

# TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

## Unconsolidated Financial Statements and Notes for The Period Ended 30 September 2024 with Independent Auditor's Review Report

(Convenience translation of unconsolidated  
financial statements and related disclosures and footnotes  
originally issued in Turkish)

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

## **REVIEW REPORT ON INTERIM FINANCIAL INFORMATION**

To the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası A.Ş.

### *Introduction*

We have reviewed the accompanying unconsolidated balance sheet of Türkiye Kalkınma ve Yatırım Bankası A.Ş (the "Bank") as of September 30, 2024 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial information for the nine-month period then ended. The Bank Management is responsible for the preparation and fair presentation of these interim financial information in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Unconsolidated Financial Reporting Legislation" which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Board and Turkish Accounting Standard 34 "Interim Financial Reporting" principles for those matters not regulated by afore-mentioned legislations. Our responsibility is to express a conclusion on these interim unconsolidated financial information based on our review.

### *Scope of review*

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and consequently, does not enable us to obtain 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.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information do not presented fairly in all material respects, the financial position of the Bank at September 30, 2024, and its unconsolidated financial performance and its unconsolidated cash flows for the nine-month period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

*Other Matter*

The unconsolidated financial statements of the Bank as at December 31, 2023 were audited and the unconsolidated financial statements of the Bank as at September 30, 2023 were reviewed by another independent audit firm and this independent audit firm expressed an unqualified opinion and an unqualified conclusion in the audit report issued on February 8, 2024 and in the review report issued October 26, 2023, respectively.

*Report on other regulatory requirements arising from legislation*

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

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

Aykut Üşenti, SMMM  
Partner

23 October 2024  
İstanbul, Türkiye

**THE UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş. FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2024**

The Headquarters Address İnkılap Mahallesi  
Dr.Adnan Büyükdeleniz Cad. No:10  
Ümraniye / İSTANBUL

Telephone and Facsimile Tel : 0216 636 87 00  
Faks: 0216 630 18 15

Website Address <http://www.kalkinma.com.tr>  
E-mail Address muhasebe@kalkinma.com.tr

The unconsolidated financial report for nine months prepared in accordance with the “Communiqué on Financial Statements to be Disclosed to Public by Banks and Explanations and Footnotes Thereof” as regulated by Banking Regulation and Supervision Agency, consists of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- DISCLOSURES AND NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
- AUDITOR’S REVIEW REPORT
- UNCONSOLIDATED INTERIM ACTIVITY REPORT

The accompanying unconsolidated financial statements and notes to these financial statements for nine months which are expressed, unless otherwise stated, in **thousands of Turkish Lira** have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently reviewed.

**Dr. Raci KAYA**  
**Chairman of the Board**      **İbrahim H. ÖZTOP**  
**CEO and Board Member**      **Erdal ERDEM**  
**Chairman of Audit Committee**      **Zeynep BOĞA**  
**Deputy Chairman of Audit Committee**

**Kerem DÖNMEZ**  
**Member of Audit Committee**      **Ömer KARADEMİR**  
**Member of Audit Committee**      **Nuri Yasin KÜLAHÇI**  
**Executive Vice President**      **Aydın TOSUN**  
**Head of Financial Affairs**

**Information on the authorized personnel to whom questions related to this financial report may be directed:**

Name Surname/Title : Atila ALPTEKİN / Finance Manager  
Tel No : 0 216 636 88 87

**SECTION ONE**  
**General Information**

<b>I.</b>	Establishment Date of the Bank, Initial Articles of Association, History of the Bank Including the Changes of These Articles	1
<b>II.</b>	Capital Structure of the Bank, Shareholders that Retain Direct or Indirect Control and Management of the Bank Solely or Together, Changes about These Issues During the Year and Disclosures about the Group	1
<b>III.</b>	Explanations Regarding the Bank's Chairman and Members of Board of Directors, Audit Committee Members, Chief Executive Officer and Executive Vice Presidents and Their Shares Attributable to the Bank, if any	2
<b>IV.</b>	Information about Persons and Institutions that Have Qualified Shares Attributable to the Bank	3
<b>V.</b>	Summary of Functions and Lines of Activities of the Bank	3
<b>VI.</b>	Information on Application Differences Between Consolidation Practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and the Turkish Accounting Standards, and Entities Subject to Full or Proportional Consolidation or Deducted From Equity or Not Subject to Any of These Three Methods	3
<b>VII.</b>	Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts between the Bank and Its Subsidiaries	3

**SECTION TWO**  
**Unconsolidated Financial Statements**

<b>I.</b>	Balance Sheet (Statement of Financial Position)	5-6
<b>II.</b>	Statement of Off-Balance Sheet Accounts	7
<b>III.</b>	Statement of Profit or Loss	8
<b>IV.</b>	Statement of Profit or Loss and Other Comprehensive Income	9
<b>V.</b>	Statement of Changes in Shareholders' Equity	10
<b>VI.</b>	Statement of Cash Flows	11

**SECTION THREE**  
**Accounting Policies**

<b>I.</b>	Explanations on Basis of Presentation	12
<b>II.</b>	Basis of Valuation Used in the Preparation of Financial Statements	12
<b>III.</b>	Explanations on Utilization Strategy of Financial Instruments and Foreign Currency Transactions	13
<b>IV.</b>	Explanations on Associates and Subsidiaries	14
<b>V.</b>	Explanations on Futures, Options Contracts and Derivative Instruments	14
<b>VI.</b>	Explanations on Interest Income and Expenses	14
<b>VII.</b>	Explanations on Fees and Commission Income and Expenses	14
<b>VIII.</b>	Explanations on Financial Assets	14-17
<b>IX.</b>	Explanations on Impairment of Financial Assets	17-20
<b>X.</b>	Explanations on Offsetting of Financial Assets and Liabilities	21
<b>XI.</b>	Explanations on Sales and Repurchase Agreements and Lending of Securities	21
<b>XII.</b>	Explanations on Fixed Assets Held for Sale and Discontinued Operations and Related Liabilities	21
<b>XIII.</b>	Explanations on Goodwill and Other Intangible Assets	22
<b>XIV.</b>	Explanations on Tangible Fixed Assets	22
<b>XV.</b>	Explanations on Leasing Transactions	23
<b>XVI.</b>	Explanations on Provisions and Contingent Liabilities	24
<b>XVII.</b>	Explanations on Employee Benefit Liabilities	24
<b>XVIII.</b>	Explanations on Taxation	24-27
<b>XIX.</b>	Additional Explanations on Borrowings	27
<b>XX.</b>	Explanations on Shares Issued	28
<b>XXI.</b>	Explanations on Bill Guarantees and Acceptances	28
<b>XXII.</b>	Explanations on Government Incentives	28
<b>XXIII.</b>	Earnings per Share	28
<b>XXIV.</b>	Related Parties	28
<b>XXV.</b>	Explanations on Segment Reporting	29

**SECTION FOUR**  
**Information on Financial Structure and Risk Management**

<b>I.</b>	Explanations Related to Equity	30-47
<b>II.</b>	Explanations Related to Currency Risk	48-49
<b>III.</b>	Explanations Related to Interest Rate Risk	50-53
<b>IV.</b>	Explanations Related to Position Risk of Equity Securities	54
<b>V.</b>	Explanations Related to Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio	54-61
<b>VI.</b>	Explanations Related to Leverage Ratio	62
<b>VII.</b>	Explanations Related to Risk Management	63

**SECTION FIVE**  
**Explanations and Notes Related to the Financial Statements**

<b>I.</b>	Explanations and Notes Related to Assets	64-75
<b>II.</b>	Explanations and Notes Related to Liabilities	76-80
<b>III.</b>	Explanations and Notes Related to Off-Balance Sheet Accounts	81-82
<b>IV.</b>	Explanations and Notes Related to Statement of Profit or Loss	83-87
<b>V.</b>	Explanations Related to Risk Group of the Bank	88

**SECTION SIX**  
**Other Explanations**

<b>I.</b>	Explanations on Auditor's Review Report	89
<b>II.</b>	Explanations and Notes Related to Subsequent Events	89

**SECTION SEVEN**  
**Interim Activity Report**

<b>I.</b>	Chairman's Assessment	90
<b>II.</b>	CEO and Board Member's Assessment	91-92
<b>III.</b>	Summary Financial Information and Ratios	93
<b>IV.</b>	Bank Management	93-94
<b>V.</b>	Capital and Shareholding Structure	94
<b>VI.</b>	Activities of the Bank's III. Term in 2024	94-97
<b>VII.</b>	Corporate Governance Principles Compliance Report	97-98

## **SECTION ONE**

### **GENERAL INFORMATION**

#### **I. Establishment Date of the Bank, Initial Articles of Association, History of the Bank Including the Changes of These Articles:**

The Bank was established on 27 November 1975 according to the Decree Based on Law numbered 13 as a related institution of the Ministry of Trade and Technology with the legal title of “Devlet Sanayi ve İşçi Yatırım Bankası A.Ş.”. Some adjustments were made on the status of the Bank with the Decree Based on Law numbered 165 dated 14 November 1983.

On 15 July 1988, its legal title was changed to Türkiye Kalkınma Bankası A.Ş. by being associated to the Prime Ministry in the context of the Decree Law numbered 329 and in parallel with the developments in its activities. The Bank had become a development and investment bank that provides financing support to companies in tourism sector as well as trade sector by taking over T.C. Turizm Bankası A.Ş. with all of its assets and liabilities with the decision of Supreme Planning Council dated 20 January 1989 and numbered 89/T-2. Also with the Decree Law numbered 401 dated 12 February 1990, some of the articles related to the Bank status were changed.

With the Law dated 14 October 1999 and numbered 4456, Decree Law numbered 13, 165, 329 and 401 were revoked and the establishment and operating principles of the Bank were rearranged.

Türkiye Kalkınma ve Yatırım Bankası A.Ş. Law dated 24 October 2018 and numbered 7147 was abolished and the Law dated 14 October 1999 and numbered 4456 was revoked. The Bank's name was changed to Türkiye Kalkınma ve Yatırım Bankası A.Ş with the law numbered 7147.

#### **II. Capital Structure of the Bank, Shareholders that Retain Direct or Indirect Control and Management of the Bank Solely or Together, Changes about These Issues During the Year and Disclosures about the Group:**

The capital ceiling of the Bank which is subject to registered capital system is TL 10.000.000. The issued capital within the registered capital is TL 5.500.000 (The Bank's capital consists of 550 billion shares with par value of TL 0,01 each), and the shareholders and their shares in the issued capital are shown below:

<b>Shareholders</b>	<b>Share Amount (Thousand TL)</b>	<b>Share (%)</b>	<b>Paid-in Capital (Thousand TL)</b>	<b>Unpaid Capital (Thousand TL)</b>
Republic of Türkiye				
Ministry of Treasury and Finance	5.449.484	99,08	5.449.484	-
Other Shareholders <sup>(*)</sup>	50.516	0,92	50.516	-
<b>Total</b>	<b>5.500.000</b>	<b>100,00</b>	<b>5.500.000</b>	<b>-</b>

<sup>(\*)</sup> Includes all institutions and individuals and shares of these shareholders are traded in Borsa İstanbul. Therefore number of shareholders can't be known

**SECTION ONE (Continued)**

**GENERAL INFORMATION (Continued)**

**III. Explanations Regarding the Bank's Chairman and Members of Board of Directors, Audit Committee Members, Chief Executive Officer and Executive Vice Presidents and Their Shares Attributable to the Bank, if any:**

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

Name Surname	Duty	Assignment Date	Education Level	Experience in Banking Sector (Years)
Dr. Raci KAYA	Chairman of the Board	09.11.2020	Doctorate	34
Ömer KARADEMİR	Deputy Chairman of the Board	25.03.2022	Master's Degree	18
İbrahim H. ÖZTOP	CEO and Board Member	13.12.2018	Master's Degree	28
Erdal ERDEM	Board Member	10.07.2020	Bachelor's Degree	28
Zeynep BOĞA	Board Member	04.08.2023	Master's Degree	19
Zekeriya COŞTU	Board Member	04.08.2023	Master's Degree	17
Kerem DÖNMEZ	Board Member	04.08.2023	Master's Degree	17

**General Manager, Executive Vice Presidents:**

Name Surname	Duty	Assignment Date	Education Level	Experience in Banking Sector (Years)
Ibrahim H. ÖZTOP	General Manager / Information Security, Legal Affairs, CEO Office Directorate and all other areas	16.08.2018	Master's Degree	28
Sati BALCI	EVP / Subsidiaries and Corporate Relations, Loan Monitoring <sup>(*)</sup> , Loan Operations, Treasury and Capital Markets Operations, Türkiye Development Fund	07.11.2017	Bachelor's Degree	35
Seçil KIZILKAYA YILDIZ	EVP / Financial Analysis and Valuation, Engineering, Economic Research, Sectoral Research, Mergers and Acquisition Advisory, Capital Markets Advisory, Financial Advisory, Corporate Communications, Sustainability and Environmental Social Impact Management	08.03.2019	Bachelor's Degree	25
Emine Özlem CİNEMRE	EVP / Treasury, Development Finance ve Financial Institutions, Development Cooperation and Wholesale Banking	20.05.2019	Master's Degree	37
Ali YUNUSLAR	EVP / IT Application Development, IT System and Infrastructure, Enterprise Architecture and Project Management	08.02.2022	Master's Degree	24
Yeşim ŞİMŞEK	EVP / Corporate Banking and Project Finance, Corporate Banking Sales	06.06.2022	Bachelor's Degree	35
Muzaffer Gökhan SONGÜL	EVP / Loan Allocation	05.09.2022	Master's Degree	21
Nuri Yasin KÜLAHÇI	EVP / Human Resources, Support Services, Financial Affairs, Strategy and Organization, Budget and Cost Management	18.10.2022	Master's Degree	19

<sup>(\*)</sup>With the decision of the Bank's Board of Directors dated 30 September 2024, the Loan Monitoring Unit was assigned to Executive Vice President Sati BALCI.

**Chief Internal Inspector:**

Name Surname	Duty	Assignment Date	Education Level	Experience in Banking Sector(Years)
Dr. Kaan Ramazan ÇAKALI	Chief Internal Inspector	27.05.2019	Doctorate	21

Executives mentioned above do not own any shares of the Bank in the part which is not publicly traded.

**SECTION ONE (Continued)**

**GENERAL INFORMATION (Continued)**

**IV. Information About Persons and Institutions that Have Qualified Shares Attributable to the Bank:**

Republic of Türkiye Ministry of Treasury and Finance owns 99,08% of the shares of the Bank.

**V. Summary of Functions and Lines of Activities of the Bank:**

As an investment and development bank of Türkiye Kalkınma ve Yatırım Bankası A.Ş.'s operating areas are supporting investments and projects for sustainable growth, ensuring the efficient use of capital and fund resources, financing domestic, international and international joint investments, and profit partnership or lease-based loan transactions by using modern development and investment banking tools in line with our country's development goals, to ensure that all development and investment banking functions can be performed in a competitive, dynamic and effective manner. As of 30 September 2024, there is one branch of the Bank located in Ankara.

**VI. Information on Application Differences Between Consolidation Practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and the Turkish Accounting Standards, and Entities Subject to Full or Proportional Consolidation or Deducted From Equity or Not Subject to Any of These Three Methods:**

The Bank has acquired a 100% stake in Kalkınma Yatırım Varlık Kiralama Anonim Şirketi, established on 28 May 2020, with a nominal capital of TL 50, and in Kalkınma Girişim Sermayesi Portföy Yönetimi Anonim Şirketi, established on 17 November 2020, with an initial nominal capital of TL 1.800, which was subsequently increased to TL 50.000 on 19 August 2024.

In accordance with the Communiqué on the Preparation of Consolidated Financial Statements of Banks and the Turkish Accounting Standards, Kalkınma Girişim Sermayesi Portföy Yönetimi Anonim Şirketi and Kalkınma Yatırım Varlık Kiralama Anonim Şirketi are consolidated in the consolidated financial statements by full consolidation method.

According to the Paragraph 4th of Article 6th of Law dated 24 October 2018 and numbered 7147 about Türkiye Kalkınma ve Yatırım Bankası A.Ş., the Bank is not subject to the provisions of the Consolidated Audit and Consolidated Financial Reporting in Banking Law No. 5411 and in the relevant legislation due to its shares in Türkiye Kalkınma Fonu of which the Bank is the founder.

Since the Bank's associates are not financial institutions, they are not consolidated using the equity method in the consolidated financial statements within the scope of the Communiqué on the Preparation of Consolidated Financial Statements of Banks.

**VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between the Bank and Its Subsidiaries:**

None.

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS**

- I.** Balance Sheet (Statement of Financial Position)
- II.** Statement of Off-Balance Sheet Accounts
- III.** Statement of Profit or Loss
- IV.** Statement of Profit or Loss and Other Comprehensive Income
- V.** Statement of Changes in Shareholders' Equity
- VI.** Statement of Cash Flows

(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)  
**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**

**Unconsolidated Balance Sheet (Statement of Financial Position) as of 30 September 2024**

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Notes (Section Five I)	Reviewed Current Period 30 September 2024			Audited Prior Period 31 December 2023		
		TL	FC	TOTAL	TL	FC	TOTAL
		ASSETS			ASSETS		
<b>I. FINANCIAL ASSETS (NET)</b>							
<b>1.1 Cash and Cash Equivalents</b>	(1)	<b>20,172,455</b>	<b>26,619,130</b>	<b>46,791,585</b>	<b>22,296,189</b>	<b>15,543,865</b>	<b>37,840,054</b>
1.1.1 Cash and Balances with Central Bank		<b>16,889,531</b>	<b>4,392,610</b>	<b>21,282,141</b>	<b>20,791,342</b>	<b>1,170,926</b>	<b>21,962,268</b>
1.1.2 Banks		850	-	850	2,560	-	2,560
1.1.3 Money Markets		10,383,755	2,483,963	12,867,718	3,758,538	1,170,926	4,929,464
1.1.4 Expected Credit Loss (-)		6,510,294	1,908,647	8,418,941	17,046,025	-	17,046,025
		(5,368)	-	(5,368)	(15,781)	-	(15,781)
<b>1.2 Financial Assets Measured at Fair Value Through Profit or Loss</b>		<b>394,563</b>	<b>300,149</b>	<b>694,712</b>	<b>318,816</b>	<b>272,639</b>	<b>591,455</b>
1.2.1 Government Securities		394,563	300,149	694,712	318,816	272,639	591,455
1.2.2 Equity Securities		-	-	-	-	-	-
1.2.3 Other Financial Assets		-	-	-	-	-	-
<b>1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income</b>		<b>2,761,724</b>	<b>21,924,718</b>	<b>24,686,442</b>	<b>1,120,503</b>	<b>14,100,112</b>	<b>15,220,615</b>
1.3.1 Government Securities		2,419,527	6,301,891	8,721,418	868,246	7,758,688	8,626,934
1.3.2 Equity Securities		8,813	-	8,813	18,362	-	18,362
1.3.3 Other Financial Assets		333,384	15,622,827	15,956,211	233,895	6,341,424	6,575,319
<b>1.4 Derivative Financial Assets</b>	(5)	<b>126,637</b>	<b>1,653</b>	<b>128,290</b>	<b>65,528</b>	<b>188</b>	<b>65,716</b>
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit or Loss		126,637	1,653	128,290	65,528	188	65,716
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)</b>	(2)	<b>26,547,873</b>	<b>79,322,291</b>	<b>105,870,164</b>	<b>24,956,730</b>	<b>71,399,398</b>	<b>96,356,128</b>
<b>2.1 Loans</b>		<b>18,970,779</b>	<b>78,770,885</b>	<b>97,741,664</b>	<b>19,333,681</b>	<b>64,825,027</b>	<b>84,158,708</b>
2.2 Lease Receivables		7	-	7	3	-	3
2.3 Factoring Receivables		-	-	-	-	-	-
<b>2.4 Other Financial Assets Measured at Amortised Cost</b>		<b>9,145,959</b>	<b>551,406</b>	<b>9,697,365</b>	<b>7,046,016</b>	<b>6,574,371</b>	<b>13,620,387</b>
2.4.1 Government Securities		9,145,959	551,406	9,697,365	7,046,016	6,513,924	13,559,940
2.4.2 Other Financial Assets		-	-	-	-	60,447	60,447
2.5 Expected Credit Loss (-)		(1,568,872)	-	(1,568,872)	(1,422,970)	-	(1,422,970)
<b>III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)</b>	(3)	-	-	-	-	-	-
3.1 Held for Sale Purpose		-	-	-	-	-	-
3.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>IV. EQUITY INVESTMENTS</b>	(4)	<b>53,037</b>	-	<b>53,037</b>	<b>27,332</b>	-	<b>27,332</b>
<b>4.1 Associates (Net)</b>		<b>10,586</b>	-	<b>10,586</b>	<b>10,586</b>	-	<b>10,586</b>
4.1.1 Associates Accounted Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Financial Subsidiaries		10,586	-	10,586	10,586	-	10,586
<b>4.2 Subsidiaries (Net)</b>		<b>42,451</b>	-	<b>42,451</b>	<b>16,746</b>	-	<b>16,746</b>
4.2.1 Unconsolidated Financial Subsidiaries		42,451	-	42,451	16,746	-	16,746
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Joint Ventures (Net)</b>		-	-	-	-	-	-
4.3.1 Joint Ventures Accounted Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>	(6)	<b>70,256</b>	-	<b>70,256</b>	<b>42,366</b>	-	<b>42,366</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>	(7)	<b>47,182</b>	-	<b>47,182</b>	<b>32,252</b>	-	<b>32,252</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		47,182	-	47,182	32,252	-	32,252
<b>VII. INVESTMENT PROPERTY (Net)</b>	(8)	-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSET</b>	(9)	-	-	-	-	-	-
<b>IX. DEFERRED TAX ASSET</b>	(10)	<b>407,535</b>	-	<b>407,535</b>	<b>322,823</b>	-	<b>322,823</b>
<b>X. OTHER ASSETS (Net)</b>		<b>188,162</b>	<b>221,180</b>	<b>409,342</b>	<b>67,055</b>	<b>159,464</b>	<b>226,519</b>
<b>TOTAL ASSETS</b>		<b>47,486,500</b>	<b>106,162,601</b>	<b>153,649,101</b>	<b>47,744,747</b>	<b>87,102,727</b>	<b>134,847,474</b>

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

(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)  
**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**

**Unconsolidated Balance Sheet (Statement of Financial Position) as of 30 September 2024**

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Notes (Section Five II)	Reviewed Current Period 30 September 2024			Audited Prior Period 31 December 2023		
		TL	FC	TOTAL	TL	FC	TOTAL
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	(1)	-	-	-	-	-	-
<b>II. FUNDS BORROWED</b>	(2)	<b>17,799,830</b>	<b>87,020,326</b>	<b>104,820,156</b>	<b>17,995,416</b>	<b>79,951,624</b>	<b>97,947,040</b>
<b>III. MONEY MARKET FUNDS</b>	(3)	<b>4,857,483</b>	<b>234,986</b>	<b>5,092,469</b>	<b>2,884,276</b>		<b>2,884,276</b>
<b>IV. SECURITIES ISSUED (Net)</b>	(4)	-	<b>3,821,718</b>	<b>3,821,718</b>	-	<b>3,321,427</b>	<b>3,321,427</b>
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	<b>3,821,718</b>	<b>3,821,718</b>	-	<b>3,321,427</b>	<b>3,321,427</b>
<b>V. FUNDS</b>	(5)	<b>1,358,430</b>	<b>5,078,322</b>	<b>6,436,752</b>	<b>2,676,239</b>	<b>3,721,694</b>	<b>6,397,933</b>
5.1 Borrower Funds		219,564	4,135,127	4,354,691	325,241	2,584,491	2,909,732
5.2 Other		1,138,866	943,195	2,082,061	2,350,998	1,137,203	3,488,201
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	(6)	-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	(7,10)	<b>39,946</b>	<b>4,828</b>	<b>44,774</b>	<b>15,195</b>	<b>3,104</b>	<b>18,299</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		39,946	4,828	44,774	15,195	3,104	18,299
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
<b>VIII. FACTORING LIABILITIES</b>	(8)	-	-	-	-	-	-
<b>IX. LEASE LIABILITIES (Net)</b>	(9)	<b>21,762</b>	-	<b>21,762</b>	<b>20,737</b>	-	<b>20,737</b>
<b>X. PROVISIONS</b>	(11)	<b>639,746</b>	-	<b>639,746</b>	<b>428,541</b>	-	<b>428,541</b>
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		499,961	-	499,961	266,464	-	266,464
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		139,785	-	139,785	162,077	-	162,077
<b>XI. CURRENT TAX LIABILITY</b>	(12)	<b>809,895</b>	-	<b>809,895</b>	<b>545,981</b>	-	<b>545,981</b>
<b>XII. DEFERRED TAX LIABILITY</b>	(13)	-	-	-	-	-	-
<b>XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)</b>	(14)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT INSTRUMENTS</b>	(15)	<b>5,082,043</b>	<b>7,990,525</b>	<b>13,072,568</b>	<b>3,712,899</b>	<b>7,865,824</b>	<b>11,578,723</b>
14.1 Borrowings		5,082,043	7,990,525	13,072,568	3,712,899	7,865,824	11,578,723
14.2 Other Debt Instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>	(16)	<b>467,373</b>	<b>154,116</b>	<b>621,489</b>	<b>477,019</b>	<b>345,013</b>	<b>822,032</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	(17)	<b>18,100,475</b>	<b>167,297</b>	<b>18,267,772</b>	<b>10,795,135</b>	<b>87,350</b>	<b>10,882,485</b>
16.1 Paid-in capital		5,500,000	-	5,500,000	2,500,000	-	2,500,000
16.2 Capital Reserves		211,495	-	211,495	210,112	-	210,112
16.2.1 Share Premium		5,421	-	5,421	4,038	-	4,038
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		206,074	-	206,074	206,074	-	206,074
16.3 Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss		(472)	-	(472)	(506)	-	(506)
16.4 Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		21,851	167,297	189,148	72,986	87,350	160,336
16.5 Profit Reserves		8,012,543	-	8,012,543	3,969,168	-	3,969,168
16.5.1 Legal Reserves		422,038	-	422,038	219,869	-	219,869
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		7,536,279	-	7,536,279	3,695,073	-	3,695,073
16.5.4 Other Profit Reserves		54,226	-	54,226	54,226	-	54,226
16.6 Profit or (Loss)		4,355,058	-	4,355,058	4,043,375	-	4,043,375
16.6.1 Prior Periods' Profit or (Loss)		-	-	-	-	-	-
16.6.2 Current Period Profit or (Loss)		4,355,058	-	4,355,058	4,043,375	-	4,043,375
<b>TOTAL LIABILITIES</b>		<b>49,176,983</b>	<b>104,472,118</b>	<b>153,649,101</b>	<b>39,551,438</b>	<b>95,296,036</b>	<b>134,847,474</b>

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

(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Unconsolidated Statement of Off-Balance Sheet Accounts as of 30 September 2024

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

II. STATEMENT OF OFF-BALANCE SHEET ACCOUNTS	Note (Section Five III)	Reviewed Current Period 31 September 2024			Audited Prior Period 31 December 2023		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>10,293,439</b>	<b>42,074,095</b>	<b>52,367,534</b>	<b>11,876,311</b>	<b>24,568,607</b>	<b>36,444,918</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>(1)</b>	<b>158,827</b>	<b>4,850,931</b>	<b>5,009,758</b>	<b>84,924</b>	<b>4,669,416</b>	<b>4,754,340</b>
1.1 Letters of Guarantee		158,827	4,237,999	4,396,826	84,924	4,060,156	4,145,080
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		1	-	1	1	-	1
1.1.3 Other Letters of Guarantee		158,826	4,237,999	4,396,825	84,923	4,060,156	4,145,079
1.2 Bank Acceptances		-	-	-	-	-	-
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	-	-	-	-	-
1.3.1 Documentary Letters of Credit		-	-	-	-	-	-
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees on Marketable Security Issuance		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	612,932	612,932	-	609,260	609,260
1.9 Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>(1,3)</b>	<b>1,969,560</b>	<b>23,896,677</b>	<b>25,866,237</b>	<b>1,656,171</b>	<b>7,929,901</b>	<b>9,586,072</b>
2.1 Irrevocable Commitments		246,060	563,932	809,992	390,901	1,292,430	1,683,331
2.1.1 Asset Purchase and Sale Commitments		-	51,313	51,313	127,990	1,292,376	1,420,366
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		-	-	-	-	-	-
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		-	-	-	-	-	-
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10 Commitments for Credit Cards and Banking Services Promotions		-	-	-	-	-	-
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		246,060	512,619	758,679	262,911	54	262,965
2.2 Revocable Commitments		1,723,500	23,332,745	25,056,245	1,265,270	6,637,471	7,902,741
2.2.1 Revocable Loan Granting Commitments		1,723,500	23,332,745	25,056,245	1,265,270	6,637,471	7,902,741
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>(2)</b>	<b>8,165,052</b>	<b>13,326,487</b>	<b>21,491,539</b>	<b>10,135,216</b>	<b>11,969,290</b>	<b>22,104,506</b>
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Transactions		8,165,052	13,326,487	21,491,539	10,135,216	11,969,290	22,104,506
3.2.1 Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1 Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2 Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		8,165,052	13,326,487	21,491,539	10,135,216	11,969,290	22,104,506
3.2.2.1 Foreign Currency Swap-Buy		5,007,600	5,858,690	10,866,290	982,007	10,034,857	11,016,864
3.2.2.2 Foreign Currency Swap-Sell		3,157,452	7,467,797	10,625,249	9,153,209	1,934,433	11,087,642
3.2.2.3 Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4 Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3 Foreign Currency, Interest rate and Securities Options		-	-	-	-	-	-
3.2.3.1 Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2 Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>127,379,157</b>	<b>527,135,612</b>	<b>654,514,769</b>	<b>131,922,770</b>	<b>446,065,549</b>	<b>577,988,319</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>172,616</b>	<b>-</b>	<b>172,616</b>	<b>118,371</b>	<b>-</b>	<b>118,371</b>
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		172,616	-	172,616	118,371	-	118,371
4.3 Checks Received for Collection		-	-	-	-	-	-
4.4 Commercial Notes Received for Collection		-	-	-	-	-	-
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>127,206,541</b>	<b>527,135,612</b>	<b>654,342,153</b>	<b>131,804,399</b>	<b>446,065,549</b>	<b>577,869,948</b>
5.1 Marketable Securities		3,505,999	633,784	4,139,783	15,655,237	-	15,655,237
5.2 Guarantee Notes		277	4,016,986	4,017,263	2,390	4,853,729	4,856,119
5.3 Commodity		-	-	-	-	-	-
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		117,621,393	491,891,641	609,513,034	110,341,770	413,292,111	523,633,881
5.6 Other Pledged Items		5,959,928	26,003,886	31,963,814	5,668,808	23,577,339	29,246,147
5.7 Pledged Items-Depository		118,944	4,589,315	4,708,259	136,194	4,342,370	4,478,564
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>137,672,596</b>	<b>569,209,707</b>	<b>706,882,303</b>	<b>143,799,081</b>	<b>470,634,156</b>	<b>614,433,237</b>

