper DAYI ³	Deputy Assistant General Manager of Corporate Banking	14.04.2025	-	-	Graduate	-

¹Mehmet Necati Özdeniz, who was acting as Deputy General Manager of Retail Banking, resigned from his position on February 5, 2025.

²Alper Dayı was appointed as Deputy General Manager of Corporate Banking by the decision of the general manager dated April 14, 2025.

³Cevdet Yılmaz was appointed as Deputy General Manager of Information Systems and Banking Operations by the board of directors decision dated April 15, 2025.

Share of the Chairman and Members of the Board of Directors, Members of the Audit Committee, General Manager and Assistants of the Bank in the Parent Bank's capital

None (31 December 2024 - None).

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025

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

4. Information on Parent Bank's qualified shareholders

Name / Commercial Name	Share amount (Nominal)	Shareholding percentage	Paid shares (Nominal)	Unpaid shares
Hayat Kimya Sanayi A.Ş.	2,475,000	%55.00000	2,475,000	-
Kastamonu Entegre Ağaç Sanayi Ticaret A.Ş.	1,124,993	%24.99985	1,124,993	-
Hayat Holding A.Ş.	900,002	%20.00005	900,002	-
Other	5	%0.00010	5	-
Total	4,500,000	%100.00	4,500,000	-

5. Explanations of the Parent Bank's services and field of operations

The Parent Bank's field of operations includes corporate and commercial banking, international banking services, and retail banking and credit card services. The Parent Bank's core business is operating in accordance with the principles of interest-free banking as a digital participation bank by collecting funds through current and profit/loss sharing accounts and lending such funds to its customers.

As of 30 June 2025, the Parent Bank is operating 365 (31 December 2024 – 365). Summary of some of the Bank's operations described in the Articles of Association are as follows:

- To collect funds through "Current Accounts" and "Profit/Loss Sharing Accounts" and special fund pools in line with the regulations,
- To allocate funds to the economy and provide all kinds of cash, non-cash loans within the principles of non-interest banking,
- To offer financial and operational leasing,
- To handle all kinds of deposits and payments, including travelers' checks, credit cards and other payment instruments, provide member business services, consulting, advisory,
- To purchase financial instruments on money and capital markets in cash or installments, sell and mediate the sale and trade on the stock exchange in accordance with legislation and principles of non-interest banking,
- To act as a representative, deputy or agent for corporations and enterprises (including insurance companies), to provide private pension intermediary services,
- Providing investment consultancy, wealth management and financial planning consultancy on management, technical and financial issues,
- Regarding banking activities by obtaining the necessary permits; To provide support services to its subsidiaries, other banks, financial institutions, financial technology companies and other companies,
- To buy and sell money market instruments spot or forward, and to act as an intermediary in their buying and selling,
- To carry out all kinds of foreign exchange transactions, to buy, sell, import and export gold, silver, other precious metals, precious stones and metals, to be a member of the precious metal and metal exchanges that have been established or to be established, and to trade in these exchanges,
- Domestic or foreign companies and organizations related to the purpose and scope of the business; to act as a representative, proxy and agency and to engage in all kinds of commission works,
- To provide social aid in accordance with the principles and principles of deposit and participation banking

The Parent Bank's activities are not limited to the list above. If another activity is decided to be beneficial to the Parent Bank, the activities must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities after whom it also needs to be approved by the Ministry of Trade since it constitutes an amendment of the Article of Association. Decisions that have been approved through all these channels will be included to the Article of Association.

6. Current or likely actual legal barriers to immediate transfer of equity or repayment of debts between Bank and its subsidiaries:

None.

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CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet (Statement of Financial Position)
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- VI. Consolidated Statement of Cash Flows

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2025

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

1. CONSOLIDATED BALANCE SHEET – ASSETS (STATEMENT OF FINANCIAL POSITION)

		Notes Section V	Current Period 30.06.2025			Prior Period 31.12.2024		
			TL	FC	Total	TL	FC	Total
	ASSETS							
I.	FINANCIAL ASSETS (Net)		3,584,374	2,070,805	5,655,179	2,161,283	1,690,939	3,852,222
1.1.	Cash and Cash Equivalents		1,355,035	1,750,133	3,105,168	544,198	1,585,278	2,129,476
1.1.1.	Cash and Balances with Central Bank	(1.1.)	801,470	1,582,056	2,383,526	140,178	1,283,917	1,424,095
1.1.2.	Banks	(1.3.)	964	168,484	169,448	467	301,597	302,064
1.1.3.	Money Markets Placements		552,733	-	552,733	403,577	-	403,577
1.1.4.	Expected Credit Loss (-)		(132)	(407)	(539)	(24)	(236)	(260)
	Financial Assets at Fair Value Through Profit or Loss	(1.2.)	1,041,002	-	1,041,002	820,835	-	820,835
1.2.1.	Government Debt Securities		-	-	-	-	-	-
1.2.2.	Equity Instruments		-	-	-	-	-	-
1.2.3.	Other Financial Assets		1,041,002	-	1,041,002	820,835	-	820,835
	Financial Assets at Fair Value Through Other Comprehensive Income	(1.4.)	1,167,470	320,669	1,488,139	790,116	105,661	895,777
1.3.1.	Government Debt Securities		1,101,763	320,669	1,422,432	565,829	105,661	671,490
1.3.2.	Equity Instruments		20,090	-	20,090	15,590	-	15,590
1.3.3.	Other Financial Assets		45,617	-	45,617	208,697	-	208,697
1.4.	Derivative Financial Assets		20,867	3	20,870	6,134	-	6,134
1.4.1.	Derivative Financial Assets at Fair Value Through Profit or Loss	(1.2.)	20,867	3	20,870	6,134	-	6,134
1.4.2.	Derivative Financial Assets at Fair Value Through Other Comprehensive Income	(1.11.)	-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COSTS (Net)		7,253,999	2,864,231	10,118,230	5,517,784	1,983,694	7,501,478
2.1.	Loans	(1.5.)	7,182,328	2,805,782	9,988,110	5,575,869	1,921,991	7,497,860
2.2.	Leasing Receivables	(1.10.)	-	-	-	-	-	-
	Other Financial Assets Measured at Amortized Cost	(1.6.)	185,148	77,689	262,837	-	69,798	69,798
2.3.1.	Government Debt Securities		-	77,689	77,689	-	69,798	69,798
2.3.2.	Other Financial Assets		185,148	-	185,148	-	-	-
2.4.	Expected Credit Loss (-)		(113,477)	(19,240)	(132,717)	(58,085)	(8,095)	(66,180)
III.	PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS(NET)	(1.16.)	-	-	-	-	-	-
3.1.	Held For Sale		-	-	-	-	-	-
3.2.	Related to Discontinued Operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		80,000	-	80,000	22,000	-	22,000
4.1.	Investments in Associates (Net)	(1.7.)	-	-	-	-	-	-
4.1.1.	Associates Valued Based on Equity Method		-	-	-	-	-	-
4.1.2.	Unconsolidated Associates		-	-	-	-	-	-
4.2.	Investment in Subsidiaries (Net)	(1.8.)	80,000	-	80,000	22,000	-	22,000
4.2.1.	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2.	Unconsolidated Non-Financial Subsidiaries		80,000	-	80,000	22,000	-	22,000
4.3.	Investment in Joint Ventures (Net)	(1.9.)	-	-	-	-	-	-
4.3.1.	Joint Ventures Valued Based on Equity Method		-	-	-	-	-	-
4.3.2.	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(1.12.)	182,207	-	182,207	172,184	-	172,184
VI.	INTANGIBLE ASSETS (Net)	(1.13.)	540,706	-	540,706	382,354	-	382,354
6.1.	Goodwill		-	-	-	-	-	-
6.2.	Other		540,706	-	540,706	382,354	-	382,354
VII.	INVESTMENT PROPERTIES (Net)	(1.14.)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSETS		46,551	-	46,551	16,403	-	16,403
IX.	DEFERRED TAX ASSETS	(1.15.)	616,532	-	616,532	409,230	-	409,230
X.	OTHER ASSETS	(1.17.)	198,363	6,759	205,122	164,817	3,587	168,404
	TOTAL ASSETS		12,502,732	4,941,795	17,444,527	8,846,055	3,678,220	12,524,275

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2025

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

1. CONSOLIDATED BALANCE SHEET – LIABILITIES AND EQUITY (STATEMENT OF FINANCIAL POSITION)

		Notes Section V	Current Period 30.06.2025			Prior Period 31.12.2024		
	LIABILITIES		TL	FC	Total	TL	FC	Total
I.	FUNDS COLLECTED	(2.1.)	8,628,437	4,178,579	12,807,016	6,814,403	2,668,567	9,482,970
II.	FUNDS BORROWED	(2.3.)	200,260	-	200,260	-	-	-
III.	MONEY MARKETS	(2.3.)	57,623	-	57,623	-	-	-
IV.	SECURITIES ISSUED (Net)	(2.4.)	-	-	-	-	-	-
V.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VI.	DERIVATIVE FINANCIAL LIABILITIES		1,171	-	1,171	10,398	-	10,398
6.1.	Derivative Financial Liabilities at Fair Value Through Profit or Loss	(2.2.)	1,171	-	1,171	10,398	-	10,398
6.2.	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	(2.7.)	-	-	-	-	-	-
VII.	LEASE PAYABLES	(2.6.)	21,009	-	21,009	22,660	-	22,660
VIII.	PROVISIONS	(2.8.)	21,668	29,812	51,480	33,094	15,988	49,082
8.1.	Restructuring Provision		-	-	-	-	-	-
8.2.	Reserves For Employee Benefits		20,327	-	20,327	26,271	-	26,271
8.3.	Insurance For Technical Provision (Net)		-	-	-	-	-	-
8.4.	Other Provisions		1,341	29,812	31,153	6,823	15,988	22,811
IX.	CURRENT TAX LIABILITIES	(2.9.)	93,731	-	93,731	69,127	-	69,127
X.	DEFERRED TAX LIABILITIES	(1.15.)	-	-	-	-	-	-
XI.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(2.10.)	-	-	-	-	-	-
11.1.	Held For Sale		-	-	-	-	-	-
11.2.	Related to Discontinued Operations		-	-	-	-	-	-
XII.	SUBORDINATED DEBT INSTRUMENTS	(2.11.)	-	-	-	-	-	-
12.1.	Loans		-	-	-	-	-	-
12.2.	Other Debt Instruments		-	-	-	-	-	-
XIII.	OTHER LIABILITIES	(2.5.)	136,108	421	136,529	192,588	44,683	237,271
XIV.	SHAREHOLDERS' EQUITY	(2.12.)	4,071,526	4,182	4,075,708	2,652,605	162	2,652,767
14.1.	Paid-in Capital		4,500,000	-	4,500,000	3,000,000	-	3,000,000
14.2.	Capital Reserves		-	-	-	-	-	-
14.2.1.	Share Premiums		-	-	-	-	-	-
14.2.2.	Share Cancellation Profits		-	-	-	-	-	-
14.2.3.	Other Capital Reserves		-	-	-	-	-	-
14.3.	Other Accumulated Comprehensive Income or Loss That Will Not Be Reclassified Through Profit or Loss		-	-	-	-	-	-
14.4.	Other Accumulated Comprehensive Income or Loss That Will Be Reclassified Through Profit or Loss		(3,817)	4,182	365	1,378	162	1,540
14.5.	Profit Reserves		91,251	-	91,251	91,251	-	91,251
14.5.1.	Legal Reserves		4,563	-	4,563	4,563	-	4,563
14.5.2.	Statutory Reserves		-	-	-	-	-	-
14.5.3.	Extraordinary Reserves		86,688	-	86,688	86,688	-	86,688
14.5.4.	Other Profit Reserves		-	-	-	-	-	-
14.6.	Profit or Loss		(515,908)	-	(515,908)	(440,024)	-	(440,024)
14.6.1.	Prior Years' Profits or Losses		(440,024)	-	(440,024)	-	-	-
14.6.2.	Current Period Net Profit or Loss		(75,884)	-	(75,884)	(440,024)	-	(440,024)
14.7.	Minority Shares		-	-	-	-	-	-
	TOTAL LIABILITIES AND EQUITY		13,231,533	4,212,994	17,444,527	9,794,875	2,729,400	12,524,275

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

AS OF 30 JUNE 2025

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

2. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

		Notes Section V	Current Period 30.06.2025			Prior Period 31.12.2024		
			TL	FC	Total	TL	FC	Total
A.	COMMITMENTS AND CONTINGENCIES (I+II+III)		1,708,726	3,653,117	5,361,843	2,044,542	3,010,240	5,054,782
I.	GUARANTEES AND WARRANTIES	(3.1.)	445,073	2,499,137	2,944,210	465,156	1,489,966	1,955,122
1.1.	Letters of Guarantee		445,073	2,232,177	2,677,250	465,156	1,368,295	1,833,451
1.1.1.	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2.	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3.	Other Letters of Guarantee		445,073	2,232,177	2,677,250	465,156	1,368,295	1,833,451
1.2.	Bank Loans		-	-	-	-	-	-
1.2.1.	Import Letter of Acceptances		-	-	-	-	-	-
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		-	266,960	266,960	-	121,671	121,671
1.3.1.	Documentary Letters of Credit		-	266,960	266,960	-	121,671	121,671
1.3.2.	Other Letters of Credit		-	-	-	-	-	-
1.4.	Guaranteed Refinancing		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2.	Other Endorsements		-	-	-	-	-	-
1.6.	Other Guarantees		-	-	-	-	-	-
1.7.	Other Warranties		-	-	-	-	-	-
II.	COMMITMENTS		292,390	215,640	508,030	414,225	354,650	768,875
2.1.	Irrevocable Commitments		292,390	215,640	508,030	414,225	354,650	768,875
2.1.1.	Forward Asset Purchase and Sales Commitments		211,265	215,640	426,905	349,736	354,650	704,386
2.1.2.	Share Capital Commitment to Associates and Subsidiaries		-	-	-	62,500	-	62,500
2.1.3.	Loan Granting Commitments		31,950	-	31,950	-	-	-
2.1.4.	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5.	Commitments For Reserve Deposits Requirements		-	-	-	-	-	-
2.1.6.	Payment Commitments for Checks		-	-	-	-	-	-
2.1.7.	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.8.	Commitments For Credit Card Expenditure Limits		44,910	-	44,910	59	-	59
2.1.9.	Commitments For Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.10.	Receivables From Short Sale Commitments		-	-	-	-	-	-
2.1.11.	Payables For Short Sale Commitments		-	-	-	-	-	-
2.1.12.	Other Irrevocable Commitments		4,265	-	4,265	1,930	-	1,930
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(3.2.)	971,263	938,340	1,909,603	1,165,161	1,165,624	2,330,785
3.1.	Derivative Financial Instruments Held for Risk Management		-	-	-	-	-	-
3.1.1.	Fair Value Hedges		-	-	-	-	-	-
3.1.2.	Cash Flow Hedges		-	-	-	-	-	-
3.1.3.	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2.	Held For Trading Transactions		971,263	938,340	1,909,603	1,165,161	1,165,624	2,330,785
3.2.1.	Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1.	Forward Foreign Currency Buy Transactions		-	-	-	-	-	-
3.2.1.2.	Forward Foreign Currency Sell Transactions		-	-	-	-	-	-
3.2.2.	Other Forward Buy/Sell Transactions		971,263	938,340	1,909,603	1,165,161	1,165,624	2,330,785
3.3.	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGED ITEMS (IV+V+VI)		120,798,451	400,656	121,199,107	87,981,132	182,770	88,163,902
IV.	ITEMS HELD IN CUSTODY		1,953,246	400,656	2,353,902	1,353,301	182,770	1,536,071
4.1.	Customers' Securities Held		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		601,453	-	601,453	494,802	-	494,802
4.3.	Checks Received for Collection		186,243	3,290	189,533	190,449	6,359	196,808
4.4.	Commercial Notes Received for Collection		-	-	-	-	-	-
4.5.	Other Assets Received for Collection		-	-	-	-	-	-
4.6.	Assets Received for Public Offering		-	-	-	-	-	-
4.7.	Other Items Under Custody		-	-	-	-	-	-
4.8.	Custodians		1,165,550	397,366	1,562,916	668,050	176,411	844,461
V.	PLEDGED ITEMS		118,845,205	-	118,845,205	86,627,831	-	86,627,831
5.1.	Marketable Securities		250	-	250	250	-	250
5.2.	Guarantee Notes		-	-	-	-	-	-
5.3.	Commodity		1,464,236	-	1,464,236	1,242,637	-	1,242,637
5.4.	Warranty		-	-	-	-	-	-
5.5.	Properties		699,570	-	699,570	856,195	-	856,195
5.6.	Other Pledged Items		116,673,599	-	116,673,599	84,521,199	-	84,521,199
5.7.	Pledged Items Depository		7,550	-	7,550	7,550	-	7,550
VI.	ACCEPTED GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ITEMS (A+B)			122,507,177	4,053,773	126,560,950	90,025,674	3,193,010	93,218,684

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (INCOME STATEMENT) AS OF 30 JUNE 2025

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

3. CONSOLIDATED STATEMENT OF PROFIT OR LOSS (INCOME STATEMENT)

		Notes Section V	Current Period 01.01.2025- 30.06.2025	Current Period 01.04.2025- 30.06.2025	Prior Period 01.01.2024- 30.06.2024	Prior Period 01.04.2024- 30.06.2024
	PROFIT AND LOSS TABLE					
I.	PROFIT SHARE INCOME		1,944,879	1,042,156	380,577	271,981
1.1.	Profit Share on Loans	(4.1)	1,386,255	742,653	317,801	222,873
1.2.	Profit Share on Reserve Deposits	(4.1)	151,666	81,974	853	853
1.3.	Profit Share on Banks	(4.1)	5,075	2,536	1,226	767
1.4.	Profit Share on Money Market Placements		200,144	84,533	29,747	25,257
1.5.	Profit Share on Marketable Securities Portfolio	(4.1)	200,738	129,812	30,923	22,294
1.5.1.	Fair Value Through Profit or Loss		450	450	843	337
1.5.2.	Fair Value Through Other Comprehensive Income		174,660	105,592	25,700	19,462
1.5.3.	Measured at Amortised Cost		25,628	23,770	4,380	2,495
1.6.	Finance Lease Income		-	-	-	-
1.7.	Other Profit Share Income		1,001	648	27	(63)
II.	PROFIT SHARE EXPENSE (-)		1,656,766	859,523	257,310	198,597
2.1.	Expense on Profit Sharing Accounts	(4.4)	1,646,307	851,904	257,027	198,409
2.2.	Profit Share Expense on Funds Borrowed	(4.2.)	1,207	396	87	87
2.3.	Profit Share Expense on Money Market Borrowings		5,229	5,229	-	-
2.4.	Profit Share Expense on Securities Issued	(4.2.)	-	-	-	-
2.5.	Profit Share Expense on Leasing		4,023	1,994	191	91
2.6.	Other Profit Share Expenses		-	-	5	5
III.	NET PROFIT SHARE INCOME/EXPENSE (I - II)		288,113	182,633	123,267	73,389
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		6,865	6,776	(6,342)	(4,564)
4.1.	Fees And Commissions Received		20,424	14,015	1,811	1,583
4.1.1.	Non-Cash Loans		8,907	5,141	733	733
4.1.2.	Other	(4.13.)	11,517	8,874	1,078	850
4.2.	Fees And Commissions Paid (-)		13,559	7,239	8,153	6,147
4.2.1.	Non-Cash Loans		27	13	-	-
4.2.2.	Other	(4.13.)	13,532	7,226	8,153	6,147
V.	DIVIDEND INCOME	(4.3.)	-	-	-	-
VI.	NET TRADING INCOME / LOSS	(4.5.)	315,656	160,894	188,500	80,584
6.1.	Capital Market Transaction Gains/Losses		190,342	102,503	171,900	73,582
6.2.	Gains/Losses from Derivative Financial Instruments		60,304	40,961	3,907	3,796
6.3.	Foreign Exchange Gains/Losses		65,010	17,430	12,693	3,206
VII.	OTHER OPERATING INCOME	(4.6.)	32,674	15,716	987	116
VIII.	GROSS OPERATING PROFIT (III+IV+V+VI+VII+ VIII)		643,308	366,019	306,412	149,525
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	(4.7.)	83,833	29,466	21,821	18,254
X.	OTHER PROVISIONS (-)	(4.7.)	8,816	5,815	8,974	6,082
XI.	PERSONNEL EXPENSES (-)		500,203	260,206	291,025	156,607
XII.	OTHER OPERATING EXPENSES (-)	(4.8.)	333,132	184,391	385,078	268,403
XIII.	NET OPERATING INCOME/(LOSS) (IX-X-XI)		(282,676)	(113,859)	(400,486)	(299,821)
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME / (LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XV.	INCOME / (LOSS) ON NET MONETARY POSITION		-	-	-	-
XVII.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XII+...+XV)	(4.9.)	(282,676)	-113,859	(400,486)	(299,821)
XVIII.	PROVISION FROM TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(4.10)	206,792	133,619	174,727	113,222
18.1.	Current Tax Provision		7	7	-	-
18.2.	Deferred Tax Income Effect (+)		29,987	24,190	9,869	2,368
18.3.	Deferred Tax Expense Effect (-)		236,786	157,816	184,596	115,590
XIX.	CURRENT PERIOD PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV+XVI)	(4.11.)	(75,884)	19,760	(225,759)	(186,599)
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1.	Income on Non-Current Assets Held for Sale		-	-	-	-
20.2.	Income on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
20.3.	Income on Other Discontinued Operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1.	Expenses From Non-Current Assets Held for Sale		-	-	-	-
21.2.	Expenses From Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
21.3.	Expenses From Other Discontinued Operations		-	-	-	-
XXII.	PROFIT / LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
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 (XX+XXI)		-	-	-	-
XXV.	NET PROFIT/LOSS (XVII+XXII)	(4.12.)	(75,884)	19,760	(225,759)	(186,599)
25.1.	Group's Profit / Loss		(75,884)	19,760	(225,759)	(186,599)
25.2.	Minority Interest Profit/Loss (-)		-	-	-	-
	Earnings Per Share Income/Loss		(0.0220)	0.0051	(0.0261)	(0.1244)

