

50 YEARS

**DEVELOPMENT
INVESTMENT**
BANK OF TÜRKİYE



**The legacy of the past
is building the future.**

Annual Report 2024

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Celebrating 50 Years of Contributing to Türkiye's Development

As the Development and Investment Bank of Türkiye, with a legacy spanning fifty years of our 101-year-old Republic, we have actively supported Türkiye's development for the past half-century through a diverse range of services, including credit, capital investment, partnerships, and advisory for strategic projects and initiatives.

We are a mission-driven bank committed to sustainable development and guided by the principle of responsible banking. Through our investment banking products and corporate finance solutions, we support the growth and deepening of capital markets while making a significant contribution to the real economy.

Looking ahead, we are focused on the next fifty years. We will maintain our support for investments that align with Türkiye's national development goals, ranging from industrial projects to tourism, energy, and technology. Our commitment to driving innovation and leading the green transformation of the real economy aligns with the global target of achieving net-zero emissions by 2050.

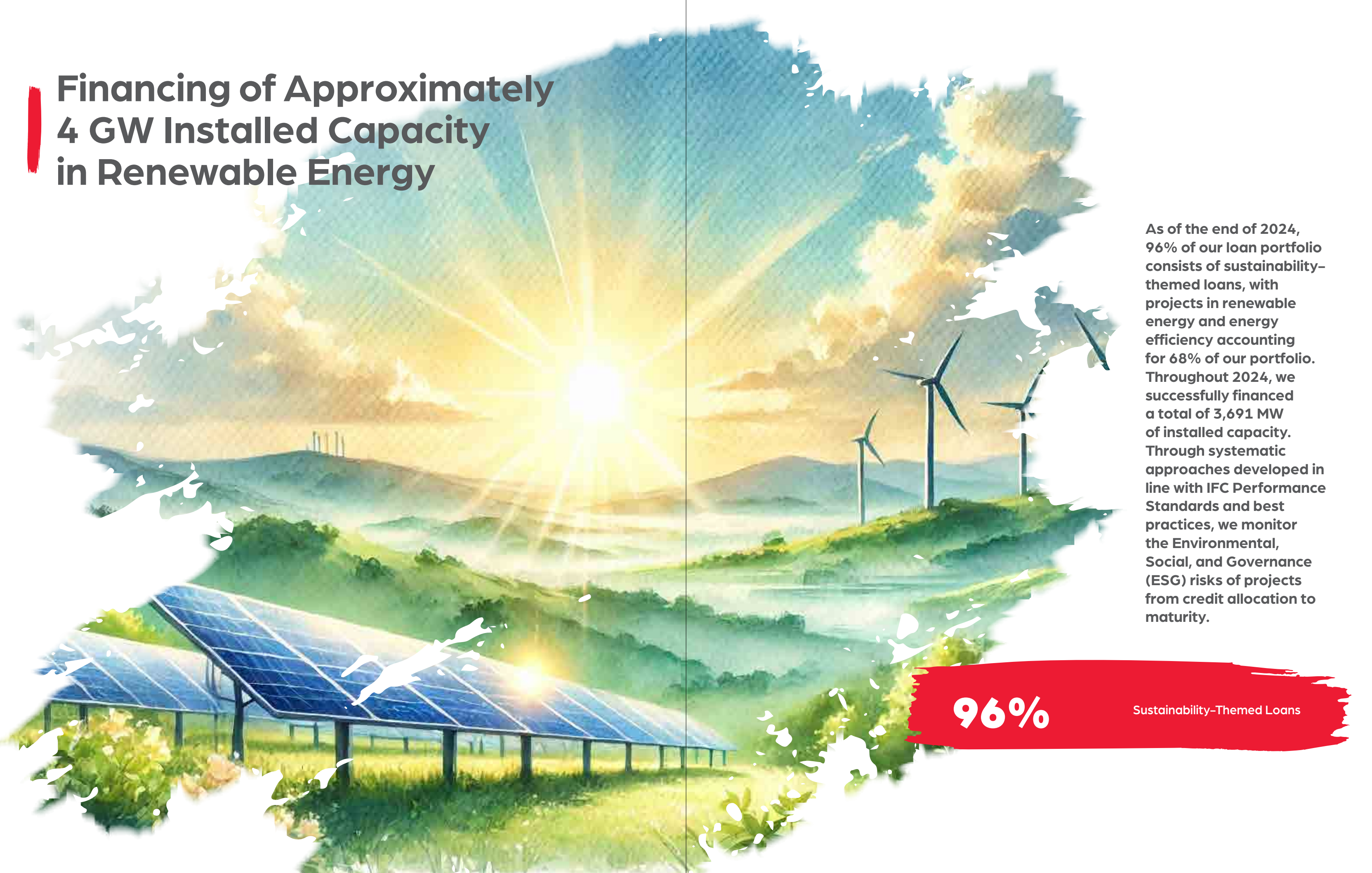
Drawing strength from our experienced workforce and our deep-rooted history, and dedicated to the development of the country, we will stay the course on our successful fifty-year journey, working every day to build a better future.

USD 6.4 Billion in Funds to the Real Economy

As the Development and Investment Bank of Türkiye, which has provided USD 6.4 billion in medium- and long-term funding to our country across various sectors, we continue to successfully manage a total of TL 5.1 billion from 180 qualified investors in the public and private sectors under the umbrella of the Türkiye Development Fund.

887
USD million

Total Resources Provided
by the Bank in 2024



Financing of Approximately 4 GW Installed Capacity in Renewable Energy

As of the end of 2024, 96% of our loan portfolio consists of sustainability-themed loans, with projects in renewable energy and energy efficiency accounting for 68% of our portfolio. Throughout 2024, we successfully financed a total of 3,691 MW of installed capacity. Through systematic approaches developed in line with IFC Performance Standards and best practices, we monitor the Environmental, Social, and Governance (ESG) risks of projects from credit allocation to maturity.

96%

Sustainability-Themed Loans

Pioneering Bank in Green Transformation

As a leading bank in green transformation, we issued Türkiye's first low-carbon economy transition bond, as well as the country's first social sukuk and the first sukuk in the capital markets to be indexed to wheat prices. We directly or indirectly contribute to 15 of the 17 United Nations Sustainable Development Goals and we take pride in being the first public bank in Türkiye to receive Great Place to Work Certification.

15/17

Contributing to 15 of the 17
United Nations Sustainable
Development Goals

Strengthening the Entrepreneurship Ecosystem through Funds

Under the Türkiye Development Fund, we manage a total of TL 5.1 billion from 180 qualified investors from both the public and private sectors, spanning nine funds. We have made direct investments in 27 companies across diverse sectors, including fintech, biotechnology, cybersecurity, and mobility, all with robust technological infrastructure. To further support the entrepreneurship ecosystem, we established Türkiye's first fund-of-funds structure, the TKYB Üst Fund, with an initial closing size of USD 50 million. This initiative was made possible by means of contributions from the Ministry of Treasury and Finance of the Republic of Türkiye and our Bank. Additionally, in the last quarter, in collaboration with TÜBİTAK and working together with other key players in the ecosystem, we launched the TÜBİTAK BiGG+ VCIF, which focuses on seed investments for companies that previously benefited from the BiGG program.

5.1
TL billion

Total Fund Size Managed

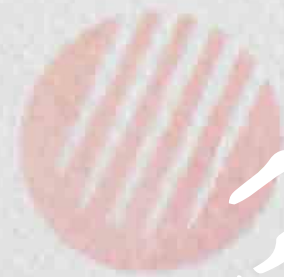
Expert and Successful Human Capital

As the Development and Investment Bank of Türkiye, we are one big family. Over our five-decade history, our greatest strength has come from our human capital, who blend the deep knowledge of the past with an innovative vision for the future. Our valuable employees, who shoulder critical responsibilities and fulfill the mission of development banking at the highest level, are the true architects of today's success.

348

Number of Employees

50 Years Filled with Firsts



KALKINMA YATIRIM
BANKASI

50 YIL

Geçmişin mirası, geleceği inşa ediyor

- The first bank to offer financial as well as technical support to companies
- The first bank to execute incentive loans
- The first bank to support clusters within a program
- The first and only bank to provide financial and technical support to the industry in the process of revealing and developing tourism potential
- The first bank to carry out an initial public offering in the capital markets
- The first bank to prepare a financial support program for unfinished facilities
- The first bank among the public and private financial institutions to receive a "Climate Friendly Institution" certificate from the Turkish Standards Institute
- The first bank to transfer Islamic Development Bank's resources to SMEs
- The first state-owned bank to obtain ISO 14001 Environmental Management System Certification
- The first and only bank to apply the World Bank's grant program RSM (Risk-Sharing Mechanism) to geothermal exploration projects
- The first and only Turkish bank to become an affiliate member of EIF-NPI (European Investment Fund National Promotional Institutions)
- The bank that executed Türkiye's first asset-backed securities issuance in exchange for mortgage-backed securities from sector banks, through the Asset Financing Fund
- The bank to serve as an intermediary institution in Türkiye's first bond issuance for transition to a low-carbon economy
- The first bank in Türkiye to issue a social sukuk
- The first bank in Türkiye to become a signatory for the Operating Principles for Impact Management
- The first bank to publish a Green Human Resources Policy in the Turkish finance sector, breaking new ground
- The first state-owned bank entitled to receive the Great Place to Work Certificate
- The bank that provided advisory services for the world's first sukuk issuance of which the return is indexed to wheat prices

CORPORATE PROFILE

Contributing to the development and growth of our country

As in previous years, the Bank continued to support the real sector, production, and employment in 2024, achieving growth in resource procurement, loan provision, and operational profitability.

The Development and Investment Bank of Türkiye is a development and investment bank with the status of a joint stock company subject to the provisions of private law, providing financing to enterprises in sectors such as industry, tourism, energy, education, health, and infrastructure, and providing services in the fields of development banking, investment banking and Türkiye Development Fund.

Having an important role in achieving the development targets of our country with its experience, strong foundations, and stable structure, the Bank serves the development and growth of our country by means of loans, capital support, partnership, and advisory services it offers to all companies from start-ups to industrial corporations and SMEs that will contribute to the national economy.

Acting with the goal of adding value to the future with its strong resource structure and competent human capital, the Bank strives to support the structural transformation of our country and contribute to the spread of capital ownership to the base in the light of the values it focuses on and in line with its development priorities.

For a strong economy

Behind the Development and Investment Bank of Türkiye stands strong public support, assurance, and trust, with 99.08% of its capital owned by the Ministry of Treasury and Finance of the Republic of Türkiye.

The Bank, having an important mission in Türkiye's progress towards its development targets with its strong foundations and stable structure, was established on November 27, 1975, and named Devlet Sanayi ve İşçi Yatırım Bankası (State Industry and Laborer's Investment Bank Ltd). Since 1975, the Bank has played a key role in helping numerous companies from different industries to realize investments and has taken on strategic roles through the long-term funds it raised.

In line with the purpose of its establishment, the Bank has taken part in the establishment of many labor companies and also provided financing and advisory support. Furthermore, it has participated in the capital of some large-sized enterprises operating in the manufacturing industry as a founding partner.

The Bank's title was changed to Türkiye Kalkınma Bankası A.Ş. in 1988; in 1989 the Bank acquired Turizm Bankası A.Ş. together with all its assets and liabilities and started to provide financing to investments in the tourism industry in addition to the manufacturing industry. Owing to its internationally respected position and the funds it raised, the Bank continued to support competitive and efficient production for a consistent and strong economy and to contribute to the increase of employment, income, and welfare level of our country.

Supporting development in three key areas

In 2018, the Bank was restructured as the Development and Investment Bank of Türkiye and moved its head office from Ankara to Istanbul in June 2019. Meanwhile, it has renewed its organizational structure and attained a stronger structure with staff who have experience in the private sector.

17.98%

Capital Adequacy Ratio

The Bank focuses on financing sustainable development in line with its development targets and in light of the UN Sustainable Development Goals. Accordingly, it provides innovative products and services and supports investors through a dynamic structure of experienced and expert human resources with a strong command of international banking standards.

The Bank operates in three main areas: development banking, investment banking, and Türkiye Development Fund.

The Bank's core objective is to support every industry that can contribute to development, reduce imports, and boost exports as per the 12th Development Plan of Türkiye. Thus, it continues financing the projects geared towards Sustainable Development as its main function. To move our country forward, all the stages of project financing, from the selection of eligible projects to implementation and assessment, are conducted rigorously.

Growth in assets and loans in 2024

By securing long-term funds from international sources, the Bank increased employment in the country and addressed the capital needs of businesses affected by the COVID-19 pandemic and the earthquake. In 2024, as always, the Bank continued to support the real sector, production, and employment, closing the year with growth in resource procurement, loans, and operational profitability.

At the end of 2024, the Bank increased its total assets by 13.9% year-on-year, while its operating income grew by 53%. Loans, which constitute 62% of the Bank's total assets, rose by 13% to reach TL 94.8 billion by the end of 2024. The Bank reported a net profit of TL 6.168 million and a capital adequacy ratio of 17.98% as of the end of 2024. The ratio of gross non-performing loans to total loans stood at 0.8% by the end of 2024.

Having a reputable position and strong relations built on mutual trust with the world's leading financial institutions, the Bank offers long-term funding to the business world via either direct lending or wholesale banking (APEX Banking).

The Bank will further improve its financial performance in the coming period and continue to expand its loan portfolio and funds above the industry average, and to increase its support and added value generation to the real sector.

An active market player

Boasting an experienced and well-equipped team with knowledge of the dynamics and subtleties of Turkish and international capital markets, the Bank is structured as an active market player with its diversified product range. The Bank aims to play a leading role in facilitating enterprises' access to national and foreign funds through M&A, capital market instruments, and financial advisory services.

As for technical advisory services, another area of extensive expertise for the Bank, competent human resources supports enterprises and organizations operating in differing sectors. The Bank goes beyond being a conventional lender; it is also a service provider that shares technical know-how and experience with its business partners throughout the investment cycle.

CORPORATE PROFILE

Strong resource structure and competent human capital

The Bank continued to support the real sector, production, and employment in 2024, achieving growth in resource procurement, loan provision, and operational profitability.

In 2024, the Bank successfully completed the world's first sukuk issuance of which the return is indexed to wheat prices, with the Bank acting as the financial advisor, its subsidiary, Kalkınma Yatırım Varlık Kiralama A.Ş., serving as the issuer, and Tarfin Tarım A.Ş. as the beneficiary. This issuance offers financial protection for farmers against potential price fluctuations in wheat while providing investors with a novel investment instrument indexed to the wheat price. In this way, it contributes to both the development of the agricultural sector and the financing of farmers, as well as to the growth of capital markets and the introduction of new financial products.

The Bank provides financial advisory services to the Privatization Administration for two projects related to the privatization of certain power plants owned by EÜAŞ (Electricity Generation Company) and certain ports. In addition to the consultancy services provided to the Privatization Administration, the Bank continues to take part in 12 different private sector projects as well as a significant number of merger and acquisition transactions in the sector.

Support for priority sectors in development

Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (KGSPYŞ - a venture capital portfolio management company), founded in November 2020 as a wholly-owned subsidiary of the Bank has obtained an operating permit in March 2021, where the management of sub-funds under the Türkiye Development Fund (Regional Development Fund, Technology and Innovation Fund) was handed over to KGSPYŞ.

Through the funds already established and to be established, KGSPYŞ aims to create strong regional/global companies operating in strategic sectors prioritized for development, as well as to support high-tech start-ups, mainly through a growth capital approach.

In 2024, the Bank, as part of the Türkiye Development Fund's sub-funds, successfully launched the TKYB Üst Fund, amounting to USD 50 million. Additionally, KGSPYŞ established the TÜBİTAK BiGG+ VCIF with an initial closing size of TL 53 million. With the establishment of two new funds and the new commitments made to existing funds during the year, the total assets managed by Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (KGSPYŞ) have reached TL 5.1 billion.



- The METU Teknokent Venture Capital Investment Fund (VCIF) made a total investment of approximately USD 2.2 million in 2024, which included an initial investment of about USD 1.5 million in FenixPyre, Idenfit, Robolaunch, Cellsway, and RNV.AI, along with follow-up investments of USD 700,000 in Claytoken and DefensX.

In 2024, the Regional Development Fund made a follow-up investment in Zaxe, while the Technology and Innovation Fund invested a total of USD 800,000 in DeliversAI, Cellsway, Vispera, and Syntonym.

As a result, the Türkiye Development Fund contributed a total of approximately USD 40 million to the entrepreneurial ecosystem. This includes USD 19.2 million through 27 direct investments via equity or convertible debt, nearly USD 9 million allocated to 345 TÜBİTAK BiGG ventures, and a commitment of approximately USD 11.5 million to 5 venture capital funds.

- The commitment size of the Innovative and Advanced Technologies VCIF increased by approximately TL 271 million, reaching TL 611 million.
- Established in 2022 by KGSPYŞ, the Development METU Teknokent Venture Capital Investment Fund increased its size to USD 22.2 million with new commitments.
- In 2024, approximately 9 million USD in funding was allocated to 345 TÜBİTAK BiGG ventures through the TÜBİTAK BiGG Fund.

Sustainable development finance

The Bank boasts a dynamic structure built around a team of experienced and expert people who have a good command of global banking standards while supporting investors through innovative products and services.

Responsible banking for a sustainable future

Since its establishment, the Development and Investment Bank of Türkiye has been supporting the sustainable development of Türkiye and has set its targets to increase its impact in this area.

The Bank's sustainability strategy is predicated on a model banking structure that supports Türkiye's sustainable development, adds value to the future, and never compromises on its responsible banking approach in reaching its goals.

The Development and Investment Bank of Türkiye adopts a responsible banking approach, creates value for employees, and strives to remain environmentally responsive in choosing and guiding customers towards this direction.

Cooperation with international organizations is developed within the scope of protecting the environment and struggling against climate change, which are indispensable elements of sustainable development. The Bank is among the founding signatories of the "Principles for Responsible Banking," formulated by the UN Environment Programme Finance Initiative (UNEP FI) to expand the impact of the banking sector activities for a sustainable future.

Since 2016, the Bank has reported to the Climate Change Program of CDP (Carbon Disclosure Project), the world's largest environmental reporting platform, and scored B (Management Level) in 2023. Risks and opportunities linked with climate change are assessed in this report, while questions on strategy, governance, emission metrics, goals, performance, and value chain interaction are answered voluntarily.

Standing out with its support for sustainable development and responsible banking mindset, the Development and Investment Bank of Türkiye is the first institution in Türkiye to sign the Impact Management Principles (Impact Principles). Corporate banking, project finance, venture capital and private equity investment activities are managed in line with global impact standards by providing more discipline, transparency, and scalability through an impact lens.

In September 2022, the Bank published its first Impact Report in line with Türkiye's Impact Principles. The report, in which the Bank's approach to creating positive environmental social and governance impact management systems and processes are transparently shared, has also passed an independent assurance audit. As a signatory of the Impact Principles, the Bank publishes an annual Impact Report. The third updated Impact Report was released in September 2024.

The Bank released its first sustainability report in 2020, followed by its first integrated report in 2021. This alone demonstrated its operations and objectives and their alignment with sustainable development goals. The Bank's 2023 Integrated Report, which includes verified portfolio emission accounts and verified data on employment generated by the Bank's lending, was published in November 2024.

Not only focusing merely on financial risks, the Bank also considers environmental, social and governance risk assessment as an integral part of lending processes. In this regard, environmental, social and governance risk assessment and management are incorporated in decision-making processes.

All the Bank's lending processes are assessed in accordance with national, environmental, social and governance laws and regulations, the Bank's own policies and procedures and, where necessary, other environmental, social and governance standards that the Bank is committed to comply with.

In all lending processes, Environmental, Social and Governance Risk Assessment is carried out within the scope of routine decision-making processes and the risks of both customers and projects are analyzed separately.

TL 94.8 Billion Loan Size

The Development and Investment Bank of Türkiye contributes to the development and growth of the country through its credit, capital support, partnership, and advisory services.

The Environmental and Social Risk Assessment System, which is managed in accordance with the "Environmental and Social Risk Assessment Procedure in the Lending Process," covers the determination of the environmental, social and governance impacts (direct, indirect, and cumulative) related to the construction and operation phases of an investment/project, the assessment of these impacts and the development of measures to mitigate negative impacts, if any.

Environmental and Social Action Plans (ESAP), which specify the actions to be taken by the client to minimize the environmental, social and governance impacts of the projects and include a monitoring program, are also used as an intermediary to improve the capacity of clients in this area.

The Bank was awarded in the "Outstanding Sustainable Project Financing" category at the Global Sustainable Finance Awards organized by the European Organization for Sustainable Development (EOSD) for its innovative contributions to the Sustainable Development Goals (SDGs) and the ESG criteria applied in its financing activities.

OUR MISSION, VISION, CORE VALUES AND FIRSTS

Our Mission

We add value to all our stakeholders with a dynamic, innovative, environmentally, and socially responsive banking approach in line with our country's sustainable development priorities.

Our Vision

To be the leading bank in sustainable development

Our Core Values

Responsible Banking

- Within the framework of Sustainable Development Principles and with a Responsible Banking approach, we act responsibly towards the world, environment, and society we live in. We keep our strong sense of social responsibility alive. We use our resources effectively and efficiently.

Reliability

- We establish long-term relationships with all our stakeholders based on openness, ethical rules, and trust. Our decisions are based on objective criteria.

Solution-Orientedness

- Our clients are the focus of all our activities, and we shape the future together with our effective and value-creating solutions.

Innovation

- We pioneer positive change through innovative solutions, creating value not only for today but also for the future.

Adding Value to Stakeholders

- We adopt a comprehensive and participatory governance approach and work focusing on creating value for all our stakeholders with our dynamic, innovative, and environmentally and socially responsive banking approach.

Our Firsts

- The first bank to offer financial as well as technical support to companies
- The first bank to execute incentive loans
- The first bank to support clusters within a program
- The first and only bank to provide financial and technical support to the industry in the process of revealing and developing tourism potential
- The first bank to carry out an initial public offering in the capital markets
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- The bank to serve as an intermediary institution in Türkiye's first bond issuance for transition to a low-carbon economy
- The first bank in Türkiye to issue a social sukuk
- The first bank in Türkiye to become a signatory for the Operating Principles for Impact Management
- The first bank to publish a Green Human Resources Policy
- The first state-owned bank entitled to receive the Great Place to Work Certificate
- The bank that issued the world's first sukuk of which the return is indexed to wheat prices
- The first state-owned bank to become a member of PCAF (Partnership for Carbon Accounting Financials)
- The first bank to become a member of the Social Value Türkiye Association
- The first and only bank in Türkiye to conduct detailed Gender Analysis and OECD DAC scoring on all financed projects



STRATEGIC PLAN OF THE DEVELOPMENT AND INVESTMENT BANK
FOR THE PERIOD 2025–2027

Financing support for sustainable development

The Development and Investment Bank of Türkiye remains committed to contributing to Türkiye’s sustainable growth and providing financing via investment banking products and the most appropriate instruments in addition to loans tailored to project feasibility and cash flow in order to facilitate investments and revitalize key sectors.

The Bank’s projections for the financial statements are reviewed and renewed every year and submitted to the Board of Directors for approval. In this context, the 2025 budget was approved by the Board through its resolution dated December 23, 2024 (No. 2024–17–10/423). Furthermore, the financial projections for the 2025–2027 period were endorsed by the Board through its resolution dated February 10, 2025 (No. 2025–02–16/028).

Recognizing the dynamic nature of global and domestic markets, the Bank continuously evaluates and refines its strategic priorities. Accordingly, the Strategic Objectives for the 2025–2027 period were reviewed and approved by the Board of Directors on February 10, 2025 (No. 2025–02–16/028).

These financial projections, vision, mission, values, and strategic objectives constitute the Bank’s Strategic Plan.

STRATEGIC OBJECTIVES

Objectives for Development Banking

- To increase the diversity of financing products for priority sectors – designated by the national development plans and programs – which are highly dependent on imports, produce foreign trade deficits, have high potential to generate foreign currency income, and contribute substantially to employment
- To contribute to Türkiye’s sustainable growth and provide financing via investment banking products and the most appropriate instruments in addition to loans tailored to project feasibility and cash flow in order to facilitate investments and revitalize key sectors
- To support projects aimed at Sustainable Development Goals such as transition to a low-carbon economy, fighting climate change, responsible production and consumption, eliminating poverty, and protecting the planet

Objectives for Investment Banking

- To elevate Turkish capital markets to the level of international capital markets and support the entry of foreign capital to our country
- To provide all investment banking services at international standards
- To provide restructuring advisory services for the financial bottlenecks of companies
- To support making the right investment decisions with financial feasibility consultancy
- To take part in investment banking projects that will attract foreign direct investment to Türkiye
- To develop alternative sources of financing to meet the funding needs of companies
- To develop innovative capital market products within the framework of market conditions and the suitability of cooperating sales intermediaries

Objectives to Strengthen the Funding Structure

- To establish a strong and diversified funding structure to support the sustainable growth of assets
- To enhance the funding sources from development finance organizations and similar creditors to our Bank

Objectives for Türkiye Development Fund

- Together with its sub-funds, to support sectors with strategic importance in the sustainable growth of Türkiye, and play a significant role in the development of the startup ecosystem by investing in new-generation ventures
- To undertake efforts to turn public resources into capital investments that focus on national development

Objectives for IT and Business Processes

- To create a corporate structure and processes that provide operational efficiency and productivity in all areas of activity, with the support of information technologies and a focus on digitalization

The Bank has to develop a corporate structure and processes enhanced by information technologies, with a strong focus on digitalization.



SUMMARY FINANCIAL INFORMATION, CAPITAL AND SHAREHOLDING STRUCTURE

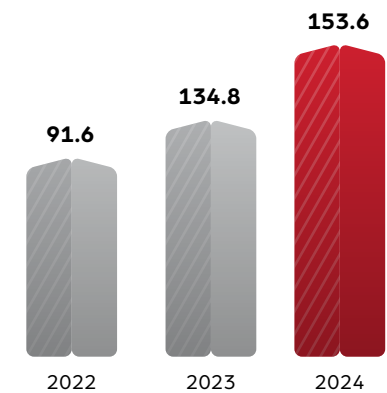
Sustainable financial success

In 2024, the Development and Investment Bank of Türkiye’s total assets reached TL 153.6 billion.

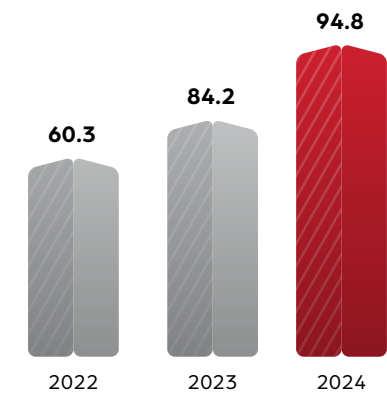
Key Indicators (TL million)	31.12.2023	31.12.2024	Change (Value)	Change (%)
Total Assets	134,847.47	153,596.09	18,748.62	13.90
Loans	84,158.71	94,812.84	10,654.13	12.66
Liabilities	123,964.98	133,599.09	9,634.11	7.77
Equity	10,882.49	19,997.00	9,114.51	83.75
Total Income	23,078.92	25,492.70	2,413.78	10.46
Total Expenditures (inc. Tax)	19,035.54	19,325.12	289.58	1.52
Profit/Loss	4,043.38	6,167.58	2,124.20	52.54

Key Ratios (%)	31.12.2023	31.12.2024
Loans/Total Assets	62.41	61.73
Shareholders' Equity/Total Assets	8.07	13.02
Average Return on Assets	3.57	4.27
Average Return on Equity	45.66	38.18
Standard Capital Adequacy Ratio	16.86	17.98

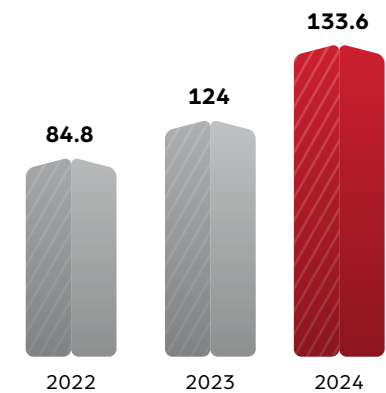
Total Assets (TL billion)



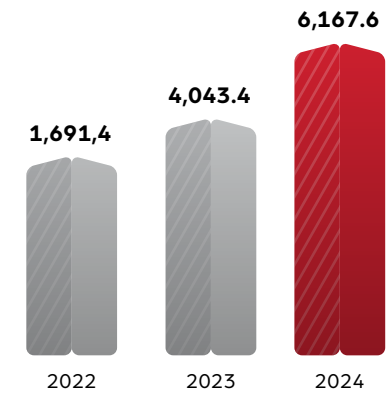
Loans (TL billion)



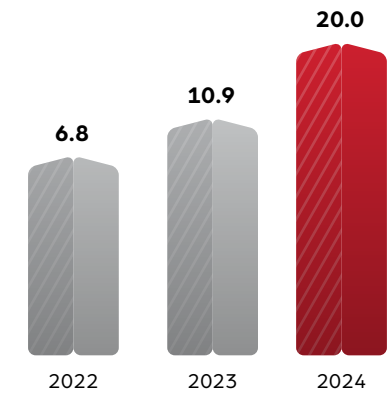
Liabilities (TL billion)



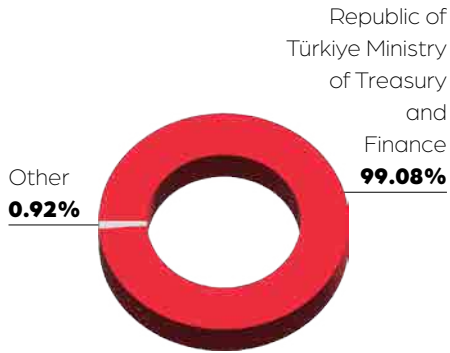
Profit/Loss (TL million)



Shareholders' Equity (TL billion)



Shareholding Structure (%)



Capital and Shareholding Structure of the Development and Investment Bank of Türkiye (*)

Shareholder	Current Share (TL)	(%)
Republic of Türkiye Ministry of Treasury and Finance	5,449,484,179.18	99.08
Other*	50,515,820.82	0.92
Total	5,500,000,000.00	100.00

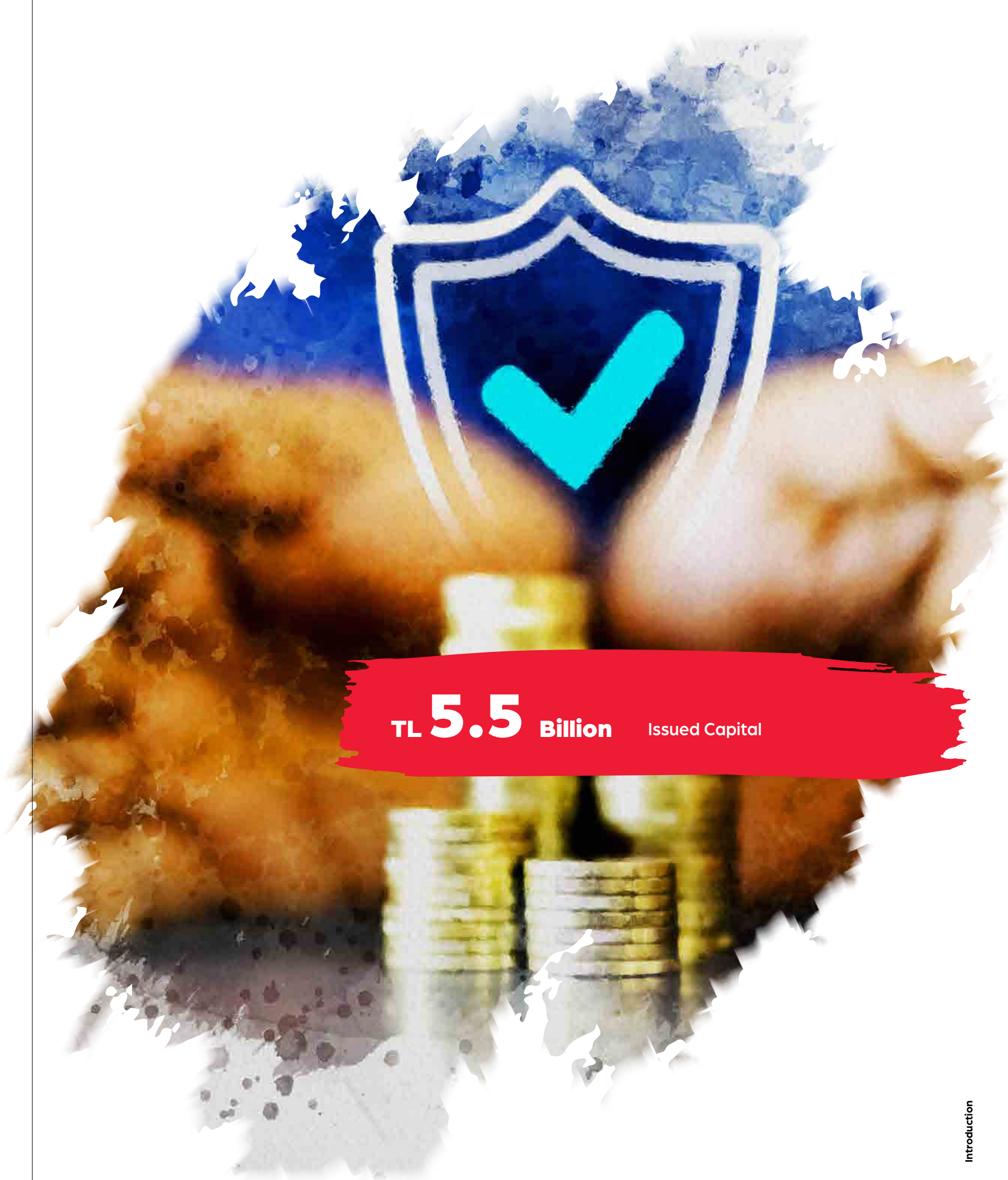
(*) Includes all real and legal persons and the number of shareholders is not known since the shares of the majority of these shareholders are traded on Borsa Istanbul.

Capital Increase

- Pursuant to the Board of Directors' resolution dated January 16, 2024, the Bank's issued capital was increased from TL 2,500,000,000 to TL 5,500,000,000 through a fully paid-in capital increase of TL 3,000,000,000 (representing a 120% increase) within the registered capital ceiling of TL 10,000,000,000.
- Pursuant to the Board of Directors' resolution dated December 18, 2024, the Bank's issued capital was increased from TL 5,500,000,000 to TL 10,000,000,000 through a fully paid-in capital increase of TL 4,500,000,000 (representing an 81.8% increase) within the registered capital ceiling of TL 10,000,000,000. As of the reporting date, the capital increase process remains in progress.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND REASONS

Türkiye Kalkınma ve Yatırım Bankası A.Ş. Previous Version of the Articles of Association	Türkiye Kalkınma ve Yatırım Bankası A.Ş. New Version of the Articles of Association	Reason
Share Capital Article 6. – (1) Under the Capital Market Law No. 6362, the Bank adopted the registered capital system and began to implement this system under the Capital Markets Board's permission dated February 8, 2000, and numbered 157. (2) The Bank's registered capital ceiling is TL 10,000,000,000.- (ten billion), divided into 1,000,000,000,000.- (one trillion) shares, each with a nominal value of 1.- kuruş. (3) The Bank's issued capital is fully paid-up TL 2,500,000,000.- (Two billion five hundred million), divided into 250,000,000,000.- (Two hundred fifty billion) registered shares each with a nominal value of 1.- kuruş. (4) Shares representing the capital are monitored in dematerialized form within the framework of dematerialization principles. (5) The permission for the registered capital ceiling that was granted by the Capital Markets Board is valid for the period of 2021-2025 (five years). Even if the permitted registered capital ceiling has not been reached as of the end of 2025, in order for the Board of Directors to adopt a resolution regarding a capital increase after 2025, it is mandatory to obtain permission from the Capital Markets Board for the ceiling that was previously permitted or for a new ceiling amount and to receive authorization from the General Assembly for a new time period, which shall not exceed five years. (6) In case the said authorization is not obtained, no capital increase can be made by a resolution of the Board of Directors. The Board of Directors is authorized to increase the issued capital up to the above-mentioned registered capital ceiling by issuing new shares between 2021 and 2025, whenever it deems necessary in accordance with the provisions of the Capital Markets Law, without being bound by the provisions of the Turkish Commercial Code regarding the increase of the share capital. (7) The Board of Directors is authorized to restrict the shareholders' right to purchase new shares, to issue shares above their nominal value, and to sell allocated shares. The authorization to restrict the right to purchase new shares cannot be used in a way to cause inequality among shareholders.	Share Capital Article 6. – (1) Under the Capital Market Law No. 6362, the Bank adopted the registered capital system and began to implement this system under the Capital Markets Board's permission dated February 8, 2000, and numbered 157. (2) The Bank's registered capital ceiling is TL 10,000,000,000.- (ten billion), divided into 1,000,000,000,000.- (one trillion) shares, each with a nominal value of 1.- kuruş. (3) The Bank's issued capital amounts to TL 5,500,000,000 (five billion five hundred million), fully paid, and is divided into 550,000,000,000 (five hundred fifty billion) registered shares, each with a nominal value of 1 kuruş. (4) Shares representing the capital are monitored in dematerialized form within the framework of dematerialization principles. (5) The permission for the registered capital ceiling that was granted by the Capital Markets Board is valid for the period of 2021-2025 (five years). Even if the permitted registered capital ceiling has not been reached as of the end of 2025, in order for the Board of Directors to adopt a resolution regarding a capital increase after 2025, it is mandatory to obtain permission from the Capital Markets Board for the ceiling that was previously permitted or for a new ceiling amount and to receive authorization from the General Assembly for a new time period, which shall not exceed five years. (6) In case the said authorization is not obtained, no capital increase can be made by a resolution of the Board of Directors. The Board of Directors is authorized to increase the issued capital up to the above-mentioned registered capital ceiling by issuing new shares between 2021 and 2025, whenever it deems necessary in accordance with the provisions of the Capital Markets Law, without being bound by the provisions of the Turkish Commercial Code regarding the increase of the share capital. (7) The Board of Directors is authorized to restrict the shareholders' right to purchase new shares, to issue shares above their nominal value, and to sell allocated shares. The authorization to restrict the right to purchase new shares cannot be used in a way to cause inequality among shareholders.	In 2024, the Bank's issued capital was increased to TL 5.5 billion.



DEVELOPMENT AND INVESTMENT BANK FROM PAST TO PRESENT

The Bank of firsts

In 2024, the Development and Investment Bank of Türkiye continued to break new ground, successfully fulfilling its mission to contribute to the Turkish economy and further solidifying its success with prestigious awards.

Foundation

With its strong foundations and stable structure, the Bank has assumed an important mission in Türkiye's progress towards its development goals. The foundations of the Bank were laid with Devlet Sanayi ve İşçi Yatırım Bankası A.Ş. (DESIYAB) (State Industry and Laborer's Investment Bank), established in accordance with the Authorization Act No. 1877 and Statutory Decree No. 13 dated November 27, 1975, as an incorporated company and as a development and investment bank subject to the provisions of private law to conduct all the activities of investment and development banking, including profit-sharing-based capital finance.

1970s

- The Development and Investment Bank of Türkiye was the first bank to support labor companies and procure finance from abroad.
- The Development and Investment Bank of Türkiye was a pioneer in contributing to the capital of heavy industry companies, also known as the "SAN" companies of the industry, such as TAKSAN, TUMOSAN, TEMSAN, TESTAŞ.

1980s

- Technical services were delivered as part of the aid program conducted by the State Planning Organization (DPT) for Africa.
- Financing and rehabilitation for labor companies were provided through the Special Credit Fund II (KÖF).
- The Bank took on a role in facilitating infrastructure investments for the tourism industry while financing tourism facilities to help develop the industry.

1990s

- Under the project aimed at "Finalizing Unfinished Investments and Re-Introducing Enterprises with Insufficient Working Capital to the Economy," some USD 100 million was extended to 525 companies, which employed approximately 9,000 people.

2000s

- Through wholesale (APEX) banking activities, the Bank facilitated financing for investments not holding joint-stock company status.
- The Bank also became a partner at the Turkish Investment Initiative (TII), which was established under the guidance of the European Investment Fund (EIF) of which the shareholders are the European Investment Bank and European Commission

2010s

- The Bank was restructured and renamed the Development and Investment Bank of Türkiye. The Law No. 7147 on the Bank entered into force after having been published in the Official Gazette No. 30575 and dated 24.10.2018. As a result, the Bank's name was changed to Türkiye Kalkınma ve Yatırım Bankası A.Ş.
- Türkiye Kalkınma ve Yatırım Bankası A.Ş. issued asset-backed securities worth TL 3.15 billion with the establishment of the Asset Finance Fund.
- Establishing the second Asset Finance Fund, the Bank issued asset-backed securities worth TL 1 billion.
- Relocated its Head Office to Istanbul as part of restructuring activities, the Bank started to provide innovative services and products to its customers in Istanbul.
- The Türkiye Development Fund was established.
- The Bank became a founding signatory of UNEP-FI Responsible Banking Principles.
- The Bank became a member of national and international sustainability organizations and platforms.

2020

- The Technology and Innovation Fund and the Regional Development Fund, under the roof of the Türkiye Development Fund, officially commenced activities.
- The Bank became a shareholder in Birleşik İpotek Finansmanı A.Ş. (Joint Mortgage Finance) and JCR Avrasya Derecelendirme A.Ş. (JCR Eurasia Rating).

- Kalkınma Yatırım Varlık Kiralama A.Ş. (an asset leasing company) and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (a venture capital portfolio management company) were established.
- The Bank's first sustainability report was released.

2021

- With the Bank acting as the beneficiary, Türkiye's first social sukuk was issued with a value of TL 50 million.
- The Bank became the first and only institution from Türkiye to sign the Operational Principles for Impact Management pioneered by the International Finance Corporation (IFC).
- Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (Bank subsidiary in venture capital portfolio management) established Innovative and Advanced Technologies Venture Capital Investment Fund, and Development Participation Venture Capital Investment Fund. The Bank established TKYB Capital Fund.
- The first Low-Carbon Transition Bond of Türkiye, reinforcing the Bank's commitment to sustainable finance, was issued.

2022

- In order to increase the diversity of its funds and contribute to the sustainable growth of our country, the Development and Investment Bank of Türkiye has procured new sustainability-themed funding from abroad and issued its first sustainable Eurobond worth EUR 100 million. At least 75% of the proceeds of the 11-year maturity issuance, financed by the French Development Agency (AFD), are required to be allocated to the financing of green projects contributing to the fight against climate change in Türkiye, while the remaining portion can be directed to social projects.
- As a result of the research conducted by Great Place to Work, the Bank became the first public bank to receive the Great Place to Work certificate with the evaluation of its employees.

- The Bank's first corporate governance rating study was completed, and the rating score was determined as 9.32 out of 10. This high rating indicates that the Bank is in the first group according to the World Corporate Governance Index.
- The Bank has positioned itself among the leading institutions in Türkiye with a risk rating of 11.0 in the risk rating of Sustainalytics, an international sustainability rating agency, which evaluates Environmental, Social and Governance (ESG) topics.
- In addition to the ISO 45001 Occupational Health and Safety Management System and ISO9001 Quality Management System certificates, the Bank obtained the ISO 10002 Customer Satisfaction Management System certificate, which aims to handle, evaluate, and reduce customer complaints, increase customer satisfaction, and address future customer expectations.
- The Bank complied with the ISO/IEC 27001:2013 Information Security Management System Standard, which is the only auditable international standard published by the International Organization for Standardization (ISO) that defines the requirements for information security and includes the controls that institutions and organizations must comply with regarding information security.
- The Bank published Türkiye's first Impact Report in line with the Operating Principles for Impact Management.
- The Small and Medium Enterprises Development Organization of Türkiye (KOSGEB) became an investor in the Technology and Innovation Fund with a commitment of TL 100 million, expanding the total size of the fund to TL 475 million.
- Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. (KGSPYŞ) established the Development METU Teknokent Venture Capital Investment Fund with a size of USD 6,000,000.

2023

- EUR 100 million "Climate Finance" loan and EUR 10 million grant agreement were signed with the German Development Bank (Kreditanstalt für Wiederaufbau - KfW).
- A EUR 5 million loan agreement was signed with the Black Sea Trade and Development Bank to finance SMEs in the earthquake region.
- The "Green 4" Loan Agreement was signed with the Japan Bank for International Cooperation (JBIC) for USD 200 million to be utilized in the fields of renewable energy and energy efficiency.
- A financing agreement of USD 100 million was signed with the Islamic Development Bank to finance food security investments, while a Term Sheet for a USD 100 million financing agreement was signed with the International Islamic Trade Finance Corporation (ITFC).
- As a result of the analyses conducted by Great Place to Work and the evaluation of our employees, the Bank was included in the "Türkiye's Best Employers 2023 List" and became one of the institutions that received the title of "Türkiye's Best Employer."
- The Bank ranked 1st in the 250-499 employees category in the Great Place To Work - Best Workplaces for Innovation By All 2023 list.
- The Development and Investment Bank of Türkiye is the first bank to publish a Green Human Resources Policy in the Turkish finance sector, breaking new ground.
- Based on the evaluation conducted by Sustainalytics, the Bank was awarded the 'ESG Industry Top Rated' and 'ESG Regional Top Rated' titles in 2023 and took its place among the 50 banks awarded these prestigious titles.
- With a low ESG risk rating of 12.3 by Sustainalytics in its risk rating assessing Environmental, Social, and Governance (ESG) topics, the Bank has positioned itself among the leading institutions in Türkiye and successfully ranked among the top companies in Türkiye.
- Türkiye Development Fund established the TÜBİTAK BİGG Fund.

Leading initiatives in sustainability

With a low ESG risk rating of 12.4 by Sustainalytics, the Bank has positioned itself as one of the leading institutions in Türkiye in the assessment of Environmental, Social, and Governance (ESG) factors.

2024

- On March 21, 2024, a USD 50 million loan agreement was signed with the OPEC Fund to finance the investment and working capital needs of businesses operating in the agriculture and food production sectors, with a priority focus on enterprises affected by the earthquake.
- On April 18, 2024, a EUR 200 million and USD 200 million loan agreement was signed with the World Bank to support projects aimed at reducing carbon emissions in Türkiye's industrial sector.
- On May 16, 2024, a EUR 300 million loan agreement was signed with the World Bank to support distributed solar energy projects in Türkiye, along with a USD 15 million loan agreement with the Clean Technology Fund (CTF) to finance battery energy storage systems.
- On August 7, 2024, a USD 100 million agreement was signed between the Bank and the International Islamic Trade Finance Corporation (ITFC) to finance trade under the food security theme. The agreement marks the first collaboration between the Bank and ITFC.
- The TIERP loan, signed with the World Bank, aims to reduce air pollution and greenhouse gas emissions from the industrial sector in line with Türkiye's net-zero carbon target. This marks the Development and Investment Bank of Türkiye's first direct thematic funding dedicated specifically to this objective.
- The agreement signed with the World Bank to support distributed solar energy projects in Türkiye represents the first initiative under the World Bank's Europe and Central Asia Renewable Energy Scaling (ECARES) program.