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

(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)  
**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**

**Unconsolidated Statement of Profit or Loss for the Period Ended 30 September 2024**

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

III. STATEMENT OF PROFIT OR LOSS	Note (Section Five IV)	Reviewed		Reviewed	
		Current Period 1 January- 30 September 2024	Prior Period 1 January- 31 September 2023	Current Period 1 July- 30 September 2024	Current Period 1 July- 30 September 2024
<b>INCOME AND EXPENSE ITEMS</b>					
<b>I. INTEREST INCOME</b>	(1)	<b>17,346.179</b>	<b>10,554.950</b>	<b>5,944.342</b>	<b>4,174.756</b>
1.1 Interest on Loans		7,267.528	4,906.768	2,470.525	1,767.819
1.2 Interest on Reserve Requirements		-	-	-	-
1.3 Interest on Banks		2,784.881	2,119.153	1,412.244	936.982
1.4 Interest on Money Market Transactions		3,108.656	1,325.099	779.428	496.800
1.5 Interest on Marketable Securities Portfolio		4,185.114	2,203.859	1,282.145	973.155
1.5.1 Fair Value Through Profit or Loss		-	-	-	-
1.5.2 Fair Value Through Other Comprehensive Income		1,555.681	741.116	553.669	292.529
1.5.3 Measured at Amortised Cost		2,629.433	1,462.743	728.476	680.626
1.6 Financial Lease Interest Income		-	-	-	-
1.7 Other Interest Income		-	71	-	-
<b>II. INTEREST EXPENSE (-)</b>	(2)	<b>(8,944.450)</b>	<b>(5,598.723)</b>	<b>(3,093.888)</b>	<b>(2,234.833)</b>
2.1 Interest on Deposits		-	-	-	-
2.2 Interest on Funds Borrowed		(7,635.109)	(4,758.245)	(2,527.436)	(1,880.505)
2.3 Interest Expense on Money Market Transactions		(920.016)	(295.956)	(424.363)	(154.984)
2.4 Interest on Securities Issued		(200.730)	(121.463)	(75.344)	(48.501)
2.5 Measured at Amortised Expense		(4.334)	(2.279)	(1.228)	(669)
2.6 Other Interest Expenses		(184.261)	(420.780)	(65.517)	(150.174)
<b>III. NET INTEREST INCOME (I - II)</b>		<b>8,401.729</b>	<b>4,956.227</b>	<b>2,850.454</b>	<b>1,939.923</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>124.736</b>	<b>70.561</b>	<b>37.590</b>	<b>17.344</b>
4.1 Fees and Commissions Received		153.591	101.848	46.161	26.126
4.1.1 Non-cash Loans		62.190	61.661	22.483	16.954
4.1.2 Other	(12)	91.401	40.187	23.678	9.172
4.2 Fees and Commissions Paid		(28.855)	(31.287)	(8.571)	(8.782)
4.2.1 Non-cash Loans		(2)	-	(2)	-
4.2.2 Other	(12)	(28.853)	(31.287)	(8.569)	(8.782)
<b>V. DIVIDEND INCOME</b>	(3)	<b>14,786</b>	<b>9,349</b>	<b>7,582</b>	<b>6,579</b>
<b>VI. TRADING PROFIT / (LOSS) (Net)</b>	(4)	<b>(882.022)</b>	<b>(132.895)</b>	<b>(76.885)</b>	<b>(124.861)</b>
6.1 Trading Gains / (Losses) on Securities		61.527	103.861	27.064	19.867
6.2 Gains / (Losses) on Derivative Financial Transactions		(624.475)	1,849.167	(66.045)	46.357
6.3 Foreign Exchange Gains / (Losses)		(319.074)	(2,085.923)	(37.904)	(191.085)
<b>VII. OTHER OPERATING INCOME</b>	(5)	<b>300.231</b>	<b>213.448</b>	<b>87.981</b>	<b>58.190</b>
<b>VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>7,959.460</b>	<b>5,116.690</b>	<b>2,906.722</b>	<b>1,897.175</b>
<b>IX. EXPECTED CREDIT LOSS (-)</b>	(6)	<b>(562.167)</b>	<b>(311.821)</b>	<b>(161.832)</b>	<b>(59.694)</b>
<b>X. OTHER PROVISION EXPENSE (-)</b>	(6)	<b>(330.516)</b>	<b>(143.398)</b>	<b>(106.966)</b>	<b>(56.990)</b>
<b>XI. PERSONNEL EXPENSE (-)</b>		<b>(592.655)</b>	<b>(307.501)</b>	<b>(215.214)</b>	<b>(117.049)</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	(7)	<b>(299.446)</b>	<b>(279.608)</b>	<b>(107.450)</b>	<b>(59.722)</b>
<b>XIII. NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)</b>		<b>6,174.676</b>	<b>4,074.362</b>	<b>2,315.260</b>	<b>1,603.720</b>
<b>XIV. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES</b>		-	-	-	-
<b>XV. CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-	-	-
<b>XVI. INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-	-	-
<b>XVII. PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)</b>	(8)	<b>6,174.676</b>		<b>2,315.260</b>	<b>1,603.720</b>
<b>XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	(9)	<b>(1,819.618)</b>	<b>(1,163.742)</b>	<b>(694.375)</b>	<b>(604.302)</b>
18.1 Current Tax Provision		(1,917.244)	(1,263.294)	(732.981)	(894.008)
18.2 Deferred Tax Income Effect (+)		-	-	-	190.154
18.3 Deferred Tax Expense Effect (-)		97.626	99.552	38.606	99.552
<b>XIX. CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)</b>	(10)	<b>4,355.058</b>	<b>2,910.620</b>	<b>1,620.885</b>	<b>999.418</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		-	-	-	-
20.1 Income from Non-current Assets Held for Sale		-	-	-	-
20.2 Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3 Income from Other Discontinued Operations		-	-	-	-
<b>XXI. EXPENSES FOR DISCONTINUED OPERATIONS (-)</b>		-	-	-	-
21.1 Expenses for Non-current Assets Held for Sale		-	-	-	-
21.2 Loss from Sales of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3 Expenses for Other Discontinued Operations		-	-	-	-
<b>PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXII XXI)</b>		-	-	-	-
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-	-	-
23.1 Current Tax Provision		-	-	-	-
23.2 Deferred Tax Expense Effect (+)		-	-	-	-
23.3 Deferred Tax Income Effect (-)		-	-	-	-
<b>CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS XXIV (XXII±XXIII)</b>		-	-	-	-
<b>XXV. NET PROFIT/(LOSS) (XIX+XXIV)</b>	(11)	<b>4,355.058</b>	<b>2,910.620</b>	<b>1,620.885</b>	<b>999.418</b>
25.1 Earning/(Loss) per share (in TL full)		0,010	0,012	0,003	0,004

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

(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**

**Unconsolidated Statement of Profit or Loss and Other Comprehensive Income  
for the Period Ended 30 September 2024**

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

<b>IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		<b>Reviewed Current Period 1 January-30 September 2024</b>	<b>Reviewed Prior Period 1 January-30 September 2023</b>
<b>I.</b>	<b>CURRENT PERIOD PROFIT/LOSS</b>	<b>4,355.058</b>	<b>2,910,620</b>
<b>II.</b>	<b>OTHER COMPREHENSIVE INCOME</b>	<b>28.846</b>	<b>4,599</b>
2.1	<b>Not Reclassified to Profit or Loss</b>	<b>34</b>	<b>-</b>
2.1.1	Property and Equipment Revaluation Increase/Decrease	-	-
2.1.2	Intangible Assets Revaluation Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain/Loss	-	-
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	34	-
<b>2.2</b>	<b>Reclassified to Profit or Loss</b>	<b>28.812</b>	<b>4,599</b>
2.2.1	Foreign Currency Translation Differences	-	-
2.2.2	Valuation and/or Reclassification Income/Expense of the Financial Assets at Fair Value through Other Comprehensive Income	41,760	8,263
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	9,464
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(12,948)	(13,128)
<b>III.</b>	<b>TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>4,383,904</b>	<b>2,915,219</b>

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

(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**

**Unconsolidated Statement of Changes in Shareholders' Equity for the Period Ended 30 September 2024**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Paid-in Capital	Share Premium	Share Certificate Cancel Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss			Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss			Profit Reserves	Prior Period Net Income/(Loss)	Current Period Net Income/(Loss)	Total Equity
						1	2	3	4	5	6				
	<b>Prior Period</b> 30 September 2023														
I.	Balance at the beginning of the period	2,500,000	4,038	-	206,074	-	(506)	-	-	163,141	1,467	2,277,800	1,691,368	-	6,843,382
II.	Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)	2,500,000	4,038	-	206,074	-	(506)	-	-	163,141	1,467	2,277,800	1,691,368	-	6,843,382
IV.	Total comprehensive income (loss)	-	-	-	-	-	-	-	-	(4,865)	9,464	-	-	2,910,620	2,915,219
V.	Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit distribution	-	-	-	-	-	-	-	-	-	-	1,691,368	(1,691,368)	-	-
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	1,691,368	(1,691,368)	-	-
11.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Balances (III+IV+.....+X+XI)</b>	<b>2,500,000</b>	<b>4,038</b>	-	<b>206,074</b>	-	<b>(506)</b>	-	-	<b>158,276</b>	<b>10,931</b>	<b>3,969,168</b>	-	<b>2,910,620</b>	<b>9,758,601</b>
	<b>Current Period</b> 30 September 2024														
I.	Balance at the beginning of the period	2,500,000	4,038	-	206,074	-	(506)	-	-	149,405	10,931	3,969,168	4,043,375	-	10,882,485
II.	Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New balance (I+II)	2,500,000	4,038	-	206,074	-	(506)	-	-	149,405	10,931	3,969,168	4,043,375	-	10,882,485
IV.	Total comprehensive income (loss)	-	-	-	-	-	-	34	-	-	28,812	-	-	4,355,058	4,383,904
V.	Capital increase in cash	3,000,000	1,383	-	-	-	-	-	-	-	-	-	-	-	3,001,383
VI.	Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	4,043,375	(4,043,375)	-	-
XI.	Profit distribution	-	-	-	-	-	-	-	-	-	-	4,043,375	(4,043,375)	-	-
11.1	Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	4,043,375	(4,043,375)	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Balances (III+IV+.....+X+XI)</b>	<b>5,500,000</b>	<b>5,421</b>	-	<b>206,074</b>	-	<b>(472)</b>	-	-	<b>178,217</b>	<b>10,931</b>	<b>8,012,543</b>	-	<b>4,355,058</b>	<b>18,267,772</b>

1. Tangible and Intangible Assets Revaluation Reserve,

2. Accumulated Gains / Losses on Remeasurements of Defined Benefit Plans,

3. Other (Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will not be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will not be Reclassified to Profit or Loss),

4. Exchange Differences on Translation,

5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,

6. Other (Accumulated Gains or Losses on Cash Flow Hedges, Other Comprehensive Income of Associates and Joint Ventures Accounted for Using Equity Method that will be Reclassified to Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income that will be Reclassified to Profit or Loss).

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

(Convenience Translation of Unconsolidated Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)  
**TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.**

**Unconsolidated Statement of Cash Flows for the Period Ended 30 September 2024**

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

<b>VI. STATEMENT OF CASH FLOWS</b>		<b>Reviewed Current Period</b> <b>1 January-30 September 2024</b>	<b>Reviewed Prior Period</b> <b>1 January-30 September 2023</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>		<b>4.656.042</b>	<b>2.912.115</b>
1.1.1 Interest Received		16.508.211	8.200.961
1.1.2 Interest Paid		(8.643.254)	(3.858.002)
1.1.3 Dividend Received		14.786	9.349
1.1.4 Fees and Commissions Received		153.591	101.848
1.1.5 Other Income		3.233	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables		134.268	117.875
1.1.7 Payments to Personnel and Service Suppliers		(672.011)	(392.204)
1.1.8 Taxes Paid		(1.745.664)	(656.223)
1.1.9 Other		(1.097.118)	(611.489)
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>(7.002.731)</b>	<b>2.880.547</b>
1.2.1 Net(Increase)Decrease in Financial Assets at Fair Value Through Profit or Loss		(48.835)	(74.712)
1.2.2 Net (increase) / decrease in due from banks and other financial institutions		-	-
1.2.3 Net (increase) / decrease in loans		(2.253.796)	5.373.405
1.2.4 Net (increase) / decrease in other assets		(437.300)	139.976
1.2.5 Net increase / (decrease) in bank deposits		-	-
1.2.6 Net increase / (decrease) in other deposits		-	-
1.2.7 Net increase/ (decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	-
1.2.8 Net increase / (decrease) in funds borrowed		(5.736.463)	(2.815.011)
1.2.9 Net increase / (decrease) in payables		-	-
1.2.10 Net increase / (decrease) in other liabilities		1.473.663	256.889
<b>I. Net Cash Provided from Banking Operations</b>		<b>(2.346.689)</b>	<b>5.792.662</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
<b>II. Net Cash Provided from Investing Activities</b>		<b>(1.155.385)</b>	<b>(21.634)</b>
2.1 Cash paid for acquisition of investments, associates and subsidiaries		(30.000)	(6.536)
2.2 Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3 Purchases of property and equipment		(34.797)	(7.598)
2.4 Disposals of property and equipment		18	420.134
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(26.308.065)	(14.489.950)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		20.165.987	14.931.889
2.7 Purchase of Financial Assets Measured at Amortised Cost		(1.474.756)	(1.349.095)
2.8 Sale of Financial Assets Measured at Amortised Cost		6.551.790	492.749
2.9 Other		(25.562)	(13.227)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities</b>		<b>2.981.629</b>	<b>(11.806)</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Issued Equity Instruments		3.001.383	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(19.754)	(11.806)
3.6 Other		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>(291.579)</b>	<b>1.790.212</b>
<b>V. Net Decrease/ Increase in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>(812.024)</b>	<b>7.549.434</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period</b>		<b>21.402.100</b>	<b>15.299.325</b>
<b>VII. Cash and Cash Equivalents at the End of the Period</b>		<b>20.590.076</b>	<b>22.848.759</b>

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

## **SECTION THREE**

### **ACCOUNTING POLICIES**

#### **I. Explanations on Basis of Presentation:**

##### **a. The preparation of financial statements and related notes according to Turkish Accounting Standards and Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks:**

As prescribed in the Article 37 of the Banking Act No. 5411, the Bank prepares its financial statements and underlying documents in accordance with the “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks” and other regulations, explanations and circulars on accounting and financial reporting principles announced by the Banking Regulation and Supervision Agency (“BRSA”) and Turkish Accounting Standards (“TAS”) and Turkish Financial Reporting Standards (“TFRS”) published by Public Oversight Accounting and Auditing Standards Authority (“POA”) except for matters regulated by BRSA legislation (together referred as “BRSA Accounting and Financial Reporting Legislation”).

The accompanying financial statements and explanations and notes to these statements for the fiscal period ending 30 September 2024 have been prepared in accordance with the “Communiqué on Financial Statements to be Disclosed to Public by Banks and Explanations and Footnotes Thereof” published in the Official Gazette numbered 28337, dated 28 June 2012 and “Communiqué on Disclosures About Risk Management to be Announced to Public by Banks” published in the Official Gazette numbered 29511, dated 23 October 2015 and amendments and changes to these communiqués.

##### **b. Changes in accounting policies and disclosures:**

In accordance with the TAS 29 "Financial Reporting in Hyperinflationary Economies", entities whose functional currency is that of a hyperinflationary economy report their financial statements based on the purchasing power of the currency at the end of the reporting period. Following the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (“POA”) on 23 November 2023, entities applying TFRS are required to present their financial statements for annual reporting periods ending on or after 31 December 2023, adjusted for inflation in accordance with the accounting principles set forth in TAS 29. The same announcement stated that regulatory authorities empowered to regulate and supervise in their respective fields may determine different transition dates for the application of inflation accounting. In this context, pursuant to the decision of the Banking Regulation and Supervision Agency (“BRSA”) dated 11 January 2024, banks and financial leasing, factoring, financing, savings financing, and asset management companies will commence the application of inflation accounting from 1 January 2025. Accordingly, the Bank has not applied TAS 29 in its financial statements dated 30 September 2024. Within the scope of preparations for transition to inflation accounting, BRSA published “Draft Regulation Amending the Regulation on Equity of Banks”, “Draft Communiqué Amending the Communiqué on Financial Statements to be Publicly Announced by Banks and Explanations and Notes Related to These Financial Statements” and “Draft Regulation Amending the Regulation on Accounting Practices and Financial Statements of Financial Leasing, Factoring, Financing and Savings Finance Companies” with its statement dated 20 August 2024.

##### **c. Other issues:**

None.

#### **II. Basis of Valuation Used in the Preparation of Financial Statements:**

Accounting policies for the preparation of financial statements and valuation principles used are applied in accordance with BRSA Accounting and Financial Reporting Legislation. Those accounting policies and valuation principles are explained below notes through II – XXV.

Except for the financial assets and liabilities carried at fair value, the unconsolidated financial statements have been prepared in thousand of Turkish Lira (“TL”) under the historical cost.

## **SECTION THREE (Continued)**

### **ACCOUNTING POLICIES (Continued)**

#### **III. Explanations on Utilization Strategy of Financial Instruments and Foreign Currency Transactions:**

Most of the liabilities of the balance sheet of the Bank consists of funds obtained from domestic and international markets. The majority of funds obtained domestically consists of funds provided by Central Bank of the Republic of Türkiye, international institutions such as Islamic Development Bank and German Development Bank via Republic of Türkiye Ministry of Treasury and Finance and budget originated funds and the rest consists of funds provided through short-term money market transactions within the framework of balance sheet management. The Bank acts as an intermediary for those funds provided by the Republic of Türkiye Ministry of Treasury and Finance to be utilized in various sectors. The funds obtained internationally consist of medium and long term loans borrowed from World Bank, European Investment Bank, Council of Europe Development Bank, Islamic Development Bank, International Islamic Trade Finance Corporation, Japan Bank for International Cooperation, Black Sea Trade and Development Bank, Asian Infrastructure Investment Bank, German Development Bank, China Development Bank and the securities issued as allocated to French Development Agency.

During the utilization of the funds obtained, the Bank pays attention for utilization of loans in line with borrowing conditions while taking assets-liability mismatch into account, and tries to avoid maturity, exchange rate and liquidity risks. Exchange rate risk, interest rate risk and liquidity risk are measured and monitored on a regular basis, necessary measures are taken as a result of changes in the market data and balance sheet management is performed within the predetermined risk limits and legal limits.

A non-speculative exchange rate position risk management is applied to limit the Bank's exchange rate risk. For that reason, during the determination of the allocation of balance sheet and off-balance sheet assets according to currencies, foreign currency management policy is applied in the most effective way. Commercial placements are directed to high-profit and low-risk assets by taking Bank-specific and domestic economic expectations, market conditions, expectations and inclinations of loan customers, risks like interest, liquidity, exchange rate etc. into account, and safety policy is kept in the foreground for placement activities. Basic macro goals concerning balance sheet sizes are determined during budgeting and the transactions are carried out according to work programs prepared in this context. The exchange rates, interest and price movements are closely monitored; transaction and control limits that are developed from the Bank's previous experiences are based on when taking positions as well as legal limits. In this way, limit excesses are prevented.

During foreign currency transactions, procedures detailed below are applied.

- a. Foreign currency monetary assets and liabilities are translated to Turkish Lira (TL) with the buying exchange rates announced by the Bank at the end of period and foreign exchange differences are accounted as foreign exchange gain or loss.
- b. There are no exchange rate differences capitalized as of the balance sheet date.
- c. Basic principles of exchange rate risk management policy: Decisions to avoid exchange rate and parity risks are taken by the Asset- Liability Committee that meets regularly. The decisions are in line with the models prepared in the context of the basic boundaries of Foreign Currency Net General Position/Shareholders' Equity Ratio which is included in legal requirements, and those decisions are carried out carefully. To avoid parity risk, foreign exchange position is managed by taking singular and general positions.
- d. Foreign currency transactions are calculated using the exchange rates prevailing at the dates of transactions and the profit/losses are included in the statement of profit or loss of the related period.

## **SECTION THREE (Continued)**

### **ACCOUNTING POLICIES (Continued)**

#### **IV. Explanations on Associates and Subsidiaries:**

Associates and subsidiaries are accounted at cost in the unconsolidated financial statements and if any, provisions for impairment losses are deducted in accordance with TAS 27 Turkish Accounting Standard for Individual Financial Statements.

#### **V. Explanations on Futures, Options Contracts and Derivative Instruments:**

Derivative transactions of the Bank mainly consist of forward foreign currency purchase and sale and currency swap transactions. The Bank has no derivative instruments that can be separated from the host contract.

Derivative instruments are classified as “Derivative Financial Assets at Fair Value Through Profit or Loss” or “Derivative Financial Assets at Fair Value Through Other Comprehensive Income” within the scope of TFRS 9 Financial Instruments. Derivative financial instruments are recorded with the fair value at the date of agreement and revalued at fair value in the following reporting periods. Depending on whether the valuation difference is negative or positive, these differences are shown in the relevant accounts in the balance sheet. Receivables and liabilities arising from derivative transactions are recorded in off-balance sheet accounts over their contract amounts. Differences in the fair value of derivative transactions at fair value through profit or loss are accounted for under profit/loss from derivative financial transactions in the trading profit/loss item in statement of profit or loss.

#### **VI. Explanations on Interest Income and Expenses:**

Interests are recorded according to the effective interest rate method (rate equal to the rate in calculation of present value of future cash flows of financial assets or liabilities).

If a financial asset possesses on uncollected interest accrual before its acquisition by the Bank, interest collected afterwards is separated into periods such as before its acquisition and after acquisition, and only the part of after acquisition is recognized as interest income on the statement of profit or loss.

The Bank does not cancel the interest accruals and rediscounts of loans and other receivables that have become non-performing loans within the framework of the effectuated in 1 January 2018 “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette dated 22 June 2016 and numbered 29750 and monitors said amounts in interest income. Within the scope of TFRS 9 methodology, the expected credit loss is calculated based on the interest accruals and rediscounts added amounts.

#### **VII. Explanations on Fees and Commission Income and Expenses:**

Fees and commissions received from cash loans, that are not attributable to interest rates applied, and fees for banking services are recorded as income in accordance with TFRS 15 “Revenue from Contracts with Customers” on the date of collection. Fees and commissions paid for the funds borrowed, which are not attributable to interest rates of the funds borrowed, are recorded as expense on the date of the payment. All other commission and fee income and expenses are recorded on an accrual basis. Earnings in return of agreements or as a result of services provided for real or legal third parties for purchase or sale of assets are recorded as income when collected.

#### **VIII. Explanations on Financial Assets:**

Financial assets mainly constitute the Bank’s commercial activities and operations. These instruments have the ability to expose, affect and diminish the liquidity, credit and interest rate risks in the financial statements.

The Bank adds its financial assets to the financial statements in accordance with the provisions of the “Importing and Excluding the Financial Statements” section of the TFRS 9 Standard and subtracts them from the financial statements.

## SECTION THREE (Continued)

### ACCOUNTING POLICIES (Continued)

#### VIII. Explanations on Financial Assets (Continued):

Financial assets are included in the statement of financial status when they become a party to the terms of the contract related to the financial asset and measured at fair value for the first time (excluding trade receivables under TFRS 15 Revenue from Contracts with Customers). In accordance with the classification provisions of the TFRS 9 Financial Instruments Standard, on the basis of the following matters financial assets are measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss by:

- The business model used by the entity for the management of financial assets,
- Properties of contractual cash flows of a financial asset.

Business Model Test and Cash Flow Characteristics Test are performed to determine the classification of financial assets. Purchase and sale transactions of these financial assets are accounted according to their “delivery date”. The classification of financial assets is decided on the date of their acquisition, taking into account “Testing of Contractual Cash Flows Only Interest and Principal and Evaluation of Business Model”. When the business model used for the management of financial assets is changed, all financial assets affected by this change are reclassified

#### ***Financial Assets Measured at Fair Value through Profit and Loss:***

Financial assets whose fair value differences are reflected in profit / loss are mainly for short-term securities acquired for the purpose of being sold or bought back in the near future.

Financial assets whose fair value difference is reflected in profit / loss are reflected to the balance sheet at their cost values and are subject to valuation at fair value following their recording. Fair values are determined by using the weighted average clearing prices on BIST as of the balance sheet date for securities traded on Borsa Istanbul (BIST) and investor valuation and price reports for non-traded securities.

Gains or losses resulting from the valuation of financial assets whose fair value difference is reflected in profit / loss are reflected in profit / loss accounts. The positive difference between the acquisition cost and discounted value during the holding of financial assets for trading purposes is recorded in “Interest Income”, if the fair value of the asset is above its discounted value, the positive difference is recorded in the “Capital Market Transactions Profits” account and if it is below, the negative difference is recorded in the “Capital Market Transactions Losses” account.

#### ***Financial Assets Measured at Fair Value Through Other Comprehensive Income:***

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

Financial assets measured at fair value through other comprehensive income are initially recognized at cost including the transaction costs. After initial recognition, valuation of the financial assets at fair value through other comprehensive income is based on fair value. For securities traded on Borsa Istanbul (BIST), fair values are found by using the weighted average settlement prices in BIST at the balance sheet date.

In the case a price does not occur in an active market, it is accepted that fair value cannot be reliably determined and amortised cost which is calculated by using the effective interest rate method is accepted as the fair value. The difference between the cost and fair value is accounted as interest income accrual or impairment loss. Interest income for financial assets measured at fair value through other comprehensive income with fixed or floating interest rate shows the difference between cost and amortised cost calculated by using the effective interest rate method and accounted for as interest income from marketable securities.

## SECTION THREE (Continued)

### ACCOUNTING POLICIES (Continued)

#### VIII. Explanations on Financial Assets (Continued):

##### ***Financial Assets Measured at Fair Value Through Other Comprehensive Income(Continued):***

Unrealized gains and losses arising from changes in fair value of the financial assets measured at fair value through other comprehensive income and which are denoting the difference between fair value and amortised cost of financial assets, are recognized in the “Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss” and amounts accounted for under equity are reflected to statement of profit or loss when financial assets are sold.

In the event that the financial assets reflected to other comprehensive income are disposed of in the case of the real value difference, the value increases/decreases pursued in the equity values value increase fund account are reflected in the statement of profit or loss.

##### ***Equity Instruments Measured at Fair Value Through Other Comprehensive Income***

During the first registration an irreversible preference can be made about reflecting the changes in the fair value of the investment in an equity instrument within the scope of TFRS 9, which are not held for commercial purposes or that are not contingent on the financial statements of the acquirer in a business combination where the TFRS 3 Business Combinations standard is applied in the other comprehensive income. The choice in question is made separately for each financial instrument.

The relevant fair value differences recognized in the other comprehensive income statement are not transferred to profit or loss in the following periods but are transferred to previous periods' profit / loss. Dividends from such investments are included in the financial statements as profit or loss unless they are explicitly a part of the investment cost recovery. TFRS 9 impairment provisions are not valid for equity investments.

Equity securities representing a share in the capital, which are classified as financial assets at fair value through other comprehensive income, are accounted with their fair values if they are traded in organized markets, and/or their fair value can be determined reliably. However, the cost may be an appropriate estimation method for determining fair value in some exceptional circumstances. This may be the case if there is not enough recent information on fair value measurement or if fair value can be measured by more than one method and the cost best reflects the fair value estimation among these methods.

