

Albaraka Türk Katılım Bankası Anonim Şirketi

**Unconsolidated financial statements
and related disclosures at June 30, 2024
together with limited review report**

(Convenience translation of the limited review report and
financial statements originally issued in Turkish – see section three Note I.b)



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

To the General Assembly of Albaraka Türk Katılım Bankası Anonim Şirketi;

Introduction

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

Scope of Review

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

Basis for the Qualified Conclusion

As explained in Section Five Part II. 5.b of Explanations and Notes to the Unconsolidated Financial Statements; the accompanying unconsolidated financial statements as at 30 June 2024 include a free provision amounting to TL 5.213.000 thousand provided in prior periods by the Bank management which is not within the requirements of BRSA Accounting and Financial Reporting Legislation.



Qualified Conclusion

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

Report on other regulatory requirements arising from legislation

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

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2024. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

A handwritten signature in blue ink, appearing to read "Didem Demer Kaya", is written over a light blue circular stamp.

Didem Demer Kaya, SMMM
Independent Auditor

Istanbul, 8 August 2024

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

Bank's headquarter address : İnkılap Mah. Dr. Adnan Büyükdeniz Cad. No:6
34768 Ümraniye/İstanbul
Bank's phone number and facsimile : 00 90 216 666 01 01 – 00 90 216 666 16 00
Bank's website : www.albaraka.com.tr
Electronic mail contact info : albarakaturk@albarakaturk.com.tr

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

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

The unconsolidated financial statements and related disclos

ures and footnotes; presented in **thousands of Turkish Lira** unless otherwise indicated; have been prepared in accordance with the Communiqué on Accounting Applications of Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related appendices and interpretations and in compliance with the records of our Bank, have been reviewed reviewed and presented as attached.

Housseem BEN HAJ AMOR
Chairman of the Board of
Directors

Malek Khodr TEMSAH
General Manager

Umut ÇAKMAK
Assistant
General Manager

Fehmi GÖL
Financial Affairs
Manager

Mustafa BÜYÜKABACI
Chairman of the Audit
Committee

Mohamed Ali CHATTI
Member of the Audit
Committee

Khaled A. Mohamed ATEEQ
Member of the Audit
Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:
Name-Surname/Title : İhsan Fatih KÜÇÜK/ Financial Reporting and Budget Management/
Vice Manager
Telephone : 00 90 216 666 05 54
Facsimile : 00 90 216 666 16 11

Table of contents

	Page
Section one	
General information	
I. History of the Bank including its incorporation date, initial legal status and amendments to legal status	1
II. Shareholding structure, shareholders having direct or indirect, joint or individual control over the management and supervision of the Bank and disclosures on related changes in the current year, if any	1
III. Explanation on the chairman and members of board of directors, members of audit committee, general manager and assistant general managers, their areas of responsibility and their shares in the Bank, if any	2
IV. Information on the Bank's qualified shareholders	2
V. Summary on the Bank's service activities and field of operations	3
VI. The existing or potential, actual or legal obstacles on immediate transfer of equity or reimbursement of liabilities between the Bank and its subsidiaries	3
Section two	
The unconsolidated financial statements	
I. Balance sheet (Statement of financial position)	5
II. Statement of off-balance sheet	7
III. Statement of profit or loss	8
IV. Statement of profit or loss and other comprehensive income	9
V. Statement of changes in shareholders' equity	10
VI. Statement of cash flows	12
Section three	
Accounting policies	
I. Explanations on basis of presentation	13
II. Explanations on strategy of using financial instruments and foreign currency transactions	14
III. Explanations on forward, option contracts and derivative instruments	15
IV. Explanations on profit share income and expenses	15
V. Explanations on fees, commission income and expenses	15
VI. Explanations on financial assets	15
VII. Explanations on expected credit losses	18
VIII. Explanations on offsetting of financial instruments	20
IX. Explanations on sale and repurchase agreements and lending of securities	20
X. Explanations on assets held for sale and discontinued operations and liabilities related to these assets	20
XI. Explanations on goodwill and other intangible assets	20
XII. Explanations on tangible assets	21
XIII. Explanations on leasing transactions	22
XIV. Explanations on provisions and contingent liabilities	23
XV. Explanations on liabilities regarding employee rights	23
XVI. Explanations on taxation	24
XVII. Additional explanations on borrowings	26
XVIII. Explanations on issued share certificates	26
XIX. Explanations on acceptances and availed drafts	26
XX. Explanations on government grants	26
XXI. Explanations on segment reporting	26
XXII. Explanations on investments in associates, subsidiaries and joint ventures	26
XXIII. Explanations on other matters	26

Section four

Information on financial structure and risk management

I.	Explanations on capital adequacy standard ratio	27
II.	Explanations on credit risk	31
III.	Explanations on currency risk	31
IV.	Explanations on position risk of equity securities in banking book	33
V.	Explanations on liquidity risk	33
VI.	Explanations on leverage ratio	41
VII.	Explanations on presentation of financial assets and liabilities at fair value	41
VIII.	Explanations regarding the activities carried out on behalf and account of other persons	41
IX.	Explanations on risk management	42
X.	Explanations on business segments	53

Section five

Explanations and notes on the unconsolidated financial statements

I.	Explanations and notes related to assets	54
II.	Explanations and notes related to liabilities	72
III.	Explanations and notes related to off-balance sheet	80
IV.	Explanations and notes related to the statement of profit or loss	82
V.	Explanations and notes related to the statements of changes in shareholders' equity	88
VI.	Explanations and notes related to the statement of cash flows	88
VII.	Explanations related to the risk group of the Bank	89
VIII.	Explanations related to domestic, foreign and off-shore branches or investments and foreign representative offices	90
IX.	Explanations related to subsequent events	90
X.	Other issues that have significant effect on the balance sheet or that are ambiguous and/or open to interpretation and require clarification	90

Section six

Limited review Report

I.	Explanations on limited review report	91
II.	Other notes and explanations prepared by the independent auditors	91

Section seven

Interim report

I.	General Information	92
II.	Bank's Financial Information and Evaluations	96

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION ONE

GENERAL INFORMATION

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

Albaraka Türk Katılım Bankası Anonim Şirketi (the Bank) was incorporated on November 5, 1984 with the name of Albaraka Türk Özel Finans Kurumu A.Ş., based on the decision of the Council of Ministers numbered 83/7506 and dated December 16, 1983 regarding establishments of Special Finance Houses and obtained the operating permission from the Central Bank of Türkiye with the letter numbered 10912 and dated January 21, 1985.

Special Finance Houses, operating in accordance with the Communiqués of Under Secretariat of Treasury and the Central Bank of Türkiye based on the decision of Council of Ministers numbered 83/7506, have been subjected to the provisions of the Banking Law numbered 4389 with the change of law dated December 17, 1999 and numbered 4491. Special Finance Houses have been subjected to the provisions of “Communiqué Related to the Incorporation and Activities of Special Finance Houses” published in the Official Gazette dated September 20, 2001 numbered 24529 by the Banking Regulation and Supervision Agency (BRSA). ‘Communiqué Related to the Incorporation and Activities of Special Finance Houses’ has been superseded by the ‘Communiqué Related to Credit Operations of Banks’ published in the Official Gazette dated November 1, 2006 numbered 26333 and the Bank operates in accordance with the Banking Law numbered 5411 published in the Official Gazette dated November 1, 2005 numbered 25983.

The decision regarding the change in the title of the Bank, in relation with the provisions of the Banking Law numbered 5411, was agreed in the Extraordinary General Meeting dated December 21, 2005 and the title of the Bank was changed as “Albaraka Türk Katılım Bankası A.Ş.”. The change in the title was registered in İstanbul Trade Registry on December 22, 2005 and published in the Trade Registry Gazette dated December 27, 2005, numbered 6461.

The Bank’s head office is located in İstanbul and is operating through 223 (December 31, 2023: 223) local branches and 2 (December 31, 2023: 2) foreign branches and with 2.725 (December 31, 2023: 2.723) staff as of June 30, 2024.

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

As of June 30, 2024, 43,37% (December 31, 2023: 43,37%) of the Bank’s shares are owned by Albaraka Group, 8,30% (December 31, 2023: 8,30%) owned by Dallah Albaraka Group, 4,23% (December 31, 2023: 4,23%) owned by Islamic Development Bank, 42,04% (December 31, 2023: 42,03%) of the shares are publicly traded and quoted at Borsa İstanbul. Rest belongs to different real persons and corporate entities.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

Title	Name and Surname	Administrative Function and Responsibility	Educational Degree	Ownership Percentage (%)
Chairman of the Board of Directors (BOD):	Housseem BEN HAJ AMOR	Chairman of BOD	Bachelor	-
Members of BOD:	Dr. Bekir PAKDEMİRLİ	Deputy Independent Member of BOD	Doctorate	-
	Mustafa BÜYÜKABACI	Independent Member of BOD	Master	-
	Dr. Mohamed Ali CHATTI	Independent Member of BOD	Doctorate	-
	Ghassan Ahmed M. AMODI	Independent Member of BOD	Bachelor	-
	Dr. Khaled A. Mohamed ATEEQ	Independent Member of BOD	Doctorate	-
	Azhar Aziz DOGAR	Member of BOD	Master	-
	Akram YASSIN	Independent Member of BOD	Master	-
General Manager:	Malek Khodr TEMSAH	Member of BOD/ General Manager	Master	-
Assistant General Managers:	Turgut SİMİTÇİOĞLU	Chief Assistant General Manager	Master	-
	Dr. Muhammet Faruk TORLAK	Assistant General Manager Responsible for Credits	Doctorate	-
	Mehmet Emin ÇONKAR	Assistant General Manager Responsible for Credit Monitoring and Legal Follow-Up	Bachelor	-
	Serhan YILDIRIM	Assistant General Manager Responsible for Treasury and International Banking	Bachelor	-
	Muzaffer ÇÖLMEK	Assistant General Manager Responsible for Operations	Bachelor	-
	Mehmet ULUDAĞ	Assistant General Manager Responsible for Individual and Private Banking	Master	-
	Serhan AKYILDIZ	Assistant General Manager Responsible for Corporate Banking	Bachelor	-
	Umut ÇAKMAK	Assistant General Manager Responsible for Finance and Human Values	Bachelor	-
	Dr. Ömer EMEÇ	Assistant General Manager Responsible for Strategy and Transformation	Doctorate	-
	Yasemin AYDIN	Assistant General Manager Responsible for Information Technologies and Digital Channels Development	Master	-
Audit Committee:	Mustafa BÜYÜKABACI	Chairman of Audit Committee	Master	-
	Dr. Mohamed Ali CHATTI	Independent Member of Audit Committee	Doctorate	-
	Dr. Khaled A.Mohamed ATEEQ	Independent Member of Audit Committee	Doctorate	-

IV. Information on the Bank's qualified shareholders:

The Bank's paid in capital amounting to TL 2.500.000 consists of 2.500.000.000 number of shares with a nominal value of TL 1 (full) for each share. TL 1.084.167 of the paid in capital is owned by qualified shareholders who are listed below.

Name/commercial name	Share amount (nominal)	Share ratio (*)	Paid shares	Unpaid shares
Albaraka Group	1.084.167	43,37%	1.084.167	-

(*) Shares purchased from Stock Exchange is not included.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

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

The Bank classifies current and profit-sharing accounts separately from other accounts in accordance with their maturities. Profit sharing accounts are classified under six different maturity groups; up to one month, up to three months (three months included), up to six months (six months included), up to one year (one year included), one year and more than one year (with monthly, quarterly, semiannual and annual profit share payment) and accumulated participation accounts.

The Bank may determine the profit rate following operating the participation accounts or estimated rates for investment agencies. The rate of participation accounts' participation to the loss is one hundred percent.

The Bank constitutes specific fund pools with minimum maturities of one month, to be allocated to individually predetermined projects for financing purposes. Profit sharing accounts, which are part of the funds collected for project financing purpose, are managed in accordance with their maturities and independently from other accounts and transfers from these accounts to any other maturity groups are not executed. Specific fund pools are liquidated at the end of the financing period.

In addition to its ordinary banking activities, the Bank operates as an insurance agency on behalf of Bereket Sigorta, Anadolu Sigorta, Türkiye Katılım Sigorta, Neova Sigorta, Coface Sigorta, HDI Sigorta and HDI Katılım Sigorta, as a private pension insurance agency on behalf of Anadolu Hayat Emeklilik, Agesa Emeklilik Hayat and Katılım Emeklilik ve Hayat, and as a brokerage agency on behalf of Bizim Menkul Değerler A.Ş. and Oyak Yatırım Menkul Değerler A.Ş. through its branches, engages in purchase and sale of precious metals, provides intermediary services in quick money transfers, credit card and member business (P.O.S.) services. Moreover, the Bank is involved in providing non-cash loans that mainly comprise letters of guarantee, letters of credit and acceptances.

Transactions which can be carried out by the Bank are not limited to the clauses listed above. If any activities other than those mentioned are considered as beneficial to the Bank, the application must be recommended by the Board of Directors, approved by the General Assembly and authorized by relevant legal authorities which then needs to be approved by the Ministry of Trade since such applications are amendments in nature to the Article of Association. The application is included in the Article of Association after all necessary approvals are obtained.

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

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

SECTION TWO

The unconsolidated financial statements

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF JUNE 30, 2024
(Thousand of Turkish Lira (TL) unless otherwise stated)

ASSETS	Notes (Section Five-I)	CURRENT PERIOD June 30, 2024			PRIOR PERIOD December 31, 2023		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		41.451.365	70.740.013	112.191.378	33.759.226	56.966.566	90.725.792
1.1 Cash and Cash Equivalents	(1)	24.287.153	58.670.619	82.957.772	23.405.932	39.954.247	63.360.179
1.1.1 Cash and Balances with Central Bank		18.446.265	40.992.219	59.438.484	16.760.819	32.323.373	49.084.192
1.1.2 Banks		6.036.532	17.770.884	23.807.416	6.867.754	7.717.726	14.585.480
1.1.3 Money Market Placements		-	-	-	-	-	-
1.1.4. Expected Credit Losses (-)		195.644	92.484	288.128	222.641	86.852	309.493
1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	(2)	9.465.942	7.624.600	17.090.542	6.894.578	12.886.675	19.781.253
1.2.1 Government Securities		265.370	7.511.745	7.777.115	282.362	12.191.540	12.473.902
1.2.2 Equity Securities		-	82.648	82.648	-	74.650	74.650
1.2.3 Other Financial Assets		9.200.572	30.207	9.230.779	6.612.216	620.485	7.232.701
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	(3)	7.682.499	4.435.171	12.117.670	3.414.078	4.118.013	7.532.091
1.3.1 Government Securities		7.502.068	1.888.780	9.390.848	3.273.543	1.187.016	4.460.559
1.3.2 Equity Securities		7.667	41.194	48.861	7.667	37.594	45.261
1.3.3 Other Financial Assets		172.764	2.505.197	2.677.961	132.868	2.893.403	3.026.271
1.4 Derivative Financial Assets	(5)	15.771	9.623	25.394	44.638	7.631	52.269
1.4.1 Derivative Financial Assets Measured at Fair Value through Profit/Loss		15.771	9.623	25.394	44.638	7.631	52.269
1.4.2 Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)		85.967.572	57.846.022	143.813.594	82.100.490	51.489.567	133.590.057
2.1 Loans	(6)	71.600.553	42.460.408	114.060.961	68.988.788	35.631.066	104.619.854
2.2 Lease Receivables	(7)	4.079.561	913.148	4.992.709	3.815.109	733.902	4.549.011
2.3 Financial Assets Measured at Amortised Cost	(4)	12.516.571	15.640.828	28.157.399	11.533.660	17.318.883	28.852.543
2.3.1 Government Securities		12.516.571	15.640.828	28.157.399	11.533.660	17.318.883	28.852.543
2.3.2 Other Financial Assets		-	-	-	-	-	-
2.4 Expected Credit Losses (-)	(6)	2.229.113	1.168.362	3.397.475	2.237.067	2.194.284	4.431.351
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(8)	4.093.883	118.173	4.212.056	641.631	-	641.631
3.1 Asset Held for Resale		4.093.883	-	4.093.883	641.631	-	641.631
3.2 Assets of Discontinued Operations		-	118.173	118.173	-	-	-
IV. OWNERSHIP INVESTMENTS (Net)	(9)	70.100	-	70.100	47.600	64.221	111.821
4.1 Associates (Net)		45.000	-	45.000	22.500	-	22.500
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		45.000	-	45.000	22.500	-	22.500
4.2 Subsidiaries (Net)		5.100	-	5.100	5.100	64.221	69.321
4.2.1 Unconsolidated Financial Investments in Subsidiaries		5.100	-	5.100	5.100	64.221	69.321
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)		20.000	-	20.000	20.000	-	20.000
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		20.000	-	20.000	20.000	-	20.000
V. TANGIBLE ASSETS (Net)	(10)	5.010.749	79.887	5.090.636	4.448.035	66.241	4.514.276
VI. INTANGIBLE ASSETS (Net)	(11)	546.215	-	546.215	357.219	-	357.219
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		546.215	-	546.215	357.219	-	357.219
VII. INVESTMENT PROPERTY (Net)	(12)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(13)	1.245.377	-	1.245.377	1.194.755	-	1.194.755
X. OTHER ASSETS	(14)	1.242.628	232.682	1.475.310	668.743	365.201	1.033.944
TOTAL ASSETS		139.627.889	129.016.777	268.644.666	123.217.699	108.951.796	232.169.495

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF JUNE 30, 2024
(Thousand of Turkish Lira (TL) unless otherwise stated)

LIABILITIES	Notes (Section Five-II)	CURRENT PERIOD June 30, 2024			PRIOR PERIOD December 31, 2023		
		TL	FC	Total	TL	FC	Total
I. FUNDS COLLECTED	(1)	96.285.556	83.276.240	179.561.796	81.304.541	80.501.315	161.805.856
II. FUNDS BORROWED	(2)	10.290.759	35.556.295	45.847.054	2.178.308	28.357.631	30.535.939
III. BORROWINGS FROM MONEY MARKETS		1.006.791	-	1.006.791	-	-	-
IV. SECURITIES ISSUED (Net)		-	-	-	-	-	-
V. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS		-	-	-	-	-	-
VI. DERIVATIVE FINANCIAL LIABILITIES	(3)	245.928	11.526	257.454	114.039	7.337	121.376
6.1 Derivative Financial Liabilities at Fair Value through Profit or Loss		245.928	11.526	257.454	114.039	7.337	121.376
6.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		-	-	-	-	-	-
VII. LEASE PAYABLES	(4)	868.404	78.332	946.736	702.237	72.516	774.753
VIII. PROVISIONS	(5)	6.042.377	76.898	6.119.275	6.525.366	43.598	6.568.964
8.1 Restructuring Reserves		-	-	-	-	-	-
8.2 Reserve for Employee Benefits		709.936	-	709.936	1.202.524	-	1.202.524
8.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
8.4 Other Provisions		5.332.441	76.898	5.409.339	5.322.842	43.598	5.366.440
IX. CURRENT TAX LIABILITY	(6)	435.217	955	436.172	1.095.841	96.074	1.191.915
X. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XI. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(7)	-	-	-	-	-	-
11.1 Assets Held for Sale		-	-	-	-	-	-
11.2 Assets of Discontinued Operations		-	-	-	-	-	-
XII. SUBORDINATED LOANS	(8)	-	9.025.516	9.025.516	-	8.896.597	8.896.597
12.1 Loans		-	9.025.516	9.025.516	-	8.896.597	8.896.597
12.2 Other Debt Instruments		-	-	-	-	-	-
XIII. OTHER LIABILITIES	(9)	4.979.386	5.201.655	10.181.041	4.355.660	4.531.016	8.886.676
XIV. SHAREHOLDERS' EQUITY	(10)	15.203.558	59.273	15.262.831	13.326.608	60.811	13.387.419
14.1 Paid-In Capital		2.500.000	-	2.500.000	2.500.000	-	2.500.000
14.2 Capital Reserves		2.538.979	-	2.538.979	4.080.011	-	4.080.011
14.2.1 Share Premium		23.278	-	23.278	23.278	-	23.278
14.2.2 Share Cancellation Profits		-	-	-	-	-	-
14.2.3 Other Capital Reserves		2.515.701	-	2.515.701	4.056.733	-	4.056.733
14.3 Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss		1.555.897	-	1.555.897	1.579.623	-	1.579.623
14.4 Accumulated Other Comprehensive Income or Expenses that will be Reclassified to Profit or Loss		1.391.453	59.273	1.450.726	1.318.028	60.811	1.378.839
14.5 Profit Reserves		6.679.763	-	6.679.763	1.533.386	-	1.533.386
14.5.1 Legal Reserves		464.809	-	464.809	293.381	-	293.381
14.5.2 Status Reserves		-	-	-	-	-	-
14.5.3 Extraordinary Reserves		5.494.954	-	5.494.954	1.020.005	-	1.020.005
14.5.4 Other Profit Reserves		720.000	-	720.000	220.000	-	220.000
14.6 Profit or Loss		537.466	-	537.466	2.315.560	-	2.315.560
14.6.1 Prior Years Profit/(Loss)		(1.333.014)	-	(1.333.014)	(1.112.998)	-	(1.112.998)
14.6.2 Current Year Profit/(Loss)		1.870.480	-	1.870.480	3.428.558	-	3.428.558
TOTAL LIABILITIES		135.357.976	133.286.690	268.644.666	109.602.600	122.566.895	232.169.495

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF OFF-BALANCE SHEET	Notes (Section Five-III)	CURRENT PERIOD June 30, 2024			PRIOR PERIOD December 31, 2023		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS (I+II+III)		32.004.658	24.549.729	56.554.387	38.792.293	33.545.326	72.337.619
I. GUARANTEES AND SURETIES	(1)	17.842.273	15.026.439	32.868.712	15.325.346	14.746.594	30.071.940
1.1. Letters of Guarantees		17.722.084	8.778.202	26.500.286	15.172.970	9.438.213	24.611.183
1.1.1. Guarantees Subject to State Tender Law		2.106.527	436.882	2.543.409	2.023.770	400.715	2.424.485
1.1.2. Guarantees Given for Foreign Trade Operations		390	3.442.907	3.443.297	390	3.389.192	3.389.582
1.1.3. Other Letters of Guarantee		15.615.167	4.898.413	20.513.580	13.148.810	5.648.306	18.797.116
1.2. Bank Loans		-	40.383	40.383	-	137.121	137.121
1.2.1. Import Letter of Acceptances		-	40.383	40.383	-	137.121	137.121
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letter of Credits		10.890	6.160.852	6.171.742	12.800	5.141.798	5.154.598
1.3.1. Documentary Letter of Credits		-	-	-	-	-	-
1.3.2. Other Letter of Credits		10.890	6.160.852	6.171.742	12.800	5.141.798	5.154.598
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Türkiye		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Other Guarantees		-	47.002	47.002	-	29.462	29.462
1.7. Other Collaterals		109.299	-	109.299	139.576	-	139.576
II. COMMITMENTS	(1)	8.879.204	438.440	9.317.644	7.273.434	1.748.585	9.022.019
2.1. Irrevocable Commitments		8.834.704	438.440	9.273.144	7.228.934	1.748.585	8.977.519
2.1.1. Asset Purchase and Sale Commitments		294.311	438.440	732.751	1.050.506	1.748.585	2.799.091
2.1.2. Share Capital Commitment to Associates and Subsidiaries		45.000	-	45.000	67.500	-	67.500
2.1.3. Loan Granting Commitments		612.704	-	612.704	605.190	-	605.190
2.1.4. Securities Underwriting Commitments		-	-	-	-	-	-
2.1.5. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.6. Payment Commitment for Cheques		2.268.821	-	2.268.821	1.628.852	-	1.628.852
2.1.7. Tax And Fund Liabilities from Export Commitments		102.366	-	102.366	78.574	-	78.574
2.1.8. Commitments for Credit Card Expenditure Limits		5.509.996	-	5.509.996	3.797.263	-	3.797.263
2.1.9. Commitments for Promotions Related with Credit Cards and Banking Activities		942	-	942	492	-	492
2.1.10. Receivables From Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Other Irrevocable Commitments		564	-	564	557	-	557
2.2. Revocable Commitments		44.500	-	44.500	44.500	-	44.500
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		44.500	-	44.500	44.500	-	44.500
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	5.283.181	9.084.850	14.368.031	16.193.513	17.050.147	33.243.660
3.1. Derivative Financial Instruments for Hedging Purposes		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2. Held for Trading Transactions		5.283.181	9.084.850	14.368.031	16.193.513	17.050.147	33.243.660
3.2.1. Forward Foreign Currency Buy/Sell Transactions		267.647	2.706.128	2.973.775	167.848	1.764.017	1.931.865
3.2.1.1. Forward Foreign Currency Transactions-Buy		142.690	1.345.664	1.488.354	127.947	743.016	870.963
3.2.1.2. Forward Foreign Currency Transactions-Sell		124.957	1.360.464	1.485.421	39.901	1.021.001	1.060.902
3.2.2. Other Forward Buy/Sell Transactions		5.015.534	6.378.722	11.394.256	16.025.665	15.286.130	31.311.795
3.3. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		606.582.690	150.292.978	756.875.668	365.308.886	122.192.080	487.500.966
IV. ITEMS HELD IN CUSTODY		23.055.554	85.138.352	108.193.906	17.450.435	61.975.672	79.426.107
4.1. Assets Under Management		9.383.617	-	9.383.617	5.251.693	-	5.251.693
4.2. Investment Securities Held in Custody		431	25.375.716	25.376.147	9.124	21.282.784	21.291.908
4.3. Cheques Received for Collection		10.595.424	336.163	10.931.587	9.196.163	346.474	9.542.637
4.4. Commercial Notes Received for Collection		2.770.059	1.113.016	3.883.075	2.717.701	287.869	3.005.570
4.5. Other Assets Received for Collection		103	-	103	103	-	103
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		226.395	3.270.644	3.497.039	218.626	2.340.384	2.559.010
4.8. Custodians		79.525	55.042.813	55.122.338	57.025	37.718.161	37.775.186
V. PLEDGED ITEMS		583.527.136	65.154.626	648.681.762	347.858.451	60.216.408	408.074.859
5.1. Marketable Securities		19.483.515	19.201.074	38.684.589	19.249.676	16.891.614	36.141.290
5.2. Guarantee Notes		7.946.344	239.086	8.185.430	5.618.532	187.917	5.806.449
5.3. Commodity		72.709.122	5.393.322	78.102.444	52.109.951	4.711.743	56.821.694
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		412.645.055	34.290.436	446.935.491	242.386.120	32.844.770	275.230.890
5.6. Other Pledged Items		70.361.946	6.002.944	76.364.890	28.274.636	5.565.022	33.839.658
5.7. Pledged Items-Depository		381.154	27.764	408.918	219.536	15.342	234.878
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ACCOUNTS (A+B)		638.587.348	174.842.707	813.430.055	404.101.179	155.737.406	559.838.585

