

BANK OF CHINA TURKEY A.Ş.

**INDEPENDENT AUDITOR’S LIMITED REVIEW
REPORT UNCONSOLIDATED INTERIM FINANCIAL
STATEMENTS AND RELATED DISCLOSURES FOR
THE SIX MONTHS PERIOD ENDED JUNE 30, 2026
(Convenience translation of publicly announced
unconsolidated financial statements, related disclosures
and auditor’s report originally issued in Turkish)**



**Shape the future
with confidence**

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

Independent Auditors' Report on Review of Interim Financial Information

To the Board of Directors of Bank of China Turkey Anonim Şirketi

Introduction

We have reviewed the statement of financial position of Bank of China Turkey A.Ş. ("the Bank") at June 30, 2026, and the related statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in shareholders' equity, statement of cash flows and a summary of significant accounting policies and other explanatory notes to the financial statements for the six months 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 statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true view of the financial position of the Bank as at June 30, 2026, and the results of its operations and its cash flows for the six months period then ended in all material respects 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 VIII, are not consistent with the reviewed financial statements and disclosures in all material respects.

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

Fatih Polat, SMMM
Partner

August 10, 2026
İstanbul, Türkiye



BANK OF CHINA TURKEY A.Ş.

(CONVENIENCE TRANSLATION OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
SEE NOTE I. OF SECTION THREE)

THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF BANK OF CHINA TURKEY A.Ş. AS AT AND FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2026

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The unconsolidated interim financial report as at and for the six-month period ended prepared in accordance with the communiqué of “Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks” as regulated by Banking Regulation and Supervision Agency, comprises the following sections;

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS
- EXPLANATIONS ON LIMITED REVIEW REPORT
- INTERIM ACTIVITY REPORT

The unconsolidated financial statements for the six-month period ended and related disclosures and footnotes in this report are prepared in accordance with the Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks, Banking Regulation and Supervision Agency (BRSA) regulations, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidance and in compliance with the financial records of our Bank. Unless otherwise stated, the accompanying unconsolidated financial report is presented in million of Turkish Lira (TL) and has been subject to limited review and presented as the attached.

Xiaoqing ZHANG Chairman of the Board of Directors	Qiang HE Member of the Board of Directors and General Manager	Lixin GUO Deputy Chairman of the Board of Directors and Chairman of the Audit Committee	Yan HAISI Member of the Board of Directors
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Özgür DALGIÇ Member of the Board of Directors and Member of the Audit Committee	Xin JIN Assistant General Manager	Kun ZHAO Head of Financial and Operational Control Department	Sevda DİKİCİ Financial Reporting, Budgeting and A&L Management Manager
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Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname/Title : **Sevda Dikici** / Financial Reporting, Budgeting and A&L Management Manager
Telephone Number : (0212) 386 01 32

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BANK OF CHINA TURKEY A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

SECTION ONE

GENERAL INFORMATION

I. History of the Bank including its corporation date, initial status and amendments to the initial status

Bank of China Limited (“the Parent Company”) began its activities in Turkey through Bank of China Limited Turkey Representative Office opened in 2011. Banking Regulation and Supervisory Agency (BRSA) authorized the Bank to establish a deposit bank in Turkey with the decision numbered 6880 dated May 2, 2016. As BRSA’s establishment permission, as per the decision numbered 7612 dated December 1, 2017 and published on the Official Gazette no 30263 dated December 7, 2017, the Bank got the official operational license, with 99.99% of shareholding of the Parent Company; the Bank has been announced in the Trade Registry Gazette dated January 17, 2017, numbered 9243 along with the Articles of Association dated January 10, 2017.

The Bank started its banking activities on May 9, 2018.

II. Capital structure, shareholders controlling the management and supervision of the Bank directly or indirectly, and if exists, changes on these issues and the Group that the Bank belongs to

Besides being one of the biggest public banks in the People’s Republic of China, the Parent Company, Bank of China Limited, who holds 99.99% of the Bank’s shares is also one of the biggest banks in the world and has a respectable reputation for over a hundred years. Since the establishment of the London Branch in 1929, which was the first overseas branch, Bank of China, who represents the People’s Republic of China best in the international arena, established its representative office in 2011, in Istanbul, Turkey. There have not been any changes in the Bank’s partnership structure in 2026.

III. Information on the Board of Directors, Members of the Audit Committee, president and executive vice presidents, changes in these matters (if any) and shares of the Bank they possess

Members of the Bank's Board of Directors, Audit Committee Members, General Manager and Deputies as of June 30, 2026 are stated below. None of the members of the Board of Directors (including the General Manager) has shareholding interest in the Bank.

The Chairman and the Members of the Board of the Directors:

Name	Title	Assigned Date	Education
Xiaoqing ZHANG	Chairman of the Board of Directors	16 November 2023	PhD Degree
Xiaoming GAO (*)	Member of the Board of Directors and General Manager	10 September 2021	PhD Degree
Yan HAISI	Member of the Board of Directors	05 December 2024	Master’s Degree
Lixin GUO	Deputy Chairman of the Board of Directors	03 November 2025	Master’s Degree
Özgür DALGIÇ	Member of the Board of Directors	10 January 2017	Master’s Degree

(*) Mr. Xiaoming Gao resigned from his positions as Member of the Board of Directors and General Manager and left his post on July 1, 2026. Effective July 7, 2026, Mr. Qiang He was appointed as Member of the Board of Directors and General Manager.

Members of the Audit Committee:

Name	Title	Assigned Date	Education
Lixin GUO	Deputy Chairman of the Board of Directors and Chairman of the Audit Committee	11 November 2025	Master’s Degree
Xiaoqing ZHANG	Member of the Board of Directors	09 May 2024	PhD Degree
Özgür DALGIÇ	Member of the Audit Committee Responsible for Internal Systems	04 May 2017	Master’s Degree

BANK OF CHINA TURKEY A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

GENERAL INFORMATION (Continued)

III. Information on the Board of Directors, Members of the Audit Committee, president and executive vice presidents, changes in these matters (if any) and shares of the Bank they possess (Continued)

Assistant General Manager (s):

Name	Title	Assigned Date	Education
Onur Sekizyaralı	Assistant General Manager	December, 23 2024	Bachelor's Degree
Xin Jin	Assistant General Manager / Acting General Manager	January 21, 2026	PhD Degree

IV. Information on the Banks' Qualified Shareholders

Pursuant to the approval granted by the Banking Regulation and Supervision Agency (BRSA) under Decision No. 7525 dated 28 September 2017, and in accordance with the definition of qualified shareholding set out in the Banking Law No. 5411 and Article 13 of the Regulation on Transactions Subject to Permission of Banks and Indirect Shareholding, the persons and entities holding qualified shares in the Bank as of 30 June 2026 are as follows:

Name Surname/Company	Shares	Ownership	Paid-in Capital	Unpaid Capital
Bank of China Limited	1,051	99.99%	1,051	-

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

As it is stated in Article 3 of the Articles of Association, the objective and purpose of the Bank whose General Directorate is located in Istanbul, is that the main field of activity is corporate banking. As of June 30, 2026, the Bank serves with 61 employees (December 31, 2025: 54 employees).

VI. Differences between the communicate on preparation of consolidated financial statements of banks and Turkish accounting standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods

None.

VII. Existing or potential, actual or legal obstacles to immediate transfer of capital between Bank and its subsidiaries and repayment of debts

None.

BANK OF CHINA TURKEY A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

SECTION TWO

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

I. ASSETS

		Note (Section Five)	Current Period 30.06.2026			Prior Period 31.12.2025		
			TL	FC	Total	TL	FC	Total
I.	ASSETS		3,302	2,043	5,345	2,447	6,206	8,653
1.1	Cash and cash equivalents		1,308	2,043	3,351	661	6,206	6,867
1.1.1	Cash and balances at central bank	(5.I.1)	1,306	1,175	2,481	660	5,063	5,723
1.1.2	Banks	(5.II.1)	2	868	870	1	1,143	1,144
1.1.3	Money Market Placements		-	-	-	-	-	-
1.1.4	Expected Credit Losses (-)		-	-	-	-	-	-
1.2	Financial assets at fair value through profit or loss		-	-	-	-	-	-
1.2.1	Government Debt Securities		-	-	-	-	-	-
1.2.2	Equity securities		-	-	-	-	-	-
1.2.3	Other financial assets		-	-	-	-	-	-
1.3	Financial assets at fair value through other comprehensive income		1,994	-	1,994	1,786	-	1,786
1.3.1	Government debt securities	(5.VI.2)	1,994	-	1,994	1,786	-	1,786
1.3.2	Equity securities		-	-	-	-	-	-
1.3.3	Other financial assets		-	-	-	-	-	-
1.4	Derivative financial assets		-	-	-	-	-	-
1.4.1	Derivative financial assets at fair value through profit and loss		-	-	-	-	-	-
1.4.2	Derivative financial assets at fair value through other comprehensive income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		662	-	662	1,166	-	1,166
2.1	Loans	(5.VII.2)	266	-	266	266	-	266
2.2	Lease receivables		-	-	-	-	-	-
2.3	Factoring receivables		-	-	-	-	-	-
2.4	Other financial assets measured at amortised cost	(5.VIII.2)	396	-	396	900	-	900
2.4.1	Government debt securities		396	-	396	900	-	900
2.4.2	Other financial assets		-	-	-	-	-	-
2.5	Expected credit losses (-)		-	-	-	-	-	-
III.	ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS(NET)		-	-	-	-	-	-
3.1	Held for sale		-	-	-	-	-	-
3.2	Discontinued operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS		-	-	-	-	-	-
4.1	Investments in associates (net)		-	-	-	-	-	-
4.1.1	Associates accounted by using equity method		-	-	-	-	-	-
4.1.2	Unconsolidated associates		-	-	-	-	-	-
4.2	Subsidiaries (net)		-	-	-	-	-	-
4.2.1	Unconsolidated financial subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
4.3	Joint Ventures (net)		-	-	-	-	-	-
4.3.1	Joint ventures valued based on equity method		-	-	-	-	-	-
4.3.2	Unconsolidated jointly ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)		158	-	158	154	-	154
VI.	INTANGIBLE ASSETS (Net)		34	-	34	35	-	35
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		34	-	34	35	-	35
VII.	INVESTMENT PROPERTY (Net)		-	-	-	-	-	-
VIII.	CURRENT TAX ASSET		-	-	-	-	-	-
IX.	DEFERRED TAX ASSET		60	-	60	66	-	66
X.	OTHER ASSETS		101	119	220	51	121	172
	Total Assets		4,317	2,162	6,479	3,919	6,327	10,246

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

BANK OF CHINA TURKEY A.Ş.
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) (Continued)

I. LIABILITIES

		Note	Current Period			Prior Period		
			30.06.2026			31.12.2025		
		(Section Five)	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(5.II.1)	4	1,844	1,848	4	5,966	5,970
II.	LOAN RECEIVED	(5.II.3)	-	-	-	-	-	-
III.	MONEY MARKET FUNDS		-	-	-	-	-	-
IV.	MARKETABLE SECURITIES (Net)		-	-	-	-	-	-
4.1	Bills		-	-	-	-	-	-
4.2	Asset backed securities		-	-	-	-	-	-
4.3	Bonds		-	-	-	-	-	-
V.	FUNDS		-	-	-	-	-	-
5.1	Borrower's funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	(5.II.2)	-	-	-	-	-	-
7.1	Derivative financial liabilities at fair value through profit or loss		-	-	-	-	-	-
7.2	Derivative financial liabilities at fair value through other comprehensive income		-	-	-	-	-	-
VIII.	FACTORING PAYABLES		-	-	-	-	-	-
IX.	LEASE LIABILITIES	(5.II.5)	57	7	64	46	18	64
X.	PROVISIONS	(5.II.7)	1	130	131	1	104	105
10.1	Provisions for restructuring		-	-	-	-	-	-
10.2	Reserve for employee benefits		1	94	95	1	60	61
10.3	Insurance technical reserves (Net)		-	-	-	-	-	-
10.4	Other provisions		-	36	36	-	44	44
XI.	CURRENT TAX LIABILITIES	(5.II.8)	113	-	113	104	-	104
XII.	DEFERRED TAX LIABILITIES		-	-	-	-	-	-
XIII.	LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		-	-	-	-	-	-
13.1	Held for sale		-	-	-	-	-	-
13.2	Related to discontinued operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBTS		-	-	-	-	-	-
14.1	Loans		-	-	-	-	-	-
14.2	Other debt instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	(5.II.4)	101	2	103	116	11	127
XVI.	SHAREHOLDERS' EQUITY	(5.II.8.1)	4,220	-	4,220	3,876	-	3,876
16.1	Paid-in capital		1,051	-	1,051	1,051	-	1,051
16.2	Capital reserves		-	-	-	-	-	-
16.2.1	Equity shares premium		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Other capital reserves		-	-	-	-	-	-
16.3	Other accumulated comprehensive income that will not be reclassified in profit or loss		-	-	-	-	-	-
16.4	Other accumulated comprehensive income that will be reclassified in profit or loss		(5)	-	(5)	12	-	12
16.5	Profit reserves		2,787	-	2,787	1,903	-	1,903
16.5.1	Legal reserves		212	-	212	150	-	150
16.5.2	Statutory reserves		-	-	-	-	-	-
16.5.3	Extraordinary reserves		2,575	-	2,575	1,753	-	1,753
16.5.4	Other profit reserves		-	-	-	-	-	-
16.6	Profit or loss		387	-	387	910	-	910
16.6.1	Prior years' profits or losses		26	-	26	26	-	26
16.6.2	Current Period net profit or loss		361	-	361	884	-	884
16.7	Minority Shares		-	-	-	-	-	-
	TOTAL LIABILITIES AND EQUITY		4,496	1,983	6,479	4,147	6,099	10,246

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

BANK OF CHINA TURKEY A.Ş.

UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

II. OFF-BALANCE SHEET COMMITMENTS

		Note (Section Five) (5.III.1)	Current Period 30.06.2026			Prior Period 31.12.2025		
			TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		-	14,288	14,288	-	12,774	12,774
I.	GUARANTEES AND WARRANTIES		-	14,288	14,288	-	12,774	12,774
1.1	Letters of Guarantee		-	517	517	-	577	577
1.1.1	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		-	517	517	-	577	577
1.2	Bank Acceptances		-	-	-	-	-	-
1.2.1	Import Letter of Acceptance		-	-	-	-	-	-
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	-	-	-	-	-
1.3.1	Documentary Letters of Credit		-	-	-	-	-	-
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantees	(5.III.1)	-	13,771	13,771	-	12,197	12,197
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS		-	-	-	-	-	-
2.1	Irrevocable Commitments		-	-	-	-	-	-
2.1.1	Asset Purchase Commitments		-	-	-	-	-	-
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		-	-	-	-	-	-
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheque Payments		-	-	-	-	-	-
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10	Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		-	-	-	-	-	-
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.2)	-	-	-	-	-	-
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Fair Value Hedges		-	-	-	-	-	-
3.1.2	Cash Flow Hedges		-	-	-	-	-	-
3.1.3	Foreign Net Investment Hedges		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		-	-	-	-	-	-
3.2.1	Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1	Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2	Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		-	-	-	-	-	-
3.2.2.1	Foreign Currency Swap-Buy		-	-	-	-	-	-
3.2.2.2	Foreign Currency Swap-Sell		-	-	-	-	-	-
3.2.2.3	Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4	Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3	Foreign Currency, Interest Rate and Securities Options		-	-	-	-	-	-
3.2.3.1	Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2	Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		-	-	-	-	-	-
IV.	ITEMS HELD IN CUSTODY		-	-	-	-	-	-
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		-	-	-	-	-	-
4.3	Cheques Received for Collection		-	-	-	-	-	-
4.4	Commercial Notes Received for Collection		-	-	-	-	-	-
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		-	-	-	-	-	-
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		-	-	-	-	-	-
5.1	Marketable Securities		-	-	-	-	-	-
5.2	Guarantee Notes		-	-	-	-	-	-
5.3	Commodity		-	-	-	-	-	-
5.4	Warranty		-	-	-	-	-	-
5.5	Immovables		-	-	-	-	-	-
5.6	Other Pledged Items		-	-	-	-	-	-
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED BILL, GUARANTEES AND WARRANTIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		-	14,288	14,288	-	12,774	12,774

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

BANK OF CHINA TURKEY A.Ş.
UNCONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

