

**YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş.
AND ITS SUBSIDIARY**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 JUNE 2024
TOGETHER WITH INDEPENDENT AUDITOR'S
REVIEW REPORT ORIGINALLY ISSUED IN TURKISH**



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(Convenience translation of independent auditor’s review report and consolidated financial statement originally issued in Turkish)

Limited Review Report on the Interim Consolidated Financial Statements

To the Board of Directors of Yapı Kredi Yatırım Menkul Değerler Anonim Şirketi,

Introduction

We have conducted the limited review of the accompanying interim consolidated statement of financial position of Yapı Kredi Yatırım Menkul Değerler Anonim Şirketi (“the Company”) and its subsidiary (“the Group”) as of 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and the explanatory notes for the six-month interim period then ended. The management of the Group is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with Turkish Accounting Standard 34, Interim Financial Reporting (“TAS 34”). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our limited review.

Scope of the Limited Review

We conducted our limited review in accordance with Independent Auditing Standard 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A limited review of interim financial information consists primarily of making inquiries of persons responsible for financial and accounting matters and applying analytical and other limited review procedures. The scope of a limited review is substantially narrower than that of an independent audit conducted in accordance with Auditing Standards, the objective of which is to express an opinion on the financial statements. Therefore, the limited review does not provide assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The Group’s consolidated financial statements as of 31 December 2023, prepared in accordance with Turkish Financial Reporting Standards (“TFRS”), published by the Public Oversight, Accounting and Auditing Standards Authority (“POA”), were audited by another audit firm, and this firm expressed an unqualified opinion in its report dated 16 February 2024, on these consolidated financial statements. The interim consolidated financial statements of the Group as of 30 June 2023, which do not include the effects of restatements related to the application of Turkish Accounting Standard 29 “Financial Reporting in Hyperinflationary Economies,” as disclosed in Note 2.1, were also subjected to a limited review by the same audit firm. In its report dated 20 July 2023, the audit firm stated that no matter had come to its attention that would cause it to conclude that the interim consolidated financial statements were not prepared in accordance with TAS 34.



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Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with TAS 34.

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



Tolga Özdemir, SMMM
Partner

August 15, 2024
Istanbul, Turkey

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

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YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish Lira ("TRY") in terms of purchasing power of the TRY at 30 June 2024 unless otherwise indicated.)

| Assets | Notes | (Reviewed) 30 June 2024 | (Audited) 31 December 2023 |
|--|-------|----------------------------|-------------------------------|
| Current assets | | 17,836,629,473 | 19,096,060,647 |
| Cash and cash equivalents | 6 | 10,068,350,920 | 12,174,076,998 |
| Financial investments | 7 | 219,974,083 | 153,586,823 |
| - Fair value through profit or loss financial assets | | 156,592,269 | 102,829,349 |
| - Financial assets measured at fair value through other comprehensive income | | 63,381,814 | 13,351,110 |
| - Financial assets measured at amortised cost | | - | 37,406,364 |
| Trade receivables | 10 | 6,380,224,738 | 5,093,869,162 |
| - Trade receivables due from related parties | 29 | 604,923,281 | 234,086,654 |
| - Trade receivables due from third parties | | 5,775,301,457 | 4,859,782,508 |
| Receivables from financial activities | 11 | 159,131,947 | 177,730,317 |
| - Receivables from financial activities due from related parties | 29 | 147,567,616 | 113,541,103 |
| - Receivables from financial activities due from third parties | | 11,564,331 | 64,189,214 |
| Other receivables | 12 | 938,456,710 | 1,446,117,819 |
| - Other receivables due from related parties | | - | - |
| - Other receivables due from third parties | | 938,456,710 | 1,446,117,819 |
| Derivative instruments | 17 | 17,707,218 | 700,103 |
| Prepaid expenses | 20 | 50,067,374 | 42,885,180 |
| - Prepaid expenses due to related parties | 29 | 14,961,598 | 1,242,226 |
| - Prepaid expenses due to third parties | | 35,105,776 | 41,642,954 |
| Current tax assets | 23 | 109,137 | 136,132 |
| Other current assets | | 2,607,346 | 6,958,113 |
| - Other current assets due from third parties | | 2,607,346 | 6,958,113 |
| Total current assets | | 17,836,629,473 | 19,096,060,647 |
| Non-current assets | | | |
| Financial investments | 7 | 613,056,635 | 394,098,094 |
| - Financial assets measured at fair value through other comprehensive income | | 613,056,635 | 394,098,094 |
| - Financial assets measured at amortised cost | | - | - |
| Property, plant and equipment | 13 | 177,890,216 | 165,239,510 |
| Right of use assets | 14 | 16,993,190 | 8,445,656 |
| Intangible assets | 15 | 196,581,128 | 142,632,078 |
| Deferred tax assets | 23 | 156,801,877 | 146,914,012 |
| Total non-current assets | | 1,161,323,046 | 857,329,350 |
| Total assets | | 18,997,952,519 | 19,953,389,997 |

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

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

| Liabilities | Notes | (Reviewed) 30 June 2024 | (Audited) 31 December 2023 |
|---|-------|----------------------------|-------------------------------|
| Short-term liabilities | | 11,427,286,063 | 13,234,716,100 |
| Short term liabilities | 9 | 5,543,574,985 | 8,768,653,911 |
| - Short term liabilities due to related parties | | 12,374,494 | 67,871,081 |
| - Bank borrowings | | - | 62,367,294 |
| - Lease liabilities | | 12,374,494 | 5,503,787 |
| - Short term liabilities due to third parties | 9 | 5,531,200,491 | 8,700,782,830 |
| - Bank borrowings | | - | - |
| - Issued debt instruments | | - | - |
| - Other short-term borrowings | | 5,531,200,491 | 8,700,782,830 |
| Trade payables | 10 | 4,324,519,292 | 2,967,940,524 |
| - Trade payables to related parties | 29 | 341,056,192 | 308,736,079 |
| - Trade payables to third parties | | 3,983,463,100 | 2,659,204,445 |
| Payables relate to employee benefits | 19 | 41,002,366 | 40,901,644 |
| Other payables | 12 | 463,406,898 | 415,624,875 |
| - Other payables due to related parties | 29 | - | - |
| - Other payables due to third parties | | 463,406,898 | 415,624,875 |
| Derivative instruments | 17 | - | 7,709,756 |
| Current tax liabilities | 23 | 453,843,659 | 471,158,160 |
| Short term provisions | | 249,832,586 | 301,628,030 |
| - Short term provisions for employee benefits | 18 | 237,823,286 | 286,648,279 |
| - Other short term provisions | 16 | 12,009,300 | 14,979,751 |
| Other short term liabilities | 21 | 351,106,277 | 261,099,200 |
| Total short-term liabilities | | 11,427,286,063 | 13,234,716,100 |
| Long-term liabilities | | 110,778,301 | 91,262,812 |
| Long term borrowings | 9 | 2,322,167 | 1,348,691 |
| - Long term liabilities due to related parties | 29 | 2,322,167 | 1,348,691 |
| Long term provisions | | 108,456,134 | 89,914,121 |
| - Provisions for employee benefits | 18 | 108,456,134 | 89,914,121 |
| Deferred tax liabilities | 23 | - | - |
| Total long-term liabilities | | 110,778,301 | 91,262,812 |
| Total liabilities | | 11,538,064,364 | 13,325,978,912 |
| Shareholder's equity | | | |
| Paid in capital | 22 | 98,918,083 | 98,918,083 |
| Adjustments to share capital | 22 | 3,120,069,342 | 3,120,069,342 |
| Accumulated other comprehensive income that will be reclassified to profit or loss | | 3,543,991 | 3,883,864 |
| - Revaluation and reclassification gains / (losses) | | 3,543,991 | 3,883,864 |
| Accumulated other comprehensive income / (expenses) that will not be reclassified to profit or loss | | (46,218,845) | (38,468,520) |
| - Profits from investments in equity instruments | | - | - |
| - Defined benefit plans remeasurement gains / (losses) | | (46,218,845) | (38,468,520) |
| Restricted reserves | 22 | 2,389,953,195 | 2,367,807,558 |
| Retained earnings | 22 | 715,498,062 | (1,178,428,994) |
| Net profit for the period | | 1,050,861,503 | 2,142,890,680 |
| Equity attributable to owners of the parent | | 7,332,625,331 | 6,516,672,013 |
| Non-controlling interests | 22 | 127,262,824 | 110,739,072 |
| Total shareholder's equity | | 7,459,888,155 | 6,627,411,085 |
| Total liabilities and shareholder's equity | | 18,997,952,519 | 19,953,389,997 |

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

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD

1 JANUARY - 30 JUNE 2024 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

| | | (Reviewed) 1 January – 30 June 2024 | (Not Reviewed) 1 April – 30 June 2024 | (Reviewed) 1 January – 30 June 2023 | (Not Reviewed) 1 April – 30 June 2023 |
|---|----|--|--|--|--|
| PROFIT OR LOSS | | | | | |
| Revenue | 24 | 5,974,780,933 | 2,643,400,878 | 11,343,879,171 | 5,598,765,619 |
| Cost of sales (-) | 24 | (4,120,765,254) | (1,567,046,888) | (9,357,201,262) | (4,650,069,866) |
| Gross profit from business operations | | 1,854,015,679 | 1,076,353,990 | 1,986,677,909 | 948,695,753 |
| Revenue from financial activities | 25 | 794,870,100 | 406,613,436 | 629,968,043 | 322,665,772 |
| Cost of financial activities (-) | 25 | (23,957,929) | (11,967,957) | (17,914,454) | (8,894,872) |
| Gross profit from financial activities | | 770,912,171 | 394,645,479 | 612,053,589 | 313,770,900 |
| Gross profit | | 2,624,927,850 | 1,470,999,469 | 2,598,731,498 | 1,262,466,653 |
| General administrative expenses (-) | 26 | (917,627,847) | (411,048,845) | (615,836,294) | (312,844,351) |
| Marketing, selling and distribution expenses (-) | 26 | (424,605,070) | (199,875,664) | (456,835,438) | (194,300,040) |
| Other income from operating activities | 27 | 3,986,450,357 | 1,812,900,276 | 3,295,968,105 | 1,886,408,351 |
| Other expense from operating activities (-) | 28 | (1,891,793,239) | (982,296,486) | (1,808,160,622) | (1,045,192,942) |
| Real operating profit | | 3,377,352,051 | 1,690,678,750 | 3,013,867,249 | 1,596,537,671 |
| Net Monetary Position Gains/(Losses) | | (1,244,501,385) | (419,743,292) | (831,814,334) | (302,607,537) |
| Profit before tax from continuing operations | | 2,132,850,666 | 1,270,935,458 | 2,182,052,915 | 1,293,930,134 |
| Tax expense from continuing operations (-) | | (1,029,286,864) | (541,216,950) | (747,630,122) | (448,426,275) |
| - Tax expense for the period (-) | 23 | (1,035,691,508) | (577,050,491) | (870,062,446) | (433,898,036) |
| - Deferred tax expense (-) | 23 | 6,404,644 | 35,833,541 | 122,432,324 | (14,528,239) |
| Total profit from continuing operations | | 1,103,563,802 | 729,718,508 | 1,434,422,793 | 845,503,859 |
| Total Profit | | 1,103,563,802 | 729,718,508 | 1,434,422,793 | 845,503,859 |
| Total profit attributable to: | | 1,103,563,802 | 729,718,508 | 1,434,422,793 | 845,503,859 |
| Profit, attributable to non-controlling interests | 22 | 52,702,299 | 31,315,546 | 39,501,068 | 24,504,615 |
| Profit, attributable to owners of parent | | 1,050,861,503 | 698,402,962 | 1,394,921,725 | 820,999,244 |
| Earnings per share from continuing operations (Kr) | | 11,16 | 7,38 | 14,50 | 8,55 |

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

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

CONVENIENCE TRANSLATION INTO ENGLISH OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 30 JUNE 2024 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

| | Notes | (Reviewed) 1 January – 30 June 2024 | (Not Reviewed) 1 April - 30 June 2024 | (Reviewed) 1 January – 30 June 2023 | (Not Reviewed) 1 April - 30 June 2023 |
|---|-------|--|--|--|--|
| OTHER COMPREHENSIVE INCOME | | | | | |
| Total profit for the period | | 1,103,563,802 | 729,718,508 | 1,434,422,793 | 845,503,859 |
| Components of other comprehensive income that will not be reclassified to profit or loss | | (7,787,643) | (7,866,083) | (8,694,384) | (9,127,590) |
| Defined benefits plans remeasurement gains/(losses) | | | | | |
| Taxes related other comprehensive income that will not be reclassified to profit or loss | 16 | (11,125,204) | (11,237,262) | (12,420,547) | (13,039,413) |
| Defined benefits plans remeasurement gains/(losses) | | 3,337,561 | 3,371,179 | 3,726,163 | 3,911,823 |
| <i>-Remeasurement gains/(losses) on defined benefit plans / gains (income) / expense, tax effect.</i> | | 3,337,561 | 3,371,179 | 3,726,163 | 3,911,823 |
| Components of other comprehensive income that will be reclassified to profit or loss | | (339,873) | (1,323,606) | 3,451,737 | (978,952) |
| Gains and/or Reclassification Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income | | (485,533) | (1,890,865) | 4,931,052 | (1,398,504) |
| Taxes related other comprehensive income that will be reclassified to profit or loss | | 145,660 | 567,259 | (1,479,315) | 419,552 |
| - Revaluation and reclassification gains /(losses) from financial assets at fair value through other comprehensive income, tax effect | | 145,660 | 567,259 | (1,479,315) | 419,552 |
| Other comprehensive income | | (8,127,516) | (9,189,689) | (5,242,647) | (10,106,542) |
| Total comprehensive income | | 1,095,436,286 | 720,528,819 | 1,429,180,146 | 835,397,317 |
| Total comprehensive income attributable to: | | | | | |
| Comprehensive income, attributable to non-controlling interests | 22 | 52,664,981 | 31,278,228 | 39,350,469 | 24,354,019 |
| Comprehensive income, attributable to owners of parent | | 1,042,771,305 | 689,250,591 | 1,389,829,677 | 811,043,298 |
| Total comprehensive income per share from continuing operations (Kr) | 30 | 11,07 | 7,28 | 14,45 | 8,45 |

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

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

CONVENIENCE TRANSLATION INTO ENGLISH OF REVIEWED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 30 JUNE 2024 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

| | Notes | Paid capital | Adjustments to share capital | Accumulated other comprehensive income or expenses will be reclassified to profit or loss | Accumulated other comprehensive income or expenses will not be reclassified to profit or loss | | Accumulated profits | | | Equity to attributable owners of the parent | Non controlling interests | Total equity |
|--|-----------|-------------------|------------------------------|---|---|---|----------------------|------------------------|-------------------------|---|---------------------------|----------------------|
| | | | | Revaluation and reclassification gains/losses | Profits from investments in equity instruments gains /(losses) | Defined benefit plans remeasurement gains /(losses) | Restricted reserves | Retained earnings | Net profit for the year | | | |
| Balances as of 1 January 2023 | | 98,918,083 | 3,120,069,342 | 4,403,344 | - | (30,586,339) | 2,320,927,984 | (1,766,345,035) | 1,055,240,152 | 4,802,627,531 | 106,673,576 | 4,909,301,107 |
| Transfers | | - | - | - | - | - | - | 1,055,240,152 | (1,055,240,152) | - | - | - |
| Total comprehensive income / (expense) | | - | - | 3,451,736 | - | (8,543,784) | - | - | 1,394,921,725 | 1,389,829,677 | 39,350,469 | 1,429,180,146 |
| - Net profit for the period | | - | - | - | - | - | - | - | 1,394,921,725 | 1,394,921,725 | 39,501,068 | 1,434,422,793 |
| - Other comprehensive income / (expense) | | - | - | 3,451,736 | - | (8,543,784) | - | - | - | (5,092,048) | (150,599) | (5,242,647) |
| Dividends | 22 | - | - | - | - | - | 46,879,574 | (467,324,104) | - | (420,444,530) | (67,842,971) | (488,287,501) |
| Balances as of 30 June 2023 | 22 | 98,918,083 | 3,120,069,342 | 7,855,080 | - | (39,130,123) | 2,367,807,558 | (1,178,428,987) | 1,394,921,725 | 5,772,012,678 | 78,181,074 | 5,850,193,752 |
| Balances as of 1 January 2024 | | 98,918,083 | 3,120,069,342 | 3,883,864 | - | (38,468,520) | 2,367,807,558 | (1,178,428,994) | 2,142,890,680 | 6,516,672,013 | 110,739,072 | 6,627,411,085 |
| Transfers | | - | - | - | - | - | - | 2,142,890,680 | (2,142,890,680) | - | - | - |
| Total comprehensive income / (expense) | | - | - | (339,873) | - | (7,750,325) | - | - | 1,050,861,503 | 1,042,771,305 | 52,664,981 | 1,095,436,286 |
| - Net profit for the period | | - | - | - | - | - | - | - | 1,050,861,503 | 1,050,861,503 | 52,702,299 | 1,103,563,802 |
| - Other comprehensive income / (expense) | | - | - | (339,873) | - | (7,750,325) | - | - | - | (8,090,198) | (37,318) | (8,127,516) |
| Dividends | | - | - | - | - | - | 22,145,637 | (248,963,624) | - | (226,817,987) | (36,141,229) | (262,959,216) |
| Balances as of 30 June 2024 | | 98,918,083 | 3,120,069,342 | 3,543,991 | - | (46,218,845) | 2,389,953,195 | 715,498,062 | 1,050,861,503 | 7,332,625,331 | 127,262,824 | 7,459,888,155 |