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF PROFIT OR LOSS		Notes (Section Five-IV)	CURRENT PERIOD January 1- June 30, 2024	PRIOR PERIOD January 1- June 30, 2023	CURRENT PERIOD (3 Months) April 1- June 30, 2024	PRIOR PERIOD (3 Months) April 1- June 30, 2023
I.	PROFIT SHARE INCOME	(1)	18.264.577	6.932.543	10.195.812	3.691.185
1.1	Profit Share on Loans		12.968.611	5.136.109	7.013.568	2.756.709
1.2	Income Received from Reserve Deposits		992.637	16.866	989.903	15.820
1.3	Income Received from Banks		1.081	39	94	29
1.4	Income Received from Money Market Placements		40.455	5.588	18.250	1.627
1.5	Income Received from Marketable Securities Portfolio		3.292.657	1.641.758	1.722.006	831.326
1.5.1	Financial Assets at Fair Value Through Profit and Loss		261.349	551.842	137.400	270.845
1.5.2	Financial Assets at Fair Value through Other Comprehensive Income		1.052.693	147.283	592.376	67.791
1.5.3	Financial Assets Measured at Amortised Cost		1.978.615	942.633	992.230	492.690
1.6	Finance Lease Income		843.784	110.960	446.393	85.514
1.7	Other Profit Share Income		125.352	21.223	5.598	160
II.	PROFIT SHARE EXPENSE	(2)	13.549.109	3.869.567	7.698.611	2.060.106
2.1	Expense on Profit Sharing Accounts		10.300.798	3.089.811	5.655.698	1.578.929
2.2	Profit Share Expense on Funds Borrowed		2.727.823	679.225	1.670.276	438.459
2.3	Profit Share Expense on Money Market Borrowings		444.443	29.487	332.419	16.459
2.4	Profit Share Expense on Securities Issued		-	-	-	-
2.5	Finance Lease Expense		69.327	44.369	36.328	23.321
2.6	Other Profit Share Expense		6.718	26.675	3.890	2.938
III.	NET PROFIT SHARE INCOME (I – II)		4.715.468	3.062.976	2.497.201	1.631.079
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		1.564.889	763.868	830.907	551.169
4.1	Fees and Commissions Received		1.870.607	1.062.574	981.869	657.385
4.1.1	Non-Cash Loans		217.825	147.750	112.188	76.680
4.1.2	Other	(3)	1.652.782	914.824	869.681	580.705
4.2	Fees and Commissions Paid (-)		305.718	298.706	150.962	106.216
4.2.1	Non-Cash Loans		347	278	198	175
4.2.2	Other	(3)	305.371	298.428	150.764	106.041
V.	DIVIDEND INCOME	(4)	356	166	205	86
VI.	TRADING INCOME/LOSS(net)	(5)	(1.281.709)	2.414.358	(647.829)	1.783.905
6.1	Capital Market Transaction Income/(Loss)		1.479.670	426.404	517.651	209.256
6.2	Profit/(Loss) from Derivative Financial Instruments		(3.984.381)	1.223.735	(2.368.187)	1.223.795
6.3	Foreign Exchange Income/(Loss)		1.223.002	764.219	1.202.707	350.854
VII.	OTHER OPERATING INCOME	(6)	1.887.031	970.636	661.936	213.375
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		6.886.035	7.212.004	3.342.420	4.179.614
IX.	EXPECTED CREDIT LOSS (-)	(7)	445.102	2.236.831	130.818	996.937
X.	OTHER PROVISION EXPENSES (-)	(7)	96.048	763.907	46.351	661.286
XI.	PERSONNEL EXPENSES (-)		2.451.707	1.203.399	988.507	528.519
XII.	OTHER OPERATING EXPENSES (-)	(8)	1.699.367	900.235	850.401	464.387
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		2.193.811	2.107.632	1.326.343	1.528.485
XIV.	EXCESS AMOUNT RECORDED AS GAIN AFTER MERGER		-	-	-	-
XV.	PROFIT/(LOSS) ON EQUITY METHOD		-	-	-	-
XVI.	PROFIT/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XVII.	PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)	(9)	2.193.811	2.107.632	1.326.343	1.528.485
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)	323.331	614.439	69.869	552.264
18.1	Provision for Current Taxes		51.016	6.491	51.016	(84.432)
18.2	Deferred Tax Expense Effect (+)		1.581.169	1.356.921	708.510	973.865
18.3	Deferred Tax Income Effect (-)		1.308.854	748.973	689.657	337.169
XIX.	NET INCOME/(LOSS) FROM CONTINUED OPERATIONS (XVII±XVIII)	(11)	1.870.480	1.493.193	1.256.474	976.221
XX.	INCOME FROM DISCONTINUED OPERATIONS	(11)	-	-	-	-
20.1	Income from Assets Held For Sale		-	-	-	-
20.2	Income from Sale Of Associates, Subsidiaries And Jointly Controlled Entities (Joint Vent.)		-	-	-	-
20.3	Income from Other Discontinued Operations		-	-	-	-
XXI.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Loss from Assets Held for Sale		-	-	-	-
21.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Vent.)		-	-	-	-
21.3	Loss from Other Discontinued Operations		-	-	-	-
XXII.	PROFIT/(LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Provision for Current Taxes		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	(12)	1.870.480	1.493.193	1.256.474	976.221
	Earnings Per Share		0,74819	0,59728	0,50259	0,39049

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

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

(Thousand of Turkish Lira (TL) unless otherwise stated)

PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	CURRENT PERIOD January 1- June 30, 2024	PRIOR PERIOD January 1- June 30, 2023
I. CURRENT PERIOD PROFIT/LOSS	1.870.480	1.493.193
II. OTHER COMPREHENSIVE INCOME	48.161	332.460
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss	(23.726)	(27.548)
2.1.1 Revaluation Surplus on Tangible Assets	(23.726)	(27.548)
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	-	-
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	-	-
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	-	-
2.2 Other Income/Expense Items to be Recycled to Profit or Loss	71.887	360.008
2.2.1 Exchange Rate Conversion Differences	142.990	368.488
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at Financial Assets Measured at Fair Value through Other Comprehensive Income	(101.576)	(11.307)
2.2.3 Gains/losses from Cash Flow Hedges	-	-
2.2.4 Gains/Losses on Hedges of Net Investments in Foreign Operations	-	-
2.2.5 Other Income/Expense Items to be Recycled to Profit or Loss	-	-
2.2.6 Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	30.473	2.827
III. TOTAL COMPREHENSIVE INCOME (I+II)	1.918.641	1.825.653

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF JUNE 30, 2024
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Notes (Section Five-V)					Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss						
		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves ⁽¹⁾	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
CURRENT PERIOD															
(January 1 – June 30, 2024)															
I. Closing balance		2.500.000	23.278	-	4.056.733	1.804.567	(224.944)	-	1.116.839	262.000	-	1.533.386	(1.112.998)	3.428.558	13.387.419
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)		2.500.000	23.278	-	4.056.733	1.804.567	(224.944)	-	1.116.839	262.000	-	1.533.386	(1.112.998)	3.428.558	13.387.419
IV. Total Comprehensive Income		-	-	-	-	(23.726)	-	-	142.990	(71.103)	-	-	-	1.870.480	1.918.641
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Others Changes		-	-	-	(1.541.032)	-	-	-	-	-	-	135	(235.323) ⁽²⁾	-	(1.776.220)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	5.146.242	15.307	(3.428.558)	1.732.991
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	5.146.242	(5.146.242)	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	5.161.549	(3.428.558)	1.732.991
Balances at end of the period (III+IV...+X+XI)		2.500.000	23.278	-	2.515.701	1.780.841	(224.944)	-	1.259.829	190.897	-	6.679.763	(1.333.014)	1.870.480	15.262.831

⁽¹⁾ The Bank has recognized undated additional tier 1 capital amounting to USD 205.000.000 issued through "Bereket One Ltd" under "other capital reserves as per "TAS 32: "Financial Instruments: Presentation" standart.

⁽²⁾ The Bank has paid TL 359.384 in February 2024, the coupon payment amount of undated additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 115.776 the deferred tax expense related to the payment has been recognized under "prior periods' profit/ loss" as well.

1. Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,
3. Others (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Exchange Rate Conversion Differences,
5. Accumulated gains/ (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Others (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss).

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
AS OF JUNE 30, 2024
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Notes (Section Five-V)					Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss						
		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves ^(*)	1	2	3	4	5	6	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
PRIOR PERIOD (January 1 – June 30, 2023)															
I. Closing balance		2.500.000	23.278	-	1.585.124	1.034.726	(193.239)	-	518.506	191.121	-	1.832.302	(738.341)	1.365.496	8.118.973
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)		2.500.000	23.278	-	1.585.124	1.034.726	(193.239)	-	518.506	191.121	-	1.832.302	(738.341)	1.365.496	8.118.973
IV. Total Comprehensive Income		-	-	-	-	(27.548)	-	-	368.488	(8.480)	-	-	-	1.493.193	1.825.653
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Reserves from Inflation Adjustments to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Others Changes		-	-	-	2.048.135	-	-	-	-	-	-	(1.661.263)	(191.399) ^(**)	-	195.473
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	1.352.765	12.731	(1.365.496)	-
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1.352.765	(1.352.765)	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	1.365.496	(1.365.496)	-
Balances at end of the period (III+IV...+X+XI)		2.500.000	23.278	-	3.633.259	1.007.178	(193.239)	-	886.994	182.641	-	1.523.804	(917.009)	1.493.193	10.140.099

^(*) The Bank has recognized undated additional tier 1 capital amounting to USD 205.000.000 issued through "Bereket One Ltd" under "other capital reserves as per "TAS 32: "Financial Instruments: Presentation" standart.

^(**) The Bank has paid TL 193.028 in February 2023, the coupon payment amount of undated additional tier 1 capital Sukuk and has recognized it under "prior periods' profit / loss". TL 68.522 the deferred tax expense related to the payment has been recognized under "prior periods' profit/ loss" as well.

1. Tangible and Intangible Assets Revaluation Reserve,
2. Accumulated Gains/Losses on Remeasurements of Defined Benefit Plans,
3. Others (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss)
4. Exchange Rate Conversion Differences,
5. Accumulated gains/ (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Others (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss).

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
UNCONSOLIDATED FINANCIAL STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2024
(Thousand of Turkish Lira (TL) unless otherwise stated)

STATEMENT OF CASH FLOWS	Notes (Section Five-VI)	CURRENT PERIOD January 1- June 30, 2024	PRIOR PERIOD January 1- June 30, 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes In Operating Assets And Liabilities		(585.166)	1.050.539
1.1.1 Profit Share Income Received		16.363.374	6.165.994
1.1.2 Profit Share Expense Paid		(13.247.388)	(3.337.950)
1.1.3 Dividend Received		356	166
1.1.4 Fees and Commissions Received		1.646.755	912.239
1.1.5 Other Income		694.895	495.074
1.1.6 Collections from Previously Written Off Loans		93.197	139.751
1.1.7 Payments to Personnel and Service Suppliers		(2.748.488)	(1.587.130)
1.1.8 Taxes Paid		(293.170)	(187.907)
1.1.9 Others		(3.094.697)	(1.549.698)
1.2 Changes In Operating Assets And Liabilities		(4.659.224)	(3.000.501)
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss		3.382.139	(4.051.733)
1.2.2 Net (Increase) Decrease in Due From Banks and Other Financial Institutions		(6.781.256)	(79.328)
1.2.3 Net (Increase) Decrease in Loans		(7.615.714)	(15.767.299)
1.2.4 Net (Increase) Decrease in Other Assets		(3.169.710)	683.717
1.2.5 Net Increase (Decrease) in Bank Deposits		(660.578)	129.121
1.2.6 Net Increase (Decrease) in Other Deposits		14.255.447	14.831.819
1.2.7 Net Increase (Decrease) in Financial Liabilities Measured at Financial Assets at Fair Value Through Profit or Loss		-	-
1.2.8 Net Increase (Decrease) in Funds Borrowed		-	-
1.2.9 Net Increase (Decrease) in Matured Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities		(4.069.552)	1.253.202
I. Net Cash Flow From Banking Operations		(5.244.390)	(1.949.962)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities		(2.167.363)	2.268.896
2.1 Cash Paid For Acquisition of Investments, Associates and Subsidiaries		(76.452)	(22.500)
2.2 Cash Obtained From Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(411.110)	(189.734)
2.4 Disposals of Property and Equipment		30.971	79.804
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(11.708.208)	(8.018.204)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		8.143.820	9.650.537
2.7 Purchase of Financial Assets Measured at Amortised Cost		(5.154.480)	(1.270.643)
2.8 Sale of Financial Assets Measured at Amortised Cost		8.029.287	2.039.636
2.9 Other		(1.021.191)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Flow From Financing Activities		15.405.364	6.502.705
3.1 Cash Obtained from Funds Borrowed and Securities Issued		91.913.273	445.762.763
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(76.048.306)	(438.999.841)
3.3 Issued Capital Instruments		-	-
3.4 Dividends Paid		-	-
3.5 Leases Paid		(100.219)	(67.189)
3.6 Other		(359.384)	(193.028)
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		264.198	3.081.692
V. Net (Decrease) Increase in Cash and Cash Equivalents		8.257.809	9.903.331
VI. Cash and Cash Equivalents at the Beginning of the Period		31.859.321	13.519.909
VII. Cash and Cash Equivalents at the End of the Period		40.117.130	23.423.240

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION THREE

Accounting Policies

I. Explanations on basis of presentation:

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

The Bank prepares its financial statements in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Regulation which includes the regulation on "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks, circulars and pronouncements published by the BRSA and Turkish Accounting Standards 34" ("TAS 34") Interim Financial Reporting Standards and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA").

The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements", published in Official Gazette numbered 28337, dated June 28, 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

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

Public Oversight Accounting and Auditing Standards Authority ("POA"), with its announcement dated 23 November 2023, applied that the financial statements of businesses applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be prepared in accordance with the Financial Reporting in Hyperinflationary Economies ("TAS 29"), however, institutions or organizations authorized to regulate and supervise in their own fields may determine different transition dates for the applying of TAS 29. Based on this announcement of POA, BRSA, with its decision dated 12 December 2023 and numbered 10744, decided that the financial statements dated June 30, 2024 of banks and financial leasing, factoring, financing, savings financing and asset management companies should not be subject to the inflation adjustment required within the scope of TAS 29. In accordance with the BRSA's decision dated 11 January 2024 and numbered 10825, it has been decided that banks and financial leasing, factoring, financing, savings financing and asset management companies will be applied inflation accounting as of 1 January 2025. Accordingly, the Bank has not applied the inflation accounting required by TAS 29 in its financial statements for the year ended June 30, 2024.

b. Additional paragraph for convenience translation:

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

The accounting policies and valuation principles applied in the preparation of unconsolidated 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 unconsolidated financial statements according to BRSA Reporting and Accounting Legislation requires the 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 financial statements. The assumptions and estimates used are explained in the related notes. Accounting policies and evaluation principles in preparing 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, 2023 financial statements.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

I. Explanations on basis of presentation (continued):

d. Restatement of the financial statements according to the current purchasing power of money:

Accompanying financial statements are subjected to TAS 29 “Financial Reporting in Hyperinflationary Economies until December 31, 2004 and with regard to this the BRSA explained with its decision numbered 1623 and dated April 21, 2005 and its circular dated April 28, 2005 that the conditions for applying inflation accounting was no longer applicable and accordingly inflation accounting has not been applied in the accompanying financial statements starting from January 1, 2005.

e. Comparative information and classifications:

The changes in accounting policies are applied retrospectively and previous period financial statements are restated. The Financial statements of the Bank are prepared comparative to the previous term in order to determine its financial position and performans trends. If appropriate, the comparative information are restated in order to provide comparativeness to the statements of current period financial statements.

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

The Bank creates its strategies on financial instruments considering its sources of financing. The main financing sources consist of current and profit-sharing accounts. Other than current and profit-sharing accounts, the Bank’s most important funding sources are its equity and borrowings from foreign financial institutions. The Bank sustains its liquidity to cover matured liabilities by holding adequate level of cash and cash equivalents.

The Bank’s transactions in foreign currencies are accounted in accordance with the TAS 21 “Accounting Standard on the Effect of Changes in Foreign Currency Rates” and converted with the exchange rate ruling at the transaction date into Turkish Lira. Foreign currency assets and liabilities have been converted into Turkish Lira at the rate of exchange rates ruling at the balance sheet date announced by the Bank. Gains or losses arising from foreign currency transactions and conversion of foreign currency assets and liabilities are reflected in the income statement as foreign exchange gain or loss.

If the loans recognized in the foreign currency accounts are switched to non-performing, they are continued to be recognized in the foreign currency accounts and evaluated with the current exchange rates.

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

The balance sheet items of the foreign branches of the Bank included in the financial statements are converted into Turkish lira at the exchange rate ruling at the balance sheet date announced by the Bank. Income statement items are converted into Turkish lira by exchange rate ruling at the transaction date and all exchange differences arising from conversion are accounted in other capital reserves under equity according to TAS 21.

Precious metals (gold and silver) accounted under assets and liabilities which do not have fixed maturity are converted into Turkish lira by using the buying rate at the balance sheet date announced by the Bank and resulting evaluation differences are reflected as foreign exchange gain or loss.

There are no foreign currency differences capitalized by the Bank.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

The derivative financial instruments of the Bank, generally, consist of forward foreign currency, forward security and swap agreements. Derivative transactions portfolio may change as per market conditions in related terms. The Bank records the spot foreign currency transactions in asset purchase and sale commitments.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values. Derivative transactions are initially recorded at their fair values. In the periods following the recognizing of derivative transactions, depending on whether the fair value is positive or negative, the portion which is reflected to Income Statement for derivative assets and derivative liabilities are represented in Balance Sheet. Differences in fair values as a result of the valuation are recognized in trading income/loss line in the Income Statement as profit (loss) from derivative financial instruments and foreign exchange income (loss).

IV. Explanations on profit share income and expenses:

Profit share income

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

Profit-loss Investment projects are recognized under the "Loans" account in the balance sheet. Profit and loss investment projects are subject to valuation periodically every year and positive differences related to valuation are represented under "Profit Share on Loans".

The Bank has begun to calculate accrual for non-performing loans as of January 1, 2018. Net book value of non-performing receivables (Gross Book Value - Expected Loss Provision) is accounted at the gross book value of accruals with effective profit share rate.

Profit share expense

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

V. Explanations on fees, commission income and expenses:

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

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

In the correspondence of BRSA dated June 8, 2012 and numbered B.02.1.BDK.0.13.00.0-91.11-12061, it has been stated that there is no objection to recording the commissions received from long term non-cash loans collected in quarterly periods or periods less than a quarter directly as income. Consequently, the Bank records the related cash and non-cash loans commissions directly as income.

VI. Explanations on financial assets:

Financial assets are recognized or derecognized according to TFRS 9 section three: "Recognition and Derecognition". 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. They are included in the balance sheet of the Bank, if the Bank is a legal party to these instruments. On which category financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

VI. Explanations on financial assets (continued):

Assessment of business model:

As per TFRS 9, the Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Bank's business model does not depend on management's intentions for an individual instrument. Accordingly, this condition is not a classification approach on the basis of a financial instrument but an evaluation by combining financial assets.

The Bank's business models are divided into three categories. These categories are defined below:

a) The Business model whose objective is to hold assets in order to collect contractual cash flows:

A business model whose objective is to hold assets in order to collect contractual cash flows over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortised cost when the contractual terms of the financial asset meet the cash flow test that includes profit share payments arising only from principal and principal amount at specific dates.

b) The Business model whose objective is achieved by both collecting contractual cash flows and selling financial assets:

The Bank may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Fair value changes of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the cash flows test that includes profit share payments arising only from principal and principal amount at specific dates.

c) Other Business Models:

Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Contractual cash flows that contains solely payments of principal and profit share:

As per TFRS 9, the Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets at the 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. The Bank recognizes profit and loss investments under "loans" as per BRSA uniform chart of accounts and measures them at fair value considering TFRS 9 provisions. The fair value measurements of profit and loss investments are based on the valuation reports prepared by the valuation experts.

In evaluating profit share investment projects various assumptions and estimations have been used. Work projects, discount rates and fair value parameters may fluctuate and sensitive to economical conjuncture, sectoral position and other market conditions.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

VI. Explanations on financial assets (continued):

Financial assets at the fair value through profit or loss (continued):

Sukuk (lease certificates) which are represented under Financial Assets Measured at Fair Value through Profit/Loss are evaluated with the weighted average clearing prices in Istanbul Stock Exchange and which are not quoted in Istanbul Stock Exchange evaluated with their prices determined in Central Bank of Türkiye.

As per the correspondence by BRSA numbered E-43890421-101.02.02-7182, the accounting of outright repurchase and sales of investment funds under Financial Assets Measured at Fair Value through Profit/Loss are approved Bank's Advisory Committee in accordance with its decisions on condition that there is no agreement and/or condition with the customer regarding repurchase/resale and there is not even a custom that there is an obligation to repurchase/resale. Profits or losses arising from buying and selling are accounted in Capital Market Transaction Income/(Loss) under Trading income/ loss.

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 asset 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 amortized 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 value corresponding to 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. The accumulated fair value differences that are reflected in shareholders' equity are reflected in the income statement when the stated securities are collected or disposed.

Equity securities, which are classified as financial assets at fair value through other comprehensive income are accounted for at fair value when they are traded in an organized market and/or the fair value can be reliably measured and these financial assets are not subject to expected losses recognition. The valuation differences of the mentioned securities are accounted under the "Accumulated Other Comprehensive Income or Expenses that will not be Reclassified to Profit or Loss" in shareholders' equity.

Financial assets measured at amortized cost:

Financial assets that are held for collection of contractual cash flows within the scope of business model where those cash flows represent solely payments of principal and profit share on certain dates are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective internal rate of return method. Profit share income obtained from financial assets measured at amortized cost is accounted in income statement.

Loans:

Loans are non-derivative financial assets that have fixed or determinable payments terms and are not quoted in an active market. Stated 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".

The Bank's all loans including profit and loss investments are recorded under the "Measured at Amortized Cost" account. As per BRSA uniform chart of accounts, the bank recognizes profit and loss investments under "loans" and considering TFRS 9 provisions, measures them at fair value. Granted cash loans are accounted by using the relevant accounts in accordance with the principles set out in the "Uniform Chart of Accounts to be Applied by the Participation Banks" and published in the Official Gazette dated September 20, 2017 and numbered 30186.

The Bank periodically evaluates the provisions allocated for loans and other receivables as per TFRS 9 retrospectively and as a result of those evaluations, if appropriate, updates the classification rules and parameters on allocation of provisions.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

VII. Explanations on expected credit losses:

The Bank allocates impairment for expected loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income. As of January 1, 2018, the Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the “Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside” published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of January 1, 2018, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9.

The provisions written back are credited to “provision expenses”, and if such write backs are arising from previous year they are accounted under “other operating income”. The expected credit loss model includes instruments that are recorded at amortized cost or at fair value in other comprehensive income tables (such as bank deposits, loans and finance lease receivables) and, in addition, financial lease receivables that are not measured at fair value through profit or loss, credit commitments and financial guarantee contracts.

As stated in the note of significant estimates and assumptions in preparing financial statements, The Bank has reflected the estimations and judgments used in the calculation of credit losses as of June 30, 2024, using the best estimation method with the maximum effort principle.

-In provisioning parameters, base scenario rate has been updated as 80%, negative condition scenario rate has been updated as 20% and positive condition scenario has been revoked.

-In order to calculate the impact of macroeconomical factors to lifetime expected credit losses, the model has been set by using approximately 13 years of data from first quarter of 2010 to the year end of 2023. In this model NPL rates of the banks operating in the same sector has been used and supportive data from previous terms have been received. As a result of model update works, the parameters of unemployment and gross national product have been found meaningful.

Under this context, the approach used through 2023 has been maintained and will be reviewed in the coming reporting periods by considering the changes in credit portfolio and expectations related to the future.

The guiding principle of the expected credit loss model is to reflect the increase in credit risk of financial instruments or the general view of the recovery. The amount of allowance for the loss depends on the extent of the increase in credit risk since the initial issuance of the loan.

Expected credit loss is an estimate of the expected credit losses over the life of a financial instrument also the following aspects are important for the measurement;

- Probability-weighted and neutral amount determined by taking into account possible outcomes,
- Reasonable and supportable information on past events, current conditions and forecast of future economic conditions, at the time of reporting, without excessive cost and effort.