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AS OF 30 JUNE 2025

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

4. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Current Period 01.01.2025- 30.06.2025	Current Period 01.04.2025- 30.06.2025	Prior Period 01.01.2024- 30.06.2024	Prior Period 01.04.2024- 30.06.2024
I.	CURRENT PROFIT (LOSS)	(75,884)	19,760	(225,759)	(186,599)
II.	OTHER COMPREHENSIVE INCOME	(1,175)	19,779	801	264
2.1	Other Comprehensive Income Not Reclassified Through Profit or Loss	-	-	-	-
2.1.1	Property And Equipment Revaluation Increase/Decrease	-	-	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	-	-	-	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-	-	-
2.1.5	Taxes Related to Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-	-	-
2.2	Other Comprehensive Income Reclassified Through Profit or Loss	(1,175)	19,779	801	264
2.2.1	Foreign Currency Translation Difference	-	-	-	-
2.2.2	Valuation And/Or Reclassification Income/Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	(1,678)	28,256	1,145	378
2.2.3	Cash Flow Hedge Income/Loss	-	-	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	-	-	-
2.2.6	Taxes Related Other Comprehensive Income Items Reclassified Through Profit or Loss	503	(8,477)	(344)	(114)
III.	TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	(77,059)	39,539	(224,958)	(186,335)

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 30 JUNE 2025

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

5. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

		Paid-in Capital	Share Premiums	Share Cancellation profits	Other Capital Reserves	Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss			Accumulated Other Income or Loss That Will Be Reclassified to Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Net Profit/Loss for the Period	Total Shareholders' Equity Less Minority Shares	Minority Share	Total Shareholders' Equity
						1	2	3	4	5	6						
	Current Period (01/01/2025 – 30/06/2025)																
I.	Prior Period Ending Balance	3,000,000	-	-	-	-	-	-	-	1,540	-	91,251	-	(440,024)	2,652,767	-	2,652,767
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes In Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	3,000,000	-	-	-	-	-	-	-	1,540	-	91,251	-	(440,024)	2,652,767	-	2,652,767
IV.	Total Comprehensive Income (Loss)	-	-	-	-	-	-	-	-	(1,175)	-	-	-	(75,884)	(77,059)	-	(77,059)
V.	Capital Increase by Cash	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
VI.	Capital Increase by Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase / Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	(440,024)	440,024	-	-	-	-
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers To Legal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	(440,024)	440,024	-	-	-	-
	Balances at end of the period (III+IV+.....+X+XI)	4,500,000	-	-	-	-	-	-	-	365	-	91,251	(440,024)	(75,884)	4,075,708	-	4,075,708

1. Accumulated revaluation increase/ decrease of fixed assets,

2. Accumulated remeasurement gain/ loss of defined benefit pension plan,

3. Other (Shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss)

4. Foreign currency translation differences

5. Accumulated revaluation and/ or remeasurement gain/ loss of the financial asset at fair value through other comprehensive income,

6. Other (Cash flow hedge gain/ loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss.)

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS OF 30 JUNE 2025

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

5. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (continued)

		Paid-in Capital	Share Premiums	Share Cancellation profits	Other Capital Reserves	Accumulated Other Income or Loss That Will Not Be Reclassified to Profit or Loss			Accumulated Other Income or Loss That Will Be Reclassified to Profit or Loss			Profit Reserves	Prior Period Profit or (Loss)	Net Profit/Loss for the Period	Total Shareholders' Equity Less Minority Shares	Minority Share	Total Shareholders' Equity
						1	2	3	4	5	6						
	Prior Period (01/01/2024 – 30/06/2024)																
I.	Prior Period Ending Balance	1,500,000	-	-	-	-	-	-	-	(11)	-	29,076	-	62,175	1,591,240	-	1,591,240
II.	Corrections and Accounting Policy Changes Made According to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of Corrections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of Changes In Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I+II)	1,500,000	-	-	-	-	-	-	-	(11)	-	29,076	-	62,175	1,591,240	-	1,591,240
IV.	Total Comprehensive Income (Loss)	-	-	-	-	-	-	-	-	801	-	-	-	(225,759)	(224,958)	-	(224,958)
V.	Capital Increase by Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase by Internal Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Paid in Capital Inflation Adjustment Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds to Share	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase / Decrease by Other Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution	-	-	-	-	-	-	-	-	-	-	62,175	-	(62,175)	-	-	-
11.1	Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers To Legal Reserves	-	-	-	-	-	-	-	-	-	-	62,175	(62,175)	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	62,175	(62,175)	-	-	-
	Balances at end of the period (III+IV+.....+X+XI)	1,500,000	-	-	-	-	-	-	-	790	-	91,251	-	(225,759)	1,366,282	-	1,366,282

1. Accumulated revaluation increase/ decrease of fixed assets,

2. Accumulated remeasurement gain/ loss of defined benefit pension plan,

3. Other (Shares of investments valued by equity method in other comprehensive income not classified through profit or loss and other accumulated amounts of other comprehensive income items not reclassified through other profit or loss)

4. Foreign currency translation differences

5. Accumulated revaluation and/ or remeasurement gain/ loss of the financial asset at fair value through other comprehensive income,

6. Other (Cash flow hedge gain/ loss, shares of investments valued by equity method in other comprehensive income classified through profit or loss and other accumulated amounts of other comprehensive income items reclassified through other profit or loss.)

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

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE 2025

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

6. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note Section V	Current Period 01.01.2025- 30.06.2025	Prior Period 01.01.2024- 31.03.2024
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit Before Changes in Assets And Liabilities From Banking Operations	(625,851)	(603,288)
1.1.1	Profit Share Income Received	1,792,683	284,472
1.1.2	Profit Share Expense Paid	(1,685,748)	(192,693)
1.1.3	Dividends Received	-	-
1.1.4	Fees And Commissions Received	23,969	12,247
1.1.5	Other Income	62,768	45,762
1.1.6	Collections From Previously Written Off Loans	10,583	-
1.1.7	Payments to Personnel And Service Suppliers	(799,735)	(730,250)
1.1.8	Taxes Paid	-	-
1.1.9	Others	(6.3) (30,371)	(22,826)
1.2	Changes in Assets And Liabilities From Banking Operations	119,336	1,793,688
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(30,000)	701,171
1.2.2	Net (Increase) Decrease in Due From Banks And Other Financial Institutions	(1,262,500)	(379,350)
1.2.3	Net (Increase) Decrease in Loans	(2,079,056)	(2,079,623)
1.2.4	Net (Increase) Decrease in Other Assets	(6.3) (41,681)	(2,700)
1.2.5	Net Increase (Decrease) in Bank Deposits	-	-
1.2.6	Net Increase (Decrease) in Other Deposits	3,357,383	3,339,666
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	200,000	-
1.2.9	Net Increase (Decrease) in Due Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(6.3) (24,810)	214,524
I.	Net Cash Provided From / (Used in) Banking Operations	(506,515)	1,190,400
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided From / (Used in) Investing Activities	(902,272)	(658,682)
2.1	Cash Paid For Purchase Jointly Controlled Operations, Associates And Subsidiaries	(58,000)	(20,000)
2.2	Cash Obtained From Sale of Jointly Controlled Operations, Associates And Subsidiaries	-	-
2.3	Fixed Assets Purchases	(197,188)	(109,402)
2.4	Fixed Assets Sales	-	-
2.5	Cash Paid For Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(817,680)	(596,090)
2.6	Cash Obtained From Sale of Financial Assets at Fair Value Through Other Comprehensive Income	339,794	65,050
2.7	Cash Paid For Purchase of Investment Securities	(240,000)	(20,349)
2.8	Cash Obtained From Sale of Investment Securities	70,802	22,109
2.9	Other	-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Provided From / (Used in) Financing Activities	1,494,326	(850)
3.1	Cash Obtained From Funds Borrowed And Securities Issued	-	-
3.2	Cash Used For Repayment of Funds Borrowed And Securities Issued	-	-
3.3	Capital Increase	1,500,000	-
3.4	Dividends Paid	-	-
3.5	Payments For Finance Leases	(5,674)	(850)
3.6	Other	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash And Cash Equivalents	(6.3) 46,776	5,653
V.	Net Increase (Decrease) in Cash And Cash Equivalents	132,315	536,521
VI.	Cash And Cash Equivalents at The Beginning of The Period	(6.1) 1,531,546	51,751
VII.	Cash And Cash Equivalents at The End of The Period	(6.1) 1,663,861	588,272

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

**NOTES AND DISCLOSURES TO THE CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025**

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES IN THE RELATED PERIOD

1. Explanations on basis of presentation

The preparation of the consolidated financial statements and related notes and explanations in accordance with the Turkish accounting standards and regulation on accounting applications for banks and safeguarding of documents

The consolidated financial statements have been prepared in accordance with the Banking Law No. 5411 ("Banking Law"), the "Regulation on Accounting Practices and Document Retention for Banks," which was published in the Official Gazette dated November 1, 2006, and numbered 26333 ("Regulation"), and other regulations issued by the Banking Regulation and Supervision Agency ("BRSA") regarding the accounting record system for banks, as well as the circulars and explanations issued by the BRSA, and, in matters not regulated by them, the Turkish Financial Reporting Standards ("TFRS") issued by the Public Oversight, Accounting, and Auditing Standards Authority ("KGGK") (collectively referred to as the "BRSA Accounting and Financial Reporting Legislation"). Additionally, the TFRS standard, TAS 29 "Financial Reporting in Hyperinflationary Economies," as outlined below, does not apply to banks and financial leasing, factoring, financing, savings financing, and asset management companies.

The consolidated financial statements are prepared in TL on the basis of historical cost, except for financial assets and liabilities shown at their fair values.

Accounting policies and valuation principles applied in the preparation of consolidate financial statements

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments at fair value through profit or loss, and the financial assets and liabilities at fair value through other comprehensive income that are measured at fair values.

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TFRS. The preparation of the consolidated financial statements according to BRSA Reporting and Accounting Legislation requires the Parent Bank's management to make estimates and assumptions related to assets and liabilities in the balance sheet and contingent issues as of the balance sheet date. Such estimates and assumptions include the fair value calculations of the financial instruments, provisions for the lawsuits, deferred tax assets and liabilities, impairment of the financial assets and revaluation of immovables and reviewed periodically and when adjustments are considered necessary, they are reflected in the consolidated financial statements. The assumptions and estimates used are explained in the related notes. Accounting policies and evaluation principles in preparing consolidated financial statements are determined and applied as per the principles stated in "BRSA Accounting and Financial Reporting Legislation" and consistent with the accounting policies applied for December 31, 2024 financial statements.

In the announcement made by KGGK on November 23, 2023, it was decided that entities applying TFRS would implement the TAS 29 standard for financial reporting in hyperinflationary economies starting from the reporting period ending December 31, 2023. Additionally, institutions or organizations authorized to regulate and supervise in their respective fields were given the flexibility to set different transition dates for the application of the TAS 29 provisions. In this context, according to the decision of the BRSA dated December 12, 2023, and numbered 10744, banks and financial leasing, factoring, financing, savings financing, and asset management companies were exempt from the inflation adjustment required under TAS 29 for the financial statements as of December 31, 2023. Furthermore, as per the BRSA's decision dated January 11, 2024, and numbered 10825, it was decided that inflation accounting would be implemented starting from January 1, 2025. Therefore, the financial statements as of December 31, 2024, do not reflect the application of TAS 29, nor has any inflation adjustment been made. Additionally, in accordance with the BRSA's decision dated December 5, 2024, and numbered 11021, it has been decided that banks and financial leasing, factoring, financing, savings financing, and asset management companies will not apply inflation accounting in 2025.

**NOTES AND DISCLOSURES TO THE CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025**

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

Changes in accounting estimates, errors and classifications

If changes in accounting estimates are related to only one period, they are applied in the current period in which the change is made, and if they are related to future periods, they are applied both prospectively and in the future periods. Significant accounting errors are applied retrospectively, and prior period financial statements are restated. There were no significant changes in the accounting estimates of the Group in the current year. Comparative information is rearranged when deemed necessary in order to comply with the presentation of the current period financial statements. The Group has not made any changes in the presentation of the financial statements in the current period.

The Group's financial statements are prepared comparatively with the previous period in order to enable the determination of financial position and performance trends.

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

The Group follows an asset-liability management strategy that mitigates risk and increases earnings by balancing the funds borrowed and the investments in various financial assets. The main objective of asset-liability management is to limit the Group's exposure to liquidity risk, currency risk and credit risk while increasing profitability and strengthening the Group's equity. The assets-liabilities committee (ALCO) manages the assets and liabilities within the trading limits on the level of exposure placed by the Executive Risk Committee.

Gains and losses arising from foreign currency transactions have been recorded in the period in which the transaction took place. Foreign currency denominated monetary assets and liabilities are valued with the period end exchange rates to Turkish Lira and valuation differences of foreign currencies have been recognized in the income statement under the net foreign exchange income/expense account.

The foreign currency exchange differences resulting from the translation of debt securities issued and monetary financial instruments into Turkish Lira are included in the income statement.

3. Explanations on forward transactions and option contracts and derivative instruments

The Group's derivative transactions are classified, measured and accounted in accordance with the provisions of "TFRS 9 Financial Instruments". Fair values are used in the initial recording of derivative transactions and are valued at fair values in the periods following their recording. Liabilities and assets arising from derivative transactions are recorded in the off-balance sheet accounts based on the contract amounts. Derivative transactions are valued at fair value in the periods following their recording and are shown in the balance sheet in the "Fair Value Difference of Derivative Financial Assets Reflected through Profit and Loss" or "Fair Value Difference of Derivative Financial Liabilities Reflected through Profit and Loss Portion" accounts, depending on whether the fair value is positive or negative. These amounts shown in the balance sheet reflect the fair values of derivative products. Differences in fair value as a result of the valuation are accounted for in the "Profit/loss from derivative financial transactions" accounts in the income statement.

4. Explanations on profit share income and expense

Profit share income is reflected in the records using the internal yield ratio method according to the accrual basis over the funds used, and it is accounted for in the dividend income account in the financial statements. When applying the internal yield method, the Group amortizes the fees included in the calculation of the effective profit ratio and the transaction costs over the expected life of the financial instrument. If a financial asset suffers a credit impairment and is classified as non-performing receivables, profit accruals and rediscounts are calculated for the relevant customers in accordance with the TFRS 9 Financial Instruments Standard.

The Group calculates expense rebates on profit/loss participation accounts according to the unit value calculation method and classifies these amounts in the "Collected Funds" account item on the balance sheet.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025

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

5. Information on Associates and Subsidiaries and Entities Under Common Control

The Communiqué Amending the “Communiqué on the Turkish Accounting Standard 27 (TAS 27) Concerning Individual Financial Statements” published in the Official Gazette dated April 9, 2015 and numbered 29321 came into effect for the accounting periods after January 1, 2016. While it is stated that a business that prepared its individual financial statements before the amendment can account for investments in its subsidiaries, joint ventures and associates at cost or in accordance with TFRS 9 Financial Instruments standard, with the amendment, while the business prepares its individual financial statements, its investments in subsidiaries, joint ventures and affiliates are accounted for using the equity method also has the opportunity to be accounted for.

Titles, locations of the headquarters, main operations and Group’s shares relating the consolidated entities are as follows:

Title	Address (City/Country)	Main Operation	Current Period Share (%)	Prior Period Share (%)	Consolidation method
Hayat Varlık Kiralama A.Ş. ¹	İstanbul/Türkiye	Financial Institution	100.00	-	Full consolidation

¹ Hayat Varlık Kiralama A.Ş. started its operations in 2025, the financial information for 2024 in the financial tables and footnotes include unconsolidated information.

Parent Bank and the subsidiaries, the financial tables of which are consolidated along with the Parent Bank, are collectively referred as “the Group”.

Consolidation basis of subsidiaries

Subsidiaries are entities whose capital and management are directly or indirectly controlled by the Parent Bank. Subsidiaries are consolidated by the full consolidation method, within the framework of significance on the basis of operational outcomes, assets sizes and equity sizes. The financial statements of the relevant subsidiaries are included in the consolidated financial statements as of the date that control is transferred to Parent Bank.

Control denotes any of the following circumstances: the Parent Bank directly or indirectly through subsidiaries has over 50% of the voting rights or, dominance over the voting rights as described afore does not exist but the Parent Bank owns the preferred shares, or; the Parent Bank has voting rights appropriating more than 50% percent of all voting rights due to the agreements signed with other shareholders, or; the Parent Bank has the authority to manage the operational and financial policies of the entity due to certain arrangements or agreements, or; the Parent Bank has the power to influence the majority of the votes within the Board of Directors or any other executive organ vested with similar rights, or; the Parent Bank by any means has the power to appoint or dismiss the majority of the Board of Directors.

In accordance with the full consolidation, all of the assets, liabilities, income, expense and off-balance sheet liabilities of the subsidiaries are consolidated with the assets, liabilities, income, expense and off-balance sheet liabilities of the Parent Bank. The carrying value of the Group’s investment in each subsidiary is offset with the cost value of the subsidiary’s capital owned by the Group. Balances regarding the transactions between the subsidiaries in the scope of the consolidation and the unrealized gains/losses are reciprocally offset. Minority shares within the net income of the consolidated subsidiaries are determined provided that the net income of the Group shall be calculated, and these minority shares are presented as a separate item in the income statement. Minority shares are presented under the equity in the consolidated balance sheet.

In the case where the accounting policies implemented by the subsidiary are different than the Parent Bank, the accounting policies are reconciled.

6. Explanations on fees and commission income and expenses

Other than fees and commission income and expenses received from certain banking transactions that are recorded as income or expense in the period they are collected, fees and commission income and expenses are recognized in the income statement depending on the duration of the transaction. Except for fees and commissions that are integral part of the effective profit share rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers.

Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period.

In accordance with the provisions of TAS, commission and fees collected in advance for loans granted are deferred and reflected to the income statement by using the internal rate of return method. Unearned portion of the commission and fees relating to the future periods are recorded to the “Unearned Revenues” account under “Other Liabilities” on the balance sheet.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025

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

7. Explanations on financial assets

The Group categorizes its financial assets as “Fair Value Through Profit/Loss”, “Fair Value Through Other Comprehensive Income” or “Measured at Amortized Cost”. Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 Issued for classification and measurement of the financial instruments published in the Official Gazette No. 29953 dated January 19, 2017 by the Public Oversight Accounting and Auditing Standards Authority (POA). Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added to fair value or deducted from fair value.

The Group recognizes a financial asset in the financial statements only when it becomes a party to the contractual terms of a financial instrument. During the initial recognition of a financial asset, the business model determined by Group management and the nature of contractual cash flows of the financial asset are taken into consideration.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit/loss” are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and profit share at certain date; that are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. Equity securities classified as financial assets at fair value through profit/loss are recognized at fair value.

Financial assets at fair value through other comprehensive income

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial assets with contractual terms that lead to cash flows are solely payments of principal and profit share at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Profit share income calculated with effective profit share rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. “Unrealized gains and losses” arising from the difference between the amortised cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity.

Securities representing the share in the capital classified as financial assets at fair value through profit or loss are recognized at fair value. Exceptionally, cost may be an appropriate estimation method for determining fair value. This is only possible if there is not enough recent information on the measurement of fair value or if the fair value can be measured with more than one method and the cost reflects the fair value estimation among these methods in the best way.

During initial recognition an entity can choose in an irrevocable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025

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

Financial assets measured at amortized cost

In the case that a financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and that the contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and profit share on the principal amount, the financial asset is classified as financial asset measured at amortized cost.