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

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

CONVENIENCE TRANSLATION INTO ENGLISH OF REVIEWED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD 1 JANUARY - 30 JUNE 2024 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

| | Notes | (Reviewed) 1 January - 30 June 2024 | (Reviewed) 1 January - 30 June 2023 |
|---|----------|---|---|
| A. Cash flows from operating activities | | 3,899,842,341 | 8,332,399,654 |
| Net income for the period | | 1,103,563,802 | 1,434,422,793 |
| Adjustments to reconcile net income/loss to net cash provided by operating activities | | 47,082,916 | (609,144,784) |
| Adjustments for depreciation and amortization | 26 | 40,861,121 | 53,584,849 |
| Adjustments for provisions | | 440,897,314 | 145,700,686 |
| - Adjustments for provision for employee benefits | | 495,395,254 | 102,180,173 |
| - Adjustments for lawsuit provisions | | - | 920,200 |
| - Adjustments for other provisions | | (54,497,940) | 42,600,313 |
| Adjustments for interest income and expenses | | (2,008,056,869) | (1,196,396,306) |
| - Adjustments for interest income | | (3,716,073,321) | (2,748,134,094) |
| - Adjustments for interest expenses | | 1,708,016,452 | 1,551,737,788 |
| Adjustments for tax expense | 23 | 1,029,286,865 | 747,630,122 |
| Adjustments for dividend income / expense | | (97,585,297) | (30,779,143) |
| Monetary gain / loss | | 641,679,782 | (328,884,992) |
| Changes in operating profit | | 455,753,993 | 4,291,610,532 |
| Increase in financial investments | | (285,831,335) | 3,123,018,631 |
| Adjustments for decrease in trade receivables | | (1,251,594,448) | 1,668,431,734 |
| - Decrease/(increase) in trade receivables due from related parties | | (370,836,627) | 495,681 |
| - Decrease in trade receivables due from third parties | | (880,757,821) | 1,667,936,053 |
| Decrease/(increase) in receivables from financial activities | | 18,598,370 | 21,253,997 |
| Adjustments for decrease in other receivables | | 507,661,109 | 497,879,877 |
| - Decrease in other receivables due related party | | - | - |
| - Decrease in other receivables due from third parties | | 507,661,109 | 497,879,877 |
| Increase in derivatives (-) | | (17,007,115) | 7,190,701 |
| Decrease in prepaid expenses | | (7,182,194) | (8,798,741) |
| Adjustments for increase in trade payables | | 1,356,578,773 | (885,736,755) |
| - (Decrease)/increase in trade payables due to related parties | | 32,320,113 | (590,169,403) |
| - Increase in trade payables due to other parties | | 1,324,258,660 | (295,567,352) |
| Increase/(decrease) in payables due to employee benefits | | 100,722 | (21,169,843) |
| Adjustments for increase / (decrease) in other payables | | 47,782,023 | (219,589,885) |
| - Increase / (decrease) in other payables due to related parties | | - | - |
| - Increase / (decrease) in other payables due to other parties | | 47,782,023 | (219,589,885) |
| Decrease in derivative liabilities | | (7,709,756) | 43,568,797 |
| Adjustments for decrease / (increase) in other operating capital | | 94,357,844 | 65,562,019 |
| - Increase / (decrease) in other operating assets | | 4,350,767 | (164,944) |
| - Increase / (decrease) in other operating liabilities | | 90,007,077 | 65,726,963 |
| Cash flows from operating activities | | 1,606,400,711 | 5,116,888,541 |
| Dividends received | 27 | 97,585,297 | 30,779,143 |
| Interests received | | 3,698,163,837 | 2,792,289,801 |
| Payments for provision for employee benefits | | (435,156,452) | (141,352,765) |
| Taxes paid | | (959,757,951) | (648,460,345) |
| Other Cash inflows/outflows | | (107,393,101) | 1,182,255,279 |
| B. Cash flows from investing activities | | (95,400,051) | (51,795,173) |
| Cash inflows from selling of property, equipment and intangible assets | | 383,829 | - |
| - Cash inflows from selling of tangible assets | 13 | 383,829 | - |
| - Cash inflows from selling of intangible assets | 15 | - | - |
| Cash outflows from purchase of property, equipment and intangible assets | | (95,783,880) | (51,795,173) |
| - Cash outflows from purchase of tangible assets | 13 | (24,962,695) | (8,003,697) |
| - Cash outflows from purchase of intangible assets | 15 | (70,821,185) | (43,791,476) |
| C. Cash flows from financing activities | | (3,793,895,988) | (1,416,174,498) |
| Cash inflows from borrowings | | 17,365,276,766 | 7,425,017,688 |
| - Cash inflows from loans | | - | 720,271,402 |
| - Cash inflows from issued debt instruments | | 7,908,883,912 | 3,312,095,533 |
| - Cash inflows from other financing activities | | 9,456,392,854 | 3,392,650,753 |
| Cash outflows from debt payments | | 19,190,617,214 | 7,013,651,462 |
| - Cash outflows from loan repayments | | (53,917,551) | (686,560,382) |
| - Cash outflows from issued bonds repayments | | (4,846,806,682) | (5,144,862,262) |
| - Cash outflows from other financing activities | | (14,289,892,981) | (1,182,228,818) |
| Cash outflows from repayments of lease liabilities | | (11,878,459) | (3,738,657) |
| Dividends paid | 9 | (262,959,216) | (488,287,501) |
| Interests paid | 22 | (1,693,717,865) | (1,335,514,566) |
| Net increase / (decrease) in cash and cash equivalents before exchange currency effect (A+B+C) | | 10,546,302 | 6,864,429,983 |
| D. Exchange currency effect on cash and cash equivalents | | - | - |
| E. Monetary loss on cash and cash equivalents | | (2,262,534,475) | (2,347,274,404) |
| Net increase / (decrease) in cash and cash equivalents (A+B+C+D+E) | 6 | (2,251,988,173) | 4,517,155,579 |
| Cash and cash equivalents at the beginning of the period | | 10,427,65,261 | 10,240,117,810 |
| Cash and cash equivalents at the end of the period | 6 | 8,175,664,088 | 14,757,273,389 |

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

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 ORIGINALLY ISSUED IN TURKISH

(Amounts expressed in Turkish lira ("TRY") unless otherwise indicated.)

1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY / GROUP

Yapı Kredi Yatırım Menkul Değerler A.Ş., (referred to as the "Company" or "Group" along with its subsidiary in these consolidated financial statements) was founded on 8 September 1989, under the name Finanscorp Finansman Yatırım Anonim Şirketi, in line with the provisions of Capital Market Law No. 2499 and relevant provisions of legislation, for the purpose of performing capital market operations related to all types of capital market instruments, carrying out all types of transactions and entering into contracts in connection with these operations, as well as performing intermediary operations. The founding was promulgated in Turkish Trade Registry Gazette No. 2358 dated 15 September 1989. In 1996, 99.6% of the shares of the Company were transferred to Yapı ve Kredi Bankası Anonim Şirketi ("Bank"). The name of the Company was changed to Yapı Kredi Yatırım Anonim Şirketi on 9 September 1996 and Yapı Kredi Yatırım Menkul Değerler Anonim Şirketi on 5 October 1998.

The company's main shareholder is Yapı ve Kredi Bankası A.Ş., with its ultimate parent being Koç Group. The shares of the main shareholder bank have been traded on Borsa İstanbul ("BIST") since 1987. As of 30 June 2024, the bank's total free float is 38.83% (31 December 2023 - 38.83%). Of the remaining 61.17% of the bank's capital, 40.95% is held by Koç Finansal Hizmetler A.Ş. ("KFH"), which is under the management control of Koç Group, and 20.22% is owned by Koç Holding A.Ş.

At the Extraordinary General Assembly meeting held on 29 December 2006, the company decided to merge with Koç Yatırım Menkul Değerler A.Ş. by transferring all rights, receivables, liabilities, and assets of Koç Yatırım Menkul Değerler A.Ş. to the company, without liquidation and as a whole, based on Articles 136 and other provisions of the Turkish Commercial Code, Articles 19 and 20 of the Corporate Tax Law, and Article 34 of the Capital Markets Law No. 2499, with the approval of the Capital Markets Board's permit dated 15 December 2006, with reference number B.02.1.SP.K.0.16-1955. The merger agreement was also approved.

The Istanbul Trade Registry Office registered the company's Extraordinary General Assembly Resolution and the merger agreement dated 29 December 2006, on January 12, 2007. This registration was announced in the Trade Registry Gazette on 16 January 2007, with issue number 6724.

As of the share transfer agreement made on 5 February 2020, KFH's capital share in the main bank was set at 40.95%, while UniCredit S.P.A.'s share was set at 31.93%. Koç Holding A.Ş. ("Koç Group") achieved a total shareholding of 49.99%, both directly and indirectly, thus becoming the controlling shareholder of the bank.

However, on 13 February 2020, UCG sold its 11.93% stake in the main bank to institutional investors. As a result, UCG now holds a direct 20.00% share in the main bank.

In 2021, UCG sold 2.00% of its shares in the main bank on the stock exchange. For the remaining 18.00% of shares, an agreement was reached with Koç Group based on the Share Purchase Agreement signed on 30 November 2019. Accordingly, on 9 November 2021, Koç Group exercised its right to make a preliminary offer for the shares of the main bank planned for sale by UniCredit. The sale of the relevant shares was completed on 1 April 2022, increasing Koç Holding A.Ş.'s shareholding in the bank from 9.02% to 27.02%. On 28 July 2023, Koç Holding A.Ş. sold its 6.81% stake in the bank to institutional investors off the stock exchange, resulting in its shareholding in the bank being 20.22% after the sale.

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

CONVENIENCE TRANSLATION INTO ENGLISH OF EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024 ORIGINALLY ISSUED IN TURKISH

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1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY / GROUP (Continued)

The company’s main activity is to collect deposits and, except in cases permitted by legislation, to perform the following operations and transactions without engaging in lending activities:

- a) Buying and selling of capital market instruments within the scope of Capital Market Legislation in the name and account of the customer, in their own name and account or in their own name and in the account of the customer,
- b) According to the Capital Market Law and Capital Market Board’s Regulations (“CMB” or “Board”) and “Intermediary Firm with Board Authority” the Company have the following activities:
 - Intermediation Activities (Domestic and Foreign),
 - Shares,
 - Other Securities,
 - Derivatives Based on Shares,
 - Derivatives Based on Share Indices,
 - Other Derivatives,
 - Portfolio Management Activities (Domestic),
 - Shares,
 - Other Securities,
 - Leverage Trading
 - Derivatives Based on Shares,
 - Derivatives Based on Share Indices
 - Other Derivatives,
 - Investment Consulting Activities,
 - Intermediation for Public Offering,
 - Underwriting,
 - Best Effort Underwriting,
 - Limited Custodian Service.
- c) Performing transactions in exchange markets by being a member of exchanges,
- d) Buying and selling of securities with repurchase and sale commitment,
- e) Using the right to receive the bonus shares, the payment of capital, interest, dividends and similar incomes of the capital market instruments on its customers behalf and accounts in accordance with the authorization given by the customers,
- f) Margin trading, short selling and borrowing and lending the financial instruments.

The Group has established 89 investment funds (as of 31 December 2023: 87). As of 30 June 2024, the Group employs 357 people (as of 31 December 2023: 345).

The head office of the Company is located at Levent Mah., Cömert Sok., No.: 1A A Blok, D.: 21-22-23-24-25-27 Levent - Beşiktaş/İstanbul.

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

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1. ORGANIZATION AND NATURE OF OPERATIONS OF THE COMPANY / GROUP (Continued)

Subsidiary;

As of 30 June 2024 and 31 December 2023 details of the subsidiary of the Group are as follows:

| Name of the Company | 30 June 2024 Share in capital | 31 December 2023 Share in capital | Main Activity |
|---|-------------------------------------|---|----------------------|
| Yapı Kredi Portföy Yönetimi A.Ş. (Subsidiary) | %87,32 | %87,32 | Portfolio management |

Yapı Kredi Portföy Yönetimi A.Ş. (“Yapı Kredi Portföy” or “subsidiary”) is subject to full scope consolidation as the Company is the main shareholder and has control rights over subsidiary.

The Company’s subsidiary Koç Portföy Yönetimi A.Ş. has legally merged with Yapı Kredi Portföy Yönetimi A.Ş. on 29 December 2006. Accordingly, all rights, receivables, liabilities and obligations of Yapı Kredi Portföy were transferred to Koç Portföy. After merger, the Subsidiary has changed its title as Yapı Kredi Portföy Yönetimi A.Ş. and accordingly the Company has an interest of 87.32% (31 December 2023: 87.32%) of the voting rights.

Within the context of the Capital Markets Board regulations, the Subsidiary’s principal activities are managing mutual and private funds and performing discretionary portfolio management (“DPM”) for institutions, endowments and individuals.

Approval of consolidated financial statements:

The consolidated financial statements prepared for the year ended June 30, 2024, were approved by the Company’s Board of Directors on 15 August 2024. The General Assembly and certain regulatory authorities have the authority to amend the approved consolidated financial statements.

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of Presentation

2.1.1 Accounting standards and the compliance to TAS

The consolidated financial statements are prepared in accordance with the Turkish Financial Reporting Standards (TFRS) issued by the Public Oversight, Accounting and Auditing Standards Authority (“KGK”), based on the principles set forth in the Capital Markets Board’s (“CMB”) communiqué No. II-14.1 published in the Official Gazette No. 28676 on 13 June 2013. The Group’s functional currency is the Turkish Lira (TRY), and accounting records are maintained in TRY in accordance with the commercial legislation, financial legislation, and the Uniform Chart of Accounts issued by the Ministry of Finance applicable in Turkey. The consolidated financial statements, expressed in TRY, are based on the Group’s legal records and have been adjusted and reclassified, including adjustments related to changes in the purchasing power of the Turkish Lira, to reflect the Group’s financial position in accordance with TFRS as published by KGK.

YAPI KREDİ YATIRIM MENKUL DEĞERLER A.Ş. AND ITS SUBSIDIARY

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(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.1 Preparation of the financial statements

The Group’s consolidated financial statements have been prepared in accordance with the 2022 TFRS Taxonomy published by the Public Oversight, Accounting and Auditing Standards Authority (KGK).

2.1.2 Financial statement amendments in hyperinflation economies

By a decision dated 17 December 2005, the Capital Markets Board (CMB) of Turkey announced that starting from 1 January 2005, companies preparing financial statements in accordance with the accounting and reporting principles accepted by the CMB (“CMB Financial Reporting Standards”) would no longer be required to apply IAS 29 “Financial Reporting in Hyperinflationary Economies.”

On 20 January 2022, the Public Oversight, Accounting and Auditing Standards Authority (KGK) clarified whether IAS 29 would be applicable for financial reporting under Turkish Financial Reporting Standards (TFRS). It was stated that there was no need for adjustments under IAS 29 for financial statements for the year 2022 prepared by entities applying TFRS.

On 23 November 2023, KGK announced that financial statements for annual reporting periods ending on or after 31 December 2023, must be adjusted for inflation effects in accordance with the relevant accounting principles of IAS 29. Therefore, the financial statements for the period ending 30 June 2024, have been prepared with inflation adjustments according to IAS 29.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be presented in terms of the measurement unit current at the balance sheet date, and that balances from previous periods be restated in the same unit using a general price index. One of the conditions for applying IAS 29 is a cumulative inflation rate of approximately 100% or more over three years.

Even in the absence of the aforementioned level of increase in price indices, if there are signs of high inflation such as the public holding its savings primarily in foreign currencies, the determination of prices of goods and services in foreign currency, interest rates, wages, and prices being tied to general price indices, and the use of price differentials in short-term transactions to compensate for the loss of purchasing power, IAS 29 must still be applied.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

The inflation adjustments have been calculated based on the coefficients derived from the Consumer Price Index published by TÜİK (Turkish Statistical Institute) for Turkey. The indices and coefficients used in the adjustment of the financial statements presented as of 30 June 2024, are detailed below:

| Date | Index | Indexation Coefficient |
|------------------|----------|------------------------|
| 30 June 2024 | 2.319,29 | 1,000 |
| 31 December 2023 | 1.859,38 | 1,2473 |
| 30 June 2023 | 1.351,59 | 1,716 |
| 31 December 2022 | 1.128,45 | 2,0553 |

During periods of inflation, a company with monetary assets exceeding its monetary liabilities will lose purchasing power, while having monetary liabilities that exceed monetary assets will result in gaining purchasing power to the extent that assets and liabilities are not tied to a price level. Gains or losses on the net monetary position are included in the income statement under the line item "net monetary position gains/(losses)."

The main outlines of the indexing process under IAS 29 are as follows:

- All items other than those presented at the current purchasing power as of the balance sheet date have been indexed using the relevant consumer price index coefficients. Amounts from previous years have been indexed in the same manner.
- The financial statements for previous reporting periods have been adjusted based on the current purchasing power of money as of the most recent balance sheet date. The adjustment coefficient for the current period has been applied to the financial statements of previous periods.
- Monetary assets and liabilities have not been indexed as they are expressed in current purchasing power as of the balance sheet date. Monetary items include cash and items receivable or payable in cash.
- Non-monetary assets and liabilities have been restated by reflecting changes in the general price index from the acquisition or initial recording date to the balance sheet date in the acquisition costs and accumulated depreciation. Thus, tangible fixed assets, intangible assets, right-of-use assets, and equity instruments measured at fair value through other comprehensive income, among other assets, have been indexed based on their acquisition values without exceeding their market values. Depreciation has also been similarly adjusted. Amounts included in equity have been restated based on the consumer price indices applicable in the periods when these amounts were contributed to or arose within the company.
- Except for non-monetary items on the balance sheet that impact the income statement, all items in the income statement have been indexed using coefficients calculated based on the periods in which revenue and expense accounts were initially reflected in the financial statements.
- The amount of shares without control power has been recalculated based on the indexed financial statements.
- All items presented in the cash flow statement have been expressed in terms of the current measurement unit as of the end of the reporting period and adjusted for inflation. The impact of inflation on cash flows from operating, investing, and financing activities has been attributed to the relevant item, with monetary gains or losses on cash and cash equivalents presented separately.
- The gain or loss resulting from general inflation on the net monetary position is the difference between adjustments made to non-monetary assets, equity items, and income statement accounts. This gain or loss calculated on the net monetary position has been included in the net profit.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of Presentation (Continued)

2.1.3 Netting / offsetting

Financial assets and liabilities are offset and the net amount reported in the financial statements when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.1.4 Going concern

The Group prepared its consolidated financial statements based on going concern principle.

2.1.5 Comparative figures and the reclassification to the financial statements of the prior period

The Group maintains its accounting records and prepares its statutory financial statements in accordance with the principles and requirements set forth by the Capital Markets Board (CMB), as well as the prevailing commercial and legislative regulations and the CMB's communiqués. In order to determine the financial position and performance trends, the Group's consolidated financial statements are prepared on a comparative basis with the previous period. The Group has prepared the consolidated statement of financial position as of 30 June 2024 in comparison with the consolidated statement of financial position as of 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows, and consolidated statement of changes in equity for the period 1 January – 30 June 2024 on a comparative basis with the period 1 January – 30 June 2023. When deemed necessary, comparative information is reclassified to ensure consistency with the presentation of the current period consolidated financial statements.