Provisions for these financial assets are calculated using two different approaches: 12-month expected loss and expected lifetime loss. Credit risk parameters used in the calculations are as follows:

Parameters used when calculating expected credit losses:

Probability of Default (PD):

PD refers to the likelihood that a loan will default within a specified time horizon. Based on TFRS 9, the Bank uses two different PDs in order to calculate expected credit losses:

- 12 Months PD: As the estimated probability of default occurring within the next 12 months following the reporting date.
- Lifetime PD: As the estimated probability of default occurring over the remaining life of the financial instrument.

Loss Given Default (LGD):

If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

Exposure at Default (EAD):

For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors. Credit conversion rate corresponds to the factor, which adjust the potential increase of the exposure between the current date and the default date.

Financial Assets are divided into the following three categories depending on observable increases in their credit risks.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

VII. Explanations on expected credit losses (continued):

12 Month Expected Credit Losses (Stage 1)

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

Significant Increase in Credit Risk (Stage 2)

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

The Bank classifies financial assets as Level 2 by considering the following criteria:

- Loans with a delay over 30 days but not exceed 90 days
- The data obtained from the early warning system and the evaluation that the bank will make in this case
- The Bank management's conclusion that there is significant increase in credit risk. At this point, the Bank compares probability of default of the loan in its origination with current status.
- Loans for which the repayment amount is fully collateralized and the collateral falls below the net realizable value.

Default (Stage 3/Specific Provision):

If the following conditions exist in accordance with the Bank's internal procedures, the related financial asset is evaluated as default:

- Loans past 90 days from the last installment date
- Loans restructured and classified as performing receivables and restructured in the 1-year monitoring period at least once again and & or loans whose principal / profit payment is 30 days overdue.

The collective assessment of financial instruments is performed by building on homogeneous group assets arising from portfolio segmentation based on similar credit risk and product characteristics. This section provides an overview of the risk parameter estimation methods associated with the expected loss calculation approach for each stage on a common basis.

Loans whose cash flows differ or have different characteristics from other loans can be evaluated individually instead of collectively. Expected credit loss can be defined as the difference between all contractual cash flows due as per the whole contract and cash flows expected to be collected that have been discounted with the original effective profit ratio. When measuring expected credit losses, the Bank shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low. The Bank makes such assessment by reflecting the estimate of expected credit loss which is unbiased and probability-weighted determined by evaluating a range of possible outcomes.

The following situations are taken into account when estimating cash flows.

- The conditions of the contract during the expected life of the financial instrument,
- Cash flows expected to be obtained from collateral sales.

Behavioral Maturity Calculation Methodology

Expected loss provision is calculated until end of the maturity for stage one loans whose remaining maturity is less than one year and calculated yearly for stage one loans whose remaining maturity is more than one year. For second group loans, it is calculated lifelong (until the end of maturity). In this calculation, the remaining maturity information of the loan is taken as basis for each loan. While this information is used for products with real maturity information, for products without real maturity information, behavioral maturity is calculated by analyzing historical data. Expected loss provision calculations are made over these maturities, depending on the type of loan.

Write-Off Policy

Within the framework of the provisions of the " Regulation Amending the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be set aside for them" published in the Official Gazette dated July 6 ,2021 and numbered 31533, the portion of the loans that are classified under "Fifth Group-Loans with a Loss Qualification" and for which a lifetime expected loan loss provision or special provision is made due to the default of the borrower, for which there are no reasonable expectations for the recovery of the loans, as of the first reporting period following their classification in this Group, are written off from the records in an appropriate time determined by the bank, taking into account the situation of the debtor within the scope of TFRS 9. Writing off loans from the records is an accounting practice and does not result in waiving the right to the receivable.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

VIII. Explanations on offsetting of financial instruments:

Financial instruments are offset when the Bank has a legally enforceable right to net off the recognized amounts, and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously.

The sukuk investments issued by the Bank which are repurchased has been offset in financial assets measured at fair value through other comprehensive income and subordinated loan accounts.

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

Securities subject to repurchase agreement are classified as “Financial Assets Measured at Fair Value through Profit/Loss”, “Financial Assets Measured at Fair Value through Other Comprehensive Income” and “Financial Assets Measured at Amortised Cost” according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from the related agreements are accounted under “Borrowings from Money Markets” in liabilities and the difference between the sale and repurchase price is accrued over the life of the agreements using the internal rate of return method. Profit share expense on such transactions is recorded under “Profit Share Expense on Money Market Borrowings” in the income statement.

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

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

The Bank has assets that are possessed due to receivables and debtors' obligations to the Bank and classified as assets held for sale. In the case that the Bank has not disposed of such assets within a year of receipt or failed to produce a solid plan for sale of the assets, they are reclassified as fixed assets. The Bank transfers such assets from assets held for sale and discontinued operations to tangible assets.

A discontinued operation is a part of the Bank's business which has been disposed of or classified as held for sale. The operating results of the discontinued operations are disclosed separately in the income statement. As stated in the Public Disclosure Platform(PDP) material event disclosure dated April 3, 2024, with the initiation of the liquidation process of Getinsha GMBH, a subsidiary of the Bank, the related subsidiary has been classified as discontinued operations.

XI. Explanations on goodwill and other intangible assets:

Goodwill and other intangible assets are recorded at cost in accordance with TAS 38 “Turkish Accounting Standards for Intangible Assets”. As of the balance sheet date, there is no goodwill in the financial statements of the Bank. The Bank's intangible assets consist of softwares, capitalized information technology services and intangible rights.

The costs of the intangible assets purchased before December 31, 2004 have been restated from the purchasing dates to December 31, 2004, the date the hyperinflationary period is considered to be ended. Intangible assets purchased after this date have been recorded at their historical costs. Intangible assets are amortised by the Bank over their estimated economic useful lives in equal amounts on a straight-line basis.

Useful lives of the Bank's software have been determined as 3 to 4 years and other intangible assets' useful lives have been determined as 15 years.

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

XII. Explanations on tangible assets:

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

As of March 31, 2009, the Bank has made a change in accounting policy and adopted revaluation model for real estates in accordance TAS 16 and reflected the results of appraisal reports prepared by an authorized real estate appraisal firm to the financial statements.

As of December 31, 2023, the Bank has revalued its immovables and reflected the results of appraisal reports prepared by an independent real estate appraiser firms using comparison of similar items method to the financial statements. The revaluation fund mentioned cannot be distributed as dividend to shareholders. Current period depreciation charge relating to the revaluation has been transferred to retained earnings from revaluation fund reserve.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates which are expected to have an impact in the current or subsequent periods.

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

	Depreciation Rate (%)
Buildings	2
Motor vehicles	20 – 25
Furniture, fixture and office equipment	4 – 33
Safe-deposit boxes	2 – 20
Operational lease improvement costs (Leasehold improvements)	Leasing period – 5 years
Leased assets	1- 10 years

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year-end. Leasehold improvements are depreciated over their estimated economic useful lives in equal amounts. The estimated economic useful lives cannot exceed the leasing period. In cases where the leasing period is not certain, the useful life is determined as five years. After January 1, 2010, in cases where leasing period is more than five years, the useful life is determined as five years.

If there is an indication for impairment, the Bank estimates the recoverable amount of the tangible asset in accordance with TAS 36 "Turkish Accounting Standard for Impairment of Assets" and if the recoverable amount is less than its carrying value, provides for an impairment loss.

Fixed assets which are carried at fair value in the financial statements are revalued by independent Capital Markets Board licensed firms in accordance with TFRS 13.

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

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

In accordance with TFRS 16, right-of-use asset is represented under tangible assets in the balance sheet

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

XIII. Explanations on leasing transactions:

Assets acquired under finance lease contracts are recorded both as an asset and as a liability at the beginning date of the lease. The basis for the determination of the balances recorded in the balance sheet as asset and liability is the lower of fair value of the leased asset at the inception of the lease and the present value of the lease payments. Finance charges arising from lease contracts are expensed in the related periods taking into consideration the internal rate of return over the period of the lease.

Assets acquired under finance lease contracts are depreciated over their useful lives and impairment provision is provided in case a decrease in recoverable amount has been determined. The Bank, as a participation bank, acts as a lessor in finance leasing transactions. The Bank presents finance leased assets as a receivable equal to the net investment in the lease. Financial income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding.

With the "IFRS 16 Leases" standard, which became effective as of 1 January 2019, the difference between the operating lease and financial lease was removed and the lease transactions were started to be recognised under "Tangible Fixed Assets" as an asset (tenure) and under "Lease Payables" as a liability.

IFRS 16 Leases standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease. Instead, it is set forth a single model similar to the accounting of finance leases (on balance sheet). For lessors, the accounting continues almost the same.

The Bank has the exemption for not applying this standard to short-term leaseings (leases with a rental period of 12 months or less) or to leases where the underlying asset is of low value (eg personal computers, some office equipment, etc.). At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time and depreciates the existence of the right to use as of the same date and is amortized over the lease term. If this ratio can be determined easily, lease payments are discounted using the Bank's average profit rate.

If the ratio cannot be easily determined, the Bank uses its own alternative borrowing rate. The profit share expense on the lease liability and the depreciation charge of the right to use is recorded separately. The lessee re-measures the lease obligation if certain events occur (for example, changes in lease duration, forward lease payments due to changes in a particular index or rate, etc.). In this case, the lessee records the reassignment effect of the lease obligation as a correction on the right to use.

Right to use asset:

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

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

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

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

While the Bank is depreciating the right-to-use asset, it utilizes the provisions for depreciation in IAS 16 Tangible Assets Standard

The lease liabilities:

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. If this ratio can be determined easily, lease payments are discounted using the Bank's average profit rate. If the ratio cannot be easily determined, the Bank uses its own alternative borrowing rate.

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

XIII. Explanations on leasing transactions (continued):

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

- Increases the book value to reflect the profit share rate on the lease obligation,
- Reduces the book value to reflect the lease payments made
- Measures the book value to reflect reassessments and restructuring, or reflect the fixed lease payments, which is revised but inherently fixed.

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

XIV. Explanations on provisions and contingent liabilities:

Provisions and contingent liabilities, excluding the expected loss provisions for loans, are accounted in accordance with TAS 37: "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets".

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. A provision for contingent liabilities arising from past events should be recognized in the same period of occurrence in accordance with the cut-off principle. A liability is recognized as a contingent liability where a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of more than one events not wholly within the control of the Bank; or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability and disclosed in the footnotes.

XV. Explanations on liabilities regarding employee rights:

i) *Defined benefit plans:*

Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits".

In accordance with the existing social legislation in Türkiye, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated for reasons other than misconduct or due to resignation. The retirement pay is calculated for every working year within the Bank over salary for 30 days or the official ceiling amount per year of employment and the notice pay is calculated for the relevant notice period time as determined based on the number of years worked for the Bank.

The Bank has reflected the retirement pay liability amount, which was calculated by an independent actuary, in the accompanying financial statements. According to TAS 19, The Bank recognizes all actuarial gains and losses immediately through other comprehensive income. As of June 30, 2024, there is an actuarial loss amounts to TL 321.348 before deferred tax calculation (December 31, 2023: TL 321.348 actuarial loss).

Provision for the employees' unused vacations have been booked in accordance with TAS 19 and reflected to the financial statements.

There are no foundations, pension funds or similar associations of which the employees are members.

ii) *Defined contribution plans:*

The Bank pays defined contribution plans to publicly administered Social Security Funds for its employees. The Bank has not any further payment obligations other than this contribution share. The contributions are recognized as personnel expenses when they accrue.

iii) *Short term benefits to employees:*

In accordance with TAS 19, Bank measures the expected costs of the cumulative annual leaves as additional amounts anticipate to pay accumulated and unused rights as of reporting period.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

XVI. Explanations on taxation:

Current tax:

The Bank is subject to tax laws and legislation effective in Türkiye.

In the financial statements as of 30 June, 2024, the corporate tax rate is applied 30%. The corporate tax rate has been permanently increased to 25% for banks, consumer finance companies, factoring and financial leasing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in accordance with the publication of the Law No. 7394 in the Official Gazette dated April 15, 2022. However, with the Law No. 7456 published on 15 July 2023, the rate has been increased to 30% in order to be applied to the cumulative bases included in the declarations to be submitted as of 1 October 2023; the corporate tax rate is applied as 30% as of this date.

Dividends paid to the resident institutions are not subject to withholding tax in Türkiye. Withholding tax rate on the dividend payments other than these is 10%. Appropriation of the retained earnings to capital is not considered as profit distribution and accordingly is not subject to withholding tax.

Corporations calculate advance tax with their current rate on quarterly profits and pay until the evening of the same day by declaring until the 17th day of the second month following that period.

The prepaid taxes can be deducted from the annual corporate tax calculated on the annual corporate income. The remaining prepaid tax, if any after deduction, can be refunded in cash or deducted from other financial liabilities to the government.

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

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

In Türkiye, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns until the last day of the following fourth month after the closing of the accounting year to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue reassessments based on their findings and carry out sectorial investigations.

Considering the participation accounts' part in general loan loss provision as expense for tax calculation, Finance Ministry initiated a sector-specific review. The relevant documents and calculations have been requested from the Bank. As of report date, there is no information or written report transmitted to the Bank.

As of the end of the 2021 calendar year, 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/A of the Tax Procedure Law. However, with the regulation made with the Law No. 7352 dated January 20, 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this; TPL financial statements for the 2021 and 2022 accounting periods have not been subjected to inflation adjustment, and the TPL financial statements dated December 31, 2023 have been subjected to inflation adjustment in a way that will not affect corporate tax base. Additionally; With the law number 7491 published in the Official Gazette numbered 32413 dated December 28, 2023, banks, payment and electronic money institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies will be subject to inflation adjustments in the 2024 and 2025 accounting periods. It is regulated that the resulting profits or losses will not be taken into account in determining the corporate tax base.

Within the scope of the temporary article 32 of the Tax Procedure Law Numbered 213, depreciable assets were revalued and additional tax amount of 2% is levied over the revaluation difference. Assets that are included in the scope pursuant to duplicate article 298 are valued with the revaluation rate announced in the relevant year and no tax is levied over this revaluation increase.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

XVI. Explanations on taxation (continued):

Deferred tax:

The Bank calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with TAS 12 "Turkish Accounting Standard for Income Taxes". Deferred tax asset is calculated on all temporary differences to the extent that is probable that taxable profit will be available and deferred tax liability is calculated for all temporary differences. Deferred tax asset and liabilities are represented in the accompanying financial statements on a net basis. In the deferred tax calculation, the enacted tax rate is used as of the balance sheet date by estimating when the temporary differences will be taxable / deductible in accordance with the current tax legislation.

Deferred tax asset had not been provided over provisions for possible risks and general loan loss provisions according to the circular of BRSA numbered BRSA.DZM.2/13/1-a-3 and dated 8 December 2004. However, deferred tax rate calculation has started to be measured over temporary expected provision losses differences according to TFRS 9 articles from 1 January 2018. Deferred tax calculation is not made for free provisions.

As explained in detailed note under "XVII Additional explanations on borrowings", deferred tax is calculated for exchange difference and coupon payment for Tier 1 under equity and deferred tax expenses. If loss occurs in the income statement prepared as per Turkish Tax Legislation, The Bank recognizes deferred tax. While making this calculation, The Bank's growth projections in its budget, reinforceable estimates on income statement and expectations on inflation, currency and interest rates by Central Bank of Turkey are considered.

Transfer pricing:

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

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

XVII. Additional explanations on borrowings:

The Bank accounts its debt instruments in accordance with TFRS 9 “Financial Instruments”. In the following periods, all financial liabilities are carried at amortized cost by using the internal rate of return method. The Bank has no borrowings that require hedging techniques for accounting and revaluation of debt instruments and liabilities representing the borrowings.

There are no debt securities issued by the Bank. The Bank has issued borrowings through its subsidiary Bereket Varlık Kiralama A.Ş. and its structured entities Bereket One Ltd., Albaraka Sukuk Ltd., Albaraka CT One Ltd. and Albaraka Mtn Ltd.

The Bank has subordinated loans borrowed through sukuk issuance, which has unconvertible nature to the shares.

Additional tier 1 capital borrowings:

Undated sukuk transaction in foreign currency is issued and included in the additional capital account by the Bank’s structured entity “Bereket One Ltd”. Stated transaction evaluated as non-monetary item and accounted over historical cost in Turkish Lira under equities in the “other capital reserves” accordance with TAS 32.

XVIII. Explanations on issued share certificates:

None.

XIX. 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 the off-balance sheet accounts.

XX. Explanations on government grants:

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

XXI. Explanations on segment reporting:

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

Segment reporting is disclosed in Section Four, Note X.

XXII. Explanations on investments in associates, subsidiaries and joint ventures:

The subsidiaries and associates are accounted at cost less provisions for impairment losses (if any) in the unconsolidated financial statements accordance with TAS 27 “Turkish Accounting Standards for Individual Financial Statements”.

XXIII. Explanations on other matters:

There are no other matters.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION FOUR

Information on Financial Structure and Risk Management

I. Explanations on capital adequacy standard ratio:

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 June 30, 2024, the Bank’s total capital has been calculated as TL 19.958.604 and capital adequacy standard ratio is 14,35%. As of December 31, 2023, Bank’s total capital amounted to TL 17.706.314 and capital adequacy ratio was 17,25%. The Bank’s capital adequacy standard ratio is above the minimum ratio required by the legislation.

a. Information on capital:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	2.500.000	2.500.000
Share issue premiums	23.278	23.278
Reserves	5.346.749	420.388
Gains recognized in equity as per TAS	4.968.758	6.538.322
Profit	1.870.480	3.428.558
Current Period Profit	1.870.480	3.428.558
Prior Period Profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	14.709.265	12.910.546
Deductions from Common Equity Tier 1 Capital	-	-
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	224.944	224.944
Improvement costs for operating leasing	46.688	38.257
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	505.303	328.505
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	342.136
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier 1 Capital	776.935	933.842
Total Common Equity Tier 1 Capital	13.932.330	11.976.704

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

a. Information on capital (continued):

	Current Period	Prior Period
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA	775.720	775.720
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	775.720	775.720
Deductions from Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduce Components	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	775.720	775.720
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	14.708.050	12.752.424
TIER II CAPITAL	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	4.344.092	4.089.830
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	910.821	994.618
Tier II Capital Before Deductions	5.254.913	5.084.448
Deductions From Tier II Capital	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	6	122.468
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	6	122.468
Total Tier II Capital	5.254.907	4.961.980
Total Capital (The sum of Tier I Capital and Tier II Capital)	19.962.957	17.714.404
The sum of Tier I Capital and Tier II Capital (Total Capital)	-	-
Deductions from Capital Loans granted contrary to the 50 th and 51 th Article of the Law	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-
Other items to be defined by the BRSA	4.353	8.090

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

a. Information on capital (continued):

	Current Period	Prior Period
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
Total Capital (Total Core Capital and Supplementary Capital)	19.958.604	17.706.314
Total risk weighted amounts	139.063.474	102.661.068
Capital Adequacy Ratios		
Core Capital Adequacy Ratio (%)	10,02	11,67
Tier 1 Capital Adequacy Ratio (%)	10,58	12,42
Capital Adequacy Ratio (%)	14,35	17,25
BUFFERS		
The total additional capital requirement ratio (a + b + c)	2,50	2,50
a) Capital conservation buffer requirement (%)	2,50	2,50
b) Bank specific counter-cyclical buffer requirement (%)	-	-
c) Systemic significant bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	5,52	7,17
Amounts below the Excess Limits as per the Deduction Principles	-	-
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits related to provisions considered in Tier II calculation	1.368.092	1.231.885
Limits related to provisions considered in Tier II calculation	-	-
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	910.821	994.618
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	910.821	994.618
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6 % of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

(¹) Amounts in this column represents the amounts of items that are subject to transition provisions.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

a. Information on capital (continued):

In calculating credit risk as per Regulation on Measurement and Evaluation of Capital Adequacy of Banks, it is possible that Central Bank buying exchange rates of June 26, 2023 can be used in calculating the revalued amounts of monetary and non monetary items and their specific provisions. The items which are carried at cost is out of scope. As of June 30, 2024, the Bank has utilized this facility in calculating capital adequacy ratio.

b. Details on subordinated liabilities:

Issuer	Albaraka Sukuk Ltd.	Albaraka CT One Ltd.	Bereket One Ltd.
Unique Identifier (CUSIP, ISIN etc.)	XS1301525207	XS2594992914	XS17 72390628
Governing Law(s) of the Instrument	English Law	English Law	English Law
Special Consideration in the Calculation of Equity			
As of January 1, 2015, consideration to be subject to a 10% reduction application status	No	No	No
Eligible at Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated	Unconsolidated/Consolidated
Instrument Type	Sukuk Wakala	Sukuk Wakala	Sukuk Mudaraba
Amount recognized in regulatory capital (as of most recent reporting date)	TL 1.130.992	TL 3.213.100	TL 775.720 ⁽¹⁾
Par Value of Instrument	TL 5.654.960	TL 3.213.100	TL 775.720
Accounting Classification	Subordinated Loan	Subordinated Loan	Equity
Original date of Issuance	November 30, 2015	February 28, 2023	February 20, 2018
Perpetual or dated	Dated	Dated	Undated
Maturity date	November 30, 2025	February 28, 2033	Undated
Issuer call subject to prior supervisory (BRSA) approval	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	Last Payment Date: November 30, 2025 Total Repayment Amount of Profit Share: USD 131.250.000 (first 5 years), USD 98.481.619 (second 5 years) Coupon Repayment Period: 6 months Principal Payment: USD 175.997.000	Last Payment Date: February 28, 2023 Total Repayment Amount of Profit Share: USD 50.000.000 (first 5 years), USD 50.000.000 (second 5 years) Coupon Repayment Period: 6 months Principal Payment: USD 100.000.000	Last Payment Date: None First refund option date: February 20, 2023 Total Repayment Amount of Profit Share: USD 102.500.000 (First 5 year) USD 117.075.500 (Second 5 year) Coupon Repayment Period: 6 months Principal Payment: USD 205.000.000
Subsequent call dates	-	-	-
Profit Share/Dividends			
Fixed or floating profit share/dividend	Fixed	Fixed	Fixed
Profit share rate and any related index	9,371 % (first 5 years:10,50%)	10 %	11,422 % (first 5 years:10%)
Existence of a dividend stopper	As per BRSA regulations and Communiqués it is payable	As per BRSA regulations and Communiqués it is payable	As per BRSA regulations and Communiqués it is payable
Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Optional
Existence of step up or other incentive to redeem	-	-	-
Noncumulative or cumulative	Cumulative	Cumulative	Noncumulative
Convertible or Non-convertible			
If convertible, conversion trigger	Not Convertible	Not Convertible	Not Convertible
If convertible, fully or partially	Not Convertible	Not Convertible	Not Convertible
If convertible, conversion rate	Not Convertible	Not Convertible	Not Convertible
If convertible, mandatory or optional conversion	Not Convertible	Not Convertible	Not Convertible
If convertible, specify instrument type convertible into	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-
Write-down feature			
If write-down, write-down trigger(s)	Non-sustainability	Non-sustainability	Non-sustainability-The ratio of Core Capital to below 5,125%
If write-down, full or partial	Full or Partial	Full or Partial	At least to ensure that the core capital ratio exceeds 5,125%
If write down, permanent or temporary	Permanent	Permanent	Permanent and Temporary
If temporary write-down, description of write-up mechanism	-	-	In case of the ratio of core capital exceeds 5,125%
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After all creditors and participation fund owners	After all creditors and participation fund owners	After participation fund owners, other borrowers and the debt instruments included in the Tier II capital calculation
In compliance with article number 7 and 8 of "Own fund regulation"	No	No	No
Details of incompliances with article number 7 and 8 of "Own fund regulation"	No	No	No

⁽¹⁾ Represented as historical cost

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

c. Information on reconciliation of total capital and equity:

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

II. Explanations on credit risk:

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

III. Explanations on currency risk:

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

a. The Bank is exposed to currency risks as a market risk and tries to balance the currency risks by avoiding to keep any long or short positions. The currency risk of the Bank is monitored on a daily basis. Net foreign currency position/shareholders’ equity ratio is also controlled on a daily basis. All foreign currency assets, liabilities and foreign currency forward transactions are taken into consideration while capital requirement to be employed for foreign currency risk is calculated. Standard Method used in legal reporting and amount subject to risk is calculated on a monthly basis.

b. The Bank does not have any derivative financial instruments held for hedging purposes.

c. As a result of the uncertainty and volatility in the markets, foreign currency position is kept at a balance, and accordingly, no currency risk is anticipated. The Bank takes necessary measures to keep the currency risk at a minimum level.