Financial Assets Measured at Amortized Cost; consists of financial assets, excluding loans and receivables, that are held with the intention of keeping until maturity and that the necessary conditions to be held until maturity, including funding ability, are met, have fixed or determinable payments and fixed maturities. Financial Assets Measured at Amortized Cost are first recorded at their acquisition cost and subsequently valued at their discounted cost using the internal yield method. Profit share income related to Financial Assets Measured at Amortized Cost is reflected in the income statement.

Derivative financial assets

Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values.

Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, the fair value amounts are classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss." The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions. The fair value of derivative instruments is calculated by taking into account the market value of the derivatives or by using the discounted cash flow model.

Loans

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Profit Share Rate (internal rate of return) Method".

**NOTES AND DISCLOSURES TO THE CONSOLIDATED
FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025**

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

8. Explanations on impairment of financial assets

In accordance with the "Regulation on the Procedures and Principles for the Classification of Loans and the Provisions to be Set Aside for These" published in the Official Gazette dated 22 June 2016 and numbered 29750, the Bank started to allocate impairment provisions in accordance with the provisions of TFRS 9 after it started operating. Since the Group does not have sufficient historical data to create internal models for TFRS 9 expected credit loss calculation, the Bank prepared its assumptions and methodologies based on expert opinion. In addition, within the scope of TFRS 9 Standard, the Group has developed macroeconomic models to reflect past events, current conditions and estimates of future economic conditions and included them in the expected credit loss provision calculations. Expected credit loss is a probability calculation that is used to predict the credit losses that will occur if the loan payments required under the contract are not made on time and is weighted according to the default risks of the loans. Calculation of expected credit losses consists of three main parameters: Probability of Default, Loss Given Default, and Default Amount.

Probability of Default (PD), refers to the probability that the loan will default within a certain time period. The bank uses two different default probability values when calculating expected credit loss in accordance with TFRS 9:

- 12-Month probability of default: Estimation of the probability of default within 12 months after the reporting date.
- Lifetime probability of default: Estimation of the probability of default over the expected life of the financial instrument.

Since the Group does not have historical data that could create a PD model within the scope of TFRS 9, it determined the PD value using participation banks' default data.

Loss Given Default (LGD), is the economic loss of the borrower arising from the loan in case of default and is expressed as a ratio. "Working LGD" rate refers to the LGD rate that corresponds to the period between the date of transfer to follow-up accounts for non-performing receivables and the period in which ECL calculation is made. LGD rate for all receivables except non-performing receivables is 45%

Exposure amount at Default (EAD), refers to the balance disbursed in cash loans as of the report date. For non-cash loans and commitments, it is the value calculated by applying the loan conversion rate. The credit conversion rate corresponds to the loan conversion rate used in the adaptation of possible risk increases between the current date and the default date.

For non-cash loans, credit conversion ratio is used in EAD calculation. The cash conversion rate of a non-cash loan indicates the rate at which compensation will occur. For the cash conversion rates of non-cash loans, the risk weighting given in the BRSA Circular No. 2016/1 dated 28.03.2016 was taken into account.

The Group has established a 3-stage' impairment model based on the change in credit quality after initial recognition:

Stage 1 covers financial instruments with no significant increase in credit risk from initial recognition to the next reporting period or with low credit risk at the reporting date. For these assets, a 12-month expected credit loss is recognized. In the 12-month expected credit loss provision calculation for Stage 1 loans, the weighted average of annual default rates calculated on the 5-year loan and non-performing receivables data publicly disclosed by participation banks starting from the period in which the PD calculation is made is used as the probability of default (PD) parameter. While determining the relevant period, the minimum historical observation period mentioned in the "Guide on Evaluation, Validation and Corporate Governance of Internal Rating-Based Approaches and Advanced Measurement Approach" was taken into consideration.

Stage 2 covers financial assets for which there has been a significant increase in credit risk since initial recognition but for which there is no objective evidence of impairment. For these assets, lifetime expected credit losses are recognized. In this context, these are the basic issues taken into account in determining whether a financial asset's credit risk has increased significantly and is transferred to Stage 2. In the lifetime expected loan loss provision calculation for stage 2 loans, the weighted average of stage 2 provision rates calculated over the 5-year close monitoring provision amounts announced to the public by participation banks starting from the period in which the PD calculation is made is used as the PD parameter.

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NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025

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

Stage 3 includes financial assets for which there is objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

The Group periodically evaluates the provisions set aside for loans and other receivables in accordance with TFRS 9, based on their results, and makes updates to the basketing rules and the parameters used in the calculation of the relevant provision balances, if deemed necessary, as a result of these evaluations.

If the credit risk on a financial instrument has not increased significantly since it was first recognized in the financial statements, the Group classifies the financial asset in question as the first stage and adjusts the loss allowance for the financial instrument at an amount equal to the 12-month expected credit losses at each reporting date.

The purpose of impairment is to recognize lifetime expected losses in the financial statements for all financial instruments with significant increases in credit risk since their initial recognition, individually or collectively, by taking into account all reasonable and supportable information, including forward-looking ones.

12-Month Expected Loss Provision (Stage 1) These are financial assets that do not have a significant increase in credit risk when they are first included in the financial statements or thereafter, and the number of days of delay does not exceed 30 days.

Credit risk impairment provision for these assets is recognized as 12-month expected credit loss provision. It is valid for all assets unless there is a significant deterioration in credit quality. The 12-month expected loss values (within 12 months after the reporting date or sooner if the life of a financial instrument is less than 12 months) are part of the lifetime expected loss calculation.

Significant Increase in Credit Risk (Stage 2) if there is a significant increase in credit risk after it is first included in the financial statements, the relevant financial asset is transferred to the 2nd Stage. Credit risk impairment provision is determined according to the lifetime expected credit loss provision of the relevant financial asset.

The Group classifies financial assets as stage 2, taking into account the following criteria:

- Loans with overdue days exceeding 30 days but not exceeding 90 days,
- Data received from the early warning system and the evaluation to be made by the Group in this case,
- The Group's management concludes that there is a significant increase in the credit risk as a result of the comparison with the default risk at the beginning of the loan to determine whether the customer's risk of default has increased significantly since the initial definition of the loan,
- In loans whose repayment is entirely dependent on collateral, the net realizable value of the collateral falls below the receivable amount.

Default (Stage 3/Special Provision) According to the Group's internal procedures, the relevant financial asset is within the scope of default if the following situations exist:

- Loans that are over 90 days overdue from the last installment date (In this case, the customer is followed up on the 91st day).
- Loans that are restructured and classified as live receivables and whose payment is delayed for more than 30 days within the one-year monitoring period (In this case, the customer is monitored on the 31st day).
- Loans that were restructured and classified as live receivables and were restructured at least once within a one-year monitoring period.

Expected Credit Loss evaluation is done on the basis of the existence of the hard collateral. In case the file has hard collateral, for each customer at least 2 and at most 3 scenario will be applicable. The independent value of the collateral, court value, if there is payment protocol the payment plan, legal status of the debtor, the situation in the court file are considered while calculating the ECL.

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NOTES AND DISCLOSURES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD-ENDED 30 JUNE 2025

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

9. 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 Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

10. Explanations on sale and repurchase agreements and lending of securities

Central Bank of the Republic of Türkiye (“CBRT”) made some changes on orders for open market transactions (“OMT”) and prepared an additional frame contract for participation banks in order to present rent certificates to open market operations of CBRT in accordance with the principles of participation banks. According to this agreement, a new type of transaction was formed which enables participation banks to resell or repurchase rent certificates on their portfolio to CBRT when they need funding or in attempt to evaluate the excess liquidity. In this context, the Treasury Lease Certificates included in the assets of the participation banks of the Central Bank of the Republic of Türkiye are subject to the sale process with the promise of repurchase and can carry out API transactions and obtain funds in this way.

11. Explanations on assets held for sale and discontinued operations and related liabilities

A non-current asset classified as held for sale (or disposal group) is the lower of its book value and fair value less costs to sell, in accordance with the provisions of “TFRS 5 Turkish Financial Reporting Standard on Assets Held for Sale and Discontinued Operations”. In order to classify an asset as held for sale, the sale should be highly probable, and the asset should be available for immediate sale in its present condition. Highly saleable condition requires a plan by the management regarding the sale of the asset together with an active program for the determination of buyers as well as for the completion of the plan. Also, the asset should be actively in the market at a price consistent with its fair value. In addition, the sale is expected to be recognized as a completed sale within one year after the classification date and the necessary transactions and procedures to complete the plan should demonstrate the fact that there is remote possibility of making any significant changes in the plan or cancellation of the plan. Various events and conditions may extend the completion period of the disposal over one year.

A discontinued operation is a part of the Group business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in the income statement.

The Group has no discontinued operations.

12. Explanations on goodwill and other intangible assets

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 “Turkish Accounting Standards for Intangible Assets”. As of the balance sheet date, there is no goodwill in the financial statements of the Bank. The Group’s intangible assets consist of softwares, capitalized information technology services and intangible rights. Intangible assets are amortised by the Group over their estimated economic useful lives in equal amounts on a straight-line basis. Useful lives of the Group’s software have been determined as 3 to 4 years and other intangible assets’ useful lives have been determined as 15 years.

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

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13. Explanations on tangible assets

Fixed assets are stated at cost adjusted for inflation less accumulated depreciation and provision for impairment, if any.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

Depreciation is calculated on a pro-rata basis for the assets that have been placed in use for less than one year as of the balance sheet date.

If the recoverable amount (the higher of value in use and fair value) of a tangible asset is less than it is carrying value, impairment loss is provided and the carrying value is written down to its recoverable amount.

Gains or losses resulting from disposals of the fixed assets are recorded in the income statement as the difference between the net proceeds and net book value of the asset.

Expenses for repair costs are capitalized if the expenditure increases economic life of the asset; other repair costs are expensed as incurred.

The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product, or to decrease the costs.

14. Explanations on leasing transactions

The Group assesses whether the contract has a lease qualification or include a lease transaction.

- (a) The right to obtain almost all of the economic benefits from the use of the leased asset and,
- (b) Whether the leased asset which has the right to manage its use is evaluated

The right of use asset and lease liability are measured at the present value of the lease payments in accordance with TFRS 16 "Leases" standard. Lease payments are discounted using the Group's alternative borrowing profit share rate.

Right of use assets

The Group reflects the existence of a right of use and a lease liability to the financial statements at the date the lease is commenced.

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

- (a) The first measurement amount of the lease liability,
- (b) The amount obtained by deducting all rental incentives received from all lease payments made at or before the date of the rental.

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

- (a) Accumulated depreciation and accumulated impairment losses are deducted and
- (b) Measures the restatement of the lease obligation over the adjusted cost.

The Group applies the depreciation liabilities in TAS 16 Tangible Fixed Assets while depreciating the right of use asset. The Group determines whether the right of use has been impaired and recognizes any identified impairment losses in accordance with TAS 36 – Impairment of Assets.

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Lease Liability

At the effective date of the lease, the Group measures the leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Group's alternative borrowing profit share rate.

The profit share on the lease liability for each period of the lease term is the amount found by applying a fixed periodic profit share rate to the remaining balance of the lease liability. Periodic profit share rate is the Group's borrowing profit share rate.

After the beginning of a contract, the Group remeasures its lease liability to reflect changes in lease payments. The Group reflects the restatement amount of the lease obligation to the financial statements as revised in the presence of the right of use.

15. Explanations on Provisions and contingent liabilities

Provisions and contingent liabilities are accounted in accordance with "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" (TAS 37).

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

As per the periodicity principle, a provision is provided for the liabilities arising as a result of past events in the period they arise, if it is probable that the liability will be settled and a reliable estimate for the liability amount can be made.

When a reliable estimate of the amount of the obligation cannot be made or it is not probable that an outflow of resources will be required to settle the obligation, the obligation is considered as a conditional liability and is disclosed in the related notes to the financial statements.

16. Explanations on liabilities relating to employee benefits

Defined benefit plans

In accordance with existing social legislation, the Group is required to make severance pay to each employee who has completed over one year of service with the Group and who retires or quits the employment to receive old age or disability benefits, to fulfill the compulsory military service, because of the marriage (for females) or because of the other compulsive reasons as defined in the laws and whose employment is terminated due to reasons other than resignation or misconduct.

The Group's employees are not members of any pension fund, foundations, union or other similar entities.

Defined contribution plans

The Group pays defined contribution plans to publicly administer Social Security Funds for its employees as mandated by the Social Security Association. The Group has no further payment obligations other than this contribution share. The contributions are recognized as employee benefit expense when they are due.

Short term benefits to employees

In accordance with "TAS 19", vacation pay liabilities are defined as "Short Term Benefits to Employees" and accrued as earned.

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17. Explanations on taxation

Corporate Tax

While corporate tax which is applied to corporate earnings at the rate of 20% in Türkiye, in accordance with the regulation introduced by the Law No.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, Amending Certain Laws and the Decree Law No. 375, the corporate earnings of 2023 and later taxation periods this rate has been determined to be applied as 25% and for the 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 this rate has been determined to be applied as 30%.

This rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and other deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions No.2009/14593 and No.2009/14594 of the Council of Ministers published in the Official Gazette No.27130 dated 3 February 2009, certain duty rates included in the articles No.15 and 30 of the new Corporate Tax Law No.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Türkiye through their operations or permanent representatives and the resident institutions has been changed to 10% from 15% by the Presidential decision published in the Official Gazette No. 31697 dated 22 December 2021. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings. In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

75% of earnings generated through sale of equity shares, founders' shares, redeemed shares and preemption rights are exempt from the corporate tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year of sale and shall be collected as cash until the end of the following two fiscal years. While 50% of earnings generated through sale of real estate held at least for two years by the institutions were exempt from the corporate tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year of sale and shall be collected as cash until the end of the following two fiscal years, in accordance with the regulation introduced by Law No. 7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, Amending Certain Laws and the Decree Law No. 375, this article has been abolished and has been removed from entry into force of the law dated 15 July 2023. The exemption rate for real estates previously included in the assets of institutions has been determined as 25%.

All earnings generated through transfer of equity shares, founders' shares, redeemed shares and preemption rights by the companies being under legal proceedings or guarantor and mortgage provider of such companies, to banks, financial leasing companies and finance companies or the Savings Deposit Insurance Fund in connection with liquidation of their liabilities and earnings of banks, financial leasing companies and finance companies through sale of immovable part of such assets or other items are exempt from corporate tax at the rate of 50% and 75%, respectively.

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As of 31 December 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/Ç of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 are subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base. According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

With the Communiqué Amending the General Communiqué on Tax Procedure Law (order no. 537) published in the Official Gazette numbered 32073 on 14 January 2023, the procedures and principles of the articles allowing the revaluation of real estates and depreciation units have been redrawn. By taking into consideration aforementioned Communiqué, the Parent Bank, has been revaluated real estate and depreciation units within its balance sheet by providing conditions in the provisions of Tax Procedure Law's provisional Article 32 and duplicated Article 298/ç until 30 September 2023. Since the financial statements are subject to inflation adjustment as of 31 December 2023, real estates and depreciation units are not subject to revaluation as of 31 December 2023. Corporate tax is calculated by taking into account of real estates and depreciation units' amortized values until 30 September 2023.

According to Law No. 7440 on Restructuring of Certain Receivables and Amending Certain Laws published in the Official Gazette (dated on March 12, 2023, and numbered 32130), corporate tax payers are to be calculating additional tax in order to be indicated in corporate income tax returns of the year 2022. With the regulation of Law No. 5520 on the "Corporate Tax Law" and other tax regulations, an additional tax of 10% will be calculated based on the exemption and deduction amounts subject to deduction from corporate income and the tax bases subject to reduced corporate tax within the scope of Article 32/A of the same law and with the exception regulated in subparagraph (a) of the first paragraph of Article 5 of Law No. 5520, an additional tax of 5% will be calculated on exemption gains obtained from abroad, which are proven to carry a tax burden of at least 15%. The first installment of this additional tax must be paid within the payment period of the corporate income tax, and the second installment is to be paid in the fourth month following this period.

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Deferred Tax

For taxable temporary differences that arise between the book value of an asset or liability and its tax base value determined in accordance with tax legislation, the Group is responsible for obtaining financial profit that can be deducted in subsequent periods, in accordance with the provisions of "TAS 12 - Income Taxes", BRSA's explanations and circulars and tax legislation. As far as possible, deferred tax is calculated on deductible temporary differences. In calculating deferred tax, the time when temporary differences will be taxable/deductible is estimated and legalized tax rates valid as of the balance sheet date in accordance with the applicable tax legislation are used. While deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by obtaining taxable profit in the future. Calculated deferred tax assets and deferred tax liabilities are netted in the financial statements. Tax effects related to transactions directly accounted for in equity are also reflected in equity.

According to the temporary article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of corporate taxes in the financial statements are included in the deferred tax calculation.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available in the foreseeable future. Where a tax benefit is probable, deferred tax assets are calculated based on deductible tax losses. The Group has recognized a deferred tax asset based on the assumption that the deductible tax losses detailed in Section 5 Note 1.1.15 are recoverable.

18. Explanations on additional disclosures on borrowings

Financial liabilities, held for trading and derivative financial liabilities classified as at fair value through profit/loss are at fair value; All other financial liabilities are valued at their discounted values using the effective internal yield method in the periods following their recording, including transaction costs.

19. Explanations on share certificates issued

If the shares issued in capital increases are issued at a price higher than their nominal value, the Group accounts the difference between the issue price and nominal value in equity as "Share Issuance Premiums".

20. Explanations on acceptances and availed drafts

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

21. Explanations on government grants

None (31 December 2024 – None).

22. Explanations on segment reporting

The Group carries out its activities in three main departments: Retail Banking, Corporate Banking, Treasury and International Banking. Each department provides services with its own products and activity results are monitored on the basis of these departments. Reporting by business segments is presented in Chapter Four.

23. Explanations on other matters

The Bank has no disclosures on other matters.

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SECTION FOUR

**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT OF THE GROUP**

1. Explanations on Consolidated Equity Items

Total capital and Capital Adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”. As of 30 June 2025, Group’s total capital has been calculated as TL 2,935,503 (31 December 2024 - TL 1,893,670), capital adequacy ratio is 36.6% (31 December 2024 – 31.9%).

In accordance with the Regulation on the Measurement and Assessment of Capital Adequacy of Banks published in the Official Gazette dated 23.10.2015 and numbered 29511, commercial cash loans shall be applied in the calculation of capital adequacy standard ratios as per the BRSA's Regulation on the Measurement and Assessment of Capital Adequacy (Regulation);

- In the calculation of the amount subject to credit risk as per the Board Decision dated 12.12.2023 and numbered 10747, as per the Regulation; In calculating the amounts valued in accordance with Turkish Accounting Standards and the relevant special provision amounts of monetary and non-monetary assets other than items in foreign currency measured in terms of historical cost, it has been decided that the practice of using the Central Bank of the Republic of Turkey (Central Bank) foreign exchange buying rate as of 26.06.2023 will continue by using the Central Bank foreign exchange buying rate as of 28.06.2024, to be applied as of 01.01.2025, until a Board Decision to the contrary is taken.