2.1.6 Changes in accounting policies and explanations

The accounting policies applied in the preparation of the consolidated financial statements for the period ended 30 June 2024 are consistent with those used in the previous year, except for the new and amended TFRS and TFRS interpretations effective as of 1 January 2024, which are summarized below. The effects of these standards and interpretations on the Company's/Group's financial position and performance are explained in the relevant paragraphs.

i) Standards, amendments, and interpretations as of 1 January 2024:

- **Amendments to TAS 1 - Classification of Liabilities as Current or Non-current**

In March 2020 and January 2023, the Public Oversight, Accounting and Auditing Standards Authority (KGK) made amendments to TAS 1 to establish the principles for the classification of liabilities as current or non-current. According to the amendments made in January 2023, if an entity's right to defer settlement of a liability is subject to compliance with loan covenants at a date subsequent to the reporting period, the entity has the right to defer settlement of the liability as of the end of the reporting period (even if it does not comply with the conditions at the end of the reporting period). When a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on meeting the loan covenants within 12 months, the January 2023 amendments require entities to provide various disclosures. These disclosures should include information about the loan covenants and related liabilities.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.6 Changes in accounting policies and explanations (Continued)

Additionally, the amendments clarified that for non-current classification, the right to defer settlement must exist at the end of the reporting period, regardless of whether compliance with the covenants is to be tested at the reporting date or a subsequent date. The amendments explicitly state that the entity's potential decision not to exercise its right to defer settlement for at least twelve months after the reporting period does not affect the classification of the liability. These amendments are applied retrospectively in accordance with TAS 8.

The amendments have not had a significant impact on the Group's financial position or performance.

- **IFRS 16 Amendments – Lease Liabilities in a Sale and Leaseback**

In January 2023, the Public Oversight, Accounting and Auditing Standards Authority (KGK) published amendments to IFRS 16. These amendments establish provisions for measuring lease liabilities arising from a sale and leaseback transaction to ensure that no gain or loss related to the remaining right of use is recognized. In this context, the seller-lessee, when applying the provisions of IFRS 16 under "Subsequent Measurement of Lease Liabilities" after the effective date of the sale and leaseback transaction, will determine "lease payments" or "revised lease payments" without recognizing any gain or loss related to the remaining right of use. The amendments do not contain specific provisions for measuring lease liabilities arising from a sale and leaseback transaction. This could result in the initial measurement of such lease liabilities being determined as payments different from those included in the definition of lease payments in IFRS 16. The seller-lessee will need to develop and apply an accounting policy that provides reliable and relevant information in accordance with IAS 8. The seller-lessee applies the amendments retrospectively to sale and leaseback transactions entered into after the initial application date of IFRS 16 in accordance with IAS 8.

The amendments have not had a significant impact on the Group's financial position or performance.

- **Amendments to TAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements**

The amendments published by the Public Oversight, Accounting and Auditing Standards Authority (KGK) in September 2023 introduce improvements to the existing requirements in order to enhance disclosures related to supplier finance arrangements. These arrangements are defined as agreements where one or more financiers undertake to pay the business's debt to its supplier, and the business agrees to make the payment to the supplier on or after the payment date. The changes require disclosures regarding the terms and conditions of such agreements, quantitative information about liabilities arising from these agreements at the beginning and end of the reporting period, and the nature and effects of non-cash changes in the carrying amount of these liabilities. Additionally, supplier finance arrangements are listed as examples of other factors that may need to be disclosed under the quantitative liquidity risk disclosures required by IFRS 7.

These amendments have not had a significant impact on the Group's financial position or performance.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.6 Changes in accounting policies and explanations (Continued)

ii) Standards Issued but Not Yet Effective and Not Early Adopted

As of the date of approval of the consolidated financial statements, the new standards, interpretations, and amendments that have been issued but are not yet effective for the current reporting period and have not been early adopted by the Company/Group are as follows. Unless stated otherwise, the Company/Group will make the necessary changes to its consolidated financial statements and notes following the effective date of these new standards and interpretations.

- **TFRS 10 and IAS 28 Amendments: Sales or Contributions of Assets between an Investor and its Associate or Joint Venture**

The Public Oversight Authority (KGK) has indefinitely deferred the effective date of the amendments made to TFRS 10 and IAS 28 in December 2017 regarding the equity method, based on ongoing research project outcomes. However, early adoption is still permitted.

The aforementioned amendments have not had a significant impact on the Group's financial position or performance.

- **TFRS 17 – Insurance Contracts Standard**

In February 2019, KGK issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering measurement, presentation, and disclosure. TFRS 17 introduces a model for both measuring insurance liabilities at current balance sheet values and recognizing profit over the service period. Future cash flow forecasts and risk adjustments are also recognized over the service period. Entities can choose to account for the effects of changes in discount rates either in profit or loss or in other comprehensive income. The standard includes specific guidance for the measurement and presentation of insurance contracts with participation features. Additionally, according to changes published by KGK in December 2021, when first applying TFRS 17, entities have the option to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information by applying a “classification overlay” transition option.

KGK’s announcement has deferred the mandatory effective date of the standard to accounting periods beginning on or after 1 January 2025 for the following entities:

- Insurance, reinsurance companies, and pension funds.
- Banks with investments/partnerships in insurance, reinsurance companies, and pension funds.
- Other companies with investments/partnerships in insurance, reinsurance companies, and pension funds.

The change has not had a significant impact on the Group's financial position or performance.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.6 Changes in accounting policies and explanations (Continued)

In February 2019, KGK issued TFRS 17, a comprehensive new accounting standard covering the accounting and measurement, presentation, and disclosure of insurance contracts. TFRS 17 introduces a model for measuring insurance contract liabilities at their current balance sheet values and for recognizing profit over the period in which services are provided. According to a recent announcement by KGK, the mandatory effective date of the Standard has been deferred to accounting periods beginning on or after 1 January 2025.

The change has not had a significant impact on the Group's financial position or performance.

- **TMS 21 Amendments – Non-Exchangeability**

In May 2024, KGK published amendments to TMS 21. These amendments outline how to assess whether a currency is exchangeable and how to determine the applicable exchange rate when the currency is not exchangeable. According to the amendments, when a currency is not exchangeable, the financial statements should disclose information on how the lack of exchangeability affects or is expected to affect the entity's performance, financial position, and cash flows.

The amendments are applicable for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, and in such cases, disclosures should be provided in the notes. When the amendments are adopted, comparative information will not be restated.

The changes have not had a significant impact on the Group's financial position or performance.

iii) Changes Effective from the Date of Publication

- **TMS 12 Amendments – International Tax Reform – Pillar Two Model Rules**

In September 2023, KGK issued changes to TMS 12 related to deferred tax assets and liabilities concerning Pillar Two income taxes. These changes introduce a mandatory exception for the recognition and disclosure of deferred tax assets and liabilities arising from tax laws that have been enacted or are close to being enacted as part of the OECD's Pillar Two Model Rules. The changes clarify that TMS 12 will apply to income data emerging from such tax laws.

Additionally, the changes impose specific disclosure requirements for businesses affected by these tax laws. An exception is provided whereby information about deferred taxes within this scope will not be recognized or disclosed. This exception and the related disclosure requirements apply from the date the changes were published.

The changes have not had a significant impact on the Group's financial position or performance.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.6 Changes in accounting policies and explanations (Continued)

iv) Changes published by the International Accounting Standards Board (IASB) but not yet published by the Public Oversight, Accounting and Auditing Standards Authority (KGK)

The following changes to IFRS 9 and IFRS 7, as well as IFRS 18 and IFRS 19, have been published by the International Accounting Standards Board (IASB) but have not yet been adapted or published by the Public Oversight, Accounting and Auditing Standards Authority (KGK). Therefore, they do not constitute part of the Turkish Financial Reporting Standards (TFRS). The Company/Group will make the necessary changes in its consolidated financial statements and notes once these Standards and changes come into effect under TFRS.

- **IFRS 9 and IFRS 7 Amendments – Classification and Measurement of Financial Instruments**

In May 2024, the IASB published amendments to the classification and measurement of financial instruments under IFRS 9 and IFRS 7. The changes clarify that financial liabilities will be derecognized at the "delivery date." However, under these amendments, an accounting policy choice is introduced allowing for the derecognition of financial liabilities fulfilled through electronic payment systems before the delivery date, provided certain conditions are met. Additionally, the amendments provide guidance on how to assess contractual cash flow features of financial assets containing environmental, social, and governance (ESG) or similar conditional characteristics, as well as on non-recallable assets and interrelated financial instruments. Moreover, the changes introduce additional disclosures to IFRS 7 for financial assets and liabilities with contractual terms referencing conditional events (including ESG-linked ones) and for equity instruments measured at fair value through other comprehensive income.

The amendments have not had a significant impact on the Group's financial position or performance.

- **IFRS 18 – New Presentation and Disclosure Standards in Financial Statements**

In April 2024, the IASB published IFRS 18, which replaces IAS 1. IFRS 18 introduces new provisions for the presentation of the income statement, including the presentation of specific totals and subtotals. The standard requires businesses to present all income and expenses in one of five categories: operating activities, investing activities, financing activities, income taxes, and discontinued operations. Additionally, IFRS 18 mandates the disclosure of performance metrics determined by management and introduces new provisions for the aggregation or disaggregation of financial information in accordance with the defined roles for primary financial statements and notes. With the publication of IFRS 18, there have also been specific changes to other financial reporting standards such as IAS 7, IAS 8, and IAS 34.

The effects of this Standard on the Company's/Group's financial position and performance are currently being assessed.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1.6 Changes in accounting policies and explanations (Continued)

- **IFRS 19 – New Standard for Disclosures of Non-Publicly Accountable Associates**

In May 2024, the IASB published IFRS 19, which offers a reduced disclosure option for certain entities when applying recognition, measurement, and presentation requirements in IFRS.

Unless stated otherwise, entities that choose to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS. An entity with a parent company (intermediate or ultimate) that prepares consolidated financial statements in accordance with IFRS, and which is a non-publicly accountable associate, may choose to apply IFRS 19.

The changes introduced by this standard have not had a significant impact on the Group’s financial position or performance.

2.2 Changes in Accounting Policies and Errors

Significant changes in accounting policies and identified significant accounting errors are applied retrospectively, and prior period financial statements are restated. The Company has not made any significant changes in its accounting policies during the current period.

2.3 Changes in Accounting Estimates

Changes in accounting estimates are applied prospectively; if the change pertains to a single period, it is applied in the current period in which the change is made. If the change affects future periods, it is applied in both the current period and future periods. There have been no significant changes in accounting estimates by the Group during the current period.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies

(a) Basis of consolidation

The consolidated interim financial statements include the financial statements of the Company and its subsidiary. Control is exercised when a company has power over financial and operational policies of a business with the purpose of benefiting from the business operations.

As of 30 June 2024 and 31 December 2023 details of the subsidiary and associate of the Group are as follows:

| Legal Entity | 30 June 2024 Ratio of shares in capital | 31 December 2023 Ratio of shares in capital | Service Line |
|---|--|--|----------------------|
| Yapı Kredi Portföy Yönetimi A.Ş. (Subsidiary) | %87,32 | %87,32 | Portfolio Management |

Subsidiary

Yapı Kredi Portföy Yönetimi A.Ş. (“Yapı Kredi Portföy” or “subsidiary”), is subject to full consolidation as the Company is the main shareholder and has control rights over subsidiary.

The Company’s subsidiary Koç Portföy Yönetimi A.Ş. has legally merged with Yapı Kredi Portföy Yönetimi A.Ş. on 29 December 2006. Accordingly, all rights, receivables, liabilities and obligations of Yapı Kredi Portföy were transferred to Koç Portföy. After merger, the Subsidiary has changed its title as Yapı Kredi Portföy Yönetimi A.Ş. and accordingly the Company has an interest of 87.32% (31 December 2022: 87.32%) of the voting rights.

Within the context of the Capital Markets Board regulations, the Subsidiary’s principal activities are managing mutual and private funds and performing discretionary portfolio management (“DPM”) for institutions, endowments and individuals.

The balance sheets and statements of income of the subsidiary are consolidated on a line-by-line basis and the carrying value of the investment held by the Company is eliminated against the related equity.

The minority shares in net assets and operating results are classified as “non-controlling interest”. Intercompany transactions and balances between the Company and the subsidiary are eliminated during consolidation. Subsidiary is consolidated from the date on which control is transferred to the Company and will no longer be consolidated from the date that control ceases.

Where necessary, accounting policies of the subsidiary have been changed to ensure consistency with the policies adopted by the Company.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

(b) Revenue recognition

(i) Fee and commission income and expenses

Fees and commissions are recognised in the income statement when they are collected or paid. However, fund management fee commissions, portfolio management commissions and agency commissions are accounted for on an accrual basis. Stock transaction commissions are accounted for by netting off with commission returns.

(ii) Interest income, expenses and dividend income

Interest income and expenses are recognised in the income statement in the period to which they relate on an accrual basis. Interest income consists of income derived from coupons of fixed-rate and variable-rate instruments, income arising from the valuation of discounted government securities on an internal rate of return basis, and interest rates arising from the Takasbank Money Market and reverse repurchase transactions.

Dividend income from common stock investments are recognised when the shareholders have the right to take the dividend.

(c) Trade Receivables

Receivables resulting from the provision of services by the Group to a customer are presented net of accrued finance income. After accounting for accrued finance income, receivables are calculated by discounting the amounts expected to be received in future periods using the effective interest method, based on the original invoice value of the receivables. Short-term receivables with no specified interest rate are presented at their cost values, provided the effect of the original effective interest rate is not significant.

(d) Financial assets

The Group classifies and accounts for its financial assets as follows: "Financial assets at fair value through profit or loss," "Financial assets at fair value through other comprehensive income," "Financial assets measured at amortized cost," and "Loans."

The purchase and sale transactions of these financial assets are recorded and derecognized based on the "delivery date."

The classification of financial assets is determined at the date of acquisition based on the "Market Risk Policies" set by the Group management, considering the purposes of acquisition.

All financial assets, except for those recorded at fair value through profit or loss and those measured at fair value, are initially recognized at cost, which includes any acquisition costs related to the investment, based on the fair market value.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

(i) Financial assets at fair value through profit and loss

Financial assets classified as "financial assets at fair value through profit or loss" are those acquired with the intention of benefiting from short-term fluctuations in market prices or, regardless of the acquisition motive, are part of a portfolio held for short-term profit.

These financial assets are initially recognized at fair value, and subsequently, they are measured at fair value in the periods following their initial recognition. In determining fair value, the best available bid price as of the balance sheet date is considered. If market conditions do not provide an active market for the price formation, the fair value is considered to be unreliable, and the "discounted value" calculated using the effective interest method is used as the fair value. Gains and losses resulting from this valuation are included in the profit or loss accounts.

Changes in the fair value of financial assets at fair value through profit or loss, as well as interest and coupon income from these financial assets, are recognized in the income statement under "Financial Income."

(ii) Financial assets at fair value through other comprehensive income:

Financial assets that are held to collect contractual cash flows or for sale and which do not qualify as financial assets at fair value through profit or loss, and whose cash flows represent only principal and interest payments, are classified as "financial assets at fair value through other comprehensive income.

These assets are measured at fair value in subsequent periods after initial recognition. If fair value is not reliably measurable due to the absence of active market prices, the "discounted value" calculated using the effective interest method is used as the fair value.

Changes in the fair value of financial assets at fair value through other comprehensive income are not recognized in profit or loss until the asset is collected, sold, or otherwise disposed of. Instead, these unrealized gains and losses are recorded in the equity account "Accumulated Other Comprehensive Income or Loss" until one of the aforementioned events occurs.

When these financial assets are collected or disposed of, the accumulated fair value changes recognized in equity are transferred to profit or loss. Interest income and dividend income from these financial assets are accounted for in the relevant income accounts.

The accumulated fair value changes recognized in equity for these financial assets are transferred to the profit or loss statement when the assets are collected or disposed of.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

(iii) Assets recognized at amortised cost

If a financial asset is held within a business model aimed at collecting contractual cash flows, and the contractual terms of the financial asset result in cash flows that only include principal and interest payments on the principal balance at specific dates, the financial asset is measured at amortized cost. These assets are initially recognized at their acquisition cost, including transaction costs. After initial recognition, they are valued at their "discounted carrying amount" using the effective interest rate method.

(iv) Loans and other receivables

Loans and receivables of the Group which are given with the purpose of providing cash to the debtor are carried at amortised cost. All loans are recognized in financial statements after transferring the cash amounts to debtors.

The Group provides loans to its customers for stock purchases.

(v) Repurchase agreements

Securities acquired under a repurchase agreement ("Reverse Repo") are accounted for under the "cash and cash equivalents" item on the balance sheet. The difference between the purchase and resale prices specified in reverse repo agreements is added to the cost of the reverse repos as the portion attributable to the period is recognized using the "effective interest rate method" and recorded as receivables from reverse repo transactions.

(e) Property, plant and equipment

Property and equipment are carried at cost less accumulated depreciation.

Depreciation on the tangible assets is provided on straight-line method according to their useful lives from the date of recognition or assembly of the related asset. The estimated useful lives of assets are as follows:

| | |
|-------------------------|-----------|
| Buildings | 50 years |
| Furnitures and fixtures | 4-5 years |
| Special cost amounts | 4-5 years |

Estimated useful life and depreciation method are reviewed at each balance sheet date in order to detect the effects of changes in the estimates and if appropriate, the changes in estimates are accounted.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount and the provision for the impairment in value is charged to the income statement.

Gains and losses on the disposal of assets are determined by deducting the net book value of the assets from its sales proceeds and charged to the income statement in the current period.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

(f) Intangible assets

Intangible assets include acquired rights, information systems, and computer software. These are recorded at acquisition cost and amortized over their estimated useful lives of 3 to 5 years using the straight-line method. The estimated useful life and amortization method are reviewed annually to assess the potential impact of any changes in estimates, and changes in estimates are accounted for.

In the event of impairment, the carrying amount of intangible assets is reduced to their recoverable amount.

The Group makes project investments to develop its existing systems, and projects that are expected to provide future economic benefits to the Group are capitalized. The Group reviews capitalized but incomplete projects and expends the carrying amount of assets deemed not to provide future economic benefits. Amortization is not calculated on intangible assets classified as such but not yet ready for use.

(g) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are subject to impairment testing at each balance sheet date to determine whether there is any indication of impairment of financial asset or financial asset group. A financial asset or group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment because of one or more events that occurred after the initial recognition of the assets. That loss event or events must also have an impact on the estimated future cash flows of the financial asset or group of financial assets. The impairment gains and loss of loans and advances is the difference between the original contracted cash flows and the modified cash flows discounted at the original effective interest rate.

The Group books a provision for the doubtful receivables when there is an objective evidence that trade receivables are not fully collectible. The correspondent provision amount is the difference between the book value and collectible receivable amount. The collectible amount is the discounted value of trade receivables by effective interest rate including the collectible guarantees and securities.