- The agreement signed with the OPEC Fund to support Türkiye's agriculture and food sectors marks a first for both the Development and Investment Bank of Türkiye and Türkiye after many years.
- Following the assessment conducted by Sustainalytics, the Bank was awarded the titles of "ESG Industry Top Rated" and "ESG Regional Top Rated" in 2024, securing its position among the 50 banks eligible for these prestigious recognitions.
- With a low ESG risk rating of 12.4 by Sustainalytics in its risk rating assessing Environmental, Social, and Governance (ESG) topics, the Bank has positioned itself among the leading institutions in Türkiye and successfully ranked among the top companies in Türkiye.
- Thanks to its successful efforts in the field of Environmental, Social, and Governance (ESG), the Bank was honored with the "IJGlobal ESG Development Finance Institution – Europe" award. This award highlights the Bank's leadership in sustainable development finance and its commitment to supporting the growth of the real sector.
- The Bank was honored with the "Most Sustainable Bank in Türkiye" award by World Finance Magazine in 2024.
- The Bank was awarded the Great Place to Work certificate based on the evaluation of its employees in 2024.
- The Bank was listed in the "Türkiye's Best Employers 2024 List" consisting of companies that make a difference in employee experience and was named "Türkiye's Best Employer."
- The Bank was included in the "2024 Best Employers for Social Responsibility and Volunteering" list and was awarded the Great Place to Work Certificate in 2024.

- In 2024, a total of 214 different training programs were conducted, with an average of 35 training hours per employee.
- In 2024, the ISO 27701 Personal Data and Information Privacy Management System was integrated into the Integrated Management System, and the certification process was successfully completed.
- Through improvement efforts carried out during the year, the Bank's Corporate Governance Rating Score, which was 9.40 in 2023, was revised to 9.52 as of April 15, 2024, following the corporate governance rating assessment.
- As a sub-fund of the Türkiye Development Fund, the TKYB Üst Fund was established with a USD 35 million commitment from the Republic of Türkiye Ministry of Treasury and Finance and a USD 15 million commitment from the Bank. Thus, a significant collaboration has been established to exclusively provide funding for venture ecosystem funds.
- Collaboration opportunities with TÜBİTAK have been expanded, leading to the establishment of the TÜBİTAK BiGG+ VCIF, which has an initial closing size of TL 53 million and is open to external institutional investors in addition to TÜBİTAK.
- The Bank has issued the world's first sukuk with returns indexed to wheat prices.



ASSESSMENT BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

We promote investments that drive our country's development

Our Bank, committed to supporting development-focused investments, will continue to contribute to the national economy today and in the years to come, in line with its goals and plans in development and investment banking.

In 2024, despite heightened geopolitical risks and tighter financial conditions, global economic activity maintained a moderate trajectory. Interest rate cuts by central banks contributed to a more favorable economic outlook, fostering a renewed growth trend. Over the past year, global investments in renewable energy have increased, while significant advancements have been achieved in artificial intelligence and digitalization.

In 2024, as regional risks increased and global economic challenges persisted, the Turkish economy, supported by a tight monetary stance, saw a rapid decline in annual inflation. Domestic demand slowed, and a rebalancing among growth components began to take shape. The decline in inflation, driven by the new economic program and anti-inflation measures implemented in Türkiye, became more pronounced in the second half of the year. The lowering of the country's risk premium in 2024 had several positive impacts on the banking sector, particularly in terms of improving external financing conditions.

Committed to promoting investments that drive the country's development, our Bank has continued its sustainable growth over the past year. The Bank's total assets reached TL 153.6 billion, while the total loan portfolio grew to TL 94.8 billion. Our Bank's net profit for 2024 increased by 53% year-on-year, reaching approximately TL 6.2 billion.

With its half-century legacy, stable structure, and forward-looking vision, our Bank continues to play a crucial role in achieving Türkiye's development goals. In 2024, as in every period, we achieved significant milestones in development and investment banking, implemented valuable projects for the country's sustainable growth, and remained committed to supporting the real sector, production, and employment.

Our efforts to secure funding for Türkiye through our long-standing strong relationships with international development finance institutions continued at full pace in 2024. The thematic funds secured were deployed to provide financing support for large-scale projects across various sectors, including climate finance, renewable energy, infrastructure, manufacturing, food security, and technology. The Bank consistently prioritizes the efficient utilization of national resources and remains committed to providing uninterrupted financial support for projects that contribute to the country's development.

With its strong position in development banking, our Bank also made significant strides in investment banking, securing its place among the industry's leaders. The Development and Investment Bank of Türkiye maintains its contributions to high-value projects by providing financial

advisory, capital markets consultancy, and mergers & acquisitions advisory services, particularly in priority development sectors.

Through the funds under the Türkiye Development Fund, the Bank continues to support the entrepreneurship ecosystem by financing innovative projects, particularly in digital transformation and artificial intelligence. In 2024, a total of 11 direct investments were made through the Türkiye Development Fund, consisting of eight initial investments and three follow-on investments.

Our Bank, which is committed to supporting development-focused investments, will continue to contribute to the national economy, today and in the future, in line with its goals and plans in development and investment banking. On behalf of the Board of Directors and myself, I would like to express my sincere gratitude to all our stakeholders, particularly our dedicated employees, for their invaluable contributions to the sustainable development of our country and for supporting our continued leadership in responsible banking.

Dr. Raci Kaya
Chairman of the Board of Directors

94.8

TL Billion

Total Loans



ASSESSMENT BY THE CEO

Strong partnerships for securing resources for our country

Playing a leading role in supporting various sectors from industry to green energy and from tourism to technology, our Bank consistently maintains its efforts to secure external resources while contributing to achieving our country's development goals.

The global economy entered 2024 with a challenging outlook marked by tight monetary policies in response to inflation rates exceeding targets, growing concern regarding global recession, and rising geopolitical risks. Subsequently, concerns about the trajectory of economic activity led central banks to prioritize interest rate reduction cycles. However, escalating regional risks and political uncertainties arising from elections in several countries have prompted central banks to take a more cautious stance on interest rate cuts.

We left behind a year of economic stabilization

Despite the increase in geopolitical risks and the moderate trend in global economic activity, 2024 proved to be a year in which the Turkish economy successfully maintained its strength and effectively managed global risks. The process of balancing growth components, which began in the first quarter of 2024, became more pronounced by the second quarter. Additionally, the current account balance showed a significant recovery compared to the previous year. The implementation of sustainable policies, along with the slowdown in domestic demand, stable exchange rate trends, and the support of base effects, resulted in a significant drop in annual inflation. Moreover, the need for external financing has decreased, and the country's risk premium saw a notable decline.

The banking sector continues to grow

In 2024, the Turkish banking sector maintained its growth trajectory. By December 2024, the sector's total assets reached TL 32.7 trillion, with loan volume at TL 16.1 trillion, and net profit reached TL 659 billion.

Quality growth and profitability above the industry average in 2024

In 2024, our Bank continued to demonstrate a strong financial performance. Our total assets increased to TL 153.6 billion, reflecting the strength of our connections with both national and international financial markets, as well as our strategic planning. Loans, which account for 62% of our total assets, reached TL 94.8 billion by the end of 2024. The ratio of gross non-performing loans to total loans, an important indicator of asset quality, stood at 0.77. Our average return on equity in 2024 was 38%, significantly above the banking sector's average, with our annual profit for 2024 reaching TL 6.2 billion.

Continuing uninterrupted efforts in securing external funding

In 2024, the Bank continued to build and strengthen strategic partnerships with leading international financial institutions, including the World Bank, Asian Infrastructure Investment Bank, Japan International Cooperation Bank, China Development Bank, Islamic Development Bank, German Development Bank, Council of Europe Development Bank, Black Sea Trade and Development Bank, OPEC Fund for International Development, International Islamic Trade Finance Corporation, and the French Development Agency. These partnerships have played a pivotal role in securing crucial resources to support the continued development of our country.

The Development and Investment Bank of Türkiye plays a leading role in helping our country achieve its sustainable and inclusive development goals by supporting various sectors from industry to green energy and from tourism to technology. In accordance with its mission of providing long-term financing solutions and supporting strategic investments, the Bank signed a loan agreement with the World Bank under the guarantee of the Republic of Türkiye Ministry of Treasury and Finance. The agreement includes financing of USD 200 million and EUR 200 million. Additionally, the Bank secured financing of USD 50 million from the OPEC Fund for International Development

153.6

TL Billion

Our Bank's Total Asset Size

Geçmişin mirası, geleceği inşa ediyor.



KALKINMA YATIRIM BANKASI

50.YIL



ASSESSMENT BY THE CEO

We continue to blaze trails

A sukuk issuance indexed to wheat prices, the first in our country, has been carried out with a total value of TL 700 million to support the sustainability of food and supply chains.

(OFID) through a loan from the Republic of Türkiye Ministry of Treasury and Finance, aimed at supporting the food security and agricultural industry sectors. Furthermore, our Bank secured financing through agreements with the World Bank (IBRD) for EUR 300 million and with the Clean Technology Fund (CTF) for USD 15 million, and we signed a credit and grant agreement with the Energy Sector Management Assistance Program (ESMAP) for USD 1.5 million. In line with our commitment to fostering sustainable development, we also entered into a USD 100 million financing agreement with the International Islamic Trade Finance Corporation (ITFC).

We continued to support projects adding sustainable value to the economy of the country

Our Bank remains a trusted partner for investors in financing projects that drive exports, reduce the current account deficit, enhance national production capacity, create new employment opportunities, and support the green transition. By way of strategically secured thematic funds, we continue to facilitate access to financing in key sectors, including high-value manufacturing, renewable energy, energy efficiency, climate finance, food security, disaster resilience, emissions reduction, financial inclusion, SME financing, technology, and regional development.

In 2024, the Bank continued to deliver successful and pioneering investment banking services, providing value-added merger and acquisition advisory support to both the public and private sectors. As part of these efforts, our Bank successfully provided financial advisory services for the privatization of various energy plants and ports owned by the Privatization Administration. Notably, we played a key role in achieving significant milestones in the privatization processes of Kalamış Marina and the Esenyurt Natural Gas Combined Cycle Power Station (NGCC). On the private sector side, the Bank successfully facilitated significant transactions such as the acquisition of Traçım Çimento San. ve Tic. A.Ş. by AC Çimento A.Ş. Throughout the year, our Bank provided vendor-party advisory services to companies operating in strategic sectors that include e-commerce, the circular economy, food industry, and polymer production, facilitating successful partnerships with both national and international investors.

We transferred a total of TL 4.5 billion from capital markets into the real economy

As part of our capital markets advisory services—a key pillar of our investment banking activities—our Bank successfully completed IPO processes totaling TL 3.8 billion in 2024. Additionally, we provided advisory and intermediation services throughout the entire process of lease certificate issuances, from structuring to completion. In this context, we successfully executed Türkiye's first wheat price-indexed sukuk issuance, along with a TL 700 million sukuk issuance aimed at ensuring the sustainability of food and supply chains.

We established the TKYB Üst Fund with a total size of USD 50 million

As part of the rapidly expanding Türkiye Development Fund (TKF), the TKYB Üst Fund was launched in collaboration with the Republic of Türkiye Ministry of Treasury and Finance to invest in other venture capital and private equity funds within the ecosystem.

Our Bank committed USD 15 million, while the Republic of Türkiye Ministry of Treasury and Finance pledged USD 35 million, bringing the initial closing size of the fund to USD 50 million. This initiative aims to strengthen Türkiye's entrepreneurial ecosystem by channeling resources into high-value, fast-growing ventures, contributing to national development, and enhancing the country's technological competency.

Under the roof of TKF, comprised of nine sub-funds, capital investments continue to be directed toward innovative startups and high-growth potential companies. In 2024, through its TÜBİTAK BiGG Fund, the Türkiye Development Fund increased its investments in TÜBİTAK-certified excellence projects to 345, positioning Türkiye as one of Europe's leading countries in pre-seed stage investments. The Invest 101 Fund, dedicated to early-stage investments, expanded its fund size beyond USD 22 million by the end of 2024, supporting various strategic sectors. Meanwhile, with its latest closing, the Innovative and Advanced Technologies Participation VCIF surpassed a total fund size of TL 610 million.

Total capital deployed into the entrepreneurial ecosystem reaches USD 40 million

The Türkiye Development Fund (TKF) substantially expanded its impact within the entrepreneurial ecosystem, channeling approximately USD 40 million in total investments. This includes USD 19.2 million directly invested in 27 portfolio companies, nearly USD 9 million allocated to 345 TÜBİTAK BiGG startups, and approximately USD 11.5 million committed to five venture capital funds. With nine funds under its management, the TKF has grown its investor base to over 175, broadening participation and driving the expansion of Türkiye's entrepreneurial landscape. Looking ahead to 2025, the TKF is poised to accelerate both its direct investments and fund commitments, further strengthening its role in fostering innovation and high-growth ventures.

Our loans, directly or indirectly contributing to the UN Sustainable Development Goals, exceeded USD 2.6 billion

Committed to leading Türkiye's green transition, our Bank continues to support the country's economic and social development by means of environmentally conscious financing solutions, in line with the Paris Climate Agreement and Türkiye's net-zero emission goals. As one of the few banks implementing an Environmental and Social Risk Assessment and Monitoring Process across all loan allocations—regardless of amount, tenure, or sector—sustainability-themed loans now constitute 96% of our total portfolio. Financing 6% of Türkiye's renewable energy projects, the Bank has contributed to the reduction of 4.5 million tons of CO₂ emissions through supported projects. Our Bank directly or indirectly contributes to 15 of the United Nations Sustainable Development Goals (SDGs), with a total loan portfolio exceeding USD 2.6 billion linked to these objectives. Demonstrating our commitment to climate action, we achieved a B (Management Level) score under the CDP framework, reflecting our strategic approach and continuous improvement efforts in managing climate-related activities. Furthermore, as the first Turkish bank to sign the Operating Principles for Impact Management (OPIM), we released our third Impact Report, reaffirming our dedication to sustainable finance.

Employee satisfaction is our ongoing priority

In 2024, the Development and Investment Bank of Türkiye once again achieved recognition on national and international platforms for its accomplishments. After becoming the first public bank in Türkiye to receive the Great Place to Work (GPTW) Certification, we are entitled to this certification again in 2024, based on our employees' evaluations. Additionally, we were proud to be included in the Great Place to Work Best Employers List and the Great Place to Work Social Responsibility and Volunteering List.

Granted the award of “Türkiye’s Most Sustainable Bank”

In line with our sustainable development goals, our initiatives and practices in sustainability, investment banking, development banking, and human resources have been recognized by prestigious international institutions, earning us numerous awards across multiple fields. Most recently, the Bank further strengthened its leading position in the sector by receiving the “Most Sustainable Bank in Türkiye” award at the World Finance Banking Awards. Moreover, in independent assessments conducted by Sustainalytics, a global sustainability rating agency, our Bank earned the prestigious titles of “ESG Industry Top Rated” and “ESG Regional Top Rated,” securing its place among the top 50 banks to receive these distinguished recognitions.

The Development and Investment Bank of Türkiye continues to play a pioneering role in achieving Türkiye's sustainable development and green transition goals, further advancing its vision of supporting development and innovative projects. Drawing strength from our fifty-year legacy, we remain committed to contributing to our country's sustainable growth and development objectives in the coming period. With our innovative solutions and strong team, we will be steadfast in building a more sustainable world. I extend my deepest gratitude to the Republic of Türkiye Ministry of Treasury and Finance, to our Board of Directors, to our dedicated colleagues at the Development and Investment Bank, and to all our stakeholders, whose invaluable efforts have contributed to every step of our Bank's half-century journey.

İbrahim H. ÖZTOP
CEO and Member of the Board of Directors



Managed Fund Size

5.1

TL Billion

We manage 9 Funds of TL 5.1 billion under the umbrella of the Türkiye Development Fund.



Total Assets

153.6

TL Billion

In 2024, the Bank concluded the year successfully with its assets reaching TL 153.6 billion, increased by 13.9% year-on-year.

CAR*

17.98%

The Development and Investment Bank continued its successful performance in 2024 with a capital adequacy ratio of 17.98%.

* Capital Adequacy Ratio



Equity

20

TL Billion

In 2024, the Development and Investment Bank continued to support the Turkish economy with the strength it derived from its shareholders' equity, which increased by 84% year-on-year to TL 20 billion.

Net Profit

6,168

TL Million

In 2024, the Development and Investment Bank continued its successful performance and increased its net profit by 53% year-on-year to TL 6,168 million.

DEVELOPMENTS AND EXPECTATIONS IN THE WORLD ECONOMY
IN 2024

Uncertainties and Balancing
in the Global Economy

While inflation control and tight financial conditions have constrained global growth in 2024, uncertainties and regional divergences are expected to take center stage in 2025.

2024 started with the implementation of tight monetary policies to counter inflation, which remained above targets globally, and with financial conditions weighing on growth. Economic activity in the first half of 2024 remained moderate, supported by the relatively strong performance of the U.S., the slowdown in energy prices, and the partial recovery of the Chinese economy. In the second half, increasing signs of an economic slowdown and declining inflation prompted global central banks to initiate interest rate cuts. However, with inflation still at elevated levels in many countries, central banks have maintained a cautious stance on monetary easing.

Meanwhile, increasing policy uncertainties driven by elections in many countries, escalating geopolitical tensions, and volatility in commodity prices continue to pose significant risks, potentially fueling a resurgence in global inflation and further slowing down global trade and economic growth.

In 2025, while the U.S. economy is expected to sustain its growth driven by strong consumer demand, weak manufacturing activities and heightened political uncertainties in Europe are anticipated to exert pressure on economic activity. Uncertainties in trade policies pose a risk of reducing global trade volume, while geopolitical tensions and fluctuations in energy prices become prominent as risks to the economic outlook.

Aligned with global macroeconomic trends, the world economy, grew by 3.3% in 2023, is projected to expand by 3.2% in 2024 and 3.3% in 2025, according to forecasts by the International Monetary Fund (IMF).



3.2%

2024 Global Growth Rate

According to forecasts by the International Monetary Fund (IMF), the global economy is expected to grow by 3.2% in 2024 and 3.3% in 2025.

Main Indicators Regarding the World Economy

	2023	2024	2025
Global Growth Rate (%)	3.3	3.2	3.3
Developed Countries Growth Rate (%)	1.7	1.7	1.9
Developing Countries Growth Rate (%)	4.4	4.2	4.2
Global Trade Volumes (% change)	0.7	3.4	3.2
Oil Prices (in Dollars, Barrel) (Change %)	-16.4	-1.9	-11.7
Global Inflation (%)	6.7	5.7	4.2

Source: IMF World Economic Outlook, January 2025

DEVELOPMENTS AND EXPECTATIONS IN THE TURKISH ECONOMY

Accelerated decline in inflation

In 2024, as a result of the program implemented to combat inflation, inflation declined, leading to a more balanced and moderate growth.

In the first quarter of 2024, the Turkish economy sustained its robust growth momentum, achieving an annual growth rate of 5.4%. During this period, the recovery in net exports and investments, coupled with the slowdown in private consumption, indicated the beginning of a balancing among demand components. In the second quarter of the year, the economy achieved a moderate growth rate of 2.4%, driven by the impact of domestic policies aimed at combating inflation, further solidifying the economic balancing process. During this period, the impact of policies in favor of disinflation became more pronounced, leading to a decline in annual inflation as of May.

In the third quarter, the economy maintained its moderate growth performance at 2.2%, while in the final quarter, the annual growth rate rose to 3%. Driven by the strong growth in the first half of the year, the economy expanded by 3.2% in 2024, maintaining a balanced growth composition. The effects of stabilization policies persisted within 2024, while the slowdown in demand further

reinforced the downward trend in inflation. As a result of the policies implemented to combat inflation, annual inflation declined by 20 percentage points in 2024, closing the year at 44.4%. In addition to the significant decline in the annual inflation rate, improvements have also been observed in the underlying inflation trend and inflation expectations. As a result of the significant progress achieved during the disinflation process, the Central Bank cut its policy rate from 50% to 47.5% in December.

The sustained tight monetary policy, stable exchange rates, and improved inflation expectations are expected to support the continued decline in the underlying trend of monthly inflation in the coming period. Furthermore, the recovery in global trade and the downward trend in imports are expected to support the continued improvement in the current account balance.

The anti-inflationary program has significantly reduced external vulnerabilities, leading to an accelerated decline in inflation.

Main Domestic Economic Indicators

	2023	2024 ⁽¹⁾	2025 ⁽¹⁾
Growth Rate (%)	5.1	3.2	4.0
Foreign Trade Balance (USD billion)	-106.3	-82.2	-89.4
Current Account Balance (USD billion)	-39.9	-10.0	-28.6
Current Account Balance/GDP (%)	-3.5	-0.8	-2.0
Travel Income (USD billion)	50.0	56.3	56.1
Consumer Prices Change (%)	64.8	44.4	17.5
Unemployment Rate (%)	9.4	8.7	9.6

⁽¹⁾ Mid-Term Program

Source: Mid-Term Program 2025-2027



Strong growth and profitability

The Development and Investment Bank has increased its return on assets to 4.3% and maintained its strong financial structure with a capital adequacy ratio of 17.98%.

4.3%

Return on Assets

The asset size of the Turkish banking sector increased by 38.7% year-on-year to TL 32.7 trillion in December 2024. Global monetary policy implementations and inflation developments have been influential in the developments in the sector.

Loans continued to constitute the greatest item on the balance sheet

As of December 2024, total loans accounted for 49.2% of total assets, making up the greatest item on the balance sheet of Turkish banks. The industry's loan stock expanded by 37.5% compared to the end of 2023, corresponding to approximately TL 16.1 trillion. The loan volume of the Development and Investment Banks (DIB) Group increased by 41% year-on-year. The Bank's loan stock increased by 13% year-on-year to TL 94.8 billion in 2024.

The loan/asset ratio of the Development and Investment Banks, stood at 60.3% by the end of 2023, marked as 60.6% by the end of 2024. The loan-to-asset ratio of the Development and Investment Bank of Türkiye was 62%, similar to that of the Development and Investment Banks Group.

The banking sector's gross non-performing loan ratio, which was 1.6% in 2023, realized as 1.8% by the end of 2024.

The gross non-performing loans ratio of the Development and Investment Banks Group decreased from 0.7% in December 2023 to 0.5% as of December 2024. The Bank's gross non-performing loans ratio was 0.8% as of December 2024.

In 2024, the banking sector's net profit increased by 6.2% compared to the previous year, reaching TL 659 billion. Net interest income grew by 37.3% compared to 2023, amounting to TL 986 billion. Meanwhile, the sector's foreign exchange gains, which stood at TL 124 billion in 2023, totaled TL 78.8 billion in 2024. The sector's return on assets, stood at 3.3% in 2023, declined to 2.3% as of December 2024.

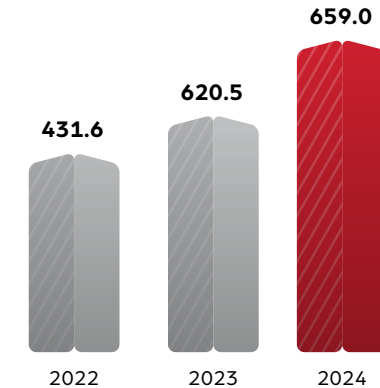
KYB Group increased its net profit for the period by 120%. KYB Group's return on assets increased from 3.9% in the previous year to 5.5% by the end of 2024. The Bank's average return on assets increased from 3.6% in the previous year to 4.3% in 2024.

The Development and Investment Bank's capital adequacy ratio reached 17.98%

The Bank's capital adequacy ratio remained significantly above the legal limit of 12% with 17.98% in 2024.

The Bank's loan stock increased by 13% year-on-year to TL 94.8 billion in 2024.

Banking Sector Net Profit (TL billion)



EVALUATION OF 2024 ACTIVITIES AND 2025 TARGETS

New products and services focused on digitalization and quality

Development and Investment Bank of Türkiye will continue to add new products and services to its existing offerings, focusing on digitalization and quality to achieve its financial and operational goals.

In 2024, in line with its core strategies, the Development and Investment Bank of Türkiye continued to create lasting value for the investors with whom it is a solution partner and to support sustainable development with a responsible banking approach. The Bank's team of professionals and many years of banking industry know-how allow it to contribute to sustainable development and structural transformation of Türkiye as well as expansion of wealth to a wider base in areas such as:

- Accessing international funds,
- Project evaluation and financing,
- Conducting feasibility studies for investment projects,
- Business valuation and appraisals,
- Grant programs,
- International technical cooperation,
- Extension of advance loans against investment undertakings provided by CBRT,
- Pioneering the Risk Sharing Mechanism,
- Investment banking services,
- Developing innovative capital market products,
- Adopting a sustainable development and responsible banking mindset in operations,
- Services of the Türkiye Development Fund

by providing loans, capital support, investment banking services, partnerships, equity finance, and advisory services to Turkish investors and the business world.

The Bank's goals also include the following;

- Bringing the most suitable medium- and long-term funding sources to our country to meet the long-term investment needs of investors and diversifying these sources,
- Becoming the primary contact point for investors in the financing of projects that reduce the current account deficit, increase exports, enhance production capacity, and create new employment opportunities,
- Developing new financing methods and programs for the funding of development cooperation activities,
- Enhancing SMEs' access to finance through direct thematic loans and grants, apex method via other financial institutions, and fintech partnerships within the scope of financial inclusion and SME financing,



- Becoming Türkiye's climate bank and leading green transformation through green financing and capital market products,
- Developing and diversifying capital markets with innovative products while deepening the investor base,
- Playing a significant role in the development of the entrepreneurial ecosystem by investing in technology-driven next-generation startups,
- Increasing the total assets managed by the portfolio management company to create value for investors and the companies in which investments are made,

- Supporting businesses in improving their financial capabilities through consultancy services and taking a leading role in helping them access domestic and international funding sources,
- Supporting initiatives aimed at developing the country's energy resources in the field of renewable energy and energy efficiency financing,
- Providing financing and consultancy services for developing, revitalizing, and strengthening earthquake resilience in earthquake-affected regions.

In 2025, the Bank shall continue to add new products and services to its existing products and services, focusing on digitalization and quality to achieve its financial and operational targets.

Pioneer in sustainable development financing

In 2024, the Development and Investment Bank of Türkiye contributed to Türkiye’s sustainable development through key collaborations and financing agreements, while also gaining recognition for its achievements in Environmental, Social, and Governance (ESG) areas.

2024 Activity Period Highlights

- On March 21, 2024, a USD 50 million loan agreement was signed with the OPEC Fund to finance the investment and working capital needs of businesses operating in the agriculture and food production sectors, with a priority focus on enterprises affected by the earthquake.
- On April 18, 2024, a EUR 200 million and USD 200 million loan agreement was signed with the World Bank to support projects aimed at reducing carbon emissions in Türkiye’s industrial sector.
- On May 16, 2024, a EUR 300 million loan agreement was signed with the World Bank to support distributed solar energy projects in Türkiye, along with a USD 15 million loan agreement with the Clean Technology Fund (CTF) to finance battery energy storage systems.
- On August 7, 2024, a USD 100 million agreement was signed between the Bank and the International Islamic Trade Finance Corporation (ITFC) to finance trade under the food security theme. The agreement marks the first collaboration between the Bank and ITFC.
- The TIERP loan, signed with the World Bank, aims to reduce air pollution and greenhouse gas emissions from the industrial sector in line with Türkiye’s net-zero carbon target. This marks the Development and Investment Bank of Türkiye’s first direct thematic funding dedicated specifically to this objective.
- The agreement signed with the World Bank to support distributed solar energy projects in Türkiye represents the first initiative under the World Bank’s Europe and Central Asia Renewable Energy Scaling (ECARES) program.
- The agreement signed with the OPEC Fund to support Türkiye’s agriculture and food sectors marks a first for both the Development and Investment Bank of Türkiye and Türkiye after many years.
- The Bank acted as the lead intermediary in the public offering of Oba Makarnacılık Sanayi ve Ticaret A.Ş., valued at TL 3.8 billion.
- The Bank provided consultancy services for the issuance of sukuk totaling TL 200 million (including TL 30 million of sukuk indexed to wheat prices) for Tarfin Tarım A.Ş. as the beneficiary.
- The Bank provided consultancy services for the issuance of sukuk worth TL 500 million for Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.
- The Bank established the TKYB Üst Fund, with investors including the Bank and the Ministry of Treasury and Finance of the Republic of Türkiye.
- Following the assessment conducted by Sustainalytics, the Bank was awarded the titles of “ESG Industry Top Rated” and “ESG Regional Top Rated” in 2024, securing its position among the 50 banks eligible for these prestigious recognitions.
- With a low ESG risk rating of 12.4 by Sustainalytics in its risk rating assessing Environmental, Social, and Governance (ESG) topics, the Bank has positioned itself among the leading institutions in Türkiye and successfully ranked among the top companies in Türkiye.
- Thanks to its successful efforts in the field of Environmental, Social, and Governance (ESG), the Bank was honored with the “IJGlobal ESG Development Finance Institution – Europe” award. This award highlights the Bank’s leadership in sustainable development finance and its commitment to supporting the growth of the real sector.
- The Bank was honored with the “Most Sustainable Bank in Türkiye” award by World Finance Magazine in 2024.
- The Bank was awarded the Great Place to Work certificate based on the evaluation of its employees in 2024.
- The Bank was listed in the “Türkiye’s Best Employers 2024 List” consisting of companies that make a difference in employee experience and was named “Türkiye’s Best Employer.”
- The Bank was recognized in the “2024 Best Employers for Social Responsibility and Volunteering” list by Great Place to Work.
- In 2024, a total of 214 different training programs were conducted, with an average of 35 training hours per employee.
- In 2024, the ISO 27701 Personal Data and Information Privacy Management System was integrated into the Integrated Management System, and the certification process was successfully completed.
- Through improvement efforts carried out during the year, the Bank’s Corporate Governance Rating Score, which was 9.40 in 2023, was revised to 9.52 as of April 15, 2024, following the corporate governance rating assessment.
- Türkiye Development Fund, established by the Development and Investment Bank of Türkiye in 2019, was very active in 2024, making a total of 11 direct investments, including 8 new investments and 3 follow-on investments. Additionally, investments were made in 345 business ideas through the TÜBİTAK BiGG Fund. With the establishment of the TKYB Üst Fund as the eighth and ninth sub-funds of TDF, valued at USD 50 million, and the TÜBİTAK BiGG+ VCIF, valued at TL 53 million, the total managed fund size has reached TL 5.1 billion.
- In 2024, Türkiye Development Fund’s direct investment in the entrepreneurial ecosystem amounted to TL 416 million.

TL 416 Million

Total Direct Investment
Amount of Türkiye
Development Fund in 2024



New era in international collaborations

In 2024, the Development and Investment Bank of Türkiye strengthened its strategic partnerships with leading international institutions, including the World Bank, OPEC Fund, and ITFC, securing diversified funding sources to support Türkiye’s development objectives.

Resource Development and Monitoring Activities

Shareholders’ Equity

As of year-end 2024, the paid-in capital of the Development and Investment Bank of Türkiye was TL 5.5 billion and total shareholders’ equity was TL 20 billion.

Liabilities

Within the framework of Türkiye’s Five-Year Development Plan, the Bank continued to increase its efforts to secure funds for the country from international financial institutions, focusing on supporting strategically significant areas.

In addition to increasing the total amount of funds raised, the focus has been placed on diversifying the funding themes and adding new funding organizations.

In 2024, the Bank successfully facilitated the deployment of various thematic financing solutions, including climate finance loans secured from the German Development Bank (KfW); loans from the World Bank (IBRD) aimed at employment creation, COVID-19 recovery, carbon emission reduction, air quality improvement, distributed solar energy projects, and geothermal development; financing from the OPEC International Development Fund (OPEC Fund) to support the agriculture and food production sectors; and thematic loans from the International Islamic Trade Finance Corporation (ITFC) to bolster the agricultural industry and food sector.

Resources provided in 2024/loan agreements

In 2024, priority was given not only to increasing the total amount of secured funding, but also to diversifying funding themes and establishing new partnerships throughout this process. In line with this approach, several significant financing agreements were concluded in 2024,

including a USD 50 million “Agriculture and Food Security” loan agreement with the OPEC Fund for International Development (OPEC Fund), a total loan package equivalent to USD 417 million with the World Bank (IBRD) to support carbon emission reduction and air quality improvement, a EUR 300 million loan agreement with the World Bank (IBRD) for the development of distributed solar energy projects, a USD 15 million loan agreement with the Clean Technology Fund (CTF) for financing battery energy storage systems, and a USD 100 million financing agreement with the International Islamic Trade Finance Corporation (ITFC).

In 2025, the Bank shall continue to improve its relationships with international development finance institutions in order to raise new funds in line with the Türkiye Development Plan. Negotiations with these institutions for new loans and provision of financing shall continue.



Development and investment bank supporting employment and growth

In 2024, the Development and Investment Bank of Türkiye played a pivotal role in fostering employment through the KAYİST Employment Creation Project while contributing to international collaboration initiatives under the COMCEC Project Financing Program, reinforcing Türkiye’s economic development.

Project Management Activities

World Bank FRIT-II Funded Formal Employment Creation Grant Program Activities

The Formal Employment Creation Project aims to support increasing the employability and access to the labor market of Turkish citizens and refugees.

As part of the efforts carried out under the project cycle management approach by the Development Cooperation and Wholesale Banking Unit, the call for the Kayist Grant Program under the Project’s Grant Component was announced on December 17, 2021. Following the completion of technical, financial, environmental, and social evaluation processes and the receipt of approvals from the World Bank, the sub-grant contract signing process commenced on January 26, 2024, with 591 of the 644 project owner firms. As of April 19, 2024,

the sub-grant contract signing process, conducted at TKYB’s Head Office in Istanbul, resulted in contracts totaling EUR 66,403,683.84 with 591 firms, including 192 from the earthquake-affected regions.

The Kayist Grant Program Implementation Guide has been completed and published on the project website. As of December 31, 2024, an advance payment of EUR 6.1 million has been made to firms after the initial monitoring visit. As of December 31, 2024, the Kayist Grant Program continues with 572 beneficiary firms. Following the completion of the second on-site monitoring activities and beneficiary reporting, progress payments will be made. In 2025, after the third monitoring visit and reporting, the final progress payment will be made, and the Kayist Grant Program will be concluded by the end of June 2025 under the existing sub-grant contracts.

Under the Grant Program, institutional capacity-building initiatives for the Bank and capacity-building training for grant beneficiaries will continue until the project’s completion.

The digital Kayist Grant Management Platform, designed in collaboration with the Information Technologies Application Development Unit, is utilized throughout the application, evaluation, and monitoring processes.

30

Number of COMCEC Projects Completed in 2024

COMCEC Project Financing Program Activities

COMCEC (Standing Committee on Economic and Commercial Cooperation of the Organization of Islamic Cooperation) Project Financing is a financing mechanism defined by the COMCEC Coordination Office (CCO) and launched in 2013.

This mechanism provides financial support to the projects submitted by the Member Countries and the relevant Organization of Islamic Cooperation (OIC) Institutions in order to achieve the objectives and realize the outcomes of the COMCEC Strategy. COMCEC Project Financing aims at enhancing solidarity among the member countries, realizing multilateral cooperation, and developing human and institutional capacity in the member countries by considering the policy recommendations adopted at the COMCEC Ministerial Session.

The relevant Organizations of the OIC operating in the field of economic and commercial cooperation and the public institutions of the COMCEC Member Countries which are members of the relevant Working Group can apply for projects. The projects can be designed in one of the seven different areas of cooperation (Financial Cooperation, Agriculture, Trade, Tourism, Transportation and Communication, Poverty Alleviation, and Digital Transformation) in line with the sectoral themes adopted by the CCO and published on its website.

Within the framework of the protocol signed between the COMCEC Coordination Office and the Bank on February 9, 2024, the project conducted during the 2024 implementation period includes partnerships with 15 countries (Türkiye, Azerbaijan, Bangladesh, Benin, Indonesia, Mali, Niger, Nigeria, Qatar, Sierra Leone, Suriname, Gambia, Togo, Uganda) and two OIC institutions (SESRIC and COMSTECH). A total of 33 projects are being conducted, comprising 9 in Agriculture, 5 in Trade, 5 in Tourism, 2 in Poverty Alleviation, 2 in Digital Transformation, 1 in Financial Cooperation, and 1 in Transportation (a total of 25), along with 8 projects aimed at supporting the economic and social development of Jerusalem through non-profit organizations.

During the 2024 COMCEC implementation period, two projects were canceled, contracts were signed with 32 project owners, and 30 projects were completed as of December 31, 2024. It is expected that the payments of one project, for which financial reporting and payment processes are ongoing, shall be completed in 2025. Under the COMCEC Project Financing Grant Programs, a total payment of TL 48,416,389.39, equivalent to USD 1,380,369.32, was made for projects carried over from 2023 and implemented in 2024.

The COMCEC Coordination Office will continue the project management activities in the 2025 implementation period under the renewed Cooperation Protocol, signed within the framework of the Memorandum of Understanding between the Presidency Department of Strategy and Budget, COMCEC, the Directorate General for International Development Cooperation, and the Bank. The protocol for the 2025 implementation period is planned to be signed in February 2025. The project list for 2025 has not yet been announced.

Strong progress in the Formal Employment Creation Project

Supported by the World Bank, the Formal Employment Creation Project is advancing confidently towards its employment creation objectives through technical and institutional support, consultancy services, and sub-grant programs.

Technical Assistance Activities

World Bank Formal Employment Creation Project

The procurement activities of the Formal Employment Creation Project fall under the “Technical and Institutional Support” component, with a total budget of EUR 6,514,038, consisting of a EUR 5,961,538 grant and a EUR 552,500 loan.

By the end of 2024, under the Technical and Institutional Support component, a total of EUR 162,078 (equivalent to TL 5.95 million) was contracted under the credit component for consultancy services and non-consulting expenditures related to implementation support, while EUR 125,453.24 (equivalent to TL 3,751,552.43) was disbursed. Under the grant component, the contracted amount stands at EUR 2.26 million (equivalent to TL 83.08 million), with EUR 1,698,493.42 (equivalent to TL 55,347,951.16) disbursed.

In 2024, individual consultancy services were obtained from 12 experts under the Project’s Credit and Grant components. During the implementation phase of the project, the procurement of individual consultancy services will continue. In 2024, the procurement process for selecting a firm to provide Monitoring and Evaluation Services for the Sub-Grant Program was completed, while the Environmental and Social Assessment and Monitoring Services for the program continued with the existing service provider. Under the credit component, environmental and social assessment, monitoring, and training services related to the implementation of sub-projects by intermediary financial institutions were finalized in 2024, ensuring compliance with sustainability standards. Additionally, institutional capacity-building initiatives were undertaken through targeted training programs for intermediary institutions.

The expenditures related to the Grant Component of the Formal Employment Creation Project are fully financed by the project budget. As part of the Technical Assistance activities, a total disbursement of EUR 1,698,493 was made as of December 31, 2024, covering consultancy services, non-consulting expenditures, and operational costs to support project implementation. An additional payment of EUR 4,263,045 is planned for 2025 to further strengthen project execution and oversight.

World Bank Emergency Firm Support Project

As part of the project, services have been procured from a contracted consultancy firm to enhance the environmental and social assessment and monitoring activities of intermediary financial institutions (IFIs), which serve as the implementing entities of the credit component. These services also cover the environmental and social assessment of sub-loans disbursed by the IFIs, ensuring compliance with sustainability and risk management standards.

Wholesale Banking Lending (APEX) Activities

World Bank Formal Employment Creation Project Wholesale Banking Component (Formal Employment Creation Project-FECP)

As part of the Formal Employment Creation Project, implemented in collaboration with the World Bank, a total of EUR 70 million in loans were extended in 2024 through a wholesale banking model. The allocation of EUR 190 million to six financial leasing companies under the Intermediary Institution Loan Agreement has been completed, marking the full utilization of the Formal Employment Loan APEX component. The evaluation and reporting of sub-projects financed by these financial leasing companies are expected to be finalized by January 2025.

The contract with the consulting firm responsible for environmental and social assessment, monitoring, and training services concluded on the program’s official closing date, December 31, 2024. Throughout 2024, the firm conducted environmental and social assessments of sub-loans issued by intermediary financial institutions and provided capacity-building training to strengthen institutional capabilities within these organizations.

World Bank Emergency Firm Support Project Wholesale Banking Component (Emergency Firm Support Project – EFSP)

In order to meet the working capital and investment needs of SMEs affected by the COVID-19 pandemic, the entire USD 250 million Emergency Firm Support Project provided by the World Bank is being disbursed through the wholesale banking method. Contracts have been executed with five financial leasing companies and two banks approved by the World Bank, securing the full allocation of funds. Disbursements to intermediary institutions are ongoing. In 2024, a total of USD 85 million in loans was disbursed, bringing the cumulative amount to EUR 195 million as of December 31, 2024. The completion of all credit disbursements is targeted by the EFSP closing date of June 30, 2025.

World Bank projects have facilitated USD 158 million in credit support to SMEs through the wholesale banking model, to promote formal employment and drive SME growth.



New phase in the Risk Sharing Mechanism

Extended until 2027, the Risk Sharing Mechanism continues to unlock Türkiye’s geothermal potential by reducing exploration risks and supporting investors. The application process for the fourth round has been completed.

RSM Project

The Risk Sharing Mechanism (RSM) is a component of the Türkiye Geothermal Development Project signed by the Development and Investment Bank of Türkiye with the World Bank on November 30, 2016.

The objective of the project is to contribute to the utilization of the country’s geothermal potential by partially covering the geothermal risks of geothermal energy investors in well drilling activities for resource identification. With the contribution provided from the Clean Technology Fund (CTF) for the project, 40% or 60% of the well expenditures shall be paid in case of failure of the boreholes within the scope. If boreholes prove to be successful, a 5% success premium shall be charged to investors. The coverage rate is 40% for Manisa, Aydın and Denizli provinces, except for some districts, and 60% for the other districts of these provinces and all other provinces.

Within the scope of the project, the program is introduced, applications of the companies planning to benefit from risk sharing are received and pre-evaluated. Geothermal resource survey reports, business plans, drilling and testing programs, environmental, social, and governance assessment reports, and management plans of the selected companies are checked.

A work-flow is followed in the form of monitoring the projects whose success criteria are determined and agreements are signed during the drilling period, evaluation of drilling and test reports, evaluation according to the success criteria when the well is completed and preparation of the final report. In addition, success premiums are collected for successful projects and risk sharing fees are paid for unsuccessful projects. Development and Investment Bank of Türkiye is responsible for the execution, supervision, and follow-up of all these activities within the scope of the project. Technical support during implementation is provided by the RSM consultant selected through an international tender.

Seven projects were shortlisted in the first round of RSM implementation. Agreements have been signed with three of these projects, and field studies for two of the projects have been completed. Within the scope of these projects, drilling, and well testing activities of three geothermal exploration wells were completed and all the wells were evaluated as unsuccessful according to the predetermined success criteria. A total grant payment of USD 5.1 million was made to the beneficiary from the RSM fund for the unsuccessful wells.

Three projects within the scope of RSM first round implementation were removed from the scope of the program upon the request of the beneficiaries. The work on the remaining two projects is ongoing. With the approval of the World Bank, it was decided to close the RSM first round implementation as of 31.12.2022 and to continue the two ongoing projects under the RSM second round.

Negotiation meetings were completed for the first 10 projects with the highest score among the 14 projects shortlisted for the RSM second round. As a result of the negotiation meetings, success criteria were determined for four projects. As part of the four ongoing projects, Beneficiary Contracts have been signed for three of them. Work is ongoing for the remaining one contract.

Among the two projects contracted under the second round, one is a direct-use initiative in Sarıcakaya, Eskişehir, aimed at utilizing geothermal energy to heat an operational greenhouse owned by the investor. The drilling of the first well under the project has been completed at a depth of 940 meters. Based on the results obtained from the well tests, the well has been classified as unsuccessful according to the success criteria defined in the contract. The review of expenditure documents is ongoing to determine the partial compensation amount.

The other well, drilled under the second round of the RSM project, is a geothermal exploration well located in the Güzelyurt geothermal license area of Aksaray’s central district, planned for electricity generation. The drilling of the geothermal exploration well was completed in early September at a depth of 3,200 meters. The initial phase of the well testing has been successfully concluded. The second phase flow test program is currently being prepared. Seven projects under the second round of the RSM program have been withdrawn from the scope at the request of the beneficiaries.

In 2024, the RSM third-round implementation program received applications for 31 projects. Among these, 13 projects scored 70 points or higher and qualified for inclusion in the RSM implementation program. As part of the RSM third-round projects, negotiation meetings have been conducted with all project owners, and success criteria have been established. Preparations for contractual requirements and environmental and social management plans are underway.

In 2024, the RSM user manual and beneficiary agreements were revised based on insights gained from the first three implementation rounds.

During the mission meetings held in May 2024 under the Geothermal Development Project in collaboration with the World Bank, it was agreed to extend the Risk Sharing Mechanism program until the end of 2027 and to initiate the fourth-round implementation program. Following this decision, the RSM fourth-round implementation program was introduced to investors on July 26, 2024, through an online Consultation Workshop, and the Expression of Interest (EoI) application process commenced on the same day. By September 13, 2024, the EoI application phase for the RSM Fourth Round had concluded, with preliminary applications submitted for 17 different projects. Subsequently, a one-day training session was organized for all applicants. Conducted online on October 10, 2024, the training provided guidance on the program’s technical, environmental, and social requirements.

Following the training, full applications were received for 14 projects. The evaluation and scoring process is currently underway. Projects scoring 70 points or higher will be submitted for World Bank approval and considered for inclusion in the RSM fourth-round program.

31

Number of Applications Submitted for the RSM Third-Round Implementation Program

Special support for women's employment in geothermal energy

ESMAP Grant Project

Under the Additional Financing of the World Bank Geothermal Development Project, the grant program funded by ESMAP (Energy Sector Management Assistance Program) is being implemented by the Engineering Unit.

This program supports feasibility studies for projects aimed at the direct utilization of geothermal resources in Türkiye. With a total project budget of USD 350,000, the grant covers 50% of feasibility costs, up to a maximum of USD 50,000 per project. Additionally, the project includes specific objectives to promote women's employment. Companies with female representation in their shareholding structure and executive management will be given priority in benefiting from the program.

As part of the ESMAP Grant Project, discussions with relevant companies were held, and project promotion activities were conducted in 2024. Furthermore, application documents and a draft contract for the project have been finalized.



350
USD Thousand

ESMAP Project Budget

EVALUATION OF 2024 ACTIVITIES AND 2025 TARGETS

Strong support for Türkiye's development goals

Development and Investment Bank of Türkiye contributes to the national economy by making investments through funds in sectors aligned with Türkiye's development priorities and supporting the venture capital ecosystem.

Türkiye Development Fund

Development and Investment Bank of Türkiye aims to support the development of the country through investments to be realized through the funds established by an experienced team with a command of market dynamics with the Türkiye Development Fund and to contribute to the efficient use of public resources through fund management services offered within the framework of the best practices in the world.

In addition to the main targets for priority sectors outlined in the 11th Development Plan, specific roles have been defined for the Development and Investment Bank of Türkiye in order to facilitate the access of priority sectors to financing and enable them to make long-term plans. Supporting industrial investments, particularly in priority sectors, and concluding long-term loan agreements with international financial institutions to be used in these sectors are among the tasks defined for the Bank.

With the awareness of this assignment and duty, the Bank works to widen access to resources that shall transform the manufacturing industry and deliver production-driven growth support. Meanwhile, its wholly-owned subsidiary Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. manages nine funds to support industrial enterprises and ventures in those sectors of priority for development.