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Components of Consolidated Capital

	Current Period	Prior Period
COMMON EQUITY TIER I CAPITAL		
Paid-In Capital to Be Entitled for Compensation After All Creditors	4,500,000	3,000,000
Share Premium	-	-
Reserves	-	-
Other Comprehensive Income According to TAS	3,443	2,170
Profit	-	-
Current Period Profit	-	-
Prior Period Profit	-	-
Bonus Shares from Associates, Affiliates and Joint-Ventures Not Accounted in Current Period's Profit	-	-
Common Equity Tier I Capital Before Deductions	4,503,443	3,002,170
Deductions From Common Equity Tier I Capital		
Valuation Adjustments Calculated as Per the Article 9. (I) Of The Regulation on Bank Capital	-	-
Current And Prior Periods' Losses Not Covered by Reserves, And Losses Accounted Under Equity According to TAS (-)	427,736	349,404
Leasehold Improvements on Operational Leases (-)	21,607	418
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	540,706	356,911
Remaining after deducting from the related deferred tax liability with the deferred tax asset based on future taxable income, except for deferred tax assets based on temporary differences	616,532	434,673
Differences Arise When Assets and Liabilities Not Held at Fair Value, Are Subjected to Cash Flow Hedge Accounting	-	-
Total Credit Losses That Exceed Total Expected Loss Calculated According to The Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization Gains	-	-
Unrealized Gains and Losses from Changes in Bank's Liabilities' Fair Values Due to Changes in Creditworthiness	-	-
Net Amount of Defined Benefit Plans	-	-
Direct And Indirect Investments of The Bank on Its Own Tier I Capital (-)	-	-
Shares Obtained Against Article 56, Paragraph 4 Of the Banking Law (-)	-	-
Total Of Net Long Positions of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or Less of The Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital (-)	-	-
Total Of Net Long Positions of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or More of the Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding The 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets Arising from Temporary Differences Exceeding The 10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding The 15% Threshold of Tier I Capital as Per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks (-)	-	-
The Portion of Net Long Position of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% Or More of the Issued Share Capital Not Deducted from Tier I Capital (-)	-	-
Mortgage Servicing Rights Not Deducted (-)	-	-
Excess Amount Arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Deductions From Tier I Capital in Cases Where There Are No Adequate Additional Tier I Or Tier II Capitals (-)	-	-
Total Deductions from Common Equity Tier I Capital	1,606,581	1,141,406
Total Common Equity Tier I Capital	2,896,862	1,860,764

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ADDITIONAL TIER I CAPITAL		
Privileged stocks not included in common equity and share premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions From Additional Tier I Capital		
Direct And Indirect Investments of the Bank on Its Own Additional Tier I Capital (-)	-	-
Investments In Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in 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 Above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions Where the Bank Owns More Than 10% of the Issued Share Capital (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Items To Be Deducted from Tier I Capital During the Transition Period		
Goodwill And Other Intangible Assets and Related Deferred Taxes Not Deducted from Tier I Capital as Per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks (-)	-	-
Net Deferred Tax Asset/Liability Not Deducted from Tier I Capital as Per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy of Banks (-)	-	-
Deduction From Additional Tier I Capital When There Is Not Enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	2,896,862	1,860,764
Tier II Capital		
Debt Instruments and The Related Issuance Premiums Defined by the BRSA	-	-
Debt Instruments and The Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Provisions (Amounts Explained in the First Paragraph of the Article 8 of the Regulation on Bank Capital)	38,641	32,906
Tier II Capital before deductions	38,641	32,906
Deductions From Tier II Capital		
Direct and Indirect Investments of The Bank on Its Own Tier II Capital (-)	-	-
Investments In Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the 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 Above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II 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 I Capital (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	38,641	32,906
Total Equity (Total Tier I And Tier II Capital)	2,935,503	1,893,670

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Total Tier I Capital and Tier II Capital (Total Equity)		
Loans Granted Against the Articles 50 and 51 of the Banking Law (-)	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 Of the Banking Law and The Assets Acquired Against Overdue Receivables and Held for Sale but Retained More Than Five Years (-)	-	-
Other Items to Be Defined by The BRSA (-)	-	-
Items to be Deducted from The Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or Less of the Issued Share Capital Exceeding the 10% Threshold of Above Tier I Capital Not Deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as Per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns More Than 10% of the Issued Share Capital Exceeding The 10% Threshold of Above Tier I Capital Not Deducted from Additional Tier I Capital or Tier II Capital as Per the Temporary Article 2, Clause 1 of The Regulation (-)	-	-
The Portion of Net Long Position of The Investments in Equity Items of Unconsolidated Banks and Financial Institutions Where the Bank Owns 10% or more of the issued Share Capital, of the Net Deferred Tax Assets Arising from Temporary Differences and of the Mortgage Servicing Rights Not Deducted from Tier I Capital as Per the Temporary Article 2, Clause 2, Paragraph (1) And (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
Capital		
Total Capital (Total of Tier I Capital and Tier II Capital)	2,935,503	1,893,670
Total Risk Weighted Assets	8,024,034	5,936,582
Capital Adequacy Ratios		
CET1 Capital Ratio (%)	36.1	31.3
Tier I Capital Ratio (%)	36.1	31.3
Capital Adequacy Ratio (%)	36.6	31.9
Buffers		
Total additional core capital requirement ratio (a+b+c)	4.0	4.0
a) Capital conservation buffer requirement (%)	2.5	2.5
b) Bank specific countercyclical buffer requirement (%)	1.5	1.5
c) Higher bank buffer requirement ratio (%)	-	-
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 Of Capital Conservation and Counter-Cyclical Capital Buffers Regulation %	28.6	23.9
Amounts Lower Than Excesses as Per Deduction Rules		
Remaining 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	-	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions Where the Bank Owns More Than 10% or Less of the Issued Share Capital	-	-
Remaining Mortgage Servicing Rights	-	-
Net Deferred Tax Assets Arising from Temporary Differences	-	-
Limits For Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (Before Limit of One Hundred and twenty-five Per Ten Thousand)	38,641	32,906
General Loan Provisions for Exposures in Standard Approach Limited By 1.25% of Risk Weighted Assets	38,641	32,906
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision That Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited By 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (Effective Between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items Subject to Temporary Article 4	-	-
Amount Of Additional Tier I Capital Items Subject to Temporary Article 4 That Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items Subject to Temporary Article 4	-	-
Amount Of Additional Tier II Capital Items Subject to Temporary Article 4 That Exceeds Upper Limit	-	-

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Information on debt instruments to be included in equity calculation:

None.

Approaches applied to assess the adequacy of internal capital requirement in terms of current and future activities

Within this scope, capital structure is reviewed as based on the frame of the activities and risks exposed to, and the internal capital requirement, probable to occur within the direction of targets and strategies of the Group is evaluated. This evaluation includes profit share rate risk, concentration risk, liquidation risk, reputation risk, residual risk, country risk and strategic risk arising of the banking books as well as market, credit, and operational risks. Capital requirement internal evaluation is evaluated to be a developing process and the development areas for the future period are determined and plans are prepared.

2. Explanations on consolidated currency risk

Foreign currency risk represents the Group's exposure to loss due to the changes in foreign currency exchange rates. According to the standard method, all foreign currency assets, liabilities and forward foreign exchange transactions of the Group are taken into account when calculating the capital liability subject to exchange rate risk. The "Standard Method" method used in legal reporting is used to measure the exchange rate risk that the Group is exposed to.

The Group monitors daily the designated limits set by the Board of Directors and additionally observes the possible value changes in foreign currency positions. The limits are determined and followed both for the net foreign currency position and for the cross-exchange rate risk within the position.

The announced current foreign exchange buying rates of the Parent Bank as of reporting date and the prior five working days are as follows (full TL):

	23/06/2025	24/06/2025	25/06/2025	26/06/2025	27/06/2025	Balance Sheet Valuation Rate
Usd	39.6301	39.5423	39.5655	39.6842	39.7459	39.7408
Euro	45.4976	45.8580	45.9007	46.3832	46.5156	46.5823
Gold	4,326.69	4,266.81	4,266.59	4,247.45	4,238.28	4,238.28

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for 30 days preceding the balance sheet date are as follows (full TL):

	Monthly Average FC Purchase Rate
USD	39.3868
EURO	45.3468
GOLD	4,267.37

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Sensitivity to exchange rate risk

The Group is exposed to exchange rate risk in Euro, USD and Gold. The table below shows the Group's sensitivity to a 10% increase in USD, Euro and Gold.

	% Increase in the exchange rate	Effects on profit/loss		Effects on equity	
		Current Period	Prior Period	Current Period	Prior Period
Usd	10%	576	3,519	576	3,519
Euro	10%	(292)	(69)	(292)	(69)
Other FC	10%	464	279	464	279

Currency risk of the Group

Current Period	EUR	USD	Other FC	Total
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye ¹	974,951	324,180	282,533	1,581,664
Banks ¹	45,612	60,747	62,110	168,469
Financial assets at fair value through profit and loss	-	-	-	-
Money market placements	-	-	-	-
Financial assets at fair value through other comprehensive income	-	320,669	-	320,669
Loans and finance lease receivables ¹	1,862,760	924,055	-	2,786,815
Subsidiaries, associates, and joint ventures	-	-	-	-
Financial assets at amortized cost ¹	-	77,416	-	77,416
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	-	6,759	-	6,759
Total Assets²	2,883,323	1,713,826	344,643	4,941,792
Liabilities				
Current account and funds collected from Banks via participation accounts	-	-	-	-
Current and profit-sharing accounts FC	2,861,683	1,187,745	129,151	4,178,579
Money market borrowings	-	-	-	-
Funds provided from other financial institutions	-	-	-	-
Marketable securities issued	-	-	-	-
Miscellaneous payables	37	272	-	309
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	23,122	6,802	-	29,924
Total Liabilities²	2,884,842	1,194,819	129,151	4,208,812
			-	-
Net balance sheet position	(1,519)	519,007	215,492	732,980
Net off-balance sheet position	(1,397)	(513,243)	(210,854)	(725,494)
Financial derivative assets	-	3,388	210,855	214,243
Financial derivative liabilities	1,397	516,631	421,709	939,737
Non-cash loans	1,622,473	876,664	-	2,499,137
Prior Period				
Total assets	1,701,267	1,002,185	974,768	3,678,220
Total liabilities	1,656,190	790,363	282,685	2,729,238
Net balance sheet position	45,077	211,822	692,083	948,982
Net off-balance sheet position	(45,767)	(176,633)	(689,298)	(911,698)
Financial derivative assets	4,594	-	299,694	304,288
Financial derivative liabilities	50,361	176,633	988,992	1,215,986
Non-cash loans	704,461	785,505	-	1,489,966

1 The net amounts after deducting expected loss provisions of which TL 392 from cash assets (31 December 2024 – TL 180), TL 15 from banks (31 December 2024 – TL 56), TL 18,967 from loans (31 December 2024 – TL 7,841) and TL 273 from financial assets measured at amortized cost (31 December 2024 – TL 254).

2 Income/expense accruals of derivative transactions were excluded.

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3. Explanations related to stock position risk

Relation of risks with gains accounted under equity and analyzing according to their aims including strategic reasons and the accounting policies applied and general information about valuation techniques with assumptions in this application, the elements that manipulate valuation and important changes

As of 30 June 2025, the Group has no shares.

Carrying value of share investments, for fair value and quoted securities, comparison with market value if market value is significantly different from fair value

None.

Realized gains/losses, revaluation surplus, unrealized gains/losses on equity securities and results included in core and supplementary capitals

None.

4. Liquidity risk management, liquidity coverage ratio and net stable funding ratio

The liquidity risk of the Group is the risk of being unable to fulfill its payment obligations on time due to not having enough cash sources or cash inflows to finance its cash outflows fully and on time due to cash flow instabilities.

Funding Liquidity Risk: It is a kind of risk which does not meet the any unexpected loss and non defaulting debts and liabilities.

Market Liquidity Risk: It is a kind of risk which consists of the position that cannot be sold without affecting market price due to insufficient market depth or market conditions' deterioration or that cannot be completed with the position of market price for any reasons.

Liquidity risk is managed by the Asset Liability Committee (ALCO) and relevant business units within the framework of the issues regarding the management of liquidity risk included in the Regulation on Risk Management Policies approved by the Board of Directors and the Risk Appetite Regulation. In liquidity risk management, the measures to be taken and the practices to be implemented are determined by taking into account normal economic conditions and stress conditions. The bank defines liquidity risk, measures and monitors risks with liquidity risk measurement methods in accordance with international standards and presents them to the relevant parties periodically. An Emergency Funding Plan has been prepared to regulate the procedures and principles for the Group to ensure and maintain an adequate liquidity level under stress conditions.

Information on risk capacity of the Group, Responsibilities and structure of liquidity risk management, the Group's internal liquidity risk reporting, communication between the Board of Directors and business lines on liquidity risk strategy, policy and application

The practices and responsibilities regarding liquidity risk are determined in accordance with the Treasury Regulation approved by the Board of Directors. The Group's liquidity policy is to have a liquidity buffer at a level that will cover liabilities under all economic conditions and to maintain the necessary liquidity at the lowest cost. It also has limits available for use at financial institutions.

In the weekly Asset Liability Committee meetings attended by senior management, indicators regarding the liquidity situation are examined and liquidity risk is addressed. Additionally, the Board of Directors is informed through the Audit Committee.

In order to manage liquidity risk prudently, it is necessary to know what kind of problem the mismatch between assets and liabilities will create under what economic conditions and the cost it will bring. Liquidity risk management aims to measure the Group's current and future liquidity position prudently and proactively, taking into account the currency types and maturities of assets and liabilities. Risk Management Department monitors the limits regarding liquidity risk determined by the Board of Directors. The Treasury Management Department manages funding and liquidity risk to prevent funding insufficiency at any time or from any source and makes regular reports to the Asset Liability Committee regarding the Group's liquidity position. Risk Management Directorate monitors the liquidity coverage ratio and reports the results to the BRSA.

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Information on the centralization degree of liquidity management and funding strategy and the functioning between the Group and the Group's subsidiaries

The Group's liquidity management is carried out by the Asset Liability Committee. Since the Group has no associates or subsidiaries subject to consolidation as of 31 December 2024, consolidated liquidity risk management is not possible.

Information on the Group's funding strategy including the policies on funding types and variety of maturities

The bank aims to ensure that current and participation accounts are widespread and stable, and that the fund sources used are diversified and long-term. Risk indicators regarding liquidity and issues such as the ratio of liquid assets to total assets, the ratio of participation funds to loans, and the concentration within the collected funds are closely monitored.

Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Group's total liabilities

The Group's LC liquidity is managed through interbank transactions. Foreign currency liquidity is kept in interbank transactions and in correspondent bank accounts within limits.

Information on liquidity risk mitigation techniques

Liquidity risk is achieved through practices such as keeping sufficient high-quality liquid asset stock at a level to cover the bank's cash outflows, diversifying funding sources in order to reduce liquidity risk concentrations, reducing the maturity difference between assets and liabilities through maturity gap analysis, and providing at least a certain part of the fund resources through collected funds aims to implement mitigation techniques.

Information on the use of stress tests

The purpose of the stress test is to determine the sources of possible liquidity weaknesses and whether the current on- and off-balance sheet positions are acted in accordance with the liquidity risk appetite. While developing stress test analyses, it includes scenarios that take into account systemic crisis, bank crisis and both situations together. Different threshold levels are determined for the percentage of the predicted deficit covered by the buffer in the stress test. The Stress Test is aligned with Group's risk appetite framework, ICAAP, budget and other processes and integrated with risk appetite metrics.

General information about the Contingency Funding Plan

In order to establish the necessary principles for identifying and managing possible serious liquidity problems, the Liquidity and Emergency Funding Plan was prepared and approved by the Board of Directors. The plan ultimately aims to protect current and participation account holders, creditors and shareholders. The basic indicators of the Emergency Funding Plan have been determined, and the plan is put into practice in case of unexpected developments in the liquidity situation or other indicators are triggered. Asset Liability Committee is responsible for the implementation of the plan.

Analysis of financial liabilities by remaining contractual maturities

Current Period	Up to 1 months ¹	1-3 months	3-12 months	1-5 years	Above 5 years	Total	Balance Sheet Value
Funds Collected	9,446,207	3,034,656	566,599	-	-	13,047,462	12,807,016
Funds Borrowed	200,260	-	-	-	-	200,260	200,260
Money Markets	57,623	-	-	-	-	57,623	57,623
Finance Lease Payable	142	1,891	9,314	28,944	-	40,291	21,009
Miscellaneous Pay.	98,711	-	-	-	-	98,711	98,711
Total	9,802,943	3,036,547	575,913	28,944	-	13,444,347	13,184,619

¹ Includes demand deposits.

Prior Period	Up to 1 months ¹	1-3 months	3-12 months	1-5 years	Above 5 years	Total	Balance Sheet Value
Funds Collected	7,623,129	1,555,488	495,953	-	-	9,674,570	9,482,970
Funds Borrowed	-	-	-	-	-	-	-
Money Markets	-	-	-	-	-	-	-
Finance Lease Payable	142	2,695	8,510	34,618	-	45,965	22,660
Miscellaneous Pay.	175,919	-	-	-	-	175,919	175,919
Total	7,799,190	1,558,183	504,463	34,618	-	9,896,454	9,681,549

¹ Includes demand deposits.

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Liquidity coverage ratio

Liquidity coverage ratio is calculated by dividing the high quality liquid assets owned by the Group to the net cash outflows within a one-month maturity term.

Current Period	Total Unweighted Value ¹		Total Unweighted Value ¹	
	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
1 Total high-quality liquid assets (HQLA)	3,207,002	1,740,041	3,207,002	1,740,041
CASH OUTFLOWS				
2 Funds collected from retail and from small business customers, of which:	4,363,231	471,888	436,269	47,185
3 Stable funds collected	1,068	66	53	3
4 Less stable funds collected	4,362,163	471,822	436,216	47,182
5 Unsecured wholesale funding, of which:	4,797,579	2,431,008	3,337,646	1,227,609
6 Operational funds collected	-	-	-	-
7 Non-operational funds collected	4,693,810	2,430,587	3,233,877	1,227,188
8 Unsecured funding	103,769	421	103,769	421
9 Secured wholesale funding	-	-	47,000	-
10 Other cash outflows of which	1,170	779,379	1,170	779,379
11 Outflows related to derivative exposures and other collateral requirements	1,170	779,379	1,170	779,379
12 Outflows related to restructured financial Instruments	-	-	-	-
13 Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14 Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet obligations	2,974,071	2,499,137	151,054	124,957
16 TOTAL CASH OUTFLOWS			3,973,139	2,179,130
CASH INFLOWS				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	3,817,140	1,405,272	3,284,261	1,303,800
19 Other cash inflows	46,240	215,639	46,240	215,639
20 TOTAL CASH INFLOWS	3,863,380	1,620,911	3,330,501	1,519,439
			Upper Limit Applied Value	
21 TOTAL HQLA			3,207,002	1,740,041
22 TOTAL NET CASH OUTFLOWS			993,285	659,691
23 LIQUIDITY COVERAGE RATIO (%)			322.87	263.77

¹ The average calculated for the last three months of the liquidity coverage ratio calculated by taking the weekly simple arithmetic average

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Prior Period		Total Unweighted Value ¹		Total Unweighted Value ¹	
		TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	973,023	770,078	973,023	770,078
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	3,801,825	370,864	380,167	37,087
3	Stable deposits	316	-	16	-
4	Less stable deposits	3,801,509	370,864	380,151	37,087
5	Unsecured wholesale funding, of which:	3,593,528	1,759,237	1,965,518	780,404
6	Operational deposits	-	-	-	-
7	Non-operational deposits	3,415,008	1,714,554	1,813,284	735,721
8	Unsecured funding	178,520	44,683	152,234	44,683
9	Secured wholesale funding			-	-
10	Other cash outflows of which	1,525,634	1,215,985	1,525,634	1,215,985
11	Outflows related to derivative exposures and other collateral requirements	1,525,634	1,215,985	1,525,634	1,215,985
12	Outflows related to restructured financial Instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	1,955,122	1,489,966	97,756	74,498
16	TOTAL CASH OUTFLOWS			3,969,075	2,107,974
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	1,776,464	674,857	1,367,177	594,405
19	Other cash inflows	1,520,907	304,289	1,520,907	304,289
20	TOTAL CASH INFLOWS	3,297,371	979,146	2,888,084	898,694
				Upper Limit Applied Value	
21	TOTAL HQLA			973,023	770,078
22	TOTAL NET CASH OUTFLOWS			1,080,991	1,209,280
23	LIQUIDITY COVERAGE RATIO (%)			90.01	63.68

¹ The average calculated for the last three months of the liquidity coverage ratio calculated by taking the weekly simple arithmetic average

The lowest, highest and average liquidity coverage rates in the last 3 months of 2025 are stated as table below.

Current Period	Highest	Date	Lowest	Date	Average
FC (%)	559	24.06.2025	116	14.04.2025	284
TL+FC (%)	374	04.04.2025	110	28.04.2025	232
Prior Period	Highest	Date	Lowest	Date	Average
FC (%)	685	08.11.2024	64	31.12.2024	346
TL+FC (%)	363	03.10.2024	65	25.12.2024	199

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Presentation of assets and liabilities according to their remaining maturities

Current period	Demand	Up to 1 month	1-3 Months	3-12 months	1-5 Years	Over 5 years	Unallocated	Total
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the CBRT	1,041,852	1,341,674	-	-	-	-	(524)	2,383,002
Banks	169,448	-	-	-	-	-	(15)	169,433
Financial assets at fair value through profit and loss ¹	1,010,543	15,381	5,489	30,459	-	-	-	1,061,872
Money market placements	-	552,733	-	-	-	-	-	552,733
Financial assets at fair value through other comprehensive income	20,090	20,812	51,550	162,482	1,233,205	-	-	1,488,139
Loans	-	3,213,740	1,643,341	3,640,326	1,488,403	2,300	(131,894)	9,856,216
Financial assets valued at amortized cost	-	76,949	108,199	77,689	-	-	(823)	262,014
Other assets	-	123,814	22,919	61,318	5,470	-	1,457,597	1,671,118
Total Assets	2,241,933	5,345,103	1,831,498	3,972,274	2,727,078	2,300	1,324,341	17,444,527
Liabilities								
Current account and funds collected from banks via participation accounts	-	-	-	-	-	-	-	-
Current and profit-sharing accounts	1,484,412	7,843,003	2,920,024	559,577	-	-	-	12,807,016
Funds provided from other financial institutions	-	200,260	-	-	-	-	-	200,260
Money market borrowings	-	57,623	-	-	-	-	-	57,623
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	98,711	-	-	-	-	-	98,711
Other Liabilities	-	98,977	9,203	24,084	21,465	-	4,127,188	4,280,917
Total Liabilities	1,484,412	8,298,574	2,929,227	583,661	21,465	-	4,127,188	17,444,527
Net Liquidity Gap	757,521	(2,953,471)	(1,097,729)	3,388,613	2,705,613	2,300	(2,802,847)	-
Prior Period								
Total Assets	1,967,971	2,723,951	1,097,381	3,591,116	2,072,819	108,069	962,968	12,524,275
Total Liabilities	1,731,273	6,091,341	1,467,475	507,738	24,599	-	2,701,849	12,524,275
Net Liquidity Gap	236,698	(3,367,390)	(370,094)	3,083,378	2,048,220	108,069	(1,738,881)	-

¹ Includes derivatives financial assets.