In the event of the collections of the doubtful receivables whether the whole amount or some part of it, after booking the provision for the doubtful receivables, the collected amount is deducted from the doubtful receivables provision and recorded as income.

In all financial assets with the exception of trade receivables where the net book value is reduced through the use of an allowance account, the impairment is deducted directly from the carrying amount of the related financial asset. In the event that the case of the trade receivable cannot be collected, become certain, the related amount is deducted from the provision account. Changes in the provision account are recognised in the income statement.

If the impairment loss decreases in the subsequent period, and this decrease can be associated with an event occurring after recognition of the impairment loss-except for equity instruments whose fair value difference is recognised under comprehensive income-the previously recognised impairment loss is written off on the income statement in such a way that it does not exceed the amortised cost occurring when the impairment of the investment is not recognised on the date the impairment is written off.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

Expected credit losses measurement

The measurement of the allowance for expected credit loss for financial assets measured at amortised cost and at fair value through other comprehensive income is an area that requires the use of the financial position and future relevant economic assumptions and advanced models.

A group of important decisions is required to apply the accounting requirements for measuring expected credit losses. These are:

- Determination of criteria for significant increase in credit risk,
- Selection of appropriate models and assumptions for measuring expected credit losses,
- Identify the related expected credit loss and the number and likelihood of prospective scenarios for each type of product/market,
- Identification of a similar group of financial assets for the purposes of measuring expected credit losses.

(h) Financial liabilities

(i) *Repurchase agreements*

Securities sold under repurchase agreements ("Repos") are classified in the Group's portfolio according to their intended purposes as either "Financial assets at fair value through profit or loss," "Financial assets at fair value through other comprehensive income," or "Financial assets measured at amortized cost," and are valued according to the principles of their respective portfolios.

Funds obtained from repo agreements are recorded as "Financial liabilities" on the liabilities side and the difference between the sale and repurchase prices determined by the repo agreements is added to the cost of the securities under repo, using the "effective interest rate method," and accounted for in the relevant financial asset portfolio.

The Group does not have any securities that are subject to pledge in any form.

(ii) *Other financial liabilities*

Other financial liabilities are initially recognized at their fair values. In subsequent periods, they are accounted for at amortized cost using the effective interest method, which includes interest expenses calculated based on the effective interest rate.

(i) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

(i) Foreign exchange transactions

Transactions denominated in foreign currencies are accounted for at the exchange rates prevailing at the date of the transactions; monetary assets and liabilities are accounted for at the period-end bid rate of Central Bank of the Republic of Turkey (“CBRT”). Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(j) Provisions and contingent assets and liabilities

Provisions are recognized when there is a present legal or constructive obligation arising from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If the amount cannot be measured reliably or if it is not probable that an outflow of resources will occur, the obligation is considered “contingent” and is disclosed in the notes to the financial statements.

Contingent assets typically arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group. Contingent assets are not recognized in the consolidated financial statements as this could result in the recognition of income that may never be realized. Contingent assets are disclosed in the notes to the consolidated financial statements where an inflow of economic benefits is probable.

Contingent assets are continuously assessed to ensure that developments are accurately reflected in the consolidated financial statements. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the consolidated financial statements in the period in which the change occurs.

(k) Subsequent events

Subsequent events cover any events which arise between the date of approval of the financial statements and the balance sheet date, even if they occurred after declaration of the net profit for the period or specific financial information is publicly disclosed. The Group adjusts its financial statements if such subsequent events require an adjustment to the financial statements.

(l) Related parties

For the purpose of these consolidated financial statements, shareholders, subsidiaries of Yapı ve Kredi Bankası A.Ş. with direct and / or indirect capital relation, Koç Holding A.Ş. group companies, key management personnel and board members, their families and companies are considered as “related parties”.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

(m) Taxes calculated over Group’s profit

Corporate tax

Corporate tax is calculated according to the Tax Procedural Law, and tax expenses except corporate tax are recognised in operating expenses.

Turkish tax regulations do not enable the parent company to give tax statement over the consolidated financial statements of its subsidiaries and affiliates. Due to this reason, tax provisions reflected to these consolidated financial statements are calculated for each company the full consolidation scope.

Corporate tax is subject to offsetting when a legal right about netting off the current tax assets and liabilities or when they are related to the corporate tax collected by the same tax regulatory.

Deferred tax

Deferred tax is calculated using the liability method, based on the temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements.

Deferred tax assets and deferred tax liabilities can be offset against each other if they are subject to the same country’s tax laws and if there is a legally enforceable right to offset current tax assets against current tax liabilities.

Significant temporary differences arise from provisions for lawsuits, expected credit losses, employee bonuses, severance pay, and leave provisions, as well as from revaluation differences on buildings owned by the Group, financial assets measured at fair value through other comprehensive income, and various expense provisions.

Deferred tax liabilities are calculated for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are calculated provided that it is probable that future taxable profits will be available against which these differences can be utilized.

Except for items directly recognized in equity under the “revaluation surplus” account, current tax and deferred tax for the period are recognized as expenses or income in the income statement.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

(n) Employee benefits

Defined benefit plans:

The Group accounts for employee termination benefits, vacation rights and other benefits to employees in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and they are classified under “provisions for employee benefits” in the balance sheet.

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Company arising from this liability regarding the actuarial projections and reflected to consolidated financial statements.

Defined contribution plans:

The Group has to pay contribution to Social Security Institution (Institution) for its employees within the contribution margin decided by the law. The Group does not have other liabilities to its employees or to Institution other than the contribution for its employees. Those contributions are expensed on the date of accrual.

(o) Capital and dividends

Ordinary shares are classified in equity. Dividends over ordinary shares are classified as dividend payable by deducting from accumulated profits, when the decision of dividend distribution is taken.

(p) Statement of cash flows

For the purposes of statement of cash flows, cash and cash equivalents include due from banks with maturity less than three months, receivables from reverse repo transactions and investment funds.

(r) Share certificates and issuance

The Group recognizes the difference between the issue price and the nominal value of shares issued above their nominal value in capital increases as "Share Premium" within equity. There are no dividend distribution decisions announced by the Group after the balance sheet date.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.4 Summary of Significant Accounting Policies (Continued)

(s) Assets held for sale and discontinued operations

A discontinued operation is a component of the Group that has been classified as held for sale or disposed of, and whose activities and cash flows can be clearly distinguished from the rest of the Group. Results from discontinued operations are presented separately in the income statement.

An asset classified as held for sale (or a group of assets to be disposed of) is measured at the lower of its carrying amount and its fair value less costs to sell. For an asset to qualify as held for sale, it must be available for immediate sale in its present condition, subject to usual and customary conditions for such assets, and the sale must be highly probable. To achieve a high probability of sale, a plan to sell the asset must be developed by an appropriate level of management, and an active program must be initiated to locate buyers and complete the plan. Additionally, the asset must be actively marketed at a price that is reasonable in relation to its fair value.

(t) Derivatives

The Group’s derivative transactions are composed of foreign currency/interest rates swaps, forward contracts and future transactions. Derivative financial instruments are initially measured at fair value on the contract date, and are remeasured to fair value at subsequent reporting periods.

2.5 Significant Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements requires making estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet date, as well as the reported amounts of revenues and expenses for the relevant period. While these estimates are based on the best judgment and information available to management, actual results may differ from these estimates.

Significant judgments, estimates, and assumptions that could have a material impact on the consolidated financial statements and could lead to significant changes in the carrying values of assets and liabilities in the coming year are as follows:

Financial assets measured at amortised cost

The classification of financial assets as held-to-maturity financial assets is at the discretion of management, including their objectives and capabilities. If the Group fails to hold these assets to maturity, except in certain situations such as the sale of an insignificant amount close to maturity, it will be required to reclassify all such assets as “financial assets at fair value through other comprehensive income.” In this case, the investments will be measured at fair value instead of amortized cost.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.5 Significant Accounting Judgements, Estimates and Assumptions (Continued)

Determining the fair value of equity investments classified as financial assets at fair value through other comprehensive income

The Group determines the fair values of financial instruments without an active market by using market data, employing comparable transactions, or referencing the fair values of similar instruments.

Deferred income tax asset recognition

Deferred tax assets can be recognized to the extent that it is probable that the tax benefits will be realized. The amount of future taxable profits and potential future tax benefits is based on the medium-term business plan prepared by Management and subsequent forecasts. The business plan is based on expectations that Management considers reasonable under the given circumstances.

3. BUSINESS COMBINATIONS

None (31 December 2023: None).

4. JOINT VENTURES

The Group has no joint ventures (31 December 2023: None).

5. SEGMENT REPORTING

Since the Group is not publicly held, there is no segment reporting in the consolidated financial statements as of 30 June 2024 and 31 December 2023.

6. CASH AND CASH EQUIVALENTS

| | 30 June 2024 | 31 December 2023 |
|---|-----------------------|-----------------------|
| Banks | | |
| - Time deposits | 7,299,818,602 | 9,930,474,513 |
| - Demand deposits | 2,823,626,065 | 2,319,655,742 |
| Allowances for expected credit losses (-) | (55,093,747) | (76,053,257) |
| | 10,068,350,920 | 12,174,076,998 |

As of 30 June 2024, TL 2,811,309,794 of the deposits held in banks (31 December 2023: TL 3,613,728,051) are with related banks and institutions. A provision for expected credit losses of TL (239,594) (31 December 2023: TL (515,234)) has been calculated for cash and cash equivalents with related parties (Note 29).

Of the demand deposits, TL 1,695,910,666 (31 December 2023: TL 1,588,517,564) are in the form of collateral held in the Group's bank accounts on behalf of Group's customers (Note 16).

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6. CASH AND CASH EQUIVALENTS (Continued)

As of 30 June 2024, the average maturity of term TL deposits is 18 days, and the weighted average interest rate is 52.59% (31 December 2023: The average maturity of TL deposits was 42 days, with a weighted average interest rate of 45.7%).

For the purpose of preparing the cash flow statements, the breakdown of cash and cash equivalents is as follows:

| | 30 June 2024 | 31 December 2023 |
|--|----------------------|-----------------------|
| Cash and cash equivalents | 10,068,350,920 | 12,174,076,998 |
| Cash and cash equivalents of customers | (1,695,910,666) | (1,588,517,564) |
| Provision for expected credit losses (-) | 55,093,747 | 76,053,257 |
| Interest accruals | (251,869,913) | (233,960,430) |
| | 8,175,664,088 | 10,427,652,261 |

7. FINANCIAL INVESTMENTS

Short-term financial investments:

| | 30 June 2024 | | |
|---|--------------------|--------------------|--------------------|
| | Cost | Fair Value | Carrying value |
| Financial assets at fair value through profit or loss | 155,729,275 | 156,592,269 | 156,592,269 |
| - Shares listed on BIST | 155,729,275 | 156,592,269 | 156,592,269 |
| - Investment fund | - | - | - |
| Financial assets at fair value through other Comprehensive income | 54,000,000 | 63,381,814 | 63,381,814 |
| - Private sector bonds and notes | 54,000,000 | 63,381,814 | 63,381,814 |
| Financial assets measured at amortized cost | - | - | - |
| - Government bonds and treasury bills | - | - | - |
| - Allowance for impairment (-) | - | - | - |
| | 209,729,275 | 219,974,083 | 219,974,083 |
| | 31 December 2023 | | |
| | Cost | Fair Value | Carrying Value |
| Financial assets at fair value through profit or loss | 158,560,245 | 102,829,349 | 102,829,349 |
| - Shares listed on BIST | 158,560,245 | 102,829,349 | 102,829,349 |
| Financial assets at fair value through other Comprehensive income | 12,473,459 | 13,351,110 | 13,351,110 |
| - Private sector bonds and notes | 12,473,459 | 13,351,110 | 13,351,110 |
| Financial assets measured at amortized cost | 37,907,803 | 37,438,336 | 37,406,364 |
| - Government bonds and treasury bills | 37,907,803 | 37,443,387 | 37,411,415 |
| - Allowance for impairment (-) | - | (5,051) | (5,051) |
| | 208,941,507 | 153,618,795 | 153,586,823 |

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(Amounts expressed in Turkish lira (“TRY”) unless otherwise indicated.)

7. FINANCIAL INVESTMENTS (Continued)

Long term financial investments

| | 30 June 2024 | | |
|--|---------------------|--------------------|-----------------------|
| | Cost | Fair Value | Carrying Value |
| Financial assets measured at fair value through other comprehensive income | 322,155,121 | 613,056,635 | 613,056,635 |
| - <i>Shares certificate</i> | 40,155,224 | 328,081,563 | 328,081,563 |
| - <i>Private sector bonds and bills</i> | 3,000,000 | 3,123,521 | 3,123,521 |
| - <i>Government bonds and treasury bills</i> | 278,999,897 | 281,851,551 | 281,851,551 |
| Financial assets measured at fair value | - | - | - |
| - <i>Government bonds and treasury bills</i> | - | - | - |
| - <i>Provision for impairment (-)</i> | - | - | - |
| | 322,155,121 | 613,056,635 | 613,056,635 |

| | 31 December 2023 | | |
|--|-------------------------|--------------------|-----------------------|
| | Cost | Fair value | Carrying value |
| Financial assets measured at fair value through other comprehensive income | 103,312,114 | 394,098,094 | 394,098,094 |
| - <i>Shares certificate</i> | 40,155,224 | 328,081,563 | 328,081,563 |
| - <i>Private sector bonds and bills</i> | - | - | - |
| - <i>Government bonds and treasury bills</i> | 63,156,890 | 66,016,531 | 66,016,531 |
| Financial assets measured at fair value | - | - | - |
| - <i>Government bonds and treasury bills</i> | - | - | - |
| - <i>Provision for impairment (-)</i> | - | - | - |
| | 103,312,114 | 394,098,094 | 394,098,094 |

As of 30 June 2024, there are no financial assets measured at amortized cost. (31 December 2023: 37,406,364 TL) (Note 16).

The maturity distribution of financial assets measured at amortized cost is as follows:

| | 30 June 2024 | 31 December 2023 |
|--------------------|---------------------|-------------------------|
| 0-1 month | - | - |
| 1 month - 3 months | - | 37,406,364 |
| 3 months - 1 year | - | - |
| 1 year – 5 years | - | - |
| | - | 37,406,364 |

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7. FINANCIAL INVESTMENTS (Continued)

The movement table of financial assets measured at amortised cost is as follows:

| | 2024 | 2023 |
|---|-------------------|-------------------|
| 1 January | 37,406,364 | 39,665,040 |
| Purchases during the period | - | - |
| Value decreases (including interest re-discounts) | 2,992,136 | 12,321,989 |
| Disposals in the period (-) | (32,980,902) | - |
| Allowances for expected credit losses (-) | 5,051 | (6,135) |
| Monetary loss | (7,422,649) | (6,548,478) |
| End of the period, 30 June | - | 45,432,416 |

The details of equity securities classified as long-term financial assets measured at fair value through other comprehensive income are as follows:

| Type | 30 June 2024 | | 31 December 2023 | |
|---|--------------------|--------------|--------------------|--------------|
| | Amount (TRY) | Share (%) | Amount (TRY) | Share (%) |
| Shared certificates not listed on the stock market | | | | |
| İstanbul Takas ve Saklama Bankası A.Ş. | 304,408,787 | 4,38 | 304,408,787 | 4,38 |
| Borsa İstanbul A.Ş. | 21,272,266 | 0,08 | 21,272,266 | 0,08 |
| Yapı Kredi Azerbaycan Ltd. | 1,623,798 | 0,10 | 1,623,798 | 0,10 |
| Allianz Yaşam ve Emeklilik A.Ş. | 538,411 | 0,04 | 538,411 | 0,04 |
| Koç Kültür Sanat ve Tanıtım Hiz. Tic. A.Ş. | 238,301 | 4,90 | 238,301 | 4,90 |
| | 328,081,563 | | 328,081,563 | |

As of 30 June 2024, the Group has valued its 26,280,000 nominal shares of Istanbul Clearing, Settlement and Custody Bank Inc. at the offering price of TL 2.20 per share, as stated in Istanbul Clearing, Settlement and Custody Bank's announcement number 2020/5692 (31 December 2023: nominal TL 2.20 per share).

As of 30 June 2024, the Group has valued its 319,422 nominal shares of Borsa Istanbul Inc. at the offering price of TL 8.40 per share, as stated in Borsa Istanbul's announcement number 2016/110 (31 December 2023: 319,422 shares, nominal TL 8.40 per share).

For equity securities classified as financial assets measured at fair value through other comprehensive income, which do not have a market price in an active market and for which the fair value cannot be determined using other valuation techniques, the consolidated financial statements show these securities at their indexed values as of the most recent fair value assessment date. As there are no current independent valuation reports for these equity securities without active market prices, there is no concrete evidence of permanent impairment. Consequently, no impairment provisions have been recognized for these financial assets.

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8. ASSETS HELD FOR SALE

None. (31 December 2023: None).

9. SHORT- AND LONG-TERM LIABILITIES

Short term liabilities

| | 30 June 2024 | 31 December 2023 |
|---------------------------------------|----------------------|----------------------|
| Funds from Takasbank Money Market (*) | 553,472,733 | 6,683,629,783 |
| Issued bonds and bills | 4,965,177,707 | 2,015,651,423 |
| Bank loans (**) | - | 62,367,294 |
| Funds from repo transactions | 12,550,051 | 1,501,624 |
| Lease liabilities (***) | 12,374,494 | 5,503,787 |
| | 5,543,574,985 | 8,768,653,911 |

(*) Takasbank Money Market liabilities are on average 92 days maturity with an average interest rate of 50.79% (31 December 2023: 14 days average maturity, average interest rate 43.90%).

(**) As of 30 June 2024, the Group has no bank loans (31 December 2023: TL 62,367,294 in bank loans).

(***) The Group's short-term lease liabilities have an average maturity of 12 months with an effective interest rate of 24% (31 December 2023: 12 months, 14-24%). TL 12,374,494 of the short-term lease liabilities are with related parties (31 December 2023: TL 5,503,787).