III. STATEMENTS OF PROFIT OR LOSS

	INCOME AND EXPENSE ITEMS	Note (Section five)	Current Period 01.01.2026- 30.06.2026	Prior Period 01.01.2025- 30.06.2025	Current Period 01.04.2026 30.06.2026	Prior Period 01.04.2025- 30.06.2025
I.	INTEREST INCOME	(5.IV.1)	815	761	441	369
1.1	Interest from Loans		52	129	27	44
1.2	Interest from Reserve Deposits		-	-	-	-
1.3	Interest from Banks		282	338	149	182
1.4	Interest from Money Market Transactions		-	-	-	-
1.5	Interest from Marketable Securities Portfolio		481	294	265	143
1.5.1	Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income	(5.IV.1.3)	389	-	232	-
1.5.3	Financial Assets Measured at Amortized Cost	(5.IV.1.3)	92	294	33	143
1.6	Interest from Financial Leases		-	-	-	-
1.7	Other Interest Income		-	-	-	-
II.	INTEREST EXPENSE (-)	(5.IV.2)	69	80	29	12
2.1	Interest on Deposits		62	78	23	11
2.2	Interest on Funds Borrowed		1	-	1	-
2.3	Interest Expense on Money Market Transactions		-	-	-	-
2.4	Interest on Securities Issued		-	-	-	-
2.5	Lease Interest Expenses		6	2	5	1
2.6	Other Interest Expenses		-	-	-	-
III.	NET INTEREST INCOME (I - II)		746	681	412	357
IV.	NET FEES AND COMMISSIONS INCOME / LOSSES		152	117	80	72
4.1	Fees and Commissions Received		153	118	81	73
4.1.1	Non-cash Loans		149	112	79	70
4.1.2	Other		4	6	2	3
4.2	Fees and Commissions Paid (-)		1	1	1	1
4.2.1	Non-cash Loans		-	-	-	-
4.2.2	Other		1	1	1	1
V.	DIVIDEND INCOME	(5.IV.3)	-	-	-	-
VI.	TRADING INCOME/LOSS (Net)	(5.IV.4)	19	24	15	11
6.1	Profit / Loss on Securities Trading		-	-	-	-
6.2	Profit / Loss on Derivative Financial Transactions		-	-	-	-
6.3	Foreign Exchange Gains / Losses		19	24	15	11
VII.	OTHER OPERATING INCOME	(5.IV.5)	9	1	(5)	-
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		926	823	502	440
IX.	EXPECTED CREDIT LOSSES (-)	(5.IV.6)	-	26	-	22
X.	OTHER PROVISIONS (-)		69	-	69	-
XI.	PERSONEL EXPENSES (-)		197	179	106	105
XII.	OTHER OPERATING EXPENSES	(5.IV.7)	143	78	84	48
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		517	540	243	266
XIV.	INCOME RESULTED FROM MERGERS		-	-	-	-
XV.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-	-	-
XVI.	GAIN / LOSS ON NET MONETARY POSITION⁷²		-	-	-	-
XVII.	OPERATING PROFIT/LOSS BEFORE TAXES (XIII+XIV+XV+XVI)	(5.IV.9)	517	540	243	266
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.10)	156	157	70	77
18.1	Current Tax Provision		150	199	78	115
18.2	Expense Effect of Deferred Tax (+)		17	-	(2)	-
18.3	Income Effect of Deferred Tax (-)		(11)	(42)	(6)	(38)
XIX.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)	(5.IV.11)	361	383	173	189
XX.	PROFIT FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income From Assets Held for Sale		-	-	-	-
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Other Income From Discontinued Operations		-	-	-	-
XXI.	LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses on Assets Held for Sale		-	-	-	-
21.2	Losses from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Other Expenses From Discontinued Operations		-	-	-	-
XXII.	P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XIX-XX)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Expense Effect of Deferred Tax		-	-	-	-
23.3	Income Effect of Deferred Tax		-	-	-	-
XXIV.	NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXI±XXII)		-	-	-	-
XXV.	NET PROFIT / LOSS (XVIII+XXIII)	(5.IV.12)	361	383	173	189
	Profit/Loss per share		0.34348	0.36421	0.16429	0.17983

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

BANK OF CHINA TURKEY A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2026
(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

IV STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Current Period	Prior Period
		01.01.2026-30.06.2026	01.01.2025-30.06.2025
I	CURRENT PERIOD INCOME/LOSS	361	383
II	OTHER COMPREHENSIVE INCOME	(17)	-
2.1	Other comprehensive income that will not be reclassified to profit or loss	-	-
2.1.1	Gains (Losses) on Revaluation of Property and Equipment	-	-
2.1.2	Gains (Losses) on Revaluation of Intangible Assets	-	-
2.1.3	Gains (Losses) on Re-measurements of Defined Benefit Plans	-	-
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	-	-
2.1.5	Taxes Relating to Components of Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss	-	-
2.2	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(17)	-
2.2.1	Exchange Differences on Translation	-	-
2.2.2	Valuation and/or Reclassification Profit or Loss from Financial Assets at Fair Value Through Other Comprehensive Income	(24)	-
2.2.3	Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investment Foreign Operations	-	-
2.2.5	Other Components of Other Comprehensive Income That Will Be Reclassified to Profit or Loss	-	-
2.2.6	Tax Relating to Components of Other Comprehensive Income That Will Be Reclassified to Profit or Loss	7	-
III.	TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)	344	383

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

BANK OF CHINA TURKEY A.Ş.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

						Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified in Profit and Loss			Profit Reserves	Prior Period Net Income / (Loss)	Current Period Net Income / (Loss)	Total Equity
						1	2	3	4	5	6				
	Audited Prior Period (30.06.2025)		Paid-in Capital	Share Premium	Share Certificate Cancellation Profits										
I.	Balances at beginning of the Period (*)		1,051	-	-	-	-	-	-	-	-	1,208	833	-	3,092
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 the Period (I+II)		1,051	-	-	-	-	-	-	-	-	1,208	833	-	3,092
IV.	Total Comprehensive Income		-	-	-	-	-	-	-	-	-	-	-	383	383
V.	Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase through Internal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt		-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	-	695	(807)	-	(112)
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	(112)	-	(112)
11.2	Transfers to reserves		-	-	-	-	-	-	-	-	-	695	(695)	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the Period (III+IV+.....+X+XI)		1,051	-	-	-	-	-	-	-	-	1,903	26	383	3,363

						Other Accumulated Comprehensive Income or Expense That Will Not Be Reclassified in Profit and Loss			Other Accumulated Comprehensive Income That Will Be Reclassified in Profit and Loss			Profit Reserves	Prior Period Net Income / (Loss)	Current Period Net Income / (Loss)	Total Equity
						1	2	3	4	5	6				
	Audited Current Period (30.06.2026)		Paid-in Capital	Share Premium	Share Certificate Cancellation Profits										
I.	Balances at beginning of the Period (*)		1,051	-	-	-	-	-	12	-	-	1,903	910	-	3,876
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 the Period (I+II)		1,051	-	-	-	-	-	12	-	-	1,903	910	-	3,876
IV.	Total Comprehensive Income		-	-	-	-	-	-	(17)	-	-	-	-	361	344
V.	Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase through Internal Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt		-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease by Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution		-	-	-	-	-	-	-	-	-	884	(884)	-	-
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	(884)	-	-
11.2	Transfers to reserves		-	-	-	-	-	-	-	-	-	884	(884)	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at the end of the Period (III+IV+.....+X+XI)		1,051	-	-	-	-	-	(5)	-	-	2,787	26	361	4,220

1. Tangible and Intangible Asset Revaluation Reserve
2. Accumulated Gains/Losses on Re-measurement of Defined Benefit Plans
3. Other (Other comprehensive income of Associates and Joint Ventures Accounted for Using Equity Method That Will Not Be Reclassified to Profit or Loss and Other Comprehensive Income That Will Not Be Reclassified to Profit or Loss)
4. Exchange Differences on Translation
5. Accumulated Gains (Losses) due to revolution and/or reclassification of financial assets measured at fair value through other comprehensive income
6. Other (Accumulated gains or losses on Cash flow hedge, 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 notes form an integral part of these financial statements.

BANK OF CHINA TURKEY A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

VI. STATEMENT OF CASH FLOWS

		Note	Current Period 01.01.2026-30.06.2026	Prior Period 01.01.2025-30.06.2025
A.	STATEMENT OF CASH FLOWS			
	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating profit before changes in operating assets and liabilities		265	301
				-
1.1.1	Interest received (+)		1,200	792
1.1.2	Interest paid (-)		521	138
1.1.3	Dividend received (+)		-	-
1.1.4	Fees and commissions received (+)		153	118
1.1.5	Other income (+)		-	-
1.1.6	Collections from previously written off loans and other receivables (+)		-	-
1.1.7	Payments to personnel and service suppliers (-)		248	160
1.1.8	Taxes paid (-)		318	284
1.1.9	Other (+/-)		(1)	(27)
1.2	Changes in Operating Assets and Liabilities		(3,567)	1,045
1.2.1	Net increase (decrease) in financial assets at fair value through profit or loss (+/-)		-	-
1.2.2	Net increase (decrease) in due from banks (+/-)		534	31
1.2.3	Net increase (decrease) in loans		-	(231)
1.2.4	Net increase (decrease) in other assets (+/-)		-	1
1.2.5	Net increase (decrease) in bank deposits (+/-)		(105)	55
1.2.6	Net increase (decrease) in other deposits (+/-)		(4,009)	2,146
1.2.7	Net increase (decrease) in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8	Net increase (decrease) in funds borrowed (+/-)		-	(882)
1.2.9	Net increase (decrease) in matured payables (+/-)		-	-
1.2.10	Net increase (decrease) in other liabilities (+/-)		13	(75)
I.	Net cash provided from banking operations		(3,302)	1,346
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities (+/-)		260	(323)
2.1	Cash paid for acquisition of investments, associates and subsidiaries		-	-
2.2	Cash obtained for acquisition of investments, associates and subsidiaries		-	-
2.3	Purchases of property and equipment (-)		-	7
2.4	Disposals of property and equipment (+)		-	-
2.5	Cash paid for purchase of financial assets available- for sale (-)		1,125	-
2.6	Cash obtained from sale of financial assets available- for sale (+)		917	-
2.7	Cash paid for purchase of investment securities (-)		51	807
2.8	Cash obtained from sale of investment securities (+)		485	491
2.9	Other (+)		34	-
				-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities (+/-)		(11)	(119)
3.1	Cash obtained from funds borrowed and securities issued (+)		-	-
3.2	Cash used for repayment of funds borrowed and securities issued (-)		-	-
3.3	Issued equity instruments (+)		-	-
3.4	Dividends paid (-)		-	112
3.5	Payments for financial leases (-)		11	7
3.6	Other (+/-)		-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents		71	562
V.	Net increase in cash and cash equivalents (I+II+III+IV)		(2,982)	1,466
VI.	Cash and cash equivalents at beginning of Period		5,466	3,945
VII.	Cash and cash equivalents at end of Period (V+VI)		2,484	5,411

The accompanying notes form an integral part of these financial statements

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

a. Preparation of the financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures on the Accounting Practice and Documentation of Banks

The unconsolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No. 26333 dated November 1, 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards (“TAS”) 34 - Interim Financial Reporting” and “Turkish Financial Reporting Standards (“TFRS”) issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”) and other decrees, notes and explanations related to the accounting and financial reporting principles published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” and changes and notes to this communiqué published in the Official Gazette No. 28337 dated June 28, 2012.

The Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act, the Turkish Commercial Code (“TCC”) and Turkish Tax Legislation. The financial statements have been prepared in Turkish Lira (TL), based on the historical cost basis except for the financial assets, liabilities and derivatives, which are expressed with their fair values.

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to “TAS 29 Financial Reporting in Hyperinflation Economies”. Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) has decided in accordance with the Board decisions numbered 10744 on 12 December 2023, numbered 10825 on 11 January 2024, numbered 11021 on 5 December 2024 and finally, numbered 11340 on 18 December 2025 that banks, financial leasing, factoring, financing, savings financing and asset management companies has not applied inflation adjustment required under TAS 29 for the years 2023, 2024, 2025, and 2026.

Additional paragraph for convenience translation into English of financial statements originally issued in Turkish

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.

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

ACCOUNTING POLICIES (Continued)

I. BASIS OF PRESENTATION (Continued)

b. Accounting policies and valuation principles applied in preparation of financial statements (Continued)

The accounting policies and valuation principles used in the preparation of the financial statements are selected and applied in accordance with the requirements set out in regulations, communiqués, statements and guidance published by the BRSA and if there is no special regulation by the BRSA, in accordance with the principles within TAS / TFRS. The accounting policies and valuation principles applied in the preparation of the accompanying financial statements are explained in Notes II and XXII below.

In preparing the financial statements in accordance with TFRS, the Bank's management is required to make assumptions and estimates about the assets and liabilities on the balance sheet and conditional issues as of the balance sheet date. These assumptions and estimates are reviewed regularly, necessary adjustments are made, and the details of the effects of these adjustments are reflected in the income statement as described in the related footnotes.

c. Changes in accounting policy

The amendments to Turkish Financial Reporting Standards ("TFRSs") effective as of 1 January 2026 have no significant impact on the Bank's accounting policies, financial position or financial performance. The TFRS amendments that have been issued but are not yet effective as of the date of authorisation of these unconsolidated financial statements are not expected to have a significant impact on the Bank's accounting policies, financial position or financial performance. As of 30 June 2026, in accordance with the Communiqué Amending the Communiqué on the Financial Statements to be Publicly Announced by Banks and the Related Disclosures and Footnotes, published in the Official Gazette No. 33239 dated 30 April 2026, the presentation of the accompanying unconsolidated financial statements and the related disclosures and notes has been changed from thousands of Turkish Lira ("TL") to millions of Turkish Lira ("TL").

II. EXPLANATIONS ON THE USAGE STRATEGY OF FINANCIAL INSTRUMENTS AND ON FOREIGN CURRENCY TRANSACTIONS

The Bank operates in the fields of Corporate Banking and Treasury banking in Turkey. The Bank provides cash, non-cash loans, project financing and corporate finance services to its corporate customers under the umbrella of corporate banking.

The Bank's most important funding source is its capital. Most of the Bank's assets consist of placements to banks. While capital is evaluated in high quality financial assets, an asset-liability management strategy is followed to keep interest, liquidity and exchange rate risks within certain limits. Foreign currency, interest and liquidity risks carried in the balance sheet and off-balance sheet assets and liabilities are managed within the framework of various risk limits and legal limits adopted by the Bank. The position of the Bank as a result of its foreign currency operations is kept at a minimum level and the foreign exchange rate risk is monitored within the framework of the Banking Law.

Explanation on foreign currency transactions:

Foreign exchange gains and losses arising from the foreign currency transactions are converted into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the Periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank at the end of the Period and the related currency conversion differences are recognized as foreign exchange gains and losses.

III. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The Bank's derivative instruments are classified as "Derivative Financial Assets Measured at Fair Value through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with "TFRS 9".

In accordance with TFRS 9, forward foreign exchange contracts, swaps, options and futures transactions are classified as "Derivative Financial Assets Measured at Fair Value through Profit and Loss". Derivative transactions are recorded at their fair value at the date of the contract. In addition, liabilities and receivables arising from derivative transactions are recorded in off-balance sheet accounts at contractual amounts. As of June 30, 2026, the Bank has no derivative financial liability which is classified as "Derivative Financial Liabilities Measured at Fair Value through Profit and Loss" (December 31, 2025: none)

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ACCOUNTING POLICIES (Continued)

IV. INFORMATION ON INTEREST INCOME AND EXPENSES

Interest income and expenses are recognized at fair value and accrued on an accrual basis using the effective interest method (the rate that equals the future cash flows of a financial asset or liability to its present net carrying amount) based on the principal amount outstanding.

V. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES

According to the nature of fees and commissions; commission income / expenses collected for any future transaction are recognized on an accrual basis and other fees and commission income / expenses are recognized in accordance with TFRS 15 in the Period in which they are incurred.

VI. EXPLANATIONS ON FINANCIAL ASSETS

Within the framework of the business plan, the Bank classifies and accounts for its financial assets as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" or "Financial assets at amortized cost". Such financial assets are accounted for in accordance with the "TFRS 9 Financial Instruments" standard, which is about the classification and measurement of financial instruments published in the Official Gazette dated January 15, 2019 and numbered 30656 by the Public Oversight Accounting and Auditing Standards Authority. The Bank is registered or issued in accordance with the provisions of "Inclusion in Financial Statements and Exclusion from Financial Statements" in the third part of the standard, effective from January 1, 2018.

In the first measurement of financial assets other than "Financial Assets at Fair Value Through Profit/Loss", transaction costs are added to the fair value or deducted from the fair value.

The Bank recognizes a financial asset only when it is a party to the contractual provisions of the financial instrument. The first time that a financial asset is included in the financial statements, the characteristics of the business model and the contractual cash flows of the financial asset are taken into account by the Bank Management. When the business model determined by the bank management is changed, all financial assets affected by this change are reclassified and the reclassification is applied in the future. In such cases, no adjustments are made to the earnings, losses or interests previously recognized in the financial statements.

The Bank has 1,994 TL financial assets at fair value through profit or loss and other comprehensive income as of June 30, 2026. (December 31, 2025: TL 1,786).

Financial assets measured at amortized cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost.

Financial assets measured at amortized cost are initially recognized at their acquisition cost including the transaction costs, which reflect the fair value of those instruments and are subsequently recognized at "Amortized Cost" by using "Effective Interest (Internal Efficiency) Rate" method. Interest income obtained from financial assets measured at amortized cost is accounted in the income statement.

Loans and Receivables:

Loans are financial assets that have fixed or determinable payments and are not quoted on an active market. Such loans are initially recognized at cost with fair value reflecting transaction costs and are measured at amortized cost using the "effective interest rate (internal rate of return) method".

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ACCOUNTING POLICIES (Continued)

VII. INFORMATION ON IMPAIRMENT OF FINANCIAL ASSETS

As of January 1, 2020, the Bank started to recognize 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 June 22, 2016 numbered 29750. In this framework, as of December 31, 2019, 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 expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions. The Bank sets aside the expected loss provision for its financial assets measured at amortized cost and at fair value through other comprehensive income.