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Net stable funding ratio

Current Period	Unweighted value by residual maturity				Weighted value
	Without maturity	Less than 6 months	6 months to 1 year	1 year and more than 1 year	
Available stable fund					
Capital	2,935,494	-	-	-	2,935,494
Tier I and tier II capital	2,935,494	-	-	-	2,935,494
Other capital instruments	-	-	-	-	-
Deposits from retail persons and small business customers	230,731	5,526,457	2,500	-	5,183,773
Stable deposits /participation funds	1,068	-	-	-	1,015
Less stable deposits /participation funds	229,663	5,526,457	2,500	-	5,182,758
Wholesale funding	1,254,025	5,793,647	-	-	1,406,616
Operational deposits	-	-	-	-	-
Other wholesale funding	1,254,025	5,793,647	-	-	1,406,616
Liabilities with matching interdependent assets					
Other liabilities	264,918	-	-	-	-
Derivative liabilities	-	-	-	-	-
All other equity and liabilities not included in the above categories	264,918	-	-	-	-
Available stable fund					9,525,883
Required stable fund					
High-quality liquid assets (HQLA)					71,885
Deposits held at credit institutions or financial institutions for operational purposes	1,209,874	2,672,629	-	-	582,376
Performing loans and securities	-	4,475,392	1,654,348	1,444,330	4,292,551
Performing loans to credit institutions or financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing loans to credit institutions or financial institutions secured by non Level 1 HQLA and unsecured performing loans to credit institutions or financial institutions	-	-	-	-	-
Performing loans to non financial corporate clients, loans to retail person customers and small business customers, and loans to sovereigns, central banks and PSEs	-	4,475,392	1,654,348	1,444,330	4,292,551
<i>Loans with a risk weight of less than or equal to 35%</i>	-	-	-	-	-
Performing loans encumbered with residential mortgages	-	-	-	-	-
<i>Loans with a risk weight of less than or equal to 35%</i>	-	-	-	-	-
Exchange traded equities and securities that are not in default and do not qualify as HQLA	-	-	-	-	-
Assets with matching interdependent liabilities					
Other assets	1,693,486	327,319	-	332,546	2,010,760
Physical traded commodities, including gold	-				-
Assets posted as initial margin for derivative contracts or contributions to default funds of central counterparties		-	-	-	-
Derivative assets		19,289	-	-	19,289
Derivative liabilities before deduction of variation margin posted		-	-	-	-
All other assets not included in the above categories	1,693,486	308,030	-	332,546	1,991,471
Off-balance sheet items		3,021,071	-	-	151,054
Required Stable Fund					7,108,626
Net Stable Funding Ratio (%)					134.00

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Prior Period	Unweighted value by residual maturity				Weighted value
	Without maturity	Less than 6 months	6 months to 1 year	1 year and more than 1 year	
Available stable fund					
Capital	1,893,760	-	-	-	1,893,760
Tier I and tier II capital	1,893,760	-	-	-	1,893,760
Other capital instruments	-	-	-	-	-
Deposits from retail persons and small business customers	122,202	4,417,677	354,795	-	4,405,222
Stable deposits /participation funds	316	-	-	-	300
Less stable deposits /participation funds	121,886	4,417,677	354,795	-	4,404,922
Wholesale funding	1,609,071	2,979,225	-	-	1,658,767
Operational deposits	-	-	-	-	-
Other wholesale funding	1,609,071	2,979,225	-	-	1,658,767
Liabilities with matching interdependent assets					
Other liabilities	380,371	-	-	-	-
Derivative liabilities		-	-	-	-
All other equity and liabilities not included in the above categories	380,371	-	-	-	-
Available stable fund					7,957,749
Required stable fund					
High-quality liquid assets (HQLA)					11,911
Deposits held at credit institutions or financial institutions for operational purposes	2,521,293	-	-	-	378,194
Performing loans and securities	-	3,421,828	1,623,701	-	3,986,165
Performing loans to credit institutions or financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing loans to credit institutions or financial institutions secured by non Level 1 HQLA and unsecured performing loans to credit institutions or financial institutions	-	-	-	-	-
Performing loans to non financial corporate clients, loans to retail person customers and small business customers, and loans to sovereigns, central banks and PSEs	-	3,421,828	1,623,701	-	3,986,165
<i>Loans with a risk weight of less than or equal to 35%</i>	-	-	-	1,496,435	1,271,970
Performing loans encumbered with residential mortgages	-	-	-	-	-
<i>Loans with a risk weight of less than or equal to 35%</i>	-	-	-	-	-
Exchange traded equities and securities that are not in default and do not qualify as HQLA	-	-	-	-	-
Assets with matching interdependent liabilities					
Other assets	2,385,030	979	-	-	1,771,357
Physical traded commodities, including gold	689,297				585,902
Assets posted as initial margin for derivative contracts or contributions to default funds of central counterparties		-	-	-	-
Derivative assets		979	-	-	979
Derivative liabilities before deduction of variation margin posted		-	-	-	-
All other assets not included in the above categories	1,695,733	-	-	-	1,184,476
Off-balance sheet items		313,579	603,043	1,038,441	97,753
Required Stable Fund					6,245,380
Net Stable Funding Ratio (%)					127.42

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Quantitative explanations of the net stable funding rate

As of 30 June 2025, the Group's net stable funding ratio stood at 134.00 % (31 December 2024 – 127.42%). Considering the amounts to which the consideration rate has been applied, the main capital item with the highest consideration rate within the scope of the legislation constitutes 31% of the existing stable fund amount (31 December 2024 - 24%). The retail person and retail customer participation fund is the other important element, accounting for 54% of the current stable fund amount (31 December 2024 - 55%).

5. Explanations on leverage ratio

The leverage ratio table prepared in accordance with the communiqué “Regulation on Measurement and Assessment of Leverage Ratios of Banks” published in the Official Gazette no. 28812 dated 5 November 2013 is presented below.

As of the balance sheet date, the Group's leverage ratio, calculated based on the arithmetic average of the values found at the end of the months in the previous three-month period, was 13.3 % (31 December 2024 - 12.2%). While the main capital increased by 51%, the total risk amount increased by 39%. Accordingly, there is a increase of 1100 basis points in the current period leverage ratio compared to the previous period.

On-balance sheet assets ¹		Current Period	Prior Period
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	16,797,688	12,239,843
2	(Assets deducted in determining Tier I Capital)	(1,548,077)	(716,536)
3	Total on-balance sheet risks (sum of lines 1 and 2)	15,249,611	11,523,307
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative instruments and credit derivatives	-	-
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	36,486	12,034
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	36,486	12,034
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	-	-
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	-	-
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	3,114,605	1,747,874
11	(Adjustments for conversion to credit equivalent amounts)	-	-
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	3,114,605	1,747,874
Capital and total risks			
13	Tier I Capital	2,455,436	1,621,695
14	Total risks (sum of lines 3, 6, 9 and 12)	18,400,702	13,283,215
Leverage ratio			
15	Leverage ratio %	13.3	12.2

¹The amounts in the table represent three-month averages.

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6. Explanations on the activities carried out on behalf and account of other persons

The Group does not perform purchases, sales, and custody services in the name of others. The Group has no fiduciary-based transactions.

7. Explanations on hedge accounting practices

None (31 December 2024 – None).

8. Explanations on risk management

Group's risk management approach

The purpose of risk management policies is to ensure the identification, measurement, reporting, monitoring and control of risks incurred on the basis of risk type as a result of the Group's activities.

When establishing internal regulations regarding risk management, at least the following issues are taken into account:

- Strategy, policy and implementation procedures of the Group's business lines,
- Compliance with the volume, nature and complexity of the bank's activities,
- The bank's risk strategy and the level of risk it can take,
- The bank's risk monitoring and management capacity,
- The bank's past experience and performance,
- Expertise levels of the managers of the departments carrying out the activities on issues related to their fields,
- Obligations foreseen in the law and other relevant legislation.

Risk management activities include the risks incurred and the risks arising from transactions carried out with the risk group to which the Group belongs; It consists of timely and comprehensive definition, measurement, monitoring, control and reporting activities.

The procedures and principles established for the proposal, evaluation, approval, announcement, monitoring and auditing of risk limits within the Group are approved by the Board of Directors. Risk limits are determined as part of the risk appetite structure, taking into account the size of the Group within the financial system, and clearly associating it with the amount of loss and the amount of capital allocated.

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Board of Directors is responsible for ensuring that the bank's risk profile does not exceed the risk limits and that the realized values are monitored by the Group's Senior Management. Limit usage is closely monitored, and limit exceedances are immediately reported to the Senior Management so that necessary measures can be taken.

Limit excess exceptions are defined within the risk appetite structure and the rules to which the exceptions will be subject are determined in writing. Early warning limits and the procedures and principles to be applied, including carrying, reducing, transferring or avoiding the risk in cases where these limits are exceeded, are determined by the Board of Directors. Risk limits are regularly reviewed within the framework of current developments and adapted according to changes in the Group's strategy.

Risk appetite structure expresses the level of risk that the Group wants to carry in order to achieve its goals and strategies, taking into account its risk capacity. Risk appetite; Risk types and main indicators are divided and allocated to other levels deemed necessary and approved by the Board of Directors. The risk appetite structure is reviewed when deemed necessary, at least once a year.

The bank can be applied reliably and with integrity to measure the quantifiable risks it is exposed to and to evaluate the non-quantifiable risks; it establishes an effective systematic structure with internal regulations compatible with its structure, product types and fields of activity. The following points are taken into account when determining the methods or models to be used in risk measurement:

Risk Management System is prepared for the purpose of systematically managing the risks to which the Group is exposed; it refers to the Board of Directors, Audit Committee, Asset-Liability Committee and Risk Management Presidency ("RYB"). The Board of Directors owns the Risk Management System in the Group; It ensures the establishment of an effective, adequate and appropriate risk management system within the bank and the continuity of this system. The main purpose of the Group's Risk Management System is to monitor, keep under control and, when necessary, change the risk-return structure of the Group's future cash flows and accordingly the nature and level of activities, to ensure that risks are identified, measured, monitored and controlled.

GB1 - Overview of risk weighted amounts

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period 30/06/2025	Prior Period 31/12/2024	Current Period 30/06/2025
1	Credit risk (excluding counterparty credit risk) (CCR)	6,692,629	5,029,493	535,410
2	Standardised approach (SA)	6,692,629	5,029,493	535,410
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	17,173	1,310	1,374
5	Standardised approach for counterparty credit risk	17,173	1,310	1,374
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal model's equity position in the banking account	-	-	-
8	Investment made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% risk weighting Approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	248,728	107,021	19,898
17	Standardised approach	248,728	107,021	19,898
18	Internal model approaches	-	-	-
19	Operational risk	1,065,504	798,758	85,240
20	Basic indicator approach	1,065,504	798,758	85,240
21	Standardised approach	-	-	-
22	Advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	8,024,034	5,936,582	641,922

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Credit quality of assets

Current period		Gross amount valued as per TAS and presented in the financial statements prepared according to legal consolidation		Provisions / depreciation and impairment	Net amount
		Defaulted	Non-Defaulted		
1	Loans	308,030	9,680,080	131,894	9,856,216
2	Debt securities	-	1,750,976	4,266	1,746,710
3	Off-balance sheet exposures	-	2,677,250	-	2,677,250
4	Total	308,030	14,108,306	136,160	14,280,176

Prior period		Gross amount valued as per TAS and presented in the financial statements prepared according to legal consolidation		Provisions / depreciation and impairment	Net amount
		Defaulted	Non-Defaulted		
1	Loans	191,431	7,306,429	65,926	7,431,934
2	Debt securities	-	965,575	2,424	963,151
3	Off-balance sheet exposures	-	1,833,451	7,876	1,825,575
4	Total	191,431	10,105,455	76,226	10,220,660

Changes in stock of defaulted loans and debt securities

		Current Period	Prior Period
1	Defaulted loans and debt securities at end of the previous reporting period	191,431	-
2	Loans and debt securities that have been defaulted since the last reporting period	127,182	191,732
3	Receivables back to non-defaulted status	-	-
4	Amounts written off	-	-
5	Other changes	(10,583)	(301)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	308,030	191,431

Credit risk mitigation techniques

	Current period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	994,283	945,189	688,567	676,553	479,546	-	-
2	Debt Securities	2,677,250	-	-	-	-	-	-
3	Total	3,671,533	945,189	688,567	676,553	479,546	-	-
4	Overdue	308,030	-	-	-	-	-	-

Credit risk mitigation techniques

	Prior period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	6,141,062	1,290,872	721,288	544,733	176,555	-	-
2	Debt Securities	963,151	-	-	-	-	-	-
3	Total	7,104,213	1,290,872	721,288	544,733	176,555	-	-
4	Overdue	191,431	-	-	-	-	-	-

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Credit risk exposed and credit risk mitigation effects

	Current Period	Credit conversion rate and credit risk amount receivable before reduction		Credit conversion rate and credit risk amount of receivable after reduction		Risk weighted amount and risk weighted amount concentration	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density(%)
1	Receivables from central governments and Central Banks	3,279,732	-	3,279,732	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	75,000	-	75,000	-	75,000	100.00
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1,993,990	-	1,993,990	-	503,031	25.23
7	Receivables from corporate	3,720,705	2,459,514	3,720,705	1,845,611	5,307,020	95.34
8	Retail receivables	136,759	10,172	136,759	2,093	104,139	75.00
9	Receivables secured by residential property	-	-	-	-	-	-
10	Receivables secured by commercial property	-	-	-	-	-	-
11	Non-performing receivables	191,815	-	191,815	-	237,466	123.80
12	Receivables in high-risk categories	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	1,812,100	-	1,812,100	-	445,688	24.60
17	Stock investments	20,090	-	20,090	-	20,090	100.00
18	Total	11,230,191	2,469,686	11,230,191	1,847,704	6,692,434	51.17

	Prior Period	Credit conversion rate and credit risk amount receivable before reduction		Credit conversion rate and credit risk amount of receivable after reduction		Risk weighted amount and risk weighted amount concentration	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density(%)
1	Receivables from central governments and Central Banks	1,268,787	-	1,268,787	-	-	-
2	Receivables from regional and local government	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	73,449	-	73,449	100.00
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1,444,553	-	1,459,381	-	362,923	24.87
7	Receivables from corporate	3,035,405	1,955,181	2,947,128	1,253,147	3,854,697	91.77
8	Retail receivables	280,271	-	280,271	-	210,203	75.00
9	Receivables secured by residential property	-	-	-	-	-	-
10	Receivables secured by commercial property	7,013	-	7,013	-	3,506	49.99
11	Non-performing receivables	149,388	-	149,388	-	146,864	98.31
12	Receivables in high-risk categories	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	1,174,362	-	1,174,362	-	362,261	30.85
17	Stock investments	15,590	-	15,590	-	15,590	100.00
18	Total	7,375,369	1,955,181	7,375,369	1,253,147	5,029,493	58.29

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Exposures by asset classes and risk weights

Classifications/Risk Weights (Current Period)	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	Others%	Total risk amount (post-CCF and CRM)
1 Receivables from central governments and Central Banks	3,279,732	-	-	-	-	-	-	-	-	-	-	3,279,732
2 Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-	-	-
3 Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	75,000	-	-	-	75,000
4 Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6 Receivables from banks and brokerage houses	-	-	1,816,694	-	-	75,206	-	102,090	-	-	-	1,993,990
7 Receivables from corporate	122,247	-	27,083	-	-	230,765	-	5,186,221	-	-	-	5,566,316
8 Retail receivables	-	-	-	-	-	-	138,852	-	-	-	-	138,852
9 Receivables secured by residential property	-	-	-	-	-	-	-	-	-	-	-	-
10 Receivables secured by commercial property	-	-	-	-	-	-	-	-	-	-	-	-
11 Non-performing receivables	-	-	-	-	-	37,919	-	24,674	129,222	-	-	191,815
12 Receivables in high-risk categories	-	-	-	-	-	-	-	-	-	-	-	-
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-
14 Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
16 Stock investments	-	-	-	-	-	-	-	20,090	-	-	-	20,090
17 Other receivables	1,366,412	-	-	-	-	-	-	445,688	-	-	-	1,812,100
18 Total	4,768,391	-	1,843,777	-	-	343,890	138,852	5,853,763	129,222	-	-	13,077,895

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Classifications/Risk Weights (Prior Period)	0%	10%	20%	25%	35%	50%	75%	100%	150%	200%	Others%	Total risk amount (post-CCF and CRM)
1 Receivables from central governments and Central Banks	1,268,787	-	-	-	-	-	-	-	-	-	-	1,268,787
2 Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-	-	-
3 Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	73,449	-	-	-	73,449
4 Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6 Receivables from banks and brokerage houses	-	-	1,281,837	-	-	146,576	-	30,968	-	-	-	1,459,381
7 Receivables from corporate	151,719	-	158,441	-	-	178,373	-	3,705,647	-	-	6,095	4,200,275
8 Retail receivables	-	-	-	-	-	-	280,271	-	-	-	-	280,271
9 Receivables secured by residential property	-	-	-	-	-	-	-	-	-	-	-	-
10 Receivables secured by commercial property	-	-	-	-	-	7,013	-	-	-	-	-	7,013
11 Non-performing receivables	-	-	-	-	-	5,049	-	144,339	-	-	-	149,388
12 Receivables in high-risk categories	-	-	-	-	-	-	-	-	-	-	-	-
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-
14 Short term receivables to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
15 Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
16 Stock investments	-	-	-	-	-	-	-	15,590	-	-	-	15,590
17 Other receivables	811,099	-	-	-	-	-	-	363,263	-	-	-	1,174,362
18 Total	2,231,605	-	1,440,278	-	-	337,011	280,271	4,333,256	-	-	6,095	8,628,516

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Counterparty credit risk (CCR) approach analysis

Current Period		Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives)	19,699	44,407		1.40	44,407	17,002
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						17,002

Prior Period		Replacement Cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	Risk amount after credit risk mitigation	Risk weighted amounts
1	Standardized Approach CCR (for derivatives)	(4,264)	35,997		1.4	35,997	1,742
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						1,742

Capital requirement for credit valuation adjustment (CVA)

		Current Period		Prior period	
		Risk amount (after using credit risk mitigation techniques)	Risk weighted amounts	Risk amount (after using credit risk mitigation techniques)	Risk weighted amounts
Total portfolios subject to the Advanced CVA capital obligation					
1	(i) VaR component (including the 3×multiplier)	-	-	-	-
2	(ii) Stressed VaR component (including the 3×multiplier)	-	-	-	-
3	All portfolios subject to the Standardized CVA capital obligation	44,407	17,002	35,997	1,742
4	Total subject to the CVA capital obligation	44,407	17,002	35,997	1,742

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CCR exposures by risk class and risk weights

Current Period - Risk Classes / Risk Weights ¹		0%	10%	20%	50%	75%	100%	150%	200%	Others	Total credit risk ¹
1	Receivables from central governments and Central Banks	10,377	-	-	-	-	-	-	-	-	10,377
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	43	-	-	-	-	-	-	43
7	Receivables from corporate	-	-	-	33,987	-	-	-	-	-	33,987
8	Retail receivables	-	-	-	-	-	-	-	-	-	-
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	Total	10,377	-	43	33,987	-	-	-	-	-	44,407

¹ Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.

Prior Period - Risk Classes / Risk Weights ¹		0%	10%	20%	50%	75%	100%	150%	200%	Others	Total credit risk ¹
1	Receivables from central governments and Central Banks	29,447	-	-	-	-	-	-	-	-	29,447
2	Receivables from regional and local government	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	-	-	6,010	-	-	540	-	-	-	6,550
7	Receivables from corporate	-	-	-	-	-	-	-	-	-	-
8	Retail receivables	-	-	-	-	-	-	-	-	-	-
9	Other receivables	-	-	-	-	-	-	-	-	-	-
10	Total	29,447	-	6,010	-	-	540	-	-	-	35,997

¹ Total credit risk: The amount related to capital adequacy calculation after counterparty credit risk measurement techniques are applied.

Collaterals used for counterparty credit risk: None (Prior Period - None).

Credit derivatives: None (Prior Period - None).

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Risks to the central counterparty (“CCP”): None (Prior Period - None).

Securitization Positions: None (Prior Period - None).

9. Explanations on market risk

Group's processes and strategies

Risk management activities are consisting of the measurement, monitoring, control and reporting of the risks, arising from risks incurred on the consolidated and solo basis and transactions carried out with the risk group that the Group is involved in. These activities are carried out by the Parent Bank's Risk Management Department.