ç Foreign exchange buying rates of the last five working days before the balance sheet date as publicly announced by the Bank are as follows:

	USD	EUR
As of June 30, 2024 - Balance sheet evaluation rate	32,131	34,434
As of June 28, 2024	32,131	34,434
As of June 27, 2024	32,190	34,478
As of June 26, 2024	32,215	34,405
As of June 25, 2024	32,315	34,573
As of June 24, 2024	32,247	34,594

d. The simple arithmetical average of the major foreign exchange buying rates of the Bank for the thirty days before the balance sheet date is TL 32,012 for 1 USD (December 2023: TL 28,847), TL 34,416 for 1 EUR (December 2023: TL 31,481). The Bank is mainly exposed to EUR and USD currency risks.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

III. Explanations on currency risk (continued):

Information on currency risk of the Bank:

Current Period	EUR	USD	Other FC ⁽¹⁾	Total
Assets				
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	6.223.395	24.843.942	9.924.882	40.992.219
Banks	1.798.371	4.242.607	11.637.422	17.678.400
Financial assets at fair value through profit and loss ^(**)	4.147.178	2.217.536	1.269.509	7.634.223
Money market placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	73.973	4.345.028	16.170	4.435.171
Loans and financial lease receivables ^(***)	10.203.596	31.278.069	805.710	42.287.375
Subsidiaries, associates and joint ventures	-	-	-	-
Financial Assets Measured at Amortised Cost	-	15.640.549	-	15.640.549
Derivative financial assets for hedging purposes	-	-	-	-
Tangible assets	-	-	79.887	79.887
Intangible assets	-	-	-	-
Other assets ^(****)	138.402	200.569	18.791	357.762
Total assets	22.584.915	82.768.300	23.752.371	129.105.586
Liabilities				
Current account and funds collected from banks via participation accounts	327.657	395.757	135.838	859.252
Other current and profit sharing accounts	16.355.890	45.639.940	20.421.158	82.416.988
Money market borrowings	-	-	-	-
Funds provided from other financial institutions and subordinated loans	4.142.773	40.439.038	-	44.581.811
Marketable securities issued	-	-	-	-
Miscellaneous payables	578.678	3.810.343	812.634	5.201.655
Derivative financial liabilities for hedging purposes	-	-	-	-
Other liabilities	32.403	133.799	1.509	167.711
Total liabilities	21.437.401	90.418.877	21.371.139	133.227.417
Net balance sheet position	1.147.514	(7.650.577)	2.381.232	(4.121.831)
Net off balance sheet position	(965.739)	5.414.706	(29.711)	4.419.256
Derivative financial instruments assets ^(*****)	630.612	6.323.257	17.404	6.971.273
Derivative financial instruments liabilities ^(*****)	1.596.351	908.551	47.115	2.552.017
Non-cash loans ^(*****)	3.710.823	11.239.873	75.743	15.026.439
Prior Period				
Total assets	19.789.021	71.100.345	18.202.863	109.092.229
Total liabilities	20.763.507	85.176.487	16.566.090	122.506.084
Net balance sheet position	(974.486)	(14.076.142)	1.636.773	(13.413.855)
Net off balance sheet position	1.127.717	13.308.159	(142.396)	14.293.480
Derivative financial instruments assets	2.621.225	13.857.127	67.754	16.546.106
Derivative financial instruments liabilities	1.493.508	548.968	210.150	2.252.626
Non-cash loans ^(*****)	3.746.868	10.623.174	376.552	14.746.594

⁽¹⁾ TL 8.942.778 (December 31, 2023: TL 3.995.133) of the balance in Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye in other FC column represent precious metals, TL 7.383.744 (December 31, 2023: TL 1.442.617) of the balance in Banks in other FC column represent precious metals accounts with banks, TL 16.748.062 (December 31, 2023: TL 12.825.369) of the balance in Other current and profit sharing accounts in other FC column represent precious metals deposits accounts. TL 50.509 (December 31, 2023: TL 8.458.542) of the balance in other FC column in financial assets at fair value through profit and loss represents gold-indexed lease certificates (sukuk).

^(**) Derivative financial instruments are included.

^(***) The balance includes foreign currency indexed loans and financial lease receivables of TL 82.181 (December 31, 2023: TL 134.276).

^(****) Foreign currency indexed receivables from commission and fees of non-cash loans amounting to TL 6.628 is included in other assets. (December 31, 2023: TL 6.157). Includes the balance of Getinsha GMBH amounting to TL 118.173, which has ceased operations.

^(*****) In the current period, derivative financial instruments assets include foreign currency purchase commitment in the amount of TL 107.736 (December 31, 2023: TL 516.960) and derivative financial instruments liabilities include foreign currency sale commitment in the amount of TL 330.704 (December 31, 2023: TL 1.231.625).

^(*****) Does not have any effect on the net off-balance sheet position.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

III. Explanations on currency risk (continued):

Other issues related to currency risk:

Since the bank has issued undated additional Tier 1 capital amount to USD 205.000.000 (historical cost: TL 775.720) and recognized under the equity as “Other Capital Reserves”, related amount is not included in the above table.

IV. Explanations on position risk of equity securities in banking book:

The Bank does not have any associate and subsidiary quoted at Borsa İstanbul.

The Bank’s equity securities which are not quoted at Borsa İstanbul are recognized at fair values and if the fair values are not measured reliably, they are recognized at cost.

The equity securities under banking book calculated as per credit risk standard method amount to TL 230.903. 100% risk weight is applied to related whole amount (December 31, 2023: TL 143.657).

V. Explanations on liquidity risk:

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

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

ALCO takes necessary decisions which will be executed by related departments by assessing the liquidity risk that the Bank is exposed to and considering the Bank’s strategy and conditions of competition and pursues the implementations. Risk Management Department defines the Bank’s liquidity risk, measures and monitors the risks with liquidity risk measurement methods that are in compliance with legal legislation, presents measurement results periodically to related departments, committees and senior management. Risk Management Department coordinates related parties in order to ensure compliance of risk management process in accordance with the Bank’s risk profile, operation environment and strategic plan with regulations.

The liquidity risk analysis and the important early warning signals are reported periodically to related senior management. Additionally, analysis and monitored internal reserve limit ratios related to liquidity risk are presented in ALCO report. Reserve limit ratios and alert levels approved by the Board of Directors are monitored and reported regularly to related parties. The Bank’s funding management is carried out in compliance with the ALCO decisions in the direction of the Fund Transfer Pricing (“FTP”) committee. Funding and placement strategies are developed by assessing liquidity of the Bank.

In liquidity risk, management actions that will be taken and procedures are determined by considering normal economic conditions and stress conditions. Diversification of assets and liabilities is assured to be able to continuously meet the obligations, also taking into account the relevant currencies. Funding sources are monitored actively during identification of concentration risk related to funding. The Bank’s funding base of funds collected and other borrowing transactions are diversified in order to prevent the concentration of a particular funding source. Factors that could trigger the sudden and significant run off in funds or impair the accessibility of the funding sources are analyzed.

In the context of TL and foreign currencies liquidity management, the Bank monitors the cash flows regarding assets and liabilities and forecasts the required liquidity in future periods. In cash flow analysis, stress is applied to items that affect the liquidity by volume and rate of change from a liquidity management point of view. Liquidity risk exposed by the Bank is managed by establishing risk appetite, effective control environment and closely monitoring by limits.

The results of liquidity risk stress testing are taken into consideration in the assessment of liquidity adequacy and identification of strategy, policy and procedures regarding liquidity risk and contingency funding plan is prepared within this framework. There exists “Liquidity Risk Management Contingency Funding Plan” in the Bank including mechanisms to prevent increase in liquidity risk during normal and liquidity crisis scenarios for different conditions and levels. Available liquidity sources are determined by considering the liquidity squeezes. Within the framework of this plan, the Bank monitors liquidity risk in terms of early warning indicators in each stress.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

V. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio:

	Current Period	Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
		TL+FC	FC	TL+FC	FC
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			70.088.059	43.396.271
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	87.117.167	57.550.285	8.139.955	5.755.029
3	Stable Funds Collected	11.435.239	-	571.762	-
4	Less stable Funds Collected	75.681.928	57.550.285	7.568.193	5.755.029
5	Unsecured Funding other than Retail and Small Business Customers Deposits	81.239.154	50.257.856	56.273.400	34.665.850
6	Operational Funds Collected	27.757.690	20.487.797	6.939.422	5.121.949
7	Non-Operational Funds Collected	16.608.648	1.113.705	13.272.484	553.935
8	Other Unsecured Funding	36.872.816	28.656.354	36.061.494	28.989.966
9	Secured funding			-	-
10	Other Cash Outflows	18.158.499	3.007.001	18.158.499	3.007.001
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	18.158.499	3.007.001	18.158.499	3.007.001
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	38.418.290	14.596.412	3.595.781	1.933.007
16	TOTAL CASH OUTFLOWS			86.167.635	45.360.887
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	39.044.721	22.238.282	32.315.028	18.057.326
19	Other contractual cash inflows	17.571.904	15.712.731	17.571.904	15.712.731
20	TOTAL CASH INFLOWS	56.616.625	37.951.013	49.886.932	33.770.057
				Upper limit applied amounts	
21	TOTAL HQLA			70.088.059	43.396.271
22	TOTAL NET CASH OUTFLOWS			36.280.703	11.590.830
23	Liquidity Coverage Ratio (%)			193,18	374,40

(*) Average of the last three months of liquidity coverage ratios calculated considering weekly simple arithmetic averages.

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

Liquidity Coverage Ratio (%)	Current Period	
	TL+FC	FC
Lowest	146,4	242,75
Date	April 1, 2024	April 12, 2024
Highest	324,29	506,36
Date	May 10, 2024	May 24, 2024
Average	193,18	374,40

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

V. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio (continued):

	Prior period	Rate of "Percentage to be taken into account" not Implemented Total Value ^(*)		Rate of "Percentage to be taken into account" Implemented Total Value ^(*)	
		TL+FC	FC	TL+FC	FC
	HIGH QUALITY LIQUID ASSETS (HQLA)				
1	HIGH QUALITY LIQUID ASSETS			59.933.974	38.099.863
	CASH OUTFLOWS				
2	Retail and Small Business Funds Collected	75.715.764	50.769.481	7.138.006	5.076.948
3	Stable Funds Collected	8.671.416	-	433.571	-
4	Less stable Funds Collected	67.044.348	50.769.481	6.704.435	5.076.948
5	Unsecured Funding other than Retail and Small Business Customers Deposits	51.701.468	37.090.286	30.231.980	22.339.172
6	Operational Funds Collected	24.966.387	18.291.079	6.241.597	4.572.770
7	Non-Operational Funds Collected	5.428.979	1.158.213	3.150.748	589.078
8	Other Unsecured Funding	21.306.102	17.640.994	20.839.635	17.177.324
9	Secured funding			-	-
10	Other Cash Outflows	7.498.744	2.732.935	7.498.744	2.732.935
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	7.498.744	2.732.935	7.498.744	2.732.935
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	32.713.947	13.601.883	3.176.114	1.818.953
16	TOTAL CASH OUTFLOWS			48.044.844	31.968.008
	CASH INFLOWS				
17	Secured Lending Transactions	-	-	-	-
18	Unsecured Lending Transactions	27.231.700	12.202.406	20.682.693	10.154.898
19	Other contractual cash inflows	7.577.022	6.897.463	7.577.022	6.897.463
20	TOTAL CASH INFLOWS	34.808.722	19.099.869	28.259.715	17.052.361
				Upper limit applied amounts	
21	TOTAL HQLA			59.933.974	38.099.863
22	TOTAL NET CASH OUTFLOWS			19.785.129	14.915.647
23	Liquidity Coverage Ratio (%)			302,92	255,44

^(*) Average of the last three months of liquidity coverage ratios calculated considering weekly simple arithmetic averages.

As per "Regulation on Liquidity Coverage Ratio Calculation" published in the Official Gazette numbered 28948, dated March 21, 2014, the dates on which the minimum and maximum liquidity coverage ratios have been calculated for the last three months for 2023 are as follows:

Liquidity Coverage Ratio (%)	Prior Period	
	TL+FC	FC
Lowest	232,26	183,73
Date	December 31, 2023	October 1, 2023
Highest	556,26	449,27
Date	October 17, 2023	October 18, 2023
Average	302,92	255,44

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

V. Explanations on liquidity risk (continued):

Liquidity Coverage Ratio (continued):

Liquidity coverage ratio is calculated by comparing the high quality liquid assets owned by the Bank to net cash outflow in 30 days maturity. Balance sheet accounts that are significant on the ratio can be listed as reserve requirements maintained at CBRT, marketable securities that are not subject to repurchase agreements or not given as collateral, banks receivables, funds collected, funds borrowed. The effect of these accounts on the liquidity coverage ratio is higher than other accounts, since these accounts have a higher share in liquid assets and net cash outflows.

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages. The Bank's high quality liquid assets are composed of 3,26% cash, 70,34% deposits in central banks and 26,40% securities considered as high quality liquid assets.

The Bank's main funding sources are funds collected, funds borrowed, borrowings from money market and subordinated loans. Funding source composition in report date is 76,27% funds collected, 23,73% funds borrowed, borrowings from money market and subordinated loans.

Cash flows of derivatives that will take place within 30 days are taken into account in calculation of liquidity coverage ratio. Cash outflows of derivatives that arise from margin obligations, are reflected to the results in accordance with the methodology articulated in the related legislation.

The Bank manages all the transactions with its foreign branches and subsidiaries consolidated in the framework of central bank, markets and related legislation of the country in which the institutions are located. Liquidity risk of the bank, its foreign branches and subsidiaries that are to be consolidated are managed within the regulatory limits and in accordance with group strategies. The liquidity positions of consolidated subsidiaries are continuously monitored by the Bank.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

V. Explanations on liquidity risk (continued):

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand ⁽¹⁾	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Unallocated ^(****) (*****)	Total
Assets								
Cash (cash in vault, foreign currency, money in transit, cheques purchased) and balances with the Central Bank of Republic of Türkiye	25.658.413	33.779.459	-	-	-	-	-	59.437.872
Banks	17.104.472	5.537.355	878.073	-	-	-	-	23.519.900
Financial Assets at Fair Value Through Profit and Loss (**)	5.674.665	307.208	182.877	1.426.535	9.447.563	77.088	-	17.115.936
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	48.861	2.766.687	527.146	554.674	8.220.245	57	-	12.117.670
Loans(****)	342.607	22.852.445	16.269.612	48.549.645	26.388.882	1.153.891	99.113	115.656.195
Financial Assets Measured at Amortised Cost	-	233.254	192.581	5.002.404	19.060.457	3.668.703	-	28.157.399
Other Assets	-	-	7.019	22.149	495.192	573.720	11.541.614	12.639.694
Total Assets	48.829.018	65.476.408	18.057.308	55.555.407	63.612.339	5.473.459	11.640.727	268.644.666
Liabilities								
Current account and funds collected from banks via participation accounts	838.255	48.988	53	-	-	-	-	887.296
Other current and profit sharing accounts	79.551.355	67.446.089	14.247.814	16.760.887	668.355	-	-	178.674.500
Funds provided from other financial institutions and subordinated loans	-	25.077.970	5.525.044	10.383.998	13.885.558	-	-	54.872.570
Money Market Borrowings	-	1.006.791	-	-	-	-	-	1.006.791
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	-	2.270.284	402.359	71.311	-	-	7.437.087	10.181.041
Other liabilities	775.720	-	538	5.176	354.133	508.557	21.378.344	23.022.468
Total Liabilities	81.165.330	95.850.122	20.175.808	27.221.372	14.908.046	508.557	28.815.431	268.644.666
Net Liquidity Gap	(32.336.312)	(30.373.714)	(2.118.500)	28.334.035	48.704.293	4.964.902	(17.174.704)	-
Net Off-balance sheet Position	-	(227.895)	(127.736)	52	-	-	-	(355.579)
Financial Derivative Assets	-	4.373.283	2.185.020	447.923	-	-	-	7.006.226
Financial Derivative Liabilities	-	4.601.178	2.312.756	447.871	-	-	-	7.361.805
Non-cash Loans	28.496.487	201.581	596.217	2.795.575	778.561	291	-	32.868.712
Prior period								
Total Assets	36.167.717	49.275.223	30.091.194	53.529.548	49.375.735	6.680.386	7.049.692	232.169.495
Total Liabilities	76.437.420	63.146.842	20.392.363	29.590.373	14.597.049	400.158	27.605.290	232.169.495
Net Liquidity Gap	(40.269.703)	(13.871.619)	9.698.831	23.939.175	34.778.686	6.280.228	(20.555.598)	-
Net Off-balance sheet Position	-	(35.043)	(106.618)	321	-	-	-	(141.340)
Financial Derivative Assets	-	6.894.198	8.894.828	762.134	-	-	-	16.551.160
Financial Derivative Liabilities	-	6.929.241	9.001.446	761.813	-	-	-	16.692.500
Non-cash Loans	17.980.823	468.296	1.964.741	6.969.341	2.663.932	24.807	-	30.071.940

⁽¹⁾ Loans include accruals, other liabilities include undated additional Tier 1 Capital accounted under Shareholders' Equity.

^(**) Derivative financial instruments are included.

^(****) Leasing receivables are included under loans. Unallocated amount represents the net non-performing loans.

^(*****) Certain assets in the balance sheet that are necessary for the banking operations but cannot be readily convertible into cash in the near future, such as tangible assets, right of use of movables and real estates, investments in associates and subsidiaries, stationary supplies, prepaid expenses are included here.

^(*****) The unallocated other liabilities column consists of equity, provisions and (if any) deferred tax liabilities.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

V. Explanations on liquidity risk (continued):

Net Stable Funding Ratio:

Net stable funding ratio (NSFR) is calculated by dividing the available stable funding amount by the required stable funding amount. Available stable funding includes the portion of banks' liabilities and capital that are expected to be permanent; and required stable funding refers to the portion of banks' on balance sheet assets and off-balance sheet liabilities that are expected to be refunded.

Available stable funding amount is calculated by summing the amounts to be found after applying the relevant consideration rates determined within the scope of the legislation to the amounts of banks' liabilities and capital items valued in accordance with IFRS. Required stable funding amount will be found after applying the relevant consideration rates determined within the scope of the legislation to the value calculated by deducting the special provisions set aside in accordance with the Regulation on the Procedures and Principles on the Classification of Loans and the Provisions from the amounts of the banks' on-balance sheet assets and off-balance sheet liabilities valued in accordance with IFRS.

The three-month simple arithmetic average of the consolidated and unconsolidated NSFR calculated monthly as of capital calculation periods as of March, June, September and December cannot be less than one hundred percent.

As of 30 June 2024, NSFR is calculated as 169,77 % (previous period: 190,94%). Considering the amounts to which the consideration rate is applied, Capital items corresponds to 14,48% of Available Stable Funding amount (previous period: 13,32%) and Real Person and Retail Customer Deposits corresponds to 63,30% of Available Stable Funding amount. (previous period: 68,01%), where those two refers to items to which the highest consideration rates are applied within the scope of the legislation. Performing Receivables, which have the largest share in Required Stable Funding, constitute 59,53% (previous period: 58,99%) of Required Stable Fund amount. Factors such as the development of major balance sheet items such as Loans and Deposits, the change in balance sheet maturity structure and asset encumbrance are effective in the development of the ratio between the periods.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

V. Explanations on liquidity risk (continued):

Net Stable Funding Ratio (continued):

Current Period		a	b	c	ç	d
		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	25.266.474	-	-	-	25.266.474
2	Tier 1 Capital and Tier 2 Capital	25.266.474	-	-	-	25.266.474
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	51.872.810	-	68.879.707	853.450	110.410.013
5	Stable Deposits	4.275.601	-	14.758.053	259.195	18.328.206
6	Less Stable Deposits	47.597.209	-	54.121.654	594.256	92.081.807
7	Other Obligations	-	-	62.445.808	-	31.222.904
8	Operational deposits	-	-	32.541.584	-	16.270.792
9	Other Obligations	-	-	29.904.224	-	14.952.112
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	7.046.473	232.060	978.472	-	7.535.709
12	Derivative liabilities	-	-	-	-	-
13	All other equity not included in the above categories	7.046.473	-	978.472	-	7.535.709
14	Available stable funding					174.435.100
Required stable funding						
15	High Quality Liquid Assets	-	-	-	-	-
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	114.906.629	51.048.575	-	8.828.973	60.135.151
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	30.513.127	-	2.256.016	6.832.985
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	114.703.338	20.535.448	-	-	48.856.947
21	Loans with a risk weight of less than or equal to %35	1.708.535	-	-	-	1.110.548
22	Residential mortgages	-	-	-	6.572.957	4.272.422
23	Residential mortgages with a risk weight of less than or equal to %35	-	-	-	6.572.957	4.272.422
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	203.291	-	-	-	172.797
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	40.403.227	736.181	-	-	38.811.488
27	Physical traded commodities, including gold	4.483.934	-	-	-	3.811.344
28	Initial margin posted or given guarantee fund to central counterparty	-	-	-	-	-
29	Derivative Assets	-	-	-	-	-
30	Derivative Liabilities before the deduction of the variation margin	-	-	736.181	-	736.181
31	Other Assets not included above	35.919.293	-	-	-	34.263.963
32	Off-balance sheet commitments	-	41.453.600	-	-	2.072.680
33	Total Required stable funding					101.019.319
34	Net Stable Funding Ratio (%)					172,67

NSFR ratio development in the second 3 months of 2024 is shown in the table below:

Period	Ratio
April 30, 2024	168,55
May 31, 2024	168,09
June 30, 2024	172,67
3 Month Average	169,77

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

V. Explanations on liquidity risk (continued):

Net Stable Funding Ratio (continued):

Prior Period		a	b	c	ç	d
		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	22.058.323	-	-	-	22.058.323
2	Tier 1 Capital and Tier 2 Capital	22.058.323	-	-	-	22.058.323
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	46.773.190	-	75.928.911	1.471.699	112.596.868
5	Stable Deposits	3.542.575	-	12.928.557	337.828	15.968.512
6	Less Stable Deposits	43.230.616	-	63.000.353	1.133.871	96.628.356
7	Other Obligations	-	-	39.853.016	-	19.926.508
8	Operational deposits	-	-	30.113.871	-	15.056.935
9	Other Obligations	-	-	9.739.145	-	4.869.573
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	8.467.988	23.036	5.018.059	-	10.977.018
12	Derivative liabilities	-	-	23.036	-	-
13	All other equity not included in the above categories	8.467.988	-	5.018.059	-	10.977.018
14	Available stable funding					174.435.100
Required stable funding						
15	High Quality Liquid Assets	-	-	-	-	-
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	94.087.755	47.910.183	-	5.704.391	49.962.971
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	18.161.967	-	2.024.902	4.749.197
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	93.634.027	29.748.217	-	-	42.436.438
21	Loans with a risk weight of less than or equal to %35	1.077.418	-	-	-	700.322
22	Residential mortgages	-	-	-	3.679.489	2.391.668
23	Residential mortgages with a risk weight of less than or equal to %35	-	-	-	3.679.489	2.391.668
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	453.728	-	-	-	385.669
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	33.077.425	1.695.322	-	-	32.994.005
27	Physical traded commodities, including gold	716.353	-	-	-	608.900
28	Initial margin posted or given guarantee fund to central counterparty	-	-	-	-	-
29	Derivative Assets	-	-	121.757	-	-
30	Derivative Liabilities before the deduction of the variation margin	-	-	1.573.565	-	-
31	Other Assets not included above	32.361.072	-	-	-	30.689.783
32	Off-balance sheet commitments	-	34.917.273	-	-	1.745.864
33	Total Required stable funding					84.702.840
34	Net Stable Funding Ratio (%)					195,46

NSFR ratio development in the last 3 months of 2023 is shown in the table below.

Period	Ratio
October 31, 2023	198,28
November 30, 2023	197,51
December 31, 2023	190,94
3 Month Average	195,46

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

VI. Explanations on leverage ratio:

As of June 30, 2024, leverage ratio of the Bank calculated from the arithmetic average of the last three months is 4,38% (December 31, 2023: 4,07%). Leverage ratio is required to remain minimum 3% as per “Communiqué on Measurement and Evaluation for Leverage Ratios of Banks”. The reason for the difference in leverage ratio between current and previous period is that increase in average capital amount is higher than increase in average total risk amount.

	Current Period ^(*)	Prior Period ^(*)
Balance sheet assets		
1 Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	265.712.092	225.684.518
2 (Assets deducted from Core capital)	(673.575)	(594.417)
3 Total risk amount of balance sheet assets (sum of lines 1 and 2)	265.038.517	225.090.101
Derivative financial assets and credit derivatives		
4 Cost of replenishment for derivative financial assets and credit derivatives	78.662	160.474
5 Potential credit risk amount of derivative financial assets and credit derivatives	159.801	154.420
6 Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)	238.463	314.894
Financing transactions secured by marketable security or commodity		
7 Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	13.367.054	25.437.098
8 Risk amount arising from intermediary transactions	-	-
9 Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)	13.367.054	25.437.098
Off-balance sheet transactions		
10 Gross notional amount of off-balance sheet transactions	41.947.960	36.821.102
11 (Correction amount due to multiplication with credit conversion rates)	(40.050)	(40.050)
12 Total risk of off-balance sheet transactions (sum of lines 10 and 11)	41.907.910	36.781.052
Capital and total risk		
13 Core Capital	14.034.279	11.725.174
14 Total risk amount (sum of lines 3, 6, 9 and 12)	320.551.944	287.623.145
Leverage ratio		
15 Leverage ratio (%)	4,38	4,07

(*) The average amounts for the last three months.