Under the TDF umbrella fund, nine funds have been established to provide direct equity investments in small- and medium-sized enterprises, increase venture capital investments nationwide, channel more private sector resources into this field, and ensure the widespread distribution of investments across the country. These funds include the Technology and Innovation Fund (TL 475 million), the Regional Development Fund (TL 525 million), the TKYB Capital Fund (TL 430 million), the Development Participation Venture Capital Investment Fund (TL 154 million) established by Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., the Innovative and Advanced Technologies Participation Venture Capital Investment Fund (TL 611 million), the Development METU Teknokent Venture Capital Investment Fund (USD 22.2 million), the

TÜBİTAK BiGG Fund established in 2023 (USD 9 million), the TKYB Üst Fund (USD 50 million), and the TÜBİTAK BiGG+ VCIF (TL 53 million).

One of the strategic objectives of the Development and Investment Bank of Türkiye for development banking is to diversify financing products for priority sectors with high import dependency, high foreign trade deficit, high contribution to employment, and high foreign currency earning potential, as identified in the development plans and programs of Türkiye.

As part of its ongoing collaboration and resource mobilization efforts, the Development and Investment Bank of Türkiye has established the TKYB Üst Fund in 2024 as a sub-fund of TKF. This initiative, backed by a USD 35 million commitment from the Ministry of Treasury and Finance of the Republic of Türkiye and a USD 15 million commitment from the Bank, represents a strategic partnership dedicated exclusively to financing funds within the entrepreneurial ecosystem.

Furthermore, the Bank has expanded its collaboration with TÜBİTAK, facilitating the establishment of the TÜBİTAK BiGG+ VCIF fund. With an initial closing size of TL 53 million, this fund is open to external institutional investors in addition to TÜBİTAK and aims to provide seed capital to startups previously supported under the BiGG program.

Under the umbrella of the Türkiye Development Fund, the Bank continues to invest in the TKYB Capital Fund—launched in 2021 by the Bank as the sole investor with a total size of TL 430 million—alongside the Technology and Innovation Fund and the Regional Development Fund, established in collaboration with the Ministry of Industry and Technology of the Republic of Türkiye and KOSGEB. Additionally, the TKYB Üst Fund, established in mid-2024 in partnership with the Ministry of Treasury and Finance of the Republic of Türkiye, is set to make its first investments in 2025.

The Bank aims to support technology-focused enterprises that drive economic growth through funds operating under the regulatory framework of the Capital Markets Board (CMB), including the Innovative and Advanced Technologies Participation Venture Capital Investment Fund, the Development Participation Venture Capital Investment Fund, the Development METU Teknokent Venture Capital Investment Fund, and the TÜBİTAK BiGG+ VCIF.

TDF aims to create an investment platform within the framework of the authorization granted by law, flexibility, independence, and best practices. The fund and its sub-funds will facilitate diverse capital and structured financing investments, strengthening relationships within the venture capital ecosystem and enabling co-investment opportunities.

Collaboration opportunities with TÜBİTAK have been expanded, leading to the establishment of the TÜBİTAK BiGG+ VCIF, which has an initial closing size of TL 53 million and is open to external institutional investors in addition to TÜBİTAK.



EVALUATION OF 2024 ACTIVITIES AND 2025 TARGETS

A trusted partner in capital markets

Development and Investment Bank of Türkiye acts as a strategic partner in companies’ growth and transformation journeys, offering capital markets advisory, M&A consulting, and financial advisory services.

Investment Banking

Investment Banking provides capital markets advisory, M&A consulting, and financial advisory services.

Within the framework of capital markets advisory activities, consultancy services are provided to companies on the issuance of share certificates, debt instruments, lease certificates, and other capital market instruments, and intermediary services are rendered for companies to provide additional resources. These issuances contribute to companies in terms of institutionalization and transparency and pave the way for companies with increased awareness in capital markets to access different financing alternatives more easily.

Within the framework of alternative financing methods based on borrowing, the Bank provides comprehensive consultancy services in all steps from the decision-making stage of the companies to the coordination of the process, from the management of sub-advisors, to the filing of all regulatory agency applications, from the follow-up of marketing and sales processes to the completion of the issuance in all bond and security issuances, which are frequently used products in Turkish capital markets, and in all lease certificate (sukuk) issuances, which have been rapidly increasing recently.

In 2024, in line with the Bank’s goal of transferring more resources to the real economy and money markets through more effective use of capital market instruments:

- The Bank acted as the lead intermediary in the public offering of Oba Makarnaçılık Sanayi ve Ticaret A.Ş., valued at TL 3.8 billion.
- The Bank provided consultancy services for the issuance of sukuk totaling TL 200 million (including TL 30 million of sukuk indexed to wheat prices) for Tarfin Tarım A.Ş. as the beneficiary.

- The Bank provided consultancy services for the issuance of sukuk worth TL 500 million for Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.

The Capital Markets Consultancy Unit continues its projects for public offerings, sukuk, and other debt instruments for clients in different sectors.

Within the scope of M&A consulting activities, in 2024, the Bank continued to work to provide added value to public institutions and private sector companies that provide services and operate in different sectors within the scope of M&A consulting, regardless of scale, and maintain its position among the leading M&A consultants. Within this framework, the Bank offers financial advisory services not only to the private sector clients but also to support the sale and privatization processes of companies and assets managed by the Republic of Türkiye Ministry of Treasury and Finance’s Privatization Administration (“Privatization Administration”).

In 2024, efforts continued on seven privatization tenders as part of two separate privatization projects led by the Privatization Administration. Within the scope of one of the two consultancy tenders awarded by the Privatization Administration in 2020, preparatory work for the privatization of Tekirdağ Çeşmeli Port, owned by Türkiye Denizcilik İşletmeleri A.Ş. (TDİ), progressed. Additionally, financial advisory support was provided for the privatization of Fenerbahçe-Kalamış Marina, culminating in the successful completion of the tender process. The ongoing efforts in 2024 aim to launch the tenders in late 2024 and the first half of 2025. Within the scope of the privatization of 13 electricity generation plants owned by Elektrik Üretim A.Ş., which is another project carried out by the Privatization Administration and in which the Bank acts as an advisor, the tenders of 6 power plants were technically completed. Two power plant tenders have been completed, two have been canceled, and one has been postponed to the first quarter of 2025. Additionally, work continues on two other power plants in collaboration with the Privatization Administration to launch tenders in the first half of 2025.

The Bank continues to provide financial advisory services on the seller side for a start-up company producing green-themed products from organic waste to seek funding for its growth target, thereby supporting sustainable development. Similarly, the Bank is acting as a financial advisor of another company carrying out activities that shall contribute to the circular economy targets of our country and prevent the generation of electronic waste in the process of seeking funds to expand its activities. It is also acting as a financial advisor of two companies

that shall support circular/shared economy and carbon emission reduction in their search for funds to expand their operations and become more active both in Türkiye and in Europe. In line with the country’s sustainability goals, efforts continue on investment projects classified as impact investments, with a commitment to setting new benchmarks in this field.

In 2024, the Development and Investment Bank of Türkiye, in addition to the previously mentioned projects, provided advisory services for the completed acquisition of a cement factory in 2024 and continued to support 12 M&A transactions. The majority of these projects are expected to be completed in 2025.

In addition to privatization projects, the Bank’s M&A Advisory Team has been authorized by private sector companies and public capital companies operating in many different sectors, such as energy, technology, automotive, food, chemicals, packaging, retail, and manufacturing industry, as well as privatization projects. Efforts are ongoing to successfully finalize these projects.

As part of its financial advisory activities, sector-agnostic services—including industry analysis, strategy development, valuation, and financial feasibility consulting—are provided to both public and private sector companies. In 2024, feasibility reports were prepared for four distinct projects of two major players in the defense industry within the scope of project-based state incentives. A feasibility report and consulting services regarding the process were provided to a major foreign investor for their

project in Türkiye, involving an investment of approximately USD 1 billion, within the framework of project-based state incentives. A detailed sector analysis and financial feasibility study were conducted for a domestic food company aiming to enter the frozen baked goods market. Additionally, comprehensive financial advisory services, encompassing structural recommendations and a strategic roadmap from an investment banking perspective, were provided to a conglomerate with operations across multiple sectors.

The Bank will continue providing financial advisory services in 2025, focusing on sectoral analysis, strategic expansion preparation, financial feasibility, and company valuation, in line with its clients’ growth strategies for new investments.

In 2024, efforts continued on seven privatization tenders as part of two separate privatization projects led by the Privatization Administration.

Effective management in capital and money markets

In 2024, developments in the markets were closely monitored, and interest rate, foreign exchange, and liquidity risk management were carried out effectively. Turkish lira and foreign currency reserves were managed within the defined limits and policies.

Treasury and Capital Market Transactions

The year 2024 has been marked by the commencement of interest rate reduction cycles in developed countries, while geopolitical risks have continued to rise and intensify. While inflation has decreased to more manageable levels in developed economies, signals of economic contraction have become more pronounced. The Russia-Ukraine war, approaching its third year, and the Israel-Palestine conflict, completing its first year, along with the elections in the United States, have been the most significant political developments of the year.

In this global context, the Central Bank of the Republic of Türkiye concluded its interest rate hike cycle in March with an increase of 50%, and in December, it initiated an interest rate reduction cycle with a 2.50% decrease. Annual inflation stood at 64.86% in January, reached its peak at 75.45% in May, and then steadily declined, closing the year at 44.38%.

In 2024, developments in the markets were closely monitored, and interest rate, foreign exchange, and liquidity risk management were carried out effectively. Turkish lira and foreign currency reserves were managed within the defined limits and policies.

In 2025, existing Capital and Money Markets instruments will be utilized in the management of the Bank's liquidity, and customers will be offered a product range addressing their needs.



Balance sheet items managed by the Treasury Department are shown in the table below.

Assets Managed by Treasury Department (*) (TL Thousand/Unconsolidated)	2023			2024		
	TL	FX	Total	TL	FX	Total
Cash and Cash Equivalents						
Cash Reserves and Central Bank	2,560	-	2,560	1,842	-	1,842
Banks	3,758,538	1,170,926	4,929,464	11,022,933	1,659,543	12,682,476
Due from Money Markets	17,046,025	-	17,046,025	9,921,861	-	9,921,861
Financial Assets at Fair Value Through Profit or Loss (*)						
Government Debt Securities	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income						
Government Debt Securities	868,246	7,758,688	8,626,934	3,201,141	5,848,330	9,049,471
Other Financial Assets	233,895	6,341,424	6,575,319	592,101	15,867,118	16,459,219
Derivative Financial Assets	65,528	188	65,716	144,142	-	144,142
Financial Assets Measured at Amortized Cost						
Government Debt Securities	7,046,016	6,513,924	13,559,940	9,865,929	536,446	10,402,375

EVALUATION OF 2024 ACTIVITIES AND 2025 TARGETS

Assets Managed by Treasury Department (*) (TL Thousand/Consolidated)	2023			2024		
	TL	FX	Total	TL	FX	Total
Cash and Cash Equivalents						
Cash Reserves and Central Bank	2,560	-	2,560	1,842	-	1,842
Banks	3,768,650	1,171,009	4,939,659	11,058,573	1,659,543	12,718,116
Due from Money Markets	17,046,025	-	17,046,025	9,921,861	-	9,921,861
Financial Assets at Fair Value Through Profit or Loss (*)						
Government Debt Securities	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income						
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Government Debt Securities	7,046,016	6,513,924	13,559,940	9,865,929	536,446	10,402,375

Management of TL Assets

The Turkish Lira assets managed by the Treasury Unit were utilized with the most appropriate financial instruments in line with the changes in the yield curve and expectations in interest rates throughout 2024, considering the changes in the yield curve and expectations in interest rates, and considering the legislative regulations; within this framework, the return opportunities in the swap markets were also utilized. In securities markets, a similar approach was adopted and preferences were made between variable- and fixed-income securities as per the changes in their yield curves and prospects on interest levels throughout the year. High levels of return were attained within the framework of the risk policies determined.

As of 31 December 2024, TL 11 billion was placed with banks, TL 10 billion with money markets, TL 13 billion in government debt securities, and TL 590 million in other financial assets portfolio.

Management of Foreign Currency Assets

Currency volatility was less pronounced in 2024 than in the previous year. In line with risk management principles, the foreign exchange position was kept close to zero, protecting the income statement from related fluctuations. In addition, domestic and international FX swap markets and CBRT swap tenders were used effectively during the year for liquidity management and yield generation purposes.

As of 31 December 2024, approximately TL 1.7 billion equivalent of foreign currency was placed with banks, TL 6.4 billion equivalent of foreign currency was held in the government debt securities portfolio, and TL 15.9 billion equivalent of foreign currency was held in the other financial assets portfolio.



AWARDS

Success crowned with international awards

As part of sustainability efforts, the Development and Investment Bank of Türkiye has continued to add new awards to its international recognition in 2024, following its successful initiatives.

January 18, 2024

Renewal of the GPTW (Great Place to Work) license for the second time

February 2, 2024

Global Finance Magazine Sustainable Finance Awards 2024 – Outstanding Leadership in Sustainable Finance by a Multilateral Institution in Central & Eastern Europe

March 18, 2024

International Finance Awards 2024

- Best Regional Development Bank – Türkiye Award
- Most Innovative Sukuk Structures – Türkiye Award

April 26, 2024

"Türkiye's Best Employer" in the 205-499 employee category on the GPTW (Great Place to Work) Türkiye's Best Employers List

May 27, 2024

Global Business Outlook 2024 – Most Innovative Sukuk Structures – Türkiye Award

May 28, 2024

Inclusion in the GPTW 2024 Social Responsibility & Volunteering list

June 23, 2024

World Finance Banking Awards 2024 – Most Sustainable Bank – Türkiye Award

July 17, 2024

Cfi.co Awards 2024 – Green Finance Innovator – Türkiye Award

August 6, 2024

Stevie Awards 2024

- CHRO of the Year Bronze Winner
- Human Resources Team of the Year – Gold Winner

August 26, 2024

Brandon Hall HCM Excellence Awards

- Best Certification Program – Learning and Development Bronze Award
- Best Team Development Program – Learning and Development Silver Award
- Best Advance in Selecting and Onboarding Interns – Talent Acquisition Bronze Award

October 11, 2024

Globe Awards 2024

- CEO of the Year – Leadership Silver Award
- Transformation of the Year – Leadership Gold Award
- Human Resources Management Leadership – Gold Award



SUBSIDIARIES

An ecosystem that grows through partnerships

The Bank’s wholly-owned subsidiary, Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., increased its issued capital to TL 50 million in 2024.

Under Article 49 of the Banking Law, Kalkınma Yatırım Bankası maintains direct control over Kalkınma Yatırım Varlık Kiralama A.Ş., Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., and Arıcak Turizm ve Ticaret A.Ş. In Liquidation (due to bankruptcy).

In 2024, Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., a wholly-owned subsidiary of the Bank, increased its issued capital from TL 20,000,000 to TL 50,000,000 by raising TL 30,000,000 in cash.

In 2024, JCR Avrasya Derecelendirme A.Ş., in which the Bank holds a 2.86% stake, increased its issued capital to TL 100,000,000 by conducting a capital increase of TL 50,000,000.00 through bonus issues. Following the capital increase through bonus issues, the Bank’s share capital has risen from TL 1,427,950 to TL 2,855,900.

TII (Turkish Investment Initiative)–iVCi Istanbul Venture Capital Initiative

The Turkish Investment Initiative (TII), which was established in Luxembourg led by the European Investment Fund (EIF), in which the European Investment Bank and the European Commission are shareholders, to which the Development and Investment Bank of Türkiye made an investment commitment in 2007, operates two sub-funds under Luxembourg legislation.

The first sub-fund of TII, the Istanbul Venture Capital Initiative (iVCi), has a total capital of EUR 160 million. The European Investment Fund holds a EUR 50 million share, the Turkish Technology Development Foundation EUR 40 million, KOSGEB EUR 50 million, Investment and Development Bank of Türkiye EUR 10 million, Garanti Bankası EUR 5 million, and the National Bank of Greece Group EUR 5 million.

Development and Investment Bank of Türkiye is represented on the Board of Directors of TII, an upper fund that shall provide support to selected Turkish venture capital funds, the ultimate beneficiaries of which are companies in Türkiye, and has an observer member on the iVCi Investment Committee.

The total size of the funds in iVCi’s portfolio of investments in different ratios is EUR 1.8 billion. Through these funds, investments were made in 79 companies in different sectors. With its investment period concluded, iVCi has invested in nine sub-funds under TII-iVCi, in addition to one co-investment fund.

Information Regarding Consolidation

With the Material Event Disclosure made by the Development and Investment Bank on 19 March 2013, it was announced that since the Bank has no subsidiaries subject to consolidation within the framework of the provisions of the Turkish Accounting Standards regarding the preparation of consolidated financial statements, consolidated financial statements shall not be prepared for the December 2012 accounting period and subsequent periods, and a second Material Event Disclosure shall be made in case of an obligation to prepare consolidated financial statements.

Due to the establishment of Kalkınma Yatırım Varlık Kiralama A.Ş. and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., which were established in 2020 and have the status of financial institutions in which the Bank owns 100% of the shares, consolidated financial statements have started to be prepared by the Development and Investment Bank for the first time as of the December 2020 accounting period.



EUR 1.8 Billion iVCi Fund Size

Türkiye Kalkınma ve Yatırım Bankası A.Ş. Domestic Subsidiaries

Name of the Subsidiary	Registered – Issued Capital	The Bank’s Participation Share	The Bank’s Participation Amount
(Due to Bankruptcy) Arıcak Turizm ve Ticaret A.Ş. in Liquidation	TL 1,250,000.00	99.71%	TL 1,246,400.00
Maksan Malatya Makina A.Ş.	TL 1,525,200.00	31.14%	TL 474,956.18
Takasbank İstanbul Takas ve Saklama Bankası A.Ş.	TL 600,000,000.00	0.36%	TL 2,179,154.07
JCR Avrasya Derecelendirme A.Ş.	TL 100,000,000.00	2.86%	TL 2,855,900.00
Birleşik İpotek Finansmanı A.Ş.	TL 50,000,000.00	8.33%	TL 4,166,665.00
Kalkınma Yatırım Varlık Kiralama A.Ş.	TL 50,000.00	100%	TL 50,000.00
Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.	TL 50,000,000.00	100%	TL 50,000,000.00

Türkiye Kalkınma ve Yatırım Bankası A.Ş. Foreign Subsidiary

Name of the Subsidiary	Registered – Issued Capital	The Bank’s Participation Share	The Bank’s Participation Amount
TII-iVCi İstanbul Venture Capital Initiative	EUR 41,306,947.04	6.25%	EUR 2,581,684.19

INFORMATION TECHNOLOGIES

AI-Driven energy production forecasting

Development and Investment Bank employs an AI-driven energy production forecasting system to enhance monitoring of the power plant projects it finances. This system enables proactive oversight, ensuring timely and full loan repayments.

In today's banking landscape, information security and digital transformation play a central role. The reliability and quality of banking services are determined by the strength of their digital infrastructure and the efficiency of their information security policies. Protecting customer data, ensuring business continuity, and providing reliable financial services are key objectives that banks aim to achieve through information security and digital transformation.

In this context, the Development and Investment Bank of Türkiye, as part of its ongoing digital transformation process, is implementing significant improvements in its IT infrastructure in the areas of business continuity and security, taking digitalization steps to meet its corporate needs in measurement and evaluation. The Bank focuses on open source, open banking, and cloud computing to improve process efficiency and effectiveness through AI-driven systems and robotic process automation.

In 2024, development and improvement efforts continued in the IT process framework in line with agile working principles in Information Technologies functions.

With its modular and functional infrastructure and organization, the Bank carries out projects that ensure continuous improvement in digitalization, quality, efficiency, and customer satisfaction within the framework of corporate architecture principles in order to achieve strategic goals and carry out its activities.

Enterprise Architecture and Project Management

In 2024, the Development and Investment Bank of Türkiye continued its work within the TOGAF-based enterprise architecture framework, which is globally accepted and most suitable for the Bank's needs.

Corporate business processes were carried to a point where all Bank processes could be analyzed under a single and central architectural model with an activity-based end-to-end design approach (current situation analysis, gap analysis, and target situation design). This structure has enabled centralized observation of roles and transitions between functions, facilitated the identification of dependencies, enabled rapid implementation and commissioning of improvement designs, and reduced the need for lengthy and repeated business analyses for automation opportunities.

Through process mining, the collection, processing, and interpretation of real process data enables the analysis of business processes, identification of improvement and automation opportunities, and providing insights to the Bank's management.

Demand management of all units through digital channels was extended by increasing the processes on the incident, problem, and service management system, and automation and SLA-based measurements continued in call management processes by increasing integrations with supplier call systems.

To reduce error rates, shorten value delivery time, and allow business units to concentrate on value-added activities, the use of robotic process automation (RPA) to handle repetitive tasks through software robots has been increasingly implemented by employees.

In the power plant projects financed by the Bank against assignments, an AI-driven energy production forecasting system has been implemented to ensure timely and complete loan repayments, thereby enhancing the effectiveness of loan monitoring processes.

The necessary legal arrangements were fulfilled by carrying out compliance studies with the "Regulation on Information Systems of Banks and Electronic Banking" published by the BRSA.

In line with the Presidential Circular on "Use of Open Source Software in the Public Sector" published in the Official Gazette No. 32263, the Bank has identified the commercially licensed software in use and successfully replaced those deemed appropriate with open-source equivalents.

In 2024, the development of processes, data, approaches, and methodologies for TFRS 9 ECL (Expected Credit Loss) models tailored to the Bank's SME and Project Loans allowed for the digital execution of IFRS calculations.

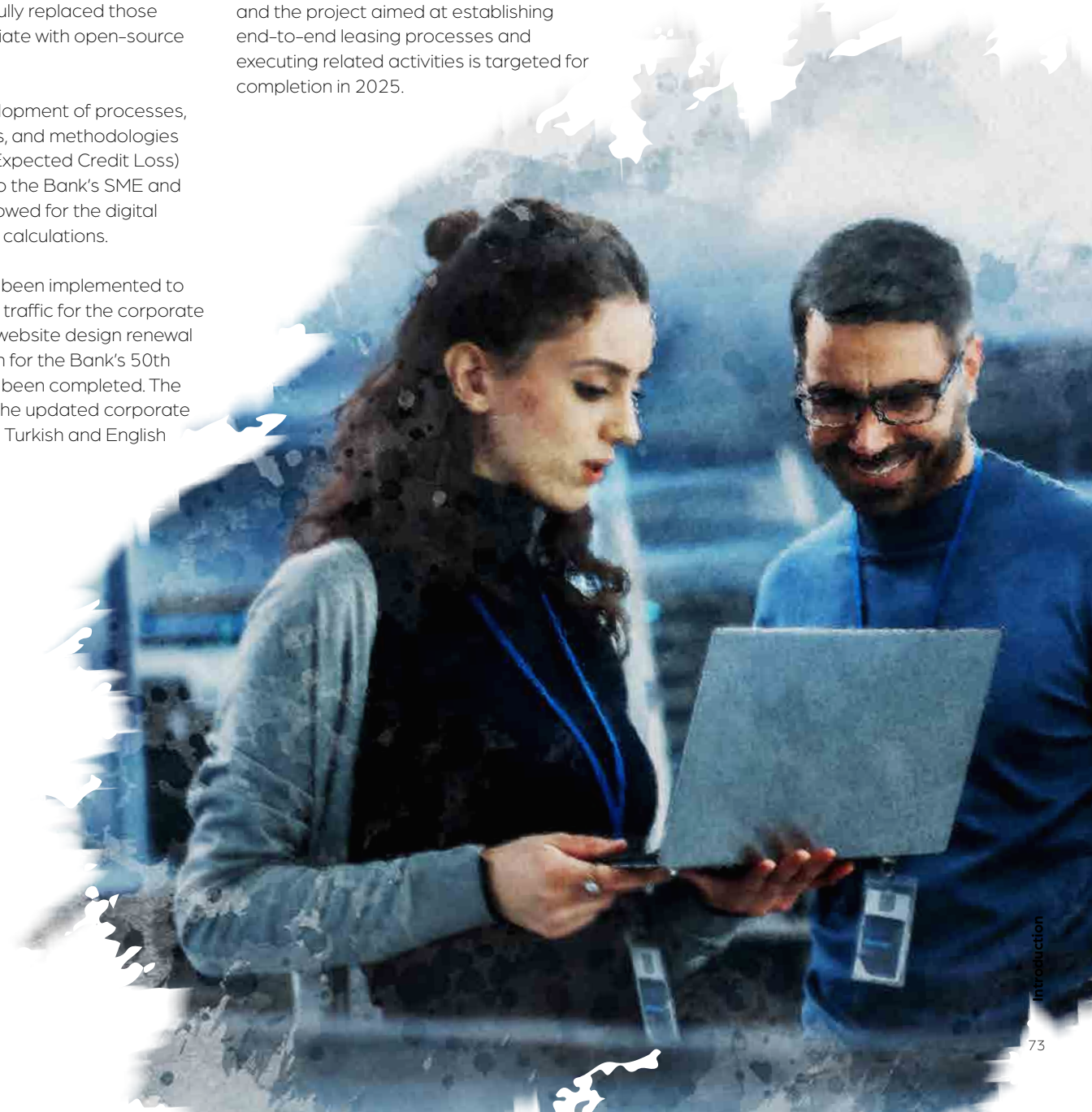
SEO efforts have been implemented to generate organic traffic for the corporate website, and the website design renewal and logo redesign for the Bank's 50th anniversary have been completed. The goal is to launch the updated corporate website with both Turkish and English content in 2025.

The Bank has carried out the Fund Transfer Pricing (FTP) and Asset-Liability Management (ALM) project to make credit pricing more efficient. With the establishment of the FTP and data management infrastructure, managerial reports on Interest Rate Risk and Net Interest Income have been generated. Additionally, efforts have been made to monitor liquidity, interest, and exchange rate risks, as well as to perform net interest income calculations and equity valuations.

Efforts have been made to carry out Financial Leasing activities as part of banking services. In this context, the Bank's organizational structure and lending processes have been assessed, and the project aimed at establishing end-to-end leasing processes and executing related activities is targeted for completion in 2025.

The Formal Employment Generation Project has been implemented to facilitate the employment and labor market access of individuals under temporary and international protection, while also providing beneficiary companies with opportunities to expand their operations and enhance their capacities. The development of an online platform for monitoring the environmental, social, technical, and financial aspects of beneficiary companies has been completed, along with the integration of payment systems.

In 2025, the launch of an AI-powered virtual assistant for grant platform users and the implementation of AI-driven data analysis initiatives are planned.



Sustainable technological infrastructure

Development and Investment Bank of Türkiye focuses on implementing sustainable technologies in its IT infrastructure to minimize its environmental impact.

System and Infrastructure

Development and Investment Bank of Türkiye adopts eco-friendly practices in both the setup and operation of its primary data center and disaster recovery center, operating in data centers that minimize energy consumption.

In 2024, digital transformation initiatives progressed rapidly, with technological products and solutions being implemented and managed in alignment with sustainability principles. In 2024, the Bank prioritized virtualization efforts, completing the transition to a fully virtual platform. This shift minimized energy consumption and emphasized the use of technologies designed to reduce environmental impact. Adopting a sustainable information technologies approach, the Bank has brought efficiency in resource usage to the forefront, particularly in storage systems, and has prioritized cloud technologies.

In 2024, significant focus was placed on active ODM architecture efforts, and the targeted structure has been achieved. A comprehensive review of all systems in the infrastructure was conducted, and the testing of the information technologies infrastructure services was successfully completed.

The use of secure cloud technologies has been expanded in compliance with the regulations of the BRSA and relevant regulations. Special cloud technologies, which offer numerous advantages such as cost efficiency, operational productivity, scalability, high availability, and most importantly, staying at the heart of global technological trends, have continued to be utilized. Additionally, regulations in this area have been closely monitored, and opportunities in the community cloud have been pursued.

A security-focused approach has been adopted, and an additional security layer has been established on endpoint systems, complementing existing systems. Configuration reviews have been conducted across all IT components, and hardening steps have been implemented to ensure the use of the latest and supported protocols. In 2025, global threats and developments will continue to be closely monitored, and necessary actions will be planned.

Efforts have been focused on improving the maturity level of all operational processes, with a particular emphasis on the change management process. Necessary tests were conducted, and controls were implemented to ensure effectiveness.

Based on the principle that all elements of information technologies should be up-to-date, secure, and efficient, version upgrade projects and technology renewal activities were emphasized.

In 2025, the same approach will be implemented to maintain the currency and relevance of all platforms. The Bank is planning a modernization project for all local networks and user technology components, with a focus on the main infrastructures. In this context, current and most suitable technological solutions are being followed. In 2025, the use of AI-powered infrastructures will be expanded in alignment with business needs.

Application Development

During the reporting period, substantial progress was made in the development of a new core banking application, designed with an open-source, microservice-based modular architecture. This initiative ensures the seamless end-to-end integration of business processes on IT platforms with minimal intervention. In addition to the previously implemented modules for customer management, accounting, support services, human resources, and treasury, processes such as cash and non-cash loan disbursement, limits, collateral management, contracts, collections, and payment procedures have been successfully deployed.

New products have been introduced on the new core banking SKY platform, enabling the provision of electronic letters of guarantee and murabaha to customers. In 2025, the SKY platform will continue to evolve by adding modules for leasing, grants, and foreign trade, further enhancing its capabilities.

The mobile infrastructure of the new core banking application has been developed, enabling the tracking and management of customer relationship management (CRM) and banking processes via mobile, resulting in increased speed and efficiency. In 2024, a mobile signature feature was added to the mobile application, and integration with the training platform was implemented, allowing employees to manage their training through the mobile app.

With the Treasury Profitability Project, all treasury products in the Bank's portfolio can now be monitored more closely on a portfolio basis. Through this project, the valuation of products is conducted based on current market prices (mark to market - MTM), taking into account various factors, including funding costs and inter-portfolio transactions. In addition, portfolio-based profit/loss reporting and cash flow tracking of treasury transactions have become possible.

The Bank has continued to enhance its centralized reporting infrastructure, integrated with all data sources, along with the expansion of business intelligence and reporting applications. In 2024, the number of interactive and dynamic decision-support reports was increased, enabling more effective monitoring and reporting capabilities. Interactive decision support reports on the Bank's BI portal were also accessible from mobile devices, and activities to increase the effectiveness of teams in business processes continued.

Within the scope of secure software development, OWASP standards continued to be implemented, test process automation activities were carried out, and automation was achieved in the test steps of the software development life cycle, resulting in resource savings, efficiency, and quality improvement in test and quality processes.

New core banking applications were run on Kubernetes infrastructure, and the use of scalable, high-performance, flexible, secure, and low-cost container architectures was expanded to cover other applications.

The Bank's rating model was renewed with a new IFRS-compliant rating model that provides quantitative, qualitative, and warning signals and expert opinions for corporate/SME, project loans, and financial institutions, thereby maximizing the effectiveness of our customer rating processes.

Through ongoing search engine optimization (SEO) efforts, the Bank has enhanced its visibility in search engine results related to its business areas. The content of the Bank's websites has been enriched, resulting in increased organic traffic. In 2025, work will continue updating the corporate website with a new design and content.

The web-based supplier financing platform, which facilitates trade financing between buyer companies and their suppliers, has been enhanced by integrating new financial institutions, thereby contributing to the financing of small- and medium-sized enterprises.

In 2025, the Development and Investment Bank of Türkiye shall continue its digital transformation and offer innovative services to its customers through mobile and online channels. R&D and POC activities shall be carried out to improve the use of artificial intelligence in existing applications and processes.

To enhance operational efficiency and facilitate access to the Bank's services, initiatives will be undertaken, including the implementation of an AI-driven virtual assistant service, as well as the development of AI-supported evaluation, analysis, and decision-making mechanisms in human resources and credit processes. Artificial intelligence initiatives will be prioritized in areas such as reporting and business analytics, data interpretation, regulatory compliance, anomaly detection, risk management, and customer experience enhancement. These efforts will drive efficiency and effectiveness in corporate processes. Open Banking initiatives will continue, and innovative products will be introduced through fintech collaborations. The Bank will continue to develop a software development framework based on an agile, fast, and low-code approach, ensuring efficient, error-free, and rapid application deployment.

The Bank will continue leveraging advanced analytics techniques such as AI-powered text analytics, machine learning, predictive analytics, data mining, statistics, and natural language processing. By analyzing big data generated from the corporate website, application portals, social media, core banking, and other platforms, new insights will be derived to enhance decision-making and strategic planning.

With the Treasury Profitability Project, all treasury products in the Bank's portfolio can now be monitored more closely on a portfolio basis.

INFORMATION SECURITY

With 50 years of experience, information remains secure and the future is in safe hands

The Bank's information security strategy is designed to protect against existing cyber threats while building a resilient infrastructure to withstand future challenges.

In 2024, the Development and Investment Bank of Türkiye has taken several critical steps to strengthen resilience against cyber threats, in parallel with its ongoing initiatives in Information Security. The results of the penetration tests conducted by the BRSA on the Bank's Information Systems throughout the year confirm that no security vulnerabilities classified as "emergency" or "critical" were found. This underscores the effectiveness and success of the Bank's proactive security measures. In addition, support was provided for the independent audit process conducted within the framework of SWIFT CSP (Customer Security Program) requirements, ensuring the smooth completion of the process. Additionally, specialized information security awareness training for SWIFT users was developed, and all relevant personnel have completed the training.

One of the key elements that will shape the Bank's strategic steps in artificial intelligence (AI) projects is a robust information security infrastructure. In addition to various initiatives undertaken throughout the year (such as AI access areas and controls), the Information Security personnel will play a critical role in the secure implementation of innovative technologies in 2025.

In 2024, the Bank successfully maintained its ISO 27001 Information Security Management System certification, originally obtained in 2022, by completing its annual independent audit processes. Additionally, the Bank advanced its commitment to data protection by achieving the ISO 27701 Personal Data Management System (Privacy Information Management System) certification. With these certifications, the Bank has not only strengthened its compliance with corporate information security standards but also aligned its personal data management processes with international standards.

To enhance information security awareness, the Bank has implemented initiatives such as Cyber Hygiene and Cyber Cleanliness Day. Awareness training sessions, phishing simulations, Cyber Incident Response Drills, and "Clean Desk-Clean Screen" campaigns have been conducted for all staff members. With the acceleration of the digital transformation process, the Bank has conducted regular vulnerability management for both internal and external systems. Critical security patches identified for vulnerabilities have been promptly communicated to the IT departments, ensuring swift action.

New investments are planned to further enhance the Bank's information security capacity in 2025 and beyond. In this context, the aim is to ensure the continuity of the ISO 27001 and ISO 27701 certifications. Additionally, the plan includes the deployment and widespread implementation of advanced security technologies, such as Database Activity Monitoring (DAM) and Cyber Attack Simulation Platforms. The objective is to

The Bank's information security strategy is designed to protect against existing cyber threats while building a resilient infrastructure to withstand future challenges.

broaden the scope of existing domestic and national products, while prioritizing the integration of new technologies from companies affiliated with the Türkiye Cybersecurity Cluster. Special cybersecurity projects will be developed to ensure the security of campaigns organized in celebration of the Bank's 50th anniversary throughout the year. Moreover, actions will be continuously aligned with regulations, including those set forth by the Ministry of Treasury and Finance of the Republic of Türkiye, the Presidency of Digital Transformation Office - Information and Communication Security Guidelines, and the Ministry of Transport and Infrastructure of the Republic of Türkiye - National Cybersecurity Strategy and Action Plan.

These initiatives are designed to proactively support the digital transformation processes of the Development and Investment Bank of Türkiye, ensuring its continued leadership and excellence in information security. The Bank's information security strategy is designed to protect against existing cyber threats while building a resilient infrastructure to withstand future challenges.

Geothermal energy support

As part of the second round of the Risk Sharing Mechanism (RSM) implementation, a total of 14 projects have been shortlisted, and negotiations for the first 10 projects on the list have been completed.

USD 39.8 million in funds were obtained from the Clean Technology Fund (CTF) via the World Bank. The Bank currently runs a grant program under the Geothermal Development Project in order to use these funds in facilitating private sector investments in geothermal energy. The aim of this project is to increase private sector investments in geothermal energy by partially covering the costs of failed wells drilled for resource exploration.

In 2024, the second and third-round implementation activities of the RSM continued. During the second round, a total of 14 projects were shortlisted. Negotiations for the first 10 shortlisted projects were completed and the environmental, social and governance documentation of three projects were approved by the World Bank. Within the second round, 3 contracts have been signed, and the initial drilling for two of these projects has been completed.

In 2024, with the World Bank's approval, the RSM program has been extended until the end of 2027, and applications for the fourth round of implementation have been accepted. A total of 14 complete applications for fourth-round projects have been received, and the evaluation and scoring process is currently ongoing. Projects scoring 70 points or higher will be submitted for World Bank approval and considered for inclusion in the RSM fourth-round program.

Under the Additional Financing of the World Bank Geothermal Development Project, the grant program funded by ESMAP (Energy Sector Management Assistance Program) is being implemented by the Engineering Unit. This program supports feasibility studies for projects focused on the direct utilization of geothermal resources in Türkiye, with a total project budget of USD 350,000. As part of the ESMAP Grant Project, discussions with relevant companies were held, and project promotion activities were conducted in 2024.

In 2024, with the World Bank's approval, the RSM program has been extended until the end of 2027, and applications for the fourth round of implementation have been accepted.

ANNUAL REPORT STATEMENT OF RESPONSIBILITY

The 2024 Consolidated Annual Report of the Bank, which includes the Consolidated and Non-Consolidated Independent Audit Report for the period ending December 31, 2024, has been prepared in accordance with the "Regulation on the Preparation and Publication of Annual Activity Reports by Banks" issued by the Banking Regulation and Supervision Agency (BRSA) and the "Communiqué on Principles Regarding Financial Reporting in the Capital Markets (II-14.1)" issued by the Capital Markets Board (CMB). Based on the information within our scope of duties and responsibilities at the Bank, the report has been reviewed. The 2024 Consolidated Annual Report does not contain any inaccurate statements or omissions regarding significant matters, and it accurately and honestly reflects the Bank's financial position, performance, risks, and uncertainties.

In compliance with the Capital Markets Board's (CMB) decision dated January 10, 2019, numbered 2/49, the Corporate Governance Compliance Reporting will be carried out using the Corporate Governance Compliance Report (CGCR) and Corporate Governance Information Form (CGIF) templates, as stipulated in the Corporate Governance Communiqué (II-17.1) through the Public Disclosure Platform (PDP). The CGCR and CGIF for the year 2024 have been reviewed based on the information available within the scope of our duties and responsibilities at the Bank. The Corporate Governance Compliance Reporting does not contain any misstatements or omissions on significant matters. The relevant reports can be accessed at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/2426-turkiye-kalkinma-ve-yatirim-bankasi-a-s>.

Dr. Raci Kaya Chairman of the Board	İbrahim H. Öztop CEO and Member of the Board of Directors	Erdal Erdem Chairperson of the Audit Committee	Zeynep Boğa Deputy Chairperson of the Audit Committee	Ömer Karademir Member of the Audit Committee	Kerem Dönmez Member of the Audit Committee	N. Yasin Külahçı Executive Vice President in Charge of Financial Reporting	Metin Çınar Head of Subsidiaries and Corporate Relations Department
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ANNUAL REPORT COMPLIANCE OPINION



Güney Bağımsız Denetim ve SMMM A.Ş.
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INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi

1) Opinion

We have audited the annual report of Türkiye Kalkınma ve Yatırım Bankası Anonim Şirketi ("the Bank") and its subsidiaries ("the Group") for theperiod of January 1, 2024 – December 31, 2024.

In our opinion, the consolidated and unconsolidated financial information included in the annual report of the Board of Directors and the analysis made by the Board of Directors on the Bank's position using the information included in the audited consolidated and unconsolidated financial statements are consistent, in all material respects, with the audited consolidated and unconsolidated financial statements and the information obtained during the audit and presented fairly, in all material respects.

2) Basis for Opinion

We conducted our audit in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 published by Banking Regulation and Supervision Agency (BRSA Independent Audit Regulation) and Independent Auditing Standards (InAs) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

3) Our Auditor's Opinion on the Full Set Consolidated and Unconsolidated Financial Statements

We have expressed an unqualified opinion in our auditor's report dated 6 February 2025 on the Bank's consolidated and unconsolidated financial statements for the period

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC") and communiqué on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks', the management of the Group is responsible for the following items:

- a) Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly
- b) Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated and unconsolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report,
- c) The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits,
 - Other matters prescribed in the communiqué on 'Principles and procedures set out by the regulations on preparation and issuance of annual reports of Banks' published in official gazette no.26333 dated November 1,2006,

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions.

5) Independent Auditor's Responsibility for the Independent Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code and the Communiqué on 'Principles and procedures set out by the regulations on preparation and issuance of the annual reports of Banks' published in official gazette no.26333 dated November 1, 2006 , Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes, "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency (BRSA) and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations, on whether the consolidated and unconsolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated and unconsolidated financial statements and to prepare a report including our opinion.

We conducted our audit in accordance with the BRSA Auditing Regulation and InAS. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the consolidated and unconsolidated financial information in the annual report and the Board of Directors' assessment of the Bank's position using the information included in the audited consolidated and unconsolidated financial statements are consistent with the consolidated and unconsolidated financial statements and the information obtained during the audit and provide fair presentation. The name of the engagement partner who supervised and concluded this audit is Aykut ÜŞENTİ.

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

Aykut ÜŞENTİ, SMMM
Partner

March 7, 2025 İstanbul, Türkiye

SUSTAINABILITY AND ENVIRONMENTAL SOCIAL IMPACT MANAGEMENT ACTIVITIES

Support for sustainable development

Development and Investment Bank of Türkiye regards sustainability as a corporate responsibility and a strategic objective.

Since its establishment, the Development and Investment Bank of Türkiye has been supporting the sustainable development of Türkiye and has set its targets to increase its impact in this area.

The Bank shapes sustainability mindset on two strategic objectives: "Supportive Role for Sustainable Development" and "Responsible Banking Mentality." While the Bank supports the sustainable development of our country with its financing and consultancy services, it also considers sustainability as a corporate responsibility and goal in line with its responsible banking approach. With this understanding, the Bank has integrated its sustainability strategy into all banking operations.

Matters related to sustainability and sustainable development are upheld at the level of senior management, which spearheads efforts in this area. The Sustainability Committee, formed in 2020, is chaired by the CEO, while an independent Member of the Board of Directors serves as a member of the committee for the more effective performance of guidance and oversight functions. The Sustainability Committee convened twice in 2024.

In 2015, the Bank adopted the "Sustainable Development Goals" established by the United Nations, which includes 17 goals, as a guideline and contributes directly or indirectly to 15 of the Sustainable Development Goals with its role supporting sustainable development and responsible banking approach.

The Bank's activities in the fields of sustainability and environmental and social risk management, which were carried out by different units, started to be carried out by the Sustainability and Environmental Social Impact Management Unit, which was established in July 2021 in order to provide a separate and unique structure within the framework of a business model that is in line with the development banking mission and increases efficiency. Environmental, social and governance elements have gained a dynamic and efficient role thanks to the new organization structure.

The Bank published its first integrated report in 2021. With this report, the Bank has presented its support for the sustainable development of our country, its value creation model, strategy, capital elements, targets, the economic, environmental, social, and governance value created by its banking activities, and its performance in these areas to all its stakeholders. The report is based on the Global Reporting Initiative (GRI) Standards as well as the International Integrated Reporting Framework

conducted by the Value Reporting Foundation. The 2023 Integrated Report, which includes the Bank's portfolio emissions data and employment statistics resulting from the loans extended, was released in November 2024. Preparations for the 2024 report are currently underway, following the guidelines set by the Turkish Sustainability Reporting Standards (TSRS).

In addition to the measures taken to manage direct environmental, social, and governance risks arising from its operational activities, the Bank also assesses indirect risks arising from its lending activities. As part of this process, the Bank's portfolio emissions have been calculated. Greenhouse gas emissions from the loan portfolio for 2021, 2022, and 2023 have been assessed using the PCAF methodology, with the entire portfolio undergoing independent verification. The calculations are published in the Bank's Integrated Report. Conducting environmental and social risk assessments as part of routine decision-making processes in all lending activities, the Bank analyzes the risks of customers

and projects separately. Beyond its risk-based approach, the Bank also prioritizes activities that can have a positive impact.

These analyses are of great importance for the Bank in order to minimize the risks related to reputational, environmental, social and governance liabilities through the loans granted. Within this framework, all lending activities are assessed in accordance with national, environmental, social and governance laws and regulations, the Bank's own policies and procedures and, where necessary, other environmental, social and governance standards with which the Bank is committed to comply. The Bank's approach was approved by the Board of Directors and the "Environmental and Social Policy" and "Environmental and Social Risk Assessment Procedure" were published in 2020. The policy and procedure development processes are ongoing with the support of the German Development Bank (KfW) Technical Assistance Program, leading to an increased alignment with international standards.

With an ESG risk rating of 12.4 by Sustainalytics, an international sustainability rating organization, in its risk rating assessing Environmental, Social, and Governance (ESG) topics, the Bank has positioned itself among the leading institutions in Türkiye and successfully ranked among the top companies in Türkiye.

In 2022, the Bank's Sustainable Financing Framework was published. A Second Party Opinion (SPO) was obtained for the framework, which is in line with the ICMA (International Capital Markets Association) Green Bond Principles, ICMA Social Bond Principles, LMA Green Loan Principles and LMA (Loan Market Association) Social Loan Principles.

With the ISO 14001 Environmental Management System established in 2010 to manage the environmental impacts arising from its activities, the Bank carries out the necessary activities to identify and reduce negative environmental impacts, increase positive environmental impacts, reduce resource use, and monitor its performance. The Bank achieved success by concluding the process with zero non-compliance in the 14001 surveillance audit it underwent in 2024.

12.4
Low Risk

ESG Score



SUSTAINABILITY AND ENVIRONMENTAL SOCIAL IMPACT MANAGEMENT ACTIVITIES

Pioneer in renewable energy financing

As of the end of 2024, the Bank financed 6% of Türkiye's renewable energy share. With these projects it financed, it contributed to the reduction of 4.5 million tons of CO₂ in total.

To expand the scope of the management system, the Bank completed in 2020 necessary works to adopt the integrated management system that incorporates the ISO 9001 Quality Management System, 45001 Occupational Health and Safety Management System, and the ISO 14001 Environmental Management System. ISO 9001 and ISO 45001 certifications have been obtained in 2021. In line with these efforts, the Bank established the Quality, Environment, Occupational Health, and Safety Policy and presented it to all stakeholders. The Bank passed the Integrated Management System audit conducted in 2024 with zero non-compliance.

In 2020, in addition to the two memorial forests in Ankara, a new memorial forest was established in Istanbul. With a total of 20 thousand trees in three commemorative forests, approximately 435 tons of carbon dioxide emissions are prevented annually.

The Bank monitors and calculates greenhouse gas emissions arising from its operational and indirect activities, verifies them in accordance with TS EN ISO 14064 Standard and neutralizes them in accordance with international standards. Furthermore, in 2024, the I-REC certificate was received, and Scope-2 emissions for 2023 were zeroed.