Risk management activities are consisting of the measurement, monitoring, control and reporting of the risks, arising from risks incurred on the consolidated and solo basis and transactions carried out with the risk group that the Parent Bank is involved in. These activities are carried out by the Bank's Risk Management Department.

Measurement of the market risk is carried out by the Risk Management Department. Market risk is measured by the standard method as specified in the third part of the Regulation on the Measurement and Evaluation of Banks' Capital Adequacy. The Risk Management Department adopts international standardized methods and advanced statistical methods, which are included in the legislation, in the measurement of risks falling within the scope of the Pillar 2. Developed models as well as the stress tests and scenario analysis are used in the measurement and monitoring of the market risk.

The primary purpose of market risk is for the Parent Bank's risk exposure to be within the limits specified by the legislation and to be in accordance with the Bank's risk appetite. In this context, market risk is periodically measured, monitored and reported.

Risk limits related to market risk are established in accordance with The Parent Bank's Risk Appetite Policy. Aforementioned risk limits are determined by the Board of Directors and reviewed at least once a year. Limit usages are closely monitored.

Risk mitigation techniques have been applied in line with the size and complexity of the undertaking market risk and the controls are implemented in order to ensure their effectiveness.

Treasury Group Department monitors foreign currency positions and cash flows on behalf of the Parent Bank.

Moreover, new products and projects are examined in terms of market risk management and appropriate internal controls are implemented in case of necessity.

The Parent Bank's strategic objectives for trading activities are given below.

- Ensure that the Parent Bank's lease certificate portfolio is managed at the optimum level within the risk-return balance limits
- Implement transaction by taking into account the future prospects of market developments/movements and the framework of trading opportunities in the current market prices
- Invest in Sukuk (lease certificates) as an alternative investment tool to manage the liquidity profitably

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Structure and scope of risk reporting and/or measurement systems

Within the scope of risk management system, the Parent Bank established a reporting system which ensures effective analysis and evaluation for market risks. The risk measurement and risk monitoring results are reported to the Risk Committee on a timely manner.

There is a risk measurement system which covers the scope and complexity of significant market risk components including transactions and operations exposed to market risk. This system is being reviewed regularly.

The details of the market risk calculated in accordance with the principles in the third part of the "The Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette numbered 29511 and dated 23 October 2015 are as follows:

Market risk under standardised approach

		Risk Weighted Amounts	Risk Weighted Amounts
		Current Period	Prior Period
	Outright products	248,728	107,021
1	Profit share risk (general and specific)	223,336	53,416
2	Equity risk (general and specific)	614	1,742
3	Foreign exchange risk	24,778	51,863
4	Commodity risk	-	-
	Options	-	-
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	Total	248,728	107,021

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

10. Explanations on business segments

Selected balance sheet and income statement items according to segments

Current Period	Retail Banking	Corporate and Commercial banking	Treasury and international banking	Unallocated	Group's total operation
Profit Share Income	29,591	1,257,568	657,720	-	1,944,879
Profit Share Expense (-)	972,377	673,930	6,436	4,023	1,656,766
Net Profit Share Income/Expense	(942,786)	583,638	651,284	(4,023)	288,113
Net Fees and Commissions Income/Expense	218	13,238	(6,591)	-	6,865
Dividend Income	-	-	-	-	-
Net Trading Income / Loss	-	-	315,656	-	315,656
Other Operating Income	1,471	9,430	166	21,607	32,674
Gross Operating Profit/Loss	(941,097)	606,306	960,515	17,584	643,308
Provision Expenses (-)	34,321	46,892	2,620	8,816	92,649
Operating Expenses (-)	-	-	-	833,335	833,335
Profit/Loss Before Taxation	(975,418)	559,414	957,895	(824,567)	(282,676)
Taxation	-	-	-	206,792	206,792
Net Profit/Loss	(975,418)	559,414	957,895	(617,775)	(75,884)
Segment Assets	238,485	7,627,637	7,907,287	1,671,118	17,444,527
Total Liabilities	5,682,878	7,111,582	201,431	4,448,636	17,444,527

Prior Period	Retail Banking	Corporate and Commercial banking	Treasury and international banking	Unallocated	Group's total operation
Profit Share Income	8,006	244,584	127,987	-	380,577
Profit Share Expense (-)	225,330	31,697	92	191	257,310
Net Profit Share Income/Expense	(217,324)	212,887	127,895	(191)	123,267
Net Fees and Commissions Income/Expense	(4,738)	1,486	(2,356)	(734)	(6,342)
Dividend Income	-	-	-	-	-
Net Trading Income / Loss	-	-	188,500	-	188,500
Other Operating Income	-	82	596	309	987
Gross Operating Profit/Loss	(222,062)	214,455	314,635	(616)	306,412
Provision Expenses (-)	10	18,434	3,631	8,720	30,795
Operating Expenses (-)	-	-	-	676,103	676,103
Profit/Loss Before Taxation	(222,072)	196,021	311,004	(685,439)	(400,486)
Taxation	-	-	-	174,727	174,727
Net Profit/Loss	(222,072)	196,021	311,004	(510,712)	(225,759)
Segment Assets	343,586	6,434,969	4,575,145	1,170,575	12,524,275
Total Liabilities	4,882,261	4,592,833	10,398	3,038,783	12,524,275

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

SECTION FIVE

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. Explanations and notes related to consolidated assets

1.1 Information regarding the cash assets and the Central Bank of Republic of Türkiye

Cash and balances with the Central Bank of Republic of Türkiye

	Current period		Prior period	
	TL	FC	TL	FC
Cash/foreign currency	-	-	-	-
The Central Bank of Republic of Türkiye	801,470	1,341,682	140,178	594,620
Other ¹	-	240,374	-	689,297
Total	801,470	1,582,056	140,178	1,283,917

¹ As of 30 June 2025, precious metal deposit amount of TL 240,374 (31 December 2024 - TL 689,297) are presented in this line.

Balances with the Central Bank of Türkiye

	Current period		Prior period	
	TL	FC	TL	FC
Unrestricted Demand Deposit	801,470	8	140,178	7
Unrestricted Time Deposit	-	-	-	-
Restricted Time Deposit	-	1,341,674	-	594,613
Total	801,470	1,341,682	140,178	594,620

In accordance with the “Communiqué Regarding the Reserve Requirements” numbered 2013/15, banks operating in Türkiye are required to maintain reserves in CBRT for TL and foreign currency liabilities. As of 30 June 2025, the Group’s applicable rates for Turkish lira required reserves are between 3% and 40%, depending on the maturity structure for participation funds and other liabilities and the applicable rates for FX required reserves are between 5% and 32%, depending on the maturity structure of participation funds and other liabilities.

1.2 Information on financial assets at fair value through profit and loss

	Current period	Prior period
Debt Securities	30,459	-
Quoted on stock exchange	30,459	-
Unquoted on stock exchange	-	-
Share certificates/Investment Funds	1,010,543	820,835
Quoted on stock exchange	1,010,543	820,835
Unquoted on stock exchange	-	-
Impairment provision (-)	-	-
Total	1,041,002	820,835

	Current period	Prior period
Given as collateral/blocked	-	-
Subject to repo transactions	-	-
Total	-	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Positive differences related to marketable derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions ¹	1,578	3	5,155	-
Swap transactions	19,289	-	979	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	20,867	3	6,134	-

¹ Includes forward asset purchase and sales commitments.

1.3 Information on Banks

	Current period		Prior period	
	TL	FC	TL	FC
Banks	964	168,484	467	301,597
Domestic	964	59,935	467	217,130
Foreign	-	108,549	-	84,467
Headquarters and branches abroad	-	-	-	-
Total	964	168,484	467	301,597

Information on foreign banks account

	Unrestricted Amount		Restricted Amount	
	Current period	Prior period	Current period	Prior period
EU Countries	-	33,037	-	-
USA and Canada	60,312	25,898	-	-
OECD Countries ¹	48,235	25,532	-	-
Off-shore Banking Regions	-	-	-	-
Other	2	-	-	-
Total	108,549	84,467	-	-

¹ EU countries, OECD countries other than the US and Canada

1.4 Information on financial assets at fair value through other comprehensive income

	Current period	Prior period
Debt Securities	1,483,053	881,951
Quoted on stock exchange	1,483,053	881,951
Not quoted on stock exchange	-	-
Share certificates/Investment Funds	20,090	15,590
Quoted on stock exchange	-	-
Not quoted on stock exchange	20,090	15,590
Impairment provision (-)	(15,004)	(1,764)
Total	1,488,139	895,777

	Current period	Prior period
Given as collateral/blocked	319,095	565,829
Subject to repo transactions	51,159	-
Total	370,254	565,829

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

1.5 Explanations on financial assets measured at amortized cost

All types of loans and advances given to shareholders and employees of the Group

	Current period		Prior period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	-	448,521	137,645	195,190
Corporate shareholders	-	448,521	137,645	195,190
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	6,240	-	16,818	-
Total	6,240	448,521	154,463	195,190

Information on Standard Loans, Loans Under close monitoring and restructured Loans Under Close monitoring

Current Period	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
Cash Loans			Revised Contract Terms	Refinance
Loans	9,516,253	161,220	2,607	-
Export Loans	318,438	-	-	-
Import Loans	120,688	-	-	-
Corporation Loans	6,435,558	157,201	-	-
Consumer Loans	146,292	4,019	2,607	-
Credit Cards	32,267	-	-	-
Loans Given to Financial Sector	2,429,431	-	-	-
Other	33,579	-	-	-
Other Receivables	-	-	-	-
Total	9,516,253	161,220	2,607	-

Prior Period	Standard Loans	Loans Under Close Monitoring		
		Not Subject to Restructuring	Restructured Loans	
Cash Loans			Revised Contract Terms	Refinance
Loans	7,243,262	60,824	2,343	-
Export Loans	426,942	136	-	-
Import Loans	63,797	-	-	-
Corporation Loans	5,557,301	54,996	-	-
Consumer Loans	320,855	5,692	2,343	-
Credit Cards	6	-	-	-
Loans Given to Financial Sector	836,853	-	-	-
Other	37,508	-	-	-
Other Receivables	-	-	-	-
Total	7,243,262	60,824	2,343	-

Information on standard loans and loans under close monitoring and restructured loans under close monitoring regarding provision:

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Month Expected Credit Losses	28,086	-	29,908	-
Significant Increase in Credit Risk	-	8,549	-	1,740
Total	28,086	8,549	29,908	1,740

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Number of modifications made to extend payment plan and extended period of time

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
Extended by 1 or 2 Times	-	2,607	-	2,343
Extended by 3,4 or 5 Times	-	-	-	-
Extended by More Than 5 Times	-	-	-	-
Total	-	2,607	-	2,343

	Current Period		Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
0-6 Months	-	3	-	-
6-12 Months	-	2,511	-	2,343
1-2 Years	-	93	-	-
2-5 Years	-	-	-	-
5 Years and Over	-	-	-	-
Total	-	2,607	-	2,343

Distribution of cash loans and other receivables according to their maturities

Current Period	Standard Loans	Loans Under Close Monitoring	
		Not Subject to Restructuring	Restructured
Short Term Loans	5,355,517	15,348	1,678
Medium- and Long-Term Loans	4,160,736	145,872	929
Total	9,516,253	161,220	2,607

Prior Period	Standard Loans	Loans Under Close Monitoring	
		Not Subject to Restructuring	Restructured
Short Term Loans	3,312,241	16,679	569
Medium- and Long-Term Loans	3,931,021	44,145	1,774
Total	7,243,262	60,824	2,343

Allocation of loans by customers

	Current period	Prior period
Public	-	-
Private	9,988,110	7,497,860
Total	9,988,110	7,497,860

Breakdown of domestic and foreign loans

	Current period	Prior period
Domestic loans	9,908,566	7,497,860
Foreign loans	79,544	-
Total	9,988,110	7,497,860

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Loans granted to subsidiaries and associates

	Current	Prior period
Direct Loans Granted to Subsidiaries and Associates	-	-
Indirect Loans Granted to Subsidiaries and Associates	-	-
Total	-	-

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

Current Period	Short term	Medium and long term	Total
Consumer Loans-TL	99,771	47,093	146,864
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	99,771	47,093	146,864
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards- TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Retail Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans- TL	5,661	393	6,054
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	5,661	393	6,054
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	186	-	186
With Installment	-	-	-
Without Installment	186	-	186
Personnel Credit Cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft Account- TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	105,618	47,486	153,104

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Prior Period	Short term	Medium and long term	Total
Consumer Loans-TL	196,947	115,125	312,072
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	196,947	115,125	312,072
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Retail Credit Cards- TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Retail Credit Cards-FC	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Loans- TL	16,134	684	16,818
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	16,134	684	16,818
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Vehicle Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Installment	-	-	-
Without Installment	-	-	-
Personnel Credit Cards-FC	-	-	-
Installment based	-	-	-
Without-installment	-	-	-
Overdraft Account- TL (Real Person)	-	-	-
Overdraft Account-FC (Real Person)	-	-	-
Total	213,081	115,809	328,890

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Information on commercial installment loans and corporate credit cards

Current Period	Short Term	Medium and Long Term	Total
Commercial installment loans-TL	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans- Indexed to FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans - FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	32,081	-	32,081
Installment	403	-	403
Non-Installment	31,678	-	31,678
Corporate credit cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Overdraft accounts-TL (Commercial customer)	-	-	-
Overdraft accounts-FC (Commercial customer)	-	-	-
Total	32,081	-	32,081

Prior Period	Short Term	Medium and Long Term	Total
Commercial installment loans-TL	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans- Indexed to FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans - FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate credit cards-TL	6	-	6
Installment	3	-	3
Non-Installment	3	-	3
Corporate credit cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Overdraft accounts-TL (Commercial customer)	-	-	-
Overdraft accounts-FC (Commercial customer)	-	-	-
Total	6	-	6

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Specific provisions for loans or default (third stage) provisions

	Current Period	Prior Period
Loans and receivables with limited collectability	50,169	28,200
Loans and receivables with doubtful collectability	38,027	6,078
Uncollectible loans and receivables	7,063	-
Total	95,259	34,278

Information on non-performing loans (Net)

Information on the movement of total non-performing loans

Current period	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Ending balance of prior period	169,394	22,037	-
Additions in the current period (+)	126,888	294	-
Transfers from other categories of non-	-	172,545	20,731
Transfers to other categories of non-performing	(172,545)	(20,731)	-
Collections in the current period (-)	(8,552)	(2,023)	(8)
Write offs (-)	-	-	-
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	115,185	172,122	20,723
Provisions (-)	(50,169)	(38,027)	(7,063)
Net balances on balance sheet	65,016	134,095	13,660

Prior period	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Ending balance of prior period	-	-	-
Additions in the current period (+)	189,280	2,452	-
Transfers from other categories of non-	-	19,585	-
Transfers to other categories of non-performing	(19,585)	-	-
Collections in the current period (-)	(301)	-	-
Write offs (-)	-	-	-
Sold Portfolio (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Ending balance of the current period	169,394	22,037	-
Provisions (-)	(28,200)	(6,078)	-
Net balances on balance sheet	141,194	15,959	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Gross and net amounts of non-performing loans with respect to user groups

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current period (Net)	65,016	134,095	13,660
Loans granted to real persons and legal entities (Gross)	115,185	172,122	20,723
Provision (-)	(50,169)	(38,027)	(7,063)
Loans to real persons and legal entities (Net)	65,016	134,095	13,660
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-
Prior period (Net)	141,194	15,959	-
Loans granted to real persons and legal entities (Gross)	169,394	22,037	-
Provision (-)	(28,200)	(6,078)	-
Loans to real persons and legal entities (Net)	141,194	15,959	-
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans and receivables (Gross)	-	-	-
Provision (-)	-	-	-
Other loans and receivables (Net)	-	-	-

Information on profit share accruals, rediscounts and valuation differences computed for non-performing loans and their provision

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net)	2,700	14,553	1,482
Profit share accruals, rediscount and valuation	6,101	19,334	2,305
Provision (-)	(3,401)	(4,781)	(823)
Prior Period (Net)	15,895	1,715	-
Profit share accruals, rediscount and valuation	19,436	2,432	-
Provision (-)	(3,541)	(717)	-

Information on loans and other receivables that are restructured by the Bank or subject to a new amortization plan, among non-performing loans

None (31 December 2024 – None).

Information on non-performing receivables arising from loans granted in foreign currency

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current period			
Balance (gross)	42,402	-	-
Provision (-)	(12,537)	-	-
Balance (net)	29,865	-	-
Prior Period			
Balance (gross)	-	-	-
Provision (-)	-	-	-
Balance (net)	-	-	-

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

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

Main guidelines for liquidation process of uncollectible loans and other receivables

Loans and other receivables, which were deemed uncollectible according to the “Principles and Procedures for the Determination of the Quality of Loans and Other Receivables and Reserves to be provided for these Loans” published in the Official Gazette No. 26333 dated 1 November 2006 and for which a full impairment provision has been made, are written off as per the decision of the Group top management.

Information on the write-off policy

The Group’s write off policy is to write-off the loan receivables that have been already transferred to legal follow-up and fully provided for and for which there is no possibility of collection through legal process and for which there is no collateral. Such loans are written off as per the decision of top management.

1.6 Information on other financial assets measured at amortized cost

	Current period	Prior period
Debt Securities	262,837	69,798
Quoted on a Stock Exchange	262,837	69,798
Not Quoted	-	-
Impairment provision (-)	-	-
Total	262,837	69,798

An expected loss provision of TL 823 (31 December 2024 – TL 254) has been set aside for other financial assets measured at amortized cost.

	Current period	Prior period
Given as collateral/blocked	-	-
Subject to repo transactions	-	-
Total	-	-

Information on government debt securities measured at amortized cost

	Current period	Prior period
Government bonds	-	-
Treasury bills	-	-
Other public sector debt securities	77,689	69,798
Total	77,689	69,798

Movements of other financial assets measured at amortized cost during the year

	Current period	Prior period
Opening Balance	69,798	60,667
Foreign Exchange Gain/Loss	23,841	11,576
Purchases During the Year	240,000	20,349
Disposals Through Sales and Redemptions	(70,802)	(22,794)
Impairment provision (-)	-	-
Total	262,837	69,798

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

1.7 Information on investment in associates (Net)

The shares of Katılım Finans Kefalet A.Ş. amounting to TL 20,090 (31 December 2024 – TL 15,590), since the share ratios in the partnerships are below 10% are classified as financial assets at fair value through other comprehensive income and the Bank does not have a significant influence on these entities

1.8 Information on subsidiaries (Net)

Although the Parent Bank retains control over the capital and management of its non-financial subsidiaries, Hayat Fintek Çözümleri A.Ş. does not consolidate its subsidiary because it does not comply with the definition of financial partnership specified in the "Communiqué on the Arrangement of Consolidated Financial Statements of Banks" published in the Official Gazette dated 8 November 2006 and numbered 26340. The Parent Bank consolidates the financial statements of its subsidiary Hayat Varlık Kiralama A.Ş. using the full consolidation method.

	Name	Address (City/Country)	The Parent Bank's share percentage – if different, voting percentage (%)	Bank risk group share ratio (%)
1	Hayat Fintek Çözümleri A.Ş.	İstanbul/Türkiye	100	100
2	Hayat Varlık Kiralama A.Ş.	İstanbul/Türkiye	100	100

Information on subsidiaries in the order above

	Total Assets	Equity	Total Fixed Assets	Profit Share Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair value
1	49,832	83,058	20,589	2,648	-	(16,660)	-	-
2	319	259	-	24	-	9	-	-

Movement table for subsidiaries

	Current Period	Prior Period
Beginning Value	22,000	-
Movements During the Period	58,000	22,000
Purchases	58,000	22,000
Shares Acquired Gratuitously	-	-
Profit Received from Current Year Share	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provisions	-	-
Ending Value	80,000	22,000
Capital Commitments	-	58,000
End of Period Capital Contribution Share (%)	-	-

	Current Period	Prior Period
Financial Subsidiaries	-	-
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	-	-
Non-Financial Subsidiaries	80,000	22,000
Total	80,000	22,000

Since the Parent Bank does not have any significant subsidiaries, the capital adequacy ratio for the subsidiary has not been calculated. (31 December 2024 - None).

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Subsidiaries listed on the stock exchange

None (31 December 2024 – None).

Information on subsidiaries disposed of during the current period

None (31 December 2024 – None).

1.9 Information on joint ventures (business partnerships) (Net)

None (31 December 2024 – None).

1.10 Information on finance lease receivables (Net)

None (31 December 2024 – None).

1.11 Information on derivative financial assets for hedging purposes

None (31 December 2024 – None).