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

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

Stage 2:

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

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment as of the reporting date. Lifetime expected credit losses are recorded for these assets.

Use of current conditions, past events and macroeconomic forecasts:

After making a segment separation according to the counterparty of the receivable, the Bank takes into account the different macroeconomic scenarios created for the corporate portfolio, using past events, current conditions and economic prospects for the future. The Bank uses three macroeconomic scenarios as base, positive and negative for future projections. The macroeconomic model is applied to reflect the outlook of the parameters used in the expected credit loss calculation.

Expected credit loss provision calculation:

The Bank uses the “Probability of Default x Loss in Default x Default” amount that takes into account the time value of money in the expected credit loss calculation. For the first stage receivables, 12-month expected credit loss calculation is applied, considering future information. For the second stage receivables, calculations are made for the expected life of the loan. Expected lifetime expected credit loss is calculated by discounting and collecting possible credit losses in every 12-month Period until maturity. The default probability is taken as 100% for non-performing loans and the expected loan losses are calculated in accordance with the expected life approach. Although methodological calculation methods have been determined, there are currently no loans classified in the second and third stages in the Bank’s portfolio. The entire loan portfolio is at the first stage.

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ACCOUNTING POLICIES (Continued)

VIII. DISCLOSURES ABOUT NETTING AND DERECOGNITION OF FINANCIAL INSTRUMENTS

Explanations on netting of financial instruments:

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

IX. INFORMATION ON SALES AND REPURCHASE AGREEMENTS AND LENDING OF SECURITIES

Funds provided by the Bank for securities sold under agreements for repurchase agreements ("Repo") are followed in the legal records in the "Funds Provided under Repurchase Agreements" and "Funds Provided under Repurchase Agreements-FC" Accounts.

Securities subject to repo (repurchase agreements) are classified as "Financial assets at fair value through profit or loss" or "Financial assets at fair value through other comprehensive income" according to their purposes to be held in the Bank's portfolio. Revenues from securities subject to repo are accounted for in interest income and expenses paid under repurchase agreements are accounted in interest expense accounts.

Funds given against securities purchased under agreements to resell ("Reverse repos") are accounted under "Receivables from money market" in the balance sheet. Interest income accruals are calculated according to the "effective interest (internal rate of return) method" for the portion of the difference between repurchase agreements and purchase and resale prices. Difference between the purchase and resale prices determined by reverse repurchase agreements, the interest income accrual is calculated according to the "Effective interest rate method".

As of June 30, 2026, the Bank has no repo, reverse repo and foreclosed marketable securities (December 31, 2025: None).

X. EXPLANATIONS ON ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND THE RELATED LIABILITIES

Assets held for sale, consist of tangible assets due to non-performing loans are accounted for in accordance with "TFRS 5 related to Held for Sale Fixed Assets and Discontinued Operations Turkey Financial Reporting Standards" in the financial statements.

A discontinued operation is part of a bank's business classified as disposed or held-for-sale. It refers to a separate main business line or the geographical area of its activities. It is a part of the sale of a separate main line of business or geographical area of operations alone in a coordinated plan, or is a subsidiary acquired solely for resale.

As of June 30, 2026, the Bank has no assets held for sale and discontinued operations (December 31, 2025: None).

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ACCOUNTING POLICIES (Continued)

XI. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill represents the difference between the cost of goods sold and the fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree's entity / operation, and represents the payment made by the acquirer to the entity for future benefit recognition. Not included in the financial statements of the business acquired in business combinations; however, assets that are separable from goodwill, intangible assets (such as credit card brand value and customer portfolio) and / or contingent liabilities are recognized in the financial statements at fair value.

Goodwill calculated in accordance with TFRS 3 - Business Combinations Standard is not subject to amortization but instead is tested for impairment in accordance with TAS 36 - Impairment of Assets, more frequently, annually or in cases where the conditional changes in circumstances indicate it may be impaired.

Intangible assets are amortized using the straight-line method over their estimated useful lives. The determination of the useful life of the asset is made by assessing the expected duration of use of the asset, the technical, technological or other type of obsolescence and the maintenance costs required obtaining the expected economic benefit from the asset.

The main assets that the Bank classifies as intangible assets are the license and development fees paid by the Bank for the systems it uses. Intangible assets are depreciated using the straight-line method over their useful lives. The depreciation method and period are reviewed periodically at the end of each year.

As of June 30, 2026, there is no goodwill in the accompanying financial statements (December 31, 2025: None).

XII. EXPLANATIONS ON TANGIBLE ASSETS

In accordance with the "Accounting Standard for Tangible Fixed Assets" ("TAS 16"), the cost of the tangible assets is determined by adding the initial amounts of the tangible assets and other direct expenses required to make the asset available. Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

For assets that are less than an active accounting Period, depreciation is provided for the amount of the depreciation for the full year, as measured by the proportion of the asset over the life of the asset.

If the carrying amount of an item of property, plant and equipment is greater than its market value, an impairment loss is recognized for the excess amount and the amount is recognized in the financial statements. Gains or losses arising from the disposal of tangible fixed assets are transferred to profit and loss accounts of the related Period.

Maintenance and repair costs incurred for tangible assets are recorded as expense.

Depreciation rates and estimated useful lives used for the tangible assets are as follows:

Tangible Assets	Estimated Useful Life (Year)	Amortization Rate (%)
Operating Leases	1-9	11.11-100
Furniture	5-10	10-20
Office equipment	3-10	10-33.33
Safe	50	2
Vehicles	5	20

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

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ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON LEASING TRANSACTIONS

The Bank is a lessee in the offices used for the marketing of operational area services and operations, and there are no financial leasing transactions.

Explanations on TAS 16 Leases Standard:

TAS 16 Leases Standard was published in the Official Gazette dated April 16, 2019 and numbered 29826, effective from January 1, 2019. This Standard specifies the principles for the leasing, presentation, presentation and disclosure of leases. The purpose of the standard is to provide tenants and lessees with appropriate information. This information is the basis for evaluating the impact of the leases on the entity's financial position, financial performance and cash flows by users of financial statements. The Bank has started to apply the related standard on January 1, 2019.

Measurement, Presentation and Reflection of Financial Leasing into Financial Statement

The amount of the lease obligation is shown in the balance sheet as gross in proportion to the total of all cash payments under the contract and netted off with the interest expense arising from the contract. The usage right arising from the leasing transactions is capitalized at the date of the rental at the beginning of the lease by measuring the present value of the lease payments that have not been paid at that date. In this measurement, if the interest can be easily determined, the implied interest rate in the lease is used. If this ratio cannot be easily determined, the Bank's alternative borrowing interest rate announced by the Treasury Unit is used.

XIV. EXPLANATIONS ON PROVISIONS AND CONTINGENT ASSETS/LIABILITIES

Provisions and contingent liabilities except for the financial instruments within the scope of the TFRS 9 or the provisions recognized in accordance with other standards such as TAS 12 and TAS 19 are accounted in accordance with the "Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets" (TAS 37).

Provision is made in the financial statements if there is an existing obligation resulting from past events, it is probable that the obligation will be met and the obligation can be reliably measured. Provisions are calculated based on the Bank Management's best estimates of the expenditure required to settle the obligation at the balance sheet date and are discounted to the present value where the effect is material.

For liabilities that arise because of past events, provision is made if the probability of occurrence is high and the amount can be reliably estimated at the time when those liabilities are incurred.

Contingent assets usually consist of unplanned or other unexpected events that give rise to the possibility of entry into the business of economic benefits. The presentation of contingent assets in the financial statements is not included in the financial statements, as it may result in the recognition of an income that can never be obtained. Contingent assets are disclosed in the footnotes of financial statements if it is probable that the economic benefits will flow to the enterprise. Contingent assets are assessed on an ongoing basis to ensure that their development is accurately reflected in the financial statements. If it becomes almost certain that the economic benefit will enter the Bank, the related asset and related income are reflected in the financial statements of the Period in which the change occurs.

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ACCOUNTING POLICIES (Continued)

XV. EXPLANATION ON LIABILITIES RELATED TO EMPLOYEE RIGHTS

In accordance with the existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to resignation or for reasons other than misconduct. In accordance with the revised TAS 19 employee benefits standard ("TAS 19"), such payments are recognized as defined benefit plans.

The retirement pay liability recognized in the balance sheet is calculated according to the present value of the amount of the liability expected to arise in the future due to retirement of all employees and reflected to the financial statements. Amendments to TAS 19 change the accounting for defined benefit plans and termination benefits. Changes require that all actuarial losses and gains be accounted for as other comprehensive income immediately in order to reflect the full value of the net retirement asset or liability in the balance sheet. Changes to TAS 19 should be applied retrospectively.

a. Defined benefit plans:

According to the laws and collective agreements existing in Turkey, retirement pay is paid in case of retirement or dismissal. The Bank recognizes the provision for the rights of its employees by estimating the present value of its future probable obligation in the event of retirement or dismissal.

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

b. Defined contribution plans:

The Bank, on behalf of its employees, must pay contributions to the Social Security Institution (SSI) in the amount determined by law. Apart from the contribution paid by the Bank, there is no other obligation to pay to its employees or the SSI. These premiums are reflected to the personnel expenses in the Period when they are accrued.

c. Short-term benefits to employees:

The liabilities arising from the vacation pay defined as "short-term benefits to employees" within the scope of TAS 19 are accrued and are not discounted at the Periods when they are earned.

XVI. EXPLANATIONS ON TAXATION

a. Corporate tax:

Effective January 1, 2023, corporate income tax for banks in Turkey is subject to a 30% corporate tax.

With the Law No. 7456 published in the Official Gazette dated July 15, 2023 and numbered 32249, corporate tax rate for banks has been increased to 30% from 25%, and has been applied to the corporate earnings of the accounting periods starting from January 1, 2023.

Advanced taxes are paid based on the quarterly earnings of the relevant accounting period, at the corporate income tax rate applicable to that year's earnings. Provisional taxes paid during the year are offset against the corporate income tax calculated on that year's corporate income tax return. Corporate income tax returns must be filed between the first day of the fourth month following the closing of the relevant accounting period and paid in a single installment by the end of that month.

Provisions for corporate and income taxes calculated on the profit for the period are recorded as "Current Tax Liability" in the liabilities section and as expenses in the "Current Tax Provision" account in the income statement.

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ACCOUNTING POLICIES (Continued)

XVI. EXPLANATIONS ON TAXATION (Continued)

a. Corporate tax (Continued)

According to the Turkish Corporate Tax Law, financial losses in the declaration can be deducted from the corporate tax base of the Period not exceeding 5 years. Declarations and related accounting entries can be examined within five years by tax office.

If profits are not distributed for the period, no additional tax is applied. No withholding tax is applied to dividends paid to corporations' resident in Turkey. Pursuant to the Council of Ministers Decree numbered 2009/14593 and the Council of Ministers Decree numbered 2009/14594, published in the Official Gazette dated February 3, 2009 and numbered 27130, and Articles 15 and 30 of the Corporate Tax Law numbered 5520, profit distributions to full-fledged taxpayer individuals, those not liable to corporate tax and income tax, those exempt from corporate tax and income tax, limited taxpayer corporations (excluding those receiving dividends through a workplace or permanent representative in Turkey), and limited taxpayer individual individuals were subject to a withholding tax of 15%. However, with the Presidential Decree published in the Official Gazette dated December 22, 2021 and numbered 31697, this rate was changed to 10%. However, with the Presidential Decree numbered 9286, dated December 21, 2024, the dividend withholding tax rate was increased from 10% to 15%. When applying withholding tax rates for profit distributions to limited-taxpayer corporations and individuals, the practices in the relevant Double Taxation Agreements are also considered. Additions of profits to capital are not considered profit distributions, and withholding tax is not applicable.

Article 298 of the Tax Procedure Law stipulates that financial statements will be subject to inflation adjustment if the increase in the producer price index exceeds 100% in the last three accounting periods, including the current one, and exceeds 10% in the current accounting period. As of December 31, 2021, these conditions were met. However, with the "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law" numbered 7352, published in the Official Gazette dated 29 January 2022 and numbered 31734, temporary article 33 was added to the Tax Procedure Law numbered 213 and it has been enacted that the financial statements will not be subject to inflation adjustment regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met in the 2021 and 2022 accounting periods including temporary tax periods (as of the accounting periods ending in 2022 and 2023 for those to which a special accounting period is assigned) and in the 2023 accounting period, including temporary tax periods, financial statements will not be subject to inflation adjustment and that the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met and the profit/loss differences arising from the inflation adjustment will be shown in the prior years' profit/loss account.

According to Article 17 of Law No, 7491 on Amendments to Certain Laws and Decree Laws, published in the Official Gazette No. 32413 dated December 28, 2023, banks, companies covered by Law No. 6361 on Financial Leasing, Factoring, Financing, and Savings and Finance Companies dated November 21, 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies will not take profit/loss differences resulting from inflation adjustments made in the 2024 and 2025 accounting periods, including provisional tax periods, into account in determining income. The President has been authorized to extend the periods specified under this paragraph by one accounting period, including provisional tax periods.

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ACCOUNTING POLICIES (Continued)

XVI. EXPLANATIONS ON TAXATION (Continued)

a. Corporate tax: (Continued)

According to Temporary Article 37 of Tax Procedural Law which was added by the Law No, 7571 on Amendments to Certain Laws and Decree Laws, published in the Official Gazette No. 33118 dated December 25, 2025, inflation adjustment will not be applied to financial statements in the 2025, 2026 and 2027 accounting periods including provisional tax periods without considering the conditions of inflation adjustment on article 298/ç. The President has been authorized to extend the periods specified under this paragraph by three accounting period, including provisional tax periods.

For the accounting periods including extended periods covered by authorization, in which inflation adjustment is not applied, Tax Procedural Law allows to revaluation of economic assets. Accordingly, the Bank has subjected its economic assets to depreciation in its balance sheet as of December 31, 2025, provided that the conditions stipulated in the provisions of bis Article 298/ç of the Tax Procedure Law. Corporate tax is calculated by considering the depreciation allocated on the revalued values of economic assets subject to depreciation.

b. Deferred tax:

Pursuant to Law No. 7456, published in the Official Gazette No. 32249 dated 15 July 2023, the corporate income tax rate applicable to banks was increased from 25% to 30%, effective for corporate income generated in accounting periods commencing on or after 1 January 2023. Accordingly, as of 30 June 2026, the Bank has measured its deferred tax assets and liabilities using a tax rate of 30%.

Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are recognized only to the extent that it is probable that future taxable profits will be available against which such temporary differences can be utilized. Effective from 1 January 2020, in accordance with the requirements of TFRS 9, deferred tax assets have also been recognized on expected credit loss provisions that give rise to temporary differences.

Deferred tax relating to items recognized directly in equity is also recognized directly in equity and is offset against the related equity accounts.

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ACCOUNTING POLICIES (Continued)

EXPLANATIONS ON TAXATION (Continued)

c. Local and Global Minimum Supplementary Corporate Tax:

Domestic Minimum Top Up Corporate Tax

In September 2023, the POA published amendments to TAS 12 that introduce a mandatory exception for the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes, these amendments clarify that TAS 12 will apply to income data arising from tax laws that have entered into force or are close to entering into force for the purpose of applying the Second Pillar Model Rules published by the Organization for Economic Co-operation and Development (OECD). These amendments also introduce specific disclosure requirements for entities affected by such tax laws, the exception stipulating that information about deferred taxes within this scope will not be recognized or disclosed, as well as the disclosure requirement that the exemption has been applied, will be implemented upon publication of the amendment. The Pillar 2 regulations agreed upon by OECD member countries entered into force in Turkey with Law No, 7524 on Amendments to Tax Laws and Certain Laws and Legislative Decree No, 375, published in the Official Gazette on August 2, 2024. These regulations does not have impact on financial status and performance.

Domestic Minimum Corporate Tax

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated August 2, 2024. This tax will be applied starting from the 2025 accounting period. The regulation of the Minimum Corporate Tax was introduced with Law No. 7524, regarding the corporate tax calculated within this scope is not being less than 10% of the corporate income before deductions and exemptions. The regulation will enter into force on the date of publication to be applied to the corporate income of the 2025 taxation period. In addition, the Corporate Tax General Communiqué No. 23 has been published on the subject.

d. Transfer pricing:

The "disguised profit" principle, which was included in Corporate Tax Law No, 5422, was redefined under the title "Disguised profit distribution through transfer pricing" by Article 13 of Corporate Tax Law No. 5520. Explanations regarding this article, which entered into force on January 1, 2007, and the amendments made to Article 41 of the Income Tax Law by Law No. 5615 are set out in the General Communiqué on Disguised Profit Distribution through Transfer Pricing, published in the Official Gazette dated November 18, 2007, and numbered 26704.

The "arm's length principle," which forms the basis of the transfer pricing regulation, means that the price or price applied in the purchase or sale of goods or services with related parties should be consistent with the price or price that would have been incurred if no such relationship existed between them. According to the relevant communiqué, if taxpayers engage in purchase and sale transactions with related entities (individuals) of products, services, or goods whose pricing is not conducted in accordance with the arm's length principle, the relevant profits will be deemed to have been distributed disguisedly through transfer pricing. Disguised profit distributions through such transfer pricing will not be deductible from the tax base for corporate tax purposes.