##### ***Financial Investments Measured at Amortised Cost and Loans:***

###### *Financial Investments Measured at Amortised Cost*

If the financial asset is held within a business model whose objective is to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, the financial asset is classified as a financial asset measured at amortised cost.

Financial assets measured at amortised cost are initially recognised at amortised cost using the effective interest method, less provision for impairment, if any, or interest income rediscoun. Interest earned on financial assets measured at amortised cost is recognised as interest income.

The Bank's securities portfolio includes consumer price (CPI) indexed bonds, which are classified as financial assets whose fair value difference is reflected in other comprehensive income and financial assets measured by their amortized cost. As stated in the CPI-Indexed Bonds Investor Guide of the Ministry of Treasury and Finance of the Republic of Türkiye, the reference indices used in the calculation of the actual coupon collection amounts of these securities are formed according to the CPI of two months ago. The valuation of these securities is carried out according to the effective interest method within the framework of the reference index formula specified in this guideline.

## **SECTION THREE (Continued)**

### **ACCOUNTING POLICIES (Continued)**

#### **VIII. Explanations on Financial Assets (Continued):**

##### ***Financial Investments Measured at Amortised Cost and Loans(Continued):***

###### ***Loans***

Loans represent unquoted financial assets in an active market that provide money, goods or services to the debtor with fixed or determinable payments.

Loans are initially recognized with cost and carried at amortised cost calculated using the effective interest rate method at the subsequent periods. Transaction fees, dues and other expenses paid for loan guarantees are considered as a part of the transaction cost and reflected to the customers.

Cash loans granted by the Bank consist of investment and working capital loans and loans given through banks and leasing companies (APEX method).

Foreign currency indexed loans are converted into Turkish Lira with the exchange rate on the opening date and followed in Turkish Currency accounts. Repayments are calculated by using the exchange rates at the repayment dates and exchange differences are recognized under the foreign currency income and expense accounts.

The Bank management monitors the loan portfolio at regular intervals and in case of doubts regarding the uncollectibility of the loans extended, the loans that are considered to have become problematic are classified in accordance with the principles set out in the ‘Regulation on Procedures and Principles Regarding the Classification of Loans and Provisions to be set aside (Provisions Regulation)’ published in the Official Gazette dated 22 June 2016 and numbered 29750 and last amended by the regulation published in the Official Gazette dated 18 October 2018 and numbered 30569 and within the framework of TFRS 9.

With the Law No. 7147 dated 24 October 2018 on Türkiye Kalkınma ve Yatırım Bankası A.Ş., it was decided that the first paragraph of Article 53 of the Banking Law No. 5411 shall not be applied to the Bank and the procedures and principles regarding the classification, monitoring, follow-up, provision ratios and collaterals of loans shall be determined by the Board of Directors of the Bank. In this context, the Bank has decided to perform the classification and provisioning of loans in accordance with TFRS 9 Standard and Provisions Regulation.

###### ***Cash and Cash Equivalents:***

Cash and cash equivalents are cash on hand, demand deposits and other highly liquid short-term investments with maturity of 3 months or less following the date of purchase, which is readily convertible to a known amount of cash and does not bear the risk of significant amount of value change. The carrying amounts of these assets represent their fair values.

#### **IX. Explanations on Impairment of Financial Assets:**

As of 1 January 2019, the Bank recognizes provisions for impairment in accordance with TFRS 9 requirements according to the “Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Set Aside”. In this framework, the method of allocating credit provisions applied within the framework of the relevant legislation of BRSA has been replaced with the expected credit loss model.

Expected credit loss (ECL) model is used for instruments (such as bank deposits, loans and leasing receivables) recorded in other comprehensive income statement over amortized cost or fair value and in addition for financial lease receivables that cannot be measured at fair value through profit / loss, contract assets, credit commitments, and financial guarantee contracts.

The guiding principle of the ECL model is to reflect the general outlook of the increase or improvement in credit risk of financial instruments. The amount of ECLs defined as loss provision or provision depends on the degree of increase in credit risk since the loan was first issued.

## **SECTION THREE (Continued)**

### **ACCOUNTING POLICIES (Continued)**

#### **IX. Explanations on Impairment of Financial Assets (Continued):**

Within the scope of TFRS 9 Financial Instruments, three basic factors regarding the measurement of expected credit loss are taken into consideration. These,

- (a) the amount weighted according to the neutrality and probabilities determined by evaluating the possible outcome range,
- (b) time value of money,
- (c) reasonable and supportable information on past events, current conditions and forecasts of future economic conditions that can be obtained without incurring excessive cost or effort as of the reporting date.

Taking into consideration these three factors, the Bank's historical data is modeled, and the expected loss amount is calculated for each loan. Since the expected loss represents the future value, the present value of this amount is calculated with the discounting factor.

In order to reflect the changes in credit risk since the initial recognition of credit risk, the loss provision is updated at each reporting date in which the expected loss calculations are performed.

The Bank assesses whether there has been a significant increase in credit risk in the financial instrument for the first time since it was included in the financial statements. In making this assessment, the Bank uses the change in default risk during the expected life of the financial instrument. To make this assessment, the Bank compares default risk related to the financial instrument as of the reporting date and the default risk related to the financial instrument for the first time in the financial statements and takes into consideration reasonable and supportable information which can be obtained without incurring excessive costs or efforts and is reasonable indication of significant increases in credit risk since its introduction for the first time.

As of 30 June 2024, new rating methodologies and models and new TFRS 9 methodologies and models have started to be used in TFRS 9 expected loss calculations. In these models, customers are segmented as Corporate-SME, Project Finance and Financial Institutions (including Banks).

In the TFRS 9 impairment, a 3-step approach is used in which the credit risk level increases at each stage:

Stage 1: It refers to all accounts that have not shown any deterioration in credit quality since the loan was issued. All accounts defined as having low credit risk will be classified as Stage 1 without periodically checking whether there is a significant increase in credit risk. A 12-month provision calculation is performed for all accounts classified in Stage 1.

Stage 2: Refers to all accounts showing significant deterioration in credit quality since the loan was issued. For all accounts classified in Stage 2, lifetime provision calculations are performed.

Stage 3: Refers to all impaired assets. For all accounts classified in Stage 3, lifetime provision calculations are performed.

Financial assets in Basket 3 might be evaluated individually in the current provision calculations made by the Bank, and final evaluation is made by the Board of Directors together with their justifications. In this context, the Bank has allocated additional provisions for customers whose impacts are considered to be high, by making individual valuations in the calculation of expected credit losses.

TFRS 9 requires a 12-month compensation for all loans in Stage 1, and a lifetime provision for all remaining loans.

## **SECTION THREE (Continued)**

### **ACCOUNTING POLICIES (Continued)**

#### **IX. Explanations on Impairment of Financial Assets (Continued):**

##### **Significant Increase in Credit Risk**

Customers classified under the first group are classified under the second group if they meet the following criteria;

- The maximum number of delay days of the customer is over 30
- Restructuring of a debtor in financial difficulty by granting concessions
- Customer has close monitoring criteria
- Criteria for significant increase in credit risk: For customers rated with the Corporate-SME Rating Model, the criterion of significant increase in credit risk is met if the deterioration between the rating obtained on the basis of the latest financial balance sheet and the rating obtained one year ago is more than 4 degrees and the current rating is a rating equivalent to Group C ratings (9, 10, 11 ratings) or the current rating is calculated as 11, which is the worst rating class. If the customer's rating from a year ago is not available, the first rating within 1 year is taken into account instead. Customers are periodically evaluated (at least once a year) and their ratings are updated in order to evaluate the criterion of significant increase in credit risk. The evaluation period is shortened for the borrowers for whom a significant deterioration signal is received in credit risk during the year.

For the customers in the Project Finance portfolio and rated with the Project Finance Rating model, if the current rating is in the worst class (8 - Weak), the criterion of significant increase in credit risk is fulfilled. If the customer does not have a rating from one year ago, the first rating within one year is taken into consideration instead.

Customers are periodically evaluated (at least once a year) and their ratings are updated in order to evaluate the criterion of significant increase in credit risk. The evaluation period is shortened for the borrowers for whom a significant deterioration signal is received in credit risk during the year.

Classification criterias under Stage 2 work for all Bank customers, in addition, in case of negative market intelligence, classification can be made under Stage 2. The classification rules determined within the scope of TFRS 9 work for all portfolios.

##### **Definition of Default**

When defining the default for the purpose of determining the default risk according to TFRS 9, the entity uses a default definition consistent with the definition used for the credit risk management purposes of the related financial instrument and, if appropriate, takes into account qualitative indicators (e.g. financial commitments). However, unless the entity has reasonable and supportable information that reveals that default will occur when there is a longer delay, there is an otherwise demonstrable pre-acceptance that the default will not occur after the financial instrument expires after 90 days. The definition of default used for these purposes is applied consistently to all financial instruments unless information that proves that another definition of default is more appropriate for a particular financial instrument is available. According to the article, the definition of default is used within the scope of modeling.

The definition of default used in the Bank is as follows:

- Customers with more than 90 days of delay (The number of customer delay days represents the highest number of delay days of the customer's existing loans on the relevant reporting date.)
- Compensation of the letter of guarantee received by the Bank for collateral
- The Bank is of the opinion that the debtor will not be able to pay its debts to the Bank in full without recourse to collateral.

## **SECTION THREE (Continued)**

### **ACCOUNTING POLICIES (Continued)**

#### **IX. Explanations on Impairment of Financial Assets (Continued):**

##### **12 Month Expected Loss**

12-month loan loss corresponds to a part of the expected loan loss that may arise from the possible default status of the loan within 12 months of the reporting date.

##### **Lifetime Expected Loss**

Lifetime losses arise from all possible default events that may occur during the expected life span of the financial instrument after the reporting date. Life expectancy is related to the maturity of the financial instrument.

One of the risk parameters to be used in calculating the provision amounts to be set as per TFRS 9 is the Probability of Default (PD) information. Probability of Default refers to the possibility of a live loan falling into default. PD calculation is carried out by considering past data, current conditions and prospective macroeconomic expectations.

In the Bank's new models, qualitative and quantitative scores are taken into account when evaluating the Corporate-SME and Project Finance segments. After the qualitative and quantitative scores of the company are determined, the mentioned points are weighted according to the company scale and the company's rating score is calculated.

In the new methodology, the Financial Institutions (including receivables from banks) portfolio is evaluated with the ratings of internationally recognized rating agencies. If there is no rating assigned by a rating agency, then the rating of the country where the financial institution is located is taken into account.

As of 30 June 2024, in the new macro models applied, Vasicek's approach based on a single-factor explanatory model was used for both portfolios in order to calculate default probabilities including forward-looking macro impact for the Corporate-SME portfolio and the Financial Institutions portfolio. The systemic risk factor to be used for this approach is the GDP growth rate, which is considered to be one of the most comprehensive macroeconomic indicators and is widely used in the sector for the systemic risk factor. This systemic risk factor is reviewed and revised on an annual basis.

In order to obtain default probabilities for the Project Finance portfolio, it has been decided to use the Expected Loss (EL) values that will be used for specialized loans in accordance with paragraph 37 of the BRSA Communiqué on Calculation of the Amount Subject to Credit Risk with Internal Ratings Based Approaches (BRSA Communiqué on Calculation of the Amount Subject to Credit Risk with Internal Ratings Based Approaches) also within the scope of TFRS and default probabilities to be applied according to rating groups have been obtained over these values.

In addition to the baseline scenario value, positive and negative scenarios are taken into account and the future period forecasts for each rating group are realized with an approach based on the correlation of the portfolio default rate with a key macro variable.

## SECTION THREE (Continued)

### ACCOUNTING POLICIES (Continued)

#### X. Explanations on Offsetting of Financial Assets and Liabilities:

Financial assets and liabilities are offset on balance sheet when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

#### XI. Explanations on Sales and Repurchase Agreements and Lending of Securities:

Securities sold in repurchase agreements (repo) are followed in the balance sheet accounts in line with Uniform Chart of Accounts. Accordingly, the government bonds and treasury bills sold to the clients in the context of repurchase agreements are classified as "Subject to Repurchase Agreements" and are valued at fair values or at discounted values using effective interest rate method according to the holding purposes in the Bank portfolio. Funds gained by repurchase agreements are shown separately in the liability accounts and interest expense accrual is calculated for these funds.

Securities that were purchased to resell commitment (reverse repurchase agreements) are shown as a line item under "Money Market Placements" line. For the difference between the purchase of securities and resale prices of the reverse repo agreements for the period; income accrual is calculated using the effective interest rate method. There are no marketable securities lending transactions.

#### XII. Explanations on Fixed Assets Held for Sale and Discontinued Operations and Related Liabilities:

Non-current assets held for sale and non-current assets related to discontinued operations and related liabilities are recognized in the financial statements in accordance with the provisions of TFRS 5 "Standard for Fixed Assets Held for Sale and Discontinued Operations". Assets that are classified as held for sale (or the disposal group) are measured at the lower of its carrying amount and fair value less costs to sell. In order to classify a tangible fixed asset as held for sale, the asset (or the disposal group) should be available for an immediate sale in its present condition subject to the terms of any regular sales of such assets (or such disposal groups) and the sale should be highly probable. For a highly probable sale, the appropriate level of management must be committed to a plan to sell the asset (or the disposal group), and an active program to complete the plan should be initiated to locate a customer.

Also, the asset should have an active market sale value, which is a reasonable value in relation to its current fair value. Events or circumstances may extend the completion of the sale more than one year. Such assets (or the disposal group) are still classified as held for sale if there is sufficient evidence that the delay in the sale process is due to the events and circumstances occurred beyond the control of the entity or the entity remains committed to its plan to sell the assets. The Bank has no assets classified as held for sale.

A discontinued operation is a component that either has been disposed of or is classified as held for sale. Gains or losses relating to discontinued operations are presented separately in the statement of profit or loss. The Bank has no discontinued operations.

### **SECTION THREE (Continued)**

#### **ACCOUNTING POLICIES (Continued)**

##### **XIII. Explanations on Goodwill and Other Intangible Assets:**

As at the balance sheet date, there is no goodwill recorded in the unconsolidated balance sheet of the Bank.

Intangible fixed assets first are carried at cost which includes acquisition costs and other direct costs bared necessary for the assets to become ready for use. Subsequent to recognition, intangible assets are presented in financial statements at cost less any accumulated amortization and accumulated impairment losses, if any.

Amortization is charged on a straight-line basis over their estimated useful lives which is 33,33% or 6,67%. Useful life of other intangible assets are determined by the consideration of items like expected usage period of the asset, technical, technological or other kind of obsolesce and maintenance costs incurred to obtain economic benefit from the assets.

Expenses related to existing computer software and computer software improvement that enhance original content and useful life, are capitalized over the software. Those capitalized expenses are amortised over the remaining useful life of the related assets using the “straight line method”.

##### **XIV. Explanations on Tangible Fixed Assets:**

Tangible fixed assets are carried at cost which includes acquisition costs and other direct costs bared necessary for the assets to become ready for use, and if results of appraisal reports exceed the costs, they are not subject to any revaluation. Subsequent to recognition, tangible fixed assets are presented in financial statements at cost less any accumulated depreciation and accumulated impairment losses, if any.

Gain or loss arising from the disposal or retirement of an item of tangible fixed assets is determined as the difference between the sales proceeds and the carrying amount of that asset and is recognized in profit or loss.

Ordinary maintenance and repair expenses of tangible fixed assets items are recognized as expenses. Investment expenditures that increase the future benefit by enhancing the capacity of tangible assets are capitalized. Investment expenditures include cost items that extend the useful life of the asset, increase the servicing capabilities of the asset, improve the quality of goods or services produced or reduces the costs. There is no pledge, mortgage and other restriction on the tangible fixed assets or given for the purchase commitments or any restrictions on the rights for the use of these.

Tangible fixed assets are amortised by using the straight-line method over their estimated useful lives. Estimated depreciation rates of tangible fixed assets are as follows.

	<u>Estimated Useful Life (Years)</u>	<u>Depreciation Rate (%)</u>
Building	50	2
Safes (vaults)	50	2
Vehicles	5	20
Other Tangible Assets	3-15	6,66-33,33

There is no change in economic depreciation estimations that has material effect in the current period or that is expected to have effect in the subsequent periods.

## **SECTION THREE (Continued)**

### **ACCOUNTING POLICIES (Continued)**

#### **XV. Explanations on Leasing Transactions:**

The “TFRS 16 Leases” Standard was published in the Official Gazette dated 16 April 2018 and numbered 29826 to be applied as of 1 January 2019.

##### **The Bank as a Lessee**

The “TFRS 16 Leases” Standard removes financial lease and operational lease distinction for lessees and introduces a single accounting model for all leasing transactions. According to the standard, the lessees reflect a “asset that gives the right to use” and a “lease obligation” to the financial statements at the date when the lease begins. The initial cost of the asset that gives the right to use is measured by deducting the lease incentives from the sum of the lease obligation and the initial direct costs incurred by the lessees. The cost method is used for the measurements after the beginning of the lease. In this method, the asset that gives the right to use is measured by deducting the accumulated depreciation and accumulated depreciation provisions from the cost value. The lease obligation is initially measured at the present value of the lease payments to be made during the lease period. In subsequent measurements, the book value of the liability is increased to reflect the interest on the lease obligation and decreased to reflect the lease payments made. TFRS 16 has made exemptions for leases of 12 months or less and leases related to low value assets.

The Bank, which is a lessee in financial leasing transactions, accounts for all lease transactions longer than 12 months as assets and liabilities in the statement of financial position. Depreciation expense related to the leased asset and interest expense in lease payments are reported in the statement of profit or loss. The lease obligation was initially measured at the present value of the lease payments to be made during the lease period using the Bank's TL alternative source cost.

##### **The Bank as a Lessor**

According to the “TFRS 16 Leases” Standard, financial lease and operational lease distinction continues for the lessor. If the lessor transfers the significant risks and benefits arising from ownership of the asset subject to the lease to the lessee, he will classify it as a financial lease. Other leases will be classified as operational leases. The receivables that arise from leasing the assets of the Bank, which are not included in financial lease transactions and which are not used in banking transactions, are followed up in the receivables from the leasing transaction and are accounted on an accrual basis.

## **SECTION THREE (Continued)**

### **ACCOUNTING POLICIES (Continued)**

#### **XVI. Explanations on Provisions and Contingent Liabilities:**

In the financial statements, a provision is made for an existing commitment resulted from past events if it is probable that the commitment will be settled, and a reliable estimate can be made of the amount of the obligation.

Provisions other than the expected credit loss set for loans and other receivables and contingent liabilities are accounted for in accordance with “Turkish Accounting Standard on Provisions, Contingent Liabilities and Contingent Assets” (TAS 37).

For transactions that can affect financial structure, provisions are provided by using the existing data if they are accurate, otherwise by using the estimates.

#### **XVII. Explanations on Employee Benefit Liabilities:**

Obligations for employee benefits are recognized in accordance with the TAS19 “Employee Benefits”.

Under the Turkish legislation as supplemented by union agreements, lump sum payments are made to all employees who retire or whose employment is terminated without due cause. In accordance with the working status of the Bank and the social security institution legislation, the retirement pension is related to the ones related to the Law No: 5434 and the severance payment is calculated to those related to the Law No: 1475.

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate -unless it is negative- applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying financial statements as of 30 September 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Bank arising from the retirement of the employees. The provisions at the respective balance sheet dates are calculated with a discount rate of 1,91% (31 December 2023: 1,91%). The maximum amount of full TL 41.828,42 effective from 1 July 2024 has been taken into consideration in calculation of provision for employment termination benefits (31 December 2023: full TL 35.058,58).

#### **XVIII. Explanations on Taxation:**

##### ***Current Tax***

In the first paragraph of Article 32 of the Law No. 5520 titled “Corporate Tax and Provisional Tax Rate”, regarding the enforcement of Article 21 of the “Law on the Amendment of Additional Motor Vehicles Tax for Compensation of Economic Losses Caused by the Earthquakes Occurring on 6 February 2023 and Amendments to Some Laws and the Decree Law No. 375”, which came into force by being published in the Official Gazette dated 15 July 2023 and numbered 32249, starting from the declarations that must be submitted as of 1 October 2023, corporate income tax rate to be applied to corporate earnings for the 2023 and subsequent taxation periods is 30% for banks, financial leasing, factoring, financing and savings financing companies, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The corporate tax rate is applied to the tax base to be found as a result of adding the non-deductible expenses to the commercial earnings of the companies, the exemption (such as the participation earnings exemption) and the deduction of the deductions in the tax laws. No further tax is paid if the profit is not distributed. Non-resident corporations’ income through a permanent establishment or permanent representative in Türkiye and dividends paid to companies’ resident in Türkiye (dividends) not subject to withholding. Dividend payments made to individuals and institutions other than these are subject to 10% withholding tax. Addition of profit to capital is not considered as profit distribution and withholding tax is not applied.

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XVIII. Explanations on Taxation:**

***Current Tax(Continued)***

Corporations are required to pay advance corporate tax quarterly on their corporate income. Advance tax is declared by the 17th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year.

Despite the offset, if there is temporary prepaid tax remaining, this amount can be refunded in cash or can be offset against other financial debts to the state. According to Real Estate Sales Exemption in the Article 5.1.e. of Corporate Tax Law which is one of the important tax exemptions applied by the Bank, a 50% exemption is applied to the profits arising from the sale of real estate that has been in the assets of institutions for at least two full years (730 days), while exemption rate is 25% for profits arising from sales of real estate that has been in the assets of institutions before 15 July 2023, the date of entry into force of the Law No. 7456; within the scope of this article Corporate Tax exemption will not be applied to real estate acquired after 15 July 2023. 75% of the profits arising from the sale of founder's shares, usufruct shares and preemptive rights held for the same period as the participation shares are exempt from corporate tax. This exemption applies to the period the sale is made and the part of return on sales that benefits from the exemption is held in a special fund in the liabilities account until the end of the fifth year started from the following year sale is made. However, the sales payment must be collected until the end of the second calendar year following the year in which the sale is made. Taxes which are not realized in time due to the exemption that hits uncollected sales payment are considered as tax loss. Taxes which does not accrue on time because the applying exemption for the transfer of the exempted part of revenue to the other accounts with other ways out of capitalizing in five years or withdrawn from company or transferring from limited taxpayer corporations to the headquarters, are considered as tax loss. This is also be applicable in the condition of liquidation of business (Except transfers and divisions that make according to this code).

Moreover, according to 5.1.f. article of Corporation Tax Law; corporations which have been fallen to legal proceedings because of owe to the bank or Savings Deposit Insurance Funds, and their warrantors' real estates, participation stocks, founding bonds, redeemed shares, options to call of mortgagors' revenues that used for against debts or transferring to SDIF, 50% for real estates, and 75% for others are exempted from Corporation tax.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods. In Türkiye, there is no procedure for a final and definitive agreement on tax assessments with tax authorities.

With the "Tax Procedure Law and the Law on Amendments to the Corporate Tax Law" adopted on the agenda of the Grand National Assembly of Türkiye on 20 January 2022, inflation accounting has been decided to be implemented starting from the balance sheet dated 31 December 2023.

Regulations regarding the implementation of Inflation Accounting were determined with the Tax Procedure Law Communiqué No. 555, which entered into force after being published in the Official Gazette No. 32415 dated 30 December 2023. Valuation differences for 2023 will be transferred to equity and will not be associated with the statement of profit or loss. Previous year's profit resulting from inflation correction of the balance sheet at the end of the 2023 accounting period (determined after correction) will not be subject to tax and previous year's losses will not be accepted as loss.

On the other hand, in accordance with Article 17 of Law No. 7491 dated 28 December 2023 and numbered 32413, "Banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies and capital markets, the profit/loss difference resulting from the inflation adjustment made in the 2024 and 2025 accounting periods will not be taken into account in determining the earnings. The President is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including provisional tax periods." With the foresaid provision valuation differences resulting from the inflation adjustment will not affect the tax base.

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XVIII. Explanations on Taxation (Continued):**

***Current Tax (Continued)***

Article 32/C titled “Domestic minimum corporate tax” has been added to the Corporate Tax Law with Article 36 of Law No. 524 and according to the explanations made in Article 13 of the Communiqué Amending the Corporate Tax General Communiqué Serial No. 1 regarding the said provision, the corporate tax calculated on the earnings obtained in 2025 and the following taxation periods will not be less than 10% of the corporate income before deducting deductions and exemptions, taking into account the relevant provisions.

According to Turkish tax legislation, financial losses shown on the declaration can be deducted from the period corporate income for a period not exceeding 5 years. However financial losses can not be offsetted from last year's profits. In Türkiye, there is no practice of reaching an agreement with the tax authority regarding the taxes to be paid.

Corporate tax declarations are submitted to the relevant tax office by the evening of the 30th day of the fourth month following the month in which the accounting period is closed, and the accrued tax is paid by the evening of the 30th day. However, the authorities authorized for tax inspection may examine the accounting records within five years, and if erroneous transactions are detected, the tax amounts to be paid may change.

***Deferred Tax***

In accordance with TAS 12 “Turkish Accounting Standard Relating to Income Tax”, the Bank calculates and recognizes deferred tax for temporary differences between the bases calculated based on the accounting policies used and valuation principles and that calculated under the tax legislation. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. However, deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized as deferred tax liability or asset if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of a deferred tax asset is reviewed on each balance sheet date. Carrying amount of a deferred tax asset can be reduced to the extent that it is no longer probable that enough taxable profit will be available to allow all or part of the asset to be recovered. Deferred tax asset and liability are calculated with the valid tax ratios for the related period. Within the scope of the Law No. 7456 published in the Official Gazette dated 15 July 2023 and numbered 32249, deferred tax calculations were made by taking into account the 30% corporate tax rate to be applied for banks and certain financial institutions.

Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is associated directly with equity. Deferred tax asset and deferred tax liability are presented as net in these financial statements.

The income tax charge is composed of the sum of current tax and deferred tax charges. The current tax liability is calculated over taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible and it further excludes items that are never taxable or deductible.

According to the second paragraph of the Article 53 of the Banking Act No: 5411, all specific reserves for loans and other receivables are considered as deductible expense for determining corporate tax base.

The current tax payable is offset with prepaid tax, if they are associated with. Deferred tax assets and liabilities are also offset. Deferred tax calculation is made within the scope of TFRS 9 for the first and second stage provisions.

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XVIII. Explanations on Taxation (Continued):**

**Transfer Pricing**

Transfer pricing is regulated through Article 13 of Corporate Tax Law titled “Transfer Pricing Through Camouflage of Earnings”. Detailed information for the practice regarding the subject is found in the “General Communiqué Regarding Camouflage of Earnings Through Transfer Pricing”. According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against “arm’s length principle”, the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not subject to deductions in means of corporate tax.

**XIX. Additional Explanations on Borrowings:**

The Bank accounts its debt instruments in the subsequent periods, by using the effective interest rate method. The Bank has no borrowings that require hedging techniques for accounting and valuation of debt instruments and liabilities representing the borrowings.

The Bank continues its financial support that it provided and still providing by acquiring sources from domestic and international markets. Domestic resources are provided from Central Bank of the Republic of Türkiye, international organizations such as, Islamic Development Bank and German Development Bank through the Ministry of Treasury and Finance. In addition to these, the Bank acts as an intermediary for the use of various budget-sourced funds domestically. The loan from this source has been disbursed and no new funds have been transferred from the Ministry of Treasury and Finance. The funds provided are recorded in the Bank's resource accounts on the transfer date. The maturity and interest rates of these funds are determined by the public authority through Investment Incentives Communiqués.

The present foreign funds of the Bank are medium and long term loans from World Bank, European Investment Bank, Council of Europe Development Bank, Islamic Development Bank, International Islamic Trade Finance Corporation, Black Sea Trade and Development Bank, Japan Bank for International Cooperation, Asian Infrastructure Investment Bank, German Development Bank, China Development Bank and the securities issued as allocated to French Development Agency are recorded to related accounts on the date and with the cost of procurement.

The Bank generally prefers providing loans in parallel to the borrowing terms like maturity date, interest rate, interest type and currency type to avoid maturity, exchange rate and liquidity risks.

The Bank has not issued any convertible bonds.

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XX. Explanations on Shares Issued:**

The Bank's issued capital was increased from TL 2.500.000 to TL 5.500.000 on 30 April 2024 by issuing shares with a nominal value of TL 3.000.000 in the current period.

**XXI. Explanations on Bill Guarantees and Acceptances:**

Commitments regarding bill guarantees and acceptances of the Bank are presented in the "Off Balance Sheet" commitments. In the current and previous period, the Bank has no bills and acceptances.

**XXII. Explanations on Government Incentives:**

There are no government incentives utilized by the Bank in the current and prior period.

**XXIII. Earnings Per Share (EPS):**

Earnings per share disclosed in the statement of profit or loss are determined by dividing net profit/loss by the weighted average number of shares in issue during the year concerned.