As of 30 June 2024, the details of the issued bonds are as follows:

| Marketable Security | Nominal Amount | Currency | Issue Date | Maturity Date | Simple Interest (%) | Compound Interest (%) | Type |
|---------------------|----------------|----------|--------------|-------------------|---------------------|-----------------------|-------|
| Bond | 335.000.000 | TRY | 7 March 2024 | 3 July 2024 | 45,57 | 57,60 | Fixed |
| Bond | 309.700.000 | TRY | 7 May 2024 | 7 August 2024 | 53,84 | 68,85 | Fixed |
| Bond | 257.000.000 | TRY | 15 May 2024 | 7 August 2024 | 52,75 | 67,11 | Fixed |
| Bond | 454.750.000 | TRY | 20 May 2024 | 20 August 2024 | 50,10 | 62,29 | Fixed |
| Bond | 605.300.000 | TRY | 22 May 2024 | 28 August 2024 | 50,17 | 61,99 | Fixed |
| Bond | 329.000.000 | TRY | 28 May 2024 | 28 August 2024 | 51,32 | 63,73 | Fixed |
| Bond | 665.000.000 | TRY | 5 June 2024 | 5 September 2024 | 50,16 | 61,58 | Fixed |
| Bond | 601.500.000 | TRY | 12 June 2024 | 11 September 2024 | 50,39 | 61,62 | Fixed |
| Bond | 839.500.000 | TRY | 26 June 2024 | 25 September 2024 | 50,86 | 61,62 | Fixed |
| Bond | 1.000.000.000 | TRY | 28 June 2024 | 27 September 2024 | 50,93 | 61,62 | Fixed |

Details of the bonds issued as of 31 December 2023 are as follows:

| Marketable Security | Nominal Amount | Currency | Issue Date | Maturity Date | Simple Interest (%) | Compound Interest (%) | Type |
|---------------------|----------------|----------|------------------|------------------|---------------------|-----------------------|-------|
| Bond | 286.300.000 | TRY | 11 October 2023 | 17 January 2024 | 37,42 | 44,91 | Fixed |
| Bond | 349.400.000 | TRY | 13 November 2023 | 14 February 2024 | 39,00 | 46,36 | Fixed |
| Bond | 300.000.000 | TRY | 29 November 2023 | 29 February 2024 | 43,19 | 51,78 | Fixed |
| Bond | 380.650.000 | TRY | 06 December 2023 | 07 March 2024 | 44,34 | 53,15 | Fixed |
| Bond | 300.050.000 | TRY | 13 December 2023 | 14 March 2024 | 44,52 | 53,15 | Fixed |
| Bond | 100.000.000 | TRY | 19 December 2023 | 27 March 2024 | 44,68 | 52,90 | Fixed |

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9. SHORT AND LONG TERM LIABILITIES (Continued)

Long term liabilities:

| | 30 June 2024 | 31 December 2023 |
|-----------------------|------------------|------------------|
| Lease liabilities (*) | 2,322,167 | 1,348,691 |
| | 2,322,167 | 1,348,691 |

(*) The Group's debts from long-term lease transactions have a term of 1-5 years and the effective interest rate is 24% (31 December 2023: 1-5 years, 14-24%). Debts from long-term lease transactions is debt to related parties.

The movement table of borrowings from leasing transactions is as follows:

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Beginning of the period, 1 January | 6,852,478 | 9,915,576 |
| Additions during the period (Note 14) | 20,608,361 | 6,907,734 |
| Payments during the period | (11,878,459) | (6,283,845) |
| Interest expenses (Note 28) | 3,250,159 | 1,459,750 |
| Monetary Loss Gain | (4,135,878) | (1,637,006) |
| Other | - | (270,639) |
| End of the period, 30 June | 14,696,661 | 10,091,570 |

10. TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

| | 30 June 2024 | 31 December 2023 |
|---|----------------------|----------------------|
| Receivables from loan customers | 2,952,544,800 | 3,260,095,437 |
| Receivables from customers | 3,314,395,377 | 1,721,702,790 |
| Commission receivables | 138,953,986 | 149,744,597 |
| Doubtful trade receivables | 3,084,894 | 4,307,593 |
| Provisions for doubtful trade receivables (-) | (3,084,894) | (4,307,593) |
| Expected credit loss provisions (-) | (25,669,425) | (37,673,662) |
| | 6,380,224,738 | 5,093,869,162 |

The Group allocates loans to its customers for use in stock transactions. As of 30 June 2024, the total amount of loans allocated to customers by the Group is TL 2,952,544,800 (31 December 2023: TL 3,260,095,437). The Group holds listed equity securities with a total market value of TL 4,732,070,197 (31 December 2023: TL 3,517,469,298) as collateral for these loans (Note 16).

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10. TRADE RECEIVABLES AND PAYABLES (Continued)

Short term trade payables

| | 30 June 2024 | 31 December 2023 |
|---|----------------------|----------------------|
| Payables to customers | 3,010,622,642 | 2,246,927,112 |
| Payables to settlement and custody bank | 1,206,691,825 | 608,719,096 |
| Agency commission payable | 56,333,365 | 72,469,120 |
| Payables to vendors | 24,586,474 | 26,883,833 |
| Expense accruals | 18,394,064 | 6,613,418 |
| Other trade payables | 7,890,922 | 6,327,945 |
| | 4,324,519,292 | 2,967,940,524 |

11. RECEIVABLES FROM FINANCIAL ACTIVITIES

Receivables from financial activities

| | 30 June 2024 | 31 December 2023 |
|---|--------------------|--------------------|
| Investment fund management fee receivables (Notes 29) (*) | 131,685,966 | 98,210,392 |
| Individual pension fund management receivables (**) | 9,051,000 | 9,001,927 |
| Investment advisory fee | 6,840,000 | 6,336,517 |
| Individual portfolio management fee | 11,436,284 | 9,421,876 |
| Individual pension fund management fee receivables (**) | - | 54,565,808 |
| Other | 118,697 | 193,797 |
| | 159,131,947 | 177,730,317 |

(*) The investment fund management commission receivables consist of receivables from 89 (31 December 2023: 87) investment funds, all of which are related parties, established in accordance with the Capital Markets Law and related regulations and managed by the Company.

(**) The private pension fund commission and performance fee receivables are obtained from 19 (31 December 2023: 19) private pension funds, 18 (31 December 2023: 18) of which are related parties.

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12. OTHER RECEIVABLES AND PAYABLES

Other receivables

| | 30 June 2024 | 31 December 2023 |
|---|--------------------|----------------------|
| Deposits and collaterals given | 812,217,605 | 1,342,483,186 |
| Transaction guarantees given to the markets | 126,239,105 | 103,634,633 |
| | 938,456,710 | 1,446,117,819 |

Other payables

| | 30 June 2024 | 31 December 2023 |
|---|--------------------|--------------------|
| Deposits and collaterals received | 462,915,554 | 415,011,999 |
| Liabilities to the securities issuance fund | 491,344 | 612,876 |
| | 463,406,898 | 415,624,875 |

13. PROPERTY, PLANT AND EQUIPMENT

| 30 June 2024 | Buildings | Furniture and Fixtures | Leasehold Improvements | Total |
|------------------------------------|-------------------|---------------------------|---------------------------|--------------------|
| Net book value, 1 January | 49,273,801 | 114,107,907 | 1,857,802 | 165,239,510 |
| Additions | - | 24,924,642 | 38,053 | 24,962,695 |
| Disposals | - | (383,829) | - | (383,829) |
| Depreciation expense (-) | (1,529,703) | (10,184,395) | (214,062) | (11,928,160) |
| Net book value, 30 June | 47,744,098 | 128,464,325 | 1,681,793 | 177,890,216 |
| Cost | 196,431,559 | 497,411,936 | 41,868,458 | 735,711,953 |
| Accumulated depreciation (-) | (148,687,461) | (368,947,611) | (40,186,665) | (557,821,737) |
| Net book value, 30 June | 47,744,098 | 128,464,325 | 1,681,793 | 177,890,216 |
| | | | | |
| 31 December 2023 | Buildings | Furniture and Fixtures | Leasehold Improvements | Total |
| Net book value, 1 January | 52,745,090 | 96,728,916 | 2,404,903 | 151,878,909 |
| Additions | 656,024 | 62,013,127 | (1,452) | 62,667,699 |
| Disposals | - | (48,159) | - | (48,159) |
| Depreciation expense (-) | (4,127,313) | (44,585,977) | (545,649) | (49,258,939) |
| Net book value, 31 December | 49,273,801 | 114,107,907 | 1,857,802 | 165,239,510 |
| Cost | 196,431,559 | 472,871,122 | 41,830,406 | 711,133,086 |
| Accumulated depreciation (-) | (147,157,758) | (358,763,215) | (39,972,603) | (545,893,576) |
| Net book value, 31 December | 49,273,801 | 114,107,907 | 1,857,802 | 165,239,510 |

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14. RIGHT OF USE ASSETS

| 30 June 2024 | Office and branches | Vehicles | Other | Total |
|------------------------------------|--------------------------------|------------------|--------------|-------------------|
| Net book value, 1 January | 7,631,956 | 813,700 | - | 8,445,656 |
| Additions | 11,277,503 | 9,330,858 | - | 20,608,361 |
| Disposals | - | - | - | - |
| Depreciation expense (-) | (6,988,548) | (5,072,279) | - | (12,060,827) |
| Net book value, 30 June | 11,920,911 | 5,072,279 | - | 16,993,190 |
| Cost | 71,549,874 | 26,982,403 | - | 98,532,277 |
| Accumulated depreciation (-) | (59,628,963) | (21,910,124) | - | (81,539,087) |
| Net book value, 30 June | 11,920,911 | 5,072,279 | - | 16,993,190 |
| 31 December 2023 | Office and branches | Vehicles | Other | Total |
| Net book value, 1 January | 10,916,824 | 1,968,945 | - | 12,885,769 |
| Additions | 4,645,683 | - | - | 4,645,683 |
| Disposals | - | (1,155,245) | - | (1,155,245) |
| Depreciation expense (-) | (7,930,551) | - | - | (7,930,551) |
| Net book value, 31 December | 7,631,956 | 813,700 | - | 8,445,656 |
| Cost | 60,272,373 | 17,651,544 | - | 77,923,917 |
| Accumulated depreciation (-) | (52,640,417) | (16,837,844) | - | (69,478,261) |
| Net book value, 31 December | 7,631,956 | 813,700 | - | 8,445,656 |

15. INTANGIBLE ASSETS

| | 30 June 2024 |
|-------------------------------------|---------------------|
| Net book value, 1 January(*) | 142,632,078 |
| Additions | 70,821,185 |
| Disposals | - |
| Amortization (-) | (16,872,135) |
| Net book value, 30 June | 196,581,128 |
| Cost | 603,559,476 |
| Accumulated amortization (-) | (406,978,348) |
| Net book value, 30 June | 196,581,128 |

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15. INTANGIBLE ASSETS (Continued)

| | 31 December 2023 |
|--------------------------------------|-------------------------|
| Net book value, 1 January (*) | 150,589,795 |
| Additions | 82,038,794 |
| Disposals (-) | - |
| Amortization | (89,996,511) |
| Net book value, 31 December | 142,632,078 |
| Cost | 532,738,291 |
| Accumulated amortization | (390,106,213) |
| Net book value, 31 December | 142,632,078 |

(*) Intangible assets classified as assets, but not yet ready for use, amount to TL 28,955,275 (31 December 2023: TL 27,950,001). Other intangible assets consist of capitalized project development costs.

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

i) Short term provisions

| | 30 June 2024 | 31 December 2023 |
|-----------------------------|---------------------|-------------------------|
| Lawsuit, penalty provisions | 3,009,300 | 3,753,638 |
| Other provisions (*) | 9,000,000 | 11,226,113 |
| | 12,009,300 | 14,979,751 |

(*) Provisions have been made by the Group in the consolidated financial statements due to ongoing reviews.

As of 30 June 2024, the total amount of provisions allocated by the Group for various lawsuits and reviews is TL 12,009,300 (31 December 2023: TL 14,979,751).

The movement schedule of provisions for lawsuits and reviews for the periods ended 30 June 2024, and 30 June 2023, is as follows:

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Beginning of the period, 1 January | 14,979,751 | 35,791,110 |
| Provisions set aside within the period | - | 24,466 |
| Payments during the year | - | (775,521) |
| Provision cancellation during the period | - | (8,579,858) |
| Monetary Loss / Gain | (2,970,451) | (5,908,915) |
| End of the period, 30 June | 12,009,300 | 20,551,282 |

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16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

ii) Collaterals given

| | 30 June 2024 | 31 December 2023 |
|-------------------|----------------------|----------------------|
| Collaterals given | 7,539,749,592 | 9,404,643,798 |
| | 7,539,749,592 | 9,404,643,798 |

Letters of guarantee provided to third parties have been issued to Borsa İstanbul (BIST), the Capital Markets Board (SPK), and Takasbank for Takasbank Money Market transactions. Of the provided letters of guarantee, TL 351,284 is in foreign currency (31 December 2023: TL 374,807).

iii) Cash collaterals given on behalf of customers

| | 30 June 2024 | 31 December 2023 |
|---|----------------------|----------------------|
| ViOP collaterals given on behalf of customers (*) | 6,246,957,029 | 4,846,752,059 |
| | 6,246,957,029 | 4,846,752,059 |

(*) As of 31 December 2023, an amount of TL 6,246,957,029 in cash has been provided by the Group as collateral on behalf of customers to the Futures and Options Exchange (31 December 2023: TL 4,846,752,059).

iv) Customer deposits

The nominal amounts of treasury bills, government bonds, shares, and other financial assets held in custody on behalf of customers or not yet matured as of 30 June 2024, and 31 December 2023, are as follows:

| Customer deposits/other | 30 June 2024 | 31 December 2023 |
|--|-----------------------|-----------------------|
| Share certificates | 11,726,903,797 | 11,994,021,501 |
| Government bonds | 11,267,381,470 | 1,127,556,478 |
| Reverse repo agreements (Takasbank Money Market) | 8,232,361,286 | 4,697,193,933 |
| Investment funds | 1,664,068,247 | 1,282,450,762 |
| Private sector bonds | 44,774,469 | 2,811,298 |
| Other | 88,387,023 | 113,070,246 |
| | 33,023,876,292 | 19,217,104,218 |

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16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

v) Other

- i. The Company is covered under a "Professional Liability" insurance policy with Türkiye Sigorta A.Ş. for USD 5,000,000 (31 December 2023: USD 5,000,000) and an "Employer's Financial Liability Insurance Policy" with HDI Sigorta A.Ş. for TRY 5,000,000 (31 December 2023: TRY 5,000,000).
- ii. An amount of TRY 1,695,910,666 (31 December 2023: TRY 1,588,517,564) of the demand deposits is held as collateral for Group's customers and is maintained in the Group's bank accounts (Note 6).
The Group provides loans to its customers for stock trading purposes. As of 30 June 2024, the total amount of loans granted to customers is TRY 2,952,544,800 (31 December 2023: TRY 3,260,095,437), and the total market value of the listed equity securities held as collateral for these loans is TRY 4,732,070,197 (31 December 2023: TRY 3,517,469,298) (Note 10).
- iii. As of 30 June 2024, there are no financial assets measured at amortized cost. (31 December 2023: TRY 37,406,364) (Note 7).

17. DERIVATIVE INSTRUMENTS

Nominal details of derivative transactions as of 30 June 2024 ve 31 December 2023 are as follows:

| | 30 June 2024 | | 31 December 2023 | |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|
| | TRY Equivalent | | TRY Equivalent | |
| | USD | EUR | USD | EUR |
| Swap transactions (buy) | 109,417,632 | 155,130,000 | 205,129,799 | 155,568,979 |
| Swap transactions (sell) | 97,897,281 | 140,513,600 | 202,325,093 | 162,523,681 |
| Forward transactions (buy) | - | - | - | - |
| Forward transactions (sell) | - | - | - | - |
| | 207,314,913 | 295,643,600 | 407,454,892 | 318,092,660 |

Receivables from derivative transactions

| | 30 June 2024 | 31 December 2023 |
|----------------------|-------------------|------------------|
| Swap transactions | 17,707,218 | 700,103 |
| Forward transactions | - | - |
| | 17,707,218 | 700,103 |

Payables from derivative transactions

| | 30 June 2024 | 31 December 2023 |
|-------------------|--------------|------------------|
| Swap transactions | - | 7,709,756 |
| | - | 7,709,756 |

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18. PROVISION FOR EMPLOYEE BENEFITS

| Short-term provisions | 30 June 2024 | 31 December 2023 |
|---|---------------------|-------------------------|
| Employee premium provision | 237,823,286 | 286,648,279 |
| | 237,823,286 | 286,648,279 |
| Long-term provisions | | |
| | 30 June 2024 | 31 December 2023 |
| Provision for employee termination benefits | 75,298,597 | 74,152,860 |
| Provision for unused vacation | 33,157,537 | 15,761,261 |
| | 108,456,134 | 89,914,121 |

According to Turkish laws, the Group is required to pay severance pay to every employee who retires (58 for women and 60 for men) after completing at least one year of service, whose relationship with the company is terminated, who is called for military service, or who has passed away. Since the law changed on 8 September 1999, some transitional provisions related to service periods before retirement have been removed.

The amount of severance pay is equivalent to one month's salary for each year of service, with a maximum limit of 41,828.42 TL as of 30 June 2024 (31 December 2023: 35,058.58 TL). Severance pay obligations are not legally required to be funded.

The severance pay provision is calculated based on the estimated present value of the future obligations arising from the retirement of the Group's employees.

TFRS requires the development of actuarial valuation methods for estimating the severance pay provision. Accordingly, the following assumptions have been used to calculate the total obligation:

| | 30 June 2024 | 31 December 2023 |
|--|--------------|------------------|
| Discount rate (%) | 2,9 | 2,9 |
| Turnover rate to estimate retirement probability (%) | 94,23 | 94,23 |

The fundamental assumption is that the ceiling amount for each year of service increases in proportion to inflation. Thus, the discount rate applied reflects the real rate of interest adjusted for the expected effects of inflation. The severance pay ceiling is revised every six months, and the ceiling amount of 41,828.42 TL effective from 1 July 2024 (1 January 2023: 19,982.83 TL) has been considered in the Group's severance pay calculations.