The "Transfer Pricing, Controlled Foreign Institution, and Disguised Capital Form" regarding transactions conducted with related parties during the accounting period is submitted to the relevant tax office as an appendix to the Corporate Tax Return for the relevant period.

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ACCOUNTING POLICIES (Continued)

XVII. ADDITIONAL EXPLANATIONS ON BORROWINGS

The Bank's fund resources consist of borrowing from foreign financial institutions. Instrument regarding borrowings are valued with their fair values and other financial liabilities are carried at "amortized cost" using the effective interest method. As of June 30, 2026, There is no Bank obtained funds from foreign institutions. (December 31, 2025: None).

XVIII. EXPLANATIONS ON SHARE CERTIFICATES ISSUED

None (December 31, 2025: None).

XIX. EXPLANATIONS ON BANK ACCEPTANCES AND BILLS OF GUARANTEE

Bank acceptances and bills of guarantee are presented within off-balance sheet liabilities as being possible liabilities and commitments. As of the balance sheet date, there are no bank acceptances and bills of guarantee recognized as liability against an asset (December 31, 2025: None).

XX. EXPLANATIONS ON GOVERNMENT INCENTIVES

As of the balance sheet date, the Bank does not have any government incentives (December 31, 2025: None).

XXI. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION

At the Ordinary General Assembly meeting held on March 26, 2026, in accordance with the profit distribution proposal of the Bank's Board of Directors, it was decided that TRY 62 of the 2025 net profit of TL 884 would be set aside as reserves, TRY 822 would be transferred to undistributed profits. The transfer of TRY 884,085 to reserves and dividend payable accounts was completed on March 27, 2026.

Other than legal reserves in statutory financial statements, retained earnings and reserves set aside by the resolution of the general assembly are available for distribution, subject to the legal reserve requirement set out below. Legal reserves consist of first and second reserves as stipulated in the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve should be separated from profits at a rate of 5% until it reaches 20% of the total reserve paid-in capital. The second legal reserve is reserved at the rate of 10% on all cash dividend distributions exceeding 5% of the paid-in capital.

XXII. EXPLANATIONS ON EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit for the year to the weighted average number of shares outstanding during the Period concerned. Earnings per share disclosed in the income statement are calculated by dividing net profit for the year to the weighted average capital outstanding during the Period concerned.

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect to bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier Period. Where the number of outstanding shares increase due to distribution of bonus shares after the balance sheet date but before the release of the financial statements, earnings per share computations are performed based on the revised average number of shares.

	Current Period	Prior Period
Current Period Profit / (Loss)	361	383
Number of Shares (Million)	1,051	1,051
Profit/ (Loss) per share (*)	0.34348	0.36421

(*) Expressed in full Turkish Lira.

XXIII. EXPLANATIONS ON RELATED PARTIES

Parties defined in Article 49 of the Banking Law No.5411, Bank's senior management and Board Members are deemed as related parties. Transactions regarding related parties are presented in Section Five.

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XXIV. EXPLANATIONS ON CASH and CASH EQUIVALENTS

For the purposes of the preparation of statement of cash flows, “Cash” includes cash, effectives, and cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and “Cash equivalents” include interbank money market placements and time deposits at banks with original maturity Periods of less than three months.

XXV. EXPLANATIONS ON SEGMENT REPORTING

The main segment of banking operations is Corporate Banking. As of June 30, 2026, the financial information per banking segments is presented below:

Current Period-31.06.2026	Corporate Banking	Fund Management	Unallocated	Total
Operating income	142	775	9	926
Operating expense	-	-	(409)	(409)
Pre-tax income / (loss)	142	775	(400)	517
Tax provision (-)	-	-	156	(156)
Net Profit / (Loss)	142	775	(556)	361
Segment assets	266	5,741	472	6,479
Segment liabilities	1,884	-	375	2,259
Equity	-	4,220	-	4,220
Prior Period (*)-31.12.2025	Corporate Banking	Fund Management	Unallocated	Total
Operating income	169	654	-	823
Operating expense	(26)	-	(257)	(283)
Pre-tax income / (loss)	143	654	(257)	540
Tax provision (-)	-	-	(157)	(157)
Net Profit / (Loss)	143	654	(414)	383
Segment assets	265	9,553	428	10,246
Segment liabilities	6,013	-	357	6,370
Equity	-	3,876	-	3,876

(*) Income statements items presents the balances as of June 30, 2025.

XXVI. RECLASSIFICATIONS

In order to be consistent with the presentation of current Period financial statements, there can be certain reclassifications in case needed.

The Bank has made an adjustment in the 30 June 2026 cash flow statement by excluding the reserve requirement balances held at the Central Bank of the Republic of Türkiye (CBRT) from cash and cash equivalents. The related amount for the year 30 June 2025 is TL 290 million.

Certain reclassifications have been made to the statement of profit or loss as of and for the period ended 30 June 2025 in order to conform to the presentation of the financial statements as of 30 June 2026. These reclassifications have no impact on the Bank’s financial performance.

XXVII. EXPLANATIONS ON OTHER MATTERS

None.

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SECTION FOUR

INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT

I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY

The capital items calculated as per the “Regulation on Equities of Banks” published on 5 September 2013, are presented below:

As of June 30, 2026, the Bank’s total capital has been calculated as TL 4,143 (December 31, 2025: TL 3,798) and the capital adequacy ratio is 23.79% (December 31, 2025: 25.15%). This ratio is well above the minimum ratio required by the legislation.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY (Continued)

Information on Equity Accounts:

	Current Period 30.06.2026	Prior Period 31.12.2025
COMMON EQUITY TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	1,051	1,051
Share Premium	-	-
Reserves	2,787	1,903
Gains recognized in equity as per TAS	-	12
Profit	387	910
Current Period profit	361	884
Prior Period profit	26	26
Bonus shares from associates, subsidiaries and joint ventures not accounted in current Period's profit	-	-
Common Equity Tier I Capital Before Deductions	4,225	3,876
Deductions from Common Equity Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	6	-
Current and Prior Periods' losses not covered by reserves, and losses accounted under equity according to TAS	-	-
Improvement costs for operating leasing (-)	18	21
Goodwill and other intangible assets and related deferred taxes (-)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	30	32
Excess amount arising from deferred tax assets from temporary differences	64	69
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization gains	-	-
Unrealized gains and losses arising from the differences in the credit value of the Bank's liabilities at fair value.	-	-
Net amount of defined benefit plans	-	-
Direct and indirect investments of the Bank on its own Tier I Capital (-)	-	-
Shares obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	-	-
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital (-)	-	-
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital (-)	-	-
Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital (-)	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences (-)	-	-
Other items to be defined by the BRSA	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	-	-
Total Deductions from Common Equity Tier I Capital	118	122
Total Common Equity Tier I Capital	4,107	3,754

(*) In this section, the accounts that are liable to the temporary articles of "Regulation on Equities of Banks" which will be considered at the end of the Transition Period are shown.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY (Continued)

	Current Period 30.06.2026	Prior Period 31.12.2025
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in Tier I capital and the related share premiums	-	-
Debt instruments and the related issuance premiums defined by the BRSA	-	-
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)	-	-
Shares of third parties in Additional Tier 1 Capital	-	-
Shares of third parties in Additional Tier 1 Capital (Temporary Article 3)	-	-
Additional Core Capital before Deductions	-	-
Deductions from Additional Core Capital	-	-
Direct and indirect investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation	-	-
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 (-)	-	-
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Items to be Deducted from Tier I Capital during the Transition Period	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I 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 not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital=Common Equity Additional Tier I Capital)	4,107	3,754
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	-	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	36	44
Tier II Capital before Deductions	36	44
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)	-	-
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)	-	-
Net long-term position of investments in capital assets of banks and financial institutions that have 10% or more of their shareholding interests and have not been consolidated	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	36	44
Total Equity (Total Tier I and Tier II Capital)	4,143	3,798

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY (Continued)

	Current Period 30.06.2026	Prior Period 31.12.2025
Total Tier I Capital and Tier II Capital (Total Equity)		
Loans granted against the Articles 50 and 51 of the Banking Law (-)	-	-
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
EQUITY		
Total Capital (Total of Tier I Capital and Tier II Capital)	4,143	3,798
Total Risk Weighted Assets	17,413	15,105
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	23.59	24.85
Tier I Capital Adequacy Ratio (%)	23.59	24.85
Capital Adequacy Ratio (%)	23.79	25.15
BUFFERS		
Bank-specific total Core Capital Ratio	2,66	2,66
Capital Conservation Buffer Ratio (%)	2,50	2,50
Bank-specific Counter-Cyclical Capital Buffer Ratio (%) (*)	0,16	0,16
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets	-	-
Amounts lower than Excesses as per Deduction Rules	19.09	20.35
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	-	-
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital	-	-
Remaining mortgage servicing rights	-	-
Net deferred tax assets arising from temporary differences	-	-
Limits for Provisions Used in Tier II Capital Calculation		
General provisions for standard based receivables (before ten thousand twenty five limitation)	-	-
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	36	44
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	184	164
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0.6% risk weighted assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	-	-
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	-	-
Upper limit for Additional Tier II Capital items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	-	-

(*) To be filled by systemically important banks which are not obliged to prepare consolidated financial statements under Paragraph 4 of Article 4 of the Regulation on Systemic Banks, will be reported as zero by other banks.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

I. EXPLANATIONS ON THE COMPONENTS OF SHAREHOLDERS' EQUITY (Continued)

Explanations on reconciliation of shareholder's equity items to balance sheet:

The difference between "Equity" in equity table and "Shareholder's Equity" in the unconsolidated balance sheet mainly arises from TFRS 9 transition effect of Stage 1 provisions. In the calculation of Total Capital, TFRS 9 Stage 1 expected credit losses up to 1.25% of credit risk is taken into consideration as Tier II Capital.

On the other hand, in the calculation of the "Equity", improvement costs for operating leases followed under tangible assets in the balance sheet, and related deferred tax liabilities, other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

	Current Period 30.06.2026	Prior Period 31.12.2025
Paid in Capital	1,051	1,051
Capital Reserves	2,787	1,903
Profit	387	910
Gains reflected in equity in accordance with TAS	-	12
Total Equity before Deductions	4,225	3,876
Deduction made within the scope of the Regulation	118	122
Common Equity Tier 1 Capital	4,107	3,754
Tier 1 Capital	4,107	3,754
General Provisions (Up to 1.25%)	36	44
Total Equity	4,143	3,798

II. EXPLANATIONS ON CURRENCY RISK

The difference between the Bank's foreign currency denominated on-balance sheet and off-balance sheet assets and the foreign currency denominated on-balance sheet and off-balance sheet liabilities are defined as "FC Net General Position" and form the basis for exchange rate risk. An important dimension of the exchange rate risk is the risk (cross-currency risk) caused by the exchange of values of the foreign currencies against each other in the FX net general position.

Measurable and manageable risks are taken within legal limits. The Bank applies stress tests against the fluctuations in foreign currency within the year.

The Bank uses the "standard method" which is also used in legal reporting to measure the foreign exchange risk.

There is no significant foreign currency position in relation to the balance sheet size of the Bank and if any exchange rate risk occurs, it is taken counter position and exchange rate risk is not transferred.

The Bank's current foreign exchange buying rates announced on June 30, 2026 and December 31, 2025 as well as the last five days financial statement valuation rates are as follows: (All rates presented as full TL)

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. EXPLANATIONS ON CURRENCY RISK (Continued)

30.06.2026	USD	EUR	GBP	CNY
Rates:	46,5747	53,0866	61,5332	6,8253
1. Day Foreign Exchange Buying Rate	46,4099	52,6683	61,0484	6,7790
2. Day Foreign Exchange Buying Rate	46,4302	52,7177	61,0739	6,7899
3. Day Foreign Exchange Buying Rate	46,4482	52,9289	61,2684	6,7928
4. Day Foreign Exchange Buying Rate	46,5551	53,0950	61,4404	6,8144
5. Day Foreign Exchange Buying Rate	46,5747	53,0866	61,5332	6,8253
Arithmetic mean of last 30 days	46,1783	53,1865	61,4589	6,7771
31.12.2025	USD	EUR	GBP	CNY
Rates:	42,8457	50,2859	57,5123	6,0940
1. Day Foreign Exchange Buying Rate	42,7641	50,3896	57,7322	6,0693
2. Day Foreign Exchange Buying Rate	42,7656	50,3547	57,5898	6,0685
3. Day Foreign Exchange Buying Rate	42,8542	50,4519	57,7163	6,0815
4. Day Foreign Exchange Buying Rate	42,8623	50,4532	57,8159	6,0977
5. Day Foreign Exchange Buying Rate	42,8457	50,2859	57,5123	6,0940
Arithmetic mean of last 30 days	42,6000	49,9015	56,9410	6,0156

Sensitivity analysis on currency risk:

The table below demonstrates prospective increase and decrease in equity and profit/loss as of June 30, 2026 and December 31, 2025 (excluding tax effect) on condition that 10 percent revaluation/devaluation of the foreign currencies below against TRY. This analysis has been prepared assuming that other variables, particularly interest rates, remain constant.

Current Period 30.06.2026	Change in Foreign Currency	Impact on Profit / Loss (*)	Impact on Equity
	10% Increase	18	18
EUR	10% Decrease	(18)	(18)
	10% Increase	(5)	(5)
USD	10% Decrease	5	5
Prior Period 31.12.2025	Change in foreign currency	Impact on Profit / Loss (*)	Impact on Equity
	%10 Increase	9	9
EUR	%10 Decrease	(9)	(9)
	%10 Increase	10	10
USD	%10 Decrease	(10)	(10)

(*) Pre-tax figures.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. EXPLANATIONS ON CURRENCY RISK (Continued)

Explanations on currency risk:

	EUR	USD	Other FC	Total
Current Period 30.06.2026				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metal) and Balances with the CBRT	59	1,116	-	1,175
Due from Banks (*)	98	58	712	868
Financial Assets at Fair Value through Profit/Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	-	-	-	-
Loans and Receivables	-	-	-	-
Investments in Assoc., Subsidiaries and Entities under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost	-	-	-	-
Derivative Financial Assets Hedging Purposes	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	60	36	23	119
Total Assets	217	1,210	735	2,162
Liabilities				
Bank Deposits				
Foreign Currency Deposits	-	-	619	619
Money Market Borrowings	14	1,196	15	1,225
Funds Provided from Other Financial Institutions	-	-	-	-
Securities Issued	-	-	-	-
Sundry Creditors	-	-	-	-
Derivative Fin. Liabilities for Hedging Purposes	-	-	-	-
Other Liabilities	27	64	48	139
Total Liabilities	41	1,260	682	1,983
Net Balance Sheet Position	176	(50)	53	179
Net Off-Balance Sheet Position				
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans (*)	8,106	5,015	1,167	14,288
Prior Period 31.12.2025				
Total Assets	120	5,395	812	6,327
Total Liabilities	34	5,298	767	6,099
Net Balance Sheet Position	86	97	45	228
Net Off-Balance Sheet Position				
Financial Derivative Assets	-	-	-	-
Financial Derivative Liabilities	-	-	-	-
Non-Cash Loans (**)	6,268	5,303	1,203	12,774

(*) There is no effect on the net balance sheet position.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. EXPLANATIONS ON INTEREST RATE RISK

Interest rate risk is the probability of loss due to changes in interest rates depending on the Bank's position regarding the interest-bearing financial instruments. Interest rate risk arises because of timing differences on the re-pricing of assets and liabilities, changes in correlation of interest rates between different financial instruments and, unexpected changes in the shape and slope of yield curves.

Exposure to interest rate movements arises when there is a mismatch between rate sensitive assets and liabilities. Interest rate risk is a key component of the Bank's market risk and asset and liability management. As part of asset and liability management, sensitivity analysis are used to measure the effects of changes in yield curves on the balance sheet.

The impact of interest rate volatility to the Bank will be analysed by presenting the results to the Risk Committee and senior management regularly. In this analysis, it is planned to calculate possible losses in fair value changes on interest rate sensitive products by interest rate shocks.

In the calculation of the Bank's exposure to interest rate risk, standard method is used.