Since 2016, the Bank has been reporting to the Climate Change Program of the Carbon Disclosure Project (CDP), the world's largest environmental reporting platform, and achieved a B (management level) score in 2023. Risks and opportunities linked with climate change are assessed by the Bank in this report, while questions on strategy, governance, emission metrics, goals, performance, and value chain interaction are answered voluntarily. Results for 2024 are expected to be announced in the first quarter of 2025.

Partnering with domestic and international actors, the Bank takes part in sustainability efforts at the national and global levels. A founding signatory of the UNEP-FI (United Nations Environment Program-Finance Initiative) Responsible Banking Principles in 2019, it continued efforts to meet the requirements under those principles in 2024. The Bank also participates in UNEP FI Working Groups.

In order to measure the intersection of the Bank's loan portfolio with the Sustainable Development Goals (SDGs), evaluating the contribution of the projects in the portfolio to the SDGs has become an integral part of the loan evaluation process. By the end of 2024, 96% of the Bank's portfolio consisted of sustainability-themed loans. In 2024, the total loans linked to the United Nations Sustainable Development Goals exceeded USD 2.6 billion, thereby contributing directly or indirectly to 15 out of the 17 Sustainable Development Goals. As of the end of 2024, the Bank financed 6% of Türkiye's renewable energy share. With these projects it financed, it contributed to the reduction of 4.5 million tons of CO₂ in total.

MEMBERSHIPS AND COLLABORATIONS

Aiming for impact alongside investment

As the first and only institution in Türkiye to sign the Operating Principles for Impact Management led by the International Finance Corporation (IFC), the Development and Investment Bank of Türkiye is committed to ensuring discipline, transparency, and measurability in activities that generate both positive environmental and social impacts, in addition to financial returns.

Considering impact management systems as a reference point that can be continuously improved from an international perspective and where good practices are taken as examples, the Development and Investment Bank of Türkiye became the first and only institution in Türkiye to sign the Operating Principles for Impact Management led by the International Finance Cooperation (IFC) in 2021. It is aimed to provide more discipline, transparency, and measurability in activities that create positive environmental and social impacts as well as financial returns by adopting the global standards of the Impact Management Code of Conduct.

The Bank is a member of the Global Impact Investing Network (GIIN), a leading organization working to promote impact investing. As a member of GIIN, the Bank aims to provide companies, organization, and funds with financial, social, and environmental gains through impact investments. As a first for Türkiye, Seçil Yıldız, Deputy General Manager in charge of Sustainability, has been appointed as a board member of the Impact Investing Advisory Board (GIIN Advisory Board).

The Bank is a founding signatory of the "Principles of Responsible Banking" established by the United Nations Environment Program Finance Initiative (UNEP FI) in 2019. Partnering with domestic and international actors, the Bank takes part in sustainability efforts at the national and global levels and continues efforts to meet the requirements under those principles in 2024. The Bank also takes part in UNEP FI Working Groups.

The Bank is a signatory of the UN Global Compact. In 2024, it published the UN Global Compact Communication on Progress online.

The Bank is a member of the Business Council for Sustainable Development (BCSD Türkiye), the regional network and business partner of the World Business Council for Sustainable Development (WBCSD) in Türkiye.

With its transition to integrated reporting, the Bank became a member of the Integrated Reporting Türkiye Network (ERTA) in 2021. It continued to actively participate in working groups as part of its membership in 2024.

In 2021, the Bank signed a protocol with Istanbul Technical University to cooperate in the field of sustainability and started a project on climate change prevention within the scope of the protocol.

Through the consultancy provided under the grant agreement signed with the German Development Bank (KfW) for technical assistance, efforts are ongoing to enhance the Bank's Environmental and Social Management System, making it more innovative and dynamic. As a result of these efforts, completed by the end of 2024, stronger Environmental and Social Risk assessment practices have been targeted and developed.

The Bank participated in the 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29), held in Baku, Azerbaijan, from November 11 to November 22, 2024. During the conference, the Bank held necessary consultation meetings regarding securing funding for climate change mitigation and adaptation investments, as well as for financing the Triple Transition and Circular Economy in Türkiye.

BOARD OF DIRECTORS



Dr. Raci Kaya
Chairman of the Board

Mr. Kaya was born in 1967 in Ankara. Dr. Raci Kaya graduated from Middle East Technical University, Faculty of Economics and Administrative Sciences, Department of Public Administration in 1989, received his master's degree in economics from Hacettepe University, Faculty of Economics and Administrative Sciences (1996), and completed his PhD at Marmara University, Institute of Banking, and Insurance (2013). Dr. Raci Kaya has held various positions in different banks between 1990 and 2007. From 2007 to 2014, he served as the Deputy General Manager of Aktif Yatırım Bankası A.Ş., and from 2015 to 2016, as the Deputy General Manager of Ziraat Katılım Bankası A.Ş. Between 2016 and 2018, he held the roles of Deputy Undersecretary and Acting Deputy Undersecretary at the Ministry of Treasury and Finance of the Republic of Türkiye. Dr. Kaya was the Chairman of the Board of Vakıfbank between 2018 and 2019, a Board Member of Eximbank from 2016 to 2018, and served in the IMF Executive Director's Office from November 2018 to November 2020. From December 2016 to 2023, he held the position of Deputy Undersecretary at the Ministry of Treasury and Finance of the Republic of Türkiye. Since November 2020, he has been the Chairman of the Board of Türkiye Development and Investment Bank A.Ş., and since August 2023, he has been serving as the President of SSI (Social Security Institution) and Chairman of the Board.



Ömer Karademir
Vice Chairman of the Board of Directors
Member of the Audit Committee

Born in Malatya in 1982, he completed his primary, secondary, and high school education in Malatya. In 2006, he graduated from the Department of Economics at the Faculty of Economics and Administrative Sciences, Middle East Technical University. In 2015, he obtained a Master's degree in Public Administration from Carnegie Mellon University. He began his career in 2006 as an Assistant Expert at the Directorate General for External Economic Relations, Undersecretariat of Treasury. Since 2009, he has worked as an Expert in various units of the Directorate General of Public Finance, and between 2017 and 2020, he served as the Director. From 2020 to 2021, he was appointed Acting Deputy General Director of Public Finance at the Ministry of Treasury and Finance. Between 2021 and 2022, he served as a Member of the Board of Directors at the State Supply Office. In December 2021, he was appointed to the position of General Director of Public Finance at the Ministry of Treasury and Finance. Since 2022, he has continued to serve as the Vice Chairman of the Board of Directors at Türkiye Kalkınma ve Yatırım Bankası A.Ş.



İbrahim Halil Öztıp
CEO and Member of the Board of Directors

Mr. Öztıp was born in 1969 in Şanlıurfa. He graduated from Middle East Technical University, Faculty of Engineering, Department of Industrial Engineering in 1991 and received his Master's Degree in Business Administration from Bilkent University. In August 2018, Mr. Öztıp was appointed as the Chief Executive Officer and Board Member of Türkiye Kalkınma ve Yatırım Bankası. He is also a member of the Executive Committee of KOSGEB and serves on the Board of Directors of TII - Turkish Investment Initiative. Between October 2021 and May 2024, he served as the Chairman of the Board of Directors of the Capital Markets Association of Türkiye, and from February 2021 to May 2024, he was the Vice Chairman of the Board of Directors at the Central Securities Depository. Since November 2020, Mr. Öztıp has been serving as the Chairman of the Board of Directors of Kalkınma Girişim Sermaye Portföy Yönetim A.Ş. He was also a member of the Board of Directors of the Banks Association of Türkiye from June 2020 to June 2022, and in July 2024, he was elected as a Supervisory Member of the Banks Association of Türkiye. With nearly 30 years of experience in the banking sector, Mr. Öztıp has held senior positions in investment banking at Türkiye Sınai Kalkınma Bankası A.Ş., Körfezbank A.Ş., and Garanti Yatırım Menkul Kıymetler A.Ş.



Erdal Erdem
Member of the Board of Directors
Chairperson of the Audit Committee
Remuneration Committee Member

Born in Çankırı in 1971, Mr. Erdal Erdem graduated from the Department of Finance at Afyon Kocatepe University in 1993 and completed his master's degree at Beykent University. He started his professional career at Faisal Finance Institution between 1995 and 1996. From 1996 to 2011, he held various senior positions in the participation banking sector, including Assistant Marketing Specialist, Project Marketing Group Manager, Credit Service Manager, Credit Monitoring, Legal Advisory, and Deputy General Manager in charge of Credit Evaluation Units. Between 2012 and 2014, Mr. Erdem served as a Board Member and Credit Committee Member at T.C. Ziraat Bankası A.Ş., as well as Vice Chairman of the Board of Ziraat Leasing A.Ş., and Board Member of Ziraat Bankası Moscow. From 2014 to 2017, he served as the Deputy General Manager of SME Banking Marketing, Financial Management and Planning, and Human Resources and Quality Organization (on an acting basis) at Halk Bankası. Additionally, he held the position of Chairman of the Board at Halk Faktoring A.Ş. and a Board Member at Halk Bankası Serbia. Between 2017 and 2020, Mr. Erdem was the Deputy General Manager and General Manager of SME Banking at Şekerbank. Since July 2020, he has been serving as a Board Member at Türkiye Kalkınma ve Yatırım Bankası A.Ş. From November 2020 to 2022, he served as Vice Chairman of the Board at Karabük Demir Çelik Sanayi ve Ticaret A.Ş. Additionally, he was the General Manager and Board Member at Kredi Garanti Fonu from 2022 to 2024.

BOARD OF DIRECTORS



Zekeriya Çoştu

Member of the Board of Directors

Vice Chairperson of the Corporate Governance Committee

He graduated from the Industry Engineering Department of Boğaziçi University in 2008. In his professional career, he has held management positions in commercial units and provided strategic planning consultancy at institutions such as Turkish Airlines and TRT. In 2018, he was appointed as the Director of the Project Management Office at the Ministry of Industry and Technology. Mr. Çoştu participated in processes and projects aimed at supporting R&D and innovation activities and developing the technology ecosystem in Türkiye within the scope of the National Technology Initiative. He served as the Founding General Manager of the Directorate General of National Technology, which was established in April 2020 to ensure that the National Technology Initiative has a stronger place in the institutional structure of the Ministry and the public sector. He was appointed as Deputy Minister of Industry and Technology on June 22, 2023. He has been serving as a Board Member at Türkiye Kalkınma ve Yatırım Bankası A.Ş. since August 2023.



Kerem Dönmez

Member of the Board of Directors

Chairperson of the Corporate Governance Committee

Member of the Audit Committee

Mr. Dönmez graduated from Middle East Technical University, Department of Business Administration in 2007. In 2019, he received his Master's degree in International Politics (MBA) from Stanford University. Dönmez worked as an Expert and Director at the Ministry of Treasury and Finance of the Republic of Türkiye between 2013 and 2022, and served as Deputy General Manager from July to November 2022. He is currently continuing his role as the General Director of Foreign Economic Relations at the Ministry of Treasury and Finance of the Republic of Türkiye. He has been serving as a Board Member at Türkiye Kalkınma ve Yatırım Bankası A.Ş. since August 2023.



Zeynep Boğa

Member of the Board of Directors

Chairperson of the Remuneration Committee

Deputy Chairperson of the Audit Committee

Ms. Boğa was born in Fethiye in 1982. She completed his primary and secondary education in Ankara and her high school education in Melbourne, Australia. In 2004, she graduated from Hacettepe University, Faculty of Economics and Administrative Sciences, Department of Business Administration. In 2012, she received her Master of Business Administration (MBA) degree from UC Berkeley in the USA. She began her professional career in 2004 at the Ministry of Treasury and Finance of the Republic of Türkiye (then the Undersecretariat of Treasury) in the International Capital Markets Department of the General Directorate of Foreign Economic Relations. Between 2014 and 2019, she served as the Head of the International Capital Markets Department. In 2019, she was appointed as the Deputy

General Manager in charge of International Capital Markets at the newly established Debt Management General Directorate in Istanbul, under the Ministry. During her tenure, she managed financing transactions through the issuance of foreign currency-denominated bonds / sukuk in various markets to ensure public financing, relations with international credit rating agencies on behalf of Türkiye, and relations with international portfolio investors. During this period, Türkiye's External Debt Office was recognized as the "Best Debt Office in Developing Countries" by global finance magazines such as Global Capital, International Finance Review, Euromoney, and EMEA Finance. Boğa, who was also selected as the "Most Effective Debt Office Manager of Emerging Markets" by similar magazines, currently continues her duties as the Deputy General Manager of Public Finance at the Ministry of Treasury and Finance of the Republic of Türkiye. She has been serving as a Board Member at Türkiye Kalkınma ve Yatırım Bankası A.Ş. since August 2023.

INFORMATION ON THE COMPOSITION, WORKING METHOD OF THE BOARD OF DIRECTORS OF THE DEVELOPMENT AND INVESTMENT BANK AND THE NUMBER OF MEETINGS AND RESOLUTIONS IN 2024

The Bank's Board of Directors consists of seven members elected by the General Assembly. The members of the Board of Directors may be elected for a maximum term of three years according to the resolution of the General Assembly. According to the provisions of the Articles of Association, the Board of Directors convenes at least once a month with the majority of the total number of members and takes its decisions with the majority of the members present at the meeting.

The resolutions resulting from the discussions held at the meetings are recorded in the Board of Directors' Decision Book in accordance with the relevant legislation, and reasonable and detailed reasons for dissenting opinions are attached to the resolution. Members of the Board of Directors do not have veto rights. The Bank's executives, including the members of the Board of Directors, are insured with an Executive Liability Insurance with a limit of USD 5 million. The Legal Affairs is responsible for informing and communicating with the Chairman and Members of the Board of Directors. The actual attendance of the members to the Board of Directors meetings is ensured by the Chairman of the Board of Directors. The agenda and date of the Board of Directors meeting are determined by the Chairman of the Board of Directors.

The members of the Bank's Board of Directors are assigned to more than one committee due to the obligation to include independent members in the committees and the number of Board Members. The Board of Directors of the Development and Investment Bank of Türkiye convened 17 times in 2024 and passed a total of 191 resolutions, 10 of which were Interim Decisions.

UNITS WITHIN THE SCOPE OF INTERNAL SYSTEMS

Assoc. Prof. Kaan Ramazan Çakalı, PhD
Head of the Inspection Board
Born in İstanbul in 1980, Mr. Çakalı graduated from Marmara University, Department of Economics in English in 2002. He received his MBA degree from İstanbul Technical University in 2003 and his PhD degree in Business Management from Işık University in 2008. He holds the title of Associate Professor in the field of Accounting. Mr. Çakalı began his professional life in 2002 as Assistant Inspector at the Department of Inspection Board of Finansbank. From 2002 to 2018, he assumed the titles of Assistant Inspector, Senior Assistant Inspector, Inspector, Senior Inspector, Manager, and Division Manager at Finansbank. From 2018 to 2019, he served as Division Manager at the Risk Management Department of the same bank. Mr. Çakalı has been serving as the Head of the Inspection Board since May 27, 2019.

Burhan Serhan Peker
Head of Internal Control and Compliance Department
Born in Ankara in 1983, Mr. Peker graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 2006. Peker, who started his career as an Assistant Inspector at T. Garanti Bank in 2006, served as an Inspector from 2010 to 2014. From 2015 to 2016, he worked as the Internal Audit Manager at Garanti Fleet Management Services. Between 2017 and 2018, he held positions as the Head of the Inspection Unit and Internal Control Unit at Garanti Investment Securities. He began his role as the Internal Control and Compliance Manager on February 14, 2019, and has been serving as the Head of the Internal Control and Compliance Department since February 1, 2023.

Dr. Semra Pekkaya
Head of Risk Management Department
Ms. Pekkaya was born in Polatlı, Ankara, in 1969. She graduated from Ankara University, Faculty of Political Sciences, Department of Economics in 1989. She received her master's degree from Gazi University, Department of Economics in 1997 and her PhD degree in 2005. Beginning her career as an Assistant Specialist at the Development and Investment Bank of Türkiye in 1990, she worked in the Bank's Economic and Social Studies, Resource and International Relations, and Development and Investment Securities Portfolio units as a Specialist. When the Bank's Risk Monitoring Department was set up in 2001, she became its first Assistant Manager, a position that she held until 2006 when she became Manager. Serving as Manager of the Bank's Treasury Unit from 2011 to 2013 and Risk Monitoring Manager from 2013 to 2019, Semra Pekkaya has been Head of Risk Management Department since April 2, 2019.

SENIOR MANAGEMENT OF THE BANK

İbrahim H. Öztop
General Manager (CEO) and Member
of the Board of Directors

Mr. Öztop was born in 1969 in Şanlıurfa. He graduated from Middle East Technical University, Faculty of Engineering, Department of Industrial Engineering in 1991 and received his Master's Degree in Business Administration from Bilkent University. In August 2018, Mr. Öztop was appointed as the Chief Executive Officer and Member of the Board of Directors of Türkiye Kalkınma ve Yatırım Bankası. He is also a member of the Executive Committee of KOSGEB and serves on the Board of Directors of TII - Turkish Investment Initiative. Between October 2021 and May 2024, he served as the Chairman of the Board of Directors of the Capital Markets Association of Türkiye, and from February 2021 to May 2024, he was the Vice Chairman of the Board of Directors at the Central Securities Depository. Since November 2020, Mr. Öztop has been serving as the Chairman of the Board of Directors of Kalkınma Girişim Sermaye Portföy Yönetim A.Ş. He was also a member of the Board of Directors of the Banks Association of Türkiye from June 2020 to June 2022, and in July 2024, he was elected as a Supervisory Member of the Banks Association of Türkiye. With nearly 30 years of experience in the banking sector, Mr. Öztop has held senior positions in investment banking at Türkiye Sınai Kalkınma Bankası A.Ş., Körfezbank A.Ş., and Garanti Yatırım Menkul Kıymetler A.Ş.

Nuri Yasin Külahçı
Executive Vice President

Nuri Yasin Külahçı graduated from Istanbul University, Faculty of Engineering, Industrial Engineering Department, and earned a dual master's degree in Finance & Accounting and Business Administration from Yeditepe University. He began his professional career in 2003 as an Assistant Inspector at Finansbank A.Ş. Inspection Board. He later held senior positions as a Senior Consultant at Deloitte and a Senior Manager at PwC (PricewaterhouseCoopers), successfully leading numerous audit and consultancy projects for various financial institutions in Türkiye and abroad. In 2019, he joined Türkiye Kalkınma ve Yatırım Bankası A.Ş. as Director of Strategy, Organization, and Process Management. Since October 2022, he has been serving as Executive Vice President, overseeing Strategy & Organization, Financial Affairs, Budget & Cost Management, Support Services, Corporate Communications, and Human Resources Departments.

Satı Balcı
Executive Vice President

Born in Yozgat in 1966, Satı Balcı graduated from Ankara University, Faculty of Political Sciences, Department of Business Administration in 1988. She began her career at Yapı ve Kredi Bankası in 1988 as an Assistant Specialist. Over the years, she advanced through various roles, serving as a Specialist (1993-1998), Senior Specialist (1998-2006), Manager (2006-2011), and Director(2011-2017). In addition to her banking career, Balcı has held Member of the Board of Directors positions at the Bank's subsidiaries, including Yozgat Otelcilik A.Ş., Arıcak A.Ş., and T.H. Kalkınma Yatırım Menkul Değerler A.Ş. Since November 2017, she has been serving as Executive Vice President at the Bank. Since September 2021, Satı Balcı has been serving as the Vice Chairman of the Board of Directors at Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. She is responsible for Credit Portfolio Management and Monitoring, Türkiye Development Fund, Credit Operations, Treasury and Capital Markets Operations, as well as Subsidiaries and Corporate Relations Units.

Seçil Kızılkaya Yıldız
Executive Vice President

Born in Konya in 1973, Ms. Yıldız graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1998. Ms. Yıldız began her career at the Industrial and Development Bank of Türkiye in 1998. After working as the Corporate Finance Assistant Manager at Oyak Yatırım Menkul Değerler A.Ş. between 2006 and 2007, she served as a Senior Loan Analyst at the Istanbul Liaison Office of the Bayerische Hypo-und Vereinsbank AG between 2007-2008. Having worked as Capital Markets Director at UniCredit Menkul Değerler A.Ş. between 2008-2012, Ms. Yıldız served as Structured Financing Group Manager at the ING Bank A.Ş. between 2012-2014. Having worked as a Corporate Finance Consultant between 2014-2016, Ms. Yıldız was the founding and managing partner of the FSM Advisory Partnership between 2016-2017. She assumed the title of Executive Vice President at Kuzu Toplu Konut İnşaat A.Ş. between 2017-2019. She served as a Board Member at T. H. Kalkınma Yatırım Menkul Değerler A.Ş. and a Board Member at Birleşik İpotek Finansmanı A.Ş. Currently serving as the Chairperson of the Board of Directors at Kalkınma Yatırım Varlık Kiralama A.Ş. and a Board Member at Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., Yıldız has been holding the position of Executive Vice President in charge of Investment Banking, Project Evaluation, and Sustainability Units at the Bank since March 2019.

Emine Özlem Cinemre
Executive Vice President

Ms. Cinemre graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 1988. She began her career at QNB Finansbank A.Ş. as Junior Specialist in 1988. Later, she held various titles, including Foreign Relations Officer (1989-1991), Foreign Relations Unit Manager (1991-1992), Head of Foreign Relations Group (1993-1997), and Assistant General Manager in charge of Foreign Relations (1997-2018). From 2018 to 2019, Ms. Cinemre served as a Board Member at QNB Finans Leasing, QNB Finans Faktoring and Hemenal Finansman A.Ş. Since June 2019, she has been serving as the Executive Vice President in charge of Treasury and Financial Institutions at Türkiye Kalkınma ve Yatırım Bankası A.Ş. Ms. Cinemre is also a member of the Board of Directors of several non-governmental organizations in Türkiye.

Yeşim Şimşek
Executive Vice President

Ms. Şimşek graduated from Ankara University, Faculty of Communication in 1986. She started her banking career at Yapı Kredi Bank in the same year. After working at Koçbank between 1993 and 1995, she worked as Branch Manager at Bank Ekspres and Garanti Bank until 2004. She served as Regional Manager at Garanti Bank between 2004 and 2013, as Commercial Banking Marketing Coordinator between 2013 and 2018, and as Assistant General Manager of Corporate & Commercial Banking and Project Finance at Alternatifbank between 2018 and 2022. Since June 2022, she has been serving as Executive Vice President in charge of Corporate Banking and Project Finance at the Development and Investment Bank of Türkiye.

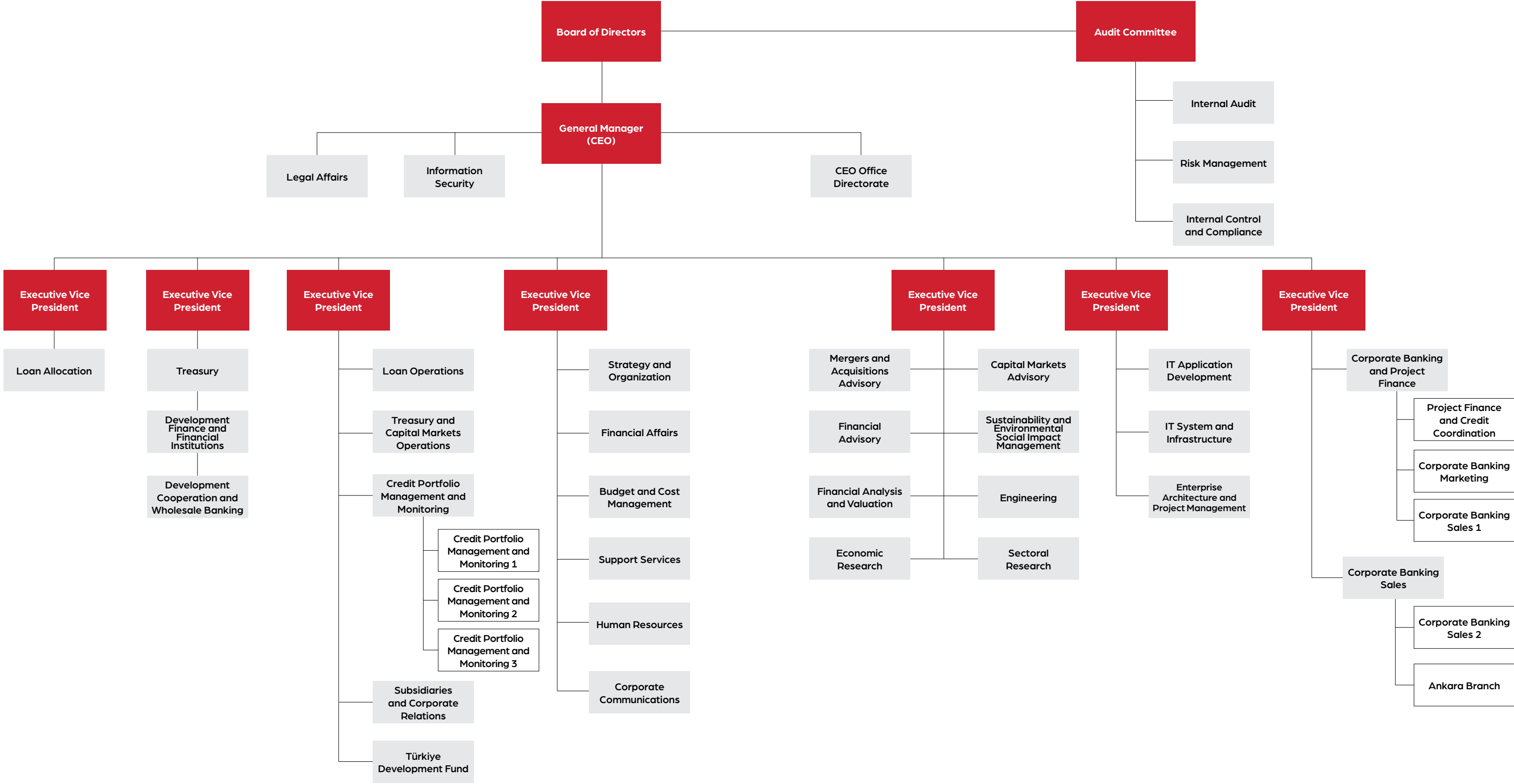
Ali Yunuslar
Executive Vice President

Graduating from METU's Computer Engineering Department in 1999, Ali Yunuslar completed an MBA at ITU between 2011 and 2012. He began his professional career as a Software Engineer at VestelNet. After working as a Software Specialist at VeriPark and Bizitek, he joined Türkiye Sınai Kalkınma Bankası as a Senior Software Specialist in 2004. Having served as a manager at Türkiye Sınai Kalkınma Bankası for seven years, he transitioned to Mastercard Payment Systems in 2013 as the Application Development Director. In 2017, Yunuslar founded Mentavision Information Technologies, and in 2019, he joined the Development and Investment Bank of Türkiye as the Application Development Director. He was later appointed as the Executive Vice President in charge of Information Technologies in 2022.

Muzaffer Gökhan Songül
Executive Vice President

Mr. Songül graduated from the Department of Business Administration at the Faculty of Political Sciences, Istanbul University, in 2002. He completed his master's degree in International Economics at the Institute of Social Sciences, Marmara University. He began his professional career at Garanti Bank in 2004, and between 2007 and 2010, he worked at ABN AMRO Bank. From 2010 to 2014, he served as Deputy General Manager at Royal Bank of Scotland. He held the position of Deputy General Manager at Alternatif Bank A.Ş. from 2014 to 2022, and simultaneously served as a Board Member at Alternatif Yatırım and Alternatif Leasing during the same period. Since September 2022, he has been serving as Executive Vice President in charge of Loans at the Development and Investment Bank of Türkiye.

ORGANIZATIONAL CHART



COMMITTEES

Audit Committee

Pursuant to Article 24 of the Banking Law No. 5411 and the provisions of the Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks, an Audit Committee was established within the Board of Directors of the Bank with the decision of the Board of Directors dated 31 October 2006 and numbered 227 to assist the Board of Directors in the performance of audit and supervision activities.

Ömer Karademir, Erdal Erdem, Kerem Dönmez, and Zeynep Boğa were elected as members of the Audit Committee with the Board of Directors’ resolution, dated June 6, 2024, and numbered 2024-08-02/323.

The Audit Committee carries out its activities within the framework of the Audit Committee Regulation adopted by the resolution of the Board of Directors dated May 15, 2020 and numbered 88.

It is envisaged that the Committee shall convene at least once every three months. The Committee met 16 times and passed 51 resolutions in 2024.

Audit Committee members and their primary functions

Name Surname	Title	Primary Function
Erdal Erdem	Chairperson	Independent Member of the Board of Directors
Zeynep Boğa	Deputy Chairperson	Independent Member of the Board of Directors
Ömer Karademir	Member	Vice Chairman of the Board of Directors
Kerem Dönmez	Member	Independent Member of the Board of Directors

Remuneration Committee

Within the scope of the Regulation Amending the Regulation on Corporate Governance Principles of Banks published in the Official Gazette dated 09.09.2011 and numbered 27959 by the Banking Regulation and Supervision Agency, the Remuneration Committee was established by the Board of Directors with the resolution no. 2011-23-10/272 dated 08.12.2011 in order to evaluate the Bank’s remuneration policy and practices within the framework of risk management and to submit proposals to the Board of Directors regarding the same, and the Bank’s Remuneration Policy was adopted and entered into force with the resolution no. 2013-Interim Decision/074 dated 18.04.2013, and the Remuneration Committee Regulation was adopted and entered into force with the resolution no. 2013-11-14/121 dated 13.06.2013.

With the resolution of the Board of Directors dated 06.06.2024 and numbered 2024-08-03-324, the members of the Remuneration Committee were re-determined.

The Committee convened one time in 2024.

Members of the Remuneration Committee and their primary functions

Name Surname	Title	Primary Function
Zeynep Boğa	Chairperson	Independent Member of the Board of Directors
Erdal Erdem	Member	Independent Member of the Board of Directors

Corporate Governance Committee

Within the framework of the Regulation on Corporate Governance Principles of Banks published by the BRSA in the Official Gazette dated 1 November 2006 and numbered 26333 and the Corporate Governance Principles published by the Capital Markets Board, the Corporate Governance Committee was established with the resolution of the Board of Directors of the Bank dated 15 June 2007 and numbered 185.

The Working Procedures and Principles of the Corporate Governance Committee were put into effect with the Board of Directors’ resolution dated 24 July 2007 and numbered 209, and the regulation on the working procedures and principles of the said Committee was amended and transformed into the Corporate Governance Committee Regulation with the Board of Directors’ resolution dated 29 December 2011 and numbered 283. The Regulation was revised with the resolution of the Board of Directors dated 22 September 2022 and numbered 211.

The duties of the Committee are to carry out studies to determine the principles regarding the Bank’s corporate governance policy, to monitor compliance with the Corporate Governance Principles, to carry out improvement studies in this regard, and to submit proposals to the Board of Directors. In accordance with the resolution of the Board of Directors dated June 6, 2024, Kerem Dönmez, an independent non-executive member of the Board of Directors, has been appointed as the Chairperson of the Corporate Governance Committee. The Corporate Governance Committee held two meetings and adopted two resolutions in 2024.

In addition, the Board of Directors of the Bank has decided that the duties of the Nomination Committee shall be fulfilled by the Corporate Governance Committee of the Bank within the framework of the Corporate Governance Communiqué of the Capital Markets Board.

The efforts of the Corporate Governance Committee to improve the Bank’s corporate governance practices continue.

Members of the Corporate Governance Committee and their primary functions

Name Surname	Title	Primary Function
Kerem Dönmez	Chairperson	Independent Member of the Board of Directors
Zekeriya Çoştu	Vice Chairperson	Member of the Board of Directors
Metin Yılmaz	Member	Investor Relations Department Manager

COMMITTEES

Loan Assessment Committee

The Loan Assessment Committee has been established in order to determine the principles and principles of lending in accordance with the general objectives and policies of the Bank and to develop them according to the conditions of the day, to ensure and monitor the regular operation of the work, information and document flow between the units in charge of loan transactions of the Bank, to assess the Bank’s loan risk and the status of the loan portfolio, to review, evaluate and decide on the reports prepared by the relevant units on loan allocation, to evaluate the projects to be credited by taking into account the three dimensions of sustainable development (economic, social and environmental) within the scope of the Bank’s Environmental and Social Policy, to take decisions on postponement, installment and rearrangement of loan receivables within the limits determined, to determine the procedures and principles regarding the Bank’s loan policies, to increase the efficiency of the loan portfolio within the framework of changing and developing conditions and to take measures and decisions on determining the strategies related to problematic/legal follow-up customers, and to discuss the proposals prepared by the relevant units.

The members of the Loan Assessment Committee are listed below.

- a) Committee Chairperson: CEO
- b) Vice Chairperson of the Committee: Executive Vice President in charge of Loan Allocation
- c) Member: Executive Vice President in charge of Corporate Banking and Project Finance
- d) Member: Executive Vice President in charge of Investment Banking, Project Evaluation, and Sustainability
- e) Member: Executive Vice President in charge of Subsidiaries, Operations, Türkiye Development Fund, and Credit Monitoring

In the absence of the Committee Chairperson, the Vice Chairperson will preside over the meetings.

In addition to the members listed above, other employees may be invited to the meeting depending on the agenda. However, these individuals do not have voting rights and will sign the meeting minutes with the title “Attendee.”

In 2024, the Committee convened 48 times and passed resolutions on 141 proposals and matters, and submitted those that were relevant for the approval of the Board.

Members of the Loan Assessment Committee and their primary functions

Name Surname	Title	Primary Function
İbrahim H. Öztop	Chairperson	CEO/Member of the Board of Directors
Gökhan Songül	Member	Executive Vice President
Seçil Kızılkaya Yıldız	Member	Executive Vice President
Satı Balcı	Member	Executive Vice President
Yeşim Şimşek	Member	Executive Vice President
Managers of Relevant Divisions	Participant	Head/Manager of Relevant Department

Assets and Liabilities Committee

The Assets and Liabilities Committee Regulation, established by the Board of Directors’ resolution no. 213 dated September 8, 2008, was finalized by the Board of Directors’ resolution no. 246 dated October 25, 2022.

The Assets and Liabilities Committee continued its activities in 2024 to ensure the effective and efficient management of the Bank’s assets and liabilities. The Committee carries out its activities within the framework of the Bank’s vision, mission, strategic goals and objectives, risk management policies and strategies, and considers current and potential economic developments and factors such as interest rate, maturity, and currency type.

The Committee is chaired by the CEO and its members are Executive Vice Presidents and the Head of Risk Management Department. In the absence of the Chairperson, the meetings are chaired by the Executive Vice President in charge of Treasury. The Committee Chairperson may invite relevant unit managers or personnel to the meetings according to the agenda of the meeting. The Committee took 8 resolutions in 2024.

Members of the Assets and Liabilities Committee and their primary functions

Name – Surname	Title	Primary Function
İbrahim H. Öztop	Chairperson	CEO/Member of the Board of Directors
Özlem Cinemre	Deputy Chairperson	Executive Vice President
N. Yasin Külahçı	Member	Executive Vice President
Seçil Kızılkaya Yıldız	Member	Executive Vice President
Satı Balcı	Member	Executive Vice President
Yeşim Şimşek	Member	Executive Vice President
Ali Yunuslar	Member	Executive Vice President
Gökhan Songül	Member	Executive Vice President
Dr. Semra Pekkaya	Member	Head of Risk Management Department

Sustainability Committee

A Sustainability Committee has been established to effectively carry out the necessary work to develop the sustainability strategy and policies of the Development and Investment Bank of Türkiye and to integrate them into all activities.

The Sustainability Committee conducts its activities as per the updated Sustainability Committee Directive dated July 2024. The Committee is chaired by the CEO and comprises an independent Member of the Board of Directors, the Executive Vice President overseeing the Sustainability and Environmental Social Impact Management Unit, the Executive Vice President in charge of Development Finance and Financial Institutions, the Executive Vice President in charge of Human Resources, Financial Affairs, and Strategy, the Manager of the Sustainability and Environmental Social Impact Management Unit, and other assistant members selected by the Committee. Independent Members of the Board of Directors and assistant members to become members are determined by the decision of the Committee.

The Committee convened twice in 2024. During the meetings, resolutions were taken to conduct SROI analyses at the Bank, initiate studies on climate risks and opportunities, and establish collaborations with universities in the field of sustainability to bridge the gap between academia and the business world.

Members of the Sustainability Committee and their primary functions

Name Surname	Title	Primary Function
İbrahim Halil Öztop	Committee Chairperson	CEO/Member of the Board of Directors
Seçil Kızılkaya Yıldız	Deputy Chairperson	Executive Vice President
Erdal Erdem	Member	Independent Member of the Board of Directors
N. Yasin Külahçı	Member	Executive Vice President
Mehtap Altuğ	Member	Sustainability and Environmental Social Impact Department Manager

INFORMATION ON HUMAN RESOURCES POLICY

Merit-oriented mindset

At the Development and Investment Bank of Türkiye, in addition to training activities aimed at achieving goals and improving the quality of staff, priority is given to the recruitment of qualified and skilled expert personnel who can carry the Bank’s current experience and knowledge into the future.

Development and Investment Bank of Türkiye, which meets the expectations of its stakeholders, values its employees, is open to development, uses all its resources effectively and efficiently, is sensitive to the environment, occupational health, and safety, complies with quality standards and legislation, continuously improves its business technology and skills, and draws strength from the creativity of its employees, recognizes human resources as the most important asset in achieving its goals.

In addition to carrying out the necessary work to recruit, train, and develop a qualified workforce that is in line with the Bank’s vision and mission and has the competence required by the job, the Bank provides a working environment that allows its employees to use all their skills.

73 new employees joined the Development and Investment Bank of Türkiye in 2024. This raised the number of staff working for the Bank to 348 as of the end of 2024.

The principle of equal opportunity is at the center of the human resources policy of the Development and Investment Bank of Türkiye, and this principle forms a part of its corporate identity. Within the scope of equal opportunities, the equality of male and female employees has become a part of the corporate culture. The proportion of female executives at the level of Executive Vice Presidents, which stands at 57%, is a concrete indicator of this. As of December 31, 2024, the total number of employees is 148 women and 200 men. At the Bank’s Ordinary General Assembly Meeting held on 04.08.2023, 1 female Board Member was elected.

Experienced and High Quality Employees

Development and Investment Bank of Türkiye carries out all human resources processes with a focus on merit.

In order to ensure that the Bank achieves its targets and to improve the quality of its personnel, priority is given to recruiting sufficient and qualified specialized personnel who can carry the Bank’s current experience and know-how into the future, in addition to training activities.

Exams organized by the Bank and vacancies for experienced candidates are announced to the public both on the Bank’s website and career websites.

The Human Resources Department conducts candidate searches in accordance with the qualifications of the position and applies a general aptitude test, English language test, and personality inventory to candidates depending on the requirements of the position; interviews are conducted with candidates; and job applications are evaluated together with the relevant Departments.

Standard criteria (experience, length of service, performance, competency assessment, exam, interview, etc.) are established for all internal promotions and transfers between positions and announced to all Bank employees with a transparent approach within the scope of career maps.

The Bank consistently runs its Assistant Specialist and Internship Programs to employ recent graduates. In 2024, 22 individuals who successfully completed the exams and interview processes under the Long-Term Internship and Management Trainee (MT) Program interned at the Bank for three months, while 15 candidates commenced their roles as Assistant Specialists.

In 2024, the Bank participated in career days at universities in Istanbul and Ankara, where Bank executives shared their career journeys with university students through seminars. In the future, it is planned to continue participating in events such as university career days as part of efforts to enhance brand awareness and recognition.

Objective Remuneration Policy

The Development and Investment Bank has a Remuneration Policy approved by the Board of Directors. In addition to being based on the principle of remuneration according to the position, the policy is fair, measurable and encourages success among employees and ensures compliance with the Bank’s risk principles. The Remuneration Committee and the Human Resources Unit authorized by the Committee are responsible for the review and proper execution of the remuneration policies.

The remuneration policy of the Development and Investment Bank is based on the principles of “equal pay for equal work” and “remuneration based on performance.” In addition to individual performance, the Bank also considers general macroeconomic conditions, the inflation rate, and trends in the sector. Development and Investment Bank has established a continuous monitoring system to ensure that the remuneration system is fair, measurable, and based on balanced performance targets and encourages sustainable success. The Bank’s remuneration system is based on task-based remuneration, and personnel performing similar tasks receive similar remuneration. Tasks are evaluated within the scope of objective criteria such as the competences required by the task, the risk it carries, and the number of people managed. The Bank’s remuneration policy determined within this framework has been approved by the Board of Directors.

Dynamic Performance Evaluation System

In the performance evaluation system of the Development and Investment Bank, the performance of employees is measured based on competencies, targets, and their realization in line with the Bank’s values.

In line with the Bank’s values, managerial, basic, and functional competences are defined for managers and above, and basic and functional competences are defined for other titles.

Employee evaluations are carried out by two managers of the employee and open to the approval of the employee in order to ensure that the process is objective. Supervisors hold feedback meetings with the employee they evaluate. The Human Resources Department evaluates and monitors whether the feedback meetings held after the completion of performance evaluations are satisfactory for employees through surveys conducted.

The performance evaluation system of the Development and Investment Bank aims to measure the performance of employees based on targets. Systematic bonus and performance models are supported by concrete, measurable criteria during evaluation.

Vocational and Personal Training Activities

The Bank organizes vocational technical trainings, personal development trainings and certification programs to ensure that its personnel have the necessary knowledge and equipment, and encourages the participation of personnel in trainings.

In 2024, 214 training programs were conducted, averaging 35 training hours per employee.

In 2024, intensive online and classroom trainings were organized. Training programs that are mandatory for all employees to complete are offered through the online training platform. In addition, in order to support continuous development, various online training platform memberships with high international recognition were obtained according to the needs and requests of the units.

Continuous learning and development

The Bank invests in the professional and personal development of its employees, supporting them in maximizing their potential.

The Bank also attends the open class training courses organized by the Banks Association of Türkiye in three different terms regularly. In 2024, a total of 304 trainings were attended.

Three-month foreign language training is provided to all employees who wish to improve their foreign language skills.

Leadership Development Programs are organized for managerial positions. In 2024, the Leadership Program for Directors, with the participation of 19 managers, was completed. Additionally, a tailored Leadership Program was conducted for 19 of our managers, designed with a modular structure, and complemented by personalized one-on-one coaching sessions.

In order to retain and develop talent, a Micro MBA Certificate Program, in collaboration with universities, has been planned for 19 employees from the talent pool, totaling approximately 78 hours of training. Through this program, which includes both personal development and technical training, employees have been able to shape their career and professional growth journeys.

A total of 75 participants attended the Gender Equality Workshop organized by Frankfurt School, while 85 individuals participated in the Financial Leasing/Leasing training program.

In order to support the employee development journey, postgraduate education discount agreements were made with 6 of Türkiye's leading universities for employees who wish to pursue a master's degree or doctorate and were announced to all employees.

In order to attract new graduates to the sector, a detailed training program consisting of technical and personal development training lasting approximately one month is offered to employees who start working as assistant specialists.

The Bank supports employee development continuously by meeting the certification processes required for specific tasks with the opinion and approval of the manager. Journal memberships specific to the units are realized in line with the needs.

Various seminars are organized throughout the year, to which all employees are invited. These seminars aim to raise the level of awareness of employees and to provide them with information about their areas of interest.

In accordance with Occupational Health and Safety (OHS) regulations, the Bank's OHS team ensures the necessary coordination and follow-up in all processes such as training programs, OHS Boards, near-miss incidents, occupational accidents, and corrective and preventive actions.

Two-Way Dialogue Channels

Within the scope of employee loyalty and satisfaction, great importance is attached to two-way dialogue channels in order to feed on the innovative ideas of employees. Employee opinions are systematically gathered through one-to-one online interviews, intranet, and various surveys, aiming to increase employee satisfaction and employee loyalty.



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The Number of Trainings Conducted in 2024

In line with the Bank's culture of trust and employee-oriented perspective, the Bank has participated in the Great Place to Work survey every year since 2022. Activities for the new period survey were initiated at the end of 2023, and as of January 2024, the Bank received the Great Place to Work Certificate for the second time with the votes of employees.

Digital Transformation in Human Resources Processes

In 2022, in line with its overall strategy, the Bank focused on the digitalization of human resources and internal communication applications. As part of the transformation efforts, the digitalization of all human resources business processes is a key objective. System studies in this area are ongoing. Digital transformation aims to make processes more efficient, save costs, systematize reporting and increase employee satisfaction.

Social Responsibility

The Bank integrates employee volunteerism as a core element of its social responsibility initiatives, fostering active participation in project implementation. Within the scope of social responsibility activities;

- A Charity Bazaar was organized, and the proceeds were allocated to meet the needs of the earthquake-affected region.
- To address the needs of the earthquake-affected region and support local businesses, requests received through social assistance foundations were fulfilled throughout the year with contributions from employees. The required supplies were procured from local businesses and delivered to the requesting foundations.
- In honor of the Bank's 50th anniversary, the creation of a 50th Anniversary Memorial Forest, with 5,000 saplings, has begun.

- KAÇUV Hope Café was hosted in the Head Office, and children with cancer and their families were supported.
- 50 employees of the Development and Investment Bank of Türkiye participated in the Istanbul Marathon, raising donations for the Koruncuk Foundation to support the education of girls.
- On the occasion of International Women's Day, March 8th, gift packages provided by the Community Volunteers Foundation were distributed to female employees, thereby supporting the foundation's initiatives.

INFORMATION ON THE BANK’S TRANSACTIONS WITH ITS RISK GROUP

The Bank’s Chairman and members of the Board of Directors, General Manager (CEO), and Executive Vice Presidents do not have any shareholding in the Bank’s capital. None of the members of the Bank’s Board of Directors or executives have any guarantee or collateral given in their favor for any loan or other debt, even through a third party.

ACTIVITY TOPICS FOR WHICH SUPPORT SERVICES ARE RECEIVED

In accordance with the “Regulation on Banks’ Procurement of Support Services,” the following services have been procured by the Bank in 2024:

- White space rental services from Yaz Bilgi Sistemleri Ticaret A.Ş.
- Product procurement, maintenance, and support services for the SWIFT system from Fineksus Bilişim Çözümleri Ticaret A.Ş.
- Treasury Derivatives and Valuation Management, Market Risk Management, Asset-Liability Management Solutions, and R&D services from Risk Yazılım Teknolojileri Danışmanlık Eğit. Tic. Ltd.
- Oracle Products Extended Technical Support service from Helezon Bilgisayar Yazılım Danışmanlık ve Elektronik Ltd. Şti.
- Data center renewal project service from İşNet Elektronik Bilgi Üretim Dağıtım Ticaret ve İletişim Hizmetleri A.Ş.
- Penetration testing service from Turkcell Dijital İş Servisleri A.Ş.
- Outsourced services from Turkgen Yazılım Dan. San. Tic. A.Ş.
- Treasury Profitability Project services from Risk Aktif Dan. Eğitim ve Yazılım San. Tic. Ltd. Şti.
- Supplier Financing Platform from Octet Express Ödeme Kuruluşları A.Ş., Figo Ticari Bilgi ve Uygulama Platformu A.Ş. ve FaturaLab Elektronik Tic. Ve Bilişim Hizmetleri A.Ş.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Development and Investment Bank of Türkiye continues its operations in accordance with the Law No. 7147 regulating its establishment, the Banking Law, and other legal regulations for which it is liable. The Bank complies with the mandatory Corporate Governance Principles issued by the Capital Markets Board, and maximum effort is made to comply with non-mandatory principles.