1.12. Explanations on Tangible Assets

Current period	Buildings	Vehicles	Right of Use Assets	Other Tangible Assets	Total
Prior period ending					
Cost	-	70,127	25,889	110,291	206,307
Accumulated depreciation (-)	-	(16,316)	(4,956)	(12,851)	(34,123)
Prior Period Ending Net Book Value	-	53,811	20,933	97,440	172,184
Current Period Beginning Net Book Value	-	53,811	20,933	97,440	172,184
Additions	-	163	-	34,511	34,674
Disposal (-), cost	-	-	-	(645)	(645)
Disposal, accumulated depreciation	-	-	-	645	645
Depreciation (-)	-	(7,127)	(2,784)	(14,740)	(24,651)
Current Period Ending Net Book Value	-	46,847	18,149	117,211	182,207
Current Period Ending Cost	-	70,290	25,889	144,157	240,336
Current Period Ending Acc.Depreciation (-)	-	(23,443)	(7,740)	(26,946)	(58,129)
Current Period Ending Net Book Value	-	46,847	18,149	117,211	182,207

Prior Period	Buildings	Vehicles	Right of Use Assets	Other Tangible Assets	Total
Prior period ending					
Cost	-	51,577	4,896	21,471	77,944
Accumulated depreciation (-)	-	(4,643)	(1,418)	(3,098)	(9,159)
Prior Period Ending Net Book Value	-	46,934	3,478	18,373	68,785
Current Period Beginning Net Book Value	-	46,934	3,478	18,373	68,785
Additions	-	18,550	20,993	89,559	129,102
Disposal (-), cost	-	-	-	(739)	(739)
Disposal, accumulated depreciation	-	-	-	739	739
Depreciation (-)	-	(11,673)	(3,538)	(10,492)	(25,703)
Current Period Ending Net Book Value	-	53,811	20,933	97,440	172,184
Current Period Ending Cost	-	70,127	25,889	110,291	206,307
Current Period Ending Acc.Depreciation (-)	-	(16,316)	(4,956)	(12,851)	(34,123)
Current Period Ending Net Book Value	-	53,811	20,933	97,440	172,184

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

1.13. Explanations on Intangible Assets

Gross carrying value and accumulated amortization balances at the beginning and at the end of the period

	Current period	Prior period
Cost	587,207	410,368
Accumulated Amortization	(46,501)	(28,014)
Total (net)	540,706	382,354

Movements of intangible assets between the beginning and the end of the period

	Current period	Prior period
Opening balance	382,354	133,224
Additions	176,839	270,876
Disposals (-), net	-	-
Depreciation amount (-)	(18,487)	(21,746)
Closing net book value	540,706	382,354

1.14. Explanations on investment property

None (31 December 2024 – None).

1.15. Information on deferred tax asset

	Current period	Prior period
Employee Benefits Liability	6,098	7,881
TFRS 9 Provisions	16,392	12,885
Other Provisions	5,735	7,917
Tax Loss ¹	550,466	398,458
Marketable Securities	4,993	-
Fixed Assets	28,086	-
Other	11,748	12,813
Deferred Tax Assets	623,518	439,954
Fixed Assets	-	(28,884)
Other	(6,986)	(1,840)
Deferred Tax Liabilities	(6,986)	(30,724)
Net Deferred Tax Assets / (Liabilities)	616,532	409,230

¹ The recoverability of the deferred tax asset calculated from tax losses has been taken into account by assuming that the Parent Bank can use the deductible temporary differences and financial losses in the future before their expiration date, consistent with the budget approved by the Board of Directors.

Table of deferred tax asset movement

	Current period	Prior period
As of January, 1	409,230	52,487
Deferred Tax Income /(Expense)	73,173	357,408
Deferred Tax Accounted Under Other Comprehensive Income	8,980	(665)
Net Deferred Tax Assets / (Liabilities)	491,383	409,230

The years in which the right to use tax losses will expire are as follows.

	Current	Prior period
2028	181,960	181,960
2029	1,146,234	1,146,234
2030	256,357	-
Total	1,584,551	1,328,194

1.16. Assets held for sale and assets of discontinued operations

None (31 December 2024 – None).

1.17. Information on other assets

As of balance sheet date, the Group's other assets amount to TL 205,122 (31 December 2024 – TL 168,404) and other assets balance does not exceed 10% of the total assets on the balance sheet excluding off balance sheet commitments.

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

2. Explanations and notes related to consolidated liabilities

2.1 Information on funds collected

Information on maturity structure of funds collected

Current Period	Demand	Up to 1 Month	Up to 3 Months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Acc. profit sharing accounts	Total
I. Real persons current accounts-TL	47,219	-	-	-	-	-	-	-	47,219
II. Real persons profit sharing accounts TL	-	1,194,838	3,348,498	72,370	3,119	829	2,003	-	4,621,657
III. Another current accounts- TL	141,131	-	-	-	-	-	-	-	141,131
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	141,131	-	-	-	-	-	-	-	141,131
Other institutions	-	-	-	-	-	-	-	-	-
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	-	-	-	-	-	-	-	-	-
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
IV. Profit sharing accounts-TL	-	950,842	2,867,588	-	-	-	-	-	3,818,430
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	-	950,842	2,424,152	-	-	-	-	-	3,374,994
Other institutions	-	-	443,436	-	-	-	-	-	443,436
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts-FC	22,720	-	-	-	-	-	-	-	22,720
VI. Real persons profit sharing accounts-FC	-	2,666	313,341	524	92,668	80	454,852	-	864,131
VII. Another current accounts-FC	1,146,191	-	-	-	-	-	-	-	1,146,191
Commercial residents in Türkiye	1,146,191	-	-	-	-	-	-	-	1,146,191
Commercial residents in Abroad	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	-	-	-	-	-	-	-	-	-
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	-	1,692,062	326,324	-	-	-	-	2,018,386
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	-	-	1,692,062	326,324	-	-	-	-	2,018,386
Other institutions	-	-	-	-	-	-	-	-	-
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	127,151	-	-	-	-	-	-	-	127,151
X. Profit sharing accounts special funds - TL	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Profit sharing accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total	1,484,412	2,148,346	8,221,489	399,218	95,787	909	456,855	-	12,807,016

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

Prior Period	Demand	Up to 1 Month	Up to 3 Months	Up to 6 months	Up to 9 months	Up to 1 year	1 year and over	Acc. profit sharing accounts	Total
I. Real persons current accounts-TL	39,088	-	-	-	-	-	-	-	39,088
II. Real persons profit sharing accounts TL	-	857,951	2,981,981	154,807	3,157	980	672	-	3,999,548
III. Another current accounts- TL	674,118	-	-	-	-	-	-	-	674,118
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	674,099	-	-	-	-	-	-	-	674,099
Other institutions	19	-	-	-	-	-	-	-	19
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	-	-	-	-	-	-	-	-	-
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
IV. Profit sharing accounts-TL	-	143,795	647,950	1,309,904	-	-	-	-	2,101,649
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	-	143,795	174,916	1,255,603	-	-	-	-	1,574,314
Other institutions	-	-	473,034	54,301	-	-	-	-	527,335
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
V. Real persons current accounts-FC	10,539	-	-	-	-	-	-	-	10,539
VI. Real persons profit sharing accounts-FC	-	3,204	289,512	171	115,443	-	355,446	-	763,776
VII. Another current accounts-FC	724,894	-	-	-	-	-	-	-	724,894
Commercial residents in Türkiye	724,894	-	-	-	-	-	-	-	724,894
Commercial residents in Abroad	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
Central Bank of Republic of Türkiye	-	-	-	-	-	-	-	-	-
Domestic banks	-	-	-	-	-	-	-	-	-
Foreign banks	-	-	-	-	-	-	-	-	-
Participation banks	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
VIII. Profit sharing accounts- FC	-	73,922	688,661	124,141	-	-	-	-	886,724
Public sector	-	-	-	-	-	-	-	-	-
Commercial sector	-	73,922	688,661	124,141	-	-	-	-	886,724
Other institutions	-	-	-	-	-	-	-	-	-
Commercial and other institutions	-	-	-	-	-	-	-	-	-
Banks and participation banks	-	-	-	-	-	-	-	-	-
IX. Precious metal funds	282,634	-	-	-	-	-	-	-	282,634
X. Profit sharing accounts special funds - TL	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Profit sharing accounts special funds - FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total	1,731,273	1,078,872	4,608,104	1,589,023	118,600	980	356,118	-	9,482,970

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Information's on current and profit share accounts that are in the scope of Insurance

Current and participation accounts attributable to real and legal entities under the insurance exceeding the limit of the deposit insurance fund

	Under the guarantee of insurance		Exceeding the limit of insurance	
	Current period	Prior period	Current period	Prior period
Real persons/ entities current and profit-sharing accounts that are not subject to commercial activities				
TL accounts	2,095,284	1,581,582	6,169,869	4,722,161
FC accounts	90,837	64,226	1,290,784	785,812
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' under foreign authorities' insurance	-	-	-	-

Funds collected by Participation Banks (except for foreign branches) through current and profit share accounts which are opened by real and legal entities and denominated in Turkish Lira or foreign currency with a limit of maximum of TL 950 (including both capital and profit shares) for current period of each person is under the guarantee of Saving Deposit Insurance Fund in accordance with the Banking Law No. 5411 which issued in official gazette no. 25893 on 1 November 2005.

If the headquarters of the Parent Bank is abroad and the deposit account in its Turkish branch is in the scope of the insurance policy in the country of the headquarter of the Bank is founded, it should be explained

The headquarters of the Parent Bank is in Türkiye.

Current and Profit Share Accounts of the real persons who are not in the scope of insurance

	Current period	Prior period
Foreign branches' profit-sharing accounts and other accounts	-	-
Profit sharing accounts and other accounts of controlling shareholders and profit sharing accounts of their mother, father, spouse, children in care	3,149,144	2,319,371
Profit sharing account and other accounts of President and Members of Board of Directors, CEO and Vice Presidents and profit-sharing accounts of their mother, father,	11,098	9,815
Profit sharing account and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish Criminal Law No:5237 dated 26	-	-
Profit sharing accounts in participation banks which are established in Türkiye in order to engage in offshore banking activities solely	-	-

2.2 Information on derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions ¹	1	-	6	-
Swap transactions	1,170	-	10,392	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	1,171	-	10,398	-

¹ Includes forward asset purchase and sales commitments.

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

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2.3 Information on funds borrowed

Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds borrowed from the Central Bank of Türkiye	-	-	-	-
Domestic banks and institutions	200,260	-	-	-
Foreign banks, institutions and funds	-	-	-	-
Total	200,260	-	-	-

Information on maturity structure of borrowings

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	200,260	-	-	-
Medium and long-term	-	-	-	-
Total	200,260	-	-	-

Explanations related to the concentrations of the Group's major liabilities

The Group's funds borrowed consist of foreign currency loans. There is no risk concentration in the Group's current and participation accounts.

Explanations related to institutions with money markets transactions

As of 30 June 2025, funds from sales with repurchase agreements amounted to TL 57,263 (31 December 2024 – None.)

2.4. Information on issued securities

None (31 December 2024 – None).

2.5 Information on other liabilities and miscellaneous payables

As of 30 June 2025, other liabilities include miscellaneous payables item amounting to TL 98,711 (31 December 2024 – TL 175,919) and other liabilities item amounting to TL 37,818 (31 December 2024 – TL 61,352), and these items do not exceed 10% of the balance sheet total.

2.6 Information on finance lease payables (Net)

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	11,347	4,000	11,347	3,475
1 to 4 years	28,140	16,206	28,990	14,087
More than 4 years	804	803	5,628	5,098
Total	40,291	21,009	45,965	22,660

Information on the changes in agreements and new obligations originating from these

None (31 December 2024 – None).

Information on Operational Leases

The leasing transactions, in which all risks and benefits of the leased asset are held by the lessor, are classified as operational leases. There are no significant commitments regarding the changes at the operational lease agreements. The payments related with operational leases are recognized as expense in the income statement during the period of the agreement in equal installments.

2.7. Information on hedging derivative financial liabilities

None (31 December 2024 – None).

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

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2.8. Information on provisions

Information on provisions related with foreign currency difference of foreign indexed loans

None (31 December 2024 – None).

Information on other provisions

	Current Period	Prior Period
Expected Credit Loss for Non-Cash Loans	12,556	7,876
Provision for Profits will be Allocated to Participation Accounts	18,597	14,935
Total	31,153	22,811

Information on provisions for employee benefits

The provision for employee benefits in the balance sheet includes severance pay obligations amounting to TL 7,448 (31 December 2024 – TL 5,907), leave pay provision amounting to TL 12,879 (31 December 2024 – TL 12,864) . (31 December 2024 – TL 7,500 bonus).

Under the Turkish Labor Law, the Group is required to pay termination benefits to each employee who has completed at least one year of service and whose employment is terminated without due cause, is called up for military service, dies or retires or earns the right to retire.

The reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees. TAS 19 requires actuarial valuation methods to be developed to estimate the enterprise's obligation for such benefits. Accordingly, the following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	4.50	4.50
Inflation rate (%)	23.75	23.75

Movements in the reserve for employment termination benefits during period are as follows

	Current Period	Prior Period
Balance at the beginning of the period	5,907	2,488
Provisions recognized during the period	1,541	3,419
Balances at the end of the period	7,448	5,907

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2.9. Explanations on tax liability

Information on current year tax liability

None (31 December 2023 – None).

Information on taxes payable

	Current Period	Prior Period
Corporate tax payable	7	-
Taxation of marketable securities	33,427	20,557
Taxation of immovable property	134	134
Banking Insurance Transaction Tax (BITT)	16,571	15,041
Foreign Exchange Transaction Tax	75	108
Value Added Tax Payable	5,688	4,704
Other	20,618	17,411
Total	76,520	57,955

¹ Includes income tax deducted from salaries in the amount of TL 19,984 (31 December 2024- TL 16,657).

Information on premiums

	Current Period	Prior Period
Social Security Premiums – Employee	6,768	4,350
Social Security Premiums – Employer	9,096	5,898
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	449	308
Unemployment Insurance – Employer	898	616
Other	-	-
Total	17,211	11,172

Information on deferred tax liability

The deferred tax liability is explained in the deferred tax asset section in the explanations and footnotes regarding the asset accounts of the balance sheet.

2.10. Information on payables related to assets held for sale

None (31 December 2024 – None).

2.11. Information on subordinated loans

None (31 December 2024 – None).

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2.12. Information on shareholders' equity

Presentation of paid-in capital

	Current Period	Prior Period
Common Shares	4,500,000	3,000,000
Preference Shares	-	-
Total	4,500,000	3,000,000

Amount of paid-in capital, disclosure on whether the Parent Bank applies the registered share capital system, and, if so, the ceiling amount of the registered share capital

Registered capital system is not applied in the Parent Bank.

Information on the share capital increases during the period and their sources: other information on increased capital shares in the current period

Based on the permission of the BRSA, our Bank's paid-in capital has been increased by 1,500,000 TL in cash from 3,000,000 TL to 4,500,000 TL.

Information on share capital increases from capital reserves during the current period

None (31 December 2024 – None).

Possible effect of estimations made for the Group's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties

Based on the evaluation made considering the Group's prior and current period indicators related to net profit share and commission income, it is observed that the Group continues its operations profitably.

Summary of privileges given to shares representing the capital

None (31 December 2024 – None).

Information on marketable securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
From Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	(3,817)	4,182	1,378	162
Foreign Exchange Difference	-	-	-	-
Total	(3,817)	4,182	1,378	162

Information on minority shares

None (31 December 2024 – None).

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3. Explanations and notes related to consolidated off-balance sheet contingencies and commitments

3.1 Explanations on off-balance sheet accounts

Types and amounts of irrevocable commitments

	Current Period	Prior Period
Forward Asset Purchase and Sales Commitments	426,905	704,386
Share Capital Commitment to Associates and Subsidiaries	-	62,500
Loan Granting Commitments	31,950	-
Commitments For Credit Cards and Banking Services Promotions and Limits	44,910	59
Other Irrevocable Commitments	4,265	1,930
Total	508,030	768,875

Types and amounts of probable losses and obligations arising from off-balance sheet items

Non-cash loans including guarantees, bank acceptances, collaterals and others that are accepted as financial commitments and other letter of credits

As of 30 June 2025, the Group has letter of guarantees amounting to TL 2,677,250 (31 December 2023 – TL 1,833,451).

Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Final letters of guarantee	2,267,920	1,641,305
Provisional letters of guarantee	-	-
Letters of guarantee for advances	32,671	43,108
Other letter of guarantees	376,659	149,038
Total	2,677,250	1,833,451

TL 12,556 (31 December 2024 – TL 7,876) has been set aside for the expected loss for non-cash loans.

Total amount of non-cash loans

	Current Period	Prior Period
Non-cash loans given against cash loans	1,757,642	1,234,797
With original maturity of 1 year or less	133,368	119,052
With original maturity of more than 1 year	1,624,274	1,115,745
Other non-cash loans	1,186,568	720,325
Total	2,944,210	1,955,122

Information on the non-cash loans classified in Group I and Group II

	Current Period				Prior Period			
	I. Group		II. Group		I. Group		II. Group	
	TL	FC	TL	FC	TL	FC	TL	FC
Non-Cash Loans	445,073	2,499,137	-	-	465,156	1,489,966	-	-
Letters of Guarantee	445,073	2,232,177	-	-	465,156	1,368,295	-	-
Bills of Exchange and Bank Acceptances	-	-	-	-	-	-	-	-
Letters of Credit	-	266,960	-	-	-	121,671	-	-
Endorsements	-	-	-	-	-	-	-	-
Underwriting Commitments	-	-	-	-	-	-	-	-
Factoring Related Guarantees	-	-	-	-	-	-	-	-
Other Guarantees and Securities	-	-	-	-	-	-	-	-

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Information on sectoral risk concentrations of non-cash loans

	Current Period			
	TL	%	FC	%
Agriculture	-	-	-	-
Farming and stockbreeding	-	-	-	-
Forestry	-	-	-	-
Fishery	-	-	-	-
Manufacturing	181,660	40.81%	1,805,163	72.23%
Mining and quarrying	-	-	65,572	2.62%
Production	181,660	40.81%	1,739,591	69.61%
Electricity, Gas, Water	-	-	-	-
Construction	43,602	9.80%	-	-
Services	219,811	49.39%	693,974	27.77%
Wholesale and Retail Trade	172,816	38.83%	425,482	17.03%
Hotel, Food and Beverage Services	12,490	2.81%	-	-
Transportation and Telecom.	-	-	268,492	10.74%
Financial Institutions	34,505	7.75%	-	-
Real Estate and Renting Services	-	-	-	-
Self-Employment Type Services	-	-	-	-
Educational Services	-	-	-	-
Health and Social Services	-	-	-	-
Other	-	-	-	-
Total	445,073	100.00%	2,499,137	100.00%

	Prior Period			
	TL	%	FC	%
Agriculture	-	-	-	-
Farming and stockbreeding	-	-	-	-
Forestry	-	-	-	-
Fishery	-	-	-	-
Manufacturing	226,972	48.79	1,330,121	89.28
Mining and quarrying	-	-	75,952	5.10
Production	226,972	48.79	1,254,169	84.18
Electricity, Gas, Water	-	-	-	-
Construction	61,614	13.25	-	-
Services	176,570	37.96	159,845	10.72
Wholesale and Retail Trade	176,570	37.96	90,649	6.08
Hotel, Food and Beverage Services	-	-	-	-
Transportation and Telecom.	-	-	69,196	4.64
Financial Institutions	-	-	-	-
Real Estate and Renting Services	-	-	-	-
Self-Employment Type Services	-	-	-	-
Educational Services	-	-	-	-
Health and Social Services	-	-	-	-
Other	-	-	-	-
Total	465,156	100.00	1,489,966	100.00

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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3.2. Financial derivative instruments

	Trading Derivatives	
	Current Period	Prior Period
Foreign currency related derivative		
Foreign Currency Related Derivative Transactions (I):	2,336,508	3,035,171
Currency Forwards-Purchases, sales ¹	426,905	704,386
Currency Swaps-Purchases, sales	1,909,603	2,330,785
Currency Futures	-	-
Currency Options-Purchases, sales	-	-
Profit share related derivative transactions (II):	-	-
Profit share forwards-Purchase, sales	-	-
Profit share swaps-Purchases, sales	-	-
Profit share options-Purchases, sales	-	-
Profit share futures-Purchases, sales	-	-
Other trading derivatives (III)	-	-
A. Total trading derivatives (I+II+III)	2,336,508	3,035,171
Hedging Derivatives		
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total Hedging Derivatives	-	-
Total Derivatives Transactions (A+B)	2,336,508	3,035,171

¹ TL 426,905 (31 December 2024- TL 704,386) of forward asset purchase and sales commitments included.

3.3. Credit derivatives and risk exposures on credit derivatives

None (31 December 2024 – None).

3.4. Contingent liabilities and assets

None (31 December 2024 – None).

3.5. Explanations on custodian and intermediary services

None (31 December 2024 – None).

3.6. Summary Information on the Group's Rating by the International Rating Institutions

None (31 December 2024 – None).