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates)

Current Period 30.06.2026	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,100	-	-	-	-	1,381	2,481
Banks	1	-	-	-	-	869	870
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	750	-	1,244	-	-	1,994
Loans	266	-	-	-	-	-	266
Financial Assets Measured at Amortized Cost	-	343	53	-	-	-	396
Other Assets (*)	-	-	-	-	-	472	472
Total Assets	1,367	1,093	53	1,244	-	2,722	6,479
Liabilities							
Bank Deposits	-	-	-	-	-	620	620
Other Deposits	237	934	-	-	-	57	1,228
Interbank Money Market Received	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	-	-	-	-	-	4,631	4,631
Total Liabilities	237	934	-	-	-	5,308	6,479
Balance sheet long position	864	159	319	1,244	-	-	2,586
Balance sheet short position	-	-	-	-	-	(2,586)	(2,586)
Off-Balance sheet long position	-	-	-	-	-	-	-
Off-Balance sheet short position	-	-	-	-	-	-	-
Total Position	864	159	319	1,244	-	(2,586)	-

(*) Including TL 4,220 shareholders' equity.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. EXPLANATIONS ON INTEREST RATE RISK (Continued)

Prior Period 31.12.2025	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non- interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	5,000	-	-	-	-	723	5,723
Banks	216	-	-	-	-	928	1,144
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	799	755	232	-	-	1,786
Loans	-	-	266	-	-	-	266
Financial Assets Measured at Amortized Cost	-	506	394	-	-	-	900
Other assets (*)	-	-	-	-	-	427	427
Total Assets	5,216	1,305	1,415	232	-	2,078	10,246
Liabilities							
Bank Deposits	-	-	-	-	-	726	726
Other Deposits	429	4,791	-	-	-	24	5,244
Interbank Money Market Received	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-	-	-	-	-
Other Liabilities (**)	-	-	-	-	-	4,276	4,276
Total Liabilities	429	4,791	-	-	-	5,026	10,246
Balance sheet long position	4,787	(3,486)	1,415	232	-	-	2,948
Balance sheet short position	-	-	-	-	-	(2,948)	(2,948)
Off-Balance sheet long position	-	-	-	-	-	-	-
Off-Balance sheet short position	-	-	-	-	-	-	-
Total Position	4,787	(3,486)	1,415	232	-	(2,948)	-

(*) Including TL 3,876 shareholders' equity.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. EXPLANATIONS ON INTEREST RATE RISK (Continued)

Average interest rates applied to financial instruments (%)

Current Period 30.06.2026	EUR	USD	Other FC	TL
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	2.75	2.75	-	40.00
Banks and Receivables from Other Financial Institutions	-	3.82	1.10	-
Financial Assets at Fair Value Through Profit/ Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-
Loans	-	-	-	40.94
Financial Assets Measured at Amortized	-	-	-	40.16
Liabilities				
Bank Deposits	3.05	3.90	-	-
Other Deposits	-	2.09	-	48.90
Interbank Money Market Received	-	-	-	40.00
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	-	-	-
Prior Period 31.12.2025	EUR	USD	Other FC	TL
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	2.75	2.75	-	39.59
Banks and Receivables from Other Financial Institutions	1.85	3.77	-	-
Financial Assets at Fair Value Through Profit/ Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	-	-
Loans	-	-	-	38.78
Financial Assets Measured at Amortized	-	-	-	44.02
Liabilities				
Bank Deposits	-	-	-	41.00
Other Deposits	1.00	2.37	-	39.71
Interbank Money Market Received	-	-	-	-
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	3.75	-	-

Nature of interest rate risk resulted from banking book

Interest rate risk arising from banking accounts

This disclosure has not been prepared for the interim reporting period in accordance with the Communiqué on Public Disclosures regarding Risk Management by Banks.

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IV. EXPLANATIONS ON POSITION RISK OF EQUITY SECURITIES

1. Balance sheet values, fair value and market value comparison of equity investments

None (December 31, 2025: None).

2. Information on realized gains or losses on revaluation surplus, unrealized gains or losses and their included amounts in Tier 1 and 2 capital

None (December 31, 2025: None).

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO

The Bank established Liquidity Management Principles in order to monitor, audit and manage its liquidity position and liquidity requirement. Liquidity risk of the Bank is managed through taking potential funding sources, unexpected situation plans and legal limits into consideration within the framework of limits which are updated at least annually. It is aimed to carry out activities through ensuring a liquidity level which can provide to make payments at any time to sustain the trustable bank image of the Bank in the sector via taking risk/return balance of the Bank into consideration. Cash inflow and outflows in Turkish Lira and foreign currencies are tried to be kept under control continuously in liquidity risk management approach, long-term cash flow tables are formed and scenario analysis based on expectations and stress tests are performed to determine the resistance against the sudden crisis.

The Bank determines the liquidity risk appetite and strategy written under the Liquidity Risk Policy. In this context, the Bank controls maturity mismatch between assets and liabilities to be protected from liquidity risk and maintains liquid values in order to ensure the liquidity needs that can arise because of market fluctuations.

Presentation of assets and liabilities according to their remaining maturities:

Current Period 30.06.2026								
Assets	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated	Total
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1,381	1,100	-	-	-	-	-	2,481
Banks	869	1	-	-	-	-	-	870
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	750	-	1,244	-	-	1,994
Loans	-	266	-	-	-	-	-	266
Financial Assets Measured at Amortized Cost	-	-	343	53	-	-	-	396
Other Assets (*)	-	-	-	-	-	-	472	472
Total assets	2,250	1,367	1,093	53	1,244	-	472	6,479
Liabilities								
Bank Deposits	620	-	-	-	-	-	-	620
Other Deposits	57	237	934	-	-	-	-	1,228
Funds Borrowed from Other Financial Institutions	-	-	-	-	-	-	-	-
Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Other Liabilities (**)	-	-	-	-	-	-	4,631	4,631
Total Liabilities	677	237	934	-	-	-	4,631	6,479
Net Liquidity Gap	1,573	1,130	159	53	1,244	-	(4,159)	-
Net Off-Balance Sheet Position								
Financial Derivative Assets	-	-	-	-	-	-	-	-
Financial Derivative Liabilities	-	-	-	-	-	-	-	-
Non-Cash Loans	-	100	2,096	2,771	5,760	3,561	-	14,288

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets and prepaid expenses are included in this column.

(**) Shareholders' equity, provisions and unallocated part of sundry creditors are classified in other liabilities in unallocated column.

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V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Presentation of assets and liabilities according to their remaining maturities (Continued):

Prior Period 31.12.2025								
Assets	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated	Total
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	723	5,000	-	-	-	-	-	5,723
Banks	928	216	-	-	-	-	-	1,144
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-	799	755	232	-	-	1,786
Loans	-	-	-	266	-	-	-	266
Financial Assets Measured at Amortized Cost	-	-	506	394	-	-	-	900
Other Assets (*)	-	-	-	-	-	-	427	427
Total assets	1,651	5,216	1,305	1,415	232	-	427	10,246
Liabilities	-	-	-	-	-	-	-	-
Bank Deposits	726	-	-	-	-	-	-	726
Other Deposits	24	429	4,791	-	-	-	-	5,244
Funds Borrowed from Other Financial Institutions	-	-	-	-	-	-	-	-
Interbank Money Market	-	-	-	-	-	-	-	-
Marketable Securities Issued	-	-	-	-	-	-	-	-
Other Liabilities (**)	-	-	-	-	-	-	4,276	4,276
Total Liabilities	750	429	4,791	-	-	-	4,276	10,246
Net Liquidity Gap	901	4,787	(3,486)	1,415	232	-	(3,849)	-
Net Off-Balance Sheet Position	-	-	-	-	-	-	-	-
Financial Derivative Assets	-	-	-	-	-	-	-	-
Financial Derivative Liabilities	-	-	-	-	-	-	-	-
Non-Cash Loans	-	-	81	4,198	5,233	3,262	-	12,774

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets and prepaid expenses are included in this column.

(**) Shareholders' equity, provisions and unallocated part of sundry creditors classified in other liabilities in unallocated column.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Liquidity coverage ratio:

The liquidity coverage ratio is calculated by dividing the high-quality liquid assets to the Bank's net cash outflows in the next 30 day's period. Important balance sheet items that determine the ratio are required reserves held by the CBRT, corporate deposits and receivables from banks. These items have higher impact on the liquidity coverage ratio than the other items due to high share of liquid assets and net cash outflows, higher rate of consideration and variability.

Current Period 30.06.2026		Total Unweighted Value (Average)(*)		Total Weighted Value (Average)(*)	
High-Quality Liquid Assets		TL+FC	FC	TL+FC	FC
1	Total high-quality liquid assets (HQLA)			6,742	3,085
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured wholesale funding, of which:	4,426	4,372	1,808	1,790
6	Operational deposits	-	-	-	-
7	Non-operational deposits	4,364	4,304	1,745	1,722
8	Unsecured funding	63	68	63	68
9	Secured wholesale funding	-	-	-	-
10	Other cash outflows of which:	-	-	-	-
11	Outflows related to derivative exposures and other collateral requirements	259	132	259	132
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	31	31	1	2
16	Total Cash Outflows			2,069	1,924
Cash Inflows					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	1,769	1,762	1,766	1,762
19	Other cash inflows	324	172	324	172
20	Total Cash Inflows	2,093	1,934	2,090	1,934
21	Total HQLA			6,742	3,085
22	Total Net Cash Outflows			(21)	(10)
23	Liquidity Coverage Ratio (%)			1.219	485

(*) The arithmetic average of the last three months weekly-unconsolidated Liquidity Coverage Ratios are used.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Liquidity coverage ratio:

Prior Period 31.12.2025		Total Unweighted Value (Average)(*)		Total Weighted Value (Average)(*)	
High-Quality Liquid Assets		TRY+FC	FC	TRY+FC	FC
1	Total high-quality liquid assets (HQLA)			7,728	4,424
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:				
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured wholesale funding, of which:	4,006	3,970	1,608	1,598
6	Operational deposits	-	-	-	-
7	Non-operational deposits	3,996	3,961	1,598	1,598
8	Unsecured funding	10	9	10	9
9	Secured wholesale funding	-	-	-	-
10	Other cash outflows of which:	80	36	80	36
11	Outflows related to derivative exposures and other collateral requirements	80	36	80	36
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	-	-	-	-
14	Other revocable off-balance sheet commitments and contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	169	183	9	9
16	Total Cash Outflows			1,697	1,639
Cash Inflows					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	923	915	913	909
19	Other cash inflows	74	36	74	36
20	Total Cash Inflows	997	951	987	945
21	Total HQLA			7,728	4,424
22	Total Net Cash Outflows			710	694
23	Liquidity Coverage Ratio (%)			1.376	796

(*) The arithmetic average of the last three months weekly-unconsolidated Liquidity Coverage Ratios are used.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Liquidity coverage ratios are calculated on a weekly and monthly basis as of January 1, 2015 in accordance with the "Regulation on Calculation of the Liquidity Coverage Ratio of Banks" published in the Official Gazette No. 28948 dated March 21, 2014 and are subject to legal reporting. Liquidity coverage ratio must be at least 80% for foreign currency assets and liabilities for 2021, and at least 100% for total assets and liabilities. The dates and values of the lowest and highest foreign currency and total unconsolidated liquidity coverage ratios calculated weekly for the last three months are explained in the table below:

Current Period 30.06.2026

	Highest	Date	Lowest	Date	Average
TL+FC	2,449	26 June 2026	417	24 April 2025	1,219
FC	996	5 June 2026	182	24 April 2025	485

Prior Period 31.12.2025

	Highest	Date	Lowest	Date	Average
TL+FC	4,043	05 December 2025	531	19 December 2025	1,376
FC	2,409	05 December 2025	316	31 October 2025	796

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Net Stable Funding rate table

		Unweighted Amount According to Residual Maturity				Total Weighted Amount Applied
		Demand	Residual Maturity Less than 6 Months	Residual Maturity of 6 Months and Longer But Less Than 1 Year	Residual Maturity of 1 Year and More	
Current Period						
Available Stable Funding						
1	Capital Instruments	4,220	-	-	-	4,143
2	Tier 1 and Tier 2 Capital	4,143	-	-	-	4,143
3	Other Capital Instruments	77	-	-	-	-
4	Real-person and Retail Customer Deposits	-	-	-	-	-
5	Stable Deposit/Participation Fund	-	-	-	-	-
6	Low Stable Deposit/Participation Fund	-	-	-	-	-
7	Obligations to Other Parties	677	1,169	-	-	613
8	Operational Deposit/Participation Fund	56	1,169	-	-	613
9	Other Obligations	621	-	-	-	-
10	Liabilities Equivalent to Interconnected Assets	-	-	-	-	-
11	Other Liabilities	98	234	48	33	-
12	Derivative Liabilities	-	-	-	-	-
13	All other equity not included in the above categories	98	234	48	33	-
14	Available Stable Funding					4,756
Required Stable Funding						
15	High Quality Liquid Assets	945	1,536	-	-	-
16	Depository Institutions or Deposit/Participation Fund Held at Financial Institutions for Operational Purposes	869	-	-	-	130
17	Performing Loans	-	1,277	-	1,244	264
18	Encumbered Loans to Financial Institutions, Where The Loan is Secured Against Level 1 Assets	-	1,027	-	1,244	51
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	-	-	-	-
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	250	-	-	213
21	Loans with a risk weight of less than or equal to 35%	-	-	-	-	-
22	Residential mortgages	-	-	-	-	-
23	Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	-	-
24	Equity Instruments and Debt Instruments Traded on an Exchange that do not Have High-Quality Liquid Asset Characteristics	-	-	-	-	-
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	355	254	-	-	609
27	Physical traded commodities, including gold	-	-	-	-	-
28	Initial Margin for Derivative Contracts or Guarantee Fund Given to Central Counterparty	-	-	-	-	-
29	Derivative Assets	-	-	-	-	-
30	Derivative Liabilities Before Deduction of Variation Margin	-	-	-	-	-
31	Other Assets not Included Above	355	254	-	-	609
32	Off-balance sheet commitments	-	2,448	2,519	9,321	714
33	Required Stable Funding					1,717
34	Net Stable Funding Rate (%)					276.99

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

V. EXPLANATIONS ON LIQUIDITY RISK AND LIQUIDITY COVERAGE RATIO (Continued)

Net Stable Funding rate table (Continued)

		Unweighted Amount According to Residual Maturity				
			Residual Maturity Less than 6 Months	Residual Maturity of 6 Months and Longer But Less Than 1 Year	Residual Maturity of 1 Year and More	Total Weighted Amount Applied
Prior Period		Demand				
Available Stable Funding						
1	Capital Instruments	3,876	-	-	-	3,798
2	Tier 1 and Tier 2 Capital	3,798	-	-	-	3,798
3	Other Capital Instruments	78	-	-	-	-
4	Real-person and Retail Customer Deposits	-	-	-	-	-
5	Stable Deposit/Participation Fund	-	-	-	-	-
6	Low Stable Deposit/Participation Fund	-	-	-	-	-
7	Obligations to Other Parties	750	5,210	-	-	2,618
8	Operational Deposit/Participation Fund	24	5,210	-	-	2,618
9	Other Obligations	725	-	-	-	-
10	Liabilities Equivalent to Interconnected Assets					
11	Other Liabilities	118	245	13	35	-
12	Derivative Liabilities		-	-	-	
13	All other equity not included in the above categories	118	245	13	35	-
14	Available Stable Funding					6,416
Required Stable Funding						
15	High Quality Liquid Assets	1,465	4,258	-	-	-
16	Depository Institutions or Deposit/Participation Fund Held at Financial Institutions for Operational Purposes	928	214	-	-	170
17	Performing Loans	-	1,105	1,285	226	319
18	Encumbered Loans to Financial Institutions, Where The Loan is Secured Against Level 1 Assets	-	1,105	1,285	226	107
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	-	-	-	-	-
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	-	250	-	213
21	Loans with a risk weight of less than or equal to 35%	-	-	-	-	-
22	Residential mortgages	-	-	-	-	-
23	Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	-	-
24	Equity Instruments and Debt Instruments Traded on an Exchange that do not Have High-Quality Liquid Asset Characteristics	-	-	-	-	-
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	309	320	130	6	765
27	Physical traded commodities, including gold	-				
28	Initial Margin for Derivative Contracts or Guarantee Fund Given to Central Counterparty		-	-	-	-
29	Derivative Assets		-	-	-	-
30	Derivative Liabilities Before Deduction of Variation Margin		-	-	-	-
31	Other Assets not Included Above	309	320	130	6	765
32	Off-balance sheet commitments		2,039	2,240	8,495	639
33	Required Stable Funding					1,894
34	Net Stable Funding Rate (%)					338.67

Net stable funding ratio for the last three months including the reporting period was 276.99% (Last quarter of 2025: 338.67%).

The Bank's Net Stable Funding Ratio (NSFR) continued to remained above the legal limit (100%).

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. EXPLANATIONS ON LEVERAGE RATIO

The leverage ratio calculated by the Bank in accordance with the “Regulation on Measurement and Evaluation of Leverage Level of Banks” is 18.98% (December 31, 2025: 17.27%). This rate is above the minimum rate, and the regulation stipulated the minimum leverage rate as 3%.

The table of leverage ratio calculated in accordance with the Regulation on Assessment and Calculation of Banks’ Leverage ratio published in the Official Gazette numbered 28812 and dated November 5, 2013 shown below.

		Current Period 30.06.2026 (*)	Prior Period 31.12.2025 (*)
1	Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	7,545	9,440
2	(Assets deducted in determining Tier 1 capital)	115	94
3	Total balance sheet risks (sum of lines 1 and 2)	7,430	9,346
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	-	-
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	-	-
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	-	-
	Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets (except for on-balance sheet)	-	-
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	-	-
	Off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	13,877	12,214
11	(Adjustments for conversion to credit equivalent amounts)	-	-
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	13,877	12,214
	Capital and total risks		
13	Tier 1 capital	4,041	3,717
14	Total risks (sum of lines 3, 6, 9 and 12)	21,307	21,560
15	Leverage ratio	18.98	17.27

(*) Represents yearly weighted average amounts.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. EXPLANATIONS ON SECURITIZATION POSITIONS

None.