VII. Explanations on presentation of financial assets and liabilities at fair value:

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

VIII. Explanations regarding the activities carried out on behalf and account of other persons:

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management:

Notes and explanations in this section have been prepared in accordance with the Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks that have been published in Official Gazette numbered 29511 dated October 23, 2015 and became effective as of March 31, 2016. Due to usage of standard approach for the calculation of capital adequacy ratio by the Bank, tables which have to be prepared within the scope of Internal rating-based (IRB) approach have not been presented.

a. Risk management strategy and weighted amounts:

a.1. Risk management strategy:

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

a.2. Risk weighted amounts:

		Risk Weighted Amount		Minimum capital requirement
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	101.739.354	79.183.530	8.139.148
2	Standardised approach (SA)	101.739.354	79.183.530	8.139.148
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	155.198	385.679	12.416
5	Standardised approach for counterparty credit risk (SA-CCR)	155.198	385.679	12.416
6	Internal model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments 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% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB Supervisory Formula Approach (SFA)	-	-	-
15	SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	20.115.556	14.629.329	1.609.244
17	Standardised approach (SA)	20.115.556	14.629.329	1.609.244
18	Internal model approaches (IMM)	-	-	-
19	Operational Risk	17.053.366	8.462.530	1.364.269
20	Basic Indicator Approach	17.053.366	8.462.530	1.364.269
21	Standard Approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	139.063.474	102.661.068	11.125.077

b. Financial statements and regulatory exposures reconciliation:

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

c. Credit risk:

c.1. General information on credit risk:

c.1.1. General qualitative information on credit risk:

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

c.1.2. Credit quality of assets:

Current Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	1.975.220	117.078.450	3.397.475	115.656.195
2 Debt securities	-	48.531.670	9.239	48.522.431
3 Off-balance sheet exposures	26.691	42.159.665	97.645	42.088.711
4 Total	2.001.911	207.769.785	3.504.359	206.267.337

Prior Period	Gross carrying value in financial statements prepared in accordance with Turkish Accounting Standards (TAS)		Allowances/ amortisation and impairments	Net values
	Defaulted	Non-defaulted		
1 Loans	1.805.574	107.378.291	4.446.351	104.737.514
2 Debt securities	-	49.569.963	17.027	49.552.936
3 Off-balance sheet exposures	24.962	39.068.997	62.583	39.031.376
4 Total	1.830.536	196.017.251	4.525.961	193.321.826

c.1.3. Changes in stock of default loans and debt securities:

	Current Period	Prior Period
1 Defaulted loans and debt securities at end of the previous reporting period	1.830.536	1.483.337
2 Loans and debt securities that have defaulted since the last reporting period	283.299	2.756.577
3 Receivables back to non-defaulted status	(1.962)	(10.956)
4 Amounts written off	(18.494)	(1.413.551)
5 Other changes	(91.468)	(984.871)
6 Defaulted loans and debt securities at end of the reporting period	2.001.911	1.830.536

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

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

c.2. Credit risk mitigation

c.2.1 Qualitative disclosure on credit risk mitigation techniques:

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

c.2.2 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	77.860.492	37.795.703	14.880.916	7.707.518	874.060	-	-
2	Debt securities	48.522.431	-	-	-	-	-	-
3	Total	126.382.923	37.795.703	14.880.916	7.707.518	874.060	-	-
4	Of which defaulted	10.078	89.035	50.982	-	-	-	-

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	61.438.366	43.299.148	14.470.637	13.598.588	610.421	-	-
2	Debt securities	49.552.936	-	-	-	-	-	-
3	Total	110.991.302	43.299.148	14.470.637	13.598.588	610.421	-	-
4	Of which defaulted	54.524	32.966	21.657	1.743.505	-	-	-

c.3. Credit risk under standardised approach:

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

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

c.3.2. Credit risk exposure and credit risk mitigation techniques:

Current Period	Risk classes	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Receivables from central governments or central banks	59.115.170	-	59.115.170	-	-	-
2	Receivables from regional or local governments	5.145	587	5.145	294	10.235	188,18%
3	Receivables from administrative units and non-commercial enterprises	83.142	276.783	83.142	134.963	196.413	90,06%
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	25.829.414	1.719.166	25.829.413	1.273.172	7.898.757	29,14%
7	Receivables from corporates	53.556.096	16.166.571	53.556.096	8.781.282	57.400.448	92,08%
8	Retail receivables	12.846.968	14.706.467	12.846.969	4.497.752	12.308.528	70,96%
9	Receivables secured by mortgages on property	4.895.804	1.052.579	4.895.804	450.968	3.671.389	68,67%
10	Receivables secured by mortgages on commercial property	11.378.990	4.618.895	11.378.990	2.145.843	9.506.433	70,29%
11	Past due receivables	40.083	-	40.083	-	38.183	95,26%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
13	Collateralized Securities	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	20.596.897	-	20.596.897	-	10.478.065	50,87%
17	Equity share investments	230.903	-	230.903	-	230.903	100%
18	Total	188.578.612	38.541.048	188.578.612	17.284.274	101.739.354	49,42%

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

c.3.2. Credit risk exposure and credit risk mitigation techniques (continued):

Prior Period	Risk classes	Exposures before Credit Conversion Rate and Credit Risk Mitigation		Credit Risk Mitigation and Exposures post-Credit Conversion Rate		Risk Weighted Average and Risk Weighted Average Density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Receivables from central governments or central banks	45.922.339	-	45.922.339	-	-	-
2	Receivables from regional or local governments	8.895	2.747	8.895	1.374	18.397	179,15%
3	Receivables from administrative units and non-commercial enterprises	33.596	31.694	33.596	12.748	45.202	97,54%
4	Receivables from multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	13.531.881	1.331.550	13.531.881	980.405	5.055.662	34,84%
7	Receivables from corporates	52.551.795	12.000.176	52.551.795	5.467.289	48.090.512	82,89%
8	Retail receivables	13.260.629	13.023.148	13.260.629	4.372.038	11.117.804	63,05%
9	Receivables secured by mortgages on property	3.686.608	797.629	3.686.608	343.866	2.014.201	49,97%
10	Receivables secured by mortgages on commercial property	9.366.057	3.688.124	9.366.057	1.683.911	6.671.367	60,37%
11	Past due receivables	38.538	-	38.538	-	47.085	122,18%
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-
13	Securities collateralized by mortgages	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-
16	Other receivables	10.745.831	-	10.745.831	-	5.983.643	55,68%
17	Equity share investments	143.657	-	143.657	-	139.657	97,22%
18	Total	149.289.826	30.875.068	149.289.826	12.861.631	79.183.530	48,83%

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

c.3.3 Exposures by asset classes and risk weights:

Current Period	Risk Classes/Risk Weighted	35% secured by Property mortgage									Total risk amount (post-CCF and CRM)	
		0%	10%	20%	50%	75%	100%	150%	250%	Others ^(*)		
1	Receivables from central governments or central banks	59.115.170	-	-	-	-	-	-	-	-	-	59.115.170
2	Receivables from regional or local governments	-	-	-	-	428	-	-	-	-	5.011	5.439
3	Receivables from administrative units and non-commercial enterprises	46.718	-	2.828	-	-	-	141.269	-	-	27.290	218.105
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	2.748.860	-	20.519.891	-	78.117	-	3.755.717	-	-	-	27.102.585
7	Receivables from corporates	14.236.261	-	1.732.368	-	2.922.598	-	31.354.568	19.819	-	12.071.764	62.337.378
8	Retail receivables	1.652.635	-	560.201	-	10.436	14.123.590	-	794.279	-	203.580	17.344.721
9	Receivables secured by mortgages on property	-	-	850	3.860.038	4.850	-	4.070	1.280.432	-	196.532	5.346.772
10	Receivables secured by mortgages on commercial property	-	-	32.256	-	11.429.541	106.490	3.924	407.650	-	1.544.972	13.524.833
11	Past due receivables	102	-	150	-	20.043	-	3.101	16.687	-	-	40.083
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	7.705.286	-	3.016.933	-	-	-	9.874.678	-	-	-	20.596.897
17	Equity share investments	-	-	-	-	-	-	230.903	-	-	-	230.903
18	Total	85.505.032	-	25.865.477	3.860.038	14.466.013	14.230.080	45.368.230	2.518.867	-	14.049.149	205.862.886

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

c.3.3 Exposures by asset classes and risk weights:

	Prior Period Risk Classes/Risk Weighted											Total risk amount (post-CCF and CRM)
		0%	10%	20%	35% secured by Property mortgage	50%	75%	100%	150%	250%	Others ^(*)	
1	Receivables from central governments or central banks	45.922.339	-	-	-	-	-	-	-	-	-	45.922.339
2	Receivables from regional or local governments	-	-	-	-	1.427	-	-	-	-	8.842	10.269
3	Receivables from administrative units and non-commercial enterprises	15.624	-	2.013	-	-	-	12.615	-	-	16.092	46.344
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and brokerage houses	1.302.333	-	9.459.164	-	1.173.923	-	2.576.866	-	-	-	14.512.286
7	Receivables from corporates	19.490.476	-	1.963.790	-	874.995	-	24.409.752	1.835	-	11.278.236	58.019.084
8	Retail receivables	4.750.656	-	447.714	-	29.589	9.451.557	1.490.023	1.394.533	-	68.595	17.632.667
9	Receivables secured by mortgages on property	-	-	-	3.539.614	3.108	-	2.663	398.118	-	86.971	4.030.474
10	Receivables secured by mortgages on commercial property	-	-	2	-	10.214.117	-	7.892	198.997	-	628.960	11.049.968
11	Past due receivables	19	-	-	-	17.073	-	4.776	14.165	-	2.505	38.538
12	Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-
15	Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-
16	Other receivables	3.623.837	-	1.422.939	-	-	-	5.699.055	-	-	-	10.745.831
17	Equity share investments	-	-	5.000	-	-	-	138.657	-	-	-	143.657
18	Total	75.105.284	-	13.300.622	3.539.614	12.314.232	9.451.557	34.342.299	2.007.648	-	12.090.201	162.151.457

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

ç. Counterparty credit risk:

ç.1. Qualitative disclosure on counterparty credit risk:

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

ç.2. Counterparty credit risk (CCR) approach analysis:

Current Period	Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha used for computing regulatory exposure at default	EAD post- CRM	RWA
1 Standardised Approach - CCR (for derivatives)	16.875	138.323	-	-	155.198	152.527
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	-	-	-	-	-	152.527

^(*) Effective Expected Positive Exposure

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

ç. Counterparty credit risk (continued):

ç.2. Counterparty credit risk (CCR) approach analysis (continued):

Prior Period	Replacement cost	Potential Future exposure	EEPE ^(*)	Alpha	EAD post-CRM	RWA
				used for computing regulatory exposure at default		
1 Standardised Approach - CCR (for derivatives)	52.269	333.410		-	385.679	384.621
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						384.621

(*) Effective Expected Positive Exposure

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

	Current Period		Prior Period	
	EAD post-CRM	RWA	EAD post-CRM	RWA
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 Standardised CVA capital obligation	155.198	2.671	385.679	1.058
4 Total subject to the CVA capital obligation	155.198	2.671	385.679	1.058

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF MARCH 31, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

ç.4. CCR exposures by risk class and risk weights:

Current Period												
Risk Classes	Risk Weighted											Total credit exposure ⁽¹⁾
	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	
Receivables from central governments or central banks	-	-	-	-	-	-	-	10.134	-	-	-	10.134
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	2.671	-	-	-	-	-	-	9.004	-	-	-	11.675
Receivables from corporates	-	-	-	-	-	-	-	133.389	-	-	-	133.389
Retail receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	2.671	-	-	-	-	-	-	152.527	-	-	-	155.198

⁽¹⁾ Total credit risk represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

Prior Period												
Risk Classes	Risk Weighted											Total credit exposure ⁽¹⁾
	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	
Receivables from central governments or central banks	-	-	-	-	-	-	-	335.352	-	-	-	335.352
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from banks and brokerage houses	1.058	-	-	-	-	-	-	5.852	-	-	-	6.910
Receivables from corporates	-	-	-	-	-	-	-	43.417	-	-	-	43.417
Retail receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables secured by mortgages on property	-	-	-	-	-	-	-	-	-	-	-	-
Past due receivables	-	-	-	-	-	-	-	-	-	-	-	-
Receivables defined in high risk category by BRSA	-	-	-	-	-	-	-	-	-	-	-	-
Collateralized Securities	-	-	-	-	-	-	-	-	-	-	-	-
Securitisation positions	-	-	-	-	-	-	-	-	-	-	-	-
Short-term receivables from banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
Investments similar to collective investment funds	-	-	-	-	-	-	-	-	-	-	-	-
Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	1.058	-	-	-	-	-	-	384.621	-	-	-	385.679

⁽¹⁾ Total credit risk represents the amount relating to CAR calculation after application of counterparty risk measurement techniques.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

ç.5. Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	-

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	Collaterals received		Collaterals granted		Collaterals received	Collaterals granted
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debts	-	-	-	-	-	-
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	-

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

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

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

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

d. Information to be announced to public on Securitization:

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

e. Information to be announced to public on Market Risk:

e.1. Qualitative disclosure to be announced to public on market risk:

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

e.2 Market risk under standardised approach:

		Current Period	Prior Period
		RWA	RWA
Outright products			
1	Profit rate risk (general and specific)	7.193.804	4.755.006
2	Equity risk (general and specific)	8.836.664	6.608.892
3	Foreign exchange risk	3.111.115	2.535.352
4	Commodity risk	973.973	730.079
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	20.115.556	14.629.329

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IX. Explanations on risk management (continued):

f. Operational risk:

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

X. Explanations on business segments:

The Bank operates in retail, commercial and corporate banking segments via profit/loss sharing method in accordance with its mission.

Current Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income	2.573.587	13.072.076	7.538.327	1.772.201	24.956.191
Operating Expenses	(7.325.540)	(7.072.853)	(7.537.761)	(826.226)	(22.762.380)
Operating Income/Expenses	(4.751.953)	5.999.223	566	945.975	2.193.811
Profit/(Loss) Before Tax	(4.751.953)	5.999.223	566	945.975	2.193.811
Tax Income (Expense)	-	-	-	(323.331)	(323.331)
Current Year Profit/(Loss)	(4.751.953)	5.999.223	566	622.644	1.870.480
Total Assets	10.286.764	112.505.978	132.798.937	13.052.987	268.644.666
Total Liabilities	115.301.408	76.634.439	55.958.724	20.750.095	268.644.666

Prior Period	Retail	Commercial and Corporate	Treasury	Undistributed	Total
Operating Income	(832.231)	4.351.343	4.459.648	299.871	8.278.631
Operating Expenses	(1.642.517)	(2.689.825)	(1.120.398)	(718.259)	(6.170.999)
Operating Income/Expenses	(2.474.748)	1.661.518	3.339.250	(418.388)	2.107.632
Profit/(Loss) Before Tax	(2.474.748)	1.661.518	3.339.250	(418.388)	2.107.632
Tax Income (Expense)	-	-	-	(614.439)	(614.439)
Current Year Profit/(Loss)	(2.474.748)	1.661.518	3.339.250	(1.032.827)	1.493.193
Total Assets	9.597.842	98.606.455	117.146.214	6.818.984	232.169.495
Total Liabilities	119.310.064	55.584.829	39.885.246	17.389.356	232.169.495

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION FIVE

Explanations and notes on the unconsolidated financial statements

I. Explanations and notes related to assets:

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash/Foreign currency	316.051	3.641.758	360.378	2.831.114
CBRT	17.873.454	30.119.336	16.171.014	27.092.237
Other ^(*)	256.760	7.231.125	229.427	2.400.022
Total	18.446.265	40.992.219	16.760.819	32.323.373

^(*) Includes precious metals amounting to TL 3.811.344 (December 31, 2023: TL 494.914) and cash in transit amounting to TL 3.676.541 (December 31, 2023: TL 2.134.535) as of June 30, 2024.

b. Information related to CBRT:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted demand deposit	9.594.402	4.618.317	13.638.723	4.825.517
Unrestricted time deposit	-	-	-	-
Restricted time deposit ^(*)	8.279.052	25.501.019	2.532.291	22.266.720
Total	17.873.454	30.119.336	16.171.014	27.092.237

^(*) As of June 30, 2024, the reserve requirement held in standard gold is TL 4.654.227 (December 31, 2023: TL 3.500.219).

In accordance with the "Communiqué Regarding the Reserve Requirements numbered 2005/1", banks operating in Türkiye are required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the Communiqué Regarding the Reserve Requirements, reserve requirements can be maintained in TL, USD and/or EURO and standard gold.

As of June 30, 2024, the Bank's applicable rates for Turkish lira required reserves are between 0% and 33%, depending on the maturity structure for participation funds and other liabilities and the applicable rates for FX required reserves are between 5% and 30%, depending on the maturity structure of participation funds and other liabilities.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

c.1. Information on Banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic ^(*)	6.036.506	7.261.122	6.867.754	1.474.602
Abroad	26	10.509.762	-	6.243.124
Foreign head offices and branches	-	-	-	-
Total	6.036.532	17.770.884	6.867.754	7.717.726

^(*) Includes blockaged amount TL 5.537.355 TL(December 31, 2023: TL 6.516.426) booked under TL accounts arising from POS transactions.

c.2. Information on foreign bank accounts:

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

2. Financial assets measured at fair value through profit or loss:

a. Information on financial assets measured at fair value through profit/loss subject to repurchase transactions and given as collateral or blocked:

As of June 30, 2024, the nominal investment amount subject to repurchase agreements is TL 2.419 (December 31, 2023: None).

As of June 30, 2024, the collateralized /blocked nominal investment amount is TL 5.595.088 (December 31, 2023: TL 10.198.797).

b. Financial assets measured at fair value through profit/loss

	Current Period		Prior Period	
	TL	FC	TL	FC
Investment fund participation certificates (Net)	8.836.665	-	6.608.895	-
Sukuk	623.031	7.511.769	283.025	12.783.452
Equity Securities	-	82.648	-	74.650
Other	6.246	30.183	2.658	28.573
Total	9.465.942	7.624.600	6.894.578	12.886.675

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

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

As of June 30, 2024, there is not any investment amount subject to repurchase agreements. (December 31, 2023: None).

As of June 30, 2024, the collateralized /blocked nominal investment amount is TL 386.840 (December 31, 2023: TL 1.415.409).

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

- I. Explanations and notes related to assets (continued):
3. Information on financial assets measured at fair value through other comprehensive income (continued):

b. Detailed table of financial assets measured at fair value through other comprehensive income:

	Current Period	Prior Period
Debt Securities	12.068.889	7.486.911
Quoted on a stock exchange	12.068.889	7.486.911
Unquoted	-	-
Investment Funds	-	-
Quoted on a stock exchange	-	-
Unquoted	-	-
Share Certificates	48.861	45.261
Quoted on a stock exchange	-	-
Unquoted	48.861	45.261
Impairment Provision (-)	80	81
Total	12.117.670	7.532.091

4. Information on financial assets measured at amortised cost:

a) Information on financial assets measured at amortised cost subject to repurchase transactions, given as collateral or blocked:

As of June 30, 2024, the nominal investment amount subject to repurchase agreements is TL 1.088.950 (December 31, 2023: None).

As of June 30, 2024, the collateralized/blocked nominal investment amount is TL 14.078.638 (December 31, 2023: TL 17.968.416).

b) Information on debt securities measured at amortised cost:

	Current Period	Prior Period
Government Bonds	-	-
Treasury Bills	-	-
Other Government Securities ^(*)	28.157.399	28.852.543
Other Debt Securities	-	-
Total	28.157.399	28.852.543

^(*) Consists of sukuk certificates issued by Ministry of Treasury and Finance of Türkiye.

c) Information related to financial assets measured at amortised cost:

	Current Period	Prior Period
Debt Securities	28.157.399	28.852.543
Quoted on a stock exchange	28.157.399	28.852.543
Unquoted	-	-
Impairment provision (-)	-	-
Total	28.157.399	28.852.543

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

4. Information on financial assets measured at amortised cost (continued):

ç) Movements of the financial investments measured at amortised cost:

	Current Period	Prior Period
Balance at beginning of period	28.852.543	19.450.929
Foreign currency differences on monetary assets	1.469.636	7.975.560
Purchases during period ^(*)	5.154.480	5.228.236
Disposals through sales and redemptions ^(*)	(8.029.287)	(4.314.693)
Impairment provision (-)	-	-
Reclassifications	-	-
Increases (decreases) in income accruals	710.027	512.511
Closing balance	28.157.399	28.852.543

^(*) Represented on nominal values.

5. Information on derivative financial assets

a) Table of positive differences related to derivative financial assets:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	15.771	9.623	2.366	7.631
Swap Transactions	-	-	42.272	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Total	15.771	9.623	44.638	7.631

The Bank has not any derivative financial assets for hedging purposes (December 31, 2023: None).

6. Information on loans:

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

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	892.634	6.014	379.560	5.808
Corporate shareholders	890.125	5.664	376.786	5.458
Real person shareholders	2.509	350	2.774	350
Indirect loans granted to shareholders	1.102	82.958	84	119.373
Loans granted to employees	187.705	135	104.598	85
Total	1.081.441	89.107	484.242	125.266

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

- I. Explanations and notes related to assets (continued):
6. Information on loans (continued):
- b. Information on standard loans and loans under close monitoring including restructured or rescheduled loans:
- b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans:

Current Period	Loans Under Close Monitoring				
	Cash Loans	Standard Loans	Not Under the Scope of	Restructured	
				Restructuring or Rescheduling	Amendments to the Terms of Contracts
Loans					
Export loans	11.368.627	54.465	-	-	-
Import loans	5.620.776	30.003	-	-	-
Business loans ^(**)	45.414.601	1.440.708	2.496.116	1.374.966	-
Consumer loans	9.273.013	204.483	567	-	-
Credit cards	2.276.238	27.117	-	-	-
Loans given to financial sector	3.960.954	-	-	-	-
Other ^(*)	27.785.308	393.128	364.671	-	-
Other receivables	-	-	-	-	-
Total	105.699.517	2.149.904	2.861.354	1.374.966	

(*) Details of other loans are provided below:

Commercial loans with installments	8.204.384
Other investment credits	3.508.309
Loans given to abroad	9.497.440
Profit and loss sharing investments ^(**)	6.440.460
Loans for purchase of marketable securities for customer	814.517
Other	77.997
Total	28.543.107

(**) As of June 30, 2024, the related balance represents profit and loss sharing investment projects (3 projects) which are real estate development projects in various regions of Istanbul. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project/stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Bank. As of June 30, 2024, the profit and loss partnership investments are evaluated as financial assets measured at fair value through profit or loss, based on the valuation of December 31, 2023. Total cumulative valuation profit is TL 2.680.846 for profit and loss sharing investments.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

- I. Explanations and notes related to assets (continued):
- b. Information on standard loans and loans under close monitoring including restructured or rescheduled Loans (continued):
- b1. Detailed table for standard loans and loans under close monitoring including restructured or rescheduled loans (continued):

Prior Period	Loans Under Close Monitoring			
	Cash Loans	Standard Loans	Not Under the Scope of	Restructured
Restructuring or Rescheduling			Amendments to the Terms of Contracts	Refinancing
Loans				
Export loans	8.869.510	4.322	-	-
Import loans	5.704.330	19.066	-	-
Business loans ^(**)	45.022.517	1.170.881	4.049.437	1.078.855
Consumer loans	8.853.598	149.034	1.817	-
Credit cards	2.035.932	15.872	-	-
Loans given to financial sector	2.792.028	-	-	-
Other ^(*)	22.171.511	422.748	292.425	160.397
Other receivables	-	-	-	-
Total	95.449.426	1.781.923	4.343.679	1.239.252

(*) Details of other loans are provided below:

Commercial loans with installments	7.160.431
Other investment credits	2.972.685
Loans given to abroad	5.306.504
Profit and loss sharing investments ^(**)	6.538.964
Loans for purchase of marketable securities for customer	954.835
Other	113.662
Total	23.047.081

(**) As of December 31, 2023, the related balance represents profit and loss sharing investment projects (4 projects) which are real estate development projects in various regions of Istanbul. Revenue sharing of profit and loss sharing investment projects is done within the framework of the signed contract between the Bank and the counterparty after the cost of the projects is clarified and net profit of projects is determined once the project/stages of the project are completed. In case the transaction subject to the profit and loss sharing investment project results in a loss, the Bank's share of loss is limited with the funds invested in the project by the Bank. As of December 31, 2023, the profit and loss partnership investments are evaluated as financial assets measured at fair value through profit or loss, and the net profit amounts to TL 1.594.291 for 2023 (TL 2.047.049 valuation profit, TL 452.758 valuation profit reversal) between the total risk of the Bank and independent valuation reports of the related projects is reflected to the profit and loss statement. Total cumulative valuation profit is TL 2.680.846 and valuation loss is TL 15.000 for profit and loss sharing investments. As of 31.12.2023, the risks of profit and loss sharing investments have TL 5.395.608 as corporate finance loans classified under business loans as standard loans in the table above as well.