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (30.09.2023)</b>
Net Period Profit	4.355.058	2.910.620
Weighted Average Number of Issued Ordinary Shares (Thousand)	417.518.248	250.000.000
<b>Earnings Per Share (Full TL)</b>	<b>0,01043</b>	<b>0,01164</b>

In Türkiye, companies can increase their share capital by making a pro-rata distribution of "bonus shares" to existing shareholders from retained earnings. For the purpose of earnings per share computations, such "bonus share" distributions are treated as issued shares. Accordingly, the weighted average number of shares used in these calculations is calculated by taking into consideration the retrospective effects of such share distributions. In the event that the number of issued shares increases after the balance sheet date due to the distribution of bonus shares before the date of preparation of the financial statements, earnings per share is calculated by taking into account the total number of new shares.

**XXIV. Related Parties**

For the purpose of these financial statements, shareholders, senior executives and Board members, their families and companies controlled or affiliated by them, as well as subsidiaries and joint ventures subject to joint management have been accepted as related parties within the scope of the TAS 24 Related Party Disclosures Standard. Transactions with related parties are shown in footnote V of Section Five.

**SECTION THREE (Continued)**

**ACCOUNTING POLICIES (Continued)**

**XXV. Explanations on Segment Reporting:**

As part of its mission, the Bank operates mainly in the areas of corporate banking and investment banking. Corporate banking provides financial solutions and banking services to customers with medium and large joint stock company status. Services offered include investment loans, project finance, TL and foreign exchange business loans, letters of credit and letters of guarantee. The Bank generates almost all of its income from domestic markets.

Within the scope of investment banking activities, the Bank's treasury bills, government bond trading, repo transactions, money swaps and forward foreign exchange transactions, capital markets consultancy, financial consultancy, merger and purchase consultancy are performed. Among the investment banking operating income, revenues from Treasury transactions activities are included.

As of 30 September 2024, explanations in line with segment reporting are shown below.

<b>Current Period (30.09.2024)</b>	<b>Investment Banking (Treasury)</b>	<b>Corporate Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
Net interest income/(expense)	9.020.187	(614.124)	(4.334)	8.401.729
Net fees and commissions income/(expense)	(18.591)	143.327	-	124.736
Other income	-	370.809	3.103	373.912
Other expense	(618.990)	(901.757)	(1.204.954)	(2.725.701)
Profit before tax	8.382.606	(1.001.745)	(1.206.185)	6.174.676
Tax provision	-	-	(1.819.618)	(1.819.618)
<b>Net profit/(loss) for the period</b>	<b>8.382.606</b>	<b>(1.001.745)</b>	<b>(3.025.803)</b>	<b>4.355.058</b>
<b>Current Period (30.09.2024)</b>				
Segment assets	55.761.495	97.207.732	626.837	153.596.064
Associates and subsidiaries	-	53.037	-	53.037
<b>Total Assets</b>	<b>55.761.495</b>	<b>97.260.769</b>	<b>626.837</b>	<b>153.649.101</b>
Segment liabilities	6.525.954	126.797.846	2.057.529	135.381.329
Shareholders' equity	-	-	18.267.772	18.267.772
<b>Total Liabilities</b>	<b>6.525.954</b>	<b>126.797.846</b>	<b>20.325.301</b>	<b>153.649.101</b>

<b>Prior Period (30.09.2023)</b>	<b>Investment Banking (Treasury)</b>	<b>Corporate Banking</b>	<b>Other</b>	<b>Total Operations of the Bank</b>
Net interest income/(expense)	4.943.234	15.201	(2.208)	4.956.227
Net fees and commissions income/(expense)	(18.320)	79.037	9.844	70.561
Other income	1.955.663	204.893	17.904	2.178.460
Other expense	-	(2.404.942)	(725.944)	(3.130.886)
Profit before tax	6.880.577	(2.105.811)	(700.404)	4.074.362
Tax provision	-	-	(1.163.742)	(1.163.742)
<b>Net profit/(loss) for the period</b>	<b>6.880.577</b>	<b>(2.105.811)</b>	<b>(1.864.146)</b>	<b>2.910.620</b>
<b>Prior Period (31.12.2023)</b>				
Segment assets	50.848.753	83.531.920	439.469	134.820.142
Associates and subsidiaries	-	27.332	-	27.332
<b>Total Assets</b>	<b>50.848.753</b>	<b>83.559.252</b>	<b>439.469</b>	<b>134.847.474</b>
Segment liabilities	6.038.036	116.163.142	1.763.811	123.964.989
Shareholders' equity	-	-	10.882.485	10.882.485
<b>Total Liabilities</b>	<b>6.038.036</b>	<b>116.163.142</b>	<b>12.646.296</b>	<b>134.847.474</b>

## **SECTION FOUR**

### **INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT**

#### **I. Explanations Related to Equity:**

Equity amount and capital adequacy standard ratio are calculated within the framework of “Regulation Regarding Equities of Banks” and “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy”.

The Bank’s equity amount as of 30 September 2024 is TL 28.325.972 (31 December 2023: TL 19.763.573) and its capital adequacy ratio is 20,34% (31 December 2023: 16,86%). The capital adequacy ratio of the Bank is above the minimum ratio determined by the relevant legislation.

#### **Information on Equity Items:**

<b>Current Period (30.09.2024)</b>	<b>Amount</b>
<b>Common Equity Tier I Capital</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	5.706.074
Share Premium	5.421
Reserves	8.012.543
Other Comprehensive Income according to TAS	257.950
Profit	4.355.058
Net profit for the period	4.355.058
Retained Earnings	-
Bonus Shares from Associates, Affiliates and Joint-Ventures not Accounted in Current Period's Profit	10.931
<b>Common Equity Tier I Capital Before Deductions</b>	<b>18.347.977</b>
<b>Deductions from Common Equity Tier I Capital</b>	
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	52.267
Leasehold Improvements on Operational Leases (-)	276
Goodwill Netted with Deferred Tax Liabilities	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	47.182
The remaining portion of the deferred tax asset based on taxable income to be obtained in future periods, excluding deferred tax assets based on temporary differences, after offsetting it with the relevant deferred tax liability	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-
Credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations Related to Equity (Continued)**

**Information on Equity Items (Continued):**

Securitization gains	-
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-
Net amount of defined benefit plans	-
Direct and Indirect Investments of the Bank on its own Tier I Capital	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital	-
Mortgage Servicing Rights not deducted	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences	407.535
Other items to be Defined by the BRSA	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals	-
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>507.260</b>
<b>Total Common Equity Tier I Capital</b>	<b>17.840.717</b>
<b>ADDITIONAL TIER 1 CAPITAL</b>	-
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	7.223.715
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-
<b>Additional Tier 1 Capital Before Deductions</b>	<b>7.223.715</b>
<b>Deductions From Additional Tier 1 Capital</b>	-
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital	-
Investments of Bank to banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-

**SECTION FOUR (Continued)****INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanations Related to Equity (Continued)****Information on Equity Items (Continued):**

Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-
Other items to be defined by the BRSA	-
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>	-
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-
<b>Total Deductions from Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	<b>7.223.715</b>
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>25.064.432</b>
<b>TIER II CAPITAL</b>	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	2.141.677
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	1.119.863
<b>Total Deductions from Tier II Capital</b>	<b>3.261.540</b>
<b>Deductions from Tier II Capital</b>	-
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-
Total of Net Long Positions of the Investments in Equity Items of Non-Consolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital	-
Other items to be defined by the BRSA (-)	-
<b>Total Deductions from Tier II Capital</b>	<b>-</b>
<b>Total Tier II Capital</b>	<b>3.261.540</b>
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>28.325.972</b>
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	
Loans Granted against the Articles 50 and 51 of the Banking Law	-
Net Book Values of Movables and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-
Other items to be Defined by the BRSA	-

**SECTION FOUR (Continued)****INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanations Related to Equity (Continued)****Information on Equity Items (Continued):**

<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	-
<b>CAPITAL</b>	
Total Capital ( Total of Tier I Capital and Tier II Capital )	28.325.972
Total Risk Weighted Assets	139.286.253
<b>CAPITAL ADEQUACY RATIOS</b>	
CET1 Capital Ratio (%)	12,81
Tier I Capital Ratio (%)	18,00
Capital Adequacy Ratio (%)	20,34
<b>BUFFERS</b>	
Bank-specific total CET1 Capital Ratio	2,5
Capital Conservation Buffer Ratio (%)	2,5
Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	-
Systemic significant bank buffer ratio (%)	-
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	-
<b>Amounts Lower Than Excesses as per Deduction Rules</b>	-
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-

## SECTION FOUR (Continued)

### INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### I. Explanations Related to Equity (Continued)

##### Information on Equity Items (Continued):

Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	-
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per ten thousand)	1.119.863
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	1.119.863
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	483.712
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-
<b>Debt Instruments Covered by Temporary Article 4</b>	-
<b>(effective between 1.1.2018-1.1.2022)</b>	-
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations Related to Equity (Continued)**

**Information on Equity Items (Continued):**

<b>Prior Period (31.12.2023)</b>	<b>Amount</b>
<b>Common Equity Tier I Capital</b>	
Paid-in Capital to be Entitled for Compensation after All Creditors	2.706.074
Share Premium	4.038
Reserves	3.969.168
Other Comprehensive Income according to TAS	208.244
Profit	4.043.375
Net profit for the period	4.043.375
Retained Earnings	-
Bonus Shares from Associates, Affiliates and Joint-Ventures not Accounted in Current Period's Profit	10.931
<b>Common Equity Tier I Capital Before Deductions</b>	<b>10.941.830</b>
<b>Deductions from Common Equity Tier I Capital</b>	
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS	1.240
Leasehold Improvements on Operational Leases	995
Goodwill Netted with Deferred Tax Liabilities	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	32.252
The remaining portion of the deferred tax asset based on taxable income to be obtained in future periods, excluding deferred tax assets based on temporary differences, after offsetting it with the relevant deferred tax liability	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-
Securitization gains	-
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-
Net amount of defined benefit plans	-

**SECTION FOUR (Continued)****INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanations Related to Equity (Continued)****Information on Equity Items (Continued):**

Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-
Mortgage Servicing Rights not deducted (-)	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	322.823
Other items to be Defined by the BRSA (-)	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-
<b>Total Deductions From Common Equity Tier I Capital</b>	<b>357.310</b>
<b>Total Common Equity Tier I Capital</b>	<b>10.584.520</b>
<b>ADDITIONAL TIER 1 CAPITAL</b>	-
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	6.384.375
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-
<b>Additional Tier 1 Capital Before Deductions</b>	<b>6.384.375</b>
<b>Deductions From Additional Tier 1 Capital</b>	-
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-
Investments of Bank to banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations Related to Equity (Continued)**

**Information on Equity Items (Continued):**

Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-
Other items to be defined by the BRSA	-
<b>Items to be Deducted from Tier I Capital during the Transition Period</b>	-
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-
<b>Total Deductions from Additional Tier I Capital</b>	-
<b>Total Additional Tier I Capital</b>	<b>6.384.375</b>
<b>Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)</b>	<b>16.968.895</b>
<b>TIER II CAPITAL</b>	
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	1.827.616
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	967.062
<b>Total Deductions from Tier II Capital</b>	<b>2.794.678</b>
<b>Deductions from Tier II Capital</b>	-
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-
Total of Net Long Positions of the Investments in Equity Items of Non-Consolidated Banks and Financial Institutions where the Bank owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital and Tier II Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of Tier I Capital (-)	-

**SECTION FOUR (Continued)****INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanations Related to Equity (Continued)****Information on Equity Items (Continued):**

Other items to be defined by the BRSA (-)	-
<b>Total Deductions from Tier II Capital</b>	-
<b>Total Tier II Capital</b>	<b>2.794.678</b>
<b>Total Equity (Total Tier I and Tier II Capital)</b>	<b>19.763.573</b>
<b>Total Tier I Capital and Tier II Capital ( Total Equity)</b>	
Loans Granted against the Articles 50 and 51 of the Banking Law	-
Net Book Values of Movables and Immovable Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-
Other items to be Defined by the BRSA	-
<b>Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period</b>	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	-
<b>Capital</b>	
Total Capital ( Total of Tier I Capital and Tier II Capital )	19.763.573
Total Risk Weighted Assets	117.205.130
<b>CAPITAL ADEQUACY RATIOS</b>	
CET1 Capital Ratio (%)	9,03
Tier I Capital Ratio (%)	14,48
Capital Adequacy Ratio (%)	16,86
<b>BUFFERS</b>	
Bank-specific total CET1 Capital Ratio	2,5
Capital Conservation Buffer Ratio (%)	2,5
Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	-
Systemic significant bank buffer ratio (%)	-

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations Related to Equity (Continued)**

**Information on Equity Items (Continued):**

Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation	-
<b>Amounts Lower Than Excesses as per Deduction Rules</b>	-
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital	-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital	-
Remaining Mortgage Servicing Rights	-
Net Deferred Tax Assets arising from Temporary Differences	-
<b>Limits for Provisions Used in Tier II Capital Calculation</b>	-
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty-five per ten thousand)	967.062
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	967.062
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	386.085
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-
<b>Debt Instruments Covered by Temporary Article 4</b>	-
<b>(effective between 1.1.2018-1.1.2022)</b>	-
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-

**SECTION FOUR (Continued)****INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanations Related to Equity (Continued)****Explanations on the reconciliation of capital items to balance sheet:**

<b>Current Period (30.09.2024)</b>	<b>Balance Sheet Value</b>	<b>Amount of Adjustment</b>	<b>Value at Capital Report</b>
<b>1.Paid-in-Capital</b>	<b>5.500.000</b>	<b>206.074</b>	<b>5.706.074</b>
<b>2.Capital Reserves</b>	<b>211.495</b>	<b>(206.074)</b>	<b>5.421</b>
2.1. Share Premium	5.421	-	5.421
2.2. Share Cancellation Profits	-	-	-
2.3. Other Capital Reserves	206.074	(206.074)	-
<b>3.Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss</b>	<b>(472)</b>	<b>-</b>	<b>(472)</b>
<b>4.Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss</b>	<b>189.148</b>	<b>79.733</b>	<b>268.881</b>
<b>5.Profit Reserves</b>	<b>8.012.543</b>	<b>-</b>	<b>8.012.543</b>
<b>6.Profit or Loss</b>	<b>4.355.058</b>	<b>-</b>	<b>4.355.058</b>
6.1. Prior Periods' Profit or (Loss)	-	-	-
6.2. Current Period Profit or (Loss)	4.355.058	-	4.355.058
Deductions from Common Equity Tier I Capital (-)	-	(506.788)	(506.788)
<b>Common Equity Tier I Capital</b>	<b>18.267.772</b>	<b>(427.055)</b>	<b>17.840.717</b>
Subordinated Loans	-	7.223.715	7.223.715
Deductions from Tier I capital (-)	-	-	-
<b>Tier I Capital</b>	<b>18.267.772</b>	<b>6.796.660</b>	<b>25.064.432</b>
Subordinated Loans	-	2.141.677	2.141.677
General Provisions	-	1.119.863	1.119.863
Deductions from Tier II capital (-)	-	-	-
<b>Tier II Capital</b>	-	<b>3.261.540</b>	<b>3.261.540</b>
Deductions from Total Capital (-)	-	-	-
<b>Total</b>	<b>18.267.772</b>	<b>10.058.200</b>	<b>28.325.972</b>

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations Related to Equity (Continued):**

**Explanations on the reconciliation of capital items to balance sheet (Continued):**

Prior Period (31.12.2023)	Balance Sheet Value	Amount of Adjustment	Value at Capital Report
<b>1. Paid-in-Capital</b>	2.500.000	206.074	2.706.074
<b>2. Capital Reserves</b>	210.112	(206.074)	4.038
2.1. Share Premium	4.038	-	4.038
2.2. Share Cancellation Profits	-	-	-
2.3. Other Capital Reserves	206.074	(206.074)	-
<b>3. Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss</b>	(506)	-	(506)
<b>4. Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss</b>	160.336	58.839	219.175
<b>5. Profit Reserves</b>	3.969.168	-	3.969.168
<b>6. Profit or Loss</b>	4.043.375	-	4.043.375
6.1. Prior Periods' Profit or (Loss)	-	-	-
6.2. Current Period Profit or (Loss)	4.043.375	-	4.043.375
Deductions from Common Equity Tier I Capital (-)	-	(356.804)	(356.804)
<b>Common Equity Tier I Capital</b>	<b>10.882.485</b>	<b>(297.965)</b>	<b>10.584.520</b>
Subordinated Loans	-	6.384.375	6.384.375
Deductions from Tier I capital (-)	-	-	-
<b>Tier I Capital</b>	<b>10.882.485</b>	<b>6.086.410</b>	<b>16.968.895</b>
Subordinated Loans	-	1.827.616	1.827.616
General Provisions	-	967.062	967.062
Deductions from Tier II capital (-)	-	-	-
<b>Tier II Capital</b>	<b>-</b>	<b>2.794.678</b>	<b>2.794.678</b>
Deductions from Total Capital (-)	-	-	-
<b>Total</b>	<b>10.882.485</b>	<b>8.881.088</b>	<b>19.763.573</b>

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations Related to Equity (Continued):**

**Information on borrowing instruments to be included in the equity calculation:**

<b>Current Period (30.09.2024)</b>		
Issuer-Loan supplier		Bank / Republic of Türkiye Ministry of Treasury and Finance
Identifier (CUSIP, ISIN etc.)		-
Governing law (s) of the instrument		BRSA
<b>Regulatory treatment</b>		
Subject to 10% deduction as of 1/1/2015		No
Eligible on unconsolidated and /or consolidated basis		Unconsolidated and Consolidated
Instrument type		Loan
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)		2.142
Nominal value of instrument (TL million)		2.142
Accounting classification of the instrument		Liabilities Subordinated Loan
Original date of issuance		31.12.2018
Maturity structure of the instrument (perpetual/dated)		Perpetual
Starting maturity of the instrument		-
Issuer call subject to prior supervisory (BRSA) approval		Yes
Call option dates, conditioned call dates and call amount		-
Subsequent call dates, if applicable		-
<b>Interest / dividend payments</b>		
Fixed or floating coupon/dividend payments		-
Interest rate and related index value		-
Existence of any dividend payment restriction		-
Fully discretionary, partially discretionary or mandatory		-
Existence of step up or other incentive to redeem		-
Noncumulative or cumulative		-
<b>Convertible into equity shares</b>		
If convertible, conversion trigger(s)		-
If convertible, fully or partially		-
If convertible, conversion rate		-
If convertible, mandatory or optional conversion		-
If convertible, type of instrument convertible into		-
If convertible, issuer of instrument to be converted into		-
<b>Write-down feature</b>		
If bonds can be written down, write down trigger(s)		-
If bond can be written-down, full or partial		-
If bond can be written-down, permanent or temporary		-
If temporary write-down, description of write-up mechanism		-
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)		After borrowings, before the additional capital, same as Tier II Capital
In compliance with article number 7 and 8 of Regulation on Bank Capital		Complies with the requirements of Article 8 of the Regulation on Equity of Banks.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital		Complies with the requirements of Article 8 of the Regulation on Equity of Banks.

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**I. Explanations Related to Equity (Continued):**

**Information on borrowing instruments to be included in the equity calculation (Continued):**

<b>Prior Period (31.12.2023)</b>	
Issuer-Loan supplier	Bank / Republic of Türkiye Ministry of Treasury and Finance
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Loan
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	1.828
Nominal value of instrument (TL million)	1.828
Accounting classification of the instrument	Liabilities Subordinated Loan
Original date of issuance	31.12.2018
Maturity structure of the instrument (perpetual/dated)	Perpetual
Starting maturity of the instrument	-
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	-
Subsequent call dates, if applicable	-
<b>Interest / dividend payments</b>	
Fixed or floating coupon/dividend payments	-
Interest rate and related index value	-
Existence of any dividend payment restriction	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
<b>Convertible into equity shares</b>	
If convertible, conversion trigger(s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, type of instrument convertible into	-
If convertible, issuer of instrument to be converted into	-
<b>Write-down feature</b>	
If bonds can be written down, write down trigger(s)	-
If bond can be written-down, full or partial	-
If bond can be written-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After borrowings, before the additional capital, same as Tier II Capital
In compliance with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 8 of the Regulation on Equity of Banks.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 8 of the Regulation on Equity of Banks.

**SECTION FOUR (Continued)****INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanations Related to Equity (Continued):****Information on borrowing instruments to be included in the equity calculation (Continued):**

<b>Current Period (30.09.2024)</b>	
Issuer-Loan supplier	Bank / TWF
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Loan
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	5.724
Nominal value of instrument (TL million)	5.724
Accounting classification of the instrument	Liabilities Subordinated Loan
Original date of issuance	24.04.2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Starting maturity of the instrument	-
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	25.04.2025 (There is an early payment option after the 5th year)
Subsequent call dates, if applicable	-
<b>Interest / dividend payments</b>	
Fixed or floating coupon/dividend payments	Fixed Interest
Interest rate and related index value	5,02
Existence of any dividend payment restriction	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
<b>Convertible into equity shares</b>	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, type of instrument convertible into	-
If convertible, issuer of instrument to be converted into	-
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Tier I capital adequacy ratio or consolidated Tier I capital adequacy ratio falls below 5.125%
If bond can be written-down, full or partial	Partially or completely
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	Available
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After senior creditors and Tier II Capital
In compliance with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.

**SECTION FOUR (Continued)****INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanations Related to Equity (Continued):****Information on borrowing instruments to be included in the equity calculation (Continued):**

<b>Prior Period (31.12.2023)</b>	
Issuer-Loan supplier	Bank / TWF
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Loan
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	4.884
Nominal value of instrument (TL million)	4.884
Accounting classification of the instrument	Liabilities Subordinated Loan
Original date of issuance	24.04.2019
Maturity structure of the instrument (perpetual/dated)	Perpetual
Starting maturity of the instrument	-
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	25.04.2024 (There is an early payment option after the 5th year)
Subsequent call dates, if applicable	-
<b>Interest / dividend payments</b>	
Fixed or floating coupon/dividend payments	Fixed Interest
Interest rate and related index value	5,08
Existence of any dividend payment restriction	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
<b>Convertible into equity shares</b>	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, type of instrument convertible into	-
If convertible, issuer of instrument to be converted into	-
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Tier I capital adequacy ratio or consolidated Tier I capital adequacy ratio falls below 5.125%
If bond can be written-down, full or partial	Partially or completely
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	Available
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After senior creditors and Tier II Capital
In compliance with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.

**SECTION FOUR (Continued)****INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanations Related to Equity (Continued):****Information on borrowing instruments to be included in the equity calculation (Continued):**

<b>Current Period (30.09.2024)</b>	
Issuer-Loan supplier	Bank / TWF
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Loan
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	1.500 (in 3 tranches)
Nominal value of instrument (TL million)	1.500 (in 3 tranches)
Accounting classification of the instrument	Liabilities Subordinated Loan
Original date of issuance	09.03.2022
Maturity structure of the instrument (perpetual/dated)	Perpetual
Starting maturity of the instrument	-
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	11-12-13 years at the earliest in tranches
Subsequent call dates, if applicable	-
<b>Interest / dividend payments</b>	
Fixed or floating coupon/dividend payments	Variable interest rate
Interest rate and related index value	0% Real interest rate and CPI indexed
Existence of any dividend payment restriction	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
<b>Convertible into equity shares</b>	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, type of instrument convertible into	-
If convertible, issuer of instrument to be converted into	-
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Tier I capital adequacy ratio or consolidated Tier I capital adequacy ratio falls below 5.125%
If bond can be written-down, full or partial	Partially or completely
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	Available
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After senior creditors and Tier II Capital
In compliance with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.

**SECTION FOUR (Continued)****INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)****I. Explanations Related to Equity (Continued):****Information on borrowing instruments to be included in the equity calculation (Continued):**

<b>Prior Period (31.12.2023)</b>	
Issuer-Loan supplier	Bank / TWF
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
<b>Regulatory treatment</b>	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Unconsolidated and Consolidated
Instrument type	Loan
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	1.500 (in 3 tranches)
Nominal value of instrument (TL million)	1.500 (in 3 tranches)
Accounting classification of the instrument	Liabilities Subordinated Loan
Original date of issuance	09.03.2022
Maturity structure of the instrument (perpetual/dated)	Perpetual
Starting maturity of the instrument	-
Issuer call subject to prior supervisory (BRSA) approval	Yes
Call option dates, conditioned call dates and call amount	11-12-13 years at the earliest in tranches
Subsequent call dates, if applicable	-
<b>Interest / dividend payments</b>	
Fixed or floating coupon/dividend payments	Variable interest rate
Interest rate and related index value	0% Real interest rate and CPI indexed
Existence of any dividend payment restriction	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
<b>Convertible into equity shares</b>	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, type of instrument convertible into	-
If convertible, issuer of instrument to be converted into	-
<b>Write-down feature</b>	
If bonds can be written-down, write-down trigger(s)	Tier I capital adequacy ratio or consolidated Tier I capital adequacy ratio falls below 5.125%
If bond can be written-down, full or partial	Partially or completely
If bond can be written-down, permanent or temporary	Temporary
If temporary write-down, description of write-up mechanism	Available
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	After senior creditors and Tier II Capital
In compliance with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.

## **SECTION FOUR (Continued)**

### **INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

#### **II. Explanations Related to Currency Risk:**

The Bank is exposed to currency risk because of inconsistency of the foreign currency denominated asset and liability balances with respect to the transactions made in foreign currencies.

The currency risk management policy of the Bank is defined as keeping the “Foreign Currency Net General Position / Equity Standard” ratio within the legal boundaries with respect to the economic matters, trends in the market and financial position of the Bank. By keeping up with this main goal and with respect to asset and liability management, foreign currency denominated assets are appreciated with the most favorable interest rates in the foreign currency market.

Currency risk is calculated within the scope of the standard method used for legal reporting.

Besides, the exchange rate risk faced by the Bank daily is determined by preparing the foreign currency balance sheet by covering individual positions. Proforma foreign currency balance sheets are used for the measurement of the future exchange rate risks (including foreign currency-indexed assets and liabilities).

The Bank has no hedging derivative instruments for foreign currency denominated borrowings and net foreign currency investments.

A non-speculative foreign exchange position management policy is followed in order to limit the exposure of the currency risk. In this respect, distribution of foreign currency denominated on balance sheet and off-balance sheet items are considered.

In order to reduce the risk of foreign exchange rate fluctuations affecting the financial structure of the Bank, the risk of foreign exchange rate of the Bank is determined based on the Foreign Currency Net General Position / Equity ratio determined by the BRSA. The limit of the ratio has been determined as 10% effective from the decision date, as of the BRSA’s decision dated 9 March 2023 and numbered 10534.

The foreign exchange buying rates of the Bank as of the date of the financial statements and the last five business days prior to that date are as follows:

<b>Date</b>	<b>USD</b>	<b>EURO</b>	<b>100 JPY</b>
30/09/2024	34,1704	38,1581	24,1265
27/09/2024	34,0580	37,9576	23,7885
26/09/2024	34,0879	38,0251	23,6639
25/09/2024	34,1022	38,1638	23,8661
24/09/2024	34,1046	37,9039	23,7895

The simple arithmetic average of the Bank's foreign exchange bid rate for the last thirty days prior to the balance sheet date; USD: TL 33,9629, Euro: TL 37,7468, CHF: TL 40,2157.

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**II. Explanations Related to Currency Risk (Continued):**

**Information on the currency risk of the Bank:**

<b>Current Period (30.09.2024)</b>	<b>EURO</b>	<b>USD</b>	<b>Other FC<sup>(*)</sup></b>	<b>Total</b>
<b>Assets</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	718.322	1.761.222	4.419	2.483.963
Financial assets measured at fair value through profit and loss	249.361	50.788	-	300.149
Money market placements	1.908.647	-	-	1.908.647
Financial assets measured at fair value through other comprehensive income	7.145.433	14.779.285	-	21.924.718
Loans	34.220.896	44.549.989	-	78.770.885
Subsidiaries, associates and jointly controlled entities (joint ventures)	-	-	-	-
Financial assets measured at amortised cost	551.406	-	-	551.406
Derivative financial assets for purchase and sale	-	1.653	-	1.653
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	65.941	155.239	-	221.180
<b>Total assets</b>	<b>44.860.006</b>	<b>61.298.176</b>	<b>4.419</b>	<b>106.162.601</b>
<b>Liabilities</b>				
Interbank deposits	-	-	-	-
Foreign currency deposits	-	-	-	-
Money market borrowings	-	234.986	-	234.986
Funds provided from other financial institutions	30.939.911	57.023.610	-	87.963.521
Securities issued	3.821.718	-	-	3.821.718
Subordinated debt instruments	7.990.525	-	-	7.990.525
Sundry creditors	36.400	117.716	-	154.116
Derivative financial liabilities for purchase and sale	-	4.828	-	4.828
Other liabilities	923.080	3.379.344	-	4.302.424
<b>Total liabilities</b>	<b>43.711.634</b>	<b>60.760.484</b>	<b>-</b>	<b>104.472.118</b>
Net balance sheet position	1.148.372	537.692	4.419	1.690.483
Net off-balance sheet position	(1.146.651)	(462.456)	-	(1.609.107)
Assets on derivative instruments	820.399	5.038.291	-	5.858.690
Liabilities on derivative instruments	(1.967.050)	(5.500.747)	-	(7.467.797)
Non-cash loans	2.434.082	2.416.849	-	4.850.931
<b>Prior Period (31.12.2023)</b>				
<b>Total assets</b>	<b>34.328.349</b>	<b>52.772.408</b>	<b>1.970</b>	<b>87.102.727</b>
<b>Total liabilities</b>	<b>37.054.639</b>	<b>58.241.397</b>	<b>-</b>	<b>95.296.036</b>
Net balance sheet position	(2.726.290)	(5.468.989)	1.970	(8.193.309)
Net off-balance sheet position	3.239.969	4.860.455	-	8.100.424
Assets on derivative instruments	3.239.969	6.794.888	-	10.034.857
Liabilities on derivative instruments	-	(1.934.433)	-	(1.934.433)
Non-cash loans	2.353.770	2.315.646	-	4.669.416

(\*) The foreign currencies presented in the other FC column of assets comprise; 58% GBP, 34% CHF and 8% JPY.