VIII. EXPLANATIONS ON RISK MANAGEMENT

Footnotes and related explanations are given in the section prepared based on “Communiqué on Public Disclosures Regarding to Banks Risk Management” published in Official Gazette No. 29511 at October 23, 2015 and became effective as of December 31, 2016. Based on this communique, the tables, which are to be prepared according to Internal rating-based (IRB) approach must be presented, are not presented because standard approach is used in calculation of the Bank’s capital adequacy.

1. Explanations on Risk Management and Risk Weighted Assets

1.1. Bank’s Risk Management Approach

Risk management encompasses the processes for the identification, measurement, monitoring, control within established limits, and reporting of risks. These activities are carried out directly by the Risk Management Department, which reports to the Executive Board Member Responsible for Internal Systems. The Risk Management function operates independently from executive business units and fulfils its responsibilities to the Board of Directors through the Audit Committee and the Risk Committee. In addition, the Risk Control Committee has been established to serve as the Bank’s management committee for risk management matters.

Risks are measured using methodologies that are appropriate to the Bank’s business model and are aligned with applicable international and local regulations, as well as the Bank’s internal policies and procedures. Stress testing and scenario analyses are conducted on a regular basis, and the results are reported periodically to Senior Management, the Risk Control Committee, the Risk Committee, and the Board of Directors. Risk measurement outputs are integrated into the Bank’s decision-making processes.

To ensure the effective identification, measurement, and control of risks arising from its activities, the Bank has established policies and procedures for each of the principal quantifiable risk categories, including Credit Risk, Market Risk, Liquidity Risk, and Operational Risk. These policies and procedures have been approved by the Board of Directors and are in force.

The Board of Directors has approved the Internal Capital Adequacy Assessment Procedure (ICAAP Procedure), which governs the determination of the Bank’s internal capital requirements and the assessment of capital adequacy. The Bank has also established policies and procedures governing the calculation of expected credit loss provisions under Turkish Financial Reporting Standard 9 (TFRS 9) and also it has documented the stress testing process under Stress Testing Framework Procedure.

Among the various risk types to which the Bank is exposed, Credit Risk and Operational Risk constitute the principal risk categories. Within the framework of the General Risk Appetite and Limit Policy, written risk limits, early warning thresholds, and risk appetite indicators have been established for these risks, as well as for other measurable risks, and have been approved by the Board of Directors. Risk appetite and risk limits are reviewed regularly by the Executive Board Member Responsible for Internal Systems, the Risk Management Department, the Risk Control Committee, and Senior Management, ensuring compliance with applicable regulatory limits. Where considered necessary, they are revised subject to the approval of the Board of Directors.

Risk reports prepared for the purpose of assessing the Bank’s overall risk profile are submitted to the Board of Directors and Senior Management on a regular basis. These reports provide information on compliance with the established risk limits and risk appetite indicators for each risk category, capital adequacy results, and the outcomes of stress testing exercises.

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INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VIII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

1. Explanations on Risk Management and Risk Weighted Assets (Continued)

1.2. Overview of Risk Weighted Amounts

		Risk Weighted Amounts		Minimum Capital Liability	
		Current Period 30.06.2026	Prior Period 31.12.2025	Current Period 30.06.2026	Prior Period 31.12.2025
1	Credit risk (excluding counterparty credit risk) (CCR)	14,709	13,150	1,177	1,052
2	Standardized approach (SA)	14,709	13,150	1,177	1,052
3	Internal rating-based (IRB) approach	-	-	-	-
4	Counterparty credit risk	-	-	-	-
5	Standardized approach for counterparty credit risk (SACCR)	-	-	-	-
6	Internal Model method (IMM)	-	-	-	-
7	Basic risk weight approach to internal modals 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	180	229	14	18
17	Standardized approach (SA)	180	229	14	18
18	Internal model approaches (IMM)	-	-	-	-
19	Operational risk	2,524	1,726	202	138
20	Basic indicator approach	2,524	1,726	202	138
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 Adjustments	-	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	17,413	15,105	1,393	1,208

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
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VIII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

2. Credit quality of assets

		Gross carrying values of as per TAS		Allowances/ impairments	Net values
Current Period 30.06.2026		Defaulted exposures	Non- defaulted exposures		
1	Loans	-	382	-	382
2	Debt Securities	-	2,467	76	2,391
3	Off-balance sheet exposures	-	14,288	36	14,252
4	Total	-	17,137	112	17,025

		Gross carrying values of as per TAS		Allowances/ impairments	Net values
Prior Period 31.12.2025		Defaulted exposures	Non- defaulted exposures		
1	Loans	-	266	-	266
2	Debt Securities	-	2,686	-	2,686
3	Off-balance sheet exposures	-	12,774	44	12,730
4	Total	-	15,726	44	15,682

3. Changes in stock of defaulted loans and debt securities

The Bank does not have any default receivables or borrowing instruments.

4. Credit risk mitigation techniques

Current Period 30.06.2026		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	382	-	-	-	-	-	-
2	Debt securities	2,390	-	-	-	-	-	-
3	Total	2,772	-	-	-	-	-	-
4	Of which defaulted	-	-	-	-	-	-	-

Prior Period 31.12.2025		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	266	-	-	-	-	-	-
2	Debt securities	2,686	-	-	-	-	-	-
3	Total	2,952	-	-	-	-	-	-
4	Of which defaulted	-	-	-	-	-	-	-

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
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VIII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

5. Credit Risk if the Standard Approach is used

Bank of China Turkey uses external ratings provided by JCR-ER Ratings when calculating the credit risk by the standard method. Within this scope, the Bank's risk weights in the Receivables from Central Governments or Central Banks risk class are determined by taking into consideration the matching table provided by JCR-ER Ratings and determined by the BRSA for the said CRA.

	Long Term Credit Ratings	
Credit Quality Stage	JCR-ER Ratings	Receivables from Central Government and Central Banks Risk Weight (%)
1	AAA / AA-	0
2	A+ / A-	20
3	BBB+ / BBB-	50
4-5	BB+ / B-	100
6	Lower than B-	150

5.1. Standardised approach – Credit risk exposure and credit risk mitigation (CRM) effects

Current Period 30.06.2025		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central Banks	4,962	2,231	4,962	2,231	2,260	31%
2	Exposures to regional governments or local Authorities	-	-	-	-	-	-
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Exposures to institutions	907	4,573	907	4,315	4,407	84%
7	Exposures to corporates	317	7,484	317	7,484	7,801	100%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	-	-
10	Exposures secured by commercial real estate	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-
16	Other receivables	241	-	241	-	241	100%
17	Equity Investment	-	-	-	-	-	-
18	Total	6,427	14,288	6,427	14,030	14,709	72%

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VIII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

5. Credit Risk if the Standard Approach is used (Continued)

Prior Period 31.12.2025	Asset classes	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Exposures to central governments or central Banks	8,503	2,210	8,503	2,210	2,237	21%
2	Exposures to regional governments or local Authorities	-	-	-	-	-	-
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Exposures to institutions	1,163	3,506	1,163	3,217	3,332	79%
7	Exposures to corporates	337	7,058	337	7,058	7,394	100%
8	Retail exposures	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	-	-
10	Exposures secured by commercial real estate	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-
16	Other receivables	187	-	187	-	187	100%
17	Equity Investment	-	-	-	-	-	-
18	Total	10,190	12,774	10,190	12,485	13,150	58%

5.2. Standardised approach – exposures by asset classes and risk weights

Current Period 30.06.2026												Total credit risk exposure amount (after CCF and CRM)
Asset classes/ Risk weight		0%	10%	20%	35%	50%	75%	100%	150%	200%	Others	
1	Exposures to central governments or central banks	4,933	-	-	-	-	-	2,260	-	-	-	7,193
2	Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	857	-	259	-	4,106	-	-	-	5,222
7	Exposures to corporates	-	-	-	-	-	-	7,801	-	-	-	7,801
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-	-
10	Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	-	-	-	-	-
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-	-
17	Other receivables	-	-	-	-	-	-	241	-	-	-	241
18	Total	4,933	-	857	-	259	-	14,408	-	-	-	20,457

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VIII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

5. Credit Risk if the Standard Approach is used (Continued)

5.2. Standardised approach – exposures by asset classes and risk weights (continued)

Prior Period 31.12.2025												Total credit risk exposure amount (after CCF and CRM)
Asset classes/ Risk weight		0%	10%	20%	35%	50%	75%	100%	150%	200%	Others	
1	Exposures to central governments or central banks	8,477	-	-	-	-	-	2,237	-	-	-	10,714
2	Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	1,138	-	277	-	2,966	-	-	-	4,381
7	Exposures to corporates	-	-	-	-	-	-	7,394	-	-	-	7,394
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-	-
10	Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	-	-	-	-	-
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-	-
17	Other receivables	-	-	-	-	-	-	187	-	-	-	187
18	Total	8,477	-	1,138	-	277	-	12,784	-	-	-	22,676

6. Disclosures regarding Counterparty Credit Risk

6.1. Analysis of counterparty credit risk (CCR) exposure by approach

None (December 31, 2025: None).

6.2. Credit Valuation Adjustment (CVA) Capital Charge

None (December 31, 2025: None).

6.3. Standardised approach – CCR exposures by regulatory portfolio and risk weights

None (December 31, 2025: None).

6.4. Composition of collateral for CCR exposure

The Bank has no collaterals used for counterparty credit risk.

6.5. Credit derivatives

The Bank has no derivatives.

6.6. Risks to Central Counterparty

The Bank has no risks to central counterparty.

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VIII. EXPLANATIONS ON RISK MANAGEMENT (Continued)

5. Credit Risk if the Standard Approach is used (Continued)

7. Securitization disclosures

The Bank has no securities.

8. Explanations On Market Risk

Market risk; is defined as the risk of loss in the value of assets and returns in the balance sheet and off-balance sheet as a result of changes in rates and prices in financial markets.

The Bank's market risk is determined, evaluated and managed within the framework of Market Risk Management Policy. This policy covers the basic principles of the Bank in relation to market risk management, the duties and responsibilities of the parties involved in market risk management and the process related to the measurement, monitoring and reporting of market risk. Within the scope of market risk, the Bank has interest rate risk and currency risk. Standard method is used to measure market risk and to be the basis for capital allocation.

The Bank measures market risk within the framework of legal regulations. In addition, the Bank conducts stress tests and monitors the management of the risk.

The Bank carries out the stress test by applying negative and positive shocks on the yield curve and the interest rate risk arising from the on-balance sheet and off-balance sheet positions.

The Bank carries out stress tests and evaluates currency risk by applying changes in foreign exchange risk on foreign currency net general position.

The Bank has determined the risk appetite and limits related to market risk taking into account the activities and product structure.

		Current Period 30.06.2026 Risk Weighted Asset	Prior Period 31.12.2025 Risk Weighted Asset
	Outright products		
1	Interest rate risk (general and specific)	-	-
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	180	229
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisations	-	-
9	Total	180	229

BANK OF CHINA TURKEY A.Ş.
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SECTION FIVE

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS

1. Information on cash and balances with the Central Bank of Turkey

1.1 Information on cash and cash equivalents

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL /Foreign Currency	-	-	-	-
Balances with the Central Bank of Turkey	1,306	1,175	660	5,063
Other	-	-	-	-
Total	1,306	1,175	660	5,063

1.2 Information related to account of Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	3	75	1	63
Unrestricted Time Deposits	1,303	-	659	-
Restricted Time Deposits	-	1,100	-	5,000
Total	1,306	1,175	660	5,063

2. Information on Banks

2.1. Information on Banks and Other Financial Institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
<i>Domestic</i>	2	13	1	19
<i>Foreign</i>	-	855	-	1,124
<i>Foreign head-offices and branches</i>	-	-	-	-
Total	2	868	1	1,143

2.2. Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	98	251	-	-
USA, Canada	27	65	-	-
OECD Countries *	730	808	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	855	1,124	-	-

(*) OECD countries other than European Union countries, USA and Canada

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)

3. Positive differences related to derivative financial assets

None (December 31, 2025: None).

4. Expected credit losses for cash and cash equivalents

None (December 31, 2025: None).

5. Information on financial assets at fair value through profit or loss

None (December 31, 2025: None).

6. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income

6.1. Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral/blocked

As of June 30, 2026, there are no financial assets at fair value through other comprehensive income subject to repurchase agreement (December 31, 2025: None). As of June 30, 2026, there are no financial assets given as collateral/blocked (December 31, 2025: None).

6.2. Information on Financial Assets Measured at Fair Value Through Other Comprehensive Income

	Current Period	Prior Period
Debt Securities	1,994	1,786
<i>Listed on the Stock Exchange</i>	1,994	1,786
<i>Not Traded on the Stock Exchange</i>	-	-
Impairment Provision (-)	-	-
Total	1,994	1,786

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)

7. Information on Loans

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

None (December 31, 2025: None).

7.2. Information on the first and second group loans and other receivables including rescheduled or restructured loans

Cash Loans	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring		
		Loans and Receivables Not Subject to Restructuring	Restructured Loans and Receivables	
			Loans and Receivables with Revised Contract Terms	Re-finance
Non-Specialized Loans	266	-	-	-
Loans Given to Enterprises	-	-	-	-
Export Loans	266	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	-	-	-	-
Consumer Loans	-	-	-	-
Credit Cards	-	-	-	-
Other	-	-	-	-
Specialized Loans	-	-	-	-
Other Loans	-	-	-	-
Total	266	-	-	-

Expected Credit Losses	Standard Loans	Loans Under Close Monitoring
12 Months Expected Credit Loss	-	-
Significant Increase in Credit Risk	-	-
Total	-	-

7.3. Distribution of cash loans according to their maturities

None (December 31, 2025: None).

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)

7. Information on Loans (Continued)

7.4. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

None (December 31, 2025: None).

7.5. Information on commercial instalment loans and corporate credit cards

None (December 31, 2025: None).

7.6. Loans according to types of borrowers

	Current Period	Prior Period
Public	-	-
Private	266	266
Total	266	266

7.7. Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	266	266
Foreign Loans	-	-
Total	266	266

7.8. Loans given to associates and subsidiaries

None (December 31, 2025: None).

7.9. Explanations on non-performing loans

None (December 31, 2025: None).

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)

7. Information on Loans (Continued)

7.10. Explanations on write-off policy

In order to ensure the collection and liquidation of the Bank's receivables, which are given legal follow-up instructions due to the loss of credit worthiness, the subjects such as the quality of the loan, the condition of the loan, the good will of the debtor and the urgency of the follow-up are determined, and the most appropriate action style is determined. Although the elimination of the risk is preferred through the administrative interventions and negotiations in the debtors, the liquidation method of the receivable is used by directly initiating legal follow-up procedures. However, the fact that legal proceedings have been initiated does not mean that administrative interviews have ended. An agreement can be made with the debtor regarding the liquidation of the Bank's receivables at each stage, if it is agreed.

As of June 30, 2026, the Bank does not have any written-off assets (December 31, 2025: None).

7.11. Explanations on expected credit losses for loans

None (December 31, 2025: None).

7.12. Information on interest accruals, rediscounts, valuation differences and their provisions calculated for non-performing loans in accordance with TFRS 9

None (December 31, 2025: None).

8. Information on financial assets measured at amortized cost

8.1. Information on financial assets that are subject to repo transactions and are given as collateral / blocked, and measured financial assets

There are no financial assets subject to repurchase agreements in the current Period (December 31, 2025: None). As of June 30, 2026, the Bank does not have securities given as collateral (December 31, 2025: None).

8.2. Information on government debt securities measured at amortized cost

	Current Period	Prior Period
Government Bond	396	900
Treasury Bonds	-	-
Other Public Debt Securities	-	-
Total	396	900

8.3. Information on investments measured at amortized cost

	Current Period	Prior Period
Debt Securities	396	900
<i>Quoted at Stock Exchange</i>	396	900
<i>Unquoted at Stock Exchange</i>	-	-
Value Increases/Impairment Losses (-)	-	-
Total	396	900

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)

8. Information on financial assets measured at amortized cost (Continued)

8.4. Movements of investments measured at amortized cost during the year

	Current Period	Prior Period
Opening balance	900	1,462
Foreign exchange differences in monetary assets	-	-
Purchases during the year	51	1,184
Disposals through Sales and Redemptions	(495)	(1,675)
Change in the fair values of financial assets	(60)	(71)
Period end balance	396	900

8.5. Explanations on expected credit losses for financial assets measured at amortized cost

None (December 31, 2025: None).

9. Non-current Assets Held for Sale and Discontinued Operations (Net)

As at the reporting date, the Bank does not have any non-current assets classified as held for sale or any discounted operations. (December 31, 2025: None)

10. Information on associates

The Bank has no associates as of June 30, 2026 (December 31, 2025: None).

11. Information on subsidiaries (net)

The Bank has no subsidiaries as of June 30, 2026 (December 31, 2025: None).

12. Information on entities under common control (Joint Ventures)

The Bank does not have investments in entities under common control as of June 30, 2026 (December 31, 2025: None).

13. Information on lease receivables

The Bank does not have lease receivables as of June 30, 2026 (December 31, 2025: None).

14. Information on derivative financial assets held for hedging purposes

There are no derivative financial instruments for hedging purposes (December 31, 2025: None).

15. Information on on tangible assets

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

16. Information on intangible assets.

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

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. EXPLANATIONS AND DISCLOSURES RELATED TO ASSETS (Continued)

17. Information on investment properties (net)

None (December 31, 2025: None).