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18. PROVISION FOR EMPLOYEE BENEFITS (Continued)

Movement of provision for employee benefits during the period are as follows:

| | 2024 | 2023 |
|---|-------------------|-------------------|
| Beginning of the period, 1 January | 74,152,860 | 88,040,197 |
| Interest cost | 4,112,535 | 3,995,022 |
| Current service cost | 797,019 | 961,653 |
| Actuarial gain/(loss) | 11,125,204 | 12,420,547 |
| Payments during the period (-) | (1,525,120) | (2,708,800) |
| Monetary (loss) / gain | (13,363,901) | (15,321,638) |
| End of the period, 30 June | 75,298,597 | 87,386,981 |

Movement of provision for unused vacations during the period are as follows:

| | 2024 | 2023 |
|--|-------------------|-------------------|
| Beginning of the period, 1 January | 15,761,262 | 14,774,259 |
| Provisions set aside (cancelled) within the period | 42,936,076 | 15,308,568 |
| Payments during the period (-) | (666,319) | (369,066) |
| Monetary (loss) / gain | (24,873,482) | (2,439,148) |
| End of the period, 30 June | 33,157,537 | 27,274,613 |

Movement of provision for employee benefits during the period are as follows:

| | 2024 | 2023 |
|---|--------------------|--------------------|
| Beginning of the period, 1 January | 286,648,279 | 199,550,725 |
| Provisions set aside within the period | 447,549,623 | 83,109,314 |
| Payments during the period (-) | (432,965,014) | (132,229,259) |
| Monetary (gain)/loss | (63,409,602) | (32,944,716) |
| End of the period, 30 June | 237,823,286 | 117,486,064 |

19. PAYABLES FOR EMPLOYEE BENEFITS

| | 30 June 2024 | 31 December 2023 |
|----------------------------------|-------------------|-------------------|
| Taxes and liabilities payable | 25,205,039 | 36,027,599 |
| Social security premiums payable | 15,797,327 | 4,874,045 |
| | 41,002,366 | 40,901,644 |

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20. PREPAID EXPENSES

| | 30 June 2024 | 31 December 2023 |
|-----------------------------------|-------------------|-------------------|
| Commissions for guarantee letters | 7,280,195 | 11,946,757 |
| Prepaid expenses | 42,787,179 | 30,938,423 |
| | 50,067,374 | 42,885,180 |

21. OTHER ASSETS AND LIABILITIES

| | 30 June 2024 | 31 December 2023 |
|-------------------------------------|--------------------|--------------------|
| Takasbank-BIST commission provision | 65,760,603 | 55,357,172 |
| Other payable taxes and funds | 55,247,270 | 80,811,554 |
| Transfer Pricing | 89,554,550 | 2,191,932 |
| Blocked customer deposits | 27,267,015 | 22,954,020 |
| Other provisions for expenses | 103,566,587 | 88,558,409 |
| Provision for operating expenses | 9,710,252 | 11,226,113 |
| | 351,106,277 | 261,099,200 |

22. SHAREHOLDER'S EQUITY

Paid-in capital and adjustment differences

The Company's paid-in capital is TL 98,918,083 (31 December 2023: TL 98,918,083), divided into 9,891,808,346 shares with a nominal value of 1 kr each (31 December 2023: 9,891,808,346 shares).

The Company has no preferred shares as of 30 June 2024 and 31 December 2023.

The shareholders of the Company and their respective shares in the capital as of 30 June 2024 and 31 December 2023, at historical values, are as follows:

| Name of the shareholders | 30 June 2024 | | 31 December 2023 | |
|-------------------------------|----------------------|------------|----------------------|------------|
| | TL | Pay (%) | TL | Pay (%) |
| Yapı ve Kredi Bankası A.Ş. | 98,895,466 | 99,98 | 98,895,466 | 99,98 |
| Temel Ticaret ve Yatırım A.Ş. | 20,951 | 0,02 | 20,951 | 0,02 |
| Other | 1,666 | 0 | 1,666 | 0 |
| | 98,918,083 | 100 | 98,918,083 | 100 |
| Adjustments to share capital | 3,120,069,342 | | 3,120,069,342 | |
| | 3,218,987,425 | | 3,218,987,425 | |

Capital adjustment differences represent the difference between the total amounts of cash and cash equivalents added to the paid-in capital adjusted for inflation and their amounts before inflation adjustment. Capital adjustment differences can only be used for adding to the capital and have no other use.

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22. SHAREHOLDER'S EQUITY (Continued)

According to the Turkish Commercial Code, legal reserves are divided into first and second reserves. First reserves, as per the Turkish Commercial Code, are set aside at 5% of the statutory net profit until they reach 20% of the Company's paid-in capital. Second reserves are 10% of the profit distributed in excess of 5% of the paid-in capital. According to the Turkish Commercial Code, legal reserves can only be used to offset losses as long as they do not exceed 50% of the paid-in capital and cannot be used in any other way.

As of 30 June 2024, the Group's restricted reserves set aside from profit amount to TL 2,389,953,195 (31 December 2023: TL 2,367,807,558).

Restricted reserves

| | 30 June 2024 | 31 December 2023 |
|---|----------------------|----------------------|
| Real estate and affiliate sales gain fund (*) | 1,265,166,493 | 1,265,166,493 |
| Primary legal reserves | 221,781,398 | 221,781,398 |
| Secondary legal reserves | 903,005,304 | 880,859,667 |
| Total restricted reserves | 2,389,953,195 | 2,367,807,558 |

(*) As of 30 June 2024, the real estate and subsidiary sale profit fund classified under restricted reserves appropriated from profit within shareholders' equity, amounting to TL 1,265,166,493, consists of TL 54,318,803, which is 75% of the profit from the sale of a building in 2010, and TL 1,210,847,690, which is 75% of the profit from the subsidiary sale in 2013 that was not distributed and retained in equity.

The Group distributes dividends in accordance with the Dividend Communiqué No. II-119.1 of the Capital Markets Board (CMB), which came into effect on 1 February 2014.

According to the Dividend Communiqué No. II-19.1, which has been in effect since 1 February 2014, companies whose shares are not publicly traded must distribute at least 20% of the net distributable profit for the period, including donations. Additionally, companies whose shares are not publicly traded are required to distribute dividends in full and in cash and cannot benefit from the installment dividend distribution option granted to publicly traded companies.

In line with the provisions of this communiqué, companies whose shares are not publicly traded may opt not to distribute dividends for the relevant fiscal period if the calculated dividend amount is less than 5% of the capital according to the latest annual financial statements submitted to the general assembly or if the net distributable profit for the period is less than TL 100,000. In such cases, the undistributed dividend shall be carried forward to be distributed in subsequent periods.

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22. SHAREHOLDER'S EQUITY (Continued)

At the Company's Ordinary General Assembly meeting held on 15 March 2024, it was unanimously decided to distribute a cash dividend of TL 226,817,987 (2023: TL 420,444,530) to the Company's shareholders, and this amount was paid to the shareholders on 22 March 2024.

| | 2024 | 2023 |
|--|--------------------|--------------------|
| Beginning of the period, 1 January | 110,739,072 | 106,673,576 |
| Minority interest decrease due to dividend payment (*) | (36,141,229) | (67,842,971) |
| Minority interest net income | 52,664,981 | 39,350,469 |
| End of the period, 30 June | 127,262,824 | 78,181,074 |

(*) Decrease in non-controlling interests due to profit distribution represents profit share distribution of the subsidiary during the period, share of the subsidiaries of the subsidiary excluding the Company.

Other Equity Items

In the Capital Markets Board's decision dated 07.03.2024 and numbered 14/382, it was resolved that the difference between the inflation-adjusted amounts in the legal records and the adjusted amounts in the financial statements prepared in accordance with TAS/TFRS should be reflected in the 'Prior Years' Profit or Loss' account. Within this scope, the notes should include details of the 'Capital Adjustment Differences' and reserve amounts tracked under equity in the TAS/TFRS financial position statement, as well as their amounts in the legal records, along with an explanation regarding the difference tracked in 'Prior Years' Profit or Loss.' It was also decided that the 'Prior Years' Profit or Loss' generated in the balance sheet prepared in accordance with TAS/TFRS during the initial transition to inflation accounting and the indexed amount of this item in the relevant financial statement period be disclosed in the notes.

The historical values and inflation adjustment effects of the following accounts under the Company's equity in accordance with the TFRS and VUK financial statements are as follows.

| | Capital Adjustment Differences | Legal Reserves | Extraordinary Reserves |
|--|-----------------------------------|----------------------|---------------------------|
| 30 June 2024 | | | |
| According to TAS/TFRS Financial Statements | 3,120,069,342 | 2.389.953.195 | 715.498.062 |
| According to Tax Procedure Law | 2,811,190,222 | 2.521.326.728 | (664.008.532) |
| Difference | 308,879,120 | (131.373.533) | 1.379.506.594 |
| 31 December 2023 | | | |
| According to TAS/TFRS Financial Statements | 3,120,069,342 | 2,367,807,558 | (1,178,428,994) |
| According to Tax Procedure Law | 2,811,190,222 | 2,500,898,093 | (434,347,643) |
| Difference | 308,879,120 | (133,090,535) | (744,081,351) |

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23. TAX ASSETS AND LIABILITIES

Corporate tax

| | 30 June 2024 | 31 December 2023 |
|---|--------------------|--------------------|
| Corporate taxes payable (-) | 1,035,691,508 | 2,066,260,232 |
| Prepaid taxes | (488,735,922) | (1,454,748,819) |
| Monetary (gain) / loss | (93,002,790) | (140,489,384) |
| Current period tax assets / (current period tax assets, net) | 453,952,796 | 471,022,029 |

The Group's income tax expense for the periods ended 30 June 2024 and 30 June 2023 consists of the following items:

| | 1 January - 30 June 2024 | 1 January - 30 June 2023 |
|-------------------------------|-----------------------------|-----------------------------|
| Current period tax expense | 1,059,887,661 | 885,042,028 |
| Prior year tax adjustment | (24,196,153) | (14,979,582) |
| Deferred tax (income)/expense | (6,404,644) | (122,432,324) |
| Total tax expense | 1,029,286,864 | 747,630,122 |

Reconciliation of current year tax expense and calculated theoretical tax expense with statutory tax rate by the Group:

| | 1 January - 30 June 2024 | 1 January - 30 June 2023 |
|--|-----------------------------|-----------------------------|
| Profit before tax | 2,132,850,666 | 2,182,052,915 |
| Theoretical tax expense arising at the legal tax rate(*) | (639,855,200) | (545,513,229) |
| Impact of the dividend income that is not subject to tax | 29,275,589 | 5,077,301 |
| Non-deductible expenses and impact of other adjustments | (1,728,794) | 5,279,904 |
| Inflation adjustments not subject to tax | (416,978,459) | (212,474,098) |
| Current period tax expense | (1,029,286,864) | (747,630,122) |

(*) As of 30 June 2024, the theoretical tax rate is 30%. (30 June 2023: %25)

According to the Provisional Article 13 added to the Corporate Tax Law by Article 11 of Law No. 7316 on the Amendment of the Law on the Collection Procedure of Public Receivables and Certain Laws, published in the Official Gazette on 22 April 2021, the corporate tax rate, which was 20%, was determined as 25% for the corporate earnings of the 2021 tax period and 23% for the corporate earnings of the 2022 tax period. However, under Law No. 7456 published in the Official Gazette on 15 July 2023, this rate was increased to 30%, and this change will be applied to the taxation of corporate earnings starting from periods beginning on 1 January 2023, for declarations submitted after 1 October 2023. In the financial statements as of 30 June 2024, a 30% rate was used for corporate tax.

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23. TAX ASSETS AND LIABILITIES (Continued)

The corporate tax rate is applied to the tax base found by adding non-deductible expenses to the commercial profit of corporations as required by tax laws and deducting the exemptions and deductions included in the tax laws. If profits are not distributed, no additional tax is paid.

No withholding tax is applied to dividends paid to non-resident corporations earning income through a workplace or a permanent representative in Turkey or to resident corporations in Turkey. Dividend payments made to other individuals and corporations are subject to a 15% withholding tax. The addition of profit to the capital is not considered a profit distribution.

Corporations calculate a provisional tax at a rate of 30% on their quarterly taxable profits and declare it by the 17th day of the second month following that period, paying it within the same timeframe. The provisional tax paid during the year is offset against the corporate tax calculated on the corporate tax return to be submitted in the following year. If there is a remaining provisional tax amount after the offset, it can either be refunded in cash or offset against any other financial debt owed to the state.

In Turkey, there is no practice of reconciling with the tax authority regarding taxes payable. Corporate tax returns are submitted to the relevant tax office by the end of the fourth month following the closing month of the fiscal period.

Authorities authorized to conduct tax audits can inspect accounting records within five years, and if an incorrect transaction is identified, the tax amounts payable may change due to the tax assessments that will be made.

According to Turkish tax legislation, financial losses indicated on the tax return can be deducted from the taxable income of the period, provided they do not exceed five years. However, financial losses cannot be offset against prior years' profits.

The Corporate Tax Law provides various exemptions for corporations. Therefore, exceptional earnings included in the commercial profit/loss figures have been taken into account in the corporate tax calculation.

In addition to the exemptions mentioned above, the deductions specified in Articles 8, 9, and 10 of the Corporate Tax Law and Article 40 of the Income Tax Law are also considered when determining the corporate tax base.

The law amending the Tax Procedure Law and the Corporate Tax Law was enacted on 20 January 2022, under Law No. 7352. According to this law, regardless of whether the conditions for inflation adjustment specified in Article 298 of the Tax Procedure Law are met for the 2021 and 2022 accounting periods, including interim periods, and the 2023 accounting period's interim tax periods, the financial statements will not be subject to inflation adjustment. In line with Law No. 7352, the inflation adjustment will be applied to the financial statements of the Tax Procedure Law dated 31 December 2023. The difference in profit/loss resulting from the inflation adjustment will be shown in the prior years' profit/loss account and will not be subject to taxation.

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23. TAX ASSETS AND LIABILITIES (Continued)

Deferred tax assets and liabilities

| | 30 June 2024 | 31 December 2023 |
|---|--------------------|--------------------|
| Deferred tax assets | 156,801,877 | 146,914,012 |
| Deferred tax liabilities | - | - |
| Deferred tax assets / (liabilities), net | 156,801,877 | 146,914,012 |

Deferred tax assets and liabilities based upon temporary differences are as follows:

| | 30 June 2024 | | 31 December 2023 | |
|---|--|--|--|--|
| | Cumulative temporary differences | Deferred tax assets/ liabilities | Cumulative temporary differences | Deferred tax assets/ liabilities |
| Personnel bonus provision | 237,823,286 | 71,346,986 | 257,378,961 | 77,213,688 |
| Severance pay provision | 75,298,597 | 22,589,579 | 68,732,615 | 20,619,785 |
| Difference between the carrying value of fixed assets and the tax base | - | - | 192,203,698 | 57,661,109 |
| Expected credit loss provision | 80,763,171 | 24,228,951 | 33,597,176 | 10,079,153 |
| Valuation differences of financial assets | - | - | 30,692,595 | 9,207,778 |
| Provision for unused vacation | 33,157,537 | 9,947,261 | 15,761,262 | 4,728,378 |
| Lawsuit provision | 2,994,302 | 898,291 | 14,979,751 | 4,493,925 |
| Derivative transactions | - | - | 7,709,757 | 2,312,927 |
| TFRS 16 effect | 3,148,196 | 944,459 | 4,406,050 | 1,321,815 |
| Expense accruals | 81,585,057 | 24,475,517 | 763,266 | 228,980 |
| Other | 92,350,771 | 27,705,231 | 9,530,027 | 2,859,010 |
| Deferred tax assets | | 182,136,275 | | 190,726,548 |
| Difference between the tax base and carrying amount of non-current assets | 58,288,626 | 17,486,588 | - | - |
| Derivates | 17,707,218 | 5,312,166 | 700,102 | 210,030 |
| Investments in progress | 206,892 | 62,068 | 258,068 | 77,420 |
| Valuation differences of financial assets | 6,565,702 | 1,969,711 | - | - |
| Other | 1,679,553 | 503,865 | 145,083,615 | 43,525,086 |
| Deferred tax liabilities (-) | | 25,334,398 | | 43,812,536 |
| Deferred tax assets / (liabilities), net | | 156,801,877 | | 146,914,012 |

| | 1 January - 30 June 2024 | 1 January - 30 June 2023 |
|--|-----------------------------|-----------------------------|
| Beginning balance of deferred tax assets/(liabilities), net | 146,914,012 | (25,842,613) |
| Deferred tax expense / income for the current period | 6,404,644 | 122,432,324 |
| Deferred tax accounted under equity | 3,483,221 | 2,246,848 |
| Period end deferred tax assets/(liabilities), net | 156,801,877 | 98,836,559 |

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24. REVENUE AND COST OF SALES

| | 1 January- 30 June 2024 | 1 April- 30 June 2024 | 1 January- 30 June 2023 | 1 April- 30 June 2023 |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
| Revenue | | | | |
| Share certificates sales | 2,860,566,220 | 905,485,538 | 9,563,019,796 | 4,834,105,256 |
| Treasury bills and government bonds sales | 1,318,947,728 | 985,723,422 | 11,293,408 | 11,293,408 |
| Commissions on intermediary activities on stock market | 1,514,370,594 | 588,352,437 | 1,537,805,689 | 658,505,618 |
| Futures exchange intermediary commissions | 205,155,346 | 64,160,153 | 369,808,981 | 149,312,092 |
| Corporate finance fees | 126,878,559 | 81,378,113 | 195,798,056 | 95,030,628 |
| Other intermediary commissions | 179,760,319 | 107,743,873 | 69,219,617 | 27,748,207 |
| Commissions from leveraged transactions | 17,458,730 | 9,415,182 | 26,436,569 | 11,652,306 |
| Custody commissions | 49,701,304 | 26,462,214 | 37,239,181 | 17,477,928 |
| Consultancy services | 8,208,975 | 4,287,778 | 13,530,221 | 3,734,491 |
| Intermediary commissions for repo transactions | 23,061,032 | 15,449,848 | 475,307 | 122,060 |
| Fund support / management fees | 5,333,648 | 3,061,933 | 5,558,201 | 2,109,172 |
| Intermediary commission income from definite buy-sale transactions | 638 | 55 | - | (188) |
| Other services income | 278,327,137 | 109,675,955 | 132,873,877 | 57,562,852 |
| Total revenue | 6,587,770,230 | 2,901,196,501 | 11,963,058,903 | 5,868,653,830 |
| Service income discounts and allowances | | | | |
| Commissions paid to agencies (-) | 612,579,633 | 257,671,049 | 514,301,764 | 165,349,131 |
| Commission returns (-) | 409,664 | 124,574 | 1,332,773 | 993,885 |
| Other paid commission expenses (-) | - | - | 103,545,195 | 103,545,195 |
| Total discounts and allowances (-) | 612,989,297 | 257,795,623 | 619,179,732 | 269,888,211 |
| Revenue | 5,974,780,933 | 2,643,400,878 | 11,343,879,171 | 5,598,765,619 |
| Cost of sales | | | | |
| Cost of share certificate sales (-) | 2,815,790,512 | 588,729,891 | 9,346,087,731 | 4,638,956,335 |
| Cost of treasury bills and government bond sales (-) | 1,304,974,742 | 978,316,997 | 11,113,531 | 11,113,531 |
| Total cost of sales | 4,120,765,254 | 1,567,046,888 | 9,357,201,262 | 4,650,069,866 |
| Gross operating profit from trading operations | 1,854,015,679 | 1,076,353,990 | 1,986,677,909 | 948,695,753 |