Although full compliance with the non-mandatory Corporate Governance Principles is aimed, full compliance has not yet been achieved due to the difficulties experienced in the implementation of some of the principles and the fact that some of the principles do not fully overlap with the current structure of the market and the Bank. Work is ongoing on the principles that have not yet been implemented. Following an evaluation of the administrative, legal, and technical infrastructure efforts aimed at enhancing the Bank’s management, the implementation of these principles will be assessed.

Pursuant to the decision of the Capital Markets Board dated 10.01.2019 and numbered 2/49, Corporate Governance Compliance Reporting in accordance with the Corporate Governance Communiqué numbered II-17.1 shall be made through the Public Disclosure Platform using the Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (“KYBF”) templates. The relevant reports can be accessed via the “Corporate Governance” and “Corporate Governance Principles Compliance Report” tabs at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/2426-turkiye-kalkinma-ve-yatirim-bankasi-a-s>.

CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

Among the non-mandatory Corporate Governance Principles, the main principles that have not yet been complied with are stated below, and additional explanations on the subject are included in the relevant sections of the report. There is no conflict of interest that the Bank is exposed to due to non-compliance with non-mandatory principles.

- In relation to principle numbered 1.3.11, persons specified in the “Internal Directive on the Working Principles and Procedures of the General Assembly” may attend General Assembly meetings in addition to the shareholders of the Bank.
- In relation to principle numbered 1.5.2, minority rights have not been regulated in the Articles of Association.
- In relation to principle numbered 1.6.3, the reasons for not distributing profit were discussed upon the Board’s proposal to not distribute profits. However, only the means of utilizing the profit not to be distributed were stated in the Minutes of the General Assembly meeting.
- In relation to principle numbered 2.1.2, there is no real person shareholder who holds more than 5% of the issued capital. The up-to-date version of the Bank’s shareholding structure is available on the corporate website.

- In relation to principle numbered 2.1.4, information on the Bank’s corporate website is partially available in English.
- In relation to principle numbered 3.2.1, the participation of the staff in the management is not governed by internal regulation. However, the relevant unit can attend the meetings and provide information or opinions at the decision-making stage of the Bank’s committees.
- In relation to principle numbered 3.3.5, decisions made on employees and developments that pertain to them are communicated to them. There is no union organization.
- In relation to principle numbered 4.2.8, an Executive Liability Insurance with a limit of USD 5 million has been taken out for the Bank’s executives including its Board Members to cover individual liability arising from their improper conduct, although it does not cover 25% of the capital.
- In relation to principle numbered 4.3.9, no minimum ratio has been determined for female members in the Bank’s Board of Directors.
- In relation to principle numbered 4.4.3, no practice has been introduced for this matter, although there is an opportunity to express an opinion.
- In relation to principle numbered 4.4.7, Board Members are not restricted from assuming duties in institutions other than the Bank.

- In relation to principle numbered 4.5.5, Board Members may be appointed to more than one committee.
- In relation to principle numbered 4.6.1, performance assessments are not carried out at the Board level.
- In relation to principle numbered 4.6.5, remuneration paid to senior managers is disclosed cumulatively, not on an individual basis.

In 2024, activities in the field of Corporate Governance were carried out in accordance with the Capital Markets Law, which includes the CMB’s regulations on Corporate Governance Principles, and the communiqués prepared on the basis of this Law.

In 2024, the Board of Directors and the Committees of the Board of Directors of the Bank were formed in line with the regulations in the Communiqué on Corporate Governance. The established Board Committees continue their activities effectively.

Corporate Governance Rating
In its report dated 15.04.2024, Saha Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş. assigned the Bank’s compliance rating to the CMB Corporate Governance Principles as 9.52. The compliance ratings assigned over four main sections are given in the table below.

Corporate Governance Compliance Rating Score

	Shareholders	Public Disclosure and Transparency	Stakeholders	Board of Directors	Corporate Governance Principles Compliance Rating Score
Weight	25%	25%	15%	35%	
Rating Received	9.52	9.84	9.92	9.12	9.52

DIVIDEND DISTRIBUTION POLICY

Article 26 of the Articles of Association of the Development and Investment Bank of Türkiye (the Bank) regulates the principles regarding profit distribution.

The distribution of the Bank's profit is decided by the General Assembly by respecting the provisions of the Turkish Commercial Code, the Capital Markets Law, and other legislation to which the Bank is subject. The date of profit distribution is determined by the General Assembly.

Pursuant to the article on Profit Distribution of the Articles of Association;

1. The amount remaining after taxes and other legal obligations are set aside from the Bank's gross profit is the net profit for the period.
2. The Bank's net profit for the period shall be distributed as follows:
 - a. Five percent (5%) shall be set aside as general legal reserves until it reaches 20% of the paid-in registered capital. In the event that the legal reserves fall below 20% of the paid-in capital, the Bank shall continue to set aside reserves until this amount is reached.
 - b. The first dividend distribution shall be made from the remaining profit in accordance with the provisions of the Turkish Commercial Code, the Banking Law, and other relevant legislation.
 - c. The Members of the Board of Directors and the Bank personnel may be paid dividends limited to the period of their employment, so as the dividends do not exceed three times their gross salaries and on condition that the General Assembly approves and specifies the relevant rates and amounts.
 - d. Other deductions and legal reserves stipulated by the Turkish Commercial Code and the General Assembly shall be set aside, and the remaining amount shall be distributed to the shareholders as a second dividend by the General Assembly.
 - e. The remaining profit shall be reserved as legal reserve.
3. The distribution procedures of the dividends to be paid to the members of the Board of Directors and the Bank's personnel shall be determined by the Board of Directors.

Within the framework of the provisions of the Articles of Association, there is no practice of advance dividend payments in the Bank.

The dividend distribution decision becomes effective upon approval at the General Assembly meeting and the decisions taken are disclosed to the public on the same day via the Public Disclosure Platform.

SUMMARY REPORT OF THE BOARD OF DIRECTORS

In 2024, despite heightened geopolitical risks and tighter financial conditions, global economic activity maintained a moderate trajectory. Interest rate cuts by central banks contributed to a more favorable economic outlook, fostering a renewed growth trend. Over the past year, global investments in renewable energy have increased, while significant advancements have been made in artificial intelligence and digitalization.

In 2024, as regional risks increased and global economic challenges persisted, Türkiye's economy saw a rapid decline in annual inflation, supported by a tight monetary stance. Domestic demand slowed, and a rebalancing among growth components began to take shape. The decline in inflation, driven by the new economic program and anti-inflation measures implemented in Türkiye, became more pronounced in the second half of the year. The decrease in the country's risk premium in 2024 had several positive impacts on the banking sector, particularly by improving external financing conditions.

As of the end of 2024, looking at our bank's year-end financial indicators, it is observed that our assets have reached TL 153.6 billion, reflecting a 13.9% growth. As of the end of 2024, the amount of our loans, which make up 62% of our total assets, has increased by 13% and reached TL 94.8 billion. The ratio of gross non-performing loans to total loans, a key indicator of asset quality, is 0.8%. Meanwhile, our capital adequacy ratio has risen from 16.86% in December 2023 to 17.98% as of December 2024.

Since its establishment, our Bank has focused on sustainable development, playing an active role in implementing environmentally and socially responsible investments. With its strong capital structure, expertise in development and investment banking, and its goal of enhancing the Türkiye Development Fund and Turkish capital markets with greater depth and diversity, it will continue its efforts to contribute to the sustainable growth and development of our country.

As the Board of Directors of the Development and Investment Bank of Türkiye, we would like to extend our thanks to all our stakeholders who contributed to all our activities in the 2024 operating period and present the Board of Directors' and Auditors' Reports and the financial reports of the Development and Investment Bank of Türkiye for the year 2024 for your consideration.

ASSESSMENT OF THE AUDIT COMMITTEE ON THE FUNCTIONING OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND ACTIVITIES DURING THE ACCOUNTING PERIOD

The Audit Committee of the Bank carries out its activities in accordance with the provisions of the “Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks.” Internal systems-related activities (internal audit, internal control, and risk management) at the Bank are carried out by the Inspection Board, the Internal Control and Compliance Department, and the Risk Management Department. The duties and responsibilities of the Board of Directors within the scope of the relevant legislation are fulfilled by the Audit Committee, the Inspection Board, the Internal Control and Compliance Department, and the Risk Management Department.

The Audit Committee monitored the compliance with the legal regulations regarding internal control, internal audit and risk management, as well as internal policies and implementation procedures approved by the Board of Directors. The Audit Committee evaluated the support services and outsourced services received by the Bank and monitored the efforts of taking necessary measures for managing the risks efficiently in this process. Additionally, independent audit results, yearly and quarterly financial results as well as independent audit reports were assessed by the independent auditors. The independence and adequacy of the rating institutions, independent audit firms and appraisal institutions in their activities related to the Bank have been evaluated.

The Audit Committee regularly receives reports on the execution of the duties of the units established within the internal control, internal audit, and risk management systems, as well as from independent auditing firms. In 2024, a total of 16 meetings were held, resulting in 51 resolutions.

Furthermore, the Audit Committee continued to report its opinions to the Board of Directors regarding the results of its activities, the necessary measures and practices, and other matters that it deems important for the safe continuation of the Bank’s operations. In this context, in accordance with BRSA regulations, the activities carried out by the Audit Committee are reported to the Board of Directors every six months.

Activities performed by the Inspection Board

The Inspection Board carries out audits to add value to the Bank’s operations in order to ensure that they are carried out and developed in accordance with the Banking Law and other legal regulations as well as the Bank’s decisions, policies, and targets. Annual audit planning is prepared to cover all units, processes, information systems, support service organization, internal control and risk management systems of the Bank based on risk assessments. Quarterly activity reports on the activities carried out by the Inspection Board are discussed with the Audit Committee and sent to the BRSA following the approval of the Board of Directors.

The Inspection Board issued 19 audit reports associated with the planned audit activities conducted in 2024. Planned audit activities cover the validation and audit of the ICAAP process, information systems and banking processes, rating, independent audit and appraisal institutions, and support service providers, in addition to the business and operations of the Bank’s units. The management declaration given by the Bank’s Board of

Directors to the contracted independent audit firm is based on the audits of information systems and banking processes conducted by the Inspection Board and the audits of support service providers.

Activities Performed by the Internal Control and Compliance Unit

The Internal Control and Compliance Unit comprises internal control, legislation, and compliance functions. The Internal Control and Compliance Unit, which supports the Bank’s activities to be carried out in compliance with legal and internal regulations, also carries out control activities to ensure that losses arising from operational risks are kept at a minimum level. Internal control, legislation and compliance teams operating under the same unit continued their activities in coordination and contributed to the achievement of the Bank’s objectives.

Internal control activities are organized with a risk-oriented perspective, encompassing the main control areas, including IS control activities. In order to strengthen the Bank’s internal control system, control activities were carried out for the design of systemic control processes, integrity, and reliability of financial reporting systems. In this context, control testing activities were carried out by competent and experienced internal control personnel supported by software systems.

The Legal and Compliance Function has undertaken efforts to establish a compliance risk culture at the Bank and subsidiaries; measure, monitor, and report risks to manage compliance risks effectively; follow up and announce legal regulations to ensure compliance with applicable laws; to participate actively in workshops, seminars, trainings, and meetings organized by regulatory bodies on relevant legal regulations; support activities to set internal policies and procedures; and present opinion and evaluations regarding the compliance of products and services with the law. Contributed to the effective management of compliance risks by providing consultancy to the Bank’s personnel in all areas related to compliance risks, including preventing and combating financial and economic crime programs. Contributed to taking necessary measures to ensure that the activities, products, and processes carried out and planned to be carried out by the Bank comply with both the legislation in force and the Bank’s policies and standards. The Bank continues to provide in-house training to raise awareness among Bank personnel on compliance policies and compliance risks, in addition to the Legislation and Compliance Bulletin published periodically. Legislation follow-up and coordination of relations with regulatory bodies were ensured at the Bank.

The findings, opinions, and suggestions identified as a result of the internal control activities carried out by the Internal Control and Compliance Department within the framework of internal control, compliance, and legislative activities were first shared and evaluated with those who carry out the activities. Guidance was provided to eliminate the shortcomings and correct the deficiencies in question,

and the swift implementation of the complementary and preventive measures agreed upon with the relevant units was monitored. The Bank’s Audit Committee periodically evaluated the effectiveness of the internal control system and the results of internal control activities through the annual reports issued by the Internal Control and Compliance Department.

Activities Performed by the Risk Management Unit

Existing and potential risks faced by the Bank are monitored by the Risk Management Unit within the framework of daily, weekly, monthly, and annual reports and reported to the Audit Committee, the Board of Directors and the Bank’s senior management.

The Risk Management Unit is responsible for identifying, measuring, analyzing, monitoring, and reporting the risks faced by the Bank and issuing warnings to mitigate controllable and uncontrollable risks. In this context, current and potential risks faced by the Bank are monitored through internal reports prepared by the Risk Management Unit on a daily, weekly, and monthly basis.

Within the scope of daily reports, the Bank’s interest rate and exchange rate risk sensitivities are analyzed based on various scenarios, daily limit and liquidity emergency indicators are monitored, duration analyses of the Bank’s securities portfolio are made, and the compliance of bank placements is monitored within predetermined limits. Weekly reports include general economic analyses and evaluations, and limit monitoring tables for liquidity and exchange rate risks.

The monthly risk analysis report prepared by the Risk Management Unit includes more comprehensive analyses of the risks to which the Bank is exposed. Through the “Risk Limits Monitoring Report” prepared by the unit, the developments regarding the risk limits, which are quantifiable and approved by the Board of Directors, are presented. Additionally, the compliance of the accepted letters of guarantee with the Bank’s limits is evaluated. Monthly reports prepared by the Unit are submitted to the relevant departments, senior management, Assets-Liabilities Committee, Audit Committee, and the Board of Directors.

As per legal requirements, the Risk Management Unit reports to the BRSA monthly, quarterly, and annually. Capital Adequacy Analysis Report, Feedback Table on Interest Rate Standard Ratio Arising from Banking Accounts, Loan Risk Report, and Market Risk Reports, prepared monthly on a solo and consolidated basis, are reported to the BRSA through the risk reporting sets determined by the executive board. Within the scope of the annual reports, in accordance with the Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks published by the BRSA in the Official Gazette No. 29057 dated 11 July 2014, the Bank prepares the Internal Capital Adequacy Assessment Process (ICAAP) Report on an annual basis. In addition, the “Stress Test Analysis” reports prepared annually are sent to the BRSA.

The “Türkiye Kalkınma ve Yatırım Bankası A.Ş. Internal Capital Adequacy Assessment Process (ICAAP) Report” for the 2024 period is scheduled to be approved by the Board of Directors in March 2025 and submitted to the BRSA.

Erdal Erdem
Chairperson of the Audit Committee

Zeynep Boğa
Deputy Chairperson of the Audit Committee

Ömer Karademir
Member of the Audit Committee

Kerem Dönmez
Member of the Audit Committee

RISK MANAGEMENT POLICIES

The general principle of the risk policies to be followed by the Bank is to specialize in the fields of activity that are in line with its mission, vision and structure as defined by the Law on the Establishment of the Bank, to take risks that can be defined, controlled and/or managed in this sense, and to endeavor not to take any risks other than those that are inevitable due to the nature of its activities. In this context, the basic principle is to ensure that the risks to be taken are defined and manageable.

In addition to ensuring that the current and potential future effects of the risks taken are measured to the extent permitted by risk measurement and reporting techniques, the Bank sets written limits for quantifiable risks arising from its activities within the framework of Article 38 of the "Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks" published by the BRSA. It is ensured that quantifiable risks remain within these limits approved by the Board of Directors.

Additionally, to the extent permitted by risk measurement and reporting techniques, it is ensured that the current and potential future effects of the risks taken are measured and the Bank's efforts in this direction continue.

Loan risk management policy

KLoan risk is the probability of loss to which the Bank may be exposed due to the failure of the loan customer to fulfill its obligations partially or completely on time by not complying with the contractual requirements. The Bank manages loan risk in accordance with the volume, nature, and complexity of its loans by considering the best practices within the framework of BRSA's legal regulations and limitations.

The Bank legally calculates the amount subject to loan risk in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and Basel II criteria. It is essential to manage loan risk in a manner that ensures that the legal capital adequacy standard ratio remains above the minimum limit in the current regulations.

The Bank ensures that measurement, monitoring, stress testing and scenario analyses in line with the volume, nature and complexity of the loans are carried out and the results are reported to the Audit Committee and senior management. It is essential that new products and services are evaluated in terms of loan risk. The Bank ensures the identification, measurement and management of loan risks involved in all products and activities, not limited to loan products.

Whether the loan decision support systems are compatible with the structure, size and complexity of the Bank's activities is constantly analyzed and developed by the Board of Directors and adjustments are made to the system when necessary.

In loan risk management, as well as monitoring on a customer or company basis, monitoring is also carried out based on the riskiness and composition of the total loan portfolio. Loan risk is monitored and managed based on parameters such as sector, maturity, collateral, region, foreign currency, and loan type. The Bank's loan risk management policy is based on diversification of the loan portfolio.

Regarding the companies to which the Bank has extended loan, deferred, or rescheduled loan, the financial data of the companies are regularly monitored until the collection and liquidation of the risk is completed. For companies, whose risk is above a certain amount or for which an on-site examination is required, examinations and determinations are made both at the company headquarters and on site. A monitoring report including

the recommendations developed as a result of the examinations and assessments is prepared. This practice for the Bank's non-performing loan portfolio continues.

Counterparty loan risk management policy

The Counterparty Loan Risk (CCR) Policy aims to establish effective counterparty loan risk management processes based on prudent and consistent feasibility principles and in compliance with the risk strategy, risk policies, and regulatory rules.

The main objective is to determine the policies to be applied in CCR-related transactions carried out in all segments and to create a reference for the Bank's employees. Since the CCR is a type of risk that is basically evaluated within the scope of loan risk, it is evaluated by taking into account the principles set out in this policy together with other loan risk policies.

Concentration risk management policy

The Bank conducts activities by considering the concentration risks, including but not limited to the concentration of loans in certain regions and sectors, or the concentration in fund sources and funding institutions. When an increase in concentration risk is determined, measures are taken to reduce it to an acceptable level.

Market risk management policy

The Market Risk Management Policy focuses on identifying market risks at organizational and operational levels as well as market risk management methodologies. It also covers product valuation, risk monitoring, and preparation of relevant reports. "Interest rate risk" and "currency risk" measurements are used in the calculation of market risk. The Bank's market risk management mainly ensures the management of the risks arising from the trading activities of the Bank's portfolio, which undergoes daily valuation. The measurement of the risk is important not only for the perception

and management of risk by all relevant management levels, but also for the compensation of losses that may arise when the risk occurs. Measurement is therefore about assessing capital requirements as much as assessing the magnitude of the risk and the circumstances surrounding its occurrence. Methods such as scenarios and stress tests are used to predict the risk levels and capital requirements that may arise in various circumstances and risk environments.

Currency risk management policy

Currency risk refers to the potential loss in the Bank's earnings or capital due to fluctuations in exchange rates. In other words, it is the risk of actual or potential loss in the Bank's earnings or capital arising from changes in the value of the national currency or shifts in the exchange rates between different currencies within the Bank's position.

Assessments and analyses are made within the scope of the "Regulation on Calculation and Application of Foreign Exchange Net General Position / Own Funds Standard Ratio by Banks on Consolidated and Non-Consolidated Bases" published by the BRSA in order to establish the relationship and balance between foreign currency assets and liabilities and to maintain a foreign currency position at a level compatible with shareholders' equity.

In addition, as in interest rate risk management applications, "Value at Risk Approach for Currency Risk" and "Stress Test and Scenario Analysis" measurements are employed to measure currency risk in accordance with the type, direction, and size of the related positions. The Risk Management Department makes all the above-mentioned calculations and assessments and reports the results to the senior management and relevant departments.

Interest rate risk management policy arising from banking accounts

The basic policy of the Bank management in interest rate risk management is to protect against the impacts of interest rate fluctuations by minimizing the maturity mismatches in the balance sheet. Within the framework of this basic principle, optimization of portfolio allocation in the management of interest rate sensitive assets is ensured by considering duration, interest rate expectations, alternative returns, and bearable loss values.

The Bank complies with the risk limits approved by the Board of Directors in the decisions to be taken in interest rate risk management.

Liquidity risk management policy

Liquidity risk represents the probability that the Bank's cash flow requirements, either predictable or unpredictable, cannot be met adequately without affecting daily operations or the financial structure, and therefore the Bank records losses. In addition, liquidity risk also covers the risk facing the Bank in the event that a position cannot be closed or balanced due to a lack of market debt or high volatility; as a result, it has a probability of recording losses.

The basic policy of the Bank's liquidity risk management is to ensure a high-quality asset structure that can fulfill all kinds of liabilities. Being a specialized bank, the Bank's liquidity needs are more predictable than those of commercial banks, which ensures the regularity of cash flows arising from liabilities. The compatibility of the type, maturity structures, and interest rates of the assets and liabilities in the balance sheet is ensured within the framework of the Assets and Liabilities Committee decisions, and liquidity ratios are regularly monitored to ensure that they remain within the legal regulations and risk limits.

In the Bank's liquidity risk management, the limits within the scope of the relevant regulations of the BRSA and the limits on liquidity ratios in the Bank's Risk Appetite Structure, Risk Limits and Implementation Principles document approved by the

Board of Directors within the framework of the Bank's risk appetite are determinative. The liquidity risk management process is carried out in a manner that meets the legal and internal regulatory requirements.

In order to manage liquidity risk of the Bank, the Bank's asset and liability structure is evaluated in terms of maturities and pro forma cash flows are determined based on foreseeable data. It is essential to place the liquidity surplus in the appropriate place by considering alternative returns and to meet the liquidity need with the most cost-effective resources. Monthly pro forma cash flows and balance sheet duration concerning the level of coverage of medium- and long-term liabilities are continuously monitored to anticipate factors that may create liquidity risk.

Operational risk management policy

Within the framework of BRSA regulations, the Bank's operational risk management practices are developed by taking into account the risk of overlooking errors and irregularities as a result of failures in internal controls, failure of the Bank's management and personnel to act in accordance with the time and conditions, errors and failures in information technology systems, losses that may arise from disasters such as earthquakes, fires and floods, and losses arising from other factors that may occur on a bank and sector basis. New products and services are evaluated in terms of personnel, process, system, and external operational risks.

In this framework, it is aimed to contribute to the creation of an established and consistent operational risk culture throughout the Bank by defining, identifying, measuring, evaluating, and reporting operational risks.

The Operational Risk Management Policy Framework is a common risk glossary that comprehensively identifies all significant risks to which the Bank is exposed by category and includes definitions and examples of risks to ensure effective communication across the Bank. The evaluation and reporting of risks and controls is the basis for the collection of risk data and management information.

RISK MANAGEMENT POLICIES

Reputation risk management policy

It is designed to determine the policies regarding the identification, assessment, control, monitoring, and reporting of the risk of negative perceptions and opinions about the Bank due to reasons that may arise from the Bank’s activities, practices, stakeholders (such as customers, personnel, shareholders) and disclosure to the public.

The Reputation Risk Management Policy aims to establish a consistent approach to the Bank’s reputation risk management, to prevent the direct and indirect possible financial effects of reputation risk, to ensure effective management of unavoidable residual risks, to create personnel awareness and corporate culture regarding reputation risk management, to provide and accumulate information for monitoring reputation risk.

Information technologies risk policy

The IT Risk Management Policy Document has been designed in accordance with the “Regulation on Information Systems and Electronic Banking Services of Banks” and “ISO 27001 Information Security Management System” in order to monitor operational risks related to information technologies as part of continuous and routine business processes and new business products and plans, taking into account the dependence of the Bank’s business processes on Information Technologies (IT) applications and systems and the dynamic change in IT application development, IT system infrastructure and information security requirements.

Any threat, disruption, or misapplication in information technologies processes, which are involved in all internal and external activities of the Bank, shall inevitably lead to financial, managerial, and reputation losses for the Bank. In the information technologies risk management policy,

the main principle is to identify the risks and to find solutions and/or take the necessary measures to eliminate them and to systematically monitor this process regarding the existing and potential risks arising from the Bank’s applications that can be considered within the scope of information technologies (system, software, data security, data processing, data storage, etc.).

In information technologies risk management, annual risk assessment reports, actions to be taken against risks and information on their provision are taken into consideration. Based on the information technologies risk assessment reports, the actions to be taken against the identified risks and whether these actions are fulfilled on time or not are evaluated, and the Board of Directors is informed through the Audit Committee.

Capital requirement internal assessment and capital adequacy policy

The fundamental basis of the Bank’s capital requirement internal assessment and capital adequacy policy is to establish robust, effective, and complete strategies and processes for the continuous evaluation and maintenance of the types, components, and distribution of capital that the Bank considers sufficient to cover the risks it is or may be exposed to.

It is essential for the Bank to have an internal capital requirement assessment process that is appropriate to its risk profile according to the complexity and nature of its activities and to set capital targets in line with its risk profile, operating environment, and strategies. Depending on the scale, nature and complexity of the Bank’s activities, the internal capital assessment process (ICAAP) is designed, and the results are reported to the Bank’s senior management. The design and execution of the internal capital requirement assessment process is provided by the Risk Management Department and presented to the Board of Directors through the Audit Committee.

The Bank’s senior management is responsible for making capital planning and management an integrated part of the overall risk management culture and approach. The Bank’s senior management ensures that capital planning and management policies and procedures are communicated and implemented throughout the Bank and are supported by adequate authority and resources.

In the event of changes in the Bank’s strategies, business plans, operating environment or other factors that may significantly affect the assumptions and methods used in the internal capital requirement assessment process, necessary adjustments are made to the internal capital requirement assessment process. In the Bank, it is essential that the internal assessment process at least covers loan risk, market risk and operational risk included in the capital requirement calculations and all significant risks other than these risks, such as interest rate risk arising from banking accounts, concentration risk, liquidity risk, reputation risk and strategic risk.

In this context, ICAAP has been established and started to be implemented within the Bank in accordance with the “Regulation on Internal Systems and Internal Capital Adequacy Assessment Process of Banks” published in the Official Gazette dated 11.07.2014 and numbered 29057 by the BRSA, which states that “The Bank is responsible for establishing and implementing ICAAP to determine internal capital targets in line with its risk profile and operating environment.” As part of the process established within the Bank, the Development and Investment Bank of Türkiye issues a comprehensive annual ICAAP Report based on its year-end financial statements and submits the report to BRSA by the end of March every year.

ASSESSMENT ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

The financial data regarding the Bank’s financial situation for the periods of December 2023 and December 2024 are presented in the comparative tables below.

TL million	31.12.2023	31.12.2024	Change (Value)	Change (%)
Total Assets	134,847.47	153,596.09	18,748.61	13.9%
Loans	84,158.71	94,812.83	10,654.13	12.7%
Liabilities	123,964.99	133,599.09	9,634.10	7.8%
Shareholders' Equity	10,882.48	19,997.00	9,114.51	83.8%
Total Income	23,078.92	25,492.70	2,413.79	10.5%
Total Expenditures (inc. Tax)	19,035.54	19,352.11	289.57	1.5%
Tax Provision	1,599.23	2,531.04	931.81	58.3%
Profit/Loss	4,043.38	6,167.59	2,124.21	52.5%
Standard Capital Adequacy Ratio (%)	16.86	17.98	1.12	6.6%

As of December 2024, the Bank’s total assets increased by 13.9% year-on-year, reaching TL 153.6 billion. The growth in total assets was primarily driven by a 29.4% increase (TL 11.1 billion) in liquid assets and a 12.7% increase (TL 10.6 billion) in loans.

The growth on the liabilities side of the balance sheet was primarily driven by an approximately 8% increase (TL 9.6 billion) in liabilities and a substantial 83.8% rise (TL 9.1 billion) in shareholders’ equity.

Furthermore, in evaluating the changes in asset and liability items, the Bank’s foreign currency-weighted balance sheet and the exchange rate fluctuations during this period—19.97% for the U.S. dollar and 12.73% for the euro—should also be taken into account.

Looking at the development in the structure of the Bank’s assets, it is seen that total loans reached approximately TL 94.8 billion. Loans accounted for 61.73% of total assets in 2024.

ASSESSMENT ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Composition of Assets (%)	31.12.2023	31.12.2024
Cash and Cash Equivalents	16.29	14.72
Financial Assets Designated at Fair Value Through Profit or Loss	0.44	0.45
Financial Assets Designated at Fair Value Through Other Comprehensive Income	11.29	16.61
Other Financial Assets Measured at Amortized Cost	10.10	6.77
Derivative Financial Assets	0.05	0.09
Loans	62.41	61.73
Subsidiaries and Affiliates (Net)	0.02	0.04
Tangible and Intangible Fixed Assets (Net)	0.05	0.08
Deferred Tax Asset	0.24	0.31
Other Assets	0.17	0.32
Anticipated Loss Provisions (-)	1.06	1.12
Total	100.00	100.00

Non-Performing Loans (gross) balance amounted to TL 733 million in 2024. The gross non-performing loans ratio decreased from 1.0% at the end of 2023 to 0.8% by the end of 2024. The provision allocated for non-performing loans increased by 9% in 2024 compared to 2023, reaching TL 576.4 million. As a result, the ratio of net non-performing loans to total loans declined from 0.38% to 0.16%.

Total Loans (TL Thousand)	31.12.2023	31.12.2024
Loans	84,158,708	94,812,835
Non-performing Loans (Gross)	848,082	732,750
Loan Provisions (-)	528,780	576,351
Non-performing Loans (Net)	319,302	156,399

As of December 2024, the Bank's liquid assets grew by 29.4%, rising from TL 37,840 million at the end of 2023 to TL 48,960 million. This increase was primarily driven by the rise in cash and cash equivalents from TL 21,962 million to TL 22,601 million, along with the growth in financial assets designated at fair value through other comprehensive income from TL 15,221 million to TL 25,518 million.

Liquid Assets (TL Thousand)	31.12.2023	31.12.2024
Cash and Cash Equivalents	21,962,268	22,601,168
Financial Assets Designated at Fair Value Through Profit or Loss	591,455	696,997
Financial Assets Designated at Fair Value Through Other Comprehensive Income	15,220,615	25,517,503
Derivative Financial Assets	65,716	144,142
Total	37,840,054	48,959,810

At the Bank, which is primarily financed through foreign sources for loan placements, the amount of credits obtained has reached approximately TL 108 billion, and its share in total liabilities has decreased from 72.6% to 70.5% during the same period. In 2024, shareholders' equity increased to approximately TL 20 billion, and its share in total liabilities rose from 8.1% to 13.0%.

Composition of Liabilities (%)	31.12.2023	31.12.2024
Credits Obtained	72.64	70.50
Due to Money Markets	2.14	2.24
Securities Issued	2.46	2.43
Funds	4.74	5.47
Subordinated Debt Instruments	8.59	4.93
Provisions	0.32	0.39
Other Liabilities	1.04	1.02
Shareholders' Equity	8.07	13.02
Profit/Loss for the Period	3.00	4.02
Total	100.00	100.00

Total income increased by 10% (TL 2,414 million), reaching TL 25,493 million, while total expenditures, including taxes, rose by 2% (TL 289 million), totaling TL 19,325 million. The Bank's net profit for the period grew by 53% year-on-year to TL 6,168 million.

ASSESSMENT ON FINANCIAL POSITION, PROFITABILITY AND SOLVENCY

Total Income and Expenditures (TL million)	31.12.2023	31.12.2024	Change (Value)	Change (%)
Total Income	23,079	25,493	2,414	10.46
Total Expenditures (excl. Tax)	17,437	16,794	-643	-3.69
Tax Provision (-)	1,599	2,531	932	58.29
Net Profit (Loss)	4,043	6,168	2,125	52.56

Sources of Profit/Loss (TL Million)	31.12.2023	31.12.2024
Interest Margin	7,520.4	11,266.7
FX Margin	-2,752.1	-169.7
Fees and Commissions Margin	109.1	202.0
Cap. Mar. Trans. Margin	162.5	101.3
Derivative Financial Trans. Margin	1,986.1	-729.6
Other Income Margin	-1,383.4	-1,972.1
Profit Before Tax	5,642.6	8,698.6
Tax Provision (-)	1,599.2	2,531.0
Net Profit (Loss)	4,043.4	6,167.6

A breakdown of the structure of the Bank’s interest income/expenses reveals that interest income from loans continued to be the determining factor due to its high share in total assets.

The interest margin, the most important component of the Bank’s profitability structure, rose by 49.82% (or about TL 3,746 million) in December 2024 to TL 11,267 million from the same month in 2023. The percentage of interest income from loans in total interest income dropped from 43.95% at the end of 2023 to 41.41% at the end of 2024. While the percentage of interest income from banks in total interest income fell to 17.65% from 16.89% year-on-year, the percentage of interest income from money market transactions in total interest income rose to 17.77% from 16.15% in 2024. By the end of 2024, the interest income from securities accounted for 23.93% of total interest income, up from 22.25% at the end of 2023.

Composition of Interest Income/Expenses (%)	31.12.2023	31.12.2024
Interest Income	100	100
From Loans	43.95	41.41
From Banks	17.65	16.89
From Money Market Transactions	16.15	17.77
From Securities	22.25	23.93
Other	0.00	0.00
Interest Expenses	100	100
On Money Market Transactions	6.11	11.64
On Loans Used	83.53	83.72
Other	10.36	4.64

While the average return on equity decreased from 45.66% to 38.18%, the Bank’s average return on assets rose from 3.57% to 4.27% year-on-year.

As of the end of December 2024, the regulatory shareholders’ equity went up to TL 24,231.8 million. In the meanwhile, the Credit Value at Risk and Market Value at Risk totaled TL 107,075.1 million and TL 20,484.3 million, respectively, and the Operational Value at Risk was TL 7,209.8 million. As a result, the Bank’s CASR, which was 16.86% in December 2023, was realized as 17.98% as of the end of December 2024.

CREDIT RATINGS

On September 17, 2024, Fitch Ratings upgraded the Bank’s credit rating from B+ to BB- and affirmed its outlook as “Stable.”

Foreign Currency	Note	Outlook
Long-Term	BB-	Stable
Short-Term		
Turkish Lira		
Long-Term	BB-	Stable
Short-Term	Bx	
National		
Long-Term	AAA (TUR)	Stable
Support Note (Government Support Rating)	bb-	

SUMMARY FINANCIAL INFORMATION AND KEY RATIOS
FOR THE PERIOD 2020–2024

(TL Million)	2020	2021	2022	2023	2024
Total Assets	28,073.4	48,380.7	91,598.2	134,847.5	153,596.1
Financial Assets	6,141.9	8,421.5	24,342.9	37,840.1	48,959.8
Total Loans	20,402.7	37,483.2	60,340.3	84,158.7	94,812.8
Non-performing Loans (Net)	68.1	326.7	326.6	319.3	156.4
Total Liabilities	24,485.2	43,917.4	84,754.8	123,965.0	133,599.1
Paid-in Capital	1,600.0	2,000.0	2,500.0	2,500.0	5,500.0
Shareholders' Equity	3,588.2	4,463.4	6,843.4	10,882.5	19,997.0
Net Interest Income	737.3	1,376.8	3,003.0	7,520.4	11,266.7
Net Profit	501.8	813.9	1,691.4	4,043.4	6,167.6

(%)	2020	2021	2022	2023	2024
Total Loans/Total Assets	72.7	77.5	65.9	62.41	61.73
Non-performing Loans (Gross)/Total Loans (Gross)	1.1	2.3	1.5	1.01	0.77
Total Foreign Currency-denominated Liabilities/Total Liabilities	87.2	90.8	92.5	91.93	86.98
Shareholders’ Equity/Total Assets	12.8	9.2	7.5	8.07	13.02
Capital Adequacy Standard Ratio	22.4	14.3	16.7	16.86	17.98
Average Return on Assets	2.2	2.4	2.4	3.57	4.27
Average Return on Equity	19.5	20.2	31.1	45.66	38.18

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

**Unconsolidated Financial Statements
as at and for the Year Ended 31 December 2024
with Independent Auditor's Audit Report**

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



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Convenience Translation of the Auditor’s Audit Report Originally Issued in Turkish

Independent Auditors’ Report on Audit of Unconsolidated Financial Statements

To the General Assembly of Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Opinion

We have audited the unconsolidated statement of financial position of Türkiye Kalkınma ve Yatırım Bankası A.Ş. (“the Bank”) as of December 31, 2024, and the related unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity, unconsolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements.

In our opinion the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Türkiye Kalkınma ve Yatırım Bankası A.Ş. as of December 31, 2024 and unconsolidated financial performance and unconsolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.

Basis for Opinion

Our audit was conducted in accordance with “Regulation on independent audit of the Banks” published in the Official Gazette no.29314 dated April 2, 2015, by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards (“ISA”) which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

As of December 31, 2023, the unconsolidated financial statements of the Bank, prepared in accordance with the "BRSA Accounting and Financial Reporting Legislation", were audited by another audit firm. The independent audit firm expressed an unqualified opinion in its independent audit report dated February 8, 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How the Key Audit Matter is addressed in our audit
Financial impact of TFRS 9 “Financial Instruments” standard and recognition of classification, measurement and impairment on financial assets and related important disclosures	
As presented in Section 3, disclosure numbered IX , the Bank recognizes expected credit losses of financial assets in accordance with TFRS 9 Financial Instruments standard. We considered impairment of financial assets as a key audit matter since: - Amount of on and off-balance sheet items that are subject to expected credit loss calculation is material to the financial statements - There are complex and comprehensive requirements of TFRS 9 - The classification of the financial assets is based on the Bank’s business model and characteristics of the contractual cash flows in accordance with TFRS 9 and the Bank uses significant judgment on the assessment of the business model and identification of the complex contractual cash flow characteristics of financial instruments - Policies implemented by the Bank management include compliance risk to the regulations and other practices - Processes of TFRS 9 are advanced and complex - Judgements and estimates used in expected credit loss, complex and comprehensive - Disclosure requirements of TFRS 9 are comprehensive and complex.	Our audit procedures included among others include: - Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Bank’s past experience, local and global practices - Reviewing and testing of processes which are used to calculate expected credit losses by involving our Information technology and process audit specialists - Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments and data sources used in calculating expected loss, taking into account standard requirements, industry and global practices - Reviewing the appropriateness of criteria in order to identify the financial assets having solely payments of principal and interest and checking the compliance to the Bank’s Business model - Reviewing the Bank’s classification and measurement models of the financial instruments and comparing with TFRS 9 requirements - Evaluating the alignment of the significant increase in credit risk determined during the calculation of expected credit losses, default definition, restructuring definition, probability of default, loss given default, exposure at default and macro-economic variables that are determined by the financial risk management experts with the Bank’s past performance, regulations, and other processes that has forward looking estimations - Assessing the completeness and the accuracy of the data used for expected credit loss calculation. - Testing the mathematical accuracy of expected credit loss calculation on sample basis - Evaluating the necessity and accuracy of the updates made or required updates after the modeling process - Auditing of TFRS 9 disclosures.



Responsibilities of Management and Directors for the Unconsolidated Financial Statements

Bank management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements

In an independent audit, the responsibilities of us as independent auditors are:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion(The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with government with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code (“TCC”) no 6102; no significant matter has come to our attention that causes us to believe that the Bank’s bookkeeping activities and financial statements for the period January 1 – December 31, 2024, are not in compliance with the TCC and provisions of the Bank’s articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor’s report is Aykut Üşenti.

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

Aykut Üşenti, SMMM
Partner

February 6, 2025
İstanbul, Türkiye

A member firm of Ernst & Young Global Limited

**THE UNCONSOLIDATED FINANCIAL REPORT OF TÜRKİYE KALKINMA VE YATIRIM
BANKASI A.Ş. AS OF 31 DECEMBER 2024**

The Headquarters Address	İnkılap Mahallesi Dr.Adnan Büyükdeniz Cad. No:10 Ümraniye / İSTANBUL
Telephone and Facsimile	Tel: 0 216 636 87 00 Fax: 0 216 636 89 28
Website Address	http://www.kalkinma.com.tr
E-mail Address	muhasabe@kalkinma.com.tr

The unconsolidated financial report for the year ended 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
- OTHER EXPLANATIONS
- INDEPENDENT AUDITOR’S REPORT

The accompanying unconsolidated financial statements and notes to these financial statements for the year ended 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 audited.

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 : Zeynep KOÇ / Vice President
Tel No : 0 216 636 88 89

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Unconsolidated Financial Statements as of 31 December 2024

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

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:

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

(*) Includes all institutions and individuals and shares of these shareholders are traded in Borsa İstanbul. Therefore number of shareholders can’t be known.

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Unconsolidated Financial Statements as of 31 December 2024

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

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	29
Zeynep BOĞA	Board Member	04.08.2023	Master’s Degree	19
Zekeriya ÇOSTU	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)
İbrahim H. ÖZTOP	General Manager / Information Security, Legal Affairs, CEO Office Directorate and all other areas	16.08.2018	Master’s Degree	28
Satı BALCI	EVP / Subsidiaries and Corporate Relations, Credit Portfolio Management and Monitoring(*), Loan Operations, Treasury and Capital Markets Operations, Türkiye Development Fund	07.11.2017	Bachelor’s Degree	36
Seçil KIZILKAYA YILDIZ	EVP / Financial Analysis and Valuation, Engineering, Economic Research, Sectoral Research, Mergers and Acquisition Advisory, Capital Markets Advisory, Financial Advisory,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, Corporate Communications(**)	18.10.2022	Master’s Degree	19

(*) With the decision of the Bank’s Board of Directors dated 30 September 2024, the Loan Monitoring Unit was assigned to Executive Vice President Satı BALCI, with the decision dated 6 November 2024, the name of the unit was changed to Credit Portfolio Management and Monitoring.

(**) With the decision of the Bank’s Board of Directors dated 16 October 2024, the Corporate Communications Unit was assigned to Executive Vice President Nuri Yasin KÜLAHÇI.

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.