18. Information on current tax assets

None (December 31, 2025: None).

19. Information on Deferred Tax asset

For taxable temporary differences arising between the book value of an asset or liability and its tax base determined in accordance with the tax legislation, the Bank will obtain financial profit that can be deducted in the following periods according to the provisions of "TAS12 - Income Taxes", BRSA's explanations and circulars and tax legislation, calculates deferred tax on deductible temporary differences, to the extent possible.

As of June 30, 2026, net deferred tax assets amounted to TL 70 (December 31, 2025: TRY 72) has been reflected in the financial statements of the Bank after netting the deferred tax asset amounting to TL 10 (December 31, 2025: TRY 6) and the tax liability amounting to TL 60 (December 31, 2025: TL 66).

Current and prior period deferred tax assets and liabilities movements are as follows:

	Accumulated Temporary Differences		Deferred Tax Assets/(Liabilities)	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
- Retirement Pay and Unused Vacation Provision	5	4	1	1
- Bonus Provision	89	57	27	17
- Commission charged in advance	97	94	29	28
- Expected Credit Loss According to TFRS 9	36	44	11	13
- MTM-TFRS16 difference	4	15	1	4
- MTM-TFRS difference for interest income/expense	-	-	-	-
- MTM – SL securities interest difference	2	27	1	9
- Differences arising from market valuation of derivative financial instruments.	-	-	-	-
Deferred Tax Assets	233	241	70	72
- Tangible Assets Amortization Differences	(23)	(20)	(7)	(6)
- MTM – SL securities interest difference	-	-	-	-
- MTM-TFRS difference for interest income/expense	-	-	-	-
- Financial Activity Fee	(8)	-	(3)	-
Deferred Tax Liabilities	(31)	(20)	(10)	(6)
Deferred Tax Assets/(Liabilities), Net	202	221	60	66

20. If the other assets item of the balance sheet exceeds 10% of the total balance sheet excluding commitments in the off-balance sheet accounts, the names and amounts of the sub-accounts constituting at least 20% of the balance sheet

Other assets do not exceed 10% of total assets excluding the off-balance sheet items (December 31, 2025: None).

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II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES

1. Information on deposits

1.1. Information on maturity structure of deposits

Current Period	Demand	7 Days' Notice	Up to 1 Month	1-3 Months	3-6 Months	6-1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	-	-	-	-	-	-	-	-	-
Foreign Currency Deposits	54	-	237	934	-	-	-	-	1,225
Residents in Turkey	54	-	237	934	-	-	-	-	1,225
Residents Abroad	-	-	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	3	-	-	-	-	-	-	-	3
Other Ins, Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Interbank Deposits	620	-	-	-	-	-	-	-	620
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	619	-	-	-	-	-	-	-	619
Foreign Banks	1	-	-	-	-	-	-	-	1
Special Finan. Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	677	-	237	934	-	-	-	-	1,848
Prior Period	Demand	7 Days' Notice	Up to 1 Month	1-3 Months	3-6 Months	6-1 Year	1 Year and Over	Cumulative Deposit	Total
Saving Deposits	-	-	-	-	-	-	-	-	-
Foreign Currency Deposits	22	-	429	4,791	-	-	-	-	5,242
Residents in Turkey	22	-	429	4,791	-	-	-	-	5,242
Residents Abroad	-	-	-	-	-	-	-	-	-
Public Sector Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	2	-	-	-	-	-	-	-	2
Other Ins, Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Interbank Deposits	726	-	-	-	-	-	-	-	726
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	724	-	-	-	-	-	-	-	724
Foreign Banks	2	-	-	-	-	-	-	-	2
Special Finan. Inst.	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	750	-	429	4,791	-	-	-	-	5,970

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

1.2. Information on saving deposits under insurance

1.2.1. Amounts exceeding the insurance limit

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, the official institutions, credit institutions and financial institutions other than those belonging to the credit institutions All deposit and participation funds have been insured.

Saving deposits	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	Current Period	Prior Period	Current Period	Prior Period
Deposits	3	2	-	-
Foreign currency saving deposits	10	5	1,215	5,239
Other deposits	-	-	-	-
Foreign branches’ deposits under foreign authorities’ insurance	-	-	-	-
Off-shore banking regions’ deposits under foreign authorities’ insurance	-	-	-	-

1.3. Saving deposits that are not under the guarantee of deposit insurance fund

There are no saving deposits that are not under the guarantee of deposit insurance fund as of June 30, 2026 (December 31, 2025: None).

2. Information on derivative financial liabilities

2.1. Negative differences table related to derivative financial liabilities

None (December 31, 2025: None).

3. Information on borrowings

3.1. Banks and other financial institution

There is no borrowing on banks and other financial institution as of June 30, 2026 (December 31, 2025: None).

3.2. Maturity structure of borrowings

There are no borrowings as of June 30, 2026 (December 31, 2025: None).

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

4. If the foreign liabilities of the balance exceed 10% of the total balance sheet excluding the penalty and off-balance sheet commitments, the names and amounts of the sub-accounts constituting at least 20%

Other foreign liabilities do not exceed 10% of the balance sheet total (December 31, 2025: Not exceeding).

5. Information on Lease Obligations

5.1. Criteria used in the determination of lease instalments in the finance lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

The Bank does not have any financial lease agreement (December 31, 2025: None).

5.2. Detailed explanation of contract amendments and new obligations of these amendments to the Bank

The Bank does not have any financial lease agreement (December 31, 2025: None).

5.3. Information on lease liabilities

As of June 30, 2026, total net lease liability amount of the Bank is TL 64 (December 31, 2025: TL 64).

5.4. Information on "Sale -and- lease back" agreements

The Bank does not have any sale-and-lease back transactions in the current Period (December 31, 2025: None).

6. Information on derivative financial liabilities for hedging purposes

There are no derivative financial liabilities for hedging purposes (December 31, 2025: None).

7. Information on Provisions

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

As of June 30, 2026, the Bank has no provision related to foreign currency differences of foreign indexed loans (December 31, 2025: None).

7.2. Information on provisions for non-cash loans that are non-funded and non-transformed into cash

	Current Period	Prior Period
Provisions for Non-cash Loans	36	44
Total	36	44

7.2.1. Provision for probable losses

None (December 31, 2025: None).

7.2.2. The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total provisions

Other provisions do not exceed 10% of the total provisions (December 31, 2025: Not exceed).

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

7.2.3. Explanations on reserves for employee benefit

The table of current and prior period retirement pay provision is as follows:

	Current Period	Prior Period
Opening Balance, January 1	1	1
Period expenses	-	-
Payments made	-	-
Actuarial Difference	-	-
Closing Balance, December 31	1	1

In accordance with the current labor law in Turkey, the Bank is required to pay termination benefits to the personnel who are dismissed from work due to retirement or who are terminated for reasons other than resignation and abuse. These compensations are the 30-day Gross wage for each year of work based on the wage on the date of dismissal. As of December 31, 2025, and June 30, 2026, the ceiling of the provision for employment termination benefits are TL 64,948.77 and TL 73,729.84 (full TL).

In the financial statements of June 30, 2026 and December 31, 2025, the Bank calculates the termination indemnity by discounting the annual inflation and interest rate usage. The inflation and interest rates used are as follows:

	Current Period	Prior Period
Inflation Rate	23.00%	23.00%
Interest Rate	28.15%	28.15%
Discount Rate	4.19%	4.19%

As of June 30, 2026, total provision for employee benefits amounting to TL 95 (December 31, 2025: TL 61) is composed of TL 4 unused vacation provision (December 31, 2025: TL 3), TL 90 TL bonus provision (December 31, 2025: TL 57), TL 1 provision for employee termination benefits (December 31, 2025: 1 TL).

8. Explanations on Tax Liability

As of June 30, 2026, the Bank has current tax liability of TL 113 (December 31, 2025: TL 104).

The Bank has a corporate tax amount of TL 143 (December 31, 2025: TL 360) to be paid after the deduction of the prepaid corporate tax of TL 50 (December 31, 2025: 280) from the corporate tax calculated as TL 93 (December 31, 2025 TL 80).

8.1. Information on tax payables

	Current Period	Prior Period
Corporate taxes payable	93	80
Taxation on securities	2	1
Property tax	-	-
Banking and Insurance Transaction Tax (BITT)	2	1
Taxes on foreign exchange transactions	-	-
Value added taxes payable	1	4
Other	10	15
Total	108	101

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

8.2. Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	2	1
Social Security Premiums- Employer	3	2
Unemployment Insurance- Employee	-	-
Unemployment Insurance- Employer	-	-
Total	5	3

8.3. Explanations on deferred tax liabilities

None (December 31, 2025: None).

8.4. Information on liabilities regarding assets held for sale and discontinued operations

None (December 31, 2025: None).

9. Explanations on Subordinated loans

None (December 31, 2025: None).

10. Information on Shareholders' equity

10.1. Paid in Capital

The Bank's paid-in capital is TRY 1,051 as of June 30, 2026 (December 31, 2025: TRY 1,051). The capital does not have a share certificate.

10.2. Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital ceiling

Registered share capital system is not applied.

10.3. Capital increases and sources in the current period and other information based on increased capital shares

None (December 31, 2025: None).

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

None (December 31, 2025: None).

10.5. Information on capital commitments, the purpose and the sources until the end of the fiscal year and the subsequent interim period

None (December 31, 2025: None).

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

EXPLANATIONS AND DISCLOSURES RELATED TO LIABILITIES (Continued)

10.6. The effects of anticipations based on the financial figures for prior periods regarding the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties at these indicators

Forecasts are made taking into account the prior period indicators of the Bank's income, profitability and liquidity and the uncertainties in these indicators, and their estimated effects on equity are prepared by the Finance Department and reported to the top management.

10.7. Information on privileges given to shares representing the capital

None (December 31, 2025: None).

10.8. Information on marketable securities value increase fund

None (December 31, 2025: None).

10.9. Information on profit distribution

At the Ordinary General Assembly meeting held on March 26, 2026, in accordance with the profit distribution proposal of the Bank's Board of Directors, it was decided that TRY 62 of the 2025 net profit of TRY 884 would be set aside as reserves, TRY 822 would be transferred to undistributed profits. The transfer of TRY 884 to reserves and dividend payable accounts was completed on March 27, 2026.

10.10. Information on minority interest

None (December 31, 2025: None).

III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

1. Information on off-balance sheet commitments

1.1. Nature and amount of irrevocable loan commitments

None (December 31, 2025: None).

1.2. Possible losses and commitments related to off-balance sheet items, including the ones listed below

1.2.1. Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Guarantees	13,771	12,197
Total	13,771	12,197

1.2.2. Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Temporary letter of guarantees	70	161
Letters of guarantee given in advance	-	14
Other letter of guarantees	447	402
Total	517	577

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (Continued)

1.3. Explanation on Non-cash loans

1.3.1. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans	13,771	12,197
With Original Maturity of 1 Year or Less Than 1 Year	-	-
With Original Maturity of More Than 1 Year	13,771	12,197
Other Non-Cash Loans	517	577
Total	14,288	12,774

1.3.2. Information on sectoral risk breakdown of non-cash loans irrevocable loan commitments (excluding forward asset sales and purchase commitments)

	June 30, 2026			
	TRY	(%)	FC	(%)
Agricultural	-	-	-	-
Farming and Livestock	-	-	-	-
Forestry	-	-	-	-
Fishing	-	-	-	-
Manufacturing	-	-	2,518	17.62
Mining	-	-	-	-
Production	-	-	422	2.95
Electric, Gas, Water	-	-	2,096	14.67
Construction	-	-	-	-
Services	-	-	10,373	72.6
Wholesale and Retail Trade	-	-	-	-
Hotel and Food Services	-	-	-	-
Transportation and Telecommunication	-	-	3,569	24.98
Financial Institutions	-	-	6,804	47.62
Real Estate and Leasing Ser,	-	-	-	-
Professional Services	-	-	-	-
Education Services	-	-	-	-
Health and Social Services	-	-	-	-
Other	-	-	1,397	9.78
Total	-	-	14,288	100.0

	June 30, 2026			
	TRY	(%)	FC	(%)
Agricultural	-	-	-	-
Farming and Livestock	-	-	-	-
Forestry	-	-	-	-
Fishing	-	-	-	-
Manufacturing	-	-	2,378	18.62
Mining	-	-	-	-
Production	-	-	450	3.53
Electric, Gas, Water	-	-	1,928	15.09
Construction	-	-	-	-
Services	-	-	9,110	71.32
Wholesale and Retail Trade	-	-	-	-
Hotel and Food Services	-	-	-	-
Transportation and Telecommunication	-	-	3,394	26.57
Financial Institutions	-	-	5,716	44.75
Real Estate and Leasing Ser,	-	-	-	-
Professional Services	-	-	-	-
Education Services	-	-	-	-
Health and Social Services	-	-	-	-
Other	-	-	1,286	10.06
Total	-	-	12,774	100.0

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (Continued)

1.3.3. Information on non-cash loans classified in 1st and 2nd group

30.06.2026	Group 1		Group 2	
Non-cash loans	TRY	FC	TRY	FC
Letters of Guarantee	-	517	-	-
Acceptance and Acceptance Loans	-	-	-	-
Letters of Credit	-	-	-	-
Endorsements	-	-	-	-
Securities Issuance Guarantees	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	13,771	-	-
Total	-	14,288	-	-

31.12.2025	Group 1		Group 2	
Non-cash loans	TRY	FC	TRY	FC
Letters of Guarantee	-	577	-	-
Acceptance and Acceptance Loans	-	-	-	-
Letters of Credit	-	-	-	-
Endorsements	-	-	-	-
Securities Issuance Guarantees	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Commitments and Contingencies	-	12,197	-	-
Total	-	12,774	-	-

1.4. Explanation on expected losses for non-cash loans and irrevocable commitments

Current Period	Stage 1	Stage 2	Stage 3	Total
Balances at End of Prior Period	44	-	-	44
Additions during the Period	7	-	-	7
Disposal	(16)	-	-	(16)
Sold Credits	-	-	-	-
Deleted from Active	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	1	-	-	1
Balances at End of Period	36	-	-	36

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. EXPLANATIONS AND DISCLOSURES RELATED TO OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS (Continued)

1. Explanations on financial derivatives

None (December 31, 2025: None).

2. Explanation on credit derivatives and risk exposures due to these credit derivatives

None (December 31, 2025: None).

3. Explanation on contingent liabilities and assets

None (December 31, 2025: None).

4. Information on services in the name and account of others

None (December 31, 2025: None).

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IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT

1. Information on interest income

1.1. Information on interest on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Income on Loans	52	-	129	-
Short-term Loans	-	-	-	-
Medium/Long-term Loans	52	-	129	-
Interest on Loans Under Follow-up	-	-	-	-
Premiums Received from Resource	-	-	-	-
Utilization Support Fund	-	-	-	-
Total	52	-	129	-

1.2. Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey	-	60	-	22
Domestic Banks	219	-	315	-
Foreign Banks	-	3	-	1
Branches and Head Office Abroad	-	-	-	-
Total	219	63	315	23

1.3 Interest received from marketable securities portfolio

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	389	-	-	-
Financial Assets Measured at Amortized Cost	92	-	294	-
Total	481	-	294	-

1.4. Information on interest income received from associates and subsidiaries

None (December 31, 2025: None).

2. Information on Interest Expense

2.1. Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	-	1	-	-
TR Central Bank	-	-	-	-
Domestic Banks	-	-	-	-
Foreign Banks	-	1	-	-
Foreign Headquarters and Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	-	1	-	-

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT (Continued)

2.2. Information on interest expenses to associates and subsidiaries

None (June 30, 2025: None).

2.3. Information on interest expenses to marketable securities

None (June 30, 2025: None).