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4. Explanations and notes related to the consolidated statement of income

4.1 Information on profit share income

Information on profit share received from loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share on loans	1,304,534	81,721	295,629	22,172
Short term loans	437,073	61,404	106,469	12,607
Medium and long-term loans	867,362	20,317	189,160	9,565
Profit share on non-performing loans	99	-	-	-
Premiums received from resource utilization	-	-	-	-
Total	1,304,534	81,721	295,629	22,172

Information on profit share received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of the Republic of Türkiye	151,666	-	853	-
Domestic Banks	5,075	-	1,226	-
Foreign Banks	-	-	-	-
Branches and head office abroad	-	-	-	-
Total	156,741	-	2,079	-

Information on profit share income from securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	450	-	-	843
Financial Assets at Fair Value Reflected in Other Comprehensive Income	164,886	9,774	25,700	-
Financial Assets Valued Over Amortized Cost	22,846	2,782	2,021	2,359
Total	188,182	12,556	27,721	3,202

Information on profit share income received from associates and subsidiaries

	Current Period	Prior Period
Profit share income received from associates and subsidiaries	-	-

4.2 Information on profit share expenses from funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	864	343	87	-
The Central Bank of the Republic of Türkiye	-	-	-	-
Domestic banks	864	-	87	-
Foreign banks	-	343	-	-
Branches and head office abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	864	343	87	-

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Profit share expense given to associates and subsidiaries

	Current Period	Prior Period
Profit share expenses given to associates and subsidiaries	2,227	-

Profit share expense paid to securities issued

None (30 June 2024 – None).

4.3 Information on dividend income

None (30 June 2024 – None).

4.4 Distribution of profit share on funds based on maturity of funds

Current Period	Profit Sharing Accounts							
Account Name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year	Acc. profit-sharing accounts	Total
Turkish Lira								
Collected funds from banks through current and profit share accounts	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing	221,119	714,277	27,027	664	179	211	-	963,477
Public-sector profit-sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	68,391	362,260	93,108	-	-	-	-	523,759
Other institutions profit sharing account	-	127,550	4,563	-	-	-	-	132,113
Total	289,510	1,204,087	124,698	664	179	211	-	1,619,349
Foreign currency								
Banks	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing	17	3,392	3	814	1	4,766	-	8,993
Public-sector profit-sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	511	16,299	1,155	-	-	-	-	17,965
Other institutions profit sharing account	-	-	-	-	-	-	-	-
Precious metal accounts	-	-	-	-	-	-	-	-
Total	528	19,691	1,158	814	1	4,766	-	26,958
Grand Total	290,038	1,223,778	125,856	1,478	180	4,977	-	1,646,307

Prior Period	Profit Sharing Accounts							
Account Name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Above 1 year	Acc. profit-sharing accounts	Total
Turkish Lira								
Collected funds from banks through current and profit share accounts	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing	3,883	211,723	1,394	41	37	6	-	217,084
Public-sector profit-sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	3,891	27,485	-	-	-	-	-	31,376
Other institutions profit sharing account	-	-	-	-	-	-	-	-
Total	7,774	239,208	1,394	41	37	6	-	248,460
Foreign currency								
Banks	-	-	-	-	-	-	-	-
Real person's non-trading profit sharing	6	1,496	1,086	216	25	3,105	-	5,934
Public-sector profit-sharing account	-	-	-	-	-	-	-	-
Commercial sector profit sharing account	2,556	77	-	-	-	-	-	2,633
Other institutions profit sharing account	-	-	-	-	-	-	-	-
Precious metal accounts	-	-	-	-	-	-	-	-
Total	2,562	1,573	1,086	216	25	3,105	-	8,567
Grand Total	10,336	240,781	2,480	257	62	3,111	-	257,027

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4.5 Information on trading income/loss (Net)

	Current Period	Prior Period
Income	716,943	221,567
Gain on capital market transactions	190,342	171,900
Gain on derivative financial instruments	236,112	6,597
Foreign exchange profit	290,489	43,070
Losses (-)	(401,287)	(33,067)
Losses on capital market transactions	-	-
Losses on derivative financial instruments	(175,808)	(2,690)
Foreign exchange losses	(225,479)	(30,377)
Trading income/loss (Net)	315,656	188,500

4.6 Information on other operating income

The other operating income totals TL 32,674 (30 June 2024 - TL 987), of which TL 11,165 (30 June 2024 - TL 679) consists of expected credit loss provision reversals. There are no extraordinary items within other operating income that significantly affect the Group's revenues.

4.7 Provisions for loan losses and other receivables of the Bank¹

	Current Period	Prior Period
Expected Credit Loss	83,833	21,821
12 month expected credit loss (Stage 1)	14,659	15,628
Significant increase in credit risk (Stage 2)	8,193	17
Non-performing loans (Stage 3)	60,981	6,176
Marketable Securities Impairment Expense	-	254
Financial Assets at Fair Value through Profit or Loss	-	254
Financial Assets at Fair Value Through Other Comprehensive Income	-	-
Impairment losses from Associates, Subsidiaries and Jointly Controlled Entities	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other²	8,816	8,720
Total	92,649	30,795

¹ Includes the provisions in the "Other Provision Expenses" line in the income statement.

² Includes free provisions that can be allocated from profit to be distributed to participation accounts according to provisions regulation.

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4.8 Information on other operating expenses

	Current Period	Prior Period
Reserve for employee termination benefits	1,540	1,031
Bank social aid fund deficit provision	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	24,006	9,283
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	18,487	7,877
Shares (capital method applied) impairment expense	-	-
Impairment expense for investment securities that will be disposed	-	-
Amortization expenses of investment securities that will be disposed	-	-
Impairment expenses for property and equipment held for sale purpose and terminated operations	-	-
Other operating expenses	188,491	252,908
Leasing expenses related to TFRS 16 exemptions	4,890	5,113
Maintenance expenses	4,489	834
Advertisement expenses	40,720	164,248
Other expenses ¹	138,392	82,713
Loss on sales of assets	-	-
Other ²	100,608	113,979
Total	333,132	385,078

¹ Includes computer usage expenses of TL 57,874 (30 June 2024 – TL 28,728) and communication expenses of 36,950 TL (30 June 2024 – 25,836 TL).

² Includes audit and consultancy fee expenses of TL63,196 (30 June 2024 – TL 90,863) and taxes, duties and fees expenses of 16,812 TL (30 June 2024 – 14,673 TL).

4.9 Information on profit/loss from continued and discontinued operations before taxes

The Group's loss before tax was TL 282,676 (30 June 2024 – TL 400,486 loss)

TL 288,113 (30 June 2024 – TL 123,267) of the loss before tax comes from net profit share income, TL 6,865 (30 June 2024 – TL 6,342 expense) from net fees and commission income, TL 315,656 (30 June 2024 - TL 188,500) from net commercial profit and loss, TL 32,674 (30 June 2024 – TL 987) from other operating income, TL 92,469 (30 June 2024 – TL 30,795) from provision expenses, TL 833,335 (30 June 2024 – TL 676,103) consists of other operating expenses, including personnel expenses.

4.10 Information on tax provision for continued and discontinued operations

The Group's current tax provision expense is TL 7 (30 June 2024 – None). The Group has deferred tax expense of TL 29,987 (30 June 2024 – TL 9,869) and deferred tax income of TL 236,786 (30 June 2024 – TL 184,596) in the current period.

4.11 Information on net income/loss from continued and discontinued operations

There is no profit/loss arising from discontinued operations in after-tax operating profit/loss.

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

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4.12 Information on net income/loss

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 a complete understanding of the Bank's performance for the period

Net profit share income among income items in the accounting period ending as of 30 June 2025 is TL 288,113 (30 June 2024 – TL 123,267).

Effect of changes in accounting estimates on income statement for the current and, if any for subsequent periods

None (30 June 2024 – None).

Profit/Loss attributable to minority share

None (30 June 2024 – None).

4.13 Details of sub accounts comprising at least 20% of other items in income statement, exceeding 10% of total income statement

As of 30 June 2025, other items in the income statement do not exceed 10% of the total income statement.

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5. Explanations and Disclosures Related to Consolidated Statement of Changes in Shareholders' Equity

Explanations on profit distribution

None

Information on financial assets at fair value through other comprehensive income

“Unrealized gains and losses” arising from changes in the fair value of securities classified as financial assets at fair value through other comprehensive income are not recognized in current year income statements; they are recognized in the “Marketable securities value increase fund” account under equity, until the financial assets are sold, disposed or impaired.

As of 30 June 2025, the Bank has booked TL 365 increase (31 December 2023 – TL 790 increase) for marketable securities valuation difference related to financial assets at fair value through other comprehensive income

Explanations on profit reserves and previous years' profit/loss

None

Information on the share capital increases during the period and their sources: other information on increased capital shares in the current period

Based on the permission of the BRSA, our Bank's paid-in capital has been increased by 1,500,000 TL in cash from 3,000,000 TL to 4,500,000 TL.

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

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6. Explanations and Disclosures Related to Statement of Cash Flows

6.1. Information on cash and cash equivalents

Components of cash and cash equivalents and accounting policy applied in their determination

The amounts recorded in the balance sheet as cash and cash equivalent assets (excluding rediscount balances, required reserve balances, placements with maturities longer than 3 months and blocked accounts) are considered as cash and cash equivalent assets

Cash and cash equivalents for the periods

	Current Period	Prior Period
Cash	2,383,526	715,802
Cash and Foreign Currency Cash	-	-
Turkish Central Bank	2,143,152	587,111
Other	240,374	128,691
Cash Equivalents	722,181	406,988
Banks	169,448	106,167
Interbank Money Market Placements	552,733	300,821
Total Cash and Cash Equivalents	3,105,707	1,122,790
Total Cash and Cash Equivalents	(1,341,674)	(533,697)
Rediscounts on Cash and Cash Equivalents	(100,172)	(821)
Cash Flow Statements Cash and Cash Equivalents	1,663,861	588,272

6.2. Cash and cash equivalent items which are restricted for the usage of the Group by legal or other limitations

The Group has cash and equivalent assets that are not in free use in the amount of TL 1,341,674 as a required reserve balance at central bank (30 June 2024 – TL 533,697).

6.3. Explanations on other items in the cash flow statement

The "Other" amounting to TL 30,371 (30 June 2024 – TL 22,826) of included in "Operating profit before changes in banking activity assets and liabilities" consists mainly of items such as paid fees and commissions, taxes, duties and fees.

The "Net increase/decrease in other assets" item amounting to TL 41,681 (30 June 2024 – TL 2,700) included in the "Change in assets and liabilities subject to banking activities" consists mainly of changes in other assets.

The "Net increase/decrease in other debts" item amounting to TL 24,810 (30 June 2024 – TL 214,524) included in the "Change in assets and liabilities subject to banking activities" consists of changes in various debts, other liabilities and taxes, duties, fees and premiums to be paid

The effect of the change in foreign exchange rate on cash and cash equivalent assets is calculated as approximately TL 46,776 (30 June 2024 – TL 5,653) as of 30 June 2025.

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

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7. Explanations and Notes Related to Risk Group of The Group

7.1 The volume of transactions related to the risk group of the Group, the loans and funds collected which have not been completed at the end of the period and the income and expenses related to the period

Current Period Risk group of the Group	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	-	-	137,645	195,190	15,753	1,002
Balance at end of period	-	-	-	448,521	256,654	-
Profit share and commission income	-	-	1,610	400	18,752	2

Prior Period Risk group of the Group	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-Cash	Cash	Cash	Non-Cash	Cash
Loans and other receivables						
Balance at beginning of period	-	-	296,793	-	198,634	-
Balance at end of period	-	-	137,645	195,190	15,753	1,002
Profit share and commission income	-	-	24,072	-	55,911	-

7.2 Information on current and profit-sharing accounts of the Group's risk group

Risk group of the Group	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current period	Prior Period	Current period	Prior Period	Current period	Prior Period
Current and profit-sharing accounts						
Balance at beginning of period	16,010	-	1,431,764	418,150	1,292,699	18,797
Balance at end of period	17,556	16,010	2,047,117	1,431,764	1,244,037	1,292,699
Profit share expense	2,227	-	6,675	2,385	72,931	7,150

7.3 Forward and option agreements and other similar agreements with the risk group of the Group

Risk group of the Group	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current period	Prior Period	Current period	Current period	Prior Period	Current period
Transactions at Fair Value Through Profit or Loss						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-
Hedging Transactions						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

7.4 Information on loans received from the Group's risk group

None (30 June 2024 – None).

7.5 Information on the subordinated loans used by the Group's risk group

None (30 June 2024 – None).

7.6 Information on remunerations provided to top management

As of 30 June 2025, a benefit of TL 49,639 (30 June 2024 - TL 16,818) was provided to the Group's senior management, including employer costs.

8. Group's domestic, foreign and off-shore branches or equity investments and foreign representative offices

8.1. Group's domestic and foreign branches and representative offices

	Number of Branches	Number of Employees			
Domestic branches ¹	1	365			
			Country		
Foreign representative offices	-	-	-	Total Assets	Legal Capacity
Foreign bank	-	-	-	-	-
Foreign branches	-	-	-	-	-

¹ It represents the Head Office.

8.2. Opening or closing of domestic and foreign branches and representative offices and significant changes in organizational structure

None.

9. Significant events and matters arising subsequent to balance sheet date

None.

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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SECTION SIX

INDEPENDENT AUDITORS' REVIEW REPORT

1. Explanations on independent auditors' report

The Group's consolidated financial statements and footnotes disclosed to the public have been subjected to independent reviewed by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent review audit report dated August 12, 2025 has been submitted before the consolidated financial statements.

2. Notes and disclosures prepared by the independent auditor

None.

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SECTION SEVEN

INTERIM ACTIVITY REPORT

1. Explanations on interim annual report including the evaluations of interim activities of the Chairman of the Board of Directors and General Manager

About Hayat Finans Katılım Bankası A.Ş.

Hayat Finans Katılım Bankası A.Ş. (“The Parent Bank”), with the BRSA decision numbered 10165 dated April 21, 2022, has obtained establishment permission to operate in accordance with the operating principles for digital banks in the BRSA's Regulation on the Operating Principles of Digital Banks and Service Model Banking by completing the company establishment procedures dated August 10, 2022, the Parent Bank has completed registration its title as Hayat Finans Katılım Bankası A.Ş. The Parent Bank became the first digital participation bank to obtain an operating license in Türkiye with the BRSA decision dated March 23, 2023 and numbered 10543. Main field of operation is, in addition to the Parent Bank's equity, to collect funds from domestic and foreign customers through “Current Accounts” and “Profit/ Loss Sharing Accounts” and allocate such funds to the economy, to perform all kinds of financing activities in accordance with the regulations, to encourage the investments of all individuals and legal entities operating in agricultural, industrial, trading and service industries, participating into the operations of these entities or individuals and to form joint business partnerships and to perform all these activities in a non-interest environment.

Financial Statements

	Current Period	Prior Period
Cash and Cash Equivalents	3,105,168	2,129,476
Financial Assets at Fair Value Through Profit or Loss	1,041,002	820,835
Financial Assets at Fair Value Through Other Comprehensive Income	1,488,139	895,777
Derivative Financial Assets	20,870	6,134
Loans	9,988,110	7,497,860
Other Financial Assets Measured at Amortized Cost	262,837	69,798
Expected Credit Loss (-)	(132,717)	(66,180)
Investments in Associates, Subsidiaries and Joint Ventures	80,000	22,000
Tangible Assets (net)	182,207	172,184
Intangible Assets (net)	540,706	382,354
Other Assets	868,205	594,037
Total Assets	17,444,527	12,524,275

	Current Period	Prior Period
Funds Collected	12,807,016	9,482,970
Funds Borrowed	200,260	-
Money Markets	57,623	-
Securities Issued (net)	-	-
Derivative Financial Liabilities	1,171	10,398
Lease Payables	21,009	22,660
Provisions	51,480	49,082
Other Liabilities	230,260	306,398
Shareholders' Equity	4,075,708	2,652,767
Total Liabilities and Equity	17,444,527	12,524,275

	Current Period	Prior Period
Net Profit Share Income/Expense	288,113	123,267
Net Fees and Commissions Income/Expense	6,865	(6,342)
Dividend Income	-	-
Net Trading Income / Loss	315,656	188,500
Other Operating Income	32,674	987
Allowances for Expected Credit Losses and Other Provisions	(92,649)	(30,795)
Operating Expenses	(833,335)	(676,103)
Net Operating Income/(loss)	(282,676)	(400,486)
Provision from Taxes on Income	206,792	174,727
Net Profit/Loss	(75,884)	(225,759)

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

Message from the Chairman of Board

Dear Stakeholders,

The first half of 2025 has been marked by deepening uncertainties in the global economy. The United States' new tariffs on China and trade restrictions on other countries have adversely affected international trade flows, leading to downward revisions in global growth expectations. The United Nations Conference on Trade and Development (UNCTAD) has lowered its 2025 global growth forecast to 2.3%. These developments have resulted in a slowdown in global economic activity and increased volatility in financial markets.

The Turkish economy grew by 3.2% in 2024. In the first quarter of 2025, growth stood at 2.0% year-on-year, while the Medium-Term Program maintains a 4.0% growth target for the year-end. Inflation declined to 35.05% as of June 2025, positively contributing to macroeconomic stabilization. Within the framework of its tight monetary stance, the Central Bank of the Republic of Turkey (CBRT) kept the policy rate at 46.0% in June and cut it to 43.0% in July. With this determined policy stance, the disinflation process is expected to continue throughout the remainder of the year.

Despite these challenging global and domestic conditions, Hayat Finans maintained its pioneering position in digital banking. As of 30 June 2025, our total assets increased by 39% to TL 17.4 billion, our collected funds rose by 35% to TRY 12.8 billion, and our allocated funds increased by 33% to TRY 10.0 billion. We continue to invest in our digital channels and AI-powered solutions to enhance financial inclusion and deliver a simple, fast, and accessible customer experience.

In 2025, guided by our principles of transparency, reliability, and sustainability, we will continue to develop value-added solutions to meet the expectations and needs of all our stakeholders. With the strong support of Hayat Holding, we aim to further strengthen our position in the sector by taking innovative steps in digital banking.

I would like to extend my gratitude to all our employees, business partners, and customers for their trust and support. With the belief that we will achieve many more successes together, I wish 2025 to be a year of health, peace, and success for all our stakeholders.

Best Regards,

Ahmet Yahya KİÇİLİ
Chairman of Board

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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

Message from CEO

Dear Stakeholders,

The year 2025 continues amid significant turning points for the global economy. As global inflation decelerates and major economies embark on interest rate cuts, growth expectations are being reshaped, while the decisions of the US Federal Reserve (FED) and the European Central Bank (ECB) remain critical in supporting economic stability. Under these global dynamics, Turkey continues to strengthen its economic fundamentals in pursuit of stable growth.

The Turkish economy grew by 2.0% year-on-year in the first quarter of 2025, while the Medium-Term Program maintains a 4.0% growth target for the year-end. Inflation fell to 35.05% in June 2025, and the CBRT's tight monetary policy stance and macroprudential measures underline its firm commitment to restoring price stability. The increase in the Central Bank's gross reserves during the first half of the year has supported international confidence, and credit rating agencies have adopted a cautiously positive stance toward Turkey.

From a sectoral standpoint, as of 30 June 2025, the total assets of the banking sector have increased by approximately 20% year-to-date, approaching TL 40 trillion, while the total assets of participation banking have risen by around 15% to roughly TL 2.9 trillion. For our bank, total assets increased by 39% to TRY 17.4 billion, collected funds rose by 35% to TRY 12.8 billion, and allocated funds increased by 33% to TRY 10.0 billion. The sector's strong capital adequacy, manageable asset quality, and reserve accumulation continue to play a vital role in supporting financial stability.

As Turkey's first digital bank, we continue to transform the customer experience into an accessible and seamless journey through end-to-end digital processes. Alongside our achievements in retail banking, we contribute to the real economy through innovative solutions on the corporate banking side. In line with our vision to redesign banking through a digital ecosystem, our Hayat Pay platform has facilitated users' daily payments and opened the doors to a new era in financial technologies. By scaling our investments in artificial intelligence—one of the cornerstones of digitalization—we aim to deliver a more efficient, secure, and personalized customer experience in 2025.

Within the framework of our sustainable growth strategies, we will continue to contribute to Turkey's economic and social development by using technology more effectively, keep customer satisfaction as our top priority, and set new standards in banking with our innovative products and services.

I would like to thank all our employees, business partners, investors, and valued customers who place their trust in us and contribute to our success.

Sincerely,

Galip KARAGÖZ
Board Member and CEO

HAYAT FİNANS KATILIM BANKASI ANONİM ŞİRKETİ

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

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Assessment of Financial Position, Performance and Future Prospects

As of 30 June 2025, Group's total asset was TL 17,444,527 and shareholders' equity was TL 4,075,708.

Our expectation is that from the moment we start operations, we will achieve rapid growth in line with the growth and profitability targets set in our Group's budget.

Important Events and Transactions Occurring in the Current Period

Based on the permission of the BRSA, our Bank's paid-in capital has been increased by 1,500,000 TL in cash from 3,000,000 TL to 4,500,000 TL.