## **SECTION FOUR (Continued)**

### **INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

#### **III. Explanations Related to Interest Rate Risk:**

The interest rate risk indicates the probability of loss that the Bank may incur due to the position of the financial instruments due to movements in the interest rates. Changes in interest rates affect the return on the assets and the cost of the liabilities. Interest rate risk arising from banking accounts, includes re-pricing risk, yield curve risk, base risk and optionality risk.

The interest rates determined by the market actors, especially the central banks, have a decisive role on the economic value of the Bank's balance sheet and on the Bank's income-loss balance. Sudden interest rate shocks in the market causes the gap between the interest rate applied to the Bank's yielding assets and the interest rate paid to the cost-effective liabilities to be opened. The opening of this gap may cause the Bank interest income to be adversely affected by fluctuations in market interest rates and may cause decrease in profitability of the Bank.

The Bank's basic principle in the interest rate risk management policy is to avoid mismatch and provide alignment between loans disbursed with fixed and floating rate and funds provided with fixed and floating rate. Accordingly, interest rate, currency and maturity alignment are respected during the disbursement of loans funded by foreign long-term borrowings, which form the material part of the loan portfolio. Almost the entire loan portfolio is financed by floating rate borrowings, thus interest rate risk from changes in interest rates seems not probable for the loan portfolio because of the correlation provided between the sources and the uses and other loans in the portfolio are financed by the equity of the Bank.

Within the framework of the Bank's basic principle of interest rate risk policy, optimization of portfolio distribution in the management of interest-sensitive assets other than loans is provided by considering possible changes in duration of positions and current interest rate limits; by taking into account alternative return, limits of tolerable loss and risk. In this context, to measure the interest rate risk exposure of the Bank, the effect of days to maturity and profit/loss are analyzed considering the scenarios of possible changes in interest rates for securities portfolio. Alternatives for compensation of probable losses that may arise as a result of fluctuations in interest rates are examined using different markets. Interest rate sensitivity analysis is also made for the positions besides securities portfolio.

There is no interest rate mismatch on loan portfolio as the main principle of interest rate adjustment on the source and disbursement side of the loan portfolio of the Bank. For this reason, the Bank's credit portfolio does not carry any interest rate risk even if it is affected by market volatility. Interest rate-sensitive items on the Bank's balance sheet are limited only to the size of the Financial Assets Measured at Fair Value Through Other Comprehensive Income within the liquid portfolio.

In order to minimize the possibility of unfavorable effects of market interest rate changes on the Bank's financial position, risk limits are used for the management of interest rate risk. These limits are set by Asset-Liability Committee and approved by Board of Directors. The Bank monitors and controls whether interest-sensitive assets are within the determined limits.

In order to minimize the likelihood that the change in market interest rates in the Bank's securities portfolio management will cause adverse effects on the financial structure of the Bank, limits have been set on the adjusted duration of the securities portfolio and the amount of daily loss that may arise from the securities portfolio.

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**III. Explanations Related to Interest Rate Risk (Continued):**

Within the scope of the interest rate limits, the BHFiR early warning limit has been determined with a more cautious approach based on the legal ratio of "Standard Ratio for Interest Rate Risk Arising from Banking Accounts", which is determined as 20% by the BRSA regarding the measurement and evaluation of interest rate risk arising from banking accounts with the standard shock method.

Interest rate sensitivity of assets, liabilities and off-balance sheet items (in terms of time remaining to repricing):

<b>End of the Current Period (30.09.2024)</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye <sup>(1)</sup>	-	-	-	-	-	847	847
Banks <sup>(1)</sup>	12.675.506	-	-	-	-	189.512	12.865.018
Financial assets measured at fair value through profit or loss	-	-	-	-	-	694.712	694.712
Money market placements	8.416.276	-	-	-	-	-	8.416.276
Financial assets measured at fair value through other comprehensive income <sup>(3)</sup>	1.009.084	3.520.125	9.877.965	10.112.225	158.230	8.813	24.686.442
Loans <sup>(2)</sup>	4.439.620	31.241.590	29.297.693	7.253.489	23.748.538	217.063	96.197.993
Financial assets measured at amortised cost	115.015	263.361	2.430.235	1.706.408	5.158.415	-	9.673.434
Other assets <sup>(4)</sup>	128.290	-	-	-	-	986.089	1.114.379
<b>Total Assets<sup>(5)</sup></b>	<b>26.783.791</b>	<b>35.025.076</b>	<b>41.605.893</b>	<b>19.072.122</b>	<b>29.065.183</b>	<b>2.097.036</b>	<b>153.649.101</b>
<b>Liabilities</b>							
Interbank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market borrowings	5.092.469	-	-	-	-	-	5.092.469
Miscellaneous payables	-	-	-	-	-	187.214	187.214
Marketable securities issued	-	-	3.821.718	-	-	-	3.821.718
Funds provided from other financial institutions	17.136.622	18.344.609	36.982.233	6.878.597	27.560.156	-	106.902.217
Other liabilities <sup>(4),(6)</sup>	1.246.325	-	5.848.848	-	5.082.043	25.468.267	37.645.483
<b>Total Liabilities</b>	<b>23.475.416</b>	<b>18.344.609</b>	<b>46.652.799</b>	<b>6.878.597</b>	<b>32.642.199</b>	<b>25.655.481</b>	<b>153.649.101</b>
<b>Long position on balance sheet</b>	<b>3.308.375</b>	<b>16.680.467</b>	<b>-</b>	<b>12.193.525</b>	<b>-</b>	<b>-</b>	<b>32.182.367</b>
<b>Short position on balance sheet</b>	<b>-</b>	<b>-</b>	<b>(5.046.90)</b>	<b>-</b>	<b>(3.577.016)</b>	<b>(23.558.445)</b>	<b>(32.182.367)</b>
<b>Long position on off-balance sheet</b>	<b>9.917</b>	<b>70.134</b>	<b>160.990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>241.041</b>
<b>Short position on off-balance sheet</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Position</b>	<b>3.318.292</b>	<b>16.750.601</b>	<b>(4.885.916)</b>	<b>12.193.525</b>	<b>(3.577.016)</b>	<b>(23.558.445)</b>	<b>241.041</b>

<sup>(1)</sup> Balances without maturity are shown in "Non-interest Bearing" column.

<sup>(2)</sup> Net balance of non-performing loans is shown in "Non-interest Bearing" column.

<sup>(3)</sup> Securities representing share in capital are shown in "Non-interest Bearing" column.

<sup>(4)</sup> Deferred tax asset, shareholders' equity and other non-interest-bearing assets and liabilities are shown in "Non-Interest Bearing" column.

<sup>(5)</sup> The expected credit losses for financial assets and other assets are reflected to the related items.

<sup>(6)</sup> Subordinated loans are presented in "Other Liabilities" line.

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**III. Explanations Related to Interest Rate Risk (Continued):**

Interest rate sensitivity of assets, liabilities and off-balance sheet items (based on days to repricing dates):

<b>End of the Prior Period (31.12.2023)</b>	<b>Up to 1 Month</b>	<b>1–3 Months</b>	<b>3–12 Months</b>	<b>1–5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye <sup>(1)</sup>	-	-	-	-	-	2.560	2.560
Banks <sup>(1)</sup>	4.844.282	-	-	-	-	80.783	4.925.065
Financial assets measured at fair value through profit and loss	-	-	-	-	-	591.455	591.455
Money market placements	17.034.643	-	-	-	-	-	17.034.643
Financial assets measured at fair value through other comprehensive income <sup>(3)</sup>	1.203.398	1.904.250	6.601.145	5.435.363	58.097	18.362	15.220.615
Loans <sup>(2)</sup>	17.718.666	20.026.577	14.619.345	7.899.191	22.154.533	319.302	82.737.614
Financial assets measured at amortised cost	65.857	-	7.346.495	2.431.941	3.774.223	-	13.618.516
Other assets <sup>(4)</sup>	65.716	-	-	-	-	651.290	717.006
<b>Total Assets <sup>(5)</sup></b>	<b>40.932.562</b>	<b>21.930.827</b>	<b>28.566.985</b>	<b>15.766.495</b>	<b>25.986.853</b>	<b>1.663.752</b>	<b>134.847.474</b>
<b>Liabilities</b>							
Interbank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market borrowings	2.884.276	-	-	-	-	-	2.884.276
Miscellaneous payables	-	-	-	-	-	373.726	373.726
Marketable securities issued	-	-	3.321.427	-	-	-	3.321.427
Funds provided from other financial institutions	7.092.461	28.630.222	33.411.641	7.594.593	24.706.324	-	101.435.241
Other liabilities <sup>(4),(6)</sup>	472.047	-	6.038.208	-	3.712.899	16.609.650	26.832.804
<b>Total Liabilities</b>	<b>10.448.784</b>	<b>28.630.222</b>	<b>42.771.276</b>	<b>7.594.593</b>	<b>28.419.223</b>	<b>16.983.376</b>	<b>134.847.474</b>
Long position on balance sheet	30.483.778	-	-	8.171.902	-	-	38.655.680
Short position on balance sheet	-	(6.699.395)	(14.204.291)	-	(2.432.370)	(15.319.624)	(38.655.680)
Long position on off-balance sheet	-	-	-	-	-	-	-
Short position on off-balance sheet	(33.007)	(37.771)	-	-	-	-	(70.778)
<b>Total Position</b>	<b>30.450.771</b>	<b>(6.737.166)</b>	<b>(14.204.291)</b>	<b>8.171.902</b>	<b>(2.432.370)</b>	<b>(15.319.624)</b>	<b>(70.778)</b>

<sup>(1)</sup> Balances without maturity are shown in “Non-interest Bearing” column.

<sup>(2)</sup> Net balance of non-performing loans is shown in “Non-interest Bearing” column.

<sup>(3)</sup> Securities representing share in capital are shown in “Non-interest Bearing” column.

<sup>(4)</sup> Deferred tax asset, shareholders’ equity and other non-interest bearing assets and liabilities are shown in “Non-interest Bearing” column.

<sup>(5)</sup> The expected credit losses for financial assets and other assets are reflected to the related items.

<sup>(6)</sup> Subordinated loans are presented in “Other Liabilities” line.

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**III. Explanations Related to Interest Rate Risk (Continued):**

**Average interest rates applied to monetary financial instruments (%):**

<b>End of the Current Period (30.09.2024)</b>	<b>EURO</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
<b>Assets (*)</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	3,53	5,05	-	51,71
Financial assets measured at fair value through profit or loss	-	-	-	-
Money market placements	-	-	-	50,94
Financial assets measured at fair value through other comprehensive income	5,10	7,18	-	46,39
Loans	6,60	8,68	-	18,47
Other financial assets measured at amortised cost <sup>(**)</sup>	4,55	-	-	48,15
<b>Liabilities (*)</b>				
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	50,76
Miscellaneous payables	-	-	-	-
Marketable securities issued	7,33	-	-	-
Funds accepted by development and investment banks	1,20	2,14	-	47,16
Funds provided from other financial institutions <sup>(***)</sup>	4,07	6,47	-	22,42

(\*) Ratios shown in the table are calculated by using annual interest rates.

(\*\*) The majority of the TL portfolio consists of CPI indexed securities.

(\*\*\*) Funds from other financial institutions include subordinated loans.

<b>End of the Prior Period (31.12.2023)</b>	<b>EURO</b>	<b>USD</b>	<b>JPY</b>	<b>TL</b>
<b>Assets (*)</b>				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	4,00	5,60	-	44,16
Financial assets measured at fair value through profit or loss	-	-	-	-
Money market placements	-	-	-	43,48
Financial assets measured at fair value through other comprehensive income	4,55	7,58	-	49,52
Loans	7,19	8,74	-	17,58
Other financial assets measured at amortised cost <sup>(**)</sup>	4,62	7,68	-	50,76
<b>Liabilities (*)</b>				
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	40,57
Miscellaneous payables	-	-	-	-
Marketable securities issued	7,50	-	-	-
Funds accepted by development and investment banks	0,86	4,53	-	43,07
Funds provided from other financial institutions <sup>(***)</sup>	3,86	6,43	-	20,94

(\*) Ratios shown in the table are calculated by using annual interest rates.

(\*\*) The majority of the TL portfolio consists of CPI indexed securities.

(\*\*\*) Funds from other financial institutions include subordinated loans.

## **SECTION FOUR (Continued)**

### **INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

#### **IV. Explanations Related to Position Risk of Equity Securities:**

None.

#### **V. Explanations Related to Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio:**

##### **1. Explanations related to liquidity risk management**

The Bank's liquidity management is managed by Treasury Department in coordination with related departments and the strategies constituted by Asset Liability Committee as part of "Risk Management Strategies, Policies and Application Principles" that is approved by the Board of Directors. The liquidity risk management as per the implementation principles are stated as follows:

Liquidity risk refers to the probability that the Bank will incur the consequential loss that it cannot anticipate or face unforeseeable, all cash flow requirements without affecting the day-to-day operations or financial structure.

Liquidity risk also represents the possibility of loss due to Bank's inability of settling with market prices since the lack of depth and excessive fluctuations in the market.

The main policy of Liquidity Risk Management in the Bank is to provide quality asset structure in which any liabilities can be fulfilled. Since the Bank is specialized, its liquidity need is more predictable as compared to commercial banks and ensures cash flows provided for its liabilities more regularly.

The type, maturity structure and compliance of interest rates of assets and liabilities in the balance sheet, is assured within the framework of the Asset Liability Committee's decisions. The Bank keeps liquidity ratios within risk limits as set out in legal legislation and follows regularly.

In order to manage liquidity risk, proforma cash flows are set on the basis of predictable data by evaluating the maturities of asset and liability structure. Proper placement of liquidity excess considering alternative gains and meeting liquidity needs with the most appropriate cost of funding is essential.

Additionally, monthly proforma cash flows and balance sheet durations regarding the fulfilment level of medium- and long-term liabilities are traced in order to determine early factors that generate risk.

Mainly for risk measurement and monitoring activities to determine the level of liquidity risk;

The liquidity risk of the Bank is calculated by using "Liquidity Analysis Forms" in accordance with the format determined by the BRSA and reported to the BRSA on a weekly and daily basis.

Limits on liquidity risk are determined under; the legal limitations set out by the BRSA and the "Liquidity Emergency Plan Directive of the Bank". The Bank's "Liquidity Emergency Plan Directive" came into force with the decision of the Board of Directors dated 21 December 2022 and numbered 2022-20-11/287. Situations that require the implementation of the Liquidity Emergency Plan are followed by indicators derived from bank-specific (internal) and financial market developments. The Liquidity Emergency Plan includes actions to ensure that the Bank fulfills its obligations at its current level and to maintain liquidity at the level required by the Bank or to achieve liquidity at acceptable costs and to provide the necessary liquidity with the objective of protecting the Bank's reputation.

In the liquidity risk management of the Bank, the limitations within the scope of the relevant regulations of the BRSA and the internal risk limits determined within the framework of the Bank's "Risk Management Strategies, Policies and Implementation Principles" and general market conditions are determinants. Therefore, units active in liquidity risk management, especially the Treasury Unit, act within these limitations.

## **SECTION FOUR (Continued)**

### **INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

#### **V. Explanations Related to Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio (Continued):**

##### **1. Explanations related to liquidity risk management (Continued):**

First limitation on legal requirements set by the BRSA is; as per the regulation on “Calculation of Liquidity Coverage Ratio”, minimum limits of 100% and 80% are assigned on consolidated and unconsolidated basis respectively for total and foreign currency limits. On the other hand investment and development banks are exempt from those limitations until BRSA has determined otherwise.

The Bank's internal reporting within the scope of liquidity risk management consists of daily, weekly and monthly reports. Daily balance sheets and duration calculations are followed in daily basis report. On weekly reports, liquidity limits are monitored. Weekly realized liquidity limits determined by Board of Directors is aggregated in monthly risk limits monitoring report. Those reports investigate legal risks and adaption of early warning limits. Also, to monitor liquidity risk in “TKB Riskiness Analysis According to Selected Indicators and Risk Groups” report prepared monthly includes;

- Proforma Cash Flows Statement,
- Proforma Currency Balance Sheet,
- Duration of Balance Sheet Items, -in detail- Marketable Securities (by class of financial instruments),
- Summary of liquidity forms sent to BRSA

With proforma cash flows statement, amount of future liquid assets are shown in different scenarios for one-year period.

Related report is presented to the Board of Directors; the Audit Committee and senior management on a monthly basis. By taking into consideration these reports, the Asset Liability Committee and Audit Committee evaluate the liquidity position of the Bank, and results of liquidity measurement system are included in the decision-making process.

Regarding the liquidity risk, as well as legal limits, internal limits have been determined in accordance with its own internal procedures, mission and risk appetite, as included in the Bank's Risk Appetite Structure, Risk Limits and Implementation Principles. These limits have been determined by the Board of Directors in excess of legal limits, including early warning limits, and are revised annually.

##### **2. Liquidity coverage ratio**

The Bank's liquidity coverage ratios are prepared weekly in accordance with the “Regulation on Calculation of the Liquidity Coverage Ratio of Banks” published in the Official Gazette dated 21 March 2014 and numbered 28948 and reported to the BRSA. Including the reporting period for the last 3 months minimum and maximum levels of unconsolidated foreign currency and total liquidity coverage ratios are shown below by specified weeks:

	Liquidity Coverage Ratio (Weekly Unconsolidated)							
	Current Period (30.09.2024)				Prior Period (31.12.2023)			
	FC	Date	FC+TL	Date	FC	Date	FC+TL	Date
Maximum (%)	183,77	13.09.2024	503,03	26.07.2024	117,72	13.10.2023	220,82	22.12.2023
Minimum (%)	100	2.08.2024	333,85	27.09.2024	100,00	29.12.2023	155,34	17.11.2023

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**V. Explanations Related to Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio (Continued):**

**2. Liquidity coverage ratio (Continued):**

	<b>Total Unweighted Value (Average)<sup>(*)</sup></b>		<b>Total Weighted Value (Average)<sup>(*)</sup></b>	
<b>Current Period (30.09.2024)</b>	<b>TL+FC</b>	<b>FC</b>	<b>TL+FC</b>	<b>FC</b>
<b>HIGH-QUALITY LIQUID ASSETS</b>				
Total high-quality liquid assets (HQLA)	-	-	14.596.249	3.279.551
<b>CASH OUTFLOWS</b>				
Retail and small business customers deposits	-	-	-	-
Stable deposits	-	-	-	-
Less stable deposits	-	-	-	-
Unsecured funding other than retail and small business customers deposits	3.818.621	2.482.946	2.395.913	1.242.928
Operational deposits	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured funding	3.818.621	2.482.946	2.395.913	1.242.928
Secured funding	-	-	-	-
Other cash outflows	6.071.246	2.811.815	6.071.246	2.811.815
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	6.071.246	2.811.815	6.071.246	2.811.815
Debts related to structured financial products	-	-	-	-
Payment commitments related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time and other contractual commitments	21.548.030	20.588.960	1.077.402	1.029.448
Other irrevocable or conditionally revocable commitments	4.389.155	4.246.894	4.389.119	4.246.857
<b>TOTAL CASH OUTFLOWS</b>			<b>13.933.680</b>	<b>9.331.048</b>
<b>CASH INFLOWS</b>				
Secured receivables	-	-	-	-
Unsecured receivables	15.894.768	4.184.083	15.082.930	3.532.424
Other cash inflows	6.196.570	4.003.534	6.196.570	4.003.534
<b>TOTAL CASH INFLOWS</b>	<b>22.091.338</b>	<b>8.187.617</b>	<b>21.279.500</b>	<b>7.535.958</b>
			<b>Upper Limit Applied Amounts</b>	
<b>TOTAL HIGH-QUALITY LIQUID ASSETS</b>			<b>14.596.249</b>	<b>3.279.551</b>
<b>TOTAL NET CASH OUTFLOWS</b>			<b>3.483.420</b>	<b>2.634.405</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>419,02</b>	<b>124,49</b>

<sup>(\*)</sup> The average of last three months' liquidity coverage ratios calculated by weekly simple averages.

## SECTION FOUR (Continued)

### INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### V. Explanations Related to Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio (Continued):

##### 2. Liquidity coverage ratio (Continued):

	Total Unweighted Value (Average) (*)	Total Weighted Value (Average) (*)		
Prior Period (31.12.2023)	TL+FC	FC	TL+FC	FC
<b>HIGH-QUALITY LIQUID ASSETS</b>				
Total high-quality liquid assets (HQLA)	-	-	9.553.252	2.085.924
<b>CASH OUTFLOWS</b>				
Retail and small business customers deposits	-	-	-	-
Stable deposits	-	-	-	-
Less stable deposits	-	-	-	-
Unsecured funding other than retail and small business customers deposits	2.351.698	1.281.672	1.739.120	850.395
Operational deposits	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured funding	2.351.698	1.281.672	1.739.120	850.395
Secured funding	-	-	-	-
Other cash outflows	13.579.842	3.362.515	13.579.842	3.362.515
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	13.579.842	3.362.515	13.579.842	3.362.515
Debts related to structured financial products	-	-	-	-
Payment commitments related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time and other contractual commitments	8.575.584	6.507.942	428.779	325.397
Other irrevocable or conditionally revocable commitments	3.717.856	3.634.846	3.717.782	3.634.772
<b>TOTAL CASH OUTFLOWS</b>			<b>19.465.523</b>	<b>8.173.079</b>
<b>CASH INFLOWS</b>				
Secured receivables	-	-	-	-
Unsecured receivables	22.443.029	2.236.840	21.545.401	1.520.242
Other cash inflows	13.510.672	11.114.670	13.510.672	11.114.670
<b>TOTAL CASH INFLOWS</b>	<b>35.953.701</b>	<b>13.351.510</b>	<b>35.056.073</b>	<b>12.634.912</b>
			<b>Upper Limit Applied Amounts</b>	
<b>TOTAL HIGH-QUALITY LIQUID ASSETS</b>			<b>9.553.252</b>	<b>2.085.924</b>
<b>TOTAL NET CASH OUTFLOWS</b>			<b>4.866.381</b>	<b>2.043.270</b>
<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>196,31</b>	<b>102,09</b>

(\*) The average of last three months' liquidity coverage ratios calculated by weekly simple averages.

## **SECTION FOUR (Continued)**

### **INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

#### **V. Explanations Related to Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio (Continued):**

##### **3. Explanations related to liquidity coverage ratio**

**Significant factors that impact the result of liquidity coverage ratio and change of the items in time that are taken into account in calculation of this ratio**

The significant factors that impact liquidity coverage ratio are net cash outflows and high-quality assets stock. Items taken into consideration in the calculation of the ratio may be changed in time because of economic structure and decisions of the Bank's fund management.

##### **The explanation about elements of the high-quality liquid assets**

High quality liquid assets mostly consist of domestic government bonds and Eurobonds.

##### **Content of funds and their composition**

The main funding source of the Bank is loans attained from domestic and international financial institutions. The share of these resources in all funds is approximately 78,7%. 4,8% of the Bank's total funding consists of funds provided from Ministry of Treasury and Finance, borrowers and banks; 9,8% consists of subordinated debt instruments; 3,8% is provided from money markets and 2,9% consists of securities issued.

##### **Cash outflows generating from derivative transactions and information about which transactions are subject to collateral margin**

Derivative transactions of the Bank are predominantly currency swap purchase-sale transactions. Income and expense figures related to derivative transactions made within the year are accounted in profit / loss from derivative financial transactions. There are no transactions that are likely to complete collateral.

##### **Counterparty and product-based funding sources and concentration limits on collateral**

The fund sources of the Bank, whose field of activity is development and investment banking, are generally international development banks and financial institutions; there is no concentration limit on the other party and product basis.

##### **The operational and legal factors that hinder liquidity transfer which is needed by the Bank itself, its foreign branch and its consolidated subsidiary, and respective liquidity risk.**

None.

##### **4. Net stable funding ratio**

With the "Regulation on Calculation of Net Stable Funding Ratio of Banks" published in the Official Gazette No. 32202 dated 26 May 2023 by the BRSA, the procedures and principles for banks to provide stable funding in order to prevent the deterioration of their liquidity levels due to the funding risk that they may be exposed to in the long term have been determined. According to the related regulation, the net stable funding ratio is calculated on consolidated and unconsolidated basis by dividing the available stable funding amount by the required stable funding amount. Available stable funding refers to the portion of banks' liabilities and shareholders' equity that is expected to be permanent, while required stable funding refers to the portion of banks' on-balance sheet assets and off-balance sheet liabilities that are expected to be re-funded. These amounts are included in the ratio calculation after applying the calculation rates determined in the regulation.

## SECTION FOUR (Continued)

### INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### V. Explanations Related to Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio (Continued):

##### 4. Net stable funding ratio (Continued):

The quarterly simple arithmetic average of the quarterly net stable funding ratio calculated on a monthly and quarterly basis and reported to the BRSA cannot be less than 100%. However, development and investment banks are exempted from meeting these minimum ratios until otherwise determined by the BRSA. As of 30 September 2024, the average of the Bank's net stable funding rates for the last three months is 147.11% (December 31, 2023: 163.24%).

	Amount Not Subject to Recognition Due to Remaining Maturity				Total Amount Subject to Consideration Ratio
	Demand <sup>(*)</sup>	Short-term (less than 6 months)	Short-term (6 months to less than 1 year)	Long-term (1 year and longer)	
<b>Current Period (30.09.2024)</b>					
<b>A. CURRENT STABLE FUND</b>					
<b>Equity Components</b>	<b>18.960.580</b>	-	<b>5.723.715</b>	<b>3.641.677</b>	<b>28.325.972</b>
Principal Capital and Contributed Capital	18.960.580	-	5.723.715	3.641.677	28.325.972
Other Equity Components	-	-	-	-	-
<b>Individual and Retail Customer Deposits/Participation Funds</b>					
Stable Deposits/Participation Funds	-	-	-	-	-
Low Stable Deposits/Participation Funds	-	-	-	-	-
<b>Other Liabilities to Others</b>	<b>-</b>	<b>25.675.949</b>	<b>4.087.700</b>	<b>102.085.355</b>	<b>110.579.187</b>
Operational Deposits/Participation Funds	-	-	-	-	-
Other Liabilities	-	25.675.949	4.087.700	102.085.355	110.579.187
<b>Liabilities Equivalent to Interrelated Assets</b>					
<b>Other Liabilities</b>	<b>8.986.671</b>	<b>424.465</b>	-	-	-
Derivative Liabilities		411.108	-	-	-
Other Equity Items and Liabilities Not Included Above	8.986.671	13.357	-	-	-
<b>STABLE FUNDING REQUIREMENT</b>					<b>138.905.159</b>
<b>B. REQUIRED STABLE FUNDING</b>					
<b>High-Quality Liquid Assets</b>					<b>920.479</b>
<b>Operational Deposits/Participation Funds Deposited with Credit Institutions or Financial Institutions</b>					
<b>Live Receivables</b>	<b>-</b>	<b>27.806.658</b>	<b>3.499.908</b>	<b>103.011.535</b>	<b>94.961.989</b>
Receivables from Credit Institutions or Financial Institutions with Collateral Consisting of First-Quality Liquid Assets	-	-	-	-	-
Receivables from Credit Institutions or Financial Institutions with Collateral Not Consisting of First-Quality Liquid Assets	-	27.806.658	3.499.908	9.943.174	15.864.127
Receivables from Corporate Customers, Entities, Individuals, and Retail Customers, Central Governments, Central Banks, and Public Institutions Other than Credit Institutions or Financial Institutions	-	-	-	87.818.320	74.645.572
Receivables subject to 35% or lower risk weight	-	-	-	-	-
Receivables Secured by Residential Real Estate Mortgages	-	-	-	51.224	33.296
Receivables subject to 35% or lower risk weight	-	-	-	51.224	33.296
Tradable Stocks and Bonds with High-Quality Liquid Asset Characteristics	-	-	-	5.198.817	4.418.994
<b>Assets Equivalent to Interrelated Liabilities</b>					
<b>Other Assets</b>	<b>2.004.392</b>	<b>13.353</b>	-	-	<b>2.051.765</b>
Physical Delivery Commodities Including Gold	-				-
Initial Margin of Derivative Contracts or Guarantee Fund Provided to Central Counterparties		-	-	-	-
Derivative Assets		-	-	-	6.262
Amount of Derivative Liabilities before Deduction of Variation Margin		-	-	-	41.111
Other Assets Not Included Above	2.004.392	13.353	-	-	2.004.392
<b>Off-Balance Sheet Liabilities</b>		<b>10.638.607</b>	-	-	<b>531.930</b>
<b>REQUIRED STABLE FUNDING</b>					<b>98.466.163</b>
<b>NET STABLE FUNDING RATIO (%)</b>					<b>141.07</b>

(\*)The column labeled "Demand" (Current/Non-maturity) reports items that do not have a specific maturity date. These include but are not limited to equity items with no specified maturity, demand deposits, short positions, positions with unspecified maturities, equities that are not high-quality liquid assets, and physically settled commodities.