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Unconsolidated Financial Statements
as of 31 December 2024

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

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 31 December 2024, the Bank has 1 branch operating 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
- VII. Statement of Profit Distribution

(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 31 December 2024

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five I)	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
		TL	FC	TOTAL	TL	FC	TOTAL
ASSETS							
I. FINANCIAL ASSETS (NET)	(1)	25.304.115	23.655.695	48.959.810	22.296.189	15.543.865	37.840.054
1.1 Cash and Cash Equivalents		20.941.625	1.659.543	22.601.168	20.791.342	1.170.926	21.962.268
1.1.1 Cash and Balances with Central Bank		1.842	-	1.842	2.560	-	2.560
1.1.2 Banks		11.022.933	1.659.543	12.682.476	3.758.538	1.170.926	4.929.464
1.1.3 Money Markets		9.921.861	-	9.921.861	17.046.025	-	17.046.025
1.1.4 Expected Credit Loss (-)		(5.011)	-	(5.011)	(15.781)	-	(15.781)
1.2 Financial Assets Measured at Fair Value Through Profit or Loss		416.293	280.704	696.997	318.816	272.639	591.455
1.2.1 Government Securities		-	-	-	-	-	-
1.2.2 Equity Securities		416.293	280.704	696.997	318.816	272.639	591.455
1.2.3 Other Financial Assets		-	-	-	-	-	-
1.3 Financial Assets Measured at Fair Value Through Other Comprehensive Income		3.802.055	21.715.448	25.517.503	1.120.503	14.100.112	15.220.615
1.3.1 Government Securities		3.201.141	5.848.330	9.049.471	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		592.101	15.867.118	16.459.219	233.895	6.341.424	6.575.319
1.4 Derivative Financial Assets	(1,5)	144.142	-	144.142	65.528	188	65.716
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit or Loss		144.142	-	144.142	65.528	188	65.716
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(2)	30.909.813	72.576.250	103.486.063	24.956.730	71.399.398	96.356.128
2.1 Loans		22.773.031	72.039.804	94.812.835	19.333.681	64.825.027	84.158.708
2.2 Lease Receivables		1	-	1	3	-	3
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortised Cost		9.865.929	536.446	10.402.375	7.046.016	6.574.371	13.620.387
2.4.1 Government Securities		9.865.929	536.446	10.402.375	7.046.016	6.513.924	13.559.940
2.4.2 Other Financial Assets		-	-	-	-	60.447	60.447
2.5 Expected Credit Loss (-)		(1.729.148)	-	(1.729.148)	(1.422.970)	-	(1.422.970)
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(3)	-	-	-	-	-	-
3.1 Held for Sale Purpose		-	-	-	-	-	-
3.2 Related to Discontinued Operations		-	-	-	-	-	-
IV. EQUITY INVESTMENTS	(4)	54.612	-	54.612	27.332	-	27.332
4.1 Associates (Net)		10.586	-	10.586	10.586	-	10.586
4.1.1 Associates Accounted Based on Equity Method		-	-	-	-	-	-
4.1.2 Unconsolidated Financial Subsidiaries		10.586	-	10.586	10.586	-	10.586
4.2 Subsidiaries (Net)		44.026	-	44.026	16.746	-	16.746
4.2.1 Unconsolidated Financial Subsidiaries		44.026	-	44.026	16.746	-	16.746
4.2.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)		-	-	-	-	-	-
4.3.1 Joint Ventures Accounted Based on Equity Method		-	-	-	-	-	-
4.3.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	(6)	72.180	-	72.180	42.366	-	42.366
VI. INTANGIBLE ASSETS (Net)	(7)	52.125	-	52.125	32.252	-	32.252
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		52.125	-	52.125	32.252	-	32.252
VII. INVESTMENT PROPERTY (Net)	(8)	-	-	-	-	-	-
VIII. CURRENT TAX ASSET	(9)	-	-	-	-	-	-
IX. DEFERRED TAX ASSET	(10)	477.494	-	477.494	322.823	-	322.823
X. OTHER ASSETS (Net)		253.872	239.929	493.801	67.055	159.464	226.519
TOTAL ASSETS		57.124.211	96.471.874	153.596.085	47.744.747	87.102.727	134.847.474

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 31 December 2024

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

I. BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)	Note (Section Five II)	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
		TL	FC	TOTAL	TL	FC	TOTAL
LIABILITIES							
I. DEPOSITS	(1)	-	-	-	-	-	-
II. FUNDS BORROWED	(2)	21.904.450	86.380.401	108.284.851	17.995.416	79.951.624	97.947.040
III. MONEY MARKET FUNDS	(3)	3.424.625	11.032	3.435.657	2.884.276	-	2.884.276
IV. SECURITIES ISSUED (Net)	(4)	-	3.735.924	3.735.924	-	3.321.427	3.321.427
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	3.735.924	3.735.924	-	3.321.427	3.321.427
V. FUNDS	(5)	2.254.778	6.147.855	8.402.633	2.676.239	3.721.694	6.397.933
5.1 Borrower Funds		1.505.796	3.507.329	5.013.125	325.241	2.584.491	2.909.732
5.2 Other		748.982	2.640.526	3.389.508	2.350.998	1.137.203	3.488.201
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(6)	-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	(7,10)	17.382	3.507	20.889	15.195	3.104	18.299
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		17.382	3.507	20.889	15.195	3.104	18.299
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII. FACTORING LIABILITES	(8)	-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	(9)	22.161	-	22.161	20.737	-	20.737
X. PROVISIONS	(11)	599.237	-	599.237	428.541	-	428.541
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		473.370	-	473.370	266.464	-	266.464
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		125.867	-	125.867	162.077	-	162.077
XI. CURRENT TAX LIABILITY	(12)	813.963	-	813.963	545.981	-	545.981
XII. DEFERRED TAX LIABILITY	(13)	-	-	-	-	-	-
XIII. LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
13.1 Held for Sale Purpose		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT INSTRUMENTS	(15)	5.516.800	2.060.311	7.577.111	3.712.899	7.865.824	11.578.723
14.1 Borrowings		5.516.800	2.060.311	7.577.111	3.712.899	7.865.824	11.578.723
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	(16)	591.665	114.998	706.663	477.019	345.013	822.032
XVI. SHAREHOLDERS' EQUITY	(17)	19.905.545	91.451	19.996.996	10.795.135	87.350	10.882.485
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		2.438	-	2.438	(506)	-	(506)
16.4 Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		11.484	91.451	102.935	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)		6.167.585	-	6.167.585	4.043.375	-	4.043.375
16.6.1 Prior Periods' Profit or (Loss)		-	-	-	-	-	-
16.6.2 Current Period Profit or (Loss)		6.167.585	-	6.167.585	4.043.375	-	4.043.375
TOTAL LIABILITIES		55.050.606	98.545.479	153.596.085	39.551.438	95.296.036	134.847.474

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 31 December 2024

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

II.	STATEMENT OF OFF-BALANCE SHEET ACCOUNTS	Note (Section Five III)	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
			TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		10.610.912	32.631.385	43.242.297	11.876.311	24.568.607	36.444.918
I.	GUARANTEES AND WARRANTIES	(1)	149.197	4.925.973	5.075.170	84.924	4.669.416	4.754.340
1.1	Letters of Guarantee		149.197	4.159.253	4.308.450	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		149.196	4.159.253	4.308.449	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		-	133.709	133.709	-	-	-
1.3.1	Documentary Letters of Credit		-	133.709	133.709	-	-	-
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		-	633.011	633.011	-	609.260	609.260
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	(1,3)	3.895.049	15.540.909	19.435.958	1.656.171	7.929.901	9.586.072
2.1	Irrevocable Commitments		318.549	646.801	965.350	390.901	1.292.430	1.683.331
2.1.1	Asset Purchase and Sale Commitments		72.489	120.074	192.563	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	526.727	772.787	262.911	54	262.965
2.2	Revocable Commitments		3.576.500	14.894.108	18.470.608	1.265.270	6.637.471	7.902.741
2.2.1	Revocable Loan Granting Commitments		3.576.500	14.894.108	18.470.608	1.265.270	6.637.471	7.902.741
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS	(2)	6.566.666	12.164.503	18.731.169	10.135.216	11.969.290	22.104.506
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		6.566.666	12.164.503	18.731.169	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		6.566.666	12.164.503	18.731.169	10.135.216	11.969.290	22.104.506
3.2.2.1	Foreign Currency Swap-Buy		2.307.407	7.105.124	9.412.531	982.007	10.034.857	11.016.864
3.2.2.2	Foreign Currency Swap-Sell		4.259.259	5.059.379	9.318.638	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.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		131.260.731	549.735.253	680.995.984	131.922.770	446.065.549	577.988.319
IV.	ITEMS HELD IN CUSTODY		135.670	-	135.670	118.371	-	118.371
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		135.670	-	135.670	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		-	-	-	-	-	-
V.	PLEDGES RECEIVED		131.125.061	549.735.253	680.860.314	131.804.399	446.065.549	577.869.948
5.1	Marketable Securities		3.476.749	654.546	4.131.295	15.655.237	-	15.655.237
5.2	Guarantee Notes		-	3.360.450	3.360.450	2.390	4.853.729	4.856.119
5.3	Commodity		-	-	-	-	-	-
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		121.911.393	514.670.160	636.581.553	110.341.770	413.292.111	523.633.881
5.6	Other Pledged Items		5.623.575	26.609.300	32.232.875	5.668.808	23.577.339	29.246.147
5.7	Pledged Items-Depository		113.344	4.440.797	4.554.141	136.194	4.342.370	4.478.564
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		141.871.643	582.366.638	724.238.281	143.799.081	470.634.156	614.433.237

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 31 December 2024

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

III. STATEMENT OF PROFIT OR LOSS		Note (Section Five IV)	Audited	Audited
			Current Period 1 January- 31 December 2024	Prior Period 1 January- 31 December 2023
INCOME AND EXPENSE ITEMS				
I.	INTEREST INCOME	(1)	23.344.740	16.174.559
1.1	Interest on Loans		9.667.343	7.108.531
1.2	Interest on Reserve Requirements		-	-
1.3	Interest on Banks		3.943.080	2.855.021
1.4	Interest on Money Market Transactions		4.148.014	2.612.351
1.5	Interest on Marketable Securities Portfolio		5.586.303	3.598.585
1.5.1	Fair Value Through Profit or Loss		-	-
1.5.2	Fair Value Through Other Comprehensive Income		2.186.994	1.076.745
1.5.3	Measured at Amortised Cost		3.399.309	2.521.840
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		-	71
II.	INTEREST EXPENSE (-)	(2)	(12.078.016)	(8.654.204)
2.1	Interest on Deposits		-	-
2.2	Interest on Funds Borrowed		(10.112.142)	(7.228.677)
2.3	Interest Expense on Money Market Transactions		(1.406.061)	(528.595)
2.4	Interest on Securities Issued		(259.906)	(182.028)
2.5	Measured at Amortised Expense		(5.220)	(2.908)
2.6	Other Interest Expenses		(294.687)	(711.996)
III.	NET INTEREST INCOME (I - II)		11.266.724	7.520.355
IV.	NET FEES AND COMMISSIONS INCOME		202.039	109.072
4.1	Fees and Commissions Received		241.904	154.721
4.1.1	Non-cash Loans		88.282	90.520
4.1.2	Other	(13)	153.622	64.201
4.2	Fees and Commissions Paid		(39.865)	(45.649)
4.2.1	Non-cash Loans		(2)	(14)
4.2.2	Other	(13)	(39.863)	(45.635)
V.	DIVIDEND INCOME	(3)	29.035	22.876
VI.	TRADING PROFIT / (LOSS) (Net)	(4)	(797.919)	(603.506)
6.1	Trading Gains / (Losses) on Securities		101.323	162.471
6.2	Gains / (Losses) on Derivative Financial Transactions		(729.556)	1.986.104
6.3	Foreign Exchange Gains / (Losses)		(169.686)	(2.752.081)
VII.	OTHER OPERATING INCOME	(5)	432.276	218.105
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		11.132.155	7.266.902
IX.	EXPECTED CREDIT LOSS (-)	(6)	(734.413)	(492.033)
X.	OTHER PROVISION EXPENSE (-)	(6)	(452.834)	(348.006)
XI.	PERSONNEL EXPENSE (-)		(825.823)	(430.335)
XII.	OTHER OPERATING EXPENSES (-)	(7)	(420.463)	(353.921)
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		8.698.622	5.642.607
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(9)	8.698.622	5.642.607
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)	(2.531.037)	(1.599.232)
18.1	Current Tax Provision		(2.662.920)	(1.762.541)
18.2	Deferred Tax Income Effect (+)		-	-
18.3	Deferred Tax Expense Effect (-)		131.883	163.309
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII+XVIII)	(11)	6.167.585	4.043.375
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
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		-	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
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		-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (++)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII+XXIII)		-	-
XXV.	NET PROFIT/(LOSS) (XIX+XXIV)	(12)	6.167.585	4.043.375
25.1	Earning/(Loss) per share (in TL full)		0,014	0,016

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 31 December 2024

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

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
I.	CURRENT PERIOD PROFIT/LOSS	6.167.585	4.043.375
II.	OTHER COMPREHENSIVE INCOME	(54.457)	(4.272)
2.1	Not Reclassified to Profit or Loss	2.944	-
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	4.157	-
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	(1.213)	-
2.2	Reclassified to Profit or Loss	(57.401)	(4.272)
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	(81.402)	(4.409)
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	24.001	(9.327)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	6.113.128	4.039.103

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 31 December 2024

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Paid-in Capital	Share Premium	Share Certificate Canceled Profits	Other Capital Reserves	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
						Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss									
						1	2	3	4	5	6				
	Prior Period 31 December 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 (13,736)	1,467	2,277,800	1,691,368	-	6,843,382
IV.	Total comprehensive income (loss)	-	-	-	-	-	-	-	-	-	9,464	-	4,043,375	-	4,039,103
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to legal reserves	-	-	-	-	-	-	-	-	-	-	1,691,368	(1,691,368)	-	-
11.3	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances (III+IV+.....+X+XI)	2,500,000	4,038	-	206,074	-	(506)	-	-	149,405	10,931	3,969,168	-	4,043,375	10,882,485
	Current Period 31 December 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 (57,401)	10,931	3,969,168	4,043,375	-	10,882,485
IV.	Total comprehensive income (loss)	-	-	-	-	-	2,944	-	-	-	-	-	4,043,375	-	6,113,128
V.	Capital increase in cash	3,000,000	1,383	-	-	-	-	-	-	-	-	-	-	6,167,585	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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances (III+IV+.....+X+XI)	5,500,000	5,421	-	206,074	-	2,438	-	-	92,004	10,931	8,012,543	-	6,167,585	19,996,996

1. Accumulated revaluation increases/decreases of fixed assets,
2. Accumulated remeasurement gains/losses of defined benefit plans,
3. Other (Shares of other comprehensive income of investments valued by the equity method that will not be reclassified to profit/loss and accumulated amounts of other comprehensive income elements that will not be reclassified to profit or loss),
4. Foreign currency translation differences,
5. Accumulated revaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income,
6. Other (Represents cash flow hedging gains/losses, shares of other comprehensive income of investments valued by the equity method to be classified in profit/loss, and accumulated amounts of other comprehensive income items to be reclassified as other 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 31 December 2024

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

VI. STATEMENT OF CASH FLOWS			
	Note (Section Five VI)	Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
I.1 Operating Profit Before Changes in Operating Assets and Liabilities	(1)	6.910.943	4.037.666
1.1.1 Interest Received		21.832.901	12.828.693
1.1.2 Interest Paid		(11.376.008)	(5.885.250)
1.1.3 Dividend Received		29.035	22.876
1.1.4 Fees and Commissions Received		241.904	154.721
1.1.5 Other Income		6.937	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables		142.506	141.541
1.1.7 Payments to Personnel and Service Suppliers		(1.035.933)	(515.116)
1.1.8 Taxes Paid		(2.517.855)	(1.579.730)
1.1.9 Other	(1)	(412.544)	(1.130.069)
I.2 Changes in Operating Assets and Liabilities	(1)	(1.060.222)	3.966.737
1.2.1 Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss		(79.766)	(142.400)
1.2.2 Net (Increase) / Decrease in Due From Banks and Other Financial Institutions		-	-
1.2.3 Net (Increase) / Decrease in Loans		595.226	4.571.645
1.2.4 Net (Increase) / Decrease in Other Assets		(188.316)	420.236
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		(2.976.406)	2.597.223
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities	(1)	1.589.040	(3.479.967)
I. Net Cash Provided from Banking Operations	(1)	5.850.721	8.004.403
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Provided from Investing Activities		(2.658.780)	(3.907.441)
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		(45.640)	(14.733)
2.4 Disposals of Property and Equipment		2.480	421.475
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(33.755.416)	(22.856.316)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		27.058.219	19.831.165
2.7 Purchase of Financial Assets Measured at Amortised Cost		(2.738.782)	(2.499.330)
2.8 Sale of Financial Assets Measured at Amortised Cost		6.885.548	837.510
2.9 Other		(35.189)	379.324
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities	(1)	(2.515.798)	(16.442)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(5.489.924)	-
3.3 Issued Equity Instruments		3.001.383	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(27.257)	(16.442)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(1)	(365.060)	2.022.255
V. Net Decrease/ Increase in Cash and Cash Equivalents (I+II+III+IV)		311.083	6.102.775
VI. Cash and Cash Equivalents at the Beginning of the Period	(2)	21.402.100	15.299.325
VII. Cash and Cash Equivalents at the End of the Period	(3)	21.713.183	21.402.100

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.

Statement of Profit Distribution
for the Period Ended 31 December 2024

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

VII. STATEMENT OF PROFIT DISTRIBUTION		
	Audited Current Period 1 January- 31 December 2024 ^(*)	Audited Prior Period 1 January- 31 December 2023 ^(**)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	8.698.622	5.642.607
1.2 TAXES AND DUTIES PAYABLE(-)	(2.531.037)	(1.599.232)
1.2.1 Corporate Tax (Income tax)	(2.662.920)	(1.762.541)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	131.883	163.309
A. NET INCOME FOR THE YEAR (1.1-1.2)	6.167.585	4.043.375
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-) ^(**)	-	(202.169)
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	6.167.585	3.841.206
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES ^(**)	-	3.841.206
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE^(***)		
3.1 TO OWNERS OF ORDINARY SHARES	0,014	0,016
3.2 TO OWNERS OF ORDINARY SHARES (%)	1,4	1,6
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Since the profit distribution proposal for 2024 to be submitted to the General Assembly for approval has not yet been prepared by the Board of Directors, only the distributable profit amount is specified in the 2024 profit distribution statement.

(**) The profit of 2023 was transferred to legal reserves and extraordinary reserves with the decision of the General Assembly.

(***) Shown with full TL amount.

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Unconsolidated Financial Statements
as of 31 December 2024

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

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 as of 31 December 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, in accordance with the BRSA's decisions dated 12 December 2023 and numbered 10744 and dated 5 December 2024 and numbered 11021, respectively, it has been decided not to subject the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies to inflation adjustment required under TAS 29 in 2024 and 2025. Accordingly, TAS 29 has not been applied in the financial statements of the Bank as of 31 December 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.

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

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

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, KfW Development Bank and the OPEC International Development Fund, 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, KfW 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.

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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, Option 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 discounts 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 provision is calculated based on the interest accruals and discounts 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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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.

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 of interest at certain dates.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Financial Assets (Continued):

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

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.

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 initial recognition, 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 trading 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 statement of other comprehensive income are not transferred to profit or loss in the following periods but are transferred to previous period’s 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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Financial Assets (Continued):

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 rediscount. 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.

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on Financial Assets (Continued):

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 the statement of other comprehensive income 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.

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).

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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

In the TFRS 9 impairment, a three-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.

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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

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.

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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

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.

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.

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

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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 bearded 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 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.

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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 depredation 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.

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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 TAS 19 “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 31 December 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 date have been calculated with a discount rate of 3,01% (31 December 2023: 1,91%). The maximum amount of full TL 46.655,43 effective from 1 January 2025 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.

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued):

Current Tax (Continued):

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. The 75% exemption from corporate tax for the gains arising from the sale of founders' shares, redeemed shares and preemptive rights that are hold for the same period as participation shares was reduced to 50% by the Presidential Decree No. 9160 published in the Official Gazette dated 27 November 2024 and numbered 32735. 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 2021, 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.

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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.

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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, KfW Development Bank and OPEC International Development Fund 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, KfW 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.

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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:

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.

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Net Profit for the Period	6.167.585	4.043.375
Weighted Average Number of Ordinary Shares Issued (Thousand)	450.819.672	250.000.000
Earnings Per Share (in Full TL)	0,01368	0,01617

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 purposes of these financial statements, shareholders, senior executives and members of the board of directors, 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 VII of Chapter Five.

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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 31 December 2024, explanations in line with segment reporting are shown below.

	Investment Banking (Treasury)	Corporate Banking	Other	Total Operations of the Bank
Current Period (31.12.2024)				
Net interest income/(expense)	12.054.465	(782.521)	(5.220)	11.266.724
Net fees and commissions income/(expense)	(18.584)	220.623	-	202.039
Other income	1.028.029	768.761	109.268	1.906.058
Other expense	(1.745.781)	(1.262.241)	(1.668.177)	(4.676.199)
Profit before tax	11.318.129	(1.055.378)	(1.564.129)	8.698.622
Tax provision	-	-	(2.531.037)	(2.531.037)
Profit/(Loss)	11.318.129	(1.055.378)	(4.095.166)	6.167.585
Current Period (31.12.2024)				
Segment assets	58.631.504	94.176.590	733.379	153.541.473
Associates and subsidiaries	-	54.612	-	54.612
Total Assets	58.631.504	94.231.202	733.379	153.596.085
Segment liabilities	5.745.717	125.732.076	2.121.296	133.599.089
Shareholders’ equity	-	-	19.996.996	19.996.996
Total Liabilities	5.745.717	125.732.076	22.118.292	153.596.085

	Investment Banking (Treasury)	Corporate Banking	Other	Total Operations of the Bank
Prior Period (31.12.2023)				
Net interest income/(expense)	7.848.796	(325.604)	(2.837)	7.520.355
Net fees and commissions income/(expense)	(28.017)	121.482	15.607	109.072
Other income	2.045.721	325.686	20.374	2.391.781
Other expense	-	(3.249.643)	(1.128.958)	(4.378.601)
Profit before tax	9.866.500	(3.128.079)	(1.095.814)	5.642.607
Tax provision	-	-	(1.599.232)	(1.599.232)
Profit/(Loss)	9.866.500	(3.128.079)	(2.695.046)	4.043.375
Prior Period (31.12.2023)				
Segment assets	50.848.753	83.531.920	439.469	134.820.142
Associates and subsidiaries	-	27.332	-	27.332
Total Assets	50.848.753	83.559.252	439.469	134.847.474
Segment liabilities	6.038.036	116.163.142	1.763.811	123.964.989
Shareholders’ equity	-	-	10.882.485	10.882.485
Total Liabilities	6.038.036	116.163.142	12.646.296	134.847.474

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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 31 December 2024 is TL 24.231.833 (31 December 2023: TL 19.763.573) and its capital adequacy ratio is 17,98% (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:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Common Equity Tier I Capital		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.706.074	2.706.074
Share issue premiums	5.421	4.038
Reserves	8.012.543	3.969.168
Gains recognized in equity as per TAS	136.949	208.244
Profit	6.167.585	4.043.375
Net profit for the period	6.167.585	4.043.375
Prior periods’ profit	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	10.931	10.931
Common Equity Tier I Capital Before Deductions	20.039.503	10.941.830
Deductions from Common Equity Tier I Capital		
Valuation adjustments as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	50.933	1.240
Improvement costs for operating leasing	193	995
Goodwill (net of related tax liability)		-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	52.125	32.252
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach that exceed total expected loss	-	-

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SECTION FOUR (Continued)
INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Equity (Continued)

Information on Equity Items (Continued):

Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities of the Bank	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	477.494	322.823
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier I Capital	580.745	357.310
Total Common Equity Tier I Capital	19.458.758	10.584.520
ADDITIONAL TIER I CAPITAL	-	-
Preferred stock not included in Common Equity Tier I Capital and the related share premiums	-	-
Debt instruments and premiums approved by BRSA	1.500.000	6.384.375
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital Before Deductions	1.500.000	6.384.375
Deductions From Additional Tier I Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of the Bank in equity instruments with the conditions declared in Article 7 issued by banks and financial institutions invested in the Bank’s Additional 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 less of the issued share capital exceeding the 10% threshold of above Common Equity Tier I Capital	-	-

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Equity (Continued)

Information on Equity Items (Continued):		
Total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from Tier I Capital during the Transition Period	-	-
Goodwill and other intangible assets and related deferred tax liabilities which is not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	1.500.000	6.384.375
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	20.958.758	16.968.895
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	2.060.311	1.827.616
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on Own Funds of Banks)	1.212.764	967.062
Tier II Capital Before Deductions	3.273.075	2.794.678
Deductions from Tier II Capital	-	-
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-	-
Investments of the Bank in equity instruments with the conditions declared in Article 8 issued by banks and financial institutions invested in the Bank’s Tier II Capital	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Tier II 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	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	3.273.075	2.794.678
Total Capital (The sum of Tier I Capital and Tier II Capital)	24.231.833	19.763.573
Total Tier I Capital and Tier II Capital (Total Capital)		
Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net book values of movables and immovables exceeding the limit defined in the article 57, clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years	-	-
Other items to be defined by the BRSA (-)	-	-

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Equity (Continued)

Information on Equity Items (Continued):		
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	-	-
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-	-
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-	-
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	24.231.833	19.763.573
Total Risk Weighted Amounts	134.769.138	117.205.130
CAPITAL ADEQUACY RATIOS		
CETI Capital Ratio (%)	14,44	9,03
Tier I Capital Ratio (%)	15,55	14,48
Capital Adequacy Ratio (%)	17,98	16,86
BUFFERS		
Total additional Common Equity Tier I Capital requirement ratio	2,5	2,5
Capital conservation buffer ratio (%)	2,5	2,5
Bank-specific counter-cyclical capital buffer ratio (%)	-	-
Systemic significant bank buffer ratio (%)	-	-
The ratio of additional Common Equity Tier I Capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to Risk Weighted Assets (%)	-	-
Amounts Lower Than Excesses as per Deduction Rules	-	-
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	-	-
Portion of the total of net long positions of investments in Common Equity Tier I Capital items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	-	-

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations Related to Equity (Continued)

Information on Equity Items (Continued):

Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits for Provisions Used in Tier II Capital Calculation	-	-
General loan provisions for exposures in standard approach (before limit of one hundred and twenty-five per ten thousand)	1.212.764	967.062
General loan provisions for exposures in standard approach limited by 1,25% of risk weighted assets	1.212.764	967.062
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	517.968	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	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	-	-
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	-	-
Upper limit for Tier II Capital items subject to Temporary Article 4	-	-
Amount of Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	-	-

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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:

	Balance Sheet Value	Amount of Adjustment	Value at Capital Report
Current Period (31.12.2024)			
1.Paid-in-Capital	5.500.000	206.074	5.706.074
2.Capital Reserves	211.495	(206.074)	5.421
2.1. Share Premium	5.421	-	5.421
2.2. Share Cancellation Profits	-	-	-
2.3. Other Capital Reserves	206.074	(206.074)	-
3.Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss	2.438	-	2.438
4.Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss	102.935	44.945	147.880
5.Profit Reserves	8.012.543	-	8.012.543
6.Profit or Loss	6.167.585	-	6.167.585
6.1. Prior Periods’ Profit/(Loss)	-	-	-
6.2. Current Period Profit/(Loss)	6.167.585	-	6.167.585
Deductions from Common Equity Tier I Capital (-)	-	(583.183)	(583.183)
Common Equity Tier I Capital	19.996.996	(538.238)	19.458.758
Subordinated Loans	-	1.500.000	1.500.000
Deductions from Tier I capital (-)	-	-	-
Tier I Capital	19.996.996	961.762	20.958.758
Subordinated Loans	-	2.060.311	2.060.311
General Provisions	-	1.212.764	1.212.764
Deductions from Tier II capital (-)	-	-	-
Tier II Capital	-	3.273.075	3.273.075
Deductions from Total Capital (-)	-	-	-
Total	19.996.996	4.234.837	24.231.833

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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):

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

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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:

Current Period (31.12.2024)	
Issuer-Loan supplier	Bank / Republic of Türkiye Ministry of Treasury and Finance
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
Regulatory treatment	
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)	2.060
Nominal value of instrument (TL million)	2.060
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	-
Interest / dividend payments	
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	-
Convertible into equity shares	
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	-
Write-down feature	
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.

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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):

Prior Period (31.12.2023)	
	Bank / Republic of Türkiye Ministry of Treasury and Finance
Issuer-Loan supplier	
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
Regulatory treatment	
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	-
Interest / dividend payments	
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	-
Convertible into equity shares	
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	-
Write-down feature	
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.

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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):

Current Period (31.12.2024)	
Issuer-Loan supplier	Bank / TWF
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
Regulatory treatment	
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	-
Interest / dividend payments	
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	-
Convertible into equity shares	
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	-
Write-down feature	
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.

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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):

Prior Period (31.12.2023)	
Issuer-Loan supplier	Bank / TWF
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
Regulatory treatment	
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
Original date of issuance	Subordinated Loan
Maturity structure of the instrument (perpetual/dated)	09.03.2022
Starting maturity of the instrument	Perpetual
Issuer call subject to prior supervisory (BRSA) approval	-
Call option dates, conditioned call dates and call amount	Yes
Subsequent call dates, if applicable	11-12-13 years at the earliest in tranches
Interest / dividend payments	-
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	-
Convertible into equity shares	-
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	-
Write-down feature	
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.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk:

Credit risk refers to the possibility of losses that the Bank may incur due to the loan customer's inability to fulfill its obligations partially or completely on time by not complying with the requirements of the concluded contract. The Bank ensures that credit risk is managed in accordance with the volume, nature and complexity of its loans within the framework of the legal regulations and restrictions of the BRSA, taking into account the best practices.

The most basic banking service that the Bank uses to finance medium and long term investments, which is its main function, is “project evaluation-based lending activity”. Taking into account the proportional size within the balance sheet structure, credit risk constitutes the most important risk item of the Bank.

The general principle of the risk policies to be followed by the Bank is to specialize in the activities that are in accordance with the tasks, vision and structure determined by the Establishment Law, to take risks that can be defined, controlled and/or managed in this sense, to make an effort not to take risks other than the risks that occur due to the structure of its activities and are inevitable. Based on the basic principle of ensuring that the risks to be taken in this context are also defined and manageable risks, the Bank has only manageable risks depending on the sensitivity shown to ensure that credit facilities are compatible with the credit source conditions, except for the credit risk and counterparty risk that occur and are unavoidable due to the need for lending.

In the Bank that has a fully functioning mechanisms based on activities, actively used committees and risk budgeting practices in decision-making and risk management processes, Credit Evaluation Committee continues its activities in order to determine the procedures and principles of the Bank's crediting, to evaluate the projects to be credited within the scope of the Bank's Environmental and Social Policy, to ensure coordination between the units in charge of credit transactions, to assess credit risk and the condition of the loan portfolio, to take decisions on loan allocation, postponement of loan receivables, installments, reorganization of conditions, the procedures and principles regarding the Bank's loan policies, to increase the efficiency of the loan portfolio within the framework of changing and developing conditions and to determine strategies for customers in trouble / legal follow-up.

The majority of the Bank’s loan placements are allocated with the approval of the Credit Evaluation Committee and the Board of Directors in accordance with the reports prepared by the Financial Analysis and Valuation Unit and the Credit Allocation Unit in accordance with the relevant legal regulations. Since the Bank’s placements are in the form of project financing, the amount of loans that can be extended to a company is mainly determined as a result of project evaluation studies, and loan disbursements are made in a controlled manner and by monitoring expenditures.

As for the companies that have been granted loans by the Bank, whose loans have been postponed or connected to the payback plan, the financial data of the companies are regularly monitored until the collection and liquidation of the risk is completed. For companies whose risk exceeds a certain amount or where there is a need for on-site inspection, inspection and determination are carried out both at the company headquarters and at the site of the facility. A Monitoring Report is being prepared, including the recommendations developed as a result of the reviews and evaluations.

The credit worthiness of the borrowers of loans and other receivables is monitored regularly in accordance with the relevant legislation, and in case of an increase in the risk level of the loan borrower, the credit limits are reviewed and additional collateral is obtained if necessary.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued):

In the utilization of the provided resources, the sectors suitable for the borrowing conditions are determined and credited. By monitoring the sectoral distribution of loan customers, this distribution is taken into account in placement decisions and goals.

The Bank ensures that credit risk is managed in accordance with the volume, nature and complexity of its loans within the framework of the legal regulations and restrictions of the BRSA, taking into account the best practices. The Bank provides the identification, measurement and management of the credit risks contained in all of its products and activities, without being limited to credit products only. The issue of whether the credit decision support systems are compatible with the structure, size and complexity of the Bank's activities is constantly reviewed, developed and adjustments are made to the system when necessary by the Board of Directors.

The Bank is registered under Article 54 of the Banking Law No. 5411. it is not subject to the general credit restrictions defined in the article. However, in the Bank's “Loans Policy” and “Risk Limits and Application Principles” documents, it has defined loan restrictions parallel to the restrictions contained in the law. In order to determine the level of credit risk that the Bank may face, the Risk Management Unit actively participates in the measurement, analysis and monitoring process and regularly reports to the Board of Directors and the Audit Committee to Senior Management.

Within the framework of the policies determined within the scope of the BRSA Accounting and Financial Reporting Legislation;

The Bank evaluates its financial assets in 3 stages within the scope of TFRS 9. In this context, for defaulted loans (3.Stage) and loans that have not yet defaulted, but which have significantly increased credit risk of the loan’s disbursement (2.Stage), the Bank calculates the expected lifetime credit loss. For other financial assets covered by TFRS 9 (1.Stage) the Bank reflects the calculation containing the probability of default within 12 months after the reporting date as the expected loss provision.

Futures and other derivative product transactions are carried out at the Bank within the framework of asset-liability management, taking into account the legal limits. The credit risk assumed due to such transactions is managed together with the potential risks arising from market movements. There is no option agreement in the Bank.

In accordance with the TFRS 9 Policy approved by the Board of Directors, the Bank allocates provisions as stipulated in the “Regulation on the Classification of Loans and the Procedures and Principles Related to the Provisions to be Allocated for Them” and the “Communiqué on the Turkish Financial Reporting Standard for TFRS 9 Financial Instruments”.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued):

Risk Categories	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Risk Amount ^(*)	Average Risk Amount	Risk Amount ^(*)	Average Risk Amount
Conditional and unconditional receivables to central governments or central banks	14.046.693	17.863.858	15.426.669	14.233.890
Conditional and unconditional receivables to banks and brokerage houses	26.061.893	24.798.095	31.196.733	33.177.866
Conditional and unconditional corporate receivables	92.095.778	83.508.118	77.072.807	64.164.312
Conditional and unconditional retail receivables	-	-	-	-
Conditional and unconditional receivables secured by real estate property	5.484.131	3.340.207	2.777.807	1.843.164
Overdue receivables	156.399	239.745	319.302	323.958
Receivables defined in high risk category by BRSA	-	-	-	-
Receivables as a collective investment establishment	224.359	237.077	228.491	174.264
Other receivables	1.098.121	960.025	619.070	455.072

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

Restructured loans whose amortization schedule has been changed are followed in the accounts which are specified by related regulations and monitored in accordance with the Bank’s credit risk policies. Accordingly, commercial activities of debtors are analyzed and repayments are monitored whether they are in line with the repayments schedules or not, and necessary precautions are taken.

Since the Bank does not have any risks within the scope of private sector loans and trading accounts in banking accounts in other countries, cyclical capital buffer is not calculated.

a) The share of the Bank’s receivables from the first 100 and 200 cash loan customers in the total cash loan portfolio is 91,70% and 99,43%, respectively (31 December 2023: 86,60% and 98,02%).

b) The share of cash and non-cash receivables from the Bank's first 100 and 200 loan customers in total on-balance sheet and off-balance sheet assets is 57,99% and 62,61%, respectively (31 December 2023: 55,61% and 62,50%).

c) The share of the Bank’s receivables from the first 100 and 200 non-cash loan customers in the total non-cash loan portfolio is 100% (31 December 2023: 100%).

The allocated expected credit loss provision for 1. and 2. Stage is TL 1.126.705 (31 December 2023: TL 892.314).

The expected loss provisions were not taken into account in the calculation of the above-mentioned ratios.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued):
Profile of Significant Risks in Important Regions

	Risk Categories(***)							
	Conditional and Unconditional Receivables from Central Governments or Central Banks	Conditional and Unconditional Receivables from Banks and Brokerage Houses	Conditional and Unconditional Corporate Receivables	Conditional and Non-Conditional Real Estate Mortgage-Secured Receivables	Overdue Receivables	Receivables Defined Under High Risk Category By The Board	Collective Investment Institution Like Investments	Other Receivables
Current Period (31.12.2024)								
Domestic	14.046.693	25.992.518	92.095.778	5.484.131	156.399	-	-	-
European Union (EU) Countries	-	274	-	-	-	-	224.359	-
OECD Countries (*)	-	69.101	-	-	-	-	-	-
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	54.612
Unallocated Assets (**)	-	-	-	-	-	-	-	1.043.509
Total	14.046.693	26.061.893	92.095.778	5.484.131	156.399	-	224.359	1.098.121
Prior Period (31.12.2023)								
Domestic	15.426.669	31.124.689	77.072.807	2.777.807	319.302	-	-	-
European Union (EU) Countries	-	12	-	-	-	-	228.491	-
OECD Countries (*)	-	72.032	-	-	-	-	-	-
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	27.332
Unallocated Assets (**)	-	-	-	-	-	-	-	591.738
Total	15.426.669	31.196.733	77.072.807	2.777.807	319.302	-	228.491	619.070

(*) OECD countries other than EU countries, USA and Canada.

(**) Asset and liability items that can not be allocated on a consistent basis.

(***) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued):

Risk profile by sectors or counterparties:

Current Period (31 December 2024)	Conditional and Unconditional Receivables from Central Governments or Central Banks	Conditional and Unconditional Receivables from Banks and Brokerage Houses	Conditional and Unconditional Corporate Receivables	Conditional and Non-Conditional Real Estate Mortgage-Secured Receivables	Overdue Receivables	Collective Investment Institution Like Investments	Other Receivables	TL	FC	TOTAL
Agriculture	-	-	333.511	90.361	-	-	-	350.074	73.798	423.872
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	55.308	-	-	-	-	55.308	-
Fishery	-	-	333.511	35.053	-	-	-	350.074	18.490	368.564
Manufacturing	-	-	76.720.881	4.432.006	135.782	-	-	20.728.893	60.559.776	81.288.669
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-
Production	-	-	27.388.337	4.134.939	-	-	-	17.651.867	13.871.409	31.523.276
Electricity, Gas, Water	-	-	49.332.544	297.067	135.782	-	-	3.077.026	46.688.367	49.765.393
Construction	-	-	762.291	890.950	-	-	-	624.531	1.028.710	1.653.241
Services	14.046.693	26.061.893	14.279.095	70.814	20.617	224.359	1.098.121	33.772.059	22.029.533	55.801.592
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-
Accommodation and Dining	-	4	780.653	70.814	20.617	-	-	525.382	346.706	872.088
Transportation and Telecommunication	-	-	2.083.182	-	-	-	-	111.429	1.971.753	2.083.182
Financial Institutions	14.046.693	26.061.889	11.264.405	-	-	224.359	1.098.121	33.129.684	19.565.783	52.695.467
Real Estate and Rental Services	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	17.514	-	-	-	-	5.564	11.950	17.514
Health and Social Services	-	-	133.341	-	-	-	-	-	133.341	133.341
Others	-	-	-	-	-	-	-	-	-	-
Total	14.046.693	26.061.893	92.095.778	5.484.131	156.399	224.359	1.098.121	55.475.557	83.691.817	139.167.374

There are no balances in the following classes:
1- Conditional and unconditional receivables from regional or local governments
2- Conditional and unconditional receivables from regional or local governments
3- Conditional and unconditional receivables from administrative units and non-commercial enterprises
4- Conditional and unconditional receivables from multilateral development banks
5- Conditional and unconditional receivables from international organizations
6- Conditional and unconditional real receivables
7- Conditional and unconditional high risk by the Board
8- Conditional and unconditional high risk by the Board
9- Conditional and unconditional high risk by the Board
10- Conditional and unconditional high risk by the Board
11- Conditional and unconditional high risk by the Board
12- Mortgage secured securities
13- Securitization positions
14- Short-term receivables from banks and intermediary institutions and short-term corporate receivables
15- Short-term receivables from banks and intermediary institutions and short-term corporate receivables
16- Stock investments

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued):

Risk profile by sectors or counterparties:

Prior Period (31 December 2023)	Conditional and Unconditional Receivables from Central Governments or Central Banks	Conditional and Unconditional Receivables from Banks and Brokerage Houses	Conditional and Unconditional Corporate Receivables	Conditional and Non- Conditional Real Estate Mortgage- Secured Receivables	Overdue Receivables	Collective Investment Institution Like Investments	Other Receivables	TL	FC	TOTAL
Agriculture	-	-	465.449	42.713	-	-	-	376.519	131.643	508.162
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	39.078	42.713	-	-	-	376.519	49.852	81.791
Fishery	-	-	426.371	-	-	-	-	16.999.206	58.659.383	75.658.589
Manufacturing	-	-	73.358.635	2.030.894	269.060	-	-	2.486	392.602	395.088
Mining and Quarrying	-	-	395.088	-	-	-	-	13.751.249	16.039.934	29.791.183
Production	-	-	28.084.495	1.706.576	112	-	-	3.245.471	42.226.847	45.472.318
Electricity, Gas, Water	-	-	44.879.052	324.318	268.948	-	-	-	-	-
Construction	-	-	492.905	517.724	-	-	-	908.459	102.170	1.010.629
Services	15.426.669	31.196.733	2.755.818	186.476	50.242	228.491	619.070	29.720.134	20.743.365	50.463.499
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-
Accommodation and Dining	-	4	999.876	171.530	50.242	-	-	432.835	788.817	1.221.652
Transportation and Telecommunication	-	-	819.344	-	-	-	-	161.412	657.932	819.344
Financial Institutions	15.426.669	31.196.729	609.260	-	-	228.491	619.070	29.114.498	18.965.721	48.080.219
Real Estate and Rental Services	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	70.040	14.946	-	-	-	11.389	73.597	84.986
Health and Social Services	-	-	257.298	-	-	-	-	-	257.298	257.298
Others	-	-	-	-	-	-	-	-	-	-
Total	15.426.669	31.196.733	77.072.807	2.777.807	319.302	228.491	619.070	48.004.318	79.636.561	127.640.879

There are no balances in the following classes:
2-Conditional and unconditional receivables from regional or local governments
3-Conditional and unconditional receivables from administrative units and non-commercial enterprises
4-Conditional and unconditional receivables from administrative units and non-commercial enterprises
5-Conditional and unconditional receivables from multilateral development banks
6-Conditional and unconditional receivables from international organizations
7-Conditional and unconditional receivables from international organizations
8-Conditional and unconditional receivables from international organizations
9-Conditional and unconditional receivables from international organizations
10-Conditional and unconditional receivables from international organizations
11-Receivables determined to be high risk by the Board
12-Mortgage secured securities
13-Securitization positions
14-Short-term receivables from banks and intermediary institutions and short-term corporate receivables
16-Stock investments

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued):

Analysis of Maturity-Bearing Risks According to Remaining Maturities:

Risk Categories Current Period (31.12.2024)	Term to Maturity						Total
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Not Bearing Maturity	
Conditional and unconditional receivables from central governments or central banks	648.625	349.580	1.526.023	1.589.525	9.910.527	22.413	14.046.693
Conditional and unconditional receivables from banks and brokerage houses	15.620.424	3.378.606	3.387.191	98.566	1.824.311	1.752.795	26.061.893
Conditional and unconditional corporate receivables	1.302.884	2.621.052	5.311.699	8.702.432	74.008.221	149.490	92.095.778
Conditional and unconditional real estate mortgage-secured receivables	2.418	-	18.960	162.583	5.300.170	-	5.484.131
Overdue receivables	-	-	-	-	-	156.399	156.399
Collective investment institution like investments	-	-	-	-	-	224.359	224.359
Other receivables	-	-	-	-	-	1.098.121	1.098.121
Total	17.574.351	6.349.238	10.243.873	10.553.106	91.043.229	3.403.577	139.167.374

Risk Categories Prior Period (31.12.2023)	Term to Maturity						Total
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Not Bearing Maturity	
Conditional and unconditional receivables from central governments or central banks	299.212	-	6.521.205	976.671	7.300.414	329.167	15.426.669
Conditional and unconditional receivables from banks and brokerage houses	17.137.537	3.936.777	1.379.273	1.852.639	5.632.451	1.258.056	31.196.733
Conditional and unconditional corporate receivables	954.052	3.520.489	3.658.011	8.090.808	60.849.447	-	77.072.807
Conditional and unconditional real estate mortgage-secured receivables	36.646	135.225	137.205	310.774	2.157.957	-	2.777.807
Overdue receivables	-	-	-	-	-	319.302	319.302
Collective investment institution like investments	-	-	-	-	-	228.491	228.491
Other receivables	-	-	-	-	-	619.070	619.070
Total	18.427.447	7.592.491	11.695.694	11.230.892	75.940.269	2.754.086	127.640.879

Information on Risk Categories

For the determination of risk weights for risk classes defined in the Article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, all counterparties are treated as non-rated since no rating agency is authorized.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued):

Credit Risk by Risk Weights - Standard Approach:

Current Period (31.12.2024)	0%	2%	10%	20%	25%	35%	50%	75%	100%	200%	250%	Other Risk Weights	Deductions from Equity
Risk Weights													
Before Credit Risk Mitigation	11.959.597	303.590	-	14.388.189	-	45.350	11.733.974	-	100.736.674	-	-	-	52.318
After Credit Risk Mitigation	11.959.597	303.590	-	14.388.189	-	45.350	16.749.793	-	95.720.855	-	-	-	-

Prior Period (31.12.2023)	0%	2%	10%	20%	25%	35%	50%	75%	100%	200%	250%	Other Risk Weights	Deductions from Equity
Risk Weights													
Before Credit Risk Mitigation	9.095.069	244.686	-	15.208.902	-	51.762	7.922.062	-	95.118.398	-	-	-	32.252
After Credit Risk Mitigation	9.095.069	244.686	-	15.208.902	-	51.762	13.181.873	-	89.858.587	-	-	-	-

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued):

Miscellaneous Information According to Important Sectors or Counterparty Type:

The Bank classifies its loans and allocates provisions within the framework of TFRS 9 Policy approved by the Board of Directors. In this context, for impaired loans the Bank calculates lifetime expected credit loss and reflects it as provision when the credit risk of the loan has not yet gone into default but has increased significantly from the date of disbursement (Stage 2) and in case of default (Stage 3).

The Bank has determined the “Significant Increase in Credit Risk” and “Classification” criteria in the TFRS 9 Provisions Methodology document approved by the Board of Directors, and its loans are classified and provisions are set aside in line with these criterias.

Current Period (31.12.2024) Major Sectors / Counterparties	Loans		Provisions
	Impaired Loans (TFRS 9)		Expected Credit Loss Provisions (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Default (Stage 3)	
Agriculture	-	-	-
Farming and Stockbreeding	-	-	-
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	5.164.614	664.162	1.073.764
Mining and Quarrying	-	-	-
Production	35.151	20.006	20.267
Electricity, Gas and Water	5.129.463	644.156	1.053.497
Construction	-	-	-
Services	493.804	67.454	49.876
Wholesale and Retail Trade	-	-	-
Accommodation and Dining	45.220	63.343	44.009
Transportation and Telecommunication	315.243	8	1.410
Financial Institutions	-	-	-
Real Estate and Rental Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	133.341	4.103	4.457
Others	-	1.134	1.134
Total	5.658.418	732.750	1.124.774

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Credit Risk (Continued):

Prior Period (31.12.2023) Major Sectors / Counterparties	Loans		Provisions
	Impaired Loans (TFRS 9)		Expected Credit Loss Provisions (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Default (Stage 3)	
Agriculture	-	-	-
Farming and Stockbreeding	-	-	-
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	3.130.758	751.728	745.794
Mining and Quarrying	-	-	-
Production	459.682	6.403	8.021
Electricity, Gas and Water	2.671.076	745.325	737.773
Construction	-	-	-
Services	271.652	95.220	49.572
Wholesale and Retail Trade	-	-	-
Accommodation and Dining	76.964	91.756	45.914
Transportation and Telecommunication	-	-	-
Financial Institutions	-	-	-
Real Estate and Rental Services	-	-	-
Professional Services	-	-	-
Educational Services	37.015	-	7
Health and Social Services	157.673	3.464	3.651
Others	-	1.134	1.134
Total	3.402.410	848.082	796.500

Information on Movements in Value Adjustments and Provisions:

Current Period (31.12.2024)	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1. Stage 3 Provisions	528.780	90.946	(43.375)	-	576.351
2. Stage 1 and 2 Provisions	892.314	349.851	(115.460)	-	1.126.705

Prior Period (31.12.2023)	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1. Stage 3 Provisions	567.821	42.357	(81.398)	-	528.780
2. Stage 1 and 2 Provisions	539.816	363.744	(11.246)	-	892.314

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. 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:

Date	USD	EURO	100 JPY
31/12/2024	35,2898	36,7084	22,6057
30/12/2024	35,2392	36,7439	22,3514
27/12/2024	35,1614	36,5995	22,3346
26/12/2024	35,2341	36,6329	22,4335
25/12/2024	35,2058	36,6246	22,4298

The simple arithmetic average value of the Bank’s foreign exchange purchase rate for the last thirty days from the date of the financial statements is US Dollar: 34,9223 TL, Euro: 36,5661 TL, CHF: 39,2820 TL.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Currency Risk (Continued):

Information on the currency risk of the Bank:

Current Period (31.12.2024)	EURO	USD	Other FC ^(*)	Total
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	362.235	1.293.944	3.364	1.659.543
Financial assets measured at fair value through profit and loss	224.299	56.405	-	280.704
Money market placements	-	-	-	-
Financial assets measured at fair value through other comprehensive income	6.660.703	15.054.745	-	21.715.448
Loans	26.082.676	45.957.128	-	72.039.804
Subsidiaries, associates and jointly controlled entities (joint ventures)	-	-	-	-
Financial assets measured at amortised cost	536.446	-	-	536.446
Derivative financial assets held for trading	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	96.659	143.270	-	239.929
Total assets	33.963.018	62.505.492	3.364	96.471.874
Liabilities				
Interbank deposits	-	-	-	-
Foreign currency deposits	-	-	-	-
Money market borrowings	2.096	8.936	-	11.032
Funds provided from other financial institutions	30.793.420	58.227.507	-	89.020.927
Securities issued	3.735.924	-	-	3.735.924
Subordinated debt instruments	2.060.311	-	-	2.060.311
Sundry creditors	10.919	104.079	-	114.998
Derivative financial liabilities held for trading	-	3.507	-	3.507
Other liabilities	439.559	3.159.221	-	3.598.780
Total liabilities	37.042.229	61.503.250	-	98.545.479
Net balance sheet position	(3.079.211)	1.002.242	3.364	(2.073.605)
Net off-balance sheet position	3.046.797	(1.001.052)	-	2.045.745
Assets on derivative instruments	3.046.797	4.058.327	-	7.105.124
Liabilities on derivative instruments	-	(5.059.379)	-	(5.059.379)
Non-cash loans	2.298.219	2.627.754	-	4.925.973
Prior Period (31.12.2023)				
Total assets	34.328.349	52.772.408	1.970	87.102.727
Total liabilities	37.054.639	58.241.397	-	95.296.036
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; 47% GBP, 42% CHF and 11% JPY.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations Related to Currency Risk (Continued):

Currency Risk Sensitivity:

The table below shows the Bank’s sensitivity to the 10% change in the US Dollar and Euro exchange rates.

	Increase in Exchange Rates	Effect on Profit/Loss ^(*)		Effect on Shareholders’ Equity	
	%	Current Period (31.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)	Prior Period (31.12.2023)
USD	10	(7.914)	319.029	1.505.474	981.130
EURO	10	(4.353)	49.637	674.157	414.765
Other	10	336	197	-	-

(*) It refers to the values before the tax effect is deducted.