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25. REVENUE AND COST OF FINANCIAL ACTIVITIES

| | 1 January - 30 June 2024 | 1 January - 30 June 2023 |
|---|-----------------------------|-----------------------------|
| Revenue from financial activities | | |
| Investment funds management fee | 667,075,880 | 510,893,878 |
| Individual pension funds management fee | 52,218,246 | 43,727,874 |
| Total fund management fee | 719,294,126 | 554,621,752 |
| Discretionary portfolio management commission | 698,614 | 691,549 |
| Portfolio success premiums | 59,493,768 | 65,935,925 |
| Discretionary portfolio management income | 60,192,382 | 66,627,474 |
| Investment advisory fee revenues | 15,383,592 | 8,718,817 |
| Revenue from other financial activities | 15,383,592 | 8,718,817 |
| Revenue from financial activities | 794,870,100 | 629,968,043 |
| Financial Activities Revenue | | |
| Commission expenses | (18,684,692) | (14,740,086) |
| Fund management commission expenses | (5,273,237) | (3,174,368) |
| Financial Activities Revenue | (23,957,929) | (17,914,454) |
| Gross profit/loss from financial sector activities | 770,912,171 | 612,053,589 |

26. OPERATING EXPENSES

General administrative expenses

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|--|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Personnel expenses | 649,013,483 | 304,445,068 | 371,921,239 | 185,972,022 |
| Information services expenses | 84,653,319 | 43,750,778 | 62,953,496 | 30,731,720 |
| Data processing expenses | 41,516,930 | 13,378,865 | 53,253,307 | 35,114,326 |
| Depreciation and amortization expenses | 40,861,121 | 14,063,419 | 53,584,849 | 20,001,334 |
| Taxes, duties and charges | 5,494,367 | 3,035,290 | 6,353,209 | 2,434,580 |
| Communication expenses | 720,973 | 356,075 | 1,766,513 | 947,858 |
| Other | 95,367,654 | 32,019,352 | 66,003,681 | 37,642,511 |
| | 917,627,847 | 411,048,846 | 615,836,294 | 312,844,351 |

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26. OPERATING EXPENSES (Continued)

Marketing expenses

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|--------------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Brokerage and other operational fees | 339,341,621 | 156,547,445 | 398,652,665 | 166,037,170 |
| Other | 85,263,449 | 43,328,219 | 58,182,773 | 28,262,870 |
| | 424,605,070 | 199,875,664 | 456,835,438 | 194,300,040 |

27. OTHER INCOME FROM OPERATING ACTIVITIES

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Income due to derivative operations | 212,078,817 | 117,998,355 | 404,259,565 | 246,049,905 |
| Interest income on deposit at banks | 2,275,008,061 | 1,244,404,222 | 1,993,838,595 | 1,101,108,430 |
| Interest income on loans | 1,173,512,885 | 508,374,707 | 718,156,350 | 393,306,302 |
| Other interest income | 169,967,078 | 81,855,774 | 25,568,158 | 19,204,654 |
| Dividend income | 97,585,297 | 96,772,889 | 30,779,143 | 24,060,938 |
| Interest income on treasury bills and government bonds | 28,361,764 | 19,037,173 | 8,212,515 | 2,655,844 |
| Other | 29,936,455 | (255,542,844) | 30,359,693 | 15,228,192 |
| Repo transactions interest income | - | - | 2,358,477 | 2,358,477 |
| Currency difference income | - | - | 82,435,609 | 82,435,609 |
| | 3,986,450,357 | 1,812,900,276 | 3,295,968,105 | 1,886,408,351 |

28. OTHER EXPENSE FROM OPERATING ACTIVITIES

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Interest paid to Takasbank Money Market | 1,247,126,495 | 612,816,411 | 1,103,866,522 | 689,899,266 |
| Losses due from derivative transactions | - | (7,689,140) | 83,093,826 | 63,737,537 |
| Interest expense from issued bonds and bills | 453,178,396 | 290,647,915 | 395,060,365 | 167,767,499 |
| Komisyon giderleri | 20,429,530 | 9,325,505 | 12,535,964 | 8,332,270 |
| Commissions paid for guarantee letters | 49,196,385 | 22,760,131 | 44,715,505 | 24,149,700 |
| Exchange rate loss | 12,810,271 | 12,810,271 | 578,019 | 578,019 |
| Other interest expenses | 4,461,402 | 1,633,988 | 42,217,208 | 20,508,149 |
| Expected allowances for credit losses | (12,578,919) | (12,578,919) | 25,806,935 | 25,806,935 |
| Interest expense from leasing liabilities (TFRS 16) | 3,250,159 | 1,836,794 | 1,532,082 | 764,156 |
| Other expenses | 113,919,520 | 50,733,530 | 98,754,196 | 43,649,411 |
| | 1,891,793,239 | 982,296,486 | 1,808,160,622 | 1,045,192,942 |

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29. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

(a) Cash and cash equivalents from related parties

| | 30 June 2024 | 31 December 2023 |
|---|----------------------|----------------------|
| Yapı ve Kredi Bankası A.Ş. | 1,762,331,085 | 3,613,709,162 |
| Yapı Kredi Portföy Yatırım Fonları | 1,048,978,709 | 18,889 |
| Allowances for expected credit losses (-) | (239,594) | (424,422) |
| | 2,811,070,200 | 3,613,303,629 |

(b) Short-term financial investments from related parties

None.

(c) Income from related parties

Trade receivables

| | 30 June 2024 | 31 December 2023 |
|---|--------------------|--------------------|
| Allianz Yaşam ve Emeklilik A.Ş. Emeklilik Fonları | 266,183,537 | 66,730,378 |
| Yapı Kredi Portföy Yönetimi A.Ş. Yatırım Fonları | 338,254,724 | 163,979,326 |
| Yapı ve Kredi Bankası A.Ş. | 276,239 | 232,389 |
| Arçelik A.Ş. | 141,103 | 760,882 |
| Other | 67,678 | 2,383,679 |
| | 604,923,281 | 234,086,654 |

Receivables from financial sector activities

| | 30 June 2024 | 31 December 2023 |
|---|--------------------|--------------------|
| Yapı Kredi Portföy Yönetimi A.Ş. Yatırım Fonları (Note 11) | 131,685,966 | 98,210,392 |
| Allianz Yaşam ve Emeklilik A.Ş. Emeklilik Fonları (Note 11) | 9,041,650 | 8,994,194 |
| Yapı ve Kredi Bankası A.Ş. - Yatırım danışmanlığı (Note 11) | 6,840,000 | 6,336,517 |
| | 147,567,616 | 113,541,103 |

Prepaid expenses

| | 30 June 2024 | 31 December 2023 |
|--|-------------------|------------------|
| Allianz Sigorta A.Ş. | 1,343,494 | 812,048 |
| Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. | 13,578,297 | 430,178 |
| Other | 39,807 | - |
| | 14,961,598 | 1,242,226 |

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29. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

(d) Payables to related parties

| | 30 June 2024 | 31 December 2023 |
|---|--------------------|--------------------|
| Short-term borrowings from lease transactions | | |
| Yapı ve Kredi Bankası | 12,374,494 | 5,255,505 |
| Otokoç Otomotiv Ticaret ve Sanayi A.Ş. | - | 248,282 |
| Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. | - | - |
| | 12,374,494 | 5,503,787 |
| Long-term borrowings from lease transactions | | |
| Yapı ve Kredi Bankası | 2,322,167 | 52,273 |
| Otokoç Otomotiv Ticaret ve Sanayi A.Ş. | - | 1,296,418 |
| | 2,322,167 | 1,348,691 |
| Trade payables | | |
| Yapı ve Kredi Bankası A.Ş. | 153,310,955 | 184,007,728 |
| Otokoç Otomotiv Tic. ve San. A.Ş. | 876,095 | - |
| Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş. | 522,040 | - |
| Allianz Yaşam ve Emeklilik A.Ş. | 73,162,512 | 63,489,571 |
| Arçelik A.Ş. | 305,038 | - |
| Setur Servis Turistik A.Ş. | 129,074 | - |
| Zer Merkezi Hizmetler ve Tic. A.Ş. | 15,465 | - |
| Yapı Kredi Portföy Yatırım Fonları | 111,799,563 | 59,367,552 |
| Other | 935,450 | 1,871,228 |
| | 341,056,193 | 308,736,079 |
| Derivative financial assets / (liabilities), net | | |
| Yapı ve Kredi Bankası A.Ş. | (275,612) | - |
| | (275,612) | - |

(*) As of 30 June 2024, there are no derivative contracts with Yapı ve Kredi Bankası that have not yet matured. (31 December 2023: TL 134,262,777).

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29. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(e) Income from related parties

| | 1 January – 30 June 2024 | 1 April – 30 June 2024 | 1 January – 30 June 2023 | 1 April – 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Yapı Kredi Portföy Yatırım Fonları | 664,842,695 | 361,491,708 | 482,460,985 | 235,225,827 |
| Allianz Hayat ve Emeklilik AŞ Emeklilik A.Ş | 25,784,030 | 1 | 41,359,934 | 20,700,829 |
| YK Faktoring A.Ş. | 3,650,000 | 2,403,615 | - | - |
| Opet A.Ş. | 1,400,000 | (117,668) | - | - |
| Aygaz A.Ş | 64,456 | 64,456 | 929,205 | 929,205 |
| Türk Traktör A.Ş. | 64,456 | 64,456 | 71,220 | 71,220 |
| Yapı ve Kredi Bankası A.Ş. | 34,166,356 | 16,005,028 | 33,710,831 | 15,619,947 |
| Yapı Kredi Finansal Kiralama A.O. | 2,125,000 | 2,125,000 | - | - |
| Tat Gıda Sanayi A.Ş. | 645,081 | 15,655 | 1,671,706 | 1,671,706 |
| Arçelik A.Ş. | 3,164,456 | (196,096) | 71,220 | 71,220 |
| Tüpraş A.Ş. | 64,456 | 64,456 | 71,220 | 71,220 |
| Other | 6,233,503 | 4,214,203 | 26,447,991 | 26,443,035 |
| | 742,204,489 | 386,134,814 | 586,794,312 | 300,804,209 |

(f) Interest income from related parties

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|----------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Yapı ve Kredi Bankası A.Ş. | 391,333,596 | 213,627,916 | 436,463,787 | 167,381,504 |
| | 391,333,596 | 213,627,916 | 436,463,787 | 167,381,504 |

(g) Derivative income / (expenses) from related parties

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|-------------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Yapı ve Kredi Bankası A.Ş.- partner | (275,612) | 23,165 | (19,715) | (236,479,076) |
| | (275,612) | 23,165 | (19,715) | (236,479,076) |

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29. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

(h) Dividend income from related parties

Dividend income from related parties

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Takasbank Takas ve Saklama Bankası A.Ş. | 86,395,370 | 86,395,371 | - | - |
| Allianz Yaşam ve Emeklilik A.Ş. | 196,800 | - | 342,673 | 342,673 |
| Borsa İstanbul A.Ş. | 1,194,628 | 1,194,628 | - | - |
| | 87,786,798 | 87,589,999 | 342,673 | 342,673 |

(i) Expenses to related parties

Operating expenses paid to related parties

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Yapı ve Kredi Bankası A.Ş. | 94,826,950 | 44,211,541 | 92,435,819 | 44,430,629 |
| YKS Tesis Yönetimi | 3,875,412 | 1,797,270 | 3,618,840 | 874,320 |
| Koç Sistem Bilgi ve İletişim Hizm. A.Ş. | 10,468,085 | 6,748,002 | 11,131,065 | 9,219,542 |
| Otokoç Otomotiv Tic. ve San. A.Ş. | 4,705,198 | 2,352,560 | 2,482,472 | 1,172,957 |
| Avis A.Ş. | 1,572,985 | 786,196 | 1,525,643 | 757,208 |
| Allianz Sigorta A.Ş. | 1,536,453 | 970,610 | 1,161,052 | 688,675 |
| Zer Merkezi Hizmetler ve Tic. A.Ş. | 2,383,166 | 1,258,715 | 1,439,810 | 768,744 |
| Setur Servis Turistik A.Ş. | 1,885,617 | 1,499,882 | 714,213 | 477,919 |
| Opet Petrolcülük A.Ş. | 1,480,169 | 818,219 | 1,203,512 | 694,751 |
| Koç Holding A.Ş. | 3,467,652 | 1,591,066 | 1,507,720 | 705,272 |
| Vehbi Koç Vakfı | - | - | 364,472 | 364,472 |
| Divan Tur | 164,655 | 159,181 | 368,423 | 353,554 |
| Akpa | 8,558 | 8,558 | 3,712 | 3,712 |
| Arçelik | 104,295 | 72,540 | 35,596 | 16,651 |
| YKB Bina Yön Gider Belgesi | 1,516,200 | 694,383 | 1,098,790 | 355,441 |
| Other | 460,817 | 254,367 | 1,987,617 | 1,124,645 |
| | 128,456,212 | 63,223,090 | 121,078,756 | 62,008,492 |

Commission expenses paid to related parties

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|----------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Yapı ve Kredi Bankası A.Ş. | 527,872,282 | 205,459,763 | 497,669,974 | 212,673,153 |
| Yapı Kredi Portföy Fonları | 3,895,712 | 2,025,909 | 1,403,289 | 400,108 |
| Allianz Emeklilik A.Ş. | 990,335 | 407,469 | 1,192,257 | 647,558 |
| | 532,758,329 | 207,893,141 | 500,265,520 | 213,720,819 |

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29. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

Financial expenses paid to related parties

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|-----------------------------------|-----------------------------|---------------------------|-----------------------------|---------------------------|
| Yapı ve Kredi Bankası A.Ş. | 190,779 | 77,276 | 271,417 | (21,074,490) |
| Otokoç Otomotiv Tic. ve San. A.Ş. | 760,729 | 359,220 | 70,660 | 30,564 |
| | 951,508 | 436,496 | 342,077 | (21,043,926) |

Benefits provided to key management

The total amount of salaries and similar benefits provided to the chairman and members of the board of directors, as well as to the general manager and assistant general managers during the current period is TL 28,678,540 (30 June 2023: TL 20,586,473).

Dividends paid to related parties

The Group made dividend payments amounting to TL 226,817,982 during 2024 (2023: TL 420,463,431) (Note 22).

30. EARNINGS PER SHARE

The calculation of earnings per share for the periods ending on 30 June 2024, and 30 June 2023, is as follows:

| | 1 January - 30 June 2024 | 1 April - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
|---|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| Total profit from continuing operations | 1,103,563,802 | 729,718,507 | 1,434,422,793 | 845,503,859 |
| Weighted average number of shares | 9,891,808,346 | 9,891,808,346 | 9,891,808,346 | 9,891,808,346 |
| Earnings per share from continuing operations (Kr) | 11,16 | 7,38 | 14,50 | 8,55 |
| | 1 January - 30 June 2024 | 1 January - 30 June 2024 | 1 January - 30 June 2023 | 1 April - 30 June 2023 |
| Total comprehensive income | 1,095,436,285 | 720,528,819 | 1,429,180,146 | 835,397,317 |
| Weighted average number of shares | 9,891,808,346 | 9,891,808,346 | 9,891,808,346 | 9,891,808,346 |
| Comprehensive income per share from continuing operations (Kr) | 11,07 | 7,28 | 14,45 | 8,45 |

The company does not have any diluted shares (31 December 2023: None).

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31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

The Group is exposed to various risks as a result of its commercial activities. The details of these risks and how they are managed are explained in detail below. The Group Management is primarily responsible for managing financial risks.

a. Information on credit risk

Credit risk is defined as the risk of losses and collateral insufficiency resulting from customers' failure to meet their obligations under the terms of the contracts, either partially or fully, and in a timely and anticipated manner.

For the loans granted, there is a risk associated with the counterparty's failure to meet the contractual obligations. This risk is managed through credit ratings or by limiting the amount of credit extended to a particular individual. Credit risk is also managed by holding shares, which are traded on the stock exchange, as collateral from the borrowers. The Group's credit risk is predominantly in Turkey, where it operates. For newly allocated loans and additional credit allocations, compliance with the limits set by the Credit Committee and the Board of Directors is essential. Credit limits for customers are recommended by the Credit Committee and approved by the Board of Directors.

Regular checks are performed on the collateral / equity of credit transactions, comparing existing equity with the required equity. If the collateral falls below the required level, additional collateral is requested. The shares that a customer wishes to purchase using credit must be among the "Acceptable Securities for Margin Purchase" list. Shares traded on the Borsa Istanbul (IMKB) in this list are identified based on factors such as trading volume, changes in trading volume, public float ratio, liquidity, and the number of shares in circulation. If a customer wishes to purchase shares that are not on the "Acceptable Securities for Margin Purchase" list using credit, the shares in the customer's free portfolio are accepted as collateral.

The Group's receivables from its top 10 major credit customers account for 43% of its total receivables from credit customers (31 December 2023: 38%).

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31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

The table below shows the credit risks incurred as of 30 June 2024, and 31 December 2023, by type of financial instrument. In determining the maximum credit risk exposure, factors that enhance credit reliability, such as received collateral, have not been taken into account.

| | Receivables | | | | Bank deposits (*) | Financial Investments | Derivatives |
|---|--------------------|----------------------|-------------------|----------------------|-----------------------|-----------------------|-------------------|
| | Trade receivables | | Other receivables | | | | |
| | Related party | Other | Related party | Other | | | |
| 30 June 2024 | | | | | | | |
| Total credit risk exposure (A+B+C) | 604,923,281 | 5,775,301,457 | - | 938,456,710 | 10,068,350,920 | 833,030,718 | 17,707,218 |
| - Amount of risk that is guaranteed with collateral | - | 2,952,544,800 | - | - | - | - | - |
| A. Net book value of financial assets that are not past due or impaired | 604,923,281 | 5,775,301,457 | - | 938,456,710 | 10,123,444,667 | 833,945,382 | - |
| B. Net book value of impaired assets | - | - | - | - | (55,093,747) | (914,664) | - |
| - Past due (gross book value) | - | 3,084,894 | - | - | - | - | - |
| - Impairment | - | (3,084,894) | - | - | (55,093,747) | (914,664) | - |
| - Part of net amount that is guaranteed by collateral | - | - | - | - | - | - | - |
| C. Off balance sheet items with credit risk | - | - | - | - | - | - | 17,707,218 |
| | | | | | | | |
| | Receivables | | | | Bank deposits (*) | Financial Investments | Derivatives |
| | Trade receivables | | Other receivables | | | | |
| | Related party | Other | Related party | Other | | | |
| 31 December 2023 | | | | | | | |
| Total credit risk exposure (A+B+C) | 234,086,654 | 4,859,782,508 | - | 1,446,117,819 | 12,174,076,998 | 547,684,917 | 700,103 |
| - Amount of risk that is guaranteed with collateral | - | 3,260,095,437 | - | - | - | - | - |
| A. Net book value of financial assets that are not past due or impaired | 234,086,654 | 4,859,782,508 | - | 1,446,117,819 | 12,250,130,255 | 547,897,383 | - |
| B. Net book value of impaired assets | - | - | - | - | (76,053,257) | (212,466) | - |
| - Past due (gross book value) | - | 4,307,593 | - | - | - | - | - |
| - Impairment | - | (4,307,593) | - | - | (76,053,257) | (212,466) | - |
| - Part of net amount that is guaranteed by collateral | - | - | - | - | - | - | - |
| C. Off balance sheet items with credit risk | - | - | - | - | - | - | 700,103 |

(*) A provision for expected credit losses amounting to TL 55,093,747 has been made for bank deposits (31 December 2023: TL 76,053,257) (Note 6).