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**V. Explanations Related to Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio (Continued):**

**4. Net stable funding ratio (Continued):**

	Amount Not Subject to Recognition Due to Remaining Maturity				Total Amount Subject to Consideration Ratio
	Demand <sup>(*)</sup>	Short-term (less than 6 months)	Short-term (6 months to less than 1 year)	Long-term (1 year and longer)	
<b>Prior Period (31.12.2023)</b>					
<b>A. CURRENT STABLE FUND</b>					
<b>Equity Components</b>	<b>12.273.705</b>	-	<b>4.358.880</b>	<b>3.130.988</b>	<b>19.763.573</b>
Principal Capital and Contributed Capital	12.273.705	-	4.358.880	3.130.988	19.763.573
Other Equity Components	-	-	-	-	-
<b>Individual and Retail Customer Deposits/Participation Funds</b>					
Stable Deposits/Participation Funds	-	-	-	-	-
Low Stable Deposits/Participation Funds	-	-	-	-	-
<b>Other Liabilities to Others</b>	2.909.732	22.920.952	7.099.519	94.501.261	104.093.565
Operational Deposits/Participation Funds	-	-	-	-	-
Other Liabilities	2.909.732	22.920.952	7.099.519	94.501.261	104.093.565
<b>Liabilities Equivalent to Interrelated Assets</b>					
<b>Other Liabilities</b>	<b>9.074.089</b>	1.031.984	-	-	-
Derivative Liabilities		217.463	-	-	-
Other Equity Items and Liabilities Not Included Above	9.074.089	814.521	-	-	-
<b>STABLE FUNDING REQUIREMENT</b>					<b>123.857.138</b>
<b>B. REQUIRED STABLE FUNDING</b>					
<b>High-Quality Liquid Assets</b>					<b>1.110.126</b>
<b>Operational Deposits/Participation Funds Deposited with Credit Institutions or Financial Institutions</b>					
<b>Live Receivables</b>	-	<b>24.968.145</b>	<b>1.939.685</b>	<b>80.780.232</b>	<b>74.439.801</b>
Receivables from Credit Institutions or Financial Institutions with Collateral Consisting of First-Quality Liquid Assets	-	-	-	-	-
Receivables from Credit Institutions or Financial Institutions with Collateral Not Consisting of First-Quality Liquid Assets	-	24.968.145	1.939.685	7.138.710	11.853.774
Receivables from Corporate Customers, Entities, Individuals, and Retail Customers, Central Governments, Central Banks, and Public Institutions Other than Credit Institutions or Financial Institutions	-	-	-	72.330.190	61.480.662
Receivables subject to 35% or lower risk weight	-	-	-	-	-
Receivables Secured by Residential Real Estate Mortgages	-	-	-	46.336	30.118
Receivables subject to 35% or lower risk weight	-	-	-	46.336	30.118
Tradable Stocks and Bonds with High-Quality Liquid Asset Characteristics	-	-	-	1.264.996	1.075.247
<b>Assets Equivalent to Interrelated Liabilities</b>					
<b>Other Assets</b>	<b>1.842.541</b>	<b>711.149</b>	-	-	<b>1.915.015</b>
Physical Delivery Commodities Including Gold	-				-
Initial Margin of Derivative Contracts or Guarantee Fund Provided to Central Counterparties					
Derivative Assets		-	-	-	50.728
Amount of Derivative Liabilities before Deduction of Variation Margin		-	-	-	21.746
Other Assets Not Included Above	<b>1.842.541</b>	<b>711.149</b>	-	-	<b>1.842.541</b>
<b>Off-Balance Sheet Liabilities</b>		<b>11.796.859</b>	-	-	<b>589.843</b>
<b>REQUIRED STABLE FUNDING</b>					<b>78.054.785</b>
<b>NET STABLE FUNDING RATIO (%)</b>					<b>158,68</b>

(\*)The column labeled "Demand" (Current/Non-maturity) reports items that do not have a specific maturity date. These include but are not limited to equity items with no specified maturity, demand deposits, short positions, positions with unspecified maturities, equities that are not high-quality liquid assets, and physically settled commodities.

**SECTION FOUR (Continued)**

**INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)**

**V. Explanations Related to Liquidity Risk Management, Liquidity Coverage Ratio and Net Stable Funding Ratio (Continued):**

**5. Maturity analysis of assets and liabilities according to remaining maturities:**

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed <sup>(1)</sup>	Total
<b>Current Period (30.09.2024)</b>								
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	847	-	-	-	-	-	-	847
Banks	189.512	12.675.506	-	-	-	-	-	12.865.018
Financial assets measured at fair value through profit or loss	694.712	-	-	-	-	-	-	694.712
Money market placements	-	8.416.276	-	-	-	-	-	8.416.276
Financial assets measured at fair value through other comprehensive income	8.813	1.058.951	2.836.717	10.078.804	10.558.376	144.781	-	24.686.442
Loans	-	2.834.574	4.846.664	19.726.773	49.212.976	19.359.943	217.063	96.197.993
Financial assets measured at amortised cost	-	204.469	366.214	2.348.538	1.605.663	5.148.550	-	9.673.434
Other assets	-	128.290	-	-	-	-	986.089	1.114.379
<b>Total Assets<sup>(2)</sup></b>	<b>893.884</b>	<b>25.318.066</b>	<b>8.049.595</b>	<b>32.154.115</b>	<b>61.377.015</b>	<b>24.653.274</b>	<b>1.203.152</b>	<b>153.649.101</b>
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds provided from other financial institutions	-	9.553.547	3.323.102	8.433.540	34.575.698	51.016.330	-	106.902.217
Money market borrowings	-	5.092.469	-	-	-	-	-	5.092.469
Marketable securities issued	-	-	-	5.908	1.907.904	1.907.906	-	3.821.718
Miscellaneous payables	187.214	-	-	-	-	-	-	187.214
Other liabilities <sup>(3)</sup>	3.108.366	1.324.737	731.484	5.848.848	-	7.223.720	19.408.328	37.645.483
<b>Total Liabilities</b>	<b>3.295.580</b>	<b>15.970.753</b>	<b>4.054.586</b>	<b>14.288.296</b>	<b>36.483.602</b>	<b>60.147.956</b>	<b>19.408.328</b>	<b>153.649.101</b>
<b>Liquidity Gap</b>	<b>(2.401.696)</b>	<b>9.347.313</b>	<b>3.995.009</b>	<b>17.865.819</b>	<b>24.893.413</b>	<b>(35.494.682)</b>	<b>(18.205.176)</b>	<b>-</b>
<b>Net Off-Balance Position</b>	<b>-</b>	<b>9.917</b>	<b>70.134</b>	<b>160.990</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>241.041</b>
Derivative Financial Assets	-	8.499.607	1.351.434	1.015.249	-	-	-	10.866.290
Derivative Financial Liabilities	-	8.489.690	1.281.300	854.259	-	-	-	10.625.249
Non-Cash Loans	<b>158.827</b>	-	-	<b>6.573</b>	-	<b>4.844.358</b>	-	<b>5.009.758</b>
<b>Prior Period (31.12.2023)</b>								
<b>Total Assets</b>	<b>693.160</b>	<b>24.466.836</b>	<b>6.324.144</b>	<b>28.647.014</b>	<b>51.120.142</b>	<b>22.625.586</b>	<b>970.592</b>	<b>134.847.474</b>
<b>Total Liabilities</b>	<b>2.811.411</b>	<b>7.598.945</b>	<b>2.784.953</b>	<b>23.230.076</b>	<b>34.027.588</b>	<b>52.596.133</b>	<b>11.798.368</b>	<b>134.847.474</b>
<b>Liquidity Gap</b>	<b>(2.118.251)</b>	<b>16.867.891</b>	<b>3.539.191</b>	<b>5.416.938</b>	<b>17.092.554</b>	<b>(29.970.547)</b>	<b>(10.827.776)</b>	<b>-</b>
<b>Net Off-Balance Position</b>	<b>-</b>	<b>(33.007)</b>	<b>(37.771)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(70.778)</b>
Derivative Financial Assets	-	10.206.920	809.944	-	-	-	-	11.016.864
Derivative Financial Liabilities	-	10.239.927	847.715	-	-	-	-	11.087.642
Non-Cash Loans	<b>84.924</b>	-	-	<b>85.965</b>	-	<b>4.583.451</b>	-	<b>4.754.340</b>

<sup>(1)</sup> Assets such as fixed assets, associates, subsidiaries, inventory, prepaid expenses, net non-performing receivables and other asset accounts that would not be converted to cash in a short time period and needed to be used in the banking activities, deferred tax asset; liabilities with no maturities, provisions and equity are shown in the undistributed column.

<sup>(2)</sup> The expected credit losses for financial assets and other assets are reflected in the related items.

<sup>(3)</sup> Subordinated loans are presented in "Other Liabilities" line.

## SECTION FOUR (Continued)

### INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### VI. Explanation Related to Leverage Ratio:

In the current period, the rate of increase in Tier 1 capital was higher than the rate of increase in total risk amount. As of 30 September 2024, the Bank's leverage ratio calculated from the average of three months is 15,40% (31 December 2023: 11,77%). The reason why the leverage ratio of the current period is higher than the leverage ratio of the previous period is that Tier 1 capital has increased at a higher rate than the amount of the total risk amount related to on-balance sheet assets.

<b>On-balance sheet assets</b>	<b>Current Period (30.09.2024)<sup>(*)</sup></b>	<b>Prior Period (31.12.2023)<sup>(*)</sup></b>
Balance sheet assets (Excluding derivative financial instruments and credit derivatives, including collaterals)	148.139.904	131.471.900
(Assets deducted in determining Tier 1 capital)	-	-
Total risk amount of on-balance sheet assets	148.139.904	131.471.900
<b>Derivative financial instruments and loan derivatives</b>		
Replacement cost of derivative financial instruments and loan derivatives	-	-
Potential loan risk amount of derivative financial instruments and loan derivatives	410.325	812.874
Total risk amount of derivative financial instruments and loan derivatives	410.325	812.874
<b>Financing transactions secured by marketable security or commodity</b>		
Risk amount of financing transactions secured by marketable security or commodity (excluding on-balance sheet)	1.731.809	1.783.470
Risk amount from brokerage activities	-	-
Total risk amount of financing transactions secured by marketable security or commodity	1.731.809	1.783.470
<b>Off-balance sheet items</b>		
Gross notional amount of off-balance sheet transactions	28.832.091	13.745.282
(Adjustments amount due to multiplication with credit conversion rates)	(20.999.724)	(7.413.630)
Total risk amount of off-balance sheet transactions	7.832.367	6.331.652
<b>Capital and total risks</b>		
Tier 1 capital	24.328.900	16.520.462
Total risks	158.114.405	140.399.896
<b>Leverage ratio</b>		
Leverage ratio	15,40	11,77

<sup>(\*)</sup> Calculated by taking the average of the last three months financial statements' data.

## SECTION FOUR (Continued)

### INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

#### VII. Explanations Related to Risk Management:

##### 1. General information on risk management and risk weighted amounts:

Footnotes and related explanations prepared in accordance with the “Communiqué on Disclosures About Risk Management to Be Announced to Public by Banks” published in the Official Gazette No: 29511 on 23 October 2015 and entered into force as of 31 March 2016 are given in this section. In accordance with the relevant communiqué, the following tables, which should be given quarterly, were not presented as of 30 September 2024, as the Bank's standard approach was used in the calculation of capital adequacy:

- RWA flow statement under Internal Ratings Based Approach (IRB)
- RWA flow statements of CCR exposures under Internal Model Method (IMM)
- RWA flow statements of market risk exposures under Internal Model Approach

##### Overview of risk weighted amounts:

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period (30.09.2024)	Prior Period (31.12.2023)	
1	Credit risk (excluding counterparty credit risk) (CCR)	110.173.963	99.032.622	8.813.917
2	Of which standardized approach (SA)	110.173.963	99.032.622	8.813.917
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	343.737	612.536	27.499
5	Of which standardized approach for counterparty credit risk (SA-CCR)	343.737	612.536	27.499
6	Of which internal model method (IMM)	-	-	-
7	Equity position in banking book under basic risk weighting or internal rating-based	-	-	-
8	Equity investments in funds – look-through approach	-	-	-
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – 1250% risk weighting approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB supervisory formula approach (SFA)	-	-	-
15	Standard Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market Risk	21.558.775	14.226.213	1.724.702
17	Of which standardized approach (SA)	21.558.775	14.226.213	1.724.702
18	Of which internal model approaches (IMM)	-	-	-
19	Operational Risk	7.209.778	3.333.759	576.782
20	Of which basic indicator approach	7.209.778	3.333.759	576.782
21	Of which standardized approach	-	-	-
22	Of which advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustments	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>139.286.253</b>	<b>117.205.130</b>	<b>11.142.900</b>

**Notes to the Unconsolidated Financial Statements as of 30 September 2024**

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

**SECTION FIVE**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS**

**I. Explanations and Notes Related to Assets:**

**1. Information on financial assets:**

**1.1. Information on cash and cash equivalents:**

**1.1.1. Information on cash and balances with the Central Bank of the Republic of Türkiye:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Cash in TL/Foreign currency	21	-	26	-
CBRT	829	-	2.534	-
Other	-	-	-	-
<b>Total</b>	<b>850</b>	-	<b>2.560</b>	-

**1.1.1.a. Information on required reserve deposits:**

Since the Bank does not accept deposits, it is not subject to Central Bank of the Republic of Türkiye's Communiqué No: 2005/1 "Reserve Requirements".

**1.1.1.b. Information on the account of Central Bank of the Republic of Türkiye:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Unrestricted demand deposit	829	-	2.534	-
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
<b>Total</b>	<b>829</b>	-	<b>2.534</b>	-

**1.1.2. Information on banks:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Banks				
Domestic	10.383.755	1.981.084	3.758.538	1.099.070
Foreign	-	502.879	-	71.856
Foreign head office and branches	-	-	-	-
<b>Total</b>	<b>10.383.755</b>	<b>2.483.963</b>	<b>3.758.538</b>	<b>1.170.926</b>

**1.1.3. Information on money market placements:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Money market placements	6.310.014	1.908.647	16.806.484	-
Receivables from reverse repo transactions	200.280	-	239.541	-
<b>Total</b>	<b>6.510.294</b>	<b>1.908.647</b>	<b>17.046.025</b>	-

## **SECTION FIVE (Continued)**

### **EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

#### **I. Explanations and Notes Related to Assets (Continued)**

##### **1.1. Information on cash and cash equivalents (Continued):**

###### **1.1.4. Information on expected credit loss provisions for financial assets:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Cash and balances with Central Bank	3	-	-	-
Banks	2.700	-	4.399	-
Receivables from money market	2.665	-	11.382	-
<b>Total</b>	<b>5.368</b>	-	<b>15.781</b>	-

##### **1.2. Financial assets measured at fair value through profit or loss subject to repurchase agreements (Net):**

None.

##### **1.2.a) Financial assets measured at fair value through profit or loss given as collateral or blocked (Net):**

None.

##### **1.3. Information on financial assets measured at fair value through other comprehensive income:**

###### **1.3.a-1) Financial assets measured at fair value through other comprehensive income subject to repurchase agreements:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, treasury bills and similar securities	784.716	-	706.459	-
Other	-	-	-	-
<b>Total</b>	<b>784.716</b>	-	<b>706.459</b>	-

###### **1.3.a-2) Information on financial assets measured at fair value through other comprehensive income given as collateral or blocked:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, treasury bills and similar securities	987.727	195.377	16.734	1.572.231
Other	-	-	-	-
<b>Total</b>	<b>987.727</b>	<b>195.377</b>	<b>16.734</b>	<b>1.572.231</b>

**Notes to the Unconsolidated Financial Statements as of 30 September 2024**

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

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes Related to Assets (Continued)**

**1.3. Information on financial assets measured at fair value through other comprehensive income (Continued):**

**1.3.a-3) Information on financial assets measured at fair value through other comprehensive income:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
Debt Securities	24.681.390	15.203.882
Quoted on a stock exchange(*)	23.944.527	15.203.882
Unquoted	736.863	-
Share Certificates	8.813	19.200
Quoted on a stock exchange	-	-
Unquoted	8.813	19.200
Provision for impairment (-)	(3.761)	(2.467)
<b>Total</b>	<b>24.686.442</b>	<b>15.220.615</b>

(\*) Includes debt securities that are quoted on the stock exchange but not traded on the stock exchange at the end of the related period.

**1.4. Information on derivative financial assets:**

	<b>Current Period (30.09.2024)</b>		<b>Prior Period (31.12.2023)</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Forward transactions	-	-	-	-
Swap transactions	126.637	1.653	65.528	188
Futures	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>126.637</b>	<b>1.653</b>	<b>65.528</b>	<b>188</b>

**2. Explanations on financial assets measured at amortised cost (Net):**

**2.1. Information on loans:**

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

None

**2.1.b) Information on standard loans and loans under close monitoring (first and second group loans) including restructured loans under close monitoring:**

Cash Loans Current Period (30.09.2024)	Standard Loans	<b>Loans Under Close Monitoring</b>		
		Loans not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
<b>Non-specialized loans</b>	<b>90.665.751</b>	<b>521.563</b>	<b>5.325.063</b>	-
Business loans	13.083.861	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	11.393.236	-	-	-
Consumer loans	-	-	-	-
Credit cards	-	-	-	-
Other	66.188.654	521.563	5.325.063	-
<b>Specialized loans</b>	<b>422.658</b>	<b>66.059</b>	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>91.088.409</b>	<b>587.622</b>	<b>5.325.063</b>	-

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes Related to Assets (Continued)**

**2. Explanations on financial assets measured at amortised cost (Net) (Continued):**

**2.1. Information on loans (Continued):**

**2.1.b) Information on standard loans and loans under close monitoring (first and second group loans) including restructured loans under close monitoring:**

Cash Loans Prior Period (31.12.2023)	Standard Loans	Loans Under Close Monitoring		
		Loans not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Non-specialized loans	79.108.932	2.720.250	605.196	-
Working capital loans	8.603.353	-	6.002	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	8.214.342	-	-	-
Consumer loans	-	-	-	-
Credit cards	-	-	-	-
Other	62.291.237	2.720.250	599.194	-
Specialized loans	799.284	76.964	-	-
Other receivables	-	-	-	-
<b>Total</b>	<b>79.908.216</b>	<b>2.797.214</b>	<b>605.196</b>	<b>-</b>

First and Second Stage Expected Loss Reserves	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Months expected credit losses	450.576	-	624.594	-
Significant increase in credit risk	-	569.588	-	267.720

**2.1.c) Information on consumer loans, individual credit cards, and personnel loans and personnel credit cards:**

As of the balance sheet date, there are no consumer loans, personal credit cards, personnel loans and personnel credit cards.

**2.1.ç) Information on commercial loans with installments and corporate credit cards:**

The Bank has not granted any commercial loans with installments and corporate credit cards as of balance sheet date.

**2.1.d) Loans according to types of borrowers:**

	Current Period (30.09.2024)	Prior Period (31.12.2023)
Public	227.985	301.788
Private	97.513.679	83.856.920
<b>Total</b>	<b>97.741.664</b>	<b>84.158.708</b>

**2.1.e) Loans granted to subsidiaries and associates:**

TL 3.856 of loan disbursed to Aricak A.Ş., a subsidiary of the Bank, has been followed at Group V. TL 3.856 (31 December 2023: TL 3.859) default (Stage III) provision has been provided for this loan.

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes Related to Assets (Continued):**

**2. Explanations on financial assets measured at amortised cost (Net) (Continued):**

**2.1. Information on loans (Continued):**

**2.1.f) Default (third stage) provisions:**

	Current Period (30.09.2024)	Prior Period (31.12.2023)
Loans with limited collectability	437.501	494.166
Loans with doubtful collectability	52.920	-
Uncollectible loans	33.086	34.614
<b>Total</b>	<b>523.507</b>	<b>528.780</b>

**2.1.g) Information on non-performing loans (Net):**

**2.1.g-1) Information on loans and other receivables restructured or rescheduled from non-performing loans:**

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
<b>Current Period (30.09.2024)</b>			
Gross amounts before provisions	-	63.328	33.086
Restructured loans	644.156	-	-
<b>Prior Period (31.12.2023)</b>			
Gross amounts before provisions	68.031	-	34.726
Restructured loans	745.325	-	-

**2.1.g-2) Information on the movement of non-performing receivables:**

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
<b>Prior period end balance (31.12.2023)</b>	<b>813.356</b>	-	<b>34.726</b>
Additions (+)	25.649	-	1.107
Transfer from other categories of non-performing loans (+)	-	81.476	-
Transfer to other categories of non-performing loans (-)	(81.476)	-	-
Collections (-)	(113.373)	(18.148)	(2.747)
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
<b>Current period end balance (30.09.2024)</b>	<b>644.156</b>	<b>63.328</b>	<b>33.086</b>
Provision (-)	(437.501)	(52.920)	(33.086)
<b>Net balance on balance sheet</b>	<b>206.655</b>	<b>10.408</b>	<b>-</b>

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes Related to Assets (Continued):**

**2. Explanations on financial assets measured at amortised cost (Net) (Continued):**

**2. 1. Information on loans (Continued):**

**2.1.g-3) Information on accruals of interest, rediscoun and valuation effect and their provisions calculated for under follow-up loans of banks which provide expected credit loss according to TFRS 9:**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with Limited Collectability</b>	<b>Loans with Doubtful Collectability</b>	<b>Uncollectible Loans</b>
<b>Current Period (30.09.2024)</b>			
Interest accruals and rediscoun with valuation differences	101.006	11.252	23
Provision amount (-)	(101.006)	(11.252)	(23)
<b>Net Balance</b>	-	-	-
<b>Prior Period (31.12.2023)</b>			
Interest accruals and rediscoun with valuation differences	94.657	-	45
Provision amount (-)	(94.657)	-	(45)
<b>Net Balance</b>	-	-	-

**2.1.g-4) Information on foreign currency non-performing loans:**

None.

**2.1.g-5) Information regarding gross and net amounts of non-performing loans with respect to user groups:**

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans with Limited Collectability</b>	<b>Loans with Doubtful Collectability</b>	<b>Uncollectible Loans</b>
<b>Current Period (Net) (30.09.2024)</b>	<b>206.655</b>	<b>10.408</b>	-
Loans to Real Persons and Legal Entities (Gross)	644.156	63.328	33.086
Provision amount (-)	(437.501)	(52.920)	(33.086)
Loans to Real Persons and Legal Entities (Net)	206.655	10.408	-
Banks (Gross)	-	-	-
Provision amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision amount (-)	-	-	-
Other Loans (Net)	-	-	-
<b>Prior Period (Net) (31.12.2023)</b>	<b>319.190</b>	-	<b>112</b>
Loans to Real Persons and Legal Entities (Gross)	813.356	-	34.726
Provision amount (-)	(494.166)	-	(34.614)
Loans to Real Persons and Legal Entities (Net)	319.190	-	112
Banks (Gross)	-	-	-
Provision amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision amount (-)	-	-	-
Other Loans (Net)	-	-	-

## SECTION FIVE (Continued)

### EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)

#### I. Explanations and Notes Related to Assets (continued):

##### 2. Explanations on financial assets measured at amortised cost (Net) (Continued):

###### 2. 1. Information on loans (Continued):

###### 2.1.g) Main principles of liquidating non-performing loans and other receivables:

If there are collateral elements said in the fourth section of the Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Reserved for them, these elements are converted into money as soon as possible as a result of both administrative and legal initiatives and the liquidation of the receivable is provided.

In the case collaterals are not present; the Bank is engaged in substantive intelligence in various periods to determine whether any property holdings are subsequently acquired in order to apply for legal procedures, even if a certificate of insolvency is obtained for the debtor.

Before and after liquidation process; the Bank reviews financial information of the debtor companies. Then, in the case it is agreed that the companies show indications of operating on an ongoing basis and probably are going to have contributions to the economy; the Bank tries to make collections through rescheduling the payment terms.

###### 2.1.h) Explanations on write-off policy:

Within the scope of the “Regulation Amending the Regulation on Procedures and Principles for Classification of Loans and Provisions to be Set Aside”, which entered into force after being published in the Official Gazette dated 6 July 2021 and numbered 31533, the portion of “Fifth Group-Loans in the Type of Loss” with life-time loss provision for which there is no reasonable expectation of recovery is deducted from records in accordance of TFRS 9 within the period deemed appropriate by the Bank beginning from the first reporting period following their classification in this group. As of 30 September 2024, the Bank does not have any credits deducted from its accounting records (31 December 2023: None).

## SECTION FIVE (Continued)

### EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)

#### I. Explanations and Notes Related to Assets (Continued):

##### 2. Explanations on financial assets measured at amortised cost (Continued):

###### 2.2. Information on finance lease receivables (Net):

The amount of receivables arising from the Bank's leasing transactions is 7 TL (31 December 2023: TL 3).

###### 2.3. Information on factoring receivables:

None.

###### 2.4.a) Information on government securities measured at amortised cost subject to repurchase agreements:

	Current Period (30.09.2024)	Prior Period (31.12.2023)
Government bonds	3.418.019	2.057.668
Treasury bills	-	-
Other government debt securities	-	-
<b>Total</b>	<b>3.418.019</b>	<b>2.057.668</b>

###### 2.4.b) Information on government securities given as collateral or blocked financial assets measured at amortised cost:

	Current Period (30.09.2024)	Prior Period (31.12.2023)
Government bonds	3.303.276	7.378.696
Treasury bills	-	-
Other government debt securities	-	-
<b>Total</b>	<b>3.303.276</b>	<b>7.378.696</b>

###### 2.4.c) Information on government securities measured at amortised cost:

	Current Period (30.09.2024)	Prior Period (31.12.2023)
Government bonds	9.055.701	13.077.571
Treasury bills	-	-
Other government debt securities	641.664	482.369
<b>Total</b>	<b>9.697.365</b>	<b>13.559.940</b>

###### 2.4.d) Information on other financial assets measured at amortised cost:

	Current Period (30.09.2024)	Prior Period (31.12.2023)
Debt Securities	9.697.365	13.620.387
Quoted on a stock exchange	9.697.365	13.620.387
Unquoted	-	-
Provision for impairment (-)	-	-
<b>Total</b>	<b>9.697.365</b>	<b>13.620.387</b>

**SECTION FIVE (Continued)****EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes Related to Assets (Continued)****2.4.e) Movement of other financial assets measured at amortised cost:**

	Current Period (30.09.2024)	Prior Period (31.12.2023)
Balance at the beginning of the period	13.620.387	7.562.223
Foreign currency difference on monetary assets	575.753	2.479.122
Purchases during the year (*)	4.123.482	4.675.290
Disposals through sales and redemptions (**)	(8.622.257)	(1.096.248)
Provision for impairment (-)	-	-
<b>Balance at the end of the period</b>	<b>9.697.365</b>	<b>13.620.387</b>

(\*) TL 2.648.726 arises from the rediscountrate increase in purchases during the year (31 December 2023: TL 2.175.960).

(\*\*) Disposals through redemptions consist of TL 2.070.467 after coupon redemption rediscountrate reduction amount (31 December 2023: TL 258.738).

**3. Assets held for sale and discontinued operations (Net):**

None.

**4. Information on equity investments:****4.1. Information on associates:****4.1.a) General information on associates:**

	Title	Address (City/Country)	The Bank's share percentage-if different voting percentage (%)	The Bank's risk group share percentage (%)
	Maksan A.Ş.	Malatya	20	31,14

**4.1.b) Financial statement information of associates ordered above:**

(*)	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income From Marketable Securities	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
	612.602	357.623	16.941	-	-	56.532	39.000	-

(\*) The financial information of Maksan A.Ş. is provided from the unaudited financial statements without the implementation of inflation accounting as of 31 March 2024. Prior period profit/loss amount is provided from the unaudited financial statements as of 31 March 2023.

**4.1.c) Movement of associates:**

	Current Period (30.09.2024)	Prior Period (31.12.2023)
<b>Balance at the beginning of the period</b>	<b>10.586</b>	<b>10.586</b>
<b>Movements during the period</b>	<b>-</b>	<b>-</b>
Additions	-	-
Bonus shares certificates	-	-
Shares in current year profit	-	-
Disposal	-	-
TFRS 9 classification change	-	-
Revaluation increase	-	-
Provision for impairment (-) / Cancellation of provision	-	-
<b>Balance at the end of the period</b>	<b>10.586</b>	<b>10.586</b>
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

**4.1.ç) Sectoral information about associates and their carrying amounts:**

The Bank does not have any associates qualified as financial corporation.