	Decrease in Exchange Rates	Effect on Profit/Loss ^(*)		Effect on Shareholders’ Equity	
	%	Current Period (3.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)	Prior Period (31.12.2023)
USD	10	7.914	(319.029)	(1.505.474)	(981.130)
EURO	10	4.353	(49.637)	(674.157)	(414.765)
Other	10	(336)	(197)	-	-

(*) It refers to the values before the tax effect is deducted.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations Related to Interest Rate Risk:

Interest rate risk refers to the probability of losses that the Bank may incur due to movements in interest rates, depending on the position status of financial instruments. Changes in interest rates affect the level of return on assets and the cost of liabilities. The interest rate risk arising from banking accounts includes repricing risk, yield curve risk, base risk and optionality risk.

Interest rates determined by market actors, especially central banks, have a decisive role on the economic value of the Bank’s balance sheet and the Bank’s income-expense 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 interest rate gap may cause the Bank’s interest income to be negatively affected by fluctuations in market rates and the Bank’s profitability to decrease.

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. Considering that material part of the loan portfolio consists of variable-rate loans and is financed by borrowing, changes in borrowing costs are reflected in variable-rate loans, and the other loans are financed by Bank equity, it is unlikely that there will be interest rate risk due to interest rate changes.

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.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations Related to Interest Rate Risk (Continued):

Within the scope of the interest rate limits, the BHFoR 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 (based on days to repricing dates).

End of the Current Period (31.12.2024)	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye ⁽¹⁾	-	-	-	-	-	1.836	1.836
Banks ⁽¹⁾	12.601.467	-	-	-	-	79.596	12.681.063
Financial assets measured at fair value through profit or loss	-	-	-	-	-	696.997	696.997
Money market placements	9.918.269	-	-	-	-	-	9.918.269
Financial assets measured at fair value through other comprehensive income ⁽³⁾	2.554.709	3.751.549	8.303.655	10.742.261	156.516	8.813	25.517.503
Loans ⁽²⁾	19.865.266	21.012.207	18.285.097	7.964.007	25.826.803	156.399	93.109.779
Financial assets measured at amortised cost	646.816	349.580	1.894.602	1.914.385	5.572.121	-	10.377.504
Other assets ⁽⁴⁾	144.142	-	-	-	-	1.148.992	1.293.134
Total Assets ⁽⁵⁾	45.730.669	25.113.336	28.483.354	20.620.653	31.555.440	2.092.633	153.596.085
Liabilities							
Interbank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market borrowings	3.435.657	-	-	-	-	-	3.435.657
Miscellaneous payables	-	-	-	-	-	171.549	171.549
Marketable securities issued	-	-	3.735.924	-	-	-	3.735.924
Funds provided from other financial institutions	7.017.242	35.113.999	31.616.580	8.222.600	29.703.938	-	111.674.359
Other liabilities ^{(4),(6)}	2.150.348	-	-	-	5.516.800	26.911.448	34.578.596
Total Liabilities	12.603.247	35.113.999	35.352.504	8.222.600	35.220.738	27.082.997	153.596.085
Long position on balance sheet	33.127.422	-	-	12.398.053	-	-	45.525.475
Short position on balance sheet	-	10.000.663	(6.869.150)	-	(3.665.298)	(24.990.364)	(45.525.475)
Long position on off-balance sheet	128.539	-	-	-	-	-	128.539
Short position on off-balance sheet	-	(34.644)	-	-	-	-	(34.644)
Total Position	33.255.961	(10.035.307)	(6.869.150)	12.398.053	(3.665.298)	(24.990.364)	93.895

⁽¹⁾ Balances without maturity are shown in “Non-interest Bearing” column.
⁽²⁾ Net balance of non-performing loans is shown in “Non-interest Bearing” column.
⁽³⁾ Securities representing share in capital are shown in “Non-interest Bearing” column.
⁽⁴⁾ Deferred tax asset, shareholders’ equity and other non-interest-bearing assets and liabilities are shown in “Non-Interest Bearing” column.
⁽⁵⁾ The expected credit losses for financial assets and other assets are reflected to the related items.
⁽⁶⁾ Subordinated loans are shown in the “Other Liabilities” line.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations Related to Interest Rate Risk (Continued):

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

End of the Prior Period (31.12.2023)	Up to 1 Month	1–3 Months	3–12 Months	1–5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye ⁽¹⁾	-	-	-	-	-	2.560	2.560
Banks ⁽¹⁾	4.844.282	-	-	-	-	80.783	4.925.065
Financial assets measured at fair value through profit or loss	-	-	-	-	-	591.455	591.455
Money market placements	17.034.643	-	-	-	-	-	17.034.643
Financial assets measured at fair value through other comprehensive income ⁽³⁾	1.203.398	1.904.250	6.601.145	5.435.363	58.097	18.362	15.220.615
Loans ⁽²⁾	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 ⁽⁴⁾	65.716	-	-	-	-	651.290	717.006
Total Assets ⁽⁵⁾	40.932.562	21.930.827	28.566.985	15.766.495	25.986.853	1.663.752	134.847.474
Liabilities							
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 ^{(4),(6)}	472.047	-	6.038.208	-	3.712.899	16.609.650	26.832.804
Total Liabilities	10.448.784	28.630.222	42.771.276	7.594.593	28.419.223	16.983.376	134.847.474
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)
Total Position	30.450.771	(6.737.166)	(14.204.291)	8.171.902	(2.432.370)	(15.319.624)	(70.778)

⁽¹⁾ Balances without maturity are shown in “Non-interest Bearing” column.
⁽²⁾ Net balance of non-performing loans is shown in “Non-interest Bearing” column.
⁽³⁾ Securities representing share in capital are shown in “Non-interest Bearing” column.
⁽⁴⁾ Deferred tax asset, shareholders’ equity and other non-interest bearing assets and liabilities are shown in “Non-interest Bearing” column.
⁽⁵⁾ The expected credit losses for financial assets and other assets are reflected to the related items.
⁽⁶⁾ Subordinated loans are shown in the “Other Liabilities” line.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations Related to Interest Rate Risk (Continued):

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

End of the Current Period (31.12.2024)	EURO	USD	JPY	TL
Assets ^(*)				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	3,33	4,54		50,33
Financial assets measured at fair value through profit or loss	-	-	-	-
Money market placements	-	-	-	48,97
Financial assets measured at fair value through other comprehensive income	4,65	6,60		46,52
Loans	6,46	8,25		18,99
Other financial assets measured at amortised cost ^(**)	4,55			46,19
Liabilities ^(*)				
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	47,81
Miscellaneous payables	-	-	-	-
Marketable securities issued	6,63	-	-	-
Funds accepted by development and investment banks	2,30	2,60	-	45,84
Funds provided from other financial institutions ^(***)	3,60	5,97	-	22,64

^(*) 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 also include subordinated loans.

End of the Prior Period (31.12.2023)	EURO	USD	JPY	TL
Assets ^(*)				
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 ^(**)	4,62	7,68	-	50,76
Liabilities ^(*)				
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 ^(***)	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 also include subordinated loans.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations Related to Position Risk of Equity Securities:

None.

VI. 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 can not 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 Bank’s 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.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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 (31.12.2024)				Prior Period (31.12.2023)			
	FC	Date	FC+TL	Date	FC	Date	FC+TL	Date
Maximum (%)	271,84	11.10.2024	464,24	25.10.2024	117,72	13.10.2023	220,82	22.12.2023
Minimum (%)	85,42	15.11.2024	250,82	20.12.2024	100,00	29.12.2023	155,34	17.11.2023

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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) ^(*)	
Current Period (31.12.2024)	TL+FC	FC	TL+FC	FC
HIGH-QUALITY LIQUID ASSETS				
Total high-quality liquid assets (HQLA)	-	-	17.962.472	5.819.556
CASH OUTFLOWS				
Retail and small business customers deposits	-	-	-	-
Stable deposits	-	-	-	-
Less stable deposits	-	-	-	-
Unsecured funding other than retail and small business customers deposits	4.226.590	2.789.199	2.663.735	1.413.391
Operational deposits	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured funding	4.226.590	2.789.199	2.663.735	1.413.391
Secured funding	-	-	-	-
Other cash outflows	12.293.066	7.497.866	12.293.066	7.497.866
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	12.293.066	7.497.866	12.293.066	7.497.866
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	26.214.077	24.490.577	1.310.704	1.224.529
Other irrevocable or conditionally revocable commitments	4.834.034	4.681.803	4.527.267	4.375.037
TOTAL CASH OUTFLOWS			20.794.772	14.510.823
CASH INFLOWS				
Secured receivables	-	-	-	-
Unsecured receivables	20.225.024	4.573.899	19.091.079	3.678.617
Other cash inflows	12.565.727	7.336.909	12.565.727	7.336.909
TOTAL CASH INFLOWS	32.790.751	11.910.808	31.656.806	11.015.526
			Upper Limit Applied Amounts	
TOTAL HIGH-QUALITY LIQUID ASSETS			17.962.472	5.819.556
TOTAL NET CASH OUTFLOWS			5.198.693	4.016.841
LIQUIDITY COVERAGE RATIO (%)			345,52	144,88

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

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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
HIGH-QUALITY LIQUID ASSETS				
Total high-quality liquid assets (HQLA)	-	-	9.553.252	2.085.924
CASH OUTFLOWS				
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
TOTAL CASH OUTFLOWS			19.465.523	8.173.079
CASH INFLOWS				
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
TOTAL CASH INFLOWS	35.953.701	13.351.510	35.056.073	12.634.912
			Upper Limit Applied Amounts	
TOTAL HIGH-QUALITY LIQUID ASSETS			9.553.252	2.085.924
TOTAL NET CASH OUTFLOWS			4.866.381	2.043.270
LIQUIDITY COVERAGE RATIO (%)			196,31	102,09

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

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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 82,4%. 6,4% of the Bank’s total funding consists of funds provided from Ministry of Treasury and Finance, borrowers and banks; 5,8% consists of subordinated debt instruments; 2,6% is provided from money markets and 2,8% 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.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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 31 December 2024, the average of the Bank's net stable funding rates for the last three months is 142,38% (31 December 2023: 163.24%).

	Amount Not Subject to Recognition Due to Remaining Maturity				Total Amount Subject to Consideration Ratio
	Demand ^(*)	Short-term (less than 6 months)	Short-term (6 months to less than 1 year)	Long-term (1 year and longer)	
Current Period (31.12.2024)					
A. CURRENT STABLE FUND					
Equity Components	20.671.522	-	-	3.560.311	24.231.833
Principal Capital and Contributed Capital	20.671.522	-	-	3.560.311	24.231.833
Other Equity Components	-	-	-	-	-
Individual and Retail Customer Deposits/Participation Funds	-	-	-	-	-
Stable Deposits/Participation Funds	-	-	-	-	-
Low Stable Deposits/Participation Funds	-	-	-	-	-
Other Liabilities to Others	-	11.203.556	455.002	113.849.837	117.124.756
Operational Deposits/Participation Funds	-	-	-	-	-
Other Liabilities	-	11.203.556	455.002	113.849.837	117.124.756
Liabilities Equivalent to Interrelated Assets					
Other Liabilities	11.327.747	407.652	-	-	-
Derivative Liabilities		311.297	-	-	
Other Equity Items and Liabilities Not Included Above	11.327.747	96.355	-	-	-
STABLE FUNDING REQUIREMENT					141.356.589
B. REQUIRED STABLE FUNDING					
High-Quality Liquid Assets					972.148
Operational Deposits/Participation Funds Deposited with Credit Institutions or Financial Institutions	-	-	-	-	-
Live Receivables	-	31.510.384	1.630.903	109.908.851	100.741.395
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	-	31.510.384	1.630.903	11.906.215	17.448.224
Receivables from Corporate Customers, Entities, Individuals, and Retail Customers, Central Governments, Central Banks, and Public Institutions Other than Credit Institutions or Financial Institutions	-	-	-	91.820.897	78.047.762
Receivables subject to 35% or lower risk weight	-	-	-	-	-
Receivables Secured by Residential Real Estate Mortgages	-	-	-	45.350	29.478
Receivables subject to 35% or lower risk weight	-	-	-	45.350	29.478
Tradable Stocks and Bonds with High-Quality Liquid Asset Characteristics	-	-	-	6.136.389	5.215.931
Assets Equivalent to Interrelated Liabilities					
Other Assets	2.073.917	96.208	-	-	2.105.047
Physical Delivery Commodities Including Gold	-	-	-	-	-
Initial Margin of Derivative Contracts or Guarantee Fund Provided to Central Counterparties		-	-	-	-
Derivative Assets	-	-	-	-	-
Amount of Derivative Liabilities before Deduction of Variation Margin		-	-	-	31.130
Other Assets Not Included Above	2.073.917	96.208	-	-	2.073.917
Off-Balance Sheet Liabilities		9.414.992	-	-	470.750
REQUIRED STABLE FUNDING					104.289.339
NET STABLE FUNDING RATIO (%)					135,54

(*)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.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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(*)	Short-term (less than 6 months)	Short-term (6 months to less than 1 year)	Long-term (1 year and longer)	
Prior Period (31.12.2023)					
A. CURRENT STABLE FUND					
Equity Components	12.273.705	-	4.358.880	3.130.988	19.763.573
Principal Capital and Contributed Capital	12.273.705	-	4.358.880	3.130.988	19.763.573
Other Equity Components	-	-	-	-	-
Individual and Retail Customer Deposits/Participation Funds	-	-	-	-	-
Stable Deposits/Participation Funds	-	-	-	-	-
Low Stable Deposits/Participation Funds	-	-	-	-	-
Other Liabilities to Others	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
Liabilities Equivalent to Interrelated Assets					
Other Liabilities	9.074.089	1.031.984	-	-	-
Derivative Liabilities		217.463	-	-	-
Other Equity Items and Liabilities Not Included Above	9.074.089	814.521	-	-	-
STABLE FUNDING REQUIREMENT					123.857.138
B. REQUIRED STABLE FUNDING					
High-Quality Liquid Assets					1.110.126
Operational Deposits/Participation Funds Deposited with Credit Institutions or Financial Institutions					
Live Receivables	-	24.968.145	1.939.685	80.780.232	74.439.801
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
Assets Equivalent to Interrelated Liabilities					
Other Assets	1.842.541	711.149	-	-	1.915.015
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	1.842.541	711.149	-	-	1.842.541
Off-Balance Sheet Liabilities		11.796.859	-	-	589.843
REQUIRED STABLE FUNDING					78.054.785
NET STABLE FUNDING RATIO (%)					158,68

(*)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.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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 ⁽¹⁾	Total
Current Period (31.12.2024)								
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	1.836	-	-	-	-	-	-	1.836
Banks	79.596	12.601.467	-	-	-	-	-	12.681.063
Financial assets measured at fair value through profit or loss	696.997	-	-	-	-	-	-	696.997
Money market placements	-	9.918.269	-	-	-	-	-	9.918.269
Financial assets measured at fair value through other comprehensive income	8.813	1.768.399	3.937.974	8.371.533	11.287.819	142.965	-	25.517.503
Loans	-	1.474.107	3.296.815	14.848.802	52.853.592	20.480.064	156.399	93.109.779
Financial assets measured at amortised cost	-	689.039	447.067	1.896.968	1.773.580	5.570.850	-	10.377.504
Other assets	-	144.142	-	-	-	-	1.148.992	1.293.134
Total Assets ⁽²⁾	787.242	26.595.423	7.681.856	25.117.303	65.914.991	26.193.879	1.305.391	153.596.085
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds provided from other financial institutions	-	3.238.952	2.806.749	9.239.977	37.058.411	59.330.270	-	111.674.359
Money market borrowings	-	3.435.657	-	-	-	-	-	3.435.657
Marketable securities issued	-	-	-	65.084	1.835.420	1.835.420	-	3.735.924
Miscellaneous payables	171.549	-	-	-	-	-	-	171.549
Other liabilities ⁽³⁾	2.862.777	2.218.814	745.498	-	-	7.577.111	21.174.396	34.578.596
Total Liabilities	3.034.326	8.893.423	3.552.247	9.305.061	38.893.831	68.742.801	21.174.396	153.596.085
Liquidity Gap	(2.247.084)	17.702.000	4.129.609	15.812.242	27.021.160	(42.548.922)	(19.869.005)	-
Net Off-Balance Position	-	128.539	(34.644)	-	-	-	-	93.895
Derivative Financial Assets	-	8.706.736	705.796	-	-	-	-	9.412.532
Derivative Financial Liabilities	-	8.578.197	740.440	-	-	-	-	9.318.637
Non-Cash Loans	149.197	-	-	140.033	-	4.785.940	-	5.075.170
Prior Period (31.12.2023)								
Total Assets	693.160	24.466.836	6.324.144	28.647.014	51.120.142	22.625.586	970.592	134.847.474
Total Liabilities	2.811.411	7.598.945	2.784.953	23.230.076	34.027.588	52.596.133	11.798.368	134.847.474
Liquidity Gap	(2.118.251)	16.867.891	3.539.191	5.416.938	17.092.554	(29.970.547)	(10.827.776)	-
Net Off-Balance Position	-	(33.007)	(37.771)	-	-	-	-	(70.778)
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	84.924	-	-	85.965	-	4.583.451	-	4.754.340

⁽¹⁾ 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.

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

⁽³⁾ Subordinated loans are shown in the “Other Liabilities” line.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

The remaining maturity distribution of contractual financial liabilities:

The following table shows the maturity distribution of the Bank’s non-derivative financial liabilities prepared in accordance with the provisions of TFRS 7. The distribution has been prepared based on the earliest dates on which the Bank’s liabilities are due to be paid without discounting. The interest payable on these liabilities is included in the table. The recorded values of the related liabilities in the balance sheet do not include these amounts.

Current Period (31.12.2024)	Book Value	Total	Up To 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above
Liabilities							
Funds from Other Financial Institutions	111.674.359	162.759.028	3.068.013	3.536.323	15.182.174	60.572.640	80.399.878
Debts to Money Markets	3.435.657	3.477.320	1.898.019	1.579.301	-	-	-
Issued Securities	3.735.924	4.694.347	-	92.728	93.237	2.440.633	2.067.749
Subordinated Debt Instruments	7.577.111	22.032.856	-	-	-	-	22.032.856
Total	126.423.051	192.963.551	4.966.032	5.208.352	15.275.411	63.013.273	104.500.483

Prior Period (31.12.2023)	Book Value	Total	Up To 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above
Yükümlülükler							
Funds from Other Financial Institutions	101.435.241	142.776.682	4.417.162	2.994.934	22.170.089	52.505.376	60.689.121
Debts to Money Markets	2.884.276	2.884.276	2.884.276	-	-	-	-
Issued Securities	3.321.427	4.328.670	-	82.255	82.255	1.820.096	2.344.064
Subordinated Debt Instruments	11.578.723	25.261.806	-	-	6.141.140	-	19.120.666
Total	119.219.667	175.251.434	7.301.438	3.077.189	28.393.484	54.325.472	82.153.851

The contractual maturity analysis of the Bank’s derivative instruments is as follows:

Current Perios (31.12.2024)	Total	Up To 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above
Swap transactions	9.508.656	5.181.266	2.741.315	1.586.075	-	-

Prior Period (31.12.2023)	Total	Up To 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above
Swap transactions	11.098.952	10.099.891	999.061	-	-	-

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

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

The following table shows the distribution of the Bank’s non-cash loans according to their remaining maturities.

Curent Period (31.12.2024)	Demand	Up To 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above	Total
Letters Of Credit	-	-	-	133.709	-	-	133.709
Endorsements	-	-	-	-	-	-	-
Letters of Guarantee	149.197	-	-	6.324	-	4.152.929	4.308.450
Acceptance loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	633.011	633.011
Total	149.197	-	-	140.033	-	4.785.940	5.075.170

Prior Period (31.12.2023)	Demand	Up To 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above	Total
Letters Of Credit	-	-	-	-	-	-	-
Endorsements	-	-	-	-	-	-	-
Letters of Guarantee	84.924	-	-	85.965	-	3.974.191	4.145.080
Acceptance loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	609.260	609.260
Total	84.924	-	-	85.965	-	4.583.451	4.754.340

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations 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 31 December 2024, the Bank’s leverage ratio calculated from the average of three months is 14,79% (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.

	Current Period (31.12.2024) (*)	Prior Period (31.12.2023) (*)
On-balance sheet assets		
Balance sheet assets (Excluding derivative financial instruments and credit derivatives, including collaterals)	151.943.957	131.471.900
(Assets deducted in determining Tier 1 capital)	-	-
Total risk amount of on-balance sheet assets	151.943.957	131.471.900
Derivative financial instruments and loan derivatives		
Replacement cost of derivative financial instruments and loan derivatives	-	-
Potential loan risk amount of derivative financial instruments and loan derivatives	689.053	812.874
Total risk amount of derivative financial instruments and loan derivatives	689.053	812.874
Financing transactions secured by marketable security or commodity		
Risk amount of financing transactions secured by marketable security or commodity (excluding on-balance sheet)	1.900.567	1.783.470
Risk amount from brokerage activities	-	-
Total risk amount of financing transactions secured by marketable security or commodity	1.900.567	1.783.470
Off-balance sheet items		
Gross notional amount of off-balance sheet transactions	29.372.482	13.745.282
(Adjustments amount due to multiplication with credit conversion rates)	(21.229.692)	(7.413.630)
Total risk amount of off-balance sheet transactions	8.142.790	6.331.652
Capital and total risks		
Tier 1 capital	24.060.166	16.520.462
Total risks	162.676.367	140.399.896
Leverage ratio		
Leverage ratio	14,79	11,77

(*) Calculated by taking the average of the last three months financial statements’ data.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to the Presentation of Financial Assets and Liabilities at Fair Values:

When fair value of financial assets and liabilities are determined, discounted values are taken into consideration according to remaining maturities. Transactions traded on the stock exchange are valued by using the daily weighted average prices of the last working day on the balance sheet date based on the stock market value.

	Book Value (*)		Fair Value	
	Current Period (31.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)	Prior Period (31.12.2023)
Financial Assets	154.034.047	135.566.654	154.625.018	136.109.818
Money markets placements	9.921.861	17.046.025	9.921.861	17.046.025
Banks	12.682.476	4.929.464	12.682.476	4.929.464
Financial assets measured at fair value through profit or loss	696.997	591.455	696.997	591.455
Financial assets measured at fair value through other comprehensive income	25.517.503	15.220.615	25.517.503	15.220.615
Financial assets measured at amortised cost	10.402.375	13.620.387	10.246.272	13.519.234
Loans	94.812.835	84.158.708	95.559.909	84.803.025
Financial Liabilities	123.158.943	116.709.117	122.100.997	116.742.431
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Funds provided from other financial institutions	111.674.359	101.435.241	112.243.474	102.260.744
Subordinated debt instruments	7.577.111	11.578.723	5.811.249	10.802.460
Securities issued	3.735.924	3.321.427	3.874.725	3.305.501
Sundry creditors	171.549	373.726	171.549	373.726

(*) The book values of financial assets and liabilities in the table are calculated by adding accrual amounts at the end of the period.

Methods and estimations used for the fair value determination of financial instruments which are not presented with their market values in the financial statements:

- i- For the fair value determination of loans, interest rates as of balance sheet date are considered.
- ii- For the fair value determination of banks, interest rates as of balance sheet date are considered.
- iii- In order to calculate the fair value of other financial assets measured at amortized cost, the stock market value as of the balance sheet date has been used.
- iv- For the fair value determination of the funds provided from other financial institutions, subordinated debt instruments and securities issued, alternative resource interest rates are considered.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to the Presentation of Financial Assets and Liabilities at Fair Values (Continued):

Information on fair value measurements recognized in the financial statements:

TFRS 7 “Financial Instruments: Disclosures” Standard requires the items, which are recognized in the balance sheet at their fair values to be shown in the notes by being classified. According to this standard, the related financial instruments are classified into three levels in such a way that they will express the significance of the data used in fair value measurements. At the first level, there are financial instruments, whose fair values are determined according to quoted prices in active markets for identical assets or liabilities, at the second level, there are financial instruments, whose fair values are determined by directly or indirectly observable market data, and at the third level, there are financial instruments, whose fair values are determined by the data, which are not based on observable market data. Investor valuation and price reports are used for determination of fair values of level 3 assets The financial assets, which are recognized in the balance sheet at their values, are shown below as classified according to the aforementioned principles.

Current Period (31.12.2024)	Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss	-	-	696.997
Debt securities	-	-	-
Share certificates	-	-	696.997
Other	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	24.749.229	759.461	-
Debt securities	24.749.229	759.461	-
Share certificates ⁽¹⁾	-	-	-
Other	-	-	-
Derivative Financial Assets	-	144.142	-
Investment in Associates and Subsidiaries ⁽¹⁾	-	-	-
Derivative Financial Liabilities	-	20.889	-

¹⁾ Non-public subsidiaries, affiliates and unlisted shares are monitored at cost of acquisition. Cost may be an appropriate estimate of fair value. This situation is measured at cost because there is not enough recent information regarding the measurement of fair value or because fair value can be measured by more than one method and among these methods, cost best reflects the fair value estimate

Prior Period (31.12.2023)	Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss	-	-	591.455
Debt securities	-	-	-
Share certificates	-	-	591.455
Other	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	14.968.360	233.893	4.186
Debt securities	14.968.360	233.893	-
Share certificates ⁽¹⁾	-	-	4.186
Other	-	-	-
Derivative Financial Assets	-	65.716	-
Investment in Associates and Subsidiaries ⁽¹⁾	-	-	-
Derivative Financial Liabilities	-	18.299	-

⁽¹⁾ Non-public subsidiaries, affiliates and unlisted shares are monitored at cost of acquisition. Cost may be an appropriate estimate of fair value. This situation is measured at cost because there is not enough recent information regarding the measurement of fair value or because fair value can be measured by more than one method and among these methods, cost best reflects the fair value estimate

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VIII. Explanations Related to the Presentation of Financial Assets and Liabilities at Fair Values (Continued):

The table below shows the movement table of level 3 financial assets.

Level 3 Movement Table	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the Beginning of the Period	595.641	293.443
Purchases During the Period	19.525	108.231
Disposals Through Sale/Redemptions	(4.024)	(8.372)
Valuation Effect	90.040	202.339
Transfers	(4.186)	-
Balance at the End of the Period	696.997	595.641

IX. Explanations Related to the Transactions Made on Behalf of Others and Items Held in Trust:

The Bank provides security buying, selling and custody services on behalf and account of others. The Bank also acts as an intermediary in the execution of tourism and infrastructure investments on behalf of the Republic of Türkiye Ministry of Culture and Tourism, and no new resources have been transferred in this context recently.

The Bank does not carry out any transactions based on faith.

X. Explanations Related to Risk Management:

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

The Bank’s risk management approach:

It should be emphasized firstly that the Bank is actively using committees and risk budgeting in decision-making mechanisms and risk management processes while assessing risk management performance in addition to the functional and financial performance, which has operational mechanisms based on a wide range of activities. Within the framework of the Bank's vision, mission, strategic objectives and targets set by the Board of Directors and risk management policies and strategies; the Asset and Liability Committee and the Credit Evaluation Committee constitute two main committees that play a critical role in the execution of the Bank’s activities; which the Asset and Liability Committee ensuring that the assets and liabilities are managed effectively and efficiently by taking into consideration the current and possible economic developments and the factors such as interest, maturity and currency, and establishing coordination and communication between the Senior Management and the Bank's units, and the Credit Evaluation Committee with the function of determining the principles of lending, evaluating the credit-participation risk and the situation of the investment, evaluating the reports prepared on the loan appraisal and in summary taking care of all the lending activities. Within the framework of the short-term strategies determined by the Asset and Liability Committee in line with the vision and strategic objectives of the Bank’s Strategic Plan, each of the units in the Bank comply with these targets and the risk budgeting application based on the consolidation of these budgets are applied to contribute to the basic activities of the Bank.

Risk monitoring processes constitute the main determinant of risk management policies in decision making processes in the Bank. The organizational structure of the risk monitoring processes is composed of, the “Internal Control and Compliance” and “Risk Management” Directorates which the duties and authorities established within the Bank with the decision of the Board of Directors pursuant to the Banking Law and the BRSA legislation, the Audit Committee and the Internal Inspection Department. The units within the internal systems of the Bank and the Audit Committee undertake their activities in accordance with the “Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process” dated 11/07/2014 and numbered 29057 of the BRSA.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

1. General information on risk management and risk weighted amounts (Continued):

The Bank’s risk management approach (Continued):

The general principle of the risk policies followed by the Bank where committees and the implementation of risk budgeting are actively used in decision-making mechanisms and risk management processes; which was approved by Board of Directors dated 11.01.2016, 2016-01-15/015 stated in the Bank’s “Risk Management Strategies, Policies and Implementation Principles”, “To specialize in the activities in accordance with the mission, vision and structure determined by the Establishment Law, to take risks that can be identified, controlled and / or managed, and to make efforts to avoid any risks other than the risks inevitable and arising as part of the nature of the activities”. While the Bank is specializing in its activities and shaping the asset composition in line with this general principle in accordance with its vision and structure, in the risk management policy it is subject to the principle of “taking risks that can be controlled and / or managed, not taking any risks other than the risks that are unavoidable and to apply this principle as much as possible. In this context, it is the basic principle to ensure that the risks to be taken are defined and manageable.

In addition, to the extent that risk measurement and reporting techniques allow, measurement of the present and future potential impacts of the risks taken is made and written limits for the quantifiable risks arising from the operations of the Bank are determined according to the BRSA regulations. Therefore, the risk appetite of the Bank is determined and monitored by the risk limits prepared in accordance with the provisions of Article 39 titled “Risk Appetite Structure” of Internal Systems and ICAAP Regulations of Banks No. 29057 issued by the BRSA and published in the Official Gazette on 11 July 2014. “Risk Limits and Implementation Principles”, which are revised by the Risk Management Department annually in accordance with the Bank's risk policies and accepted by the Board of Directors, are the main policy that determines the Bank’s risk appetite structure.

According to the “Risk Limits and Implementation Guidelines” which is the most important indicator of the risk appetite of the Bank, limits, early warning limits and actions to be taken in case of exceeding limit are determined by basic risk groups. In determining limits, the legal limits shape the general framework. However, in addition to the principle of prudence in risk management, specific limits specific to the Bank are also set for each risk type. The early warning limits are intended to prevent limit overs, and the limits are set one level below (or above). Each risk group covered by the Bank’s risk limits is monitored by reports made to the Senior Management and the Audit Committee on a daily, weekly, monthly basis by the Risk Management Department and is first informed to the relevant unit in the framework of the actions to be taken in determining the elimination of exceeded limits.

It is clear that both the decision-making mechanisms and the risk management processes are the general principle of risk policies and the Bank has a “risk avoider” risk appetite within the framework of risk limits and implementation principles.

The limits stated in the text of “Risk Appetite Structure, Risk Limits and Implementation Principles” approved by the Board of Directors within the framework of the 37th article of “Regulation on Internal Systems of Banks” issued by the BRSA for quantifiable risks arising from the activities of the Bank are determined. The Risk Management Department monitors compliance with these limits and regularly reports to the Board of Directors, the Audit Committee and the Senior Management.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

1. General information on risk management and risk weighted amounts (Continued):

The Bank’s risk management approach (Continued):

Stress test scenario analyzes carried out by the Bank within the scope of risk management activities include various techniques to measure the potential resilience of the Bank portfolio against unexpected risks. Capital Planning Buffer prepared in accordance with the provisions of the “Stress Test Program” specified in article 43 of “Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process” and Guidelines for Stress Tests to be Used by Banks in Capital and Liquidity Planning and specified in Article 59 of the Regulation. The results of the implementation of the scenarios determined by the BRSA used in the calculation are sent to the BRSA within the scope of the ISEDES (Internal Capital Adequacy Assessment Process) Report prepared by Risk Management Department annually. In the ISEDES Report, the Bank’s capital adequacy level is evaluated by applying the BRSA and the Bank scenarios on the Bank’s 3-year Strategic Plan predictions.

The stress test scenario analyzes, which are updated quarterly for the Bank, are also structured in a structure parallel to ISEDES practices. Stress testing is carried out by applying two negative scenarios of the relevant year, determined by the BRSA, to the financial statements and capital adequacy ratio components of the period to be tested.

In the stress test study, shocks are given on the basis of two basic parameters (interest and exchange rate), and by each parameter and each scenario the effects of these shocks on;

- i- Balance sheet and statement of profit or loss
- ii- Legal equity
- iii- Risk Weighted Assets (RWA)
- iv- Capital Adequacy Ratio (CAR)

are evaluated.

The first parameter used in the scenario analysis is the exchange rate and the other is the interest rates. Exchange rate and interest shocks are designed as base, negative and extremely negative scenarios sent by BRSA.

On the Bank’s securities portfolio, portfolio sensitivity is firstly calculated against changes in interest rates, and two separate scenarios are set forth to compensate for the potential loss arising from adverse interest rate changes.

The Bank’s “Proforma Cash Flows Statement” analysis, which is prepared based on the possible cash inflows and outflows in the next one-year period, including seven different scenarios, ranging from 45 percent to 95 percent of “loan collection rates” and implicitly including currency and interest forecasts, it is the most detailed scenario analysis that the Bank has prepared. In this analysis, the effects of different collection ratios on the liquidity risk of the Bank are evaluated.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management(Continued):

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 31 December 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 (31.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)
1	Credit risk (excluding counterparty credit risk) (CCR)	106.711.424	99.032.622	8.536.914
2	Of which standardized approach (SA)	106.711.424	99.032.622	8.536.914
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	363.655	612.536	29.092
5	Of which standardized approach for counterparty credit risk (SA-CCR)	363.655	612.536	29.092
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	20.484.281	14.226.213	1.638.742
17	Of which standardized approach (SA)	20.484.281	14.226.213	1.638.742
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	Total (1+4+7+8+9+10+11+12+16+19+23+24)	134.769.138	117.205.130	10.781.530

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations

General qualitative information on credit risk:

The Bank calculates its legal credit risk as per the framework of the “Regulation on the Measurement and Evaluation of Banks’ Capital Adequacy” and Basel II criteria. The management of credit risk is essential in such a way as to ensure that the standard ratio of legal capital adequacy is above the minimum limit of existing regulations.

Within the scope of “Basel II application” under the measure of credit risk, the standard method prescribed by the BRSA is used and this measurement method based on weighting to the classes and guarantees of the loans is embodied in the KR520 form which is reported monthly to the BRSA. There are basically 3 main headings of the form:

- Risk Classes,
- Credit Risk Reduction Techniques and Credit Risk Substitution Effects,
- Distribution by Risk Weights.

In order to determine the credit risk, the Bank’s risk weighted assets are classified by “Separation On The Basis of Risk Classes”. After the asset is classified according to the risk classes, collaterals received on loans are assessed under Basel II “Credit Risk Mitigation Techniques and Credit Risk Substitution Effects”. The credit risk is measured monthly within the standard method framework, by using the algorithm in the “Basel II Credit Rating Classification”.

Respecting the credit risk management measurement, monitoring, stress testing and scenario analysis studies in line with the volume, quality and complexity of loans and reporting results are provided to the Audit Committee and the Board of Directors.

Beside the standard method for determining the level of credit risk that the Bank may encounter, by moving from the Bank’s loan portfolio structure for risk measurement and monitoring activities;

- Credit Risks by Sectors
- Credit Risks by Region
- Non-performing Loans Analysis
- Concentration Analysis of Credits
- Risks Weights of Loan Collaterals
- Sectoral Risks According to Risk Weights of Loans
- Distribution of Loans by Maturity and Source
- Distribution of Performing Credits are analyzed and reported.

In the Bank’s credit risk management policy, diversification of credit portfolio is essential. Although the Bank is not subject to the credit restrictions imposed on banks accepting deposits pursuant to Article 77 of the Banking Law No. 5411, the Bank has determined its credit limits with the “Credit Policy” published with the approval of the Board of Directors. Credit risk limits are determined in the text of “Risk Appetite Structure, Risk Limits and Implementation Principles” approved by the Board of Directors, and the limits are monitored daily, weekly and monthly by the Risk Management Unit and reported to the Top Management.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations:

General qualitative information on credit risk:

All units, including the departments within the Internal Systems, fulfill their duties, authorities, and responsibilities within the scope of credit risk management in accordance with the framework of the Banking Law, Internal Systems Regulation, and Bank’s Duties, Authorities, Responsibilities, and Organization Principles.

The senior management is responsible for the implementation of the credit risk strategy approved by the board of directors and the development of policies and procedures for the recognition, measurement, monitoring, and control of credit risk, and these policies and procedures include credit risks related to all banking activities in the Bank’s portfolio.

The explanations prepared by 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 below.

The Bank reveals risks of the effects of income/expense, capital loss, liquidity adequacy, etc. that may arise regarding macroeconomic indicators and bank-specific situations with periodic reports and stress test studies. Daily, weekly, monthly and annual reports are produced with the risk measurement models and methods used by the Bank regarding the risk situation of the Bank, and they are regularly reported to the Board of Directors, Audit Committee, and Senior Management. The possible effects on the Bank's equity and capital adequacy ratios and liquidity adequacy level are closely monitored.

It is aimed to disseminate the risk appetite framework and culture created by the Bank through the training given to the personnel, risk measurements and reporting, and risk reporting to the Board of Directors, Senior Management and Committees.

As a part of the risk appetite structure, it is aimed to determine the risk appetite level of the Bank through regulations such as the determination of risk limits, limit exceedance exceptions, and early warning levels. Limits are updated periodically, taking into account the developments in the Bank's strategy and risk appetite. Early warning levels indicating that the determined limits are approached have also been determined, and in case the limit levels are approached or exceeded, the relevant units take the necessary actions and arrangements. Risk limits are determined together with the relevant senior managers, including the Manager of the Risk Management Unit and the General Manager of the Bank, and submitted to the Board of Directors for approval following the approval of the Audit Committee. While determining the limits, the macroeconomic environment and market trends, as well as the targets and policies of the Bank are taken into account, and risk concentration limits are determined based on sector, geographical region, country and product.

Since the Bank uses a standard approach in capital adequacy calculations, explanations within the scope of the internal rating-based approach are not included.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations (Continued):

Credit quality of assets:

Current Period (31.12.2024)		Default (a)	Non-Default (b)	Provisions/Amortisation s and Impairment (c)	Net Value (a+b-c)
		The gross amount in financial tables that valued according to TAS			
1	Loans	732.750	94.080.085	(1.703.056)	93.109.779
2	Debt securities	-	35.920.579	(83.284)	35.837.295
3	Off-balance receivables	2	5.075.168	(20.728)	5.054.442
4	Total	732.752	135.075.832	(1.807.068)	134.001.516

Prior Period (31.12.2023)		Default (a)	Non-Default (b)	Provisions/Amortisation s and Impairment (c)	Net Value (a+b-c)
		The gross amount in financial tables that valued according to TAS			
1	Loans	848.082	83.310.626	(1.421.094)	82.737.614
2	Debt securities	-	28.824.269	(8.659)	28.815.610
3	Off-balance receivables	2	4.754.338	(53.480)	4.700.860
4	Total	848.084	116.889.233	(1.483.233)	116.254.084

Changes in stocks of default loans and debt securities:

Current Period (31.12.2024)

1	Defaulted loans and debt securities at the end of prior reporting period	848.082
2	Defaulted loans and debt securities from last reporting period	27.174
3	Returned to non-defaulted status	-
4	Amounts written of	-
5	Other changes	(142.506)
6	Defaulted loans and debt securities at the end of reporting period (1+2-3-4+-5)	732.750

Prior Period (31.12.2023)

1	Defaulted loans and debt securities at the end of prior reporting period	894.374
2	Defaulted loans and debt securities from last reporting period	95.249
3	Returned to non-defaulted status	-
4	Amounts written of	-
5	Other changes	(141.541)
6	Defaulted loans and debt securities at the end of reporting period (1+2-3-4+-5)	848.082

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations (Continued):

Additional disclosures about the credit quality of assets:

The Bank evaluates its financial assets in 3 Stages within the scope of TFRS 9. In this context, for defaulted loans (3.Stage) and loans that have not yet defaulted, but which have significantly increased credit risk from the date of the loan's issuance (2.Stage), the Bank calculates the expected lifetime credit loss. The Bank's other financial assets covered by TFRS 9 (1.Stage); the Bank reflects the probability of default within 12 months after the reporting date as the expected loss provision.

In case of payment failure of borrowers to the Bank due to temporary liquidity shortage loans and other receivables, including overdue interest, are restructured within the scope of the Provision Regulation by opening additional loans when necessary in order to provide liquidity strength to the borrower and to ensure the collection of the Bank’s receivables.

Temporary liquidity shortage is considered as a manageable cash deficit caused by a loan borrower who has the solvency to pay his obligations on time and in full becoming irregular due to fluctuations in fund inflows and outflows, sales revenues or operating income arising from normal activities due to an unexpected and temporary reason.

Restructured loans will continue to be monitored in the groups in which they are classified and monitored until that date. During this period, provisions for these receivables continue to be allocated within the scope of TFRS 9.

Breakdown of non-performing loans and respective provisions by geographic regions

Current Period (31.12.2024)	Non-performing loans	Stage 3 Expected Credit Loss
Domestic	732.750	576.351
European Countries	-	-
OECD Countries	-	-
Total	732.750	576.351

Prior Period (31.12.2023)	Non-performing loans	Stage 3 Expected Credit Loss
Domestic	848.082	528.780
European Countries	-	-
OECD Countries	-	-
Total	848.082	528.780

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations (Continued):

Additional disclosures about the credit quality of assets (Continued):

Information in terms of major sectors and type of counterparties

Current Period (31.12.2024)	Loans	Non-Performing Loans	Expected Loss Provision	Total (Net)
Agriculture	887.280	-	1.337	885.943
Farming and animal breeding	-	-	-	-
Forestry	518.716	-	1.305	517.411
Fishery	368.564	-	32	368.532
Industry	76.090.400	664.162	1.617.844	75.136.718
Mining and quarry	-	-	-	-
Manufacturing	32.417.864	20.006	128.968	32.308.902
Electricity, gas and water	43.672.536	644.156	1.488.876	42.827.816
Construction	-	-	-	-
Service	17.102.405	67.454	82.741	17.087.118
Wholesale and retail trade	-	-	-	-
Hotel and restaurant services	851.466	63.343	45.439	869.370
Transportation and communication	2.343.708	8	5.434	2.338.282
Financial institutions	13.756.376		26.746	13.729.630
Real estate and leasing services	-	-	-	-
Self-employment services	-	-	-	-
Educational services	17.514	-	664	16.850
Health and social services	133.341	4.103	4.458	132.986
Other	-	1.134	1.134	-
Total	94.080.085	732.750	1.703.056	93.109.779

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations Related to Risk Management (Continued):
2. Credit risk explanations (Continued):

Information in terms of major sectors and type of counterparties

	Loans	Non-Performing Loans	Expected Loss Provision	Total (Net)
(Prior Period 31.12.2023)				
Agriculture	426.371	-	498	425.873
Farming and animal breeding	-	-	-	-
Forestry	-	-	-	-
Fishery	426.371	-	498	425.873
Industry	72.145.595	751.728	1.309.764	71.587.559
Mining and quarry	392.602	-	5.755	386.847
Manufacturing	32.510.780	6.403	180.230	32.336.953
Electricity, gas and water	39.242.213	745.325	1.123.779	38.863.759
Construction	1.010.628	-	13.243	997.385
Service	9.728.032	95.220	96.455	9.726.797
Wholesale and retail trade	-	-	-	-
Hotel and restaurant services	1.171.405	91.756	47.947	1.215.214
Transportation and communication	-	-	-	-
Financial institutions	8.214.342	-	44.391	8.169.951
Real estate and leasing services	-	-	-	-
Self-employment services	-	-	-	-
Educational services	84.986	-	422	84.564
Health and social services	257.299	3.464	3.695	257.068
Other	-	1.134	1.134	-
Total	83.310.626	848.082	1.421.094	82.737.614

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations Related to Risk Management (Continued):
2. Credit risk explanations (Continued):

Maturity analysis for non-performing loans

	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and above
Current Period (31.12.2024)					
Corporate and Commercial Loans	-	14.889	40.201	644.156	32.370
Other	-	-	-	-	1.134
Total	-	14.889	40.201	644.156	33.504

	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and above
Prior Period (31.12.2023)					
Corporate and Commercial Loans	-	68.030	709.012	36.314	33.592
Other	-	-	-	-	1.134
Total	-	68.030	709.012	36.314	34.726

Breakdown of restructured receivables by whether provision has been allocated or not

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Loan Balance	Expected Loss Provisions	Loan Balance	Expected Loss Provisions
Restructured from Performing Loans	5.391.875	537.866	1.185.182	79.615
Restructured from Non-Performing Loans	20.918	586	745.325	472.090
Toplam	5.412.793	538.452	1.930.507	551.705

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations (Continued):

Qualitive requirements to be disclosed to the public regarding credit risk mitigation techniques:

In the calculation of the amounts subject to credit risk, the Bank evaluates the loans in terms of risk weight, taking into consideration the risk classes, grading notes and risk reduction elements within the context of “Communiqué on Credit Risk Mitigation Techniques”.

The Bank does not make on-balance sheet and off-balance sheet netting within the scope of credit risk mitigation. Applications related to valuation and management of collateral are carried out in line with the “Communiqué on Credit Risk Mitigation Techniques”. Main guarantees taken by the Bank in the context of credit risk mitigation techniques are financial guarantees (cash) and guarantees (Turkish Treasury and banks). Monetary guarantees are evaluated with the most recent values as of the reporting date in the credit risk reduction process. In the event that a bank loan customer receives guarantees obtained from other institutions, the credit risk worthiness of the guaranteeing institution in the credit risk reduction process is taken into consideration.

Overview of credit risk mitigation techniques:

	Current Period (31.12.2024)	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	6.306.135	88.506.699	%100	-	-	-	-
2	Debt Instruments	-	35.920.579	%100	-	-	-	-
3	Total	6.306.135	124.427.278	%100	-	-	-	-
4	Overdue	-	732.750	%100	-	-	-	-

	Prior Period (31.12.2023)	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	4.307.948	79.850.760	%100	-	-	-	-
2	Debt Instruments	-	28.824.269	%100	-	-	-	-
3	Total	4.307.948	108.675.029	%100	-	-	-	-
4	Overdue	-	848.082	%100	-	-	-	-

Qualitative information on ratings used by banks while calculating credit risk with standard approach :

The risk weighths of the risk categories as per the Article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Bank” are determined pursuant to the regulations. Any external risk ratings which are determined by any international rating agency are not used.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations (Continued):

Standard Approach - Credit risk exposure and credit risk mitigation effects:

The Bank calculates the credit risk with a standard approach and do not use a rating grade.