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31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

b. Information on market risk

Interest rate risk

Changes in market interest rates leading to fluctuations in the prices of financial instruments create a need for the Group to manage interest rate risk. The Group's sensitivity to interest rate risk is related to the mismatch in the maturities of its assets and liabilities. This risk is managed by matching assets affected by interest rate changes with liabilities of the same type.

The Group's balance sheet includes financial assets measured at fair value through other comprehensive income, as well as treasury bills and government bonds measured at amortized cost, which are exposed to price risk due to interest rate changes. Fixed-interest financial assets measured at amortized cost may be exposed to reinvestment rate risk if the cash resulting from the redemption of these assets is reinvested.

The Group's interest rate position as of 30 June 2024, and 31 December 2023, and the related sensitivity analyses are presented below:

| Interest rate position table | | |
|--|---------------------|-------------------------|
| Fixed rate financial instruments | 30 June 2024 | 31 December 2023 |
| Financial assets | | |
| Banks | 7,299,818,602 | 9.930.474.513 |
| Financial liabilities | | |
| Funds generated from Takasbank Money Market | 553,472,733 | 6,683,628,830 |
| Issued bonds and bills | 4,965,177,707 | 2,015,651,423 |
| Bank loans | - | 62,367,294 |
| Funds generated from repo transactions | 12,550,051 | 1,501,624 |
| Obligations under finance leases | 14,696,661 | 6,852,478 |
| Floating rate financial instruments | 30 June 2024 | 31 December 2023 |
| Financial assets | | |
| Financial assets measured at amortised cost (*) | - | 37,406,364 |
| Financial assets measured at fair value through other comprehensive income | 348,356,885 | 97,935,042 |

(*) Financial instruments that carry interest and are classified as financial assets measured at amortized cost.

Due to the effect of changes in interest rates on variable-rate financial assets, as of 30 June 2024, if interest rates in TL were 100 basis points higher/lower, and all other variables remained constant, the profit would increase or decrease by TL 3,461,343 (31 December 2023: TL 1,353,414). It is assumed that fixed-rate financial liabilities and financial assets measured at amortized cost with fixed interest rates are insensitive to changes in market interest rates. In these cases, the financial assets measured at amortized cost may be exposed to reinvestment rate risk if the cash resulting from the redemption of these assets is reinvested.

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31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Average interest rates applied to financial instruments as of 30 June 2024, and 31 December 2023:

| | 30 June 2024 | | | 31 December 2023 | | |
|---|--------------|---------|---------|------------------|---------|---------|
| | TRY (%) | EUR (%) | USD (%) | TRY (%) | EUR (%) | USD (%) |
| Assets | | | | | | |
| Cash and cash equivalents | 53,40 | - | - | 45,85 | - | - |
| Financial assets measured at fair value through | 45,15 | - | 7,66 | 49,00 | - | 9,00 |
| Financial assets measured at amortised cost | - | - | 4,40 | - | - | 4,40 |
| Liabilities | | | | | | |
| Issued bonds and bills | 50,78 | - | - | 43,89 | - | - |
| Bank borrowings | - | - | - | - | - | - |
| Funds from Takasbank Money Market | 51,90 | - | - | 42,19 | - | - |

The distribution of the Group's assets and liabilities by remaining maturities as of 30 June 2024, and 31 December 2023, based on repricing is presented below.

| | 30 June 2024 | | | | | |
|---------------------------|-----------------------|------------------------|---------------------|---------------------|----------------------|-----------------------|
| | Up to 1 month | Up to 3 months | 3 months To 1 year | 1 year - To 5 years | Non-interest bearing | Total |
| Cash and cash equivalents | 8,295,226,453 | - | - | - | 1,773,124,467 | 10,068,350,920 |
| Financial investments | - | - | 63,545,413 | 233,343,070 | 664,676,298 | 961,564,781 |
| Trade receivables | 2,952,544,800 | - | - | - | 3,427,679,938 | 6,380,224,738 |
| Other assets | - | - | - | - | 2,200,856,377 | 2,200,856,377 |
| | 11,247,771,253 | - | 63,545,413 | 233,343,070 | 8,066,337,080 | 19,610,996,816 |
| Financial liabilities | 463,627,356 | 5,067,573,135 | 12,374,494 | 2,322,167 | - | 5,545,897,152 |
| Trade payables | - | - | - | - | 4,324,519,290 | 4,324,519,290 |
| Other payables | - | - | - | - | 1,213,804,261 | 1,213,804,261 |
| | 463,627,356 | 5,067,573,135 | 12,374,494 | 2,322,167 | 5,538,323,551 | 11,084,220,703 |
| | 10,784,143,897 | (5,067,573,135) | 51,170,919 | 231,020,903 | 2,528,013,529 | 8,526,776,113 |
| | 31 December 2023 | | | | | |
| | Up to 1 month | Up to 3 months | 3 months To 1 year | 1 year - To 5 years | Non-interest bearing | Total |
| Cash and cash equivalents | 10,521,766,877 | - | - | - | 1,652,310,121 | 12,174,076,998 |
| Financial investments | - | 37,411,416 | 13,346,061 | 66,016,530 | 430,910,911 | 547,684,918 |
| Trade receivables | 3,260,095,437 | - | - | - | 1,833,773,725 | 5,093,869,162 |
| Other assets | - | - | - | - | 1,674,391,532 | 1,674,391,532 |
| | 13,781,862,314 | 37,411,416 | 13,346,061 | 66,016,530 | 5,591,386,289 | 19,490,022,610 |
| Financial liabilities | 6,172,873,419 | 2,533,866,256 | 61,914,237 | 1,348,691 | - | 8,770,002,603 |
| Trade payables | - | - | - | - | 2,967,940,520 | 2,967,940,520 |
| Other payables | - | - | - | - | 1,116,877,626 | 1,116,877,626 |
| | 6,172,873,419 | 2,533,866,256 | 61,914,237 | 1,348,691 | 4,084,818,146 | 12,854,820,749 |
| | 7,608,988,895 | (2,496,454,840) | (48,568,176) | 64,667,839 | 1,506,568,143 | 6,635,201,861 |

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31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

c. Exchange rate risk

As of 30 June 2024, and 31 December 2023, the Group's assets and liabilities in foreign currencies are as follows:

| | 30 June 2024 | | | | 31 December 2023 | | | |
|---|----------------------|--------------------|--------------------|----------------|----------------------|--------------------|--------------------|---------------|
| | TRY | USD | EUR | Other | TRY Equivalent | USD | EUR | Other |
| Cash and cash equivalents (*) | 1,721,939,055 | 32,693,149 | 18,366,950 | 113,617 | 1,607,181,876 | 23,815,788 | 17,982,092 | 73,910 |
| Financial Investments | 65,652,400 | 2,000,000 | - | - | 106,486,892 | 2,900,000 | - | - |
| Other receivables | 6,044,455,066 | 32,263,962 | 141,917,987 | - | 193,209,330 | 699,180 | 4,123,355 | - |
| Current assets (a) | 7,832,046,521 | 66,957,111 | 160,284,937 | 113,617 | 1,906,878,098 | 27,414,968 | 22,105,447 | 73,910 |
| Amount of foreign currency-denominated derivative products off-balance sheet with a liability character | (238,410,881) | (2,982,291) | (4,000,000) | - | (365,506,601) | (5,510,000) | (4,000,000) | - |
| Net liability position of foreign currency denominated derivatives (b) | (238,410,881) | (2,982,291) | (4,000,000) | - | (365,506,601) | (5,510,000) | (4,000,000) | - |
| Total net foreign currency asset / (liability) position (a +b) | 7,593,635,640 | 63,974,820 | 156,284,937 | 113,617 | 1,541,371,497 | 21,904,968 | 18,105,447 | 73,910 |

(*) Customer deposits have not been included in the position account.

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31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

Foreign currency off-balance sheet liabilities consist of issued letters of guarantee and derivative transactions (Note 17).

The table below shows the Group’s sensitivity to a 20% change in the Euro, US Dollar, and other foreign exchange rates. These amounts represent the impact of a 20% appreciation of the Euro, US Dollar, and other foreign currencies against TL on net profit and equity, excluding the effect on net profit. It is assumed that all variables, particularly interest rates, remain constant during this analysis.

Exchange rate sensitivity analysis table

| | Profit/(Loss) | | Equity | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Depreciation of foreign currency | Appreciation of Foreign currency | Depreciation of foreign currency | Appreciation of Foreign currency |
| 30 June 2024 | | | | |
| <i>In case of a 20% change in USD exchange rates:</i> | | | | |
| USD net asset/liability effect | (420,010,046) | 420,010,046 | (420,010,046) | 420,010,046 |
| <i>In case of a 20% change in EUR exchange rates</i> | | | | |
| EUR net asset/liability effect | (1,098,007,954) | 1,098,007,954 | (1,098,007,954) | 1,098,007,954 |
| <i>In case of a 20% change in other exchange rates:</i> | | | | |
| Other foreign currency net effect | 709,128 | (709,128) | 709,128 | (709,128) |
| Total | (1,517,308,872) | 1,517,308,872 | (1,517,308,872) | 1,517,308,872 |

| | Profit/(Loss) | | Equity | |
|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Depreciation of foreign currency | Appreciation of Foreign currency | Depreciation of foreign currency | Appreciation of Foreign currency |
| 31 December 2023 | | | | |
| <i>In case of a 20% change in USD exchange rates:</i> | | | | |
| USD net asset/liability effect | (160,868,411) | 160,868,411 | (160,868,411) | 160,868,411 |
| <i>In case of a 20% change in EUR exchange rates</i> | | | | |
| EUR net asset/liability effect | (147,128,195) | 147,128,195 | (147,128,195) | 147,128,195 |
| <i>In case of a 20% change in other exchange rates:</i> | | | | |
| Other foreign currency net effect | 441,972 | (441,972) | 441,972 | (441,972) |
| Total | (307,554,634) | 307,554,634 | (307,554,634) | 307,554,634 |

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31. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (Continued)

d. Share certificate price risk

A significant portion of the shares classified by the Group in its balance sheet as financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are traded on Borsa Istanbul (BIST). According to the Group's analyses, if there is a 10% increase/decrease in the prices of the shares in the Group's portfolio, with all other variables remaining constant, the effects on the carrying amount of the shares traded on BIST, value adjustment reserves, net profit, and equity are presented below.

| 30 June 2024 | | | | | | |
|--|----------------|------------------|--------------------------|----------------------------|----------------------|------------------|
| Balance sheet item | Rate of change | Change Direction | Effect on Carrying value | Effect on Revaluation fund | Effect on Net income | Effect on Equity |
| Financial assets measured at fair value through profit or loss | 10% | Increase | 15,659,227 | - | 15,659,227 | - |
| - Financial assets | 10% | Decrease | (15,659,227) | - | (15,659,227) | - |
| 31 December 2023 | | | | | | |
| Balance sheet item | Rate of change | Change Direction | Effect on Carrying value | Effect on Revaluation fund | Effect on Net income | Effect on Equity |
| Financial assets measured at fair value through profit or loss | 10% | Increase | 10,282,935 | - | 10,282,935 | - |
| - Financial assets | 10% | Decrease | (10,282,935) | - | (10,282,935) | - |

e. Liquidity risk disclosures

Liquidity risk is defined as the possibility that the Group may fail to meet its net funding obligations and the risk of incurring losses due to an inability to close positions at an appropriate price or exit positions because of a shallow market structure and barriers that arise in the market. Events such as market disruptions or downgrades of credit ratings that lead to a reduction in funding sources contribute to the emergence of liquidity risk. The Group's management mitigates liquidity risk by maintaining sufficient cash and similar resources to meet current and potential obligations by diversifying funding sources.

| | 30 June 2024 | | | | |
|-----------------------|-----------------------|----------------------|----------------------|-------------------|------------------------------------|
| | Net book value | Up to 1 month | 1 month to 1 year | 1 year to 5 years | Total of contractual cash outflows |
| Financial liabilities | 5,545,897,152 | 477,218,486 | 5,541,780,288 | 2,322,167 | 6,021,320,941 |
| Trade payables | 4,324,519,292 | 4,324,519,292 | - | - | 4,324,519,292 |
| Other payables | 463,406,898 | 463,406,898 | - | - | 463,406,898 |
| | 10,333,823,342 | 5,265,144,676 | 5,541,780,288 | 2,322,167 | 10,809,247,131 |
| | 31 December 2023 | | | | |
| | Net book value | Up to 1 month | 1 month to 1 year | 1 year to 5 years | Total of contractual cash outflows |
| Financial liabilities | 8,770,002,603 | 6,205,300,929 | 2,798,498,317 | 1,348,691 | 9,005,147,937 |
| Trade payables | 2,967,940,520 | 2,967,940,520 | - | - | 2,967,940,520 |
| Other payables | 415,624,875 | 415,624,875 | - | - | 415,624,875 |
| | 12,153,567,998 | 9,588,866,324 | 2,798,498,317 | 1,348,691 | 12,388,713,332 |

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32. FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is the value at which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction under prevailing market conditions.

The Group has determined the estimated fair values of financial instruments using current market information and appropriate valuation techniques. However, assessing market information and estimating fair values require judgment and interpretation. Consequently, the estimates presented here may not represent the amounts that could be obtained in a current market transaction.

The following methods and assumptions have been used to estimate the fair values of financial instruments where estimating fair value is practically feasible:

i. Financial assets:

Financial assets stated at cost, including cash and cash equivalents and other financial assets, are expected to approximate their fair values due to their short-term nature and the potential insignificance of any losses.

Market prices are used to determine the fair values of government domestic debt securities and equities.

The cost, fair value, and carrying amounts of financial investments are detailed in Note 7.

ii. Financial liabilities:

Due to their short-term nature, it is assumed that the fair values of financial liabilities approximate their carrying amounts.

The fair value of financial assets and liabilities reflected at fair value in the balance sheet is determined as follows:

- Level 1: Financial assets and liabilities are valued based on market prices from active markets for identical assets and liabilities.
- Level 2: Financial assets and liabilities are valued using inputs that are directly or indirectly observable in the market for the price of the asset or liability, other than the quoted prices at Level 1.
- Level 3: Financial assets and liabilities are valued using inputs that are not based on observable market data for determining the fair value of the asset or liability.

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32. FINANCIAL INSTRUMENTS (Continued)

Financial assets and financial liabilities carried at fair value:

| 30 June 2024 | Level 1 | Level 2 | Level 3 |
|--|--------------------|--------------------|----------------|
| Financial assets measured at fair value through profit or loss | 156,592,269 | - | - |
| - <i>Share certificates trading on BIST</i> | <i>156,592,269</i> | - | - |
| Financial assets measured at fair value through other comprehensive income | - | 676,438,448 | - |
| - <i>Share certificates</i> | - | <i>328,081,563</i> | - |
| - <i>Corporate bonds and bills</i> | - | <i>348,356,885</i> | - |
| Financial receivables from derivatives held for trading | - | <i>17,707,218</i> | - |
| Financial liabilities from derivatives held for trading | - | - | - |
| 31 December 2023 | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value through profit or loss | 102,829,349 | - | - |
| - <i>Share certificates trading on BIST</i> | <i>102,829,349</i> | - | - |
| Financial assets measured at fair value through other comprehensive income | - | 407,449,204 | - |
| - <i>Share certificates</i> | - | <i>328,081,563</i> | - |
| - <i>Corporate bonds and bills</i> | - | <i>79,367,641</i> | - |
| Financial receivables from derivatives held for trading | - | <i>700,103</i> | - |
| Financial liabilities from derivatives held for trading | - | <i>7,709,756</i> | - |

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33. OTHER MATTERS THAT SIGNIFICANTLY AFFECT THE FINANCIAL STATEMENTS OR NEED TO BE DISCLOSED FOR THE FINANCIAL STATEMENTS TO BE CLEAR, UNDERSTANDABLE, AND INTERPRETABLE

a. Explanation on portfolio management operations:

As of 30 June 2024, the Group manages 89 investment funds and 19 pension funds established under the regulations of the Capital Markets Board (CMB) (31 December 2023: 87 investment funds, 19 pension funds) and earns fund management fees. The total net income from fund management and performance fees for the period ending 30 June 2024, is TL 714,020,889 (31 December 2023: TL 1,216,713,651).

b. Capital management and capital adequacy requirements

The Group aims to increase its profits by using debt and equity in capital management as efficiently as possible. The Group's resource structure essentially consists of equity components.

The Group defines and manages its capital in accordance with the Capital Markets Board's Communiqué Series: V No: 34 on the Principles Regarding the Capital and Capital Adequacy of Intermediary Institutions ("Communiqué Series: V No: 34"). According to this Communiqué, the equity of intermediary institutions consists of the amount reflected in the balance sheets prepared as of the valuation date, representing the portion of the net assets of the intermediary institution covered by the shareholders, in line with the valuation provisions introduced in Communiqué Series: V No: 34. According to the "Communiqué on Amendments to the Principles Regarding the Capital and Capital Adequacy of Intermediary Institutions (Series: V, No: 34)" published on 11 July 2013, it is stated that intermediary institutions with limited authority must have a minimum equity of TL 2,000,000, those with partial authority must have TL 10,000,000, and those with broad authority must have TL 25,000,000. The Company holds a broad authority intermediary institution license with the SPK authorization number G-028 (286) dated 15 January 2016. In this context, with the annual revaluation practice, the required total equity for the Company as of 30 June 2024, has been determined as TL 200,000,000 (31 December 2023: TL 80,000,000).

34. SUBSEQUENT EVENTS

None.

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