**4.1.d) Associates quoted in the stock exchange:**

None.

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes Related to Assets (Continued):**

**4. Information on equity investments (Continued):**

**4.2. Information on subsidiaries (Net)**

**4.2.a) General information on subsidiaries**

The Bank has provided a provision for its entire capital share in its subsidiary Arıçak A.Ş., which is in the process of liquidation.

The Bank has 100% participation in Kalkınma Yatırım Varlık Kiralama Anonim Şirketi established on 28 May 28 2020 with a nominal capital of TL 50 and in Kalkınma Girişim Sermayesi Portföy Yönetimi Anonim Şirketi established on 17 November 2020 with a nominal capital of TL 1.800 and increased to TL 50.000 on 19 August 2024.

	<b>Title</b>	<b>Address (City/Country)</b>	<b>Bank's share percentage-if different voting rate (%)</b>	<b>Bank's risk group share rate (%)</b>
1	Kalkınma Yatırım Varlık Kiralama A.Ş.	İstanbul	100	100
2	Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.	İstanbul	100	100

**4.2.b) Financial statement information regarding subsidiaries in the order above:**

<b>(*)</b>	<b>Total Assets</b>	<b>Shareholders' Equity</b>	<b>Total Fixed Assets</b>	<b>Interest Income</b>	<b>Securities Income</b>	<b>Current Period Profit/Loss</b>	<b>Prior Period Profit/Loss</b>	<b>Fair Value</b>
1	1.040.719	739	3	-	352.673	213	306	-
2	56.836	43.976	2.157	-	-	(2.698)	(3.443)	-

(\*) The financial information of Kalkınma Yatırım Varlık Kiralama A.Ş. and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. are provided from the unreviewed financial statements without the implementation of inflation accounting as of 30 September 2024. Prior period informations are provided from the unreviewed financial statements without the implementation of inflation accounting as of 30 September 2023.

**4.2.c) Movement of subsidiaries:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
<b>Balance at the beginning of the period</b>	<b>16.746</b>	<b>4.050</b>
<b>Movements during the period</b>	<b>25.705</b>	<b>12.696</b>
Additions	30.000	6.536
Bonus shares certificates	-	9.464
Shares in current year profit	-	-
Disposals	-	-
Revaluation increase	-	-
Provision for impairment (-) / Cancellation of provision	(4.295)	(3.304)
<b>Balance at the end of the period</b>	<b>42.451</b>	<b>16.746</b>
Capital commitments	-	-
Share percentage at the end of the period (%)	100	100

**SECTION FIVE (Continued)****EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)****I. Explanations and Notes Related to Assets (Continued):****4. Information on equity investments (Continued):****4.2. Information on subsidiaries (Net) (Continued):****4.2.ç) Sectoral information about subsidiaries and their carrying amounts:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
Banks	-	-
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial subsidiaries	42.451	16.746

**4.2.d) Subsidiaries quoted on the stock exchange:**

None.

**4.3. Information on jointly controlled entities (joint ventures):**

The Bank has no joint ventures.

**5. Positive differences table related to derivative financial instruments held for hedging purposes:**

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

**6. Information on tangible assets:**

Not prepared in compliance with the 25th article of the Communiqué about Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks in interim period.

**7. Information on intangible assets:**

Not prepared in compliance with the 25th article of the Communiqué about Financial Statements and Related Disclosures and Footnotes to be announced to Public by Banks in interim period.

**8. Information on investment properties:**

None.

**9. Information on current tax assets:**

None.

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**I. Explanations and Notes Related to Assets (Continued):**

**10. Information on deferred tax assets:**

As of 30 September 2024, the Bank has a deferred tax asset of TL 407.535 (31 December 2023: TL 322.823). The deferred tax asset is calculated over the temporary differences formed by the assets and liabilities followed by the book value in the Bank's records and their tax base calculated in accordance with the tax legislation. In case the items that constitute the temporary differences are monitored among the equity items, the deferred tax asset/liability calculated over the said temporary differences are associated with the related equity items, and as of 30 September 2024, the Bank has no tax assets calculated over the period loss or tax deduction (31 December 2023: None).

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
<b>Deferred Tax Assets</b>		
Differences between Book Value and Tax Value of Fixed Assets	50.241	24.277
Interest rediscounts	3.672	2.815
Employee benefits provisions	29.017	18.990
TFRS 16 Leases	1.357	-
Personnel bonus premium provision	120.971	60.949
TFRS 9 Provision	325.829	289.035
Other	32.363	33.385
<b>Total Deferred Tax Assets</b>	<b>563.450</b>	<b>429.451</b>
<b>Deferred Tax Liabilities</b>		
Securities portfolio - Financial	45.810	13.684
Securities portfolio - Non-financial	85.050	78.545
TFRS 16 Leasing	-	174
Derivative financial assets	25.055	14.225
<b>Total Deferred Tax Liability</b>	<b>155.915</b>	<b>106.628</b>
<b>Net Deferred Tax Asset/(Liabilities)</b>	<b>407.535</b>	<b>322.823</b>

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes Related to Liabilities:**

**1. Information on maturity structure of deposits:**

The Bank is not accepting deposits.

**2. Information on funds borrowed:**

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

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
From Central Bank of the Republic of Türkiye (*)	17.790.185	-	17.995.416	-
From domestic banks and institutions	9.645	7.388.870	-	4.666.865
From foreign banks, institutions and funds	-	79.631.456	-	75.284.759
<b>Total</b>	<b>17.799.830</b>	<b>87.020.326</b>	<b>17.995.416</b>	<b>79.951.624</b>

(\*) The securities amounting to TL 35.885.404 (31 December 2023: TL 34.276.146) received from the customers of the rediscount loans obtained from the Central Bank of the Republic of Türkiye were endorsed to the Central Bank of the Republic of Türkiye.

**2.b) Maturity structure of funds borrowed:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Short-term	-	8.040.965	-	10.414.970
Medium and long-term	17.799.830	78.979.361	17.995.416	69.536.654
<b>Total</b>	<b>17.799.830</b>	<b>87.020.326</b>	<b>17.995.416</b>	<b>79.951.624</b>

**2.c) Additional information for the areas of liability concentrations:**

As the Bank is not authorized to accept deposits, liabilities are composed of funds obtained from domestic and international financial institutions, medium and long term loans, securities issued and subordinated debt instruments.

Most of the loans from international finance institutions are from World Bank, European Investment Bank, Council of Europe Development Bank, Islamic Development Bank, International Islamic Trade Finance Corporation, Black Sea Trade and Development Bank, German Development Bank, Asian Infrastructure Investment Bank, Japan Bank for International Cooperation and China Development Bank. Domestic loans originate from the Republic of Türkiye Ministry of Treasury and Finance and Central Bank of the Republic of Türkiye.

**3. Information on funds provided under repurchase agreements:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Liabilities to money markets	1.025.682	-	223.415	-
Funds provided under repurchase agreements	3.831.801	234.986	2.660.861	-
<b>Total</b>	<b>4.857.483</b>	<b>234.986</b>	<b>2.884.276</b>	<b>-</b>

**4. Information on securities issued (Net):**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Bonds	-	3.821.718	-	3.321.427
<b>Total</b>	<b>-</b>	<b>3.821.718</b>	<b>-</b>	<b>3.321.427</b>

## SECTION FIVE (Continued)

### EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)

#### II. Explanations and Notes Related to Liabilities: (Continued)

##### 5. Explanations on funds:

Of the TL 6.436.752 provided by the Bank (31 December 2023: TL 6.397.933), TL 389.387 (31 December 2023: 328.577 TL) is from the World Bank, TL 2.124 (31 December 2023: 22.350 TL) is from the European Commission Fund, TL 301.839 (31 December 2023: 22.350 TL) is from the Ministry of Treasury and Finance and TL 5.743.402 (31 December 2023: 6.045.193 TL) consists of funds from borrowers and banks.

##### 6. Explanations on financial liabilities at fair value through profit and loss:

None.

##### 7. Negative differences table for derivative financial liabilities:

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	39.946	4.828	15.195	3.104
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>39.946</b>	<b>4.828</b>	<b>15.195</b>	<b>3.104</b>

##### 8. Information on factoring liabilities:

None.

##### 9. Explanations on financial lease payables (Net):

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	Gross	Net	Gross	Net
Less than 1 year	12.153	10.229	7.298	5.253
1-4 years	12.983	11.533	18.092	15.484
More than 4 years	-	-	-	-
<b>Total</b>	<b>25.136</b>	<b>21.762</b>	<b>25.390</b>	<b>20.737</b>

##### 10. Negative differences table related to derivative financial instruments held for hedging purposes:

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

##### 11. Explanations on Provisions:

###### 11.a) Foreign exchange loss provisions on the foreign currency indexed loans and finance lease receivables:

There is no foreign exchange loss provisions on the foreign currency indexed loans and finance lease receivables (31 December 2023: None).

###### 11.b) Expected credit loss provided for uninformed non-cash loans:

As of 30 September 2024, the first stage expected credit loss for non-compensated and non-cashed non-cash loans is TL 35.363 (31 December 2023: TL 53.480).

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes Related to Liabilities (Continued)**

**11.c) Other provisions:**

- i) As of 30 September 2024, there are 96 lawsuits filed against the Bank with a risk amount of TL 19.355. The Bank allocated litigation provision amounting to TL 4.421 (31 December 2023: TL 8.597) for the lawsuits that are expected or highly probable to be concluded against the Bank. Other provisions amounting to TL 100.000 (31 December 2023: TL 100.000) are provided for probable risks.
- ii) The Bank accounts provisions for employee benefits in accordance with the Turkish Accounting Standards No:19 and reflects it in financial statements. As of 30 September 2024, the Bank allocated provision for severance pay amounting to TL 53.859 (31 December 2023: TL 42.185), for unused vacation accruals amounting to TL 42.865 (31 December 2023: TL 21.114) and for planned employee benefits amounting to TL 403.237 (31 December 2023: TL 203.165).

**11.c-1) Information regarding severance pay provisions:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
<b>Balance at the beginning of the period</b>	<b>42.185</b>	<b>20.042</b>
Expenses during the period	14.406	22.966
Actuarial loss/gain	-	-
Paid during the period	(2.732)	(823)
<b>Balance at the end of the period</b>	<b>53.859</b>	<b>42.185</b>

**12.a) Information on current tax liability:**

**12.a-1) Information on tax provision:**

<b>Corporate Tax and Deferred Tax</b>	<b>Current Period (30.09.2024)</b>		<b>Prior Period (31.12.2023)</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Corporate tax payable	731.483	-	498.718	-
Deferred tax liability	-	-	-	-
<b>Total</b>	<b>731.483</b>	-	<b>498.718</b>	-

**12.a-2) Information on taxes payable:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
Corporate tax payable	731.483	498.718
Taxation on income on marketable securities	5.691	5.393
Property tax	-	-
Banking insurance transaction tax (BITT)	24.275	14.269
Foreign exchange transaction tax	28	287
Value added tax payable	1.429	1.542
Other	29.637	15.504
<b>Total</b>	<b>792.543</b>	<b>535.713</b>

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes Related to Liabilities (Continued)**

**12.a-3) Information on premiums:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
Social security premiums- Employee	6.305	3.756
Social security premiums- Employer	9.342	5.496
Bank social aid pension fund premium- Employee	-	-
Bank social aid pension fund premium- Employer	-	-
Pension fund membership fees and provisions- Employee	118	69
Pension fund membership fees and provisions- Employer	147	86
Unemployment insurance- Employee	450	268
Unemployment insurance- Employer	901	536
Other	89	57
<b>Total</b>	<b>17.352</b>	<b>10.268</b>

**13. Information on deferred tax liabilities:**

None.

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

The Bank has no fixed asset liabilities related to assets held for sale or discontinued operations.

**15. Information on subordinated debt instruments:**

	<b>Current Period (30.09.2024)</b>		<b>Prior Period (31.12.2023)</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Debt instruments to be included in additional capital calculation	5.082.043	5.848.848	3.712.899	6.038.208
Subordinated loans	5.082.043	5.848.848	3.712.899	6.038.208
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	2.141.677	-	1.827.616
Subordinated loans	-	2.141.677	-	1.827.616
Subordinated debt instruments	-	-	-	-
<b>Total</b>	<b>5.082.043</b>	<b>7.990.525</b>	<b>3.712.899</b>	<b>7.865.824</b>

**16. If other liabilities exceed 10 % of the balance sheet total, name and amount of sub-accounts constituting at least 20 % of grand total:**

Other liabilities do not exceed 10% of the balance sheet total.

**17. Information on shareholders' equity:**

**17.a) Presentation of paid-in capital:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
Common stock	5.500.000	2.500.000
Preferred stock	-	-

**17.b) Paid-in capital amount, explanation whether the registered share capital system is applicable for the Bank, if so, amount of registered capital ceiling:**

<b>Capital System</b>	<b>Paid in Capital</b>	<b>Ceiling</b>
Registered capital	5.500.000	10.000.000

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**II. Explanations and Notes Related to Liabilities (Continued):**

**17.c) Information on share capital increases and their sources; other information on increased capital shares in current period:**

Increase Date	Increase Amount	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
30.04.2024	3.000.000	3.000.000	-	-

**17.c) Information on additions from capital reserves to capital in the current period:**

There is no increase from capital reserves.

**17.d) Capital commitments until the end of the last fiscal year and the following interim period, the general purpose of these commitments and the estimated resources required for these commitments:**

The Bank has no capital commitments.

**17.e) Information on legal reserves:**

	Current Period (30.09.2024)	Prior Period (31.12.2023)
I. Legal reserve	407.567	205.398
II. Legal reserve	14.471	14.471
Special reserves	-	-
<b>Total</b>	<b>422.038</b>	<b>219.869</b>

**17.f) Information on extraordinary reserves:**

	Current Period (30.09.2024)	Prior Period (31.12.2023)
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	7.536.279	3.695.073
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency capital exchange difference	-	-
<b>Total</b>	<b>7.536.279</b>	<b>3.695.073</b>

**17.g) Indicators of the Bank's income, profitability and liquidity for the prior periods and possible effects of these future assumptions based on the uncertainty of these indicators on the Bank's equity:**

The Bank's prior year revenues, profitability and liquidity and projections in the future are followed by the relevant units. Considering the current conditions in the country's economy and the Bank's prior year performance; within the framework of forecasts regarding income, profitability and liquidity, it is estimated that there will be no significant problems in the upcoming period.

**17.g) Information on preferred shares:**

The Bank has no preferred shares.

**17.h) Information on accumulated other comprehensive profit or loss that will be reclassified to profit or loss:**

	Current Period (30.09.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
From associates, subsidiaries and jointly controlled entities (joint ventures)	10.931	-	10.931	-
Valuation difference	10.920	167.297	62.055	87.350
Foreign exchange difference	-	-	-	-
<b>Total</b>	<b>21.851</b>	<b>167.297</b>	<b>72.986</b>	<b>87.350</b>

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**III. Explanations and Notes Related to Off-Balance Sheet Accounts**

**1. Information on off-balance sheet liabilities:**

**1.a) Nature and amount of irrevocable loan commitments:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
Forward asset purchase and sales commitments	51.313	1.420.366
Other irrevocable commitments	758.679	262.965
<b>Total</b>	<b>809.992</b>	<b>1.683.331</b>

**1.b) Nature and amount of possible losses and commitments from the off-balance sheet items including the below mentioned:**

As of 30 September 2024, the first stage expected credit loss for non-compensated and non-cashed non-cash loans is TL 35.363 (31 December 2023: TL 53.480).

**1.b-1) Guarantees, confirmed bills and guarantees assessed as financial guarantees and non-cash loans including other letter of credits:**

The Bank has guarantees given amounting to TL 612.932 (31 December 2023: TL 609.260). The Bank has no letters of credit and bank acceptances as of the current period.

**1.b-2) Definite guarantees, tentative guarantees, suretyships and similar transactions:**

The total amount of the Bank's letters of guarantee is TL 4.396.826 (31 December 2023: TL 4.145.080). TL 1 (31 December 2023: TL 1) of this amount is a customs guarantee letter and TL 165.400 (31 December 2023: TL 84.923) are performance guarantee letters.

**1.c-1) Total non-cash loans:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
Non-cash loans for providing cash loans	4.844.357	4.669.416
With original maturity of one year or less	-	-
With original maturity more than one year	4.844.357	4.669.416
Other non-cash loans	165.401	84.924
<b>Total</b>	<b>5.009.758</b>	<b>4.754.340</b>

**2. Information on derivative financial instruments:**

Derivative transactions of the Bank consists of currency swap purchasing and selling transactions. Swap transactions in foreign currency and their TL equivalents are shown in the table below as of 30 September 2024 and 31 December 2023.

	<b>Current Period (30.09.2024)</b>				<b>Prior Period (31.12.2023)</b>			
	<b>Forward Purchase</b>	<b>Forward Sale</b>	<b>Swap Purchase</b>	<b>Swap Sale</b>	<b>Forward Purchase</b>	<b>Forward Sale</b>	<b>Swap Purchase</b>	<b>Swap Sale</b>
TL	-	-	5.007.600	3.157.452	-	-	982.007	9.153.209
USD	-	-	5.038.291	5.500.747	-	-	6.794.888	1.934.433
EUR	-	-	820.399	1.967.050	-	-	3.239.969	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10.866.290</b>	<b>10.625.249</b>	<b>-</b>	<b>-</b>	<b>11.016.864</b>	<b>11.087.642</b>

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**III. Explanations and Notes Related to Off-Balance Sheet Accounts (Continued):**

**3. Information on contingent liabilities and assets:**

Istanbul Venture Capital Initiative (IVCI - A Luxemburg Investment Company Fund) is founded as a stock company having variable capital and subject to laws of Luxemburg. The Bank has committed to buy "Group A" shares equal to nominal value of EUR 10 million and to pay this amount at the date determined by Fund according to its investment plan. The Fund's initial capital commitment was EUR 150 million and its capital was increased to EUR 160 million with new participants in March 2009. The Bank's participation was approved by the Board of Directors of IVCI on 13 November 2007 and share purchase agreement was signed at of the same date.

As of the balance sheet date, the Bank has paid EUR 9.998.342 of the EUR 10 million commitment, while EUR 1.658 has not been paid yet.

The Bank has committed to invest TL 25.000 in the Development Participation Venture Capital Investment Fund, TL 15.000 in the Innovative and Advanced Technologies Venture Capital Investment Fund, USD 1,5 Million in the Development ODTÜ Teknokent Venture Capital Investment Fund of which the Bank's subsidiary Development Venture Capital Portfolio Management Inc. is the founder and manager. It has been paid a capital share of TL 25.000 to Participation Venture Capital Investment Fund; TL 15.000 to the Innovative and Advanced Technologies Venture Capital Investment Fund; USD 1,5 million to the Development ODTÜ Teknokent Venture Capital Investment Fund and as of the balance sheet date, the total commitment to these funds has been paid.

The Bank has committed to invest TL 430.000 in the TKYB Capital Fund, of which Türkiye Development Fund is the founder and Development Venture Capital Portfolio Management Inc. is the manager. It has been paid a capital share of TL 183.940 and as of the balance sheet date, TL 246.060 of the total commitment to the fund has not been paid yet. The Bank has committed to transfer a maximum of USD 15 million to the USD 50 million Development and Investment Bank of Türkiye Super Fund established within the Development Fund of Türkiye.

**4. Services supplied on behalf of others**

The Bank does not act as an intermediary for purchases and sales of securities on behalf of others and provides custody services.

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes Related to Statement of Profit or Loss:**

**1.a) Information related to interest income on loans:**

	Current Period (30.09.2024)		Prior Period (30.09.2023)	
	TL	FC	TL	FC
<b>Interest on loans<sup>(*)</sup></b>				
Short term loans	-	144.901	-	-
Medium and long term loans	2.629.011	4.321.586	1.164.214	3.554.907
Interest on non-performing loans	172.030	-	187.647	-
Premiums received from resource utilization support fund	-	-	-	-
<b>Total</b>	<b>2.801.041</b>	<b>4.466.487</b>	<b>1.351.861</b>	<b>3.554.907</b>

(\*) Includes fees and commissions received from cash-loans.

**1.b) Information related to interest income on banks:**

	Current Period (30.09.2024)		Prior Period (30.09.2023)	
	TL	FC	TL	FC
From Central Bank of the Republic of Türkiye	-	-	-	-
From domestic banks	2.743.395	35.964	2.103.702	12.652
From foreign banks	-	5.522	-	2.799
From foreign head offices and branches	-	-	-	-
<b>Total</b>	<b>2.743.395</b>	<b>41.486</b>	<b>2.103.702</b>	<b>15.451</b>

**1.c) Information related to interest income on marketable securities:**

	Current Period (30.09.2024)		Prior Period (30.09.2023)	
	TL	FC	TL	FC
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income	575.001	980.680	432.505	308.611
Financial assets measured at amortised cost	2.481.322	148.111	1.268.272	194.471
<b>Total</b>	<b>3.056.323</b>	<b>1.128.791</b>	<b>1.700.777</b>	<b>503.082</b>

**1.c) Information related to interest income from associates and subsidiaries:**

None.

**1.d) Information on interest income from money market transactions:**

	Current Period (30.09.2024)		Prior Period (30.09.2023)	
	TL	FC	TL	FC
Money market transactions	3.079.464	5.465	1.321.786	787
Reverse repurchase agreements	23.727	-	2.526	-
<b>Total</b>	<b>3.103.191</b>	<b>5.465</b>	<b>1.324.312</b>	<b>787</b>

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes Related to Statement of Profit or Loss (Continued):**

**2.a) Information related to interest expense on borrowings:**

	Current Period (30.09.2024)		Prior Period (30.09.2023)	
	TL	FC	TL	FC
Banks <sup>(*)</sup>	2.286.019	397.239	982.596	153.600
Central Bank of the Republic of Türkiye	2.286.019	-	982.596	-
Domestic banks	-	-	-	-
Foreign banks	-	397.239	-	153.600
Foreign head office and branches	-	-	-	-
Other Institutions <sup>(*)</sup>	1.369.215	3.582.636	840.547	2.781.502
<b>Total</b>	<b>3.655.234</b>	<b>3.979.875</b>	<b>1.823.143</b>	<b>2.935.102</b>

(\*) Includes fees and commissions payable to cash-loans.

**2.b) Information related to interest expenses to associates and subsidiaries:**

None.

**2.c) Information related to interest on securities issued:**

	Current Period (30.09.2024)		Prior Period (30.09.2023)	
	TL	FC	TL	FC
Interests paid on issued securities	-	200.730	-	121.463

**2.c) Information related to interest on money market transactions:**

	Current Period (30.09.2024)		Prior Period (30.09.2023)	
	TL	FC	TL	FC
Money market transactions	69.190	-	804	-
Repurchase agreements	847.073	3.753	295.152	-
<b>Total</b>	<b>916.263</b>	<b>3.753</b>	<b>295.956</b>	-

**2.d) Leasing interest expenses:**

	Current Period (30.09.2024)		Prior Period (30.09.2023)	
	TL	FC	TL	FC
Immovables	2.746	-	913	-
Movables	1.588	-	1.366	-
<b>Total</b>	<b>4.334</b>	-	<b>2.279</b>	-

**3. Information related to dividend income:**

	Current Period (30.09.2024)	Prior Period (30.09.2023)
Financial assets measured at fair value through profit or loss	6.154	6.071
Financial assets measured at fair value through other comprehensive income	8.632	3.278
Other	-	-
<b>Total</b>	<b>14.786</b>	<b>9.349</b>

**Notes to the Unconsolidated Financial Statements as of 30 September 2024**

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

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes Related to Statement of Profit or Loss (Continued):**

**4. Information related to trading income/loss:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (30.09.2023)</b>
<b>Gain</b>	<b>746.791</b>	<b>6.066.571</b>
Gains on capital market operations	99.411	117.757
Gains on derivative financial instruments	430.926	3.889.336
Foreign exchange gains	216.454	2.059.478
<b>Loss (-)</b>	<b>(1.628.813)</b>	<b>(6.199.466)</b>
Losses from capital market operations	(37.884)	(13.896)
Losses on derivative financial instruments	(1.055.401)	(2.040.169)
Foreign exchange losses	(535.528)	(4.145.401)

**5. Information related to other operating income:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (30.09.2023)</b>
Income from sale of assets	7	70.219
Reversals from prior years' provisions	300.004	126.478
Other	220	16.751
<b>Total</b>	<b>300.231</b>	<b>213.448</b>

In general, the Bank's other operating income consists of provisions for expected losses set aside in previous years, share impairment provisions, reversal of litigation provisions and income from sale of assets.

**6. Bank's expected credit loss expenses and other provision expenses:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (30.09.2023)</b>
Expected credit loss provisions	562.167	311.821
12 month expected credit loss (Stage 1)	109.916	207.778
Significant increase in credit risk (Stage 2)	301.869	38.609
Non-performing Loans (Stage 3)	150.382	65.434
Marketable securities impairment expense	13.368	1.758
Financial assets measured at fair value through profit or loss	13.186	1.758
Financial assets measured at fair value through other comprehensive income	182	-
Subsidiaries, associates and joint ventures provision expenses for impairment	4.295	2.805
Associates	-	-
Subsidiaries	4.295	2.805
Joint ventures	-	-
Other provision expenses (*)	312.853	138.835
<b>Total</b>	<b>892.683</b>	<b>455.219</b>

(\*) Other provision expenses amounting to TL 37.873 consist of provision for employment termination benefits and vacation pay liability expenses (30 September 2023: TL 20.743), TL 274.980 consist of provision expenses in accordance with TAS 19 (30 September 2023: TL 117.555 ).

**Notes to the Unconsolidated Financial Statements as of 30 September 2024**

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

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes Related to Statement of Profit or Loss (Continued):**

**7. Information related to other operating expenses:**

	<b>Current Period (30.09.2024)</b>	<b>Prior Period (30.09.2024)</b>
Provision for employee termination benefits <sup>(*)</sup>	14.406	7.960
Provision expense for bank social aid fund deficits	-	-
Fixed assets impairment charges	-	-
Depreciation charges of fixed assets	23.647	15.450
Intangible assets impairment charges	-	-
Goodwill impairment charges	-	-
Amortization charges of intangible assets	10.632	5.469
Impairment charges on investments accounted for at equity method accounting	-	-
Impairment charges of assets that will be disposed	-	-
Amortization charges of assets that will be disposed	-	-
Impairment charges for non-current assets held for sale and discontinued operations	-	-
Other operating expenses	101.426	65.158
Leasing expenses related to TFRS 16 exceptions	281	142
Maintenance expenses	613	501
Advertisement expenses	61	57
Other expenses <sup>(**)</sup>	100.471	64.458
Loss on sale of assets	-	-
Other <sup>(***)</sup>	163.741	193.531
<b>Total</b>	<b>313.852</b>	<b>287.568</b>

(\*) Provision for severance pay and short term employee benefits are shown in the other provision expenses line in the statement of profit or loss.

(\*\*) Other expenses consist of cleaning expenses amounting to TL 5.655 (30 September 2023: TL 2.659), communication expenses amounting to TL 14.887 (30 September 2023: TL 8.775), computer usage expenses amounting to TL 13.742 (30 September 2023: TL 15.021), heating, lighting and water expenses amounting to TL 1.382 (30 September 2023: TL 1.148), vehicle expenses amounting to TL 31.719 (30 September 2023: TL 16.015), dues amounting to TL 2.319 (30 September 2023: TL 1.248), participation share in common expenses amounting to TL 15.283 (30 September 2023: TL 8.241), insurance expenses amounting to TL 4.865 (30 September 2023: TL 3.368), miscellaneous expenses amounting to TL 2.387 (30 September 2023: TL 5.363) and the remaining portion amounting to TL 8.232 (30 September 2023: TL 2.320) consists of other miscellaneous expenses.

(\*\*\*) Other consists of taxes, duties, fees and funds expenses amounting to TL 92.335 (30 September 2023: TL 52.669), audit and consultancy fees amounting to TL 33.592 (30 September 2023: TL 17.031), BRSA participation share amounting to TL 20.572 (30 September 2023: TL 7.257) and other miscellaneous expenses amounting to TL 17.242 (30 September 2023: TL 6.163), (30 September 2023: TL 110.411 earthquake relief expenses).

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**IV. Explanations and Notes Related to Statement of Profit or Loss (Continued):**

**8. Information related to operating profit/loss before taxes:**

The Bank's profit before tax from continuing operations for the period ended 30 September 2024 is TL 6.174.676 (30 September 2023: TL 4.074.362). The Bank has no discontinued operations.

**9. Information related to tax provisions for taxes:**

For the period ended 30 September 2024, tax provision expense calculated from continuing operations amounting to TL 1.819.618 (30 September 2023: TL 1.163.742) consists of current tax expense amounting to TL 1.917.244 (30 September 2023: TL 1.263.294) and deferred tax income effect amounting to TL 97.626 (30 September 2023: TL 99.552).

**10. Information related to net operating income after taxes:**

For the period 1 January 2024 - 30 September 2024, the Bank has recorded a net profit of TL 4.355.058 (1 January 2023 - 30 September 2023: TL 2.910.620 profit).

**11. Information on net profit/loss:**

**11.a) The nature and amount of income and expenses from ordinary banking operations, if their nature, amount and frequency are required for the complete understanding of the performance of the Bank in the current period:**

None.