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

Current Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	204.807	-
Significant Increase in Credit Risk	-	1.316.561
Prior Period	Standard Loans	Loans under close monitoring
12 Month Expected Credit Losses	1.204.137	-
Significant Increase in Credit Risk	-	1.509.130

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

c. Maturity analysis of cash loans:

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

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

Current Period	Short-term	Medium and long-term	Total
Consumer loans-TL	369.044	8.923.389	9.292.433
Housing loans	27.055	6.055.288	6.082.343
Vehicle loans	124.138	1.453.158	1.577.296
Consumer loans	217.851	1.414.943	1.632.794
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	25.098	25.098
Housing loans	-	11.582	11.582
Vehicle loans	-	-	-
Consumer loans	-	13.516	13.516
Other	-	-	-
Retail credit cards-TL	821.230	4	821.234
With installment	160.992	3	160.995
Without installment	660.238	1	660.239
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	145.173	15.359	160.532
Housing loans	-	3.354	3.354
Vehicle loans	2.434	9.354	11.788
Consumer loans	142.739	2.651	145.390
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	27.173	-	27.173
With installment	8.424	-	8.424
Without installment	18.749	-	18.749
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (Real Person)	-	-	-
Overdraft account-FC (Real Person)	-	-	-
Total	369.044	8.923.389	9.292.433

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

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

Prior Period	Short-term	Medium and long-term	Total
Consumer loans-TL	449.178	8.442.724	8.891.902
Housing loans	40.210	5.123.039	5.163.249
Vehicle loans	181.459	1.586.029	1.767.488
Consumer loans	227.509	1.733.656	1.961.165
Other	-	-	-
Consumer loans-FC indexed	-	-	-
Housing loans	-	-	-
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer loans-FC	-	29.482	29.482
Housing loans	-	13.671	13.671
Vehicle loans	-	-	-
Consumer loans	-	15.811	15.811
Other	-	-	-
Retail credit cards-TL	690.171	33	690.204
With installment	216.297	19	216.316
Without installment	473.874	14	473.888
Retail credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Personnel loans-TL	56.629	26.436	83.065
Housing loans	-	2.614	2.614
Vehicle loans	7.519	18.948	26.467
Consumer loans	49.110	4.874	53.984
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	21.533	-	21.533
With installment	9.115	-	9.115
Without installment	12.418	-	12.418
Personnel credit cards-FC	-	-	-
With installment	-	-	-
Without-installment	-	-	-
Overdraft account-TL (Real Person)	-	-	-
Overdraft account-FC (Real Person)	-	-	-
Total	1.217.511	8.498.675	9.716.186

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

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

Current Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	1.796.268	5.063.725	6.859.993
Business loans	122.935	661.183	784.118
Vehicle loans	1.590.579	3.616.781	5.207.360
Consumer loans	82.754	785.761	868.515
Other	-	-	-
Commercial installment loans-FC indexed	-	257	257
Business loans	-	251	251
Vehicle loans	-	5	5
Consumer loans	-	1	1
Other	-	-	-
Commercial installment Loans-FC	40.579	1.303.555	1.344.134
Business loans	-	298.987	298.987
Vehicle loans	40.579	859.154	899.733
Consumer loans	-	145.414	145.414
Other	-	-	-
Corporate credit cards-TL	1.454.184	764	1.454.948
With installment	109.232	623	109.855
Without installment	1.344.952	141	1.345.093
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	-	-	-
Overdraft account-FC (Legal Entity)	-	-	-
Total	3.291.031	6.368.301	9.659.332

Prior Period	Short-term	Medium and long-term	Total
Commercial installment loans-TL	2.588.326	3.262.694	5.851.020
Business loans	157.223	611.874	769.097
Vehicle loans	2.077.220	2.055.121	4.132.341
Consumer loans	353.883	595.699	949.582
Other	-	-	-
Commercial installment loans-FC indexed	-	3.119	3.119
Business loans	-	3.119	3.119
Vehicle loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment Loans-FC	21.817	1.284.475	1.306.292
Business loans	-	329.230	329.230
Vehicle loans	21.817	787.001	808.818
Consumer loans	-	168.244	168.244
Other	-	-	-
Corporate credit cards-TL	1.337.166	2.901	1.340.067
With installment	251.296	2.408	253.704
Without installment	1.085.870	493	1.086.363
Corporate credit cards-FC	-	-	-
With installment	-	-	-
Without installment	-	-	-
Overdraft account-TL (Legal Entity)	-	-	-
Overdraft account-FC (Legal Entity)	-	-	-
Total	3.947.309	4.553.189	8.500.498

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

e. Allocation of loans by customers:

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

f. Breakdown of domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	102.588.301	97.507.776
Foreign loans	9.497.440	5.306.504
Total	112.085.741	102.814.280

g. Loans granted to subsidiaries and associates:

	Current Period		Prior Period	
	TL	FC	TL	FC
Direct Loans Granted to Subsidiaries and Associates	21	-	19	-
Indirect Loans Granted to Subsidiaries and Associates	-	-	-	-
Total	21	-	19	-

ğ. Specific provisions for loans or provisions for default loans (stage 3):

	Current Period	Prior Period
Loans with limited collectability	80.396	372.915
Loans with doubtful collectability	478.552	144.253
Uncollectible loans	1.317.159	1.200.916
Total	1.876.107	1.718.084

Specific provisions in the amount of TL 1.876.107 (December 31, 2023: TL 1.718.084) comprise TL 403.778 (December 31, 2023: TL 284.286) of participation account share of loans provided from participation accounts.

h. Information on non-performing loans (net):

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectable loans
Current period			
Gross amount before specific provisions	1.954	7.420	32.586
Restructured loans	1.954	7.420	32.586
Prior Period			
Gross amount before specific provisions	6.783	32.440	1.422
Restructured loans	6.783	32.440	1.422

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

h. Information on non-performing loans (net):

h.2. Movements of total non-performing loans:

	Group III	Group IV	Group V
Current Period	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Closing balance of prior period	420.050	161.098	1.224.426
Additions in the current period (+)	244.876	10.953	27.470
Transfers from other categories of non-performing loans (+)	-	511.914	142.267
Transfers to other categories of non-performing loans (-)	511.914	142.267	-
Collections in the current period (-)	17.093	37.814	38.290
Transfers to standard loans and write off(-) ^(*)	1.563	26	18.867
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	134.356	503.858	1.337.006
Provisions (-)	80.396	478.552	1.317.159
Net balance at the balance sheet	53.960	25.306	19.847

^(*) According to "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated November 27, 2019 numbered 30961, the amount which has been carried to performing loans is TL 1.962. Since there is no reasonable expectation regarding its recovery, TL 18.494 has been deleted from the accounting records in the scope of the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" together with its 100% specific provision. The impact of the write-off under TFRS 9 on the NPL ratio is 1 basis points

Non-performing loans in the amount of TL 1.975.220 comprise TL 479.040 of participation account share of loans provided from participation accounts.

	Group III	Group IV	Group V
Prior Period	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectable loans and receivables
Closing balance of prior period	212.750	453.980	801.247
Additions in the current period (+)	2.436.353	15.551	304.673
Transfers from other categories of non-performing loans (+)	-	1.124.593	1.075.136
Transfers to other categories of non-performing loans (-)	1.124.593	1.075.136	-
Collections in the current period (-)	832.719	41.476	120.278
Transfers to standard loans and write off (-) ^(*)	271.741	316.414	836.352
Dispose of (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Closing balance of the current period	420.050	161.098	1.224.426
Specific provisions (-)	372.915	144.253	1.200.916
Net balance at the balance sheet	47.135	16.845	23.510

^(*) According to "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated November 27, 2019 numbered 30961, the amount which has been carried to performing loans is TL 10.956. Since there is no reasonable expectation regarding its recovery, TL 1.413.551 has been deleted from the accounting records in the scope of the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" together with its 100% specific provision. The impact of the write-off under TFRS 9 on the NPL ratio is 126 basis points

Non-performing loans in the amount of TL 1.805.574 comprise TL 348.036 of participation account share of loans provided from participation accounts.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

h. Information on non-performing loans (net):

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period:			
Period end balance	10.601	173.087	55.689
Provision (-)	7.661	165.832	54.012
Net balance	2.940	7.255	1.677
Prior period:			
Period end balance	151.872	26.087	30.787
Provision (-)	140.939	26.087	28.303
Net balance	10.933	-	2.484

h.4. Gross and net amounts of non-performing loans according to user groups:

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectable loans
Current period (net)	53.960	25.306	19.847
Loans to individuals and corporates (gross)	134.356	503.858	1.337.006
Provision (-)	80.396	478.552	1.317.159
Loans to individuals and corporates (net)	53.960	25.306	19.847
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	-	-	-
Prior period (net)	47.135	16.845	23.510
Loans to individuals and corporates (gross)	420.050	161.098	1.224.426
Provision (-)	372.915	144.253	1.200.916
Loans to individuals and corporates (net)	47.135	16.845	23.510
Banks (gross)	-	-	-
Provision (-)	-	-	-
Banks (net)	-	-	-
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other loans (net)	-	-	-

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

h. Information on non-performing loans (net):

h.5. Information on accruals, valuation differences and related provisions calculated for non-performing loans for Banks which are providing expected credit loss according to TFRS 9:

	Group III Loans with limited collectibility	Group IV Loans with doubtful collectability	Group V Uncollectible loans
Current Period (Net)	8.028	25.487	45.169
Profit Share Accruals and Valuation Differences	11.567	25.487	45.169
Provision (-)	3.539	-	-
Prior Period (Net)	18.134	9.648	39.149
Profit Share Accruals and Valuation Differences	34.600	9.648	39.149
Provision (-)	16.466	-	-

i. Liquidation policy for uncollectible loans:

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

i. Information on write-off policies:

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

7. Information on lease receivables (net):

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

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	1.631.746	1.477.603	1.331.900	1.206.071
1 to 4 years	4.940.478	3.501.752	4.700.373	3.273.855
More than 4 years	17.536	13.354	69.085	69.085
Total	6.589.760	4.992.709	6.101.358	4.549.011

b. Information on net investments through finance lease:

	Current Period	Prior Period
Financial lease receivables (Gross)	6.589.760	6.101.358
Unearned financial lease receivable (-)	1.597.051	1.552.347
Net receivable from financial leases	4.992.709	4.549.011

c. General explanation on finance lease contracts:

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

Information on leasing receivables:

	Standard Loans	Loans Under Close Monitoring		
		Not Under the Scope of Restructuring or Rescheduling		Restructured
		Loans with Revised Contract Terms		Refinancing
Current Period				
Financial lease receivables (Net)	4.903.792	82.561	6.356	-
Prior Period				
Financial lease receivables (Net)	4.509.179	32.916	6.916	-

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

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

Assets held for sale consist of tangible assets, which have been acquired due to non-performing loans.

	Current Period	Prior Period
Opening Balance	641.631	341.132
Additions	4.052.763	672.801
Real Estate Acquired	3.934.590	672.801
Discontinued Operations	118.173	-
Disposals	(8.624)	(76.956)
Transfers ^(*)	(473.714)	(283.684)
Impairment Provision(-)/Reversal of Impairment Provision	-	(11.662)
Net closing balance	4.212.056	641.631

^(*) The transfers and impairments related to the transfers (if any) have been moved to assets to be sold under tangible assets.

As of June 30, 2024, TL 4.092.133 (December 31, 2023: TL 639.881) of the assets held for sale is comprised of real estates, TL 1.750 (December 31, 2023: 1.750) is comprised of other tangible assets. The Bank has not any discontinued operations and assets of discontinued operations.

As stated in the Public Disclosure Platform(PDP) material event disclosure dated April 3, 2024, with the initiation of the liquidation process of Getinsha GMBH, a subsidiary of the Bank, the related subsidiary has been classified as discontinued operations. Getinsha GmbH has been established in Berlin (Germany) in 2018 in order to provide digital participation banking services through the banking license of Solarisbank AG to collect funds through mentioned license (mudaraba method) and to evaluate funds in accordance with the interest-free finance principles of the signed contract. As of June 30, 2024, the capital of the company is EUR 124.155.083 (full balance in original currency) equivalent to TL 118.173 as historical cost in the Balance Sheet.

As of June 30, 2024, unreviewed financial statements of Getinsha GmbH is as follows:

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Getinsha GmbH	Berlin / Germany	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
480.315 €	-	-	-	(8.998) €	(8.998) €	(7.173.498) €	-

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

9. Ownership investments:

a. Associates:

a.1. Information on unconsolidated associates:

The Bank has become a shareholder in Katılım Finans Kefalet A.Ş., which was established in order to establish a surety system in accordance with the principles of Participation Banking, with a share of TL 45.000. The total capital of the company is TL 600.000 and the Bank's total participation share is TL 90.000 corresponding to 15%. The remaining TL 45.000 will be paid within 2 years. There is a board member representing the Bank's shares in the company.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Katılım Finans Kefalet A.Ş.	İstanbul/Türkiye	%15	%85

a.2. Information on consolidated associates:

As of balance sheet date, the Bank does not have any consolidated associates. (December31,2023: None)

b. Information on subsidiaries (net):

b1. Information on unconsolidated non financial subsidiaries:

As of balance sheet date, the Bank does not have any non financial subsidiaries. (December31,2023: None)

b2. Information on subsidiaries:

Bereket Varlık Kiralama A.Ş and Değer Varlık Kiralama A.Ş., the purpose of which are to obtain rental income by taking over the assets of the source institution and leasing them back to the source institution, issue rent certificates based on said rental income and pass on the related assets to source institution by the end of the rental period. Bereket Varlık Kiralama A.Ş. and Değer Varlık Kiralama A.Ş. have been founded to operate according to rulings of Turkish Trade Law about foundations of incorporations and complying with Communiqué on "Principles Related to Rent Certificates and Asset Leasing Companies" dated April 1, 2010 and numbered 27539 serial: 3 no:43 published in Official Gazette by Capital Markets Board of Türkiye and other related regulations. The founding capital of each company is TL 50. As of June 30, 2024, the capital of each company is TL 50.

i. The balances of Bereket Varlık Kiralama A.Ş. presented in the table below have been obtained from unreviewed financial statements as of June 30, 2024.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Bereket Varlık Kiralama A.Ş.	İstanbul/Türkiye	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
7.871.746	395	-	-	-	159	176	-

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

II. Explanations and notes related to assets (continued):

b2. Information on subsidiaries (continued):

ii. The balances of Değer Varlık Kiralama A.Ş. presented in the table below have been obtained from unreviewed financial statements as of June 30, 2024.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Değer Varlık Kiralama A.Ş.	İstanbul / Türkiye	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
275.309	7.126	-	-	-	1.640	5.426	-

iii. In the Board of Directors meeting dated February 25, 2015, the Bank has taken a resolution on establishment a real estate portfolio management company with the name of "Albaraka Gayrimenkul Portföy Yönetimi A.Ş. whose capital is TL 5.000. The company is registered on June 3, 2015 and the foundation of the company is published on Trade Registry Gazette dated June 9, 2015 numbered 8837. The title of the company was changed to "Albaraka Portföy Yönetimi A.Ş." upon the decision of "2018 Extraordinary General Assembly" dated December 20, 2017. As of June 30, 2024, the capital of the company is TL 180.000. The balances of Albaraka Portföy Yönetimi A.Ş. presented in the table below have been obtained from unreviewed financial statements as of June 30, 2024.

Name	Address (City/Country)	Bank's share percentage- If different voting percentage (%)	Risk share percentage of other shareholders (%)
Albaraka Portföy Yön. A.Ş.	İstanbul/Türkiye	100,00	-

Total assets	Shareholders' equity	Total fixed assets	Dividend or profit share income	Income from marketable securities	Current period profit/loss	Prior years profit/loss	Fair value
701.852	648.897	3.842	13.876	-	171.275	245.292	-

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

v. Movement and sectoral information on consolidated subsidiaries:

	Current Period	Prior Period
Amount at the beginning of the period	69.321	69.321
Movements inside the term	-	-
Purchases/new incorporations/capital increases	53.952	-
Bonus shares	-	-
Profit received from current year share	-	-
Sales / Capital decreases (-)(*)	(118.173)	-
Revaluation increases	-	-
Impairments	-	-
Amount at the end of the period	5.100	69.321
Capital commitments	-	-
Share of the capital at the end of the period (%)	100	100

(*)As stated in the Public Disclosure Platform(PDP) material event disclosure dated April 3, 2024, with the initiation of the liquidation process of Getinsha GMBH, a subsidiary of the Bank, the related subsidiary has been classified as discontinued operations

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financing Companies	-	-
Other Financial Subsidiaries	5.100	69.321

c. Information on investments in joint-ventures:

The Bank founded Katılım Emeklilik ve Hayat A.Ş. ("Company") – a private pension and insurance company-through equal partnership with Kuveyt Turk Katılım Bankası A.Ş. in the form of joint venture in accordance with Board of Directors' decision dated May 10, 2013 numbered 1186, and permission of BRSA dated September 24, 2013 numbered 4389041421.91.11-24049. The Company was registered on December 17, 2013 and noticed in Trade registry gazette dated December 23, 2013 and numbered 8470. The financial data from unreviewed financial statements as of June 30, 2024 is as follows:

Joint-Ventures	The Parent Bank's shareholding percentage (%)	Group's shareholding percentage (%)	Current Assets	Non- Current Assets	Long Term Debts	Income	Expense
Katılım Emeklilik ve Hayat A.Ş.	50%	50%	2.831.073	26.037.137	25.990.811	1.868.817	1.571.991

Investment in joint venture in the unconsolidated financial statements is carried at cost amounts to TL 20.000.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

10. Information on tangible assets:

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

11. Information on intangible assets:

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

12. Information on investment property:

None (December 31, 2023: None)

13. Information related to deferred tax asset:

As of June 30, 2024, the Bank calculated net deferred tax asset of TL 1.245.377 (December 31, 2023: TL 1.194.755) by netting off deferred tax asset of TL 2.397.584 (December 31, 2023: TL 2.358.300) and deferred tax liability of TL 1.152.207 (December 31, 2023: TL 1.163.545) on all tax deductible/taxable temporary differences arising between the carrying amounts and the tax base of assets and liabilities in the financial statements that will be considered in the calculation of taxable earnings in the future periods.

	Current Period	Prior Period
Rediscount on profit share and prepaid fees and commission income and unearned revenues	246.103	192.301
Provisions for retirement premium and vacation pay liabilities	373.591	363.385
Difference between carrying value and tax base of tangible assets (amortisation differences)	217.255	218.425
Provisions for cases on trial	24.428	22.376
Provisions	264.608	619.079
Leasing profit share expenses	119.492	99.054
Other ^(*)	1.152.107	843.680
Deferred tax asset	2.397.584	2.358.300
Revaluation difference of property	312.767	322.935
Rediscount on profit share	107.749	143.214
Right of use assets	229.342	190.808
Derivative financial liabilities	7.618	15.681
Investment funds	402.076	371.861
Other ^(**)	92.655	119.046
Deferred tax liability	1.152.207	1.163.545
Deferred tax asset (net)	1.245.377	1.194.755

^(*) Includes TL 82.023, the deferred tax liability of securities revaluation at fair value through other comprehensive income (December 31, 2023: 112.496 TL).

14. Information on other assets:

As of the balance sheet date, the Bank’s other assets balance is TL 1.475.310 (December 31, 2023: TL 1.033.944) and does not exceed 10% of total assets.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

II. Explanations and notes related to liabilities:

1. Information on funds collected:

a. Information on maturity structure of funds collected:

Current Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts									
Non-Trade TL	6.185.479	-	-	-	-	-	-	-	6.185.479
II. Real Persons Participation Accounts Non-Trade TL	-	4.500.559	24.351.417	2.066.267	-	52.577	17.224.972	19.365	48.215.157
III. Current Account other-TL	10.610.268	-	-	-	-	-	-	-	10.610.268
Public Sector	154.078	-	-	-	-	-	-	-	154.078
Commercial Institutions	9.767.940	-	-	-	-	-	-	-	9.767.940
Other Institutions	649.351	-	-	-	-	-	-	-	649.351
Commercial and Other Institutions	10.908	-	-	-	-	-	-	-	10.908
Banks and Participation Banks	27.991	-	-	-	-	-	-	-	27.991
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	27.980	-	-	-	-	-	-	-	27.980
Participation Banks	9	-	-	-	-	-	-	-	9
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	19.514.281	8.365.072	941.526	-	755.427	1.697.810	536	31.274.652
Public Sector	-	-	1.846	-	-	-	-	-	1.846
Commercial Institutions	-	19.354.626	7.779.699	731.485	-	85.058	1.644.851	326	29.596.045
Other Institutions	-	159.362	560.926	204.239	-	670.369	52.959	210	1.648.065
Commercial and Other Institutions	-	293	22.548	5.802	-	-	-	-	28.643
Banks and Participation Banks	-	-	53	-	-	-	-	-	53
V. Real Persons Current Accounts Non-Trade FC	27.775.165	-	-	-	-	-	-	-	27.775.165
VI. Real Persons Participation Accounts Non-Trade FC	-	7.558.149	6.108.301	630.196	-	69.845	2.003.836	33.150	16.403.477
VII. Other Current Accounts FC	20.771.785	-	-	-	-	-	-	-	20.771.785
Residents in Türkiye-Corporate	12.585.583	-	-	-	-	-	-	-	12.585.583
Residents Abroad-Corporate	7.375.937	-	-	-	-	-	-	-	7.375.937
Banks and Participation Banks	810.265	-	-	-	-	-	-	-	810.265
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	179	-	-	-	-	-	-	-	179
Foreign Banks	809.653	-	-	-	-	-	-	-	809.653
Participation Banks	433	-	-	-	-	-	-	-	433
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other-FC	-	444.433	412.155	659.734	-	49.116	10.832	1.481	1.577.751
Public sector	-	-	-	-	-	-	-	-	-
Commercial institutions	-	426.933	384.000	658.618	-	129	7.974	1.481	1.479.135
Other institutions	-	13.326	24.091	1.116	-	-	-	-	38.533
Commercial and Other Institutions	-	4.174	4.064	-	-	-	2.858	-	11.096
Banks and Participation Banks	-	-	-	-	-	48.987	-	-	48.987
IX. Precious Metals Deposits	15.046.913	425.374	616.238	433.541	-	65.123	155.224	5.649	16.748.062
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools – FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents Abroad	-	-	-	-	-	-	-	-	-
Total (I+II+....+IX+X+XI)	80.389.610	32.442.796	39.853.183	4.731.264	-	992.088	21.092.674	60.181	179.561.796

Foreign exchange-protected participation account instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL participation accounts are valued with profit rates and are protected against changes in foreign exchange rates, is offered to bank customers. Within this scope, as of June 30, 2024, TL participation accounts include TL 28.718.309 foreign exchange-protected participation accounts.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

a. Information on maturity structure of funds collected (continued):

Prior Period	Demand	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	Over 1 year	Accumulated participation accounts	Total
I. Real Persons Current Accounts Non-Trade TL	5.582.161	-	-	-	-	-	-	-	5.582.161
II. Real Persons Participation Accounts Non-Trade TL	-	3.565.694	25.482.294	2.977.568	-	127.860	23.724.196	15.599	55.893.211
III. Current Account other-TL	9.467.258	-	-	-	-	-	-	-	9.467.258
Public Sector	93.157	-	-	-	-	-	-	-	93.157
Commercial Institutions	8.981.211	-	-	-	-	-	-	-	8.981.211
Other Institutions	340.240	-	-	-	-	-	-	-	340.240
Commercial and Other Institutions	32.101	-	-	-	-	-	-	-	32.101
Banks and Participation Banks	20.549	-	-	-	-	-	-	-	20.549
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	2	-	-	-	-	-	-	-	2
Foreign Banks	20.537	-	-	-	-	-	-	-	20.537
Participation Banks	10	-	-	-	-	-	-	-	10
Other	-	-	-	-	-	-	-	-	-
IV. Participation Accounts-TL	-	3.163.160	5.127.710	898.250	-	622	1.171.472	697	10.361.911
Public Sector	-	-	164	-	-	-	-	-	164
Commercial Institutions	-	3.087.413	4.453.896	881.486	-	611	1.123.543	675	9.547.624
Other Institutions	-	75.667	625.796	11.864	-	11	47.929	22	761.289
Commercial and Other Institutions	-	80	47.809	4.900	-	-	-	-	52.789
Banks and Participation Banks	-	-	45	-	-	-	-	-	45
V. Real Persons Current Accounts Non-Trade FC	27.567.137	-	-	-	-	-	-	-	27.567.137
VI. Real Persons Participation Accounts Non-Trade FC	-	7.212.694	6.479.480	640.908	-	64.016	2.318.109	31.203	16.746.410
VII. Other Current Accounts FC	21.695.954	-	-	-	-	-	-	-	21.695.954
Residents in Türkiye- Corporate	12.703.787	-	-	-	-	-	-	-	12.703.787
Residents abroad- Corporate	7.579.985	-	-	-	-	-	-	-	7.579.985
Banks and Participation Banks	1.412.182	-	-	-	-	-	-	-	1.412.182
Central Bank of Türkiye	-	-	-	-	-	-	-	-	-
Domestic Banks	168	-	-	-	-	-	-	-	168
Foreign Banks	1.411.621	-	-	-	-	-	-	-	1.411.621
Participation Banks	393	-	-	-	-	-	-	-	393
Other	-	-	-	-	-	-	-	-	-
VIII. Participation Accounts other- FC	-	452.522	528.987	621.738	-	44.696	17.162	1.340	1.666.445
Public Sector	-	-	-	-	-	-	-	-	-
Commercial Institutions	-	419.199	435.396	605.940	-	232	13.583	1.340	1.475.690
Other Institutions	-	11.216	28.456	1.022	-	-	-	-	40.694
Commercial and Other Institutions	-	22.107	65.135	-	-	-	3.579	-	90.821
Banks and Participation Banks	-	-	-	14.776	-	44.464	-	-	59.240
IX. Precious Metals Deposits	11.349.190	393.191	580.154	343.209	-	23.880	131.521	4.224	12.825.369
X. Participation Accounts Special Fund Pools TL	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
XI. Participation Accounts Special Fund Pools -FC	-	-	-	-	-	-	-	-	-
Residents in Türkiye	-	-	-	-	-	-	-	-	-
Residents abroad	-	-	-	-	-	-	-	-	-
Total (I+II+.....+IX+X+XI)	75.661.700	14.787.261	38.198.625	5.481.673	-	261.074	27.362.460	53.063	161.805.856

Foreign exchange-protected participation account instrument, the operating rules of which are determined by the Ministry of Treasury and Finance and the CBRT, and which ensures that TL participation accounts are valued with profit rates and are protected against changes in foreign exchange rates, is offered to bank customers. Within this scope, as of December 31, 2023, TL participation accounts include TL 45.209.939 foreign exchange-protected participation accounts.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

b. Information on participation fund under the guarantee of insurance:

b.1. Under the guarantee of Insurance and Exceeding the limit of Insurance Fund (*):

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

	Under the guarantee of Insurance	Under the guarantee of Insurance	Exceeding the guarantee of Insurance	Exceeding the guarantee of Insurance
	Current Period	Prior Period	Current Period	Prior Period
Real persons' current and participation accounts not subject to trading transactions				
Turkish Lira accounts	15.967.713	13.769.278	38.432.922	47.706.096
Foreign currency accounts	23.237.521	17.267.434	37.397.726	39.423.065
Foreign branches' deposits subject to foreign authorities' insurance	49.635	40.043	143.176	175.915
Off-shore deposits under foreign authorities' insurance	-	-	-	-

(*) In accordance with the "Regulation on Amending the Regulation on the Insurable Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated August 27, 2022 and numbered 31936, all deposit and participation funds have been insured except official institutions in the presence of credit institutions, credit institutions and financial institutions. In this context, commercial current and participation accounts covered by the insurance amount to TL 8.136.751 (December 31,2023: TL 6.252.084), amounts exceeding the insurance limit is TL 36.897.085 (December 31,2023 : TL 34.374.420) and the mentioned amount is not included in the footnote.