2.4. Information on interest expense to maturity structure of deposits

Current Period 30.06.2026								
Time Deposit								
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Month	Up to 1 Year	Over 1 Year	Accum. Deposit	Total
Turkish Currency								
Bank Deposits	-	-	-	-	-	-	-	-
Savings Deposits	-	-	-	-	-	-	-	-
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	8	-	-	-	-	-	8
Other Deposits	-	-	-	-	-	-	-	-
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	8	-	-	-	-	-	8
Foreign Currency								
Foreign Currency		-	-	-	-	-	-	-
Account	-	8	46	-	-	-	-	54
Bank Deposits	-	-	-	-	-	-	-	-
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	-	8	46	-	-	-	-	54
Grand Total	-	16	46	-	-	-	-	62
Prior Period 30.06.2025								
Time Deposit								
Account Name	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Month	Up to 1 Year	Over 1 Year	Accum. Deposit	Total
Turkish Currency								
Bank Deposits	-	-	-	-	-	-	-	-
Savings Deposits	-	-	-	-	-	-	-	-
Public Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	9	15	41	-	-	-	64
Other Deposits	-	-	-	-	-	-	-	-
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	9	15	41	-	-	-	64
Foreign Currency								
Foreign Currency		-	-	-	-	-	-	-
Account	-	1	12	-	-	-	-	14
Bank Deposits	-	-	-	-	-	-	-	-
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	-	1	12	-	-	-	-	14
Grand Total	-	10	27	41	-	-	-	78

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EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT (Continued)

2. Information on Interest Expense (Continued)

2.5. Interest expense on lease liabilities

	Current Period	Prior Period
Lease Interest Expenses	6	2
Total	6	2

3. Information on dividend income

None (December 31, 2025: None),

4. Information on net trading income / loss

	Current Period	Prior Period
Income	3,058	1,718
Gains on Capital Market Operations	-	-
Gains on Derivative Financial Instruments	-	-
Foreign Exchange Gains	3,058	1,718
Loss (-)	3,039	1,694
Losses on Capital Market Operations	-	-
Losses on Derivative Financial Instruments	-	-
Foreign Exchange Losses	3,039	1,694
Total	19	24

5. Information on other operating income

	Current Period	Prior Period
Adjustment to previous years expenses	8	1
Other	-	-
Stage 1 Non-Cash Loans- IFRS 9 Provisions	1	-
Total	9	1

6. Impairment provisions on loans and other receivables

	Current Period	Prior Period
Expected Credit Losses	-	26
12 Month Expected Credit Loss (Stage 1)	-	26
Significant increase in credit risk (Stage 2)	-	-
Non-Performing Loans (Stage 3)	-	-
Marketable Securities Impairment Provision	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	-	-
Total	-	26

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. EXPLANATIONS AND DISCLOSURES RELATED TO THE INCOME STATEMENT (Continued)

7. Information related to other operational expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	-	-
Provision for Bank's Social Aid Fund Deficit	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Charges of Tangible Assets	26	14
Impairment Losses on Intangible Assets	-	-
Impairment losses on goodwill	-	-
Amortization Charges of Intangible Assets	8	3
Impairment Losses on Investment Accounted for under Equity Method	-	-
Impairment of Assets to be Disposed	-	-
Depreciation of Assets to be Disposed	-	-
Impairment of Assets Held for Sale	-	-
Other Operating Expenses	72	41
<i>Operational Leases Expenses</i>	-	-
<i>Repair and Maintenance Expenses</i>	1	1
<i>Advertisement Expenses</i>	-	-
<i>Other Expenses (*)</i>	71	40
<i>Losses on Sale of Assets</i>	-	-
Taxes	13	9
<i>Other (**)</i>	24	11
Total	143	78

(*) The amount of TL 71 (June 30, 2025: TL 40) in the "Other Expenses" title consists of TL 36 (June 30, 2025: TL 24) IT services expenses, TL 6 (June 30, 2025: TL 3) outsource services, TL 6 (June 20, 2025: TL 4) data line service expenses, TL 23 (June 30, 2025: TL 9) other operating expenses.

(**) The amount of TL 24 (June 30, 2025: TL 11) in the "Other" title consists of TL 24 (June 30, 2025: TL 11) auditing services and advisory services.

8. Fees related with the services provided by independent auditors/independent audit agencies

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

9. Information on profit/loss before tax from continued and discontinued operations

As of June 30, 2026, Profit before tax from continued operations is TL 517 (June 30, 2025: TL 540).

10. Explanations on tax provision for continued and discontinued operations

The tax expense for the Period ended June 30, 2026 is TL 156 (June 30, 2025: TL 157).

11. Information on profit/loss after tax from continued and discontinued operations

As of June 30, 2026, operating profit after-tax is TL 361 (June 30, 2025: TL 383).

12. Information on net profit/loss for the Period

Interest income from ordinary banking transactions amounted to TL 815 (June 30, 2025: TL 761). Interest expenses arising from ordinary banking transactions are TL 69 (June 30, 2025: TL 80), As of June 30, 2026, operating profit after-tax is TL 361 (June 30, 2024: TL 383).

There is no profit or loss related to minority shares.

13. Information on the components of other items in the income statement exceeding 10% of the total, or items that comprise at least 20% of the income statement

Other items in the statement of income do not exceed 10% of the statement of income.

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. EXPLANATIONS AND DISCLOSURES ON THE RISK GROUP OF THE BANK

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

a) Explanations and disclosures on the risk group of the Bank

June 30, 2026:

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash (**)	Non-Cash	Cash (**)	Non-Cash	Cash (**)	Non-Cash
Current Period						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	844	577	-	-
Balance at the End of the Period	-	-	829	517	-	-
Interest and Commission Income Received	-	-	2	112	-	-

(*) It is defined in paragraph 2 of Article 49 of the Banking Act No, 5411.

(**) The information in the above table includes the receivables from banks as well as the commissions to be received in the maturity.

December 31, 2025:

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash (**)	Non-Cash	Cash (**)	Non-Cash	Cash (**)	Non-Cash
Prior Period						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	143	525	-	-
Balance at the End of the Period	-	-	844	577	-	-
Interest and Commission Income Received	-	-	2	148	-	-

(*) It is defined in paragraph 2 of Article 49 of the Banking Act No, 5411.

(**) The information in the above table includes the receivables from banks as well as the commissions to be received in the maturity.

b) Information on deposits of the Bank's risk group

None (30 June 2025: None)

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. EXPLANATIONS AND DISCLOSURES ON THE RISK GROUP OF THE BANK (Continued)

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period (Continued)

c) Information on forward and option agreements and similar agreements made with Bank's risk group

None (30 June 2025: None)

d) Information on the benefits provided to the Bank's top management

As of June 30, 2026, TL 32 (June 30, 2025: TRY 31) was paid to the top management of the Bank.

e) Other transactions with the Bank's risk group

None (30 June 2025: None)

VI. EXPLANATIONS ON THE BANK'S DOMESTIC, FOREIGN, OFF-SHORE BRANCHES OR INVESTMENTS IN ASSOCIATES AND FOREIGN REPRESENTATIVE OFFICES

	Number	Number of Employees			
Domestic Branch	1	61			
			Country of Incorporations		
Foreign Representation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
			2-		
			3-		

BANK OF CHINA TURKEY A.Ş.

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30 2025**

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

SECTION SIX

OTHER EXPLANATIONS

I. OTHER EXPLANATIONS ON THE OPERATIONS OF THE BANK

None.

II. EVENTS AFTER THE BALANCE SHEET DATE

None.

BANK OF CHINA TURKEY A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30 2025

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

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDIT REPORT

I. EXPLANATIONS ON INDEPENDENT AUDIT REPORT

The unconsolidated financial statements and annotations of the Bank as of June 30, 2026 have been prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi and the independent audit report dated August 10, 2026 is presented before the unconsolidated financial statements.

II. OTHER FOOTNOTES AND EXPLANATIONS PREPARED BY INDEPENDENT AUDITORS'

None.

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)



BANK OF CHINA TURKEY A.Ş.

BANK OF CHINA TURKEY A.Ş.
STATEMENT REGARDING INTERIM ACTIVITY REPORT AS AT JUNE 30, 2026

This Interim Activity Report of Bank of China Turkey A.Ş. has been prepared in accordance with the Article 10, 13 and 14 of “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published by Banking Regulation and Supervision Agency and enclosed herewith.

Xiaoqing ZHANG

Chairman of the
Board of Directors

Lixin GUO

Deputy Chairman of the
Board of Directors and
Chairman of the Audit
Committee

Yan HAISI

Member of the
Board of Directors

Qiang HE

Member of the
Board of Directors and
General Manager

Özgür DALGIÇ

Member of the
Board of Directors and
Member of the Audit
Committee

Xin JIN

Assistant General
Manager

Kun ZHAO

Head of Financial and
Operational Control
Department

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

SECTION EIGHT

REMARKS REGARDING INTERIM ACTIVITY REPORT

I. THE INTERIM ACTIVITY REPORT CONTAINING EVALUATIONS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE GENERAL MANAGER REGARDING INTERIM PERIOD OPERATIONS

A. Summary Information on Bank of China Turkey A.Ş.

The Trade Name of the Bank	Bank of China Turkey Anonim Şirketi
Trade Registry Number	65510-5
Head Office Address	Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower No: 209 Şişli İstanbul
Head Office Telephone Number	(0 212) 260 88 88
Head Office Fax Number	(0 212) 279 88 66
Website	www.bankofchina.com.tr
Electronic mail address	contact@bankofchina.com.tr

B. Shareholding Structure

According to definition of qualified share given by the Banking Law numbered 5411 and to Article 13 of Regulation on Transactions of Banks Subject to Permit and Indirect Shareholding, ratios of the qualified shareholders who hold a stake in the capital of the Bank are as follows:

Name-Surname/Trade				
Name	Share Amounts	Share Ratios	Paid-up Shares	Unpaid Portion
Bank of China Limited	1,051	99.99%	1,051	-

C. Members of the Board of Directors and the Audit Committee

Members of the board of directors, members of the audit committee, general manager and assistant general managers of the Bank as of June 30, 2026 are listed below: None of the members of the Board of Directors (including the General Manager) has shareholding in the Bank.

Chairman and Members of the Board of Directors:

Name Surname	Title	Assigned Date	Education
Xiaoqing ZHANG	Chairman of the Board of Directors	November 16, 2023	PhD Degree
Xiaoming GAO (*)	Member of the Board of Directors and General Manager	September 10, 2021	PhD Degree
Yan HAISI	Member of the Board of Directors	December 05, 2024	Master's degree
Lixin Guo	Deputy Chairman of the Board of Directors	November 03, 2025	Master's degree
Özgür DALGIÇ	Member of the Board of Directors	January 10, 2017	Master's degree

(*) Mr. Xiaoming Gao resigned from his positions as Member of the Board of Directors and General Manager and left his post on July 1, 2026. Effective July 7, 2026, Mr. Qiang He was appointed as Member of the Board of Directors and General Manager.

Members of the Audit Committee:

Name Surname	Position	Assigned Date	Education
Lixin Guo	Deputy Chairman of the Board of Directors and Chairman of the Audit Committee	November 11, 2025	Master's degree
Özgür DALGIÇ	Member of the Audit Committee Responsible for Internal Systems	May 04, 2017	Master's degree
Xiaoqing ZHANG	Member of the Audit Committee	May 09, 2024	PhD Degree

Assistant General Managers:

Name Surname	Position	Assigned Date	Education
Xin Jin	Deputy of General Manager and Assistant General Manager Responsible for Financial Management and Control, Information Technologies, and Credit Allocation Department of the Bank.	January 21, 2026	PhD Degree
Onur Sekizyuralı	Assistant General Manager Responsible for Corporate Banking and Banking Services Department of the Bank.	December 23, 2024	Bachelor's degree

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

REMARKS REGARDING INTERIM ACTIVITY REPORT (Continued)

I. THE INTERIM ACTIVITY REPORT CONTAINING EVALUATIONS OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE GENERAL MANAGER REGARDING INTERIM PERIOD OPERATIONS (Continued)

D. Information on Branches and Personnel

As of June 30, 2026, Bank of China Turkey A.Ş. has 61 employees and 1 branch. The Bank runs its operations at its head office and branch. (December 31, 2025: 54 employees).

E. Evaluations of the Chairman of the Board of Directors and the General Manager

Bank of China Limited ("Main Shareholder") started its representative operations in Turkey through Bank of China Limited Turkey Representative Office incorporated in 2011. Pursuant to the decision of the Banking Regulation and Supervision Agency ("BRSA") dated May 2, 2016 and numbered 6880, Bank of China Turkey Anonim Şirketi (the "Bank") was granted the permission to incorporate a deposit bank in Turkey. After the incorporation of the Bank by obtaining the incorporation permission from BRSA, the Bank was officially granted permission for operation following the publication of the decision of BRSA dated December 1, 2017 and numbered 7612 on the volume of the Official Gazette dated December 7, 2017 and numbered 30263. With 99.99% shares of the Main Shareholder, the Bank was incorporated with its registration before Istanbul Trade Registry Office on January 10, 2017 and the said matter was announced on the Turkish Trade Registry Gazette dated January 17, 2017 and numbered 9243 together with the Bank's Articles of Association.

Our Bank started its banking operations on May 9, 2018.

Total assets of the Bank as of June 30, 2026 are TRY 6,479 (December 31, 2025: TRY 10,246). While our equity amounts to TRY 4,220 (December 31, 2025: TRY 3,876) our capital adequacy ratio is at the level of 23.79 % (December 31, 2025: 25.15%).

As of June 30, 2026, the profit after tax of the Bank for the Period is TL 361 (June 30, 2025: TL 383). The majority of such profit is the interest income derived from banks placements, government bonds and loans.

With the support and guidance of our shareholders and Board of Directors, we believe that our Bank will achieve its future goals successfully by prioritizing the customer satisfaction.

II. ECONOMIC DEVELOPMENTS AND BANKING SECTOR OVERVIEW

1. Global Economic Outlook

Global growth in the first half of 2026 is projected at 3.2%. Global trade growth is around 2%. Access to secure funds is in the 2.5% – 3% range.

Global financial conditions remain intense.

2. Central Banks and Interest Rates

The US Federal Reserve (FED) is keeping its policy interest rate stable in the 3.50% – 3,75% range. The European Central Bank (ECB) deposit rate is at %2.25 – 2.65%. Central banks ensure the maintenance of cautious monetary policy.

3. Turkey Macroeconomic Outlook

The Turkish economy is projected to grow at 2.5% in the second quarter of 2026. CPI inflation is at 32.11%. The unemployment rate is measured at 8.2%. CDS premium is 240 basis points.

The current account deficit is at 2.5% of GDP.

3.1 Interest Rates

The CBRT policy interest rate is 37%. The overnight lending rate is 40%, and the borrowing rate is 35.5%.

Commercial loan interest rates have reached 53.8%, while deposit interest rates are around 48%.

4. Banking Sector

According to the first half of 2026, the total asset size of the banking sector is 51.76 TL.

The total loan volume is 25.03 TL, and the total deposit volume is 31.9 TL.

NPL ratio was observed at levels around 2.99%.

5. General Assessment

While tight monetary policy and a high interest rate environment limit economic activity, they play an important role in combating inflation. While the banking sector remains strong, credit growth is slowing.

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

II. FINANCIAL INFORMATION AND EVALUATIONS REGARDING BANK OF CHINA TURKEY A.Ş.

Financial Summary Information Regarding the Interim Period

Total assets of Bank of China Turkey A.Ş. are TL 6,479 (December 31, 2025: TL 10,246) as of the Period that ended on June 30, 2026. 38% of the assets are composed of bank placements whereas 37% is Government Bonds. The balance sheet's biggest source of funding is the equity.

	30/06/2026	31/12/2025	31/12/2024	31/12/2023	31/12/2022
Total assets	6,479	10,246	6,434	3,777	2,785
Cash Assets and Central Bank	2,481	5,723	2,414	1,137	123
Banks	870	1,144	1,853	2,283	638
Loans	266	266	500	84	532
Financial Assets Measured at Amortized Cost	396	900	1,462	128	1,368
Financial Assets at Fair Value Through Other Comprehensive Income	1,994	1,786	-	-	-
Financial Derivative Assets	-	-	-	-	-
Other Assets	472	427	205	145	124
Total liabilities and equities	6,479	10,246	6,434	3,777	2,785
Deposits	1,848	5,970	2,120	770	336
Provisions	131	105	143	112	73
Financial Derivative Liabilities	-	-	-	-	150
Loan Received	-	-	883	410	107
Other Liabilities	280	295	195	151	96
Shareholders' Equity	4,220	3,876	3,093	2,334	2,023
Letter of Guarantees	517	577	525	431	296
Other Guarantees	13,771	12,197	8,054	6,714	4,958
Derivatives	-	-	-	-	289

	01.01.2026- 30.06.2026	01.01.2025- 30.06.2025	01.01.2024- 30.06.2024	01.01.2023- 30.06.2023	01.01.2022- 30.06.2022
Net Interest Income	746	681	573	118	136
Non-Interest Income	152	117	110	90	64
Trading Income/Loss	19	24	20	64	23
Other Operating Income	9	1	5	3	3
Total Operating Income	926	823	708	275	226
Staff Cost (-)	197	179	70	39	26
Other Total Operating Expense (-)	143	78	79	49	23
Loan Provisions	-	26	-	5	11
Other Provisions (-)	69	-	-	-	-
Net Operating Profit/(loss)	517	540	559	182	166
Tax Provision (-)	156	157	164	44	31
Net Profit / Loss for the Period	361	383	395	138	135

BANK OF CHINA TURKEY A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2026

(Amounts expressed in millions of Turkish Lira (TL) unless otherwise indicated)

REMARKS REGARDING INTERIM ACTIVITY REPORT (Continued)

III. FINANCIAL INFORMATION AND EVALUATIONS REGARDING BANK OF CHINA TURKEY A.Ş.

Financial Ratios

	30.06.2026	31.12.2025	31.12.2024	31.12.2023	31.12.2022
Capital Adequacy Ratio (%)	23.79	25.15	29.44	28.11	30.22
Equity/ Assets (%)	65.13	37.83	48.07	61.79	72.66

Information Regarding Distribution of Profit

The legal reserves are allocated to the first and second reserves in accordance with Turkish Commercial Code (TTK). First legal reserves are allocated as 5% of the profit until the total reserves reach 20% of the paid-in capital, second legal reserves are allocated as 10% of excess amount on profit distribution which is more than 5% of capital.

At the Ordinary General Assembly meeting held on March 26, 2026, in accordance with the profit distribution proposal of the Bank's Board of Directors, it was decided that TL 884 of the 2025 net profit of TL 62 would be set aside as reserves, TL 822 would be transferred to undistributed profits. The transfer of TL 884 to reserves and dividend payable accounts was completed on March 27, 2026.

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