**11.b) The effect of the change in accounting estimates to the net profit/loss; including the effects to the future period, if any:**

There are no changes in accounting estimates.

**12. If the other items in the statement of profit/loss exceed 10 % of the statement of profit/loss total, sub-accounts amounting to at least 20 % of these items are presented below:**

As of 30 September 2024, total amount of other fees and commissions received in the statement of profit or loss is TL 91.401 (30 September 2023: TL 40.187). Of this amount, TL 41.941 (30 September 2023: TL 16.080) consists of investment banking service income and TL 16.442 (30 September 2023: TL 9.727) consists of CBRT investment advance commissions.

As of 30 September 2024, total amount of other fees and commissions given in the statement of profit or loss is TL 28.853 (30 September 2023: TL 31.287). Of this amount, credit guarantee fund limit commissions amounting to TL 4.167 (30 September 2023: TL 10.044), stock exchange transaction commissions amounting to TL 16.584 (30 September 2023: TL 15.138) and listing fees amounting to TL 2.849 (30 September 2023: TL 1.771).

**SECTION FIVE (Continued)**

**EXPLANATIONS AND NOTES RELATED TO THE FINANCIAL STATEMENTS (Continued)**

**V. Explanations Related to Risk Group of the Bank:**

Predicted limitations determined in the Banking Law are maintained through internal regulations in the Bank which has no transactions related to deposit acceptance. For the transactions with risk groups, normal customer relationships and market conditions are taken into account. The Bank adopts policies that restrict the balance of transactions with risk groups in total assets and liabilities. Practices are carried out in accordance with this policy.

**a) Current Period:**

Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans	-	-	-	-	-	-
Beginning Balance	3.859	-	-	-	-	-
Closing Balance (*)	3.856	-	-	-	-	-
Interest and Commissions Income	-	-	-	-	-	-

(\*) TL 3.856 of loan disbursed to Aricak A.Ş., a subsidiary of the Bank, has been followed in Group V. For this loan, TL 3.856 is set aside for the expected loss in the third stage.

**b) Prior Period:**

Risk Group	Subsidiaries, Associates and Jointly Controlled Entities (Joint Ventures)		Direct or Indirect Shareholders of the Bank		Other Real and Legal Persons in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans	-	-	-	-	-	-
Beginning Balance	3.859	-	-	-	-	-
Closing Balance (*)	3.859	-	-	-	-	-
Interest and Commissions Income	-	-	-	-	-	-

(\*) TL 3.859 of loan disbursed to Aricak A.Ş., a subsidiary of the Bank, has been followed in Group V. For this loan, TL 3.859 is set aside for the expected loss in the third stage.

**c) Information on forward transactions, option contracts and similar other transactions between the Bank and its risk groups:**

None.

**d) Information on remuneration and benefits provided for the senior management of the Bank:**

The total of benefits provided to the top management of the Bank is TL 52.044 (30 September 2023: TL 29.275).

## **SECTION SIX**

### **OTHER EXPLANATIONS**

#### **I. Explanations on Auditor's Review Report:**

The Bank's unconsolidated financial statements as of and for the period ended 30 September 2024 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) and the review report dated 23 October 2024 is presented at the beginning of the financial statements and related notes.

#### **II. Explanations and Notes Related to Subsequent Events:**

None.

## **SECTION SEVEN**

### **INTERIM ACTIVITY REPORT**

#### **I. Chairman's Assessment:**

In the second quarter of 2024, global economic activity continued to improve slightly, while the services sector continued to support economic growth. Amid the decline in global inflation, central banks of global countries started to cut interest rates in the second quarter, but signaled that the cuts would be cautious.

Domestically, the decline in inflation, which started in May, became more pronounced in the third quarter thanks to the policies implemented to combat inflation.

As the Development and Investment Bank of Türkiye, we have been committed to our mission of contributing to Türkiye's sustainable development since our establishment. To this end, we continue to develop strong partnerships with prestigious international financing institutions. These strategic partnerships enhance the strategic financial strength of our Bank in the field of international funding and directly contribute to Türkiye's efforts to achieve its long-term growth targets.

Continuing to develop strong relationships and collaborations to contribute to Türkiye's sustainable growth, our Bank's assets increased by 24.3 percent and operating income increased by 55.6 percent in the third quarter of 2024 compared to the same period last year. The amount of our loans, which constituted 63.6 percent of our total assets, reached TL 97.7 billion in September 2024. Our capital adequacy ratio was 20.3 percent.

Our deep knowledge and experience in development banking has made our Bank an important building block in providing long-term financing to Türkiye's strategic sectors. Acting with the mission of supporting sustainable investments, our Bank prioritizes projects that directly contribute to Türkiye's economic growth. In this context, we play an important role in achieving our country's development goals by providing financing to projects in strategic sectors.

With our deep-rooted experience in investment banking, we continue to provide financial guidance to public and private sector companies. Our activities in venture capital and private equity investments create significant value by supporting the economic growth of our country.

As the Bank, we always prioritize our goal of contributing to the vision of sustainable development. With our international collaborations, strong financial performance and support for strategic projects, we will continue to play an important role in our country's economic growth process. We will continue to invest in Türkiye's future with our activities in development banking, investment banking, venture capital and private equity investments.

**Dr. Raci KAYA**  
**Chairman of the Board**

**Notes to the Unconsolidated Financial Statements as of 30 September 2024**

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

**SECTION SEVEN (Continued)**

**INTERIM ACTIVITY REPORT (Continued)**

**II. CEO and Board Member's Assessment:**

The rebalancing process in the Turkish economy, which started in the first quarter of 2024, accelerated in the second quarter and a more sustainable growth composition was achieved. The rebalancing process in the economy is expected to become more pronounced in the third quarter.

In the first half of 2024, the asset size of the Turkish banking sector, which continued to grow led by loans, increased by 46 percent year-on-year and reached TL 30 trillion in August. The improvement in external financing conditions thanks to the policies implemented as part of the disinflation process continued to support the overall outlook in the sector.

As of the third quarter of 2024, the Bank achieved positive results in terms of financial performance. Bank's assets increased by 24.3 percent compared to the same period of the previous year and reached TL 153.6 billion as of September 2024. This growth is a reflection of the Bank's strong ties with both national and international financial markets and its strategic planning. Our loans, which constitute 63.6 percent of our total assets, amounted to TL 97.7 billion in September 2024. The ratio of gross non-performing loans to total loans, an important indicator of asset quality, decreased by 0.36 percentage points compared to the same period of the previous year and was realized as 0.76 percent. Our profit for the nine-month period amounted to TL 4.4 billion.

Our Bank's long-term financing solutions and its mission to support strategic investments play a major role in Türkiye's achievement of its sustainable development goals. In the nine months of the year, our Bank continued to provide resources to the Turkish economy in cooperation with international financial institutions and took important steps towards realizing Türkiye's goals in its green transformation journey. Our Bank and the World Bank signed a loan agreement amounting to USD 200 million and EUR 200 million under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance. From the OPEC Fund for International Development (OFID), the Bank obtained financing of USD 50 million to be used in the field of food security and agro-industry with a loan from the Republic of Türkiye Ministry of Treasury and Finance. In addition, the Bank signed loan agreements amounting to EUR 300 million with the World Bank (IBRD) and USD 15 million with the Clean Technology Fund (CTF). In the third quarter of the year, the Bank signed a USD 100 million financing agreement with the International Islamic Trade Finance Corporation (ITFC).

During the nine-month period, our Bank continued to provide value-added consultancy services in the field of financial consultancy. In March 2024, our Bank successfully completed the acquisition of Traçım Çimento San. ve Tic. A.Ş., for which it started to work as the exclusive financial advisor in 2023, was successfully completed by AC Çimento A.Ş. in March 2024. Acting as the exclusive financial advisor in the Privatization Administration's privatization process of some cargo and yacht ports owned by Türkiye Denizcilik İşletmeleri A.Ş. (TDİ), our Bank completed the tender for Kalamış Marina in the first quarter of 2024 and the privatization was approved by the Presidential Decree in September 2024.

In capital markets, another important area of activity in investment banking, we facilitate our clients' access to capital markets by providing pre-IPO preparation, infrastructure and transformation consultancy services. Our Bank successfully completed an IPO process amounting to TL 3.8 billion in 2024. At the same time, with the consultancy and brokerage services we provide in the process from the creation of the appropriate structure in lease certificate (sukuk) issuances to the completion of the sale, the first wheat price indexed sukuk issuance in our country and a TL 700 million sukuk issuance to ensure the sustainability of food and supply chains were realized. Within the scope of the Türkiye Development Fund (TKF) activities established by our Bank in 2019, the establishment of the TKYB Top Fund, which will invest in other venture capital and private equity funds in the ecosystem as of the third quarter of the year, was completed together with the Republic of Türkiye Ministry of Treasury and Finance. The first closing size of the fund, in which our Bank participated with a commitment of USD 15 million and the Ministry of Treasury and Finance with a commitment of USD 35 million, was realized at USD 50 million. With this fund, it is aimed to strengthen the Turkish entrepreneurship ecosystem, contribute to the country's development by transferring resources to enterprises with high added value and rapid growth potential through funds, and increase the technological competence of our country.

**Notes to the Unconsolidated Financial Statements as of 30 September 2024**

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

**SECTION SEVEN (Continued)**

**INTERIM ACTIVITY REPORT (Continued)**

**II. CEO and Board Member's Assessment (Continued):**

Under the umbrella of the Türkiye Development Fund, which includes eight sub-funds, the Fund continued to make capital investments in innovative initiatives and companies with high growth potential. During the nine-month period, the Fund directly invested in 234 companies established to realize business plans that received the seal of excellence under the TÜBİTAK 1812 program through its sub-fund TÜBİTAK BIGG Fund. In addition, we continued to invest in different sectors through the Invest 101 fund, which invests in early-stage startups. Excluding TÜBİTAK BIGG Fund investments, the number of companies in Türkiye Development Fund's direct investment portfolio increased to 25, and the total amount of direct resources transferred to the ecosystem increased to approximately USD 17.9 million. With the contribution of the newly established top fund, the TDF increased the size of its resources under management to USD 125 million.

Our support for environmentally friendly projects in line with sustainable development goals contributes to Türkiye's energy transformation. Our Bank also contributes to Türkiye's efforts to reduce energy consumption and increase environmental sustainability by ensuring more efficient use of existing energy infrastructure through energy efficiency projects. In this context, the collaborations we realize with universities are also of great importance in order to transfer our know-how to the field of sustainability. These collaborations with universities enable the dissemination of scientific studies to the world of entrepreneurship and society, while aiming to increase productivity in industry and commerce through digital and green transformation.

Continuing its activities within the framework of the Paris Climate Agreement and in line with Türkiye's net zero emission targets, our Bank's sustainability-themed loan portfolio constitutes 93 percent of its total portfolio. Financing 6 percent of Türkiye's renewable energy projects, our Bank has supported the reduction of 4.6 million tons of CO2 emissions with the projects financed. Within the scope of CDP, our Bank achieved a score of B (Management Level), demonstrating that its climate change-related activities are at the management level and that it adopts a continuous improvement-oriented approach. In addition, as the first Bank in Türkiye to sign the Operational Principles for Impact Management (OPIM), we published our third Impact Report this year.

In the third quarter of the year, our Bank received valuable awards from prestigious international organizations as a result of its determined efforts. Our Bank was awarded the Green Finance Innovator Award - Türkiye at the Responsible Investing Awards 2024 organized by Capital Finance International, one of the international publishing institutions, and received silver in the Best Team Development Program category, bronze in the Best Certification Program category and bronze in the Best Advance in Selecting and Onboarding Interns category at the Brandon Hall HCM Excellence Awards, one of the most prestigious research and analysis programs on a global scale. Our Bank also received a gold award from the Stevie Awards, one of the most prestigious organizations in the international business world, for its efforts in the field of human resources with a sustainable perspective.

Our achievements in the nine months of the year once again demonstrate our Bank's determination to achieve its sustainable development goals. Our Bank, which always stands by investments in line with the sustainable development goals and plans of our country, will continue to support investors in the future with the strength it draws from its deep-rooted past.

**İbrahim H. ÖZTOP**  
**CEO and Board Member**

**Notes to the Unconsolidated Financial Statements as of 30 September 2024**

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

**SECTION SEVEN (Continued)**

**INTERIM ACTIVITY REPORT (Continued)**

**III. Summary Financial Information and Ratios:**

<b>Balance Sheet (Thousand TL)</b>	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
Total Assets	153.649.101	134.847.474
Financial Assets	46.791.585	37.840.054
Loans	97.741.664	84.158.708
Receivables from Leasing Transactions	7	3
Other Financial Assets Measured at Amortised Cost	9.697.365	13.620.387
Expected Credit Losses (-)	(1.568.872)	(1.422.970)
Loans Obtained-Funds	111.256.908	104.344.973
Money Market Debts -Securities Issued	8.914.187	6.205.703
Subordinated Debt Instruments	13.072.568	11.578.723
Equity (Including Profit)	18.267.772	10.882.485

<b>Profit / Loss (Thousand TL)</b>	<b>Current Period (30.09.2024)</b>	<b>Prior Period (30.09.2023)</b>
Interest Income (Net)	8.401.729	4.956.227
Non-Interest Income/Expense (Net)	(2.227.053)	(881.865)
Tax Provision (-)	(1.819.618)	(1.163.742)
Net Profit / Loss	4.355.058	2.910.620

<b>Ratios (%)</b>	<b>Current Period (30.09.2024)</b>	<b>Prior Period (31.12.2023)</b>
Total Loans / Total Assets	63,6	62,4
Loans Under Follow-Up / Total Loans	0,8	1,0
Equity / Total Assets	11,9	8,1
Loans Obtained / Total Liabilities	68,2	72,6
Capital Adequacy Ratio	20,3	16,9

**IV. Bank Management**

**1. Board of Directors and Bank Top Management:**

Members of the Board of Directors and the Bank's Top Management are indicated on the second page in the general information section.

**2. Authority Limits of the Chairman and Members of the Board of Directors:**

The duties and responsibilities of the members of the Board of Directors of the Bank are determined by the Law No. 7147 on Türkiye Kalkınma ve Yatırım Bankası A.Ş. and the Bank's Articles of Association.

The main task of the Board of Directors of the Bank is to ensure the realization of the objectives set by the Law within the framework of General Assembly resolutions and related legislation, development plan and annual programs. In the July-September 2024 period, the Board of Directors held 4 meetings and took a total of 48 were decisions.

**3. Audit Committee:**

<b>Name Surname</b>	<b>Duty</b>
Erdal ERDEM	Chairman of the Audit Committee
Zeynep BOĞA	Deputy Chairman of the Audit Committee
Kerem DÖNMEZ	Audit Committee Member
Ömer KARADEMİR	Audit Committee Member

In the July-September 2024 period, the Audit Committee held 5 meetings and took 10 decisions.

**Notes to the Unconsolidated Financial Statements as of 30 September 2024**

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

**SECTION SEVEN (Continued)**

**INTERIM ACTIVITY REPORT (Continued)**

**IV. Bank Management (Continued):**

**4. Corporate Governance Committee:**

<b>Name Surname</b>	<b>Duty</b>
Kerem DÖNMEZ	Chairman of Corporate Governance Committee
Zekeriya COŞTU	Deputy Chairman of the Corporate Governance Committee
Metin YILMAZ	Corporate Governance Committee Member

**5. Pricing Committee:**

<b>Name Surname</b>	<b>Duty</b>
Zeynep BOĞA	Chairman of the Pricing Committee
Erdal ERDEM	Pricing Committee Member

In the July-September 2024 period, The Pricing Committee did not convene.

**6. Units Under Internal Systems :**

<b>Name Surname</b>	<b>Duty</b>
Dr. Kaan Ramazan ÇAKALI	Head of the Inspection Board
Dr. Semra PEKKAYA	Head of Risk Management Department
Burhan Serhan PEKER	Head of Internal Control and Compliance

**V. Capital and Shareholder Structure:**

<b>Shareholders</b>	<b>Current Capital Share (full TL)</b>	<b>%</b>
Republic of Türkiye Ministry of Treasury and Finance	5.449.484.179,18	99,08
Other (*)	50.515.820,82	0,92
<b>Total</b>	<b>5.500.000.000,00</b>	<b>100</b>

(\*) Since it covers all real and legal persons and shares of these partners are traded on Borsa Istanbul, the number of partners is unknown.

**VI. Activities of the Bank's III. Term in 2024**

**Financing Activities and Relations with Financial Institutions:**

In order to increase formal employment, the utilization of the EUR 316 million loan agreement signed with the World Bank and the EUR 75.9 million grant agreement from the European Union continued.

The disbursement of the loan agreement signed with the World Bank to meet the urgent cash needs of companies within the scope of mitigating the effects of Covid-19 continued.

Disbursement of the loan agreement signed with the World Bank to finance geothermal energy projects continued.

The utilization of the USD 200 million GREEN IV loan provided by the Japanese Bank for International Development (JBIC) to finance energy and energy efficiency investments continued.

The utilization of the EUR 100 million loan agreement and EUR 10 million grant agreement signed with the German Development Bank (KfW) to finance renewable energy and energy efficiency projects continued.

Disbursement of the EUR 5 million loan agreement signed with the Black Sea Trade and Development Bank (BSTDB) for financing SMEs in the earthquake zone continued.

**SECTION SEVEN (Continued)**

**INTERIM ACTIVITY REPORT (Continued)**

**VI. Activities of the Bank's III. Term in 2024 (Continued):**

**Financing Activities and Relations with Financial Institutions (Continued):**

Disbursement of the USD 100 million financing facility signed with the Islamic Development Bank (IDB) to finance earthquake mitigation and food security investments continued.

Disbursement of the EUR 100 million Sustainable Eurobond issuance with the French Development Agency (AFD) continued.

USD 50 million loan agreement was signed with the OPEC Fund for International Development (OFID) on 21 March 2024 to finance food security investments.

A loan agreement amounting to EUR 200 million and USD 200 million was signed with the World Bank on 18 April 2024 to finance projects to reduce carbon emissions and improve air quality.

An IBRD loan agreement for EUR 300 million, a CTF loan for USD 15 million and ESMAP Grant agreements for USD 1.5 million were signed with the World Bank on 16 May 2024 to finance distributed solar PV projects.

A total of USD 100 million SME financing loan was signed with ITFC on 7 August 2024 for financing international trade.

**Project Activities, Consultancy and Technical Assistance Services**

The Risk Sharing Mechanism (RPM) project created for the development of our country's geothermal resources, financed by a grant from the Clean Technology Fund (CTF) through the World Bank (WB), is carried out by our Bank. Within the framework of the project, it is aimed to partially cover the costs of the wells that geothermal investors will drill for resource exploration fail.

The second and third round implementation studies of the RPM project are continuing. Contracts have been signed with three of the projects shortlisted for the second round, and field preparation work for drilling continues for two of the signed projects. Contract preparation work for other projects continues. The ongoing project in Sarıcakaya district of Eskişehir province is a direct use project for greenhouse heating and drilling of the first well is completed at a depth of 940 meters, well testing operations are ongoing. Drilling operation for the first well of another contracted project has been started in April. The drilling of the geothermal exploration well, which is located in Güzelyurt geothermal license area in the Central district of Aksaray province and planned for electricity generation, was completed in early September at a depth of 3,200 meters. Planning for well tests is ongoing.

With the approval of the World Bank, it was decided to open the RSM third round application applications. These Round 3 applications were completed in the second half of 2023 and as a result of the evaluations, a total of 13 projects scored 70 points and above and were eligible to be included in the RSM Round 3 implementation program. Within the scope of RSM Round 3 projects, negotiation meetings were held with all project owners and success criteria were determined. Preparations of contract requirements and environmental and social management plans are ongoing. The environmental and social management plans of one project are in the World Bank no-objection process.

During the mission meetings held with the World Bank in May 2024 within the scope of the Geothermal Development Project, it was agreed to extend the Risk Sharing Mechanism program until the end of 2027 and to open the RSM Round 4 implementation program. Thereupon, the RSM Round 4 implementation program was announced to investors through an online Consultation Workshop on 26 July 2024 and the Statement of Intent application process was launched on the same day. On 13 September 2024, RSM Round 4 Statement of Intent applications were completed and a total of 17 different project applications were received. The evaluation of the applications is ongoing. After the evaluation, shortlisted projects will be determined and a one-day online training will be organized for these projects.

**SECTION SEVEN (Continued)**

**INTERIM ACTIVITY REPORT (Continued)**

**VI. Activities of the Bank's III. Term in 2024 (Continued):**

**Project Activities, Consultancy and Technical Assistance Services (Continued):**

Moreover, we attended the meetings regarding the Hydrogen Valley projects within the scope of the EU Horizon Europe Program and the invitation of the Tübitak EU Framework Programs Directorate, in order to have our Bank as a partner in the newly opened project calls. As a result of the online meetings held with the project coordinator company and Tübitak, our Bank participated as a partner in a project application prepared for the Hydrogen Valley call opened in 2023. The relevant project application was made on 18 April 2023, and our Bank informed the project coordinator that within the scope of the project, it will provide consultancy in feasibility studies, consultancy on access to financial resources and investors, and support the creation of the relevant legal framework in order to determine the methodologies to be created to reduce the financial risks of hydrogen investments in our country. Representatives of our Bank's Engineering, Sectoral Research and Merger Acquisition Units attended the Hydrogen Ecosystem Cooperation meeting held at Tübitak Gebze campus on 14 June 2023. The project application in question was not selected among the projects to be funded in the relevant period, and the project coordinator has notified that a re-evaluation will be made for the calls to be opened in the new period.

The Registered Employment Creation Project (Kayist), conducted by our Bank together with the World Bank, aims to ensure companies operating in 24 provinces with a high percentage of Syrians under Temporary Protection to create formal employment for the benefit of Turkish citizens and refugees. Project provinces are İstanbul, Gaziantep, Hatay, Şanlıurfa, Adana, Mersin, Bursa, İzmir, Kilis, Konya, Ankara, Kahramanmaraş, Mardin, Kayseri, Kocaeli, Osmaniye, Diyarbakır, Malatya, Adıyaman, Batman, Sakarya, Manisa, Tekirdağ and Denizli. The first component of the project, the loan, is EUR 316 million, and the second component, the European Union FRIT-II Fund Funded Grant, is EUR 75,9 million.

It is aimed to increase the impact and success of the loan and grant components with the training and capacity building activities to be provided under the Technical Assistance Component of the project. The loan and grant agreements provided within the scope of the Project have entered into force and the Project is in the implementation period.

The call for proposals for the European Union FRIT-II Funded Registered Employment Creation Project (Kayist) Grant Scheme was announced on 17 December 2022 with a budget of EUR 70 million, project applications were received until 14 March 2022, the deadline for the call for proposals, and the call process was completed. In the grant scheme application evaluation phase, the "Administrative and Eligibility Check" process, the "Technical and Financial Evaluation" process and the "Environmental and Social Assessment" process were completed by December 2023 and the grant evaluation result notifications were sent to the applicants. The contract signing process with the grant eligible applicants has been completed and 591 sub-grant projects with an amount of EUR 66.4 million have been signed until 19 April 2024 under the KAYIST Grant program and the implementation period for sub-grant projects has started. Pre-payments to grant beneficiaries, which started in June 2024, were completed by September 2024. Within the scope of the KAYIST grant program, 578 grant beneficiary companies continue the project implementation process.

The Cooperation Protocol within the scope of the cooperation between our Bank and the Presidency Strategy and Budget Directorate, General Directorate for COMCEC and International Development Cooperation (COMCEC Coordination Office) for the execution of COMCEC Project Finance Programmes, which has been ongoing since 2014, was signed on 9 February 2024.

Within the scope of the COMCEC Cooperation Protocol, a total of 33 projects that are entitled to receive support in 2024 have been notified. The process of signing contracts with project owners is ongoing. Trainings were given to the project owners on 2 and 3 April 2024 for the implementation period. One project was canceled and 32 projects are in the implementation process.

**Notes to the Unconsolidated Financial Statements as of 30 September 2024**

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

**SECTION SEVEN (Continued)**

**INTERIM ACTIVITY REPORT (Continued)**

**VI. Activities of the Bank's III. Term in 2024 (Continued):**

**Project Activities, Consultancy and Technical Assistance Services (Continued):**

**Crediting Activities**

In the period of July-September 2024, loan applications of full TL 2.410 million, EUR 107 million and USD 313 million from 34 companies were accepted to our Corporate Banking and Project Finance Department, with a total value of full TL 17.191 million. 55% (full TL 9.443 million) of these applications belong to the energy sector, 39% (full TL 6.781 million) to the manufacturing industry, 4% (full TL 683 million) to the transportation and 2% (full TL 284 million) to the other sectors.

In the period of July-September 2024, 12 companies were provided with cash loans amounting to full TL 235 million, EUR 101 and and USD 65 million with a total value of full TL 6.317 million as of the loan disbursement dates. 38% (full TL 2.369 million) of these applications belong to the energy industry, 32% (full TL 2.016 million) to manufacturing industry, 27% (full TL 1.717 million) to the financial institutions and 3% (full TL 215 million) to the tourism sector.

In the period of July-September 2024, non-cash loans amounting to full TL 39.253 thousand and EUR 172 thousand amounting to full TL 45.827 thousand as of the balance sheet date were provided to 7 companies. All non-cash loans provided belong to the energy sector.

**VII. Corporate Governance Principles Compliance Report:**

Türkiye Kalkınma ve Yatırım Bankası A.Ş. continues its operations in accordance with the Law No. 7147 which regulates the establishment of the Bank, the Banking Law and other legal regulations to which the Bank is subject. Compulsory ones of the Corporate Governance Principles published by the Capital Markets Board are complied with, and maximum efforts are made to comply with non-compulsory principles.

Corporate Governance Compliance Reporting, prepared in accordance with the Corporate Governance Communiqué numbered II-17.1 in accordance with the Capital Markets Board's decision dated 10 January 2019 and numbered 2/49, is made over the KAP Platform using the Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) templates.

Our Bank's Corporate Governance Information Form for 2023 and Corporate Governance Compliance Report were announced on the Public Disclosure Platform on 8 March 2024. Related reports can be accessed at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/2426-turkiye-kalkinma-ve-yatirim-bankasi-a-s>.

**1. Shareholder Relations Unit:**

Shareholder relations function is carried out by the Treasury and Capital Markets Operations Unit, and Subsidiaries and Corporate Relations Unit.

In the July-September 2024 period, there were no information requests within the scope of the Shareholders' Use of their Right to Obtain Information.

**SECTION SEVEN (Continued)**

**INTERIM ACTIVITY REPORT (Continued)**

**VII. Corporate Governance Principles Compliance Report (Continued):**

**2. General Assembly Information:**

The Bank's Ordinary General Assembly meeting for 2023 was held on 5 June 2024 at 10:00, İnkılap Mah. Dr. Adnan Büyükkdeniz Cad. B Blok Apt. No:10 Ümraniye/İSTANBUL under the supervision of the Ministry representative. The call-including the agenda for the meeting; as stipulated in the Law and Articles of Association was made in due time, on 8 May 2024, on the Public Disclosure Platform, in the Electronic General Assembly System of the Central Registry Agency, on the official website of the Bank [www.kalkinma.com.tr](http://www.kalkinma.com.tr), in the Trade Registry Gazette dated 13 May 2024 and numbered 11080. From the inspection of the list of attendees, out of 550.000.000.000 shares corresponding to the Bank's total capital of full TL 5.500.000.000,00; 544.948.417.917,6 shares corresponding a capital of full TL 5.449.484.179,176 were present at the meeting in person and thus, the minimum meeting quorum stipulated in both the Law and the Articles of Association was found. The minutes of the General Assembly Meeting and the list of attendees can also be accessed from the website of the Public Disclosure Platform (KAP) ([www.kap.gov.tr](http://www.kap.gov.tr)) and the Bank's website ([www.kalkinma.com.tr](http://www.kalkinma.com.tr)).

**3. Capital Increase Information:**

The Bank's Disclosure Policy, prepared by the Bank's Corporate Governance Committee and submitted to the Board of Directors, was approved on 29 April 2009 and is available on the Bank's website as of 1 May 2009. Monitoring, supervision and development of the implementation of the Disclosure Policy is under the authority and responsibility of the Bank's Board of Directors and is carried out on behalf of the Bank's Board of Directors under the supervision of the Corporate Governance Committee. In addition to the rules determined by the applicable legislation, the Bank has also adopted the principle of informing the public on matters that are in line with its mission and do not bear the nature of trade secrets.

In July-September 2024 period:

Within the scope of the Regulation on the Principles and Procedures Regarding the Right to Information Law No. 4982 and its its Implementation, no application was made to the Access to Information Unit.

Within the framework of the Prime Ministry Circular No. 2006/3 published in the Official Gazette dated 20 May 2006 and numbered 26055, 3 application was answered from the Presidential Communication Center (CİMER) directly from the Presidential system for the period July-September 2024.

**4. Special Condition Disclosures:**

Notifications are made in a timely manner in cases that require special case disclosure. In the period of July-September 2024, 14 special case announcements were made on the Public Disclosure Platform. No additional explanation requests were made by the CMB and Borsa İstanbul regarding the announcements made.