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

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

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

	Current Period	Prior Period
Foreign Branches' Profit Sharing Accounts and Other Accounts	-	-
Profit Sharing Accounts and Other Accounts of Controlling Shareholders and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	-	-
Profit Sharing Accounts and Other Accounts of Chairman and Members of Board Of Directors or Managers, General Manager and Assistant General Managers and Profit Sharing Accounts and Other Accounts of Their Mother, Father, Spouse, and Children in Care	11.120	19.411
Profit Sharing Accounts and Other Accounts in Scope of the Property Holdings Derived from Crime Defined in article 282 of Turkish Criminal Law no:5237 dated 26.09.2004	-	-
Profit Sharing Accounts in Participation Banks Established in Türkiye in order to engage solely in Off-Shore Banking Activities	-	-

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

2. Information on borrowings:

a.1. Information on types of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Syndication Loans	-	-	-	-
Wakala Loans	-	1.983.474	-	2.331.614
Loans Obtained from Issued Lease Certificates (Sukuk)	7.504.525	6.602.054	2.138.351	6.064.054
Investment Fund	-	21.622.822	-	15.083.668
Borrowings from Banks Foreign	2.675.289	5.260.402	-	4.814.369
Other	110.945	87.543	39.957	63.926
Total	10.290.759	35.556.295	2.178.308	28.357.631

a.2. Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from CBRT	-	-	-	-
Loans from domestic banks and institutions	7.522.555	21.631.721	2.178.308	15.091.430
Loans from foreign banks, institutions and funds	2.768.204	13.924.574	-	13.266.201
Total	10.290.759	35.556.295	2.178.308	28.357.631

a.3. Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	8.942.406	23.532.751	957.276	17.678.203
Medium and Long-Term	1.348.353	12.023.544	1.221.032	10.679.428
Total	10.290.759	35.556.295	2.178.308	28.357.631

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

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

3. Information on derivative financial liabilities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	13.593	9.364	732	7.337
Swap transactions	232.335	2.162	113.307	-
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	245.928	11.526	114.039	7.337

The Bank has not any derivative financial liabilities for hedging purposes (December 31, 2023: None).

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

4. Lease payables (Net):

	Current Period		Prior Period	
	TL	FC	TL	FC
Less than a year	5.715	-	4.569	-
1 to 5 years	354.133	35.817	297.509	40.972
Over 5 years	508.556	42.515	400.159	31.544
Total	868.404	78.332	702.237	72.516

5. Information on provisions:

a. Information on provisions for employee rights:

Provisions for employee benefits consist of reserve for employee termination benefits amounting to TL 484.474 (December 31, 2023: TL 412.474), vacation pay liability amounting to TL 97.587 (December 31, 2023: TL 40.050) and performance premium amounts to TL 127.875 (December 31, 2023: TL 750.000) totaling to TL 709.936 (December 31, 2023: TL 1.202.524). The Bank has calculated the reserve for employee termination benefits using actuarial valuation methods as indicated in TAS 19. Accordingly, following actuarial assumptions were used in the calculation of the total liability.

	Current Period	Prior Period
Discount rate (%)	25,00	25,00
Estimated increase rate of salary ceiling (%)	22,00	22,00

Movement of the reserve for employment termination benefits in the balance sheet is as follows:

	Current Period	Prior Period
Prior period ending balance	412.474	321.032
Allocation the in period	72.000	57.200
Actuarial (gain)/loss	-	34.242
Balance at the end of the period	484.474	412.474

b. Other provisions:

	Current Period	Prior Period
Non-cash loans first and second stage expected loss provisions	34.702	28.486
Provisions allocated from profit shares to be distributed to profit sharing accounts	30.536	4.588
Third stage expected loss provisions for unindemnified letter of guarantees	26.692	24.962
Third stage expected loss provisions for cheques commitments	5.715	4.547
Provisions for promotions related with credit cards and promotion of banking services	1.113	578
Provisions for cases on trial	81.426	74.587
Accrual for purchase and sale commitments	825	1.734
Free provisions allocated for possible losses ^(*)	5.213.000	5.213.000
Other	15.330	13.958
Total	5.409.339	5.366.440

^(*) Includes free provision amounting to TL 5.213.000, which is set aside by the Bank's management apart from the requirements of the BRSA Accounting and Financial Reporting Legislation. (December 31, 2023: TL 5.213.000).

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

5. Information on provisions (continued):

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

As of June 30, 2024, there is no provision for exchange losses in foreign currency indexed loans and financial lease receivables (December 31, 2023: None).

6. Information on taxes payable:

a. Explanations on current tax liability

a.1. Explanations on tax provisions:

As of June 30, 2024, the Bank's remaining tax liability after deducting the temporary taxes paid from corporate tax amounts to TL 44.948 (December 31, 2023: TL 912.087).

a.2. Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	44.948	912.087
Banking insurance transaction tax	148.292	118.812
Taxation on securities income	90.796	28.876
Value added tax payable	15.910	15.314
Taxation on real estate income	3.932	3.037
Foreign exchange transaction tax	3.055	4.872
Income tax deducted from wages	51.696	46.486
Other	4.196	7.623
Total	362.825	1.137.107

a.3. Information on premiums:

	Current Period	Prior Period
Social security premiums-employee	31.635	23.710
Social security premiums-employer	34.950	26.030
Bank pension fund premium-employees	-	-
Bank pension fund premium-employer	-	-
Pension fund membership fees and provisions-employees	-	-
Pension fund membership fees and provisions-employer	-	-
Unemployment insurance-employee	2.254	1.689
Unemployment insurance-employer	4.508	3.379
Other	-	-
Total	73.347	54.808

7. Liabilities for assets held for sale and discontinued operations:

None (December 31, 2023: None).

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

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

Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in calculation of additional Tier I Capital	-	-	-	-
Subordinated loans	-	-	-	-
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in calculation of Tier II Capital	-	9.025.516	-	8.896.597
Subordinated loans	-	9.025.516	-	8.896.597
Subordinated debt instruments	-	-	-	-
Total	-	9.025.516	-	8.896.597

The Bank has obtained subordinated loan on November 30, 2015 from the investors not resident in Türkiye through its structured entity Albaraka Sukuk Limited amounting to USD 250.000.000 with 10 years maturity with a grace period of 5 years. The profit rate of the Subordinated Loan has been determined as 10,50 % for the first 5 years and 9,371% for the last 5 years (starting from May 2021). The Bank has paid the amount of USD 22.928.000 in May 2024, the remaining issued amount is USD 175.997.000.

The Bank has obtained subordinated loan on February 28, 2023 from the investors not resident in Türkiye through its structured entity Albaraka CT One Ltd amounting to USD 100.000.000 with 10 years maturity with a grace period of 5 years. The profit rate of the Subordinated Loan is 10 %.

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

As of the balance sheet date, the Bank's other liabilities balance is TL 10.181.041 (December 31, 2023: TL 8.886.676) and does not exceed 10% of total liabilities.

10. Information on shareholders' equity:

a. Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	2.500.000	2.500.000
Preferred stock	-	-

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

In the Boards of Directors dated November 30, 2022, it has been decided that authorized share capital is TL 5.000.000 between 2023 and 2027 (5 years). Following the applications to legal authorities and their approval, The Bank's text of amendment to the main contract has been approved in the General Assembly dated March 27, 2023.

Share Capital System	Paid-in Capital	Ceiling
Registered Capital	2.500.000	5.000.000

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

None.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

10. Information on shareholders' equity (continued):

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

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

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

There are no capital commitments until the end of the last fiscal year and following interim period.

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

The Bank continues its operations in a profitable manner and majority of the profits are kept in shareholders' equity through transfer to reserves. Moreover, the Bank's shareholders' equity is invested in liquid and earning assets.

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

There are no privileges given to stocks representing the capital.

g. Information on marketable securities valuation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	-	-	-	-
Valuation difference ^(*)	131.624	59.273	201.189	60.811
Foreign exchange difference	-	-	-	-
Total	131.624	59.273	201.189	60.811

^(*) The amount represents the net balance after deferred tax calculation.

ğ) Information on other capital reserves:

The Bank has evaluated its undated sukuk transaction as non monetary item as per TAS 32 which is issued by "Bereket One Ltd" quoted at Ireland Stock Exchange amount to USD 205.000.000 (historical cost is TL 775.720) and compatible with Basel III criteria. In addition to this evaluation, considering BRSA's approval to add it to additional Tier 1 capital dated February 20, 2018, the Bank recognized it in shareholders' equity under "other capital reserves" on historical cost. The settlement date of the sukuk transaction is February 20, 2023 and its yearly coupon payment of 11,422%, (10% for first five years with every six-month payment). The Bank has option to cancel the expense amounts. If the Bank uses this option, it is not obligatory to pay the amount it has not paid in the following periods.

The total coupon payment for the related transaction amounting to TL 1.661.518 (December 31, 2023: TL 1.302.134) has been recognized under prior years profit / loss.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

1. Explanations on off balance sheet:

a. Type and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for credit card limits	5.509.996	3.797.263
Payment commitments for cheques	2.268.821	1.628.852
Asset purchase and sale commitments	732.751	2.799.091
Loan granting commitments	612.704	605.190
Subsidiaries and Associates Commitments	45.000	67.500
Tax and funds liabilities arising from export commitments	102.366	78.574
Commitments for promotions related with credit cards and banking activities	942	492
Other irrevocable commitments	564	557
Other revocable commitments	44.500	44.500
Total	9.317.644	9.022.019

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

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

	Current Period	Prior Period
Letters of guarantees	26.500.286	24.611.183
Bank loans	40.383	137.121
Letters of credit	6.171.742	5.154.598
Other guaranties and sureties	156.301	169.038
Total	32.868.712	30.071.940

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

	Current Period	Prior Period
Letters of guarantees	26.500.286	24.611.183
Long standing letters of guarantees	20.568.525	18.722.511
Temporary letters of guarantees	756.287	572.672
Advance letters of guarantees	1.087.543	1.091.679
Letters of guarantees given to customs	1.624.186	1.508.765
Letters of guarantees given for obtaining cash loans	2.463.745	2.715.556
Sureties and similar transactions	156.301	169.038
Total	26.656.587	24.780.221

c. Within the Non-cash Loans

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

	Current Period	Prior Period
Non-cash loans given against cash loans	2.463.745	2.715.556
With original maturity of 1 year or less	722.209	697.538
With original maturity of more than 1 year	1.741.536	2.018.018
Other non-cash loans	30.404.967	27.356.384
Total	32.868.712	30.071.940

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

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

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

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

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

2. Explanations on derivative transactions:

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

3. Explanations on contingent assets and liabilities:

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

4. Explanations on services rendered on behalf of third parties:

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

1. Information on profit share income:

a. Information on profit share income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share received from loans^(*)				
Short Term Loans	6.045.696	667.721	2.127.642	249.379
Medium and Long Term Loans	5.489.162	725.805	2.138.098	566.446
Profit Share on Non-Performing Loans	38.201	2.026	53.491	1.053
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	11.573.059	1.395.552	4.319.231	816.878

(*) Includes fees and commission income on cash loans.

b. Information on profit share income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
CBRT	992.637	-	16.866	-
Domestic Banks	1.081	-	39	-
Foreign Banks	-	-	-	-
Head Offices and Branches Abroad	-	-	-	-
Total	993.718	-	16.905	-

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial assets measured at fair value through profit/loss	124.635	136.714	408.924	142.918
Financial assets measured at fair value through other comprehensive income	930.561	122.132	107.695	39.588
Financial assets measured at amortised cost	1.446.740	531.875	544.323	398.310
Total	2.501.936	790.721	1.060.942	580.816

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share income received from associates and subsidiaries	100.121	-	21.756	-
Total	100.121	-	21.756	-

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IV. Explanations and notes related to the statement of profit or loss (continued):

2. Explanations on profit share expenses:

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

Current Period		Profit sharing accounts					Accumulated profit sharing account	Total
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year		
TL								
Funds collected from banks through current and profit sharing accounts	-	8	-	-	-	-	-	8
Real persons' non-trading profit sharing accounts	682.939	3.564.872	333.642	-	11.661	2.341.715	2.569	6.937.398
Public sector profit sharing accounts	-	86	-	-	-	-	-	86
Commercial sector profit sharing accounts	1.805.821	1.009.328	126.392	-	6.959	124.279	13	3.072.792
Other institutions profit sharing accounts	14.496	84.288	38.796	-	38.361	5.716	-	181.657
Total	2.503.256	4.658.582	498.830	-	56.981	2.471.710	2.582	10.191.941
FC								
Funds collected from banks through current and profit sharing accounts	-	-	27	-	457	-	-	484
Real persons' non-trading profit sharing accounts	44.171	36.471	3.247	-	346	13.556	383	98.174
Public sector profit sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	2.458	2.240	5.035	-	2	69	10	9.814
Other institutions profit sharing accounts	119	250	7	-	-	9	-	385
Precious metals deposits	-	-	-	-	-	-	-	-
Total	46.748	38.961	8.316	-	805	13.634	393	108.857
Grand total	2.550.004	4.697.543	507.146	-	57.786	2.485.344	2.975	10.300.798
Prior Period		Profit sharing accounts					Accumulated profit sharing account	Total
Account name	Up to 1 month	Up to 3 months	Up to 6 months	Up to 9 months	Up to 1 year	More than 1 year		
TL								
Funds collected from banks through current and profit sharing accounts	-	3	-	-	-	-	-	3
Real persons' non-trading profit sharing accounts	206.625	1.512.984	175.564	-	1.368	481.264	865	2.378.670
Public sector profit sharing accounts	1	10	-	-	-	-	-	11
Commercial sector profit sharing accounts	80.103	298.001	48.907	-	121.641	15.425	1	564.078
Other institutions profit sharing accounts	6.771	35.157	2.199	-	5	1.101	-	45.233
Total	293.500	1.846.155	226.670	-	123.014	497.790	866	2.987.995
FC								
Funds collected from banks through current and profit sharing accounts	-	-	-	-	672	-	-	672
Real persons' non-trading profit sharing accounts	38.264	32.192	4.995	-	356	16.178	290	92.275
Public sector profit sharing accounts	-	-	-	-	-	-	-	-
Commercial sector profit sharing accounts	1.934	2.456	2.231	-	1	136	7	6.765
Other institutions profit sharing accounts	198	790	108	-	-	844	-	1.940
Precious metals deposits	24	52	7	-	1	78	2	164
Total	40.420	35.490	7.341	-	1.030	17.236	299	101.816
Grand total	333.920	1.881.645	234.011	-	124.044	515.026	1.165	3.089.811

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IV. Explanations and notes related to the statement of profit or loss (continued):

2. Explanations on profit share expenses (continued):

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	239.550	845.348	3.058	222.815
CBRT	-	-	-	-
Domestic banks	-	419	-	106
Foreign banks	239.550	844.929	3.058	222.709
Head offices and branches abroad	-	-	-	-
Other institutions	1.010.582	632.343	112.535	340.817
Total	1.250.132	1.477.691	115.593	563.632

c. Profit share expense paid to associates and subsidiaries:

	Current Period		Prior Period	
	TL	FC	TL	FC
Profit share paid to investments in associates and subsidiaries	1.074.351	-	109.036	-
Total	1.074.351	-	109.036	-

ç. Profit share expenses paid to marketable securities issued:

None (June 30, 2023: None).

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

Other Fees and Commissions Received	Current Period	Prior Period
Clearing room fees and commissions	356.272	81.440
Member firm-POS fees and commissions	342.495	70.970
Commissions on money orders	143.437	107.538
Prepaid import commissions	186.045	81.317
Loan Limit Allocation Fees	59.483	97.401
Insurance and brokerage commissions	165.862	81.126
Service pack commissions	223.378	243.126
Appraisal fees	57.123	29.881
Export credit commissions	10.296	8.514
Advocacy service commissions and counsel fees	6.925	4.354
Checks and bills commissions	8.087	9.302
Fees and commissions from correspondent banks	2.011	3.712
Safe deposit box commissions	5.111	2.830
Pledge Put and Mortgage Release Fees	5.315	3.763
Enquiry fees received	1.189	1.973
Collection and Payment Commissions	17.871	7.904
Export Price Acceptance Certificate Transaction Fees	7.045	4.175
Commissions Received from Cash against Draft Export Transactions	4.432	3.096
Other	50.405	72.402
Total	1.652.782	914.824

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IV. Explanations and notes related to the statement of profit or loss (continued):

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

Other Fees and Commissions Paid	Current Period	Prior Period
Required Reserves Commissions for CBRT in Foreign currency	-	107.780
Fees and commissions for Swift, EFT and money orders	75.027	47.852
Member firm-POS fees and commissions	90.723	64.939
Credit cards fees and commissions	84.544	50.120
Funds borrowed fees and commissions	5.887	7.931
Other	49.190	19.806
Total	305.371	298.428

4. Information on dividend income:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	-	-	-	166
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	52	304	-	-
Other	-	-	-	-
Total	52	304	-	166

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

	Current Period	Prior Period
Income	20.202.808	15.661.719
Income from capital market transactions	1.521.105	1.362.045
Income from derivative financial instruments	189.513	1.325.234
Foreign exchange income	18.492.190	12.974.440
Loss (-)	21.484.517	13.247.361
Loss on capital market transactions	41.435	935.641
Loss on derivative financial instruments	4.173.894	101.499
Foreign exchange losses	17.269.188	12.210.221
Trading Income/Loss (net)	(1.281.709)	2.414.358

6. Explanations related to other operating income:

	Current Period	Prior Period
Reversal of prior year provisions	1.513.730	778.823
Income from sale of assets	58.787	81.203
Communication revenue	37.179	23.003
Cheque book charges	3.712	2.264
Operating Lease Income	79.909	36.083
Fund Management Fees	146.868	34.421
Other income	46.846	14.839
Total	1.887.031	970.636

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IV. Explanations and notes related to the statement of profit or loss (continued):

7. Informations on Expected Credit Losses and Other Provision Expenses:

	Current Period	Prior Period
Expected Credit Loss	432.307	2.170.587
12 month expected credit loss (stage 1)	94.994	755.971
Significant increase in credit risk (stage 2)	47.912	637.987
Non-performing loans (stage 3)	289.401	776.629
Marketable Securities Impairment Expense	-	-
Financial Assets Measured at Fair Value through Profit/Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Provision for Associates, Subsidiaries and Joint Ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Miscellaneous Provisions	12.795	66.244
Expected credit losses for 1st and 2nd group non-cash loans	6.829	7.338
Third stage expected loss provision for unindemnified non cash loans	3.032	7.059
Expected credit losses (stage 1) for banks	-	49.847
Profit and loss sharing investments' fair value provision.	-	-
Expected credit losses (stage 1) for other financial assets.	2.934	2.000
Expected credit losses for financial assets measured at amortized cost	-	-
Total	445.102	2.236.831

Expected credit losses amount to TL 445.102 (June 30, 2023: TL 2.236.831) includes TL 193.750 (June 30, 2023: TL 614.905) representing participation account share of expected credit losses of loans provided from participation accounts.

Information on Other Provision Expenses

	Current Period	Prior Period
Vacation pay provision expenses	57.537	33.849
Impairment on financial assets measured at fair value through profit/loss	-	1.924
Provisions for cases on trial	9.040	12.088
Free provisions allocated for possible losses	-	700.000
Provisions allocated from profit shares to be distributed to profit sharing accounts	29.471	16.046
Total	96.048	763.907

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IV. Explanations and notes related to the statement of profit or loss (continued):

8. Information on other operating expenses:

	Current Period	Prior Period
Provision for retirement pay liability	72.000	31.200
Deficit provision for pension fund	-	-
Impairment expenses of tangible assets	-	-
Depreciation expenses of tangible assets	206.946	96.282
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	114.871	51.909
Impairment provision for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and assets of discontinued operations	-	-
Other business expenses	655.996	383.731
Leasing Expenses on TFRS 16 Exceptions	2.190	34.961
Maintenance and repair expenses	52.903	30.760
Advertisement expenses	74.310	11.957
Other expenses ^(*)	526.593	306.053
Loss on sale of assets	647	664
Other ^(**)	648.907	336.449
Total	1.699.367	900.235

^(*) The details of the "Other Expenses" balance under Other Operating Expenses are as follows:

	Current Period	Prior Period
Communication Expenses	54.627	50.407
Donations	21.185	29.126
Cleaning expenses	88.301	41.253
Heating, lighting and water expenses	35.868	39.977
Representation and Hosting expenses	21.664	11.435
Vehicle expenses	23.260	8.334
Lawsuit and court expenses	6.884	4.617
Movables Insurance Expenses	30.483	10.454
Stationery Expenses	6.992	4.156
Expense Share for Common Expenses	6.672	4.161
Subcontractor security service expenses	84.985	39.282
Cash and banknote group transportation service expenses	29.255	30.591
Credit Cards and Banking Services Promotion Expenses	42.402	7.309
Nonallowable Expenses	9.860	8.209
Other	64.155	16.742
Total	526.593	306.053

^(**) Details of "other" balance are provided as below:

	Current Period	Prior Period
Saving Deposit Insurance Fund	218.105	158.501
Taxes, Duties, Charges and Funds	293.170	101.214
Expertise and Information Expenses	61.698	37.488
Audit and Consultancy Fees	26.787	12.922
Institution and Union participation share	25.543	17.016
Other	23.604	9.308
Total	648.907	336.449

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

IV. Explanations and notes related to the statement of profit or loss (continued):

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

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

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

Since the Bank has no discontinued operations, there is no tax provision for this purpose.

As of June 30, 2024, the Bank has deferred tax income amounts to TL 1.308.854 (June 30, 2023: TL 748.973) and deferred tax expense amounts to TL 1.581.169 (June 30, 2023: TL 1.356.921). Current tax provision is TL 51.016 (June 30, 2023: TL 6.491).

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

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

12. Explanations on net income/loss:

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

None.

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

None.

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

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

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

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

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

VII. Explanations related to the risk group of the Bank:

1. Information on the volume of transactions relating to the Bank's risk group, outstanding loans and funds collected and income and expenses related to the period:

a. Current period:

Risk Group of the Bank ^(*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans						
Balance at the beginning of the period	19	5.701	379.644	125.181	1.297	74
Balance at the end of the period	21	5.941	893.736	88.972	24	-
Profit share and commission income received	-	32	9.466	97	-	-

b. Prior period:

Risk Group of the Bank ^(*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and other receivables						
Balance at the beginning of period	6	1.418	45.283	68.658	375	12
Balance at end of period	19	5.701	379.644	125.181	1.297	74
Profit share and commission income received	-	9	58.918	328	-	1

^(*) Defined under Banking Law numbered 5411 in article 49 and "Communiqué Related to Credit Operations of Banks" in article 4 published on November 1, 2006.

c.1. Information on current and profit sharing accounts of the Bank's risk group:

Risk Group of the Bank ^(*)	Investment in associates, subsidiaries and joint ventures (business partnerships)		Direct and indirect shareholders of the Bank		Other real or legal persons included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Current and profit sharing accounts						
Balance at the beginning of period	15.586	15.374	316.055	688.843	6.077	28.403
Balance at the end of period	35.528	15.586	252.421	316.055	2.224	6.077
Profit share expense	-	1.075	76	-	-	-

^(*) As of June 30, 2024, wakala borrowings obtained from risk group of the Bank through investment purpose wakala contracts amount to USD 37.510.948 and EUR 5.671.045 (December 31, 2023: USD 32.026.681 and EUR 5.644.353). The profit share expense relating to such borrowings for the period between January 1, 2024 – June 30, 2024 is TL 20.728 (June 30, 2023: TL 11.836).

USD 155 million of the additional Tier I capital amounting to USD 205 million, which was realized on February 20, 2018, belongs to Albaraka Group, the main shareholder of the company. The related amount is accounted under other capital reserves in the financial statements.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

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

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

The Bank does not have forward and option agreements with the risk group of the Bank.

As of June 30, 2024, the Bank has paid gross TL 90.046 to top management. (June 30, 2023: TL 21.374)

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

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

IX. Explanations related to subsequent events:

None.

X. Other issues that have significant effect on the balance sheet or that are ambiguous and/or open to interpretation and require clarification:

None.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION SIX

Limited review report

I. Explanations on independent auditor's report:

The Bank's unconsolidated financial statements as of and for the period ended June 30, 2024 have been reviewed by "PWC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi" and the reviewed report dated August 8, 2024 is presented at the beginning of the financial statements and related notes.

II. Other notes and explanations prepared by the independent auditors:

None.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

SECTION SEVEN

Information on Interim Report

I. General Information

1. Summary Information about Albaraka Türk Katılım Bankası A.Ş.:

Albaraka Türk is the first participation bank to be established in Turkey and the only participation bank publicly traded on the Borsa Istanbul. Albaraka Türk was established in 1984 with the synergy between the Al Baraka Group (ABG), one of the most distinguished groups in the Middle East finance sector, the Islamic Development Bank (IDB) and a domestic industrial group which has been operating in the Turkish economy for more than half a century, and started to operate actively from 1985.

Albaraka Türk offers its 2,7 million customers a practical, fast and qualified banking experience with its 223 domestic and 2 foreign branches throughout Türkiye, as well as its extensive service network consisting of alternative distribution channels.

Backed by the substantial capital structure of its main partner ABG, Albaraka Türk is one of the key solution partners for Turkish industrialists and investors in global markets. With its two branches abroad, in Erbil and Baghdad in Iraq, and its digital bank, Getinsha, operating in Germany, Albaraka Türk is taking firm steps towards becoming a regional financial powerhouse in the Gulf, Middle East and North Africa regions.

Albaraka Türk supports the real economy by fulfilling its mission of financing production and trade in the most effective way in line with the principles of participation banking. The Bank collects funds through special current accounts and participation accounts, and directs funds to the real sector through individual finance, corporate finance, leasing and project-based profit/loss sharing.

A pioneer in the development of the start-up ecosystem in Turkey, Albaraka Türk provides incubation and acceleration opportunities to entrepreneurs with technology-based business ideas and projects with Albaraka Garage, which is a first for participation banks, offering a qualified contribution to the development of the enterprise ecosystem in Turkey.

Insha Ventures, which was founded by the Albaraka Portföy Yönetim A.Ş.'s Innovation Venture Capital Investment Fund in 2020, continues its activities with the aim of developing financial technology (fintech) projects, building and managing them.

Albaraka Türk reinforces its high service standards with its sincerity and friendly service approach. It carries out all its business processes within the scope of the ISO 9001:2015 Quality Certificate. The ISO 22301 Business Continuity Certificate, which Albaraka Türk has held since 2016, upholds the Bank's competencies and standards in the field of uninterrupted operation of business processes.

Albaraka Türk is a pioneering and leading participation bank which has completed important steps in the process of internalizing the concept of sustainability and ESG (environmental, social and governance). The Bank launched the Sustainable Banking Program with the support of its main partner ABG. Within the scope of the program, Albaraka Türk works with the aim of being a leading financial institution that is sensitive to people and the environment, supports economic and global development while working with all of its stakeholders to build a sustainable world. Acting with a responsible banking approach, Albaraka Türk is focused on fulfilling its obligations to the environment and society, and diligently applying the principles of sustainability and ESG in its activities.

2. Capital and Shareholder' Structure:

As of June 30 2024, Albaraka Türk's paid-in capital is TL 2.500.000.

Bank's Capital Distribution as of June 30, 2024		
Partnership Structure	Share Amount (TL)	Rate (%)
Albaraka Group*	1.084.167	43,37
Dallah Albaraka Holding	207.585	8,30
Other	157.314	6,29
Public	1.050.934	42,04
Total	2.500.000	100,00

(*)Albaraka Group's publicly listed shares which amount to 1.72% of total capital are not included.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

Explanations on the interim activity report (continued):

3. Changes in the articles of association for the period 1 January 2024 – 30 June 2024:

The Amendment Text of the Articles of Association of our Bank was approved by the Capital Market Board of Türkiye and approved at the General Assembly of our Bank dated March 27, 2024. The old and new text of the relevant Articles of Association are given below.

OLD TEXT	NEW TEXT
<p>Head Office and Branches Article 5:</p> <p>(1) The Head Office of the Bank is located in the Ümraniye district of Istanbul city. Its address is registered in Istanbul, at Saray Mah. Dr. Adnan Büyükdeniz Street, No:6, 34768 Ümraniye.</p> <p>(2) If the registered address changes, the new address shall be registered and announced via Turkish Trade Registry Gazette, be notified to the Ministry of Customs and Trade, and Capital Markets Board. Failure of the Bank in registering and announcing its new address in time when it moves from the address already registered and announced, shall constitute a reason for dissolution.</p> <p>(3) Based on the resolution of the Board of Directors and within the framework of relevant legislation, the Bank may open or close such units as branches, offices, agents, or establish correspondent units or terminate correspondent banking relationships, either in Turkey or abroad. All such transactions shall be announced to the public pursuant to the provisions of the Capital Market Legislations.</p>	<p>Genel Merkez ve Şubeler Madde 5:</p> <p>(1) The Head Office of the Bank is located in the Ümraniye district of Istanbul city. Its address is registered at İnkılap Mah. Dr. Adnan Büyükdeniz Cad. Albaraka Türk Sitesi 1. Blok No: 6 İç Kapı No: 1 Ümraniye/İstanbul.</p> <p>(2) If the registered address changes, the new address shall be registered and announced via Turkish Trade Registry Gazette, be notified to the Ministry of Customs and Trade, and Capital Markets Board. Failure of the Bank in registering and announcing its new address in time when it moves from the address already registered and announced, shall constitute a reason for dissolution.</p> <p>(3) Based on the resolution of the Board of Directors and within the framework of relevant legislation, the Bank may open or close such units as branches, offices, agents, or establish correspondent units or terminate correspondent banking relationships, either in Turkey or abroad. All such transactions shall be announced to the public pursuant to the provisions of the Capital Market Legislations.</p>

4. Branch and Personnel Information:

As of June 30, 2024, the Bank's total number of branches is 225 and the total number of personnel is 2.725. It continues its activities with 223 domestic branches extended throughout the country and 2 branches abroad in Erbil and Baghdad.

Chairman and Members of the Board of Directors (*):

Name and surname	Function	Education Status	Mission Start Date	Banking and/or Business Experience
Housseem BEN HAJ AMOR	Chairman of the Board of Directors	Bachelor	2020	19
Dr. Bekir PAKDEMİRLİ	Deputy Chairman of the Board of Directors (Independent Board Member)	Doctorate	2022	27
Mustafa BÜYÜKABACI	Board Member	Master	2017	28
Dr. Mohamed Ali CHATTI	Board Member	Doctorate	2019	14
Azhar Aziz DOGAR	Board Member Üyesi	Master	2022	30
Akram "Mark" YASSIN	Independent Member of BOD	Master	2022	37
Ghassan Ahmed M AMODI	Independent Member of BOD	Bachelor	2020	30
Dr. Khaled Abdulla M. ATEEEQ	Board Member	Doctorate	2023	26
Malek Khodr TEMSAH	Member of the Board of Directors and General Manager	Master	2021	21

(*) Chairman and members of the Board of Directors included in the table were elected for 3 years at the ordinary general assembly meeting of our Bank dated 27.03.2023.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

Explanations on the interim activity report (continued):

5. Top Management:

Name surname	Function	Education status	Mission Start Date	Banking and/or Business Experience
Malek Khodr TEMSAH	Member of the Board of Directors and General Manager	Master	2021	21
Turgut SİMİTCİOĞLU	Chief Assistant General Manager	Master	2017	34
Dr. Ömer EMEÇ	Assistant General Manager	Doctorate	2022	14
Serhan YILDIRIM	Assistant General Manager	Bachelor	2022	14
Dr. M. Faruk TORLAK	Assistant General Manager	Doctorate	2022	16
Serhan AKYILDIZ	Assistant General Manager	Bachelor	2022	21
Mehmet Emin CONKAR	Assistant General Manager	Bachelor	2022	25
Umut ÇAKMAK	Assistant General Manager	Bachelor	2022	18
Muzaffer ÇÖLMEK	Assistant General Manager	Bachelor	2022	17
Yasemin AYDIN	Assistant General Manager	Master	2022	28
Mehmet ULUDAĞ	Assistant General Manager	Master	2022	20

6. Managers of the Departments within Internal Systems:

Name surname	Professional Experience (Year)	Seniority at Albaraka Türk	Length of Services in His Area	Education status	Fields of Responsibility
Ahmet UYSAL	19	19	17 years	Master	Internal Audit
Erdal SEZER	22	22	1 year	Bachelor	Risk Management
Ahmet Faruk DEĞİRMENCİ	17	17	7 years	Bachelor	Internal Control
Melih AYTAR	14	14	14 years	Master	Legislation and Compliance

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

Explanations on the interim activity report (continued):

7. Committee and committee members formed after the distribution of duties among the members of the Board of Directors:

AUDIT COMMITTEE

Chairman:	Mustafa BÜYÜKABACI
Member:	Mohamed Ali CHATTI
Member:	Khaled Abdulla Mohamed ATEEQ

CREDIT COMMITTEE

Chairman:	Housseem BEN HAJ AMOR
Member:	Bekir PAKDEMİRLİ
Member:	Malek Khodr TEMSAH
Member:	Azhar Aziz DOGAR
Reserve Member:	Mohamed Ali CHATTI
Reserve Member:	Akram "Mark" YASSIN

CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE

Chairman:	Ghassan Ahmed M AMODI
Member:	Akram "Mark" YASSIN
Member:	Seyfullah DEMİRLEK

REMUNERATION AND NOMINATION COMMITTEE

Chairman:	Housseem BEN HAJ AMOR
Member:	Mustafa BÜYÜKABACI
Member:	Mohamed Ali CHATTI

INFORMATION TECHNOLOGIES GOVERNANCE COMMITTEE

Chairman:	Khaled Abdulla Mohamed ATEEQ
Member:	Malek Khodr TEMSAH
Member:	Bekir PAKDEMİRLİ

RISK COMMITTEE

Chairman:	Housseem BEN HAJ AMOR
Member:	Ghassan Ahmed M AMODI
Member:	Khaled Abdulla Mohamed ATEEQ

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

Explanations on the interim activity report (continued):

II. Financial information and evaluations about the bank:

1. Major financial indicators:

ASSETS	Current Period	Previous Period
Cash and Balances with Central Bank	59.438.484	49.084.192
Banks	23.807.416	14.585.480
Government Debt Securities	45.325.362	45.787.004
Credits	114.060.961	104.619.854
Financial Leasing Receivables	4.992.709	4.549.011
Other	21.019.734	13.543.954
TOTAL ASSETS	268.644.666	232.169.495
LIABILITIES	Current Period	Previous Period
Funds Collected	179.561.796	161.805.856
Funds Borrowed	45.847.054	30.535.939
Subordinated Debt Instruments	9.025.516	8.896.597
Equities	15.262.831	13.387.419
Other	18.947.469	17.543.684
TOTAL LIABILITIES	268.644.666	232.169.495
INCOME AND EXPENSE ITEMS	Current Period	Previous Period
Profit Share Income	18.264.577	6.932.543
Profit Share Expense	13.549.109	3.869.567
Net Profit Share Income / Expenses	4.715.468	3.062.976
Net Fee and Commission Income / Expenses	1.564.889	763.868
Trading Income /Loss (Net)	(1.281.709)	2.414.358
Other Operating Income	1.887.031	970.636
Net Operating Income / Loss	2.193.811	2.107.632
Tax Provisions for Continuing Operations (-+)	323.331	614.439
NET PROFIT/LOSS FOR THE PERIOD	1.870.480	1.493.193
Earnings/Loss per Share	0,74819	0,59730

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

Explanations on the interim activity report (continued):

2. Message from the Chairman of the Board:

Dear Stakeholders

The dominant agenda of the first half of this year was the close monitoring of the disinflation process in the global economy and the debates over the future of monetary policies. In particular, the divergence of disinflation and growth paths in Europe and the US has created disagreements regarding monetary policy paths in the markets. As the disinflation process in the US did not realize at the expected level in the first half of the year, market expectations regarding the Fed's interest rate cut also changed, which had an impact on global markets. On the other hand, the European Central Bank, which gave messages of divergence from the Fed in terms of the pace of monetary policy easing throughout the year, started its easing cycle in June with its first rate cut after a long interval. In China, both the continued recovery in domestic consumption and positive signals in global trade led to an upward revision in growth forecasts.

IMF kept its global growth expectations unchanged in its recently published economic outlook report, but revised its country-based forecasts. The IMF's global growth forecast is 3.2% for 2024. The estimated growth rate was set at 3.3% for 2025. Weaker-than-expected growth figures in the US in the first part of the year led to a downward revision in growth expectations for 2024 and 2025, which were set at 2.6% for 2024 and 1.9% for 2025. In Europe, the strong outlook for services activity and the continued easing in monetary policy led to an upward revision in growth expectations. The IMF expects growth of 0.9% for 2024 and 1.5% for 2025.

On the other hand, geopolitical and political risks increase uncertainty in the global economic outlook. Although the pressure on commodity prices caused by the ongoing tension in the Middle East has eased, this effect still continues. Global trade is also affected by political tensions and supply chains are under pressure. The possibility that a possible policy change in the US could increase tensions in the Pacific stands out as one of the most important risk factors on global trade activities. In addition to all these, the upcoming US presidential elections and the uncertainties shaped around the elections remain one of the most serious points of uncertainty for both global markets and global politics.

In the first half of the year, inflation in Turkey followed a trend in line with the expectations of the economic management. Annual CPI, which increased until May, declined in June for the first time since the beginning of the year. CPI, which was 75.45% in May, fell to 71.6% in June. The fact that the expected slowdown in demand did not materialize, especially in the first quarter of the year, was one of the important factors that kept inflation high. On the other hand, considering the favorable base effect and the milder demand indicators from the second quarter onwards compared to the first quarter, annual CPI inflation is expected to continue on a downward trend in the coming months.

The banking sector, which has been one of the key drivers of growth in recent periods, continues to contribute to economic growth in 2024. On the other hand, participation banking continues to have a significant share in the Turkish banking sector with 8,1% in the first half of 2024.

In this period, while making moves that will positively affect its profitability by increasing its asset quality, our Bank continues to invest in digitalization in line with today's conditions. As Albaraka Türk, with the awareness and responsibility of being Turkey's first and pioneering Participation Bank, we will continue to respond to the financial needs of our customers in every field, as we always do. With our vision of "becoming the reliable, innovative, digital pioneer of participation finance", we will continue to grow even further and take firm steps forward.

With its employees and stakeholders, our Bank will continue to be a pioneer in the sector and serve sustainable growth and development in the coming periods. I would like to take this opportunity to sincerely thank my colleagues, shareholders and all other stakeholders for their contributions to our success.

Kind regards,

Housseem BEN HAJ AMOR

Chairman of Board of Directors

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

Explanations on the interim activity report (continued):

3. Message from the Chairman of the Board:

Dear Stakeholders

In the past period, we have witnessed an atmosphere in which monetary tightness was kept unchanged for a long period of time and the roadmap for monetary easing was being drawn in advanced economies. In the US, while the Federal Reserve (Fed) has kept interest rates unchanged at 5.5% since last year, better-than-expected inflation data and statements by officials have fueled the debates on how much interest rate cuts will be made this year. On the other hand, the European Central Bank (ECB) started its easing cycle by cutting its policy rate from 4.5% to 4.25% in June. On the expectations side, US officials' statements prompted the markets to price in at least two rate cuts until the end of the year. In particular, market expectations for the September meeting are heavily weighted towards a rate cut.

In Türkiye, the tightening measures continue to have an impact. In the first quarter of the year, New Year's wage hikes and earlier consumer demand prevented the expected improvement in economic indicators, but sectoral data and data on consumer demand showed that the economy responded to the tightening policies as expected in the second quarter. In fact, real sector expectations indicators such as PMI data points to a tightening outlook. Industrial production, which is an important backward-looking real sector indicator, also remained below market expectations and supported this outlook. On the consumer demand side, the latest retail trade data recorded the slowest annual increase since July 2022, confirming the extent of the weakening in demand. The recovery in the current account deficit accelerated thanks to the favorable outlook in the foreign trade deficit. The current account deficit, which was around USD 45 billion in December 2023, declined to USD 25.2 billion in the latest May 2024 data. In the coming months, the improvement in the current account deficit may become more remarkable due to the continued improvement in the foreign trade balance and the favorable impact of tourism. CBRT reserves, one of the most important agenda items of the financial outlook, have recovered very rapidly in recent months, and net reserves excluding swaps, which have increased by more than USD 80 billion since the beginning of April, moved into positive zone at the end of May. On the other hand, outflows from the FX Protected Accounts continue in a stable manner. As of July, the balance of the FX-Protected Accounts fell by about 52% from its peak. Due to the decline in residents' demand for FX, the share of TL deposits rose above 50% again after a long period of time.

The Turkish banking sector which is the largest stakeholder in the economy, showed a moderate growth performance in the first half of 2024 under the influence of tight monetary policy after the strong growth trend in 2023. In June 2024, total assets in the sector exceeded TL 28 trillion, increasing by 19% compared to the end of the year, while net profit in the first half of the year reached TL 314 billion. The positive trend in the asset quality of the banking sector continued in the first half of 2024; the non-performing loan ratio, which fell to 1.55% at the end of 2023, decreased to 1.47% in June 2024.

According to Albaraka Türk's first half financial results, the Bank's total assets increased by 15.7% compared to the end of 2023 and reached TL 268.6 billion. In the same period, our total loan portfolio increased by 7.7% to TL 115.7 billion. The funds we collected through participation accounts and special current accounts reached TL 179.5 billion. As of the end of June 2024, our Bank's net profit reached TL 1.9 billion, up 25.3% compared to the same period last year. In the first quarter of the year, we continued to reflect our success in profitability to our asset quality.

In 2023, we have defined our new vision and mission that will concretely reflect the transformation process and the new era of our Bank. Our vision in the new period will be to be the reliable, innovative, digital pioneer of participation finance by offering financial services with the best customer experience and to ensure sustainable profitable growth. Our mission for the new period is to meet the financial needs of society with a customer-centered approach in accordance with the principles of participation finance and moral values, and to provide high value to all our stakeholders in a solution-oriented manner by acting with a sense of social responsibility. As we continue to support the real sector, we will continue our digitalization-oriented journey without slowing down. At Albaraka Türk, we will strive to increase our sustainability activities, which we attach great importance to and carry out meticulously. We will continue to work without slowing down in line with our goal of providing the highest quality banking services to our customers.

As the Albaraka Türk family, I hope that our new mission, vision, and values will guide us as we achieve our strategic goals. I would like to take this opportunity to thank my colleagues, our customers, our shareholders and all our other stakeholders, and to extend my sincerest regards.

Kind regards,

Malek Khodr TEMSAH

General Manager and Board Member

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

Explanations on the interim activity report (continued):

4. Activities in the First Half of 2024:

- In the first half of 2024, our Total Assets amounted to TL 268.644.666.
- In the first half of 2024, the funds collected by our Bank through "Special Current Accounts" and "Profit and Loss Participation Accounts" amounted to TL 179.561.796. As of the second quarter, participation accounts are realized as TL 82.565.521 and current accounts are 99.172.186 TL.
- Fund Collection Activities of Our Bank; It is carried out through our bank's branches throughout the country and correspondent banks abroad.

TL and USD Equivalent	Current period		Previous period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
TL Funds	96.285.556	2.996.656	81.304.541	2.778.882	18,43	7,84
Current accounts	16.795.747	522.727	15.049.419	514.369	11,60	1,62
Participation Accounts	79.489.809	2.473.929	66.255.122	2.264.513	19,98	9,25
FC Funds	83.276.240	2.591.773	80.501.315	2.751.429	3,45	(5,80)
Current accounts	63.593.863	1.979.206	60.612.281	2.071.648	4,92	(4,46)
Participation Accounts	19.682.377	612.567	19.889.034	679.781	(1,04)	(9,89)
TOTAL	179.561.796	5.588.429	161.805.856	5.530.311	10,97	1,05

TL and USD Equivalent	Current period		Previous period		Change (%)	
	TL Equivalent	USD Equivalent	TL Equivalent	USD Equivalent	TL	USD
Credits (*)	117.078.450	3.643.735	107.363.291	3.669.536	9,05	(0,70)
Non-performing Loans	1.975.220	61.474	1.805.574	61.713	9,40	(0,39)
Provisions	(3.397.475)	(105.738)	(4.431.351)	(151.458)	(23,33)	(30,19)
TOTAL	115.656.195	3.599.521	104.737.514	3.579.791	10,42	0,55

(*)Including financial leasing.

The rates in the preparation of the tables are as follows:

Balance Sheet Period	USD/TL
As of June 30, 2024	32,131
As of December 31, 2023	29,258

5. Evaluation of Financial Status, Profitability and Solvency:

- Our Operating Income increased by %54 compared to the same period of the previous year and reached 4.715.468 TL.
- Our Net Fee Commission income increased by 105% compared to the same period of the previous year and reach to 1.564.889 TL.
- Our net profit in the first half of the year is 1.870.480 TL.
- As of June 30, 2024, our capital adequacy ratio is 13,02%, above the legal obligation level.

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

Explanations on the interim activity report (continued):

6. Explanations on Important Developments for the Period of 1 January 2024 – 30 June 2024:

- In our material event disclosure dated 13.02.2024; the name of the Investor Relations Department has been changed as "Investor Relations and Sustainability Department".
- In our material event disclosure dated 26.02.2024; permission has been obtained from the Ministry of Trade regarding the change of the "Company headquarters address" of our Bank.
- On 27.02.2024, International Credit Rating Agency Fitch Ratings upgraded our credit rating outlook from negative to stable.
- On 28.02.2024, the Bank's future expectations for the end of 2024 were announced.
- On 01.03.2024, the Corporate Governance Principles Compliance Rating Agreement between our Bank and DRC Rating Services A.Ş. (DRC RATING) was renewed for 1 year on 01.03.2024.
- 2023 Integrated Annual Report was published on 06.03.2024.
- 2023 Corporate Governance Compliance Report was published on 06.03.2024.
- 2023 Sustainability Compliance Report was published on 12.03.2024.
- On 15.03.2024, International Credit Rating Agency Fitch Ratings assigned the following ratings to our Bank; Long Term Credit Rating: B-, Credit Rating Outlook: Positive, Short Term Credit Rating: B.
- On March 27, 2024, the Articles of Association were amended at the Ordinary General Assembly of our Bank.
- At the General Assembly Meeting held on 27.03.2024, PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. was elected as the Independent Audit Firm/Auditor.
- In our material event disclosure dated 3.04.2024; it has been decided to initiate the liquidation process of Getinsha GMBH, a subsidiary of our Bank.
- On 4.04.2024, the results of the Bank's General Assembly, the amendment to the articles of association regarding the election of the audit company and change of address were registered.
- On 6.05.2024, following the upgrade of Turkey's sovereign rating by the International Credit Rating Agency Fitch Ratings, Turkey's national scale rating was readjusted; accordingly, our Bank's long-term national credit rating was revised as "BBB(tur)". The rating outlook was announced as "Positive".
- In our public disclosure announcement dated 16.05.2024; with the decision number 2624 of our Board of Directors dated 16.05.2024; it has been decided that our Company, Albaraka Türk Katılım Bankası A. Ş ("Fund User"), shall apply to the CMB and other relevant authorities to obtain the necessary approvals for the issuance of Lease Certificates with or without public offering, private placement and/or qualified investors, up to an amount of TRY 20,000,000,000 (Twenty Billion Turkish Liras) in tranches with different maturities and by using one or more categories and types of Lease Certificates according to the Lease Certificate Communiqué.
- In our public disclosure announcement dated 16.05.2024; with the decision number 2623 at the Board of Directors of dated 16.05.2024; it has been decided that Albaraka Türk Katılım Bankası A. Ş shall establish "Medium Term Note" (MTN) Programme in which our company will act as fund user, which will enable the issuance of Lease Certificates abroad up to a maximum amount of US\$ 1 Billion or its equivalent in any other currency, with fixed and/or floating return, in one or more tranches and maturities, including the issuance of Tier 2 Capital Lease Certificates. In relation to this program, it has been decided to make the necessary applications both domestically and abroad, to determine all terms and conditions related to the issuance, to prepare, sign all contracts and other related documents, and to authorize the General Directorate for their follow-up.
- On 17.05.2024; DRC Rating Services A.Ş. assigned the CMB Corporate Governance Principles Compliance Rating Score of our Bank as 9.31.

Matters that occurred during the period of **1 January 2024 - 30 June 2024** were announced to the public and uploaded to the Public Disclosure Platform as a notification. All of these announcements are shared in the Investor Relations tab of the Albaraka Türk website.

<https://www.albaraka.com.tr/ozel-durum-aciklamalari.aspx>

ALBARAKA TÜRK KATILIM BANKASI A.Ş.
NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2024

(Thousand of Turkish Lira (TL) unless otherwise stated)

Explanations on the interim activity report (continued):

- Our Bank's Ordinary General Assembly Meeting was held on March 27, 2024, with the following agenda, as announced to our shareholders in the Public Disclosure Platform statement dated February 28, 2024.

AGENDA:

- 1 - Inauguration and formation of the Presiding Council.
- 2 - Authorizing the Presiding Council to sign the minutes of the General Assembly meeting.
- 3 - Reading and discussing the Annual Report of the Board of Directors (BoD) on the fiscal year 2023.
- 4 - Reading and discussing the Auditor's reports.
- 5 - Reading, discussing and approving the Financial Statements.
- 6 - Acquittal the Members of the BoD.
- 7 - Deciding on utilization and distribution of profit and dividend sharing through discussing the BoD's proposal on the utilization and distribution of the annual profit and dividends.
- 8 - Discussing the fiscal rights and benefits of the Board members such as salary & wages, per diems, bonus & premiums and alike.
- 9 - Election of the Auditor.
- 10 - Due to the decision of Ümraniye Municipality to include Saray Neighborhood, where our Bank Headquarters is located, into İnkılâp Neighborhood, discussing and deciding on the proposal of the Board of Directors regarding the amendment of our Bank's Articles of Association's 1st paragraph of Article 5 titled "Headquarters and Branches", to align our Headquarters' address stated in our Articles of Association with the current circumstance.
- 11 - Presenting information to the General Assembly about operations effected in scope of the buy-back Program for our Bank's own shares in 2023.
- 12 - Authorizing the BoD to be able to distribute profit to participation fund owners in loss occurring periods, in line with Article 6/10 of the "Regulation on Procedures and Principles regarding Acceptance and Withdrawal of Deposits and Participation Funds and Any Deposit, Participation Fund, The Bailed Goods and Receivable That Have Been Subjected to Prescription".
- 13 - Approval of reflecting those provisions set aside by our Bank for the participation accounts, on expense accounts in line with Article 19/2 of the "Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside".
- 14 - Permitting Members of the BoD with respect to articles 395 and 396 of Turkish Commercial Code.
- 15 - Presenting information to the shareholders pursuant to Principle no. 1.3.6. of the Capital Markets Board's Corporate Governance Communiqué.
- 16 - Presenting information to the General Assembly about donations made by our Bank in 2023.
- 17 - Remarks and requests..