Current Period (31.12.2024)	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amount and Intensity of Risk Weighted Amount	
Risk Class	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Intensity of risk weighted amount
Exposures to central governments and central banks	14.046.693	-	15.633.834	-	3.674.463	%23,50
Exposures to regional or local governments	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	25.675.522	9.454.025	30.722.340	386.372	13.447.563	%43,23
Exposures to corporates	87.087.470	14.864.478	80.484.511	5.008.307	85.492.818	%100,00
Retail exposures	-	-	-	-	-	-
Exposures secured by residential property	45.350	-	45.350	-	15.873	%35,00
Exposures secured by commercial property	5.438.781	-	5.407.781	-	2.953.856	%54,62
Past-due receivables	156.399	-	156.399	-	88.508	%56,59
Exposures in high-risk categories by the Agency Board	-	-	-	-	-	-
Collateralized securities	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	224.298	61	224.298	61	224.359	%100,00
Other exposures	1.150.246	-	1.098.121	-	1.097.895	%99,98
Equity share investments	-	-	-	-	-	-
Total	133.824.759	24.318.564	133.772.634	5.394.740	106.995.335	%76,88

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations (Continued):

Standard Approach - Credit risk exposure and credit risk mitigation effects (Continued):

Prior Period (31.12.2023)	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amount and Intensity of Risk Weighted Amount	
Risk Class	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Intensity of risk weighted amount
Exposures to central governments and central banks	15.426.669	-	17.152.893	-	8.127.217	%47,38
Exposures to regional or local governments	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	30.466.555	262.919	36.330.127	131.465	18.671.455	%51,21
Exposures to corporates	72.318.476	12.657.072	65.332.441	4.754.331	70.086.772	%100,00
Retail exposures	-	-	-	-	-	-
Exposures secured by residential property	51.762	-	51.762	-	18.117	%35,00
Exposures secured by commercial property	2.726.045	-	2.720.997	-	1.579.441	%58,05
Past-due receivables	319.302	-	319.302	-	184.772	%57,87
Exposures in high-risk categories by the Agency Board	-	-	-	-	-	-
Collateralized securities	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	228.437	54	228.437	54	228.491	%100,00
Other exposures	651.322	-	619.070	-	618.049	%99,84
Equity share investments	-	-	-	-	-	-
Total	122.188.568	12.920.045	122.755.029	4.885.850	99.514.314	%77,96

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations (Continued):

Standard Approach: Exposures by asset classes and risk weights:

The Bank calculates the credit risk with the standard approach and does not use a rating score.

Current Period (31.12.2024)													
	Risk Class/Risk Weight	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Total risk amount (after CCF and CRM)
1	Exposures to central governments and central banks	11.959.371	-	-	-	-	-	-	3.674.463	-	-	-	15.633.834
2	Exposures to regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	-	-	14.388.189	-	-	11.706.160	-	4.710.773	-	-	303.590	31.108.712
7	Exposures to corporates	-	-	-	-	-	-	-	85.492.818	-	-	-	85.492.818
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	45.350	-	-	-	-	-	-	45.350
10	Exposures secured by commercial property	-	-	-	-	-	4.907.851	-	499.930	-	-	-	5.407.781
11	Past-due receivables	-	-	-	-	-	135.782	-	20.617	-	-	-	156.399
12	Exposures in high-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	224.359	-	-	-	224.359
16	Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	226	-	-	-	-	-	-	1.097.895	-	-	-	1.098.121
18	Total	11.959.597	-	14.388.189	-	45.350	16.749.793	-	95.720.855	-	-	303.590	139.167.374

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

2. Credit risk explanations (Continued):

Standard Approach: Exposures by asset classes and risk weights (Continued):

Prior Period (31.12.2023)													
	Risk Class/Risk Weight	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Total risk amount (after CCF and CRM)
1	Exposures to central governments and central banks	9.025.676	-	-	-	-	-	-	8.127.217	-	-	-	17.152.893
2	Exposures to regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	68.372	-	15.208.902	-	-	10.629.701	-	10.309.931	-	-	244.686	36.461.592
7	Exposures to corporates	-	-	-	-	-	-	-	70.086.772	-	-	-	70.086.772
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	51.762	-	-	-	-	-	-	51.762
10	Exposures secured by commercial property	-	-	-	-	-	2.283.112	-	437.885	-	-	-	2.720.997
11	Past-due receivables	-	-	-	-	-	269.060	-	50.242	-	-	-	319.302
12	Exposures in high-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	228.491	-	-	-	228.491
16	Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	1.021	-	-	-	-	-	-	618.049	-	-	-	619.070
18	Total	9.095.069	-	15.208.902	-	51.762	13.181.873	-	89.858.587	-	-	244.686	127.640.879

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

3. Explanations on counterparty credit risk:

Evaluation of counterparty credit risk according to measurement methods:

A counterparty credit risk is the risk that a counterparty who is involved in a transaction that is liable to both parties defaults before the final payment in the cash flow of that transaction.

The Bank takes necessary measures to limit counterparty credit risks arising from bilateral transactions, such as off-balance sheet over the counter derivative transactions, by taking into account risk capacities.

Transactions made by the Treasury Department including counter-party risks such as over the counter forward, swaps and options are reported daily to the Senior Management and Risk Management Department. All transactions made with counterparty are considered within the limits of the counterparty. Exceeded limits are reported daily to the responsible managers and are recorded with all measures taken to overcome these limitations.

Current Period (31.12.2024)		Replacement Cost	Potential Credit Risk Amount	EEPE	Alpha Used for Computing Regulatory EAD	EAD Post-CRM	Risk Weighted Amounts
1	Standardized Approach - CCR (for derivatives)	-	380.349		1,4	532.489	361.081
2	Internal Model Method (for derivative transactions and security financing transactions)	-	-	-	-	-	-
3	Simple financial collateral method used for CRM (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for CRM (for securities financing transactions)	-	-	-	-	-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and credit securities financing transactions	-	-	-	-	151.097	2.574
6	Total						363.655

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

3. Explanations on counterparty credit risk (Continued):

Evaluation of counterparty credit risk according to measurement methods:

Prior Period (31.12.2023)		Replacement Cost	Potential Credit Risk Amount	EEPE	Alpha Used for Computing Regulatory EAD	EAD Post-CRM	Risk Weighted Amounts
1	Standardized Approach - CCR (for derivatives)	50.728	527.402	-	1,4	809.381	610.166
2	Internal Model Method (for derivative transactions and security financing transactions)	-	-	-	-	-	-
3	Simple financial collateral method used for CRM (for securities financing transactions)	-	-	-	-	-	-
4	Comprehensive financial collateral method used for CRM (for securities financing transactions)	-	-	-	-	-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and credit securities financing transactions	-	-	-	-	118.499	2.370
6	Total						612.536

Capital requirement for Credit Valuation Adjustments (CVA):

Derivative transactions of the Bank consists of forward foreign exchange buying-selling and swap money buying-selling transactions. There are no interest-based swap transactions, option contracts and other derivative transactions. The Bank has no derivative products to be created to differentiate them from the main contract.

	Current Period (31.12.2024)	Risk Amount (After using credit risk mitigation techniques)	Risk-Weighted Amounts
	Total amount of portfolios subject to CVA capital requirement according to the advanced method	-	-
1	(i) Value-at-risk component (including 3*multiplier)	-	-
2	(ii) Stress value-at-risk (including 3*multiplier)	-	-
3	Total amount of portfolios subject to CVA capital requirement according to the standard method	379.996	79.335
4	Total amount subject to CVA capital requirement	379.996	79.335

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

3. Explanations on counterparty credit risk (Continued):

Capital Requirement for CVA (Continued):

	Prior Period (31.12.2023)	Risk Amount (After using credit risk mitigation techniques)	Risk-Weighted Amounts
	Total amount of portfolios subject to CVA capital requirement according to the advanced method	-	-
1	(i) Value-at-risk component (including 3*multiplier)	-	-
2	(ii) Stress value-at-risk (including 3*multiplier)	-	-
3	Total amount of portfolios subject to CVA capital requirement according to the standard method	809.381	130.670
4	Total amount subject to CVA capital requirement	809.381	130.670

Standard approach - counterparty credit risk based on risk classes and risk weights:

Current Period (31.12.2024)									
Risk Weights/Risk Class	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk ^(*)
Exposures to central governments and central banks	22.413	-	-	-	-	-	-	-	-
Exposures to regional or local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	-	-	-	357.583	-	303.590	363.655
Exposures to corporates	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	22.413	-	-	-	-	357.583	-	303.590	363.655

(*) Total credit risk: The amount to be taken into account in the calculation of capital adequacy after credit risk reduction.

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

3. Explanations on counterparty credit risk (Continued):

Standard approach - counterparty credit risk based on risk classes and risk weights:

Prior Period (31.12.2023)									
Risk Weights/Risk Class	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk ^(*)
Exposures to central governments and central banks	7.180	-	-	-	-	321.987	-	-	321.987
Exposures to regional or local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	68.372	-	-	-	-	285.655	-	244.686	290.549
Exposures to corporates	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	75.552	-	-	-	-	607.642	-	244.686	612.536

(*) Total credit risk: The amount to be taken into account in the calculation of capital adequacy after credit risk reduction.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

3. Explanations on counterparty credit risk (Continued):

Collaterals for counterparty credit risk:

A counterparty credit risk is the risk that a counterparty who is involved in a transaction that is liable to both parties defaults before the final payment in the cash flow of that transaction.

The Bank takes necessary measures to limit counterparty credit risks arising from bilateral transactions, such as off-balance sheet derivative transactions, by taking into account risk capacities.

Current Period (31.12.2024)	Collaterals for derivative transactions				Collaterals for other transactions	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debt	-	-	656.486	-	41.331	3.413.630
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	656.486	-	41.331	3.413.630

Prior Period (31.12.2023)	Collaterals for derivative transactions				Collaterals for other transactions	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debt	-	-	276.707	-	247.294	2.737.755
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	276.707	-	247.294	2.737.755

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INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

3. Explanations on counterparty credit risk (Continued):

Credit derivatives

None.

Exposures to central counterparties (CCP)

Current Period (31.12.2024)	Risk Amount After CRM	RWA
Total risks arising from qualified transactions where one of the parties is CCP	650.834	3.909
Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	174.906	3.498
(i) OTC derivatives	-	-
(ii) Other derivative transactions	174.906	3.498
(iii) Securities financing transactions	-	-
(iv) Netting groups to which cross product netting is applied	-	-
Non-free initial margin	469.430	-
Free initial deposit	-	-
The amount put into the guarantee fund	6.498	411
The amount promised to be put into the guarantee fund	-	-
Total risks arising from non-qualified transactions where one of the parties is CCP	-	-
Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	-	-
(i) OTC derivatives	-	-
(ii) Other derivative transactions	-	-
(iii) Securities financing transactions	-	-
(iv) Netting groups to which cross product netting is applied	-	-
Non-free initial margin	-	-
Free initial deposit	-	-
The amount put into the guarantee fund	-	-
The amount promised to be put into the guarantee fund	-	-

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

3. Explanations on counterparty credit risk (Continued):

Prior Period (31.12.2023)	Risk Amount After CRM	RWA
Total risks arising from qualified transactions where one of the parties is CCP	304.383	2.698
Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	126.187	2.524
(i) OTC derivatives	-	-
(ii) Other derivative transactions	126.187	2.524
(iii) Securities financing transactions	-	-
(iv) Netting groups to which cross product netting is applied	-	-
Non-free initial margin	169.512	-
Free initial deposit	-	-
The amount put into the guarantee fund	8.684	174
The amount promised to be put into the guarantee fund	-	-
Total risks arising from non-qualified transactions where one of the parties is CCP	-	-
Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	-	-
(i) OTC derivatives	-	-
(ii) Other derivative transactions	-	-
(iii) Securities financing transactions	-	-
(iv) Netting groups to which cross product netting is applied	-	-
Non-free initial margin	-	-
Free initial deposit	-	-
The amount put into the guarantee fund	-	-
The amount promised to be put into the guarantee fund	-	-

Explanations on securitizations:

None.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

4. Explanations on market risk:

Qualitative information to be publicly disclosed on market risk:

The Bank is exposed to market risk depending on the fluctuations that may occur in the financial market as a result of its activities, in exchange rates, interest rates and stock prices.

The Bank calculates and legally reports its market risk by using the standard method within the framework of the provisions of the “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy” published in the Official Gazette No. 29511 dated 23 October 2015.

In addition to the monthly standardized methodology, the market risk is calculated on a daily basis using the Value At Risk (“VaR”) approach. The VaR calculated by using the internal model to predict the potential loss in financial market conditions, the stress tests and scenario analysis results, including the price changes occurring in the crises that occurred in previous years or the probable effects of different interest and exchange rate shocks on existing portfolios are reported to Audit Committee and top management.

In accordance with the “Regulation on the Internal Systems of Banks and the Internal Capital Adequacy Assessment Process” published on the Official Gazette dated 11 July 2014 and numbered 29057, the limits of these risks are determined by taking into account the main risks borne by the Bank and such risk limits are determined within the framework of changing market conditions and Bank strategies “Risk Appetite Structure, Risk Limits and Implementation Principles” which are frequently revised and approved by the Board of Directors.

The reports prepared within the framework of compliance with the risk limits are regularly presented to the Board of Directors, the Audit Committee and senior management.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

4. Explanations on market risk (Continued):

PR1-Market risk amounts based on standard approach:

		Current Period (31.12.2024)	Prior Period (31.12.2023)
		RWA	RWA
	Direct (cash) Products		
1	Interest rate risk (general and specific)	20.372.690	14.150.941
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	111.591	75.272
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	Total	20.484.281	14.226.213

5. Link between the financial statements and risk amounts:

Explanations on differences between the amounts prepared as per TAS and the risk amounts:

“Credit Risks” are calculated over the securities classified as “Financial assets at fair value through profit or loss” and “Financial assets at fair value through other comprehensive income”.

Repurchase and reverse repo transactions of the Bank are subject to “Counterparty Credit Risks” and the Capital Obligation against Counterparty Credit Risk is calculated and reported under the “Credit Risk”. In addition, “Market Risk” is calculated over the securities used in the “Reverse Repo” transactions.

The amount in the “Off-balance amounts” row of the “Main sources of differences between risk amounts and amounts valued in accordance with TAS in the financial statements” table is reported as the “Amount Subject to Credit Risk” by multiplying it with the “Credit Conversion Ratios”.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

5. Linkages between the financial statements and risk amounts (Continued):

Differences and matching between accounting consolidation and legal consolidation:

Current Period (31.12.2024)	Carrying values in financial statements prepared as per TAS within the scope of legal consolidation	Items in accordance with TMS				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	
Assets						
Cash and balances with the Central Bank	1.836	1.836	-	-	-	-
Financial assets at fair value through profit or loss	696.997	696.997	-	-	-	-
Banks	12.681.063	12.681.063	-	-	-	-
Money market receivables	9.918.269	9.878.216			40.053	
Financial assets at fair value through other comprehensive income	25.517.503	3.944.830	-	-	21.572.673	-
Derivative financial assets	144.142	144.142	-	-	-	-
Loans and receivables	93.109.779	93.109.779	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Financial assets measured at amortised cost	10.377.504	10.377.504	-	-	-	-
Associates	10.586	10.586	-	-	-	-
Subsidiaries	44.026	44.026				
Lease receivables	1	1	-	-	-	-
Tangible assets (net)	72.180	71.987	-	-	-	193
Intangible assets (net)	52.125	-	-	-	-	52.125
Investment properties (net)	-	-	-	-	-	-
Tax asset	477.494	477.494	-	-	-	-
Other assets	492.580	492.580	-	-	-	-
Total Assets	153.596.085	131.931.041	-	-	21.612.726	52.318

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

5. Linkages between the financial statements and risk amounts (Continued):

Differences between accounting consolidation and legal consolidation (Continued):

Current Period (31.12.2024)	Carrying values in financial statements prepared as per TAS within the scope of legal consolidation	Items in accordance with TMS				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	
Liabilities						
Deposit	-	-	-	-	-	-
Derivative financial liabilities held for trading	20.889	-	20.889	-	-	-
Funds borrowed	108.284.851	-	-	-	-	-
Money market funds	3.435.657	-	3.435.657	-	-	-
Issued securities	3.735.924	-	-	-	-	-
Funds	8.402.633	-	-	-	-	-
Miscellaneous payables	174.644	-	-	-	-	-
Other external funding's payable	532.019	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Debts from leasing transactions	-	-	-	-	-	-
Derivative financial liabilities for hedging purposes	22.161	-	-	-	-	-
Provisions	-	-	-	-	-	-
Tax liability	599.237	-	-	-	-	-
Liabilities for assets held for sale and discontinued operations	813.963	-	-	-	-	-
Subordinated debts	-	-	-	-	-	-
Shareholders' equity	7.577.111	-	-	-	-	-
	19.996.996	-	-	-	-	-
Total liabilities and equity	153.596.085	-	3.456.546	-	-	-

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

5. Linkages between the financial statements and risk amounts (Continued):

Differences and matching between accounting consolidation and legal consolidation:

Prior Period (31.12.2023)	Carrying values in financial statements prepared as per TAS within the scope of legal consolidation	Items in accordance with TMS				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	
Assets						
Cash and balances with the Central Bank	2.560	2.560	-	-	-	-
Financial assets at fair value through profit or loss	591.455	591.455	-	-	-	-
Banks	4.925.065	4.925.064	-	-	-	-
Money market receivables	17.034.644	16.795.103	239.542			
Financial assets at fair value through other comprehensive income	15.220.615	1.322.568	-	-	13.898.047	-
Derivative financial assets	65.716	65.716	-	-	-	-
Loans and receivables	82.737.614	82.737.614	-	-	-	-
Factoring receivables	-	-	-	-	-	-
Financial assets measured at amortised cost	13.618.516	13.618.515	-	-	-	-
Associates	10.586	10.586	-	-	-	-
Subsidiaries	16.746	16.746				
Lease receivables	3	3	-	-	-	-
Tangible assets (net)	42.366	41.371	-	-	-	995
Intangible assets (net)	32.252	-	-	-	-	32.252
Investment properties (net)	-	-	-	-	-	-
Tax asset	322.823	322.823	-	-	-	-
Other assets	226.513	226.514	-	-	-	-
Total Assets	134.847.474	120.676.638	239.542	-	13.898.047	33.247

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

5. Linkages between the financial statements and risk amounts (Continued):

Differences between accounting consolidation and legal consolidation (Continued):

Prior Period (31.12.2023)	Carrying values in financial statements prepared as per TAS within the scope of legal consolidation	Items in accordance with TMS				Not subject to capital requirements or subject to deduction from capital
		Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	
Liabilities						
Deposit	-	-	-	-	-	-
Derivative financial liabilities held for trading	18.299	-	18.299	-	-	-
Funds borrowed	97.947.040	-	-	-	-	-
Money market funds	2.884.276	-	2.884.276	-	-	-
Issued securities	3.321.427	-	-	-	-	-
Funds	6.397.933	-	-	-	-	-
Miscellaneous payables	373.726	-	-	-	-	-
Other external funding's payable	448.306	-	-	-	-	-
Factoring payables	-	-	-	-	-	-
Debts from leasing transactions	20.737	-	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-	-	-
Provisions	428.541	-	-	-	-	-
Tax liability	545.981	-	-	-	-	-
Liabilities for assets held for sale and discontinued operations						
Subordinated debts	11.578.723	-	-	-	-	-
Shareholders' equity	10.882.485	-	-	-	-	-
Total liabilities and equity	134.847.474	-	2.902.575	-	-	-

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

5. Linkages between the financial statements and risk amounts (Continued):

Main sources of differences between the risk amounts and carrying values in financial statements prepared as per TAS:

	Current Period (31.12.2024)	Total	Subject to credit risk	Securitization positions	Subject to counterpart y risk	Subject to market risk
1	Carrying values of assets in accordance with TAS within legal consolidation	153.596.085	131.931.235	-	-	21.612.726
2	Carrying values of liabilities in accordance with TAS within legal consolidation	153.596.085	-	-	3.435.657	-
3	Total net amount under legal consolidation	-	131.931.235	-	(3.435.657)	21.612.726
4	Off-balance sheet items	43.242.297	5.394.740	-	18.723.932	-
5	Valuation differences	-	-	-	-	-
6	Differences arising from netting of differences (other than line 2)	-	-	-	-	-
7	Differences arising from consideration of provisions	-	-	-	-	-
8	Differences arising from the applications of the BRSA	-	-	-	-	-
	Risk amounts	196.838.382	137.325.975	-	18.723.932	21.612.726

	Prior Period (31.12.2023)	Total	Subject to credit risk	Securitization positions	Subject to counterparty risk	Subject to market risk
1	Carrying values of assets in accordance with TAS within legal consolidation	134.847.474	120.677.634	-	239.542	13.898.047
2	Carrying values of liabilities in accordance with TAS within legal consolidation	134.847.474	-	-	2.884.276	-
3	Total net amount under legal consolidation	-	120.677.634	-	(2.644.734)	13.898.047
4	Off-balance sheet items	36.444.918	4.885.849	-	22.104.507	-
5	Valuation differences	-	-	-	-	-
6	Differences arising from netting of differences (other than line 2)	-	-	-	-	-
7	Differences arising from consideration of provisions	-	-	-	-	-
8	Differences arising from the applications of the BRSA	-	-	-	-	-
	Risk amounts	171.292.392	125.563.483	-	22.344.049	13.898.047

There is no significant difference between the amounts reported in the financial statements by TAS and the risk amounts used within the scope of capital adequacy.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

6. Explanations on operational risk:

According to the Bank's Operational Risk Management Policy, operational risk management practices are developed taking into account the fact that errors and irregularities are overlooked as a result of failures in internal controls, the Bank's management and staff do not act in accordance with time and conditions, errors and failures in information technology systems, losses that may arise from disasters such as earthquakes, fires, floods, and losses caused by other factors that may occur on the Bank and sector basis.

The amount based on the operational risk at the Bank is determined by Article 14 of the “Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks”. It is calculated using the basic indicator method within the scope of the article. The value found by multiplying the average of fifteen percent of the bank’s year-end gross income amounts realized as of the last three years by twelve and a half is taken into account as the amount based on operational risk.

Annual gross income is calculated by adding net interest income, net fee and commission income, dividend income from shares other than subsidiary and affiliate shares, commercial profit/loss (net) and other operating income, profit/loss from the sale of assets tracked in securities measured at amortised cost, extraordinary income and insurance indemnity amounts to net interest income as shown in the statement of profit or loss of financial reports.

Current Period (31.12.2024)	31.12.2022	31.12.2023	31.12.2024	Total / Positive GI year number	Ratio (%)	Total
Gross income	1.486.643	3.076.654	6.972.350	3.845.215	15	576.782
Amount subject to operational risk (Total*12,5)	7.209.778					

Prior Period (31.12.2023)	31.12.2020	31.12.2021	31.12.2022	Total / Positive GI year number	Ratio (%)	Total
Gross income	770.717	1.486.643	3.076.654	1.778.005	15	266.701
Amount subject to operational risk (Total*12,5)	3.333.759					

The Operational Risk Management Policy, which has been renewed to determine the policy, principles, approach and basic elements on Operational Risk management in order to set out the risks that the Bank will be exposed to in line with its general strategies and long-term goals and the strategies it will follow for these risks, has been approved by the Board of Directors as of 30.12.2020. With this policy, it is aimed to contribute to the establishment of an settled and consistent "Operational Risk Culture" throughout the Bank through the identification, detection, measurement, evaluation and reporting of Operational Risks. It is envisaged that audit findings, internal loss data, risk control and self-assessment report, operational risk analysis report, external data, business process map and key risk indicators will be used in the identification and evaluation of operational risk. In order to analyze the operational risk, risk control and self-assessment studies, operational risk analysis report, scenario analysis and stress tests are planned to be carried out. As part of reducing operational risks and improving the effectiveness of the operational risk management process, controlling the risks incurred by applying established policies and procedures, reducing them using risk reduction techniques such as insurance, transferring them to another area, using methods such as the use of basic elements that will increase the effectiveness of operational risk management can be listed as the main elements that will increase the effectiveness of operational risk management.

The Bank's Support Services procedures, emergency and contingency plans, which enable the transfer of operational risks by obtaining some necessary support services from specialized organizations, as well as special policies, procedures and controls on money laundering and terrorist financing, which may cause operational risks, management of IT risks, are also envisaged to be established.

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SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to Risk Management (Continued):

6. Explanations on operational risk (Continued):

In the Bank, all operational risks are within the framework of defining, evaluating, monitoring and controlling / reducing risks. All operational risks in the Bank, within the framework of the identification, evaluation, monitoring and control/reduction of risks, is managed under the supervision of the Board of Directors and the Audit Committee. The results of the activities of the Internal Audit Unit and Internal Control and Compliance Unit for monitoring operational risks are monitored and evaluated by the Audit Committee.

Legal measurements for Operational Risk are made using the Basic Indicator Method within the scope of the Regulation on Measurement and Assessment of Capital Adequacy of Banks. Studies of other measurement methods for Measurement of Operational Risks within the scope of Basel and BRSA regulations are carried out by the Risk Management Unit.

7. Interest rate risk on banking accounts:

Bank calculates the interest rate risk on banking book according to “Regulation on Measurement and Evaluation of Interest Rate Risk on Banking Book as per Standard Shock Method” and reports to the BRSA monthly.

The interest rate risk report arising from the banking book includes the following items as assets: due from the Central Bank, money market receivables, due from banks, financial assets at fair value through other comprehensive income (excluding government debt securities), reverse repurchase agreements receivables, loan receivables, other financial assets measured at amortised cost and other receivables; liabilities consist of payables to the Central Bank, payables to money markets, payables to banks, funds obtained from repurchase agreements, securities issued, loans used, subordinated debts and other payables.

Economic value differences due to the interest rate instabilities calculated according to “Regulation on Measurement and Evaluation of Interest Rate Risk on Banking Book as per Standard Shock Method” are presented below for each currency.

	Current Period (31.12.2024)	Applied Shock (+/- x base points)	Gains / Losses	Gains / Equity – Losses / Equity
	Currency			
1	TL	(+) 500 base points	(208.081)	%(0,86)
2	TL	(-) 400 base points	180.657	%,0,75
3	EURO	(+) 200 base points	210.044	%,0,87
4	EURO	(-) 200 base points	(255.784)	%(1,06)
5	USD	(+) 200 base points	(120.901)	%(0,50)
6	USD	(-) 200 base points	132.945	%,0,55
	Total (For Positive Shocks)		(118.939)	%(0,49)
	Total (For Negative Shocks)		(57.818)	%(0,24)

	Prior Period (31.12.2023)	Applied Shock (+/- x base points)	Gains / Losses	Gains / Equity – Losses / Equity
	Currency			
1	TL	(+) 500 base points	(141.928)	%(0,73)
2	TL	(-) 400 base points	124.270	%,0,64
3	EURO	(+) 200 base points	209.535	%,1,08
4	EURO	(-) 200 base points	(262.744)	%(1,36)
5	USD	(+) 200 base points	(103.505)	%(0,54)
6	USD	(-) 200 base points	118.633	%,0,61
	Total (For Positive Shocks)		(35.898)	%(0,19)
	Total (For Negative Shocks)		(19.841)	%(0,10)

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Cash in TL/Foreign currency	33	-	26	-
CBRT	1.809	-	2.534	-
Other	-	-	-	-
Total	1.842	-	2.560	-

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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Unrestricted demand deposit	1.809	-	2.534	-
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Total	1.809	-	2.534	-

1.1.2. Information on banks:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Banks				
Domestic	11.022.933	1.591.167	3.758.538	1.099.070
Foreign	-	68.376	-	71.856
Foreign head office and branches	-	-	-	-
Total	11.022.933	1.659.543	3.758.538	1.170.926

	Unrestricted Amount		Restricted Amount	
	Current Period (31.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)	Prior Period (31.12.2023)
EU countries	35.789	47.652	-	-
USA, Canada	32.587	24.204	-	-
OECD countries	-	-	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	68.376	71.856	-	-

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SECTION FIVE (Continued)

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

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

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

1.1.3. Information on money market placements:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Money market placements	9.881.807	-	16.806.484	-
Receivables from reverse repo transactions	40.054	-	239.541	-
Total	9.921.861	-	17.046.025	-

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Cash and balances with Central Bank	6	-	-	-
Banks	1.413	-	4.399	-
Receivables from money market	3.592	-	11.382	-
Total	5.011	-	15.781	-

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

None.

1.2.a) Financial assets measured at fair value through profit/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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, treasury bills and similar securities	861.643	-	706.459	-
Other	-	-	-	-
Total	861.643	-	706.459	-

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, treasury bills and similar securities	673.223	189.842	16.734	1.572.231
Other	-	-	-	-
Total	673.223	189.842	16.734	1.572.231

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SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
Debt Securities	25.518.203		15.203.882	
Quoted on a stock exchange ^(*)	24.757.868		15.203.882	
Unquoted	760.335		-	
Share Certificates	12.938		19.200	
Quoted on a stock exchange	-		-	
Unquoted	12.938		19.200	
Provision for impairment (-)	(13.638)		(2.467)	
Total	25.517.503		15.220.615	

(*)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:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	144.142	-	65.528	188
Futures	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Total	144.142	-	65.528	188

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:

	Standard Loans	Loans Under Close Monitoring		
		Restructured Loans		
		Loans not Subject to Restructuring	Loans with Revised Contract Terms	Refinance
Cash Loans				
Current Period (31.12.2024)	Standard Loans			
Non-specialized loans	88.100.505	496.496	5.116.702	-
Loans given to enterprises	5.183.382	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	12.139.877	-	-	-
Consumer loans	-	-	-	-
Other	70.777.246	496.496	5.116.702	-
Specialized loans	321.162	45.220	-	-
Other receivables	-	-	-	-
Total	88.421.667	541.716	5.116.702	-

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EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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):

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
First and Second Stage Expected Loss Reserves				
12 Months expected credit losses	578.282	-	624.594	-
Significant increase in credit risk	-	548.423	-	267.720

2.1.c) Information on the distribution of cash loans according to maturity structure:

	Standard Loans	Loans Under Close Monitoring		
		Loans not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Refinancing
Cash Loans Current Period (31.12.2024)				
Short-Term Loans	867.103	-	-	-
Medium and Long-Term Loans	87.554.564	541.716	5.116.702	-

	Standard Loans	Loans Under Close Monitoring		
		Loans not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Refinancing
Cash Loans Current Period (31.12.2023)				
Short-Term Loans	-	-	6.002	-
Medium and Long-Term Loans	79.908.216	2.797.214	599.194	-

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SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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.ç) Information about loan movements:

	Stage I	Stage II	Stage III	Total
Beginning of Term (31.12.2023)	79.908.216	3.402.410	848.082	84.158.708
In-Term Supplement	26.978.172	2.598.780	89.694	29.666.646
Closed During the Period	35.915.294	1.539.477	205.026	37.659.797
Sold Loans	-	-	-	-
Write-offs	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	2.598.780	-	-	2.598.780
Transfer to Stage 3	-	14.889	-	14.889
Foreign Exchange Effect	20.049.353	1.211.594	-	21.260.947
End of Term (31.12.2024)	88.421.667	5.658.418	732.750	94.812.835

2.1.d) Net value, collateral type and risk matching of collaterals of standard loans:

Type of Collateral	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Net Value of Collateral(*)	Loan Balance	Net Value of Collateral(*)	Loan Balance
Letter of Guarantee	31.304.969	34.339.936	29.886.086	32.857.560
Real Estate Mortgage	14.316.166	14.316.166	15.393.162	15.781.700
Other (Guarantee, commercial enterprise pledge, export documents, etc.)	13.643.855	13.643.855	12.078.300	12.078.300
Unsecured	-	26.121.710	-	19.190.656
Total	59.264.990	88.421.667	57.357.548	79.908.216

(*) Between the appraisal and mortgage amount lower one and if these exceed the credit risk, loan amount is taken into account as the net value of the collateral.

2.1.e) Net value, collateral type and risk matching of collaterals of loans under close monitoring:

Type of Collateral	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Net Value of Collateral(*)	Loan Balance	Net Value of Collateral(*)	Loan Balance
Letter of Guarantee	1.411.273	1.411.273	1.296.695	1.296.695
Real Estate Mortgage	4.226.228	4.226.228	2.060.988	2.060.988
Other (Guarantee, commercial enterprise pledge, export documents, etc.)	20.919	20.917	38.327	38.327
Unsecured	-	-	-	6.400
Total	5.658.420	5.658.418	3.396.010	3.402.410

(*) Between the appraisal and mortgage amount lower one and if these exceed the credit risk, loan amount is taken into account as the net value of the collateral.

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SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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) Information about consumer loans, personal credit cards, staff loans and staff credit cards:

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

2.1.g) Information about installment commercial loans and corporate credit cards:

As of the balance sheet date, there are no installment commercial loans and corporate credit cards issued by the Bank.

2.1.ğ) Distribution of loans according to users:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Public	241.375	301.788
Private	94.571.460	83.856.920
Total	94.812.835	84.158.708

2.1.h) Distribution of domestic and international loans:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Domestic Loans	94.812.835	84.158.708
Foreign Loans	-	-
Total	94.812.835	84.158.708

2.1.ı) Loans given to subsidiaries and associates:

The loan amounting to 3.856 TL (31 December 2023: TL 3.859) extended to Arıcak A.Ş., the Bank’s subsidiary, is followed in Group V loans. A default (third stage expected loss) provision of 3.856 TL (31 December 2023: TL 3.859) has been set aside for the loan in question.

2.1.i) Default (third stage) provisions:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Loans with limited collectability	508.374	494.166
Loans with doubtful collectability	34.473	-
Uncollectible loans	33.504	34.614
Toplam	576.351	528.780

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EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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.j) Information on non-performing receivables (Net):

2.1.j-1) Information on non-performing loans and restructured loans:

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Current Period (31.12.2024)			
Gross amounts before provisions	-	40.201	33.504
Restructured loans	644.156	14.889	-
Prior Period (31.12.2023)			
Gross amounts before provisions	68.031	-	34.726
Restructured loans	745.325	-	-

2.1.j-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
Prior period end balance (31.12.2023)	813.356	-	34.726
Additions (+)	25.649	-	1.525
Transfer from other categories of non-performing loans (+)	-	81.476	-
Transfer to other categories of non-performing loans (-)	(81.476)	-	-
Collections (-)	(113.373)	(26.386)	(2.747)
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance (31.12.2024)	644.156	55.090	33.504
Provision (-)	(508.374)	(34.473)	(33.504)
Net balance on balance sheet	135.782	20.617	-

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

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Current Period (31.12.2024)			
Interest accruals and rediscount with valuation differences	124.673	13.884	23
Provision amount (-)	(124.673)	(13.884)	(23)
Net Balance	-	-	-
Prior Period (31.12.2023)			
Interest accruals and rediscount with valuation differences	94.657	-	45
Provision amount (-)	(94.657)	-	(45)
Net Balance	-	-	-

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

None.

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SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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.j-5) Information on gross and net amounts of non-performing loans by user groups:

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net) (31.12.2024)	135.782	20.617	-
Loans to Real Persons and Legal Entities (Gross)	644.156	55.090	33.504
Provision amount (-)	(508.374)	(34.473)	(33.504)
Loans to Real Persons and Legal Entities (Net)	135.782	20.617	-
Banks (Gross)	-	-	-
Provision amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision amount (-)	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net) (31.12.2023)	319.190	-	112
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)	-	-	-

2.1.j-6) Net value, collateral type and risk matching of collaterals of non-performing loans:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
Type of Collateral	Net Value of Collateral(*)	Loan Balance	Net Value of Collateral(*)	Loan Balance
Letter of Guarantee	54.153	55.090	68.031	68.031
Real Estate Mortgage	666.666	668.201	769.378	770.537
Other (Guarantee, commercial enterprise pledge, export documents, etc.)	-	-	-	-
Unsecured	-	9.459	-	9.514
Total	720.819	732.750	837.409	848.082

(*) Between the appraisal and mortgage amount lower one and if these exceed the credit risk, loan amount is taken into account as the net value of the collateral.

2.1.k) 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.

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EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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.l) 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 31 December 2024, the Bank does not have any credits deducted from its accounting records (31 December 2023: None).

2.2. Information on finance lease receivables (Net):

The amount of the Bank's receivables arising from leasing transactions is TL 1 (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 (31.12.2024)	Prior Period (31.12.2023)
Government bonds	2.576.811	2.057.668
Treasury bills	-	-
Other government debt securities	-	-
Total	2.576.811	2.057.668

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Government bonds	3.446.168	7.378.696
Treasury bills	-	-
Other government debt securities	-	-
Total	3.446.168	7.378.696

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Government bonds	9.784.858	13.077.571
Treasury bills	-	-
Other government debt securities	617.517	482.369
Total	10.402.375	13.559.940

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Debt securities	10.402.375	13.620.387
Quoted on a stock exchange	10.402.375	13.620.387
Unquoted	-	-
Provision for impairment (-)	-	-
Total	10.402.375	13.620.387

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SECTION FIVE (Continued)

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

1. Explanations and Notes Related to Assets (Continued):
2. Explanations on financial assets measured at amortised cost (Net) (Continued):
- 2.4.e) Movements of other financial assets measured at amortised cost during the year:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the beginning of the period	13.620.387	7.562.223
Foreign currency difference on monetary assets	554.804	2.479.122
Purchases during the year ^(*)	5.344.027	4.675.290
Disposals through sales and redemptions ^(**)	(9.116.843)	(1.096.248)
Provision for impairment (-)	-	-
Balance at the end of the period	10.402.375	13.620.387

(*) TL 2.605.245 arises from the rediscount increase in purchases during the year (31 December 2023: TL 2.175.960).
(**) Disposals through sales and redemptions consist of TL 2.231.295 after coupon redemption rediscount 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)	Bank's Share Ratio - If Different, Voting Ratio (%)	Bank's Risk Group Share Ratio (%)
	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	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
	760.432	529.734	65.554	-	-	93.555	124.054	-

(*) The financial information of Maksan A.Ş. is provided from the unreviewed financial statements without the implementation of inflation accounting as of 30 September 2024. Prior period profit/loss amount is provided from the unreviewed financial statements as of 30 September 2023.

4.1.c) Movement of associates:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the beginning of the period	10.586	10.586
Movements during the period	-	-
Additions	-	-
Bonus shares certificates	-	-
Shares in current year profit	-	-
Disposal	-	-
TFRS 9 classification change	-	-
Revaluation increase	-	-
Provision for impairment (-) / Cancellation of provision	-	-
Balance at the end of the period	10.586	10.586
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.

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SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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 100% participation 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 a nominal capital of TL 1.800 and increased to TL 50.000 on 19 August 2024.

	Title	Address (City/Country)	Bank's Share Ratio - If Different, Voting Ratio (%)	Bank's Risk Group Share Ratio (%)
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:

(*)	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	946	873	-	-	407.117	347	432	-
2	60.334	51.557	4.377	-	-	4.883	(4.443)	-

(*) The financial information of Kalkınma Yatırım Varlık Kiralama A.Ş. and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. are provided from the unaudited financial statements without the implementation of inflation accounting as of 31 December 2024. Prior period informations are provided from the unaudited financial statements without the implementation of inflation accounting as of 31 December 2023.

4.2.c) Movement of subsidiaries:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the beginning of the period	16.746	4.050
Movements during the period	27.280	12.696
Additions	30.000	6.536
Bonus shares certificates	-	9.464
Shares in current year profit	-	-
Disposals	-	-
Revaluation increase	-	-
Provision for impairment (-) / Cancellation of provision	(2.720)	(3.304)
Balance at the end of the period	44.026	16.746
Capital commitments	-	-
Share percentage at the end of the period (%)	100	100

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SECTION FIVE (Continued)

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

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

4.2. Bağlı ortaklıklara ilişkin bilgiler (Net) (Devamı):

4.2.ç) Sectoral information about subsidiaries and their carrying amounts:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Banks	-	-
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial subsidiaries	44.026	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:

Current Period (31.12.2024)	Real-Estates	Real-Estates held for sale	Vehicles	Other	Total
Cost					
Balance at the beginning of the period	20.812	2.880	18.911	51.980	94.583
Provision for impairment	-	(650)	-	-	(650)
Movements during the period					
-Additions	16.445	16.750	18.062	11.132	62.389
-Disposals (-)	(20.985)	(121)	-	(1.654)	(22.760)
-Transfer from investment properties	-	-	-	-	-
-Provision for impairment (-)	-	-	-	-	-
-Reversal from provision for impairment (-)	-	650	-	-	650
Balance at the end of the period	16.272	19.509	36.973	61.458	134.212
Accumulated Depreciation					
Balance at the beginning of the period	20.812	-	4.909	25.845	51.566
Movements during the period					
-Depreciation charge	16.272	-	6.285	10.350	32.907
-Transfer from investment properties	-	-	-	-	-
-Disposals (-)	(20.812)	-	-	(1.629)	(22.441)
-Provision for impairment (-)	-	-	-	-	-
Balance at the end of the period	16.272	-	11.194	34.566	62.032
Net book value at the end of the period	-	19.509	25.779	26.892	72.180

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SECTION FIVE (Continued)

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

I. Explanations and Notes Related to Assets (Continued)

6. Information on tangible assets (Continued):

Prior Period (31.12.2023)	Real-Estates	Real-Estates held for sale	Vehicles	Other	Total
Cost					
Balance at the beginning of the period	18.227	37.740	22.872	46.008	124.847
Provision for impairment	-	(651)	-	-	(651)
Movements during the period					
-Additions	2.585	311.368	1.956	10.192	326.101
-Disposals (-)	-	(346.228)	(5.917)	(4.220)	(356.365)
-Transfer from investment properties	-	-	-	-	-
-Provision for impairment (-)	-	-	-	-	-
-Reversal from provision for impairment (-)	-	-	-	-	-
Balance at the end of the period	20.812	2.229	18.911	51.980	93.932
Accumulated Depreciation					
Balance at the beginning of the period	13.440	-	2.326	20.331	36.097
Movements during the period					
-Depreciation charge	7.372	-	4.018	9.551	20.941
-Transfer from investment properties	-	-	-	-	-
-Disposals (-)	-	-	(1.435)	(4.037)	(5.472)
-Provision for impairment (-)	-	-	-	-	-
Balance at the end of the period	20.812	-	4.909	25.845	51.566
Net book value at the end of the period	-	2.229	14.002	26.135	42.366

7. Information on intangible assets:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Cost		
Balance at the beginning of the period	58.512	39.774
Movements during the period		
-Additions	35.189	18.738
- Disposals	-	-
Balance at the end of the period	93.701	58.512
Accumulated Amortisation		
Balance at the beginning of the period	26.260	18.178
Movements during the period		
-Amortization charge	15.316	8.082
-Disposals	-	-
Balance at the end of the period	41.576	26.260
Net book value at the end of the period	52.125	32.252

8. Information on investment properties:

None.

9. Information on current tax assets:

None.

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SECTION FIVE (Continued)

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

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

10. Information on deferred tax assets:

As of 31 December 2024, the Bank has a deferred tax asset of TL 477.494 (31 December 2023: TL 322.840). 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 31 December 2024, the Bank has no tax assets calculated over the period loss or tax deduction (31 December 2023: None).

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Deferred Tax Asset		
Differences between Book Value and Tax Value of Fixed Assets	53.959	24.277
Interest rediscounts	2.833	2.815
Employee benefits provisions	28.240	18.990
TFRS 16 Leases	1.592	-
Personnel bonus premium provision	113.771	60.949
TFRS 9 Provision	353.560	289.035
Other	32.106	33.385
Total Deferred Tax Asset	586.061	429.451
Deferred Tax Liability		
Securities portfolio - Financial	26.766	13.684
Securities portfolio - Non-financial	44.825	78.545
TFRS 16 Leasing	-	174
Derivative financial assets	36.976	14.225
Total Deferred Tax Liability	108.567	106.628
Net Deferred Tax Asset/(Liabilities)	477.494	322.823

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SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
From Central Bank of the Republic of Türkiye (*)	21.894.170	-	17.995.416	-
From domestic banks and institutions	10.280	7.607.345	-	4.666.865
From foreign banks, institutions and funds	-	78.773.056	-	75.284.759
Total	21.904.450	86.380.401	17.995.416	79.951.624

(*)The securities amounting to TL 45.960.576 (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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Short-term	94.470	1.305.004	-	10.414.970
Medium and long-term	21.809.980	85.075.397	17.995.416	69.536.654
Total	21.904.450	86.380.401	17.995.416	79.951.624

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, KfW 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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Liabilities to money markets	115.332	-	223.415	-
Funds provided under repurchase agreements	3.309.293	11.032	2.660.861	-
Total	3.424.625	11.032	2.884.276	-

4. Information on securities issued (Net):

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Bonds	-	3.735.924	-	3.321.427
Total	-	3.735.924	-	3.321.427

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SECTION FIVE (Continued)
EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. Explanations and Notes Related to Liabilities (Continued)

5. Explanations on funds:

Of the TL 8.402.633 provided by the Bank (31 December 2023 : TL 6.397.933), TL 603.727 is from the World Bank (31 December 2023 : TL 328.577), TL 2.043 is from the European Commission Fund (31 December 2023 : TL 1.813), TL 183.542 is from the KfW Development Bank (31 December 2023 : None) and TL 311.025 is from the Republic of Türkiye Ministry of Treasury and Finance (31 December 2023 : TL 22.350) and TL 7.302.296 consists of funds from borrowers and banks (31 December 2023: TL 6.045.193).

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

None.

7. Negative differences table for derivative financial liabilities:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	17.382	3.507	15.195	3.104
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	17.382	3.507	15.195	3.104

8. Information on factoring liabilities:

None.

9. Explanations on financial lease payables (Net):

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Gross	Net	Gross	Net
Less than 1 year	9.475	7.362	7.298	5.253
1-4 years	16.444	14.799	18.092	15.484
More than 4 years	-	-	-	-
Total	25.919	22.161	25.390	20.737

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 unindemnified non-cash loans:

As of 31 December 2024, the first stage expected credit loss for non-compensated and non-cashed non-cash loans is TL 20.727 (31 December 2023: TL 53.480), third stage expected loss provision is TL 1 (31 December 2023: TL 1).

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SECTION FIVE (Continued)
EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. Explanations and Notes Related to Liabilities (Continued)

11. Explanations on Provisions (Continued):

11.c) Other provisions:

- i) As of 31 December 2024, there are 83 lawsuits filed against the Bank and there is a risk amount of TL 19.762. The Bank allocated litigation provision amounting to TL 5.139 (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 recognizes it in financial statements. As of 31 December 2024, the Bank allocated provision for severance pay amounting to TL 54.140 (31 December 2023: TL 42.185), for unused vacation accruals amounting to TL 39.993 (31 December 2023: TL 21.114) and for planned employee benefits provision amounting to TL 379.237 (31 December 2023: TL 203.165)

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the beginning of the period	42.185	20.042
Expenses during the period	19.942	22.966
Actuarial loss/gain	(4.157)	-
Paid during the period	(3.830)	(823)
Balance at the end of the period	54.140	42.185

12.a) Information on current tax liability:

12.a-1) Information on tax provision:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Corporate Tax and Deferred Tax				
Corporate tax payable	745.498	-	498.718	-
Deferred tax liability	-	-	-	-
Total	745.498	-	498.718	-

12.a-2) Information on taxes payable:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Corporate tax payable	745.498	498.718
Taxation on income on marketable securities	2.938	5.393
Property tax	-	-
Banking insurance transaction tax (BITT)	12.967	14.269
Foreign exchange transaction tax	94	287
Value added tax payable	3.318	1.542
Other	31.676	15.504
Total	796.491	535.713

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SECTION FIVE (Continued)

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

II. Explanations and Notes Related to Liabilities (Continued)

12.a) Information on current tax liability (Continued):

12.a-3) Information on premiums:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Social security premiums- Employee	6.349	3.756
Social security premiums- Employer	9.406	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	148	86
Unemployment insurance- Employee	453	268
Unemployment insurance- Employer	907	536
Other	91	57
Total	17.472	10.268

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:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TP	YP	TP	YP
Debt instruments to be included in additional capital calculation	5.516.800	-	3.712.899	6.038.208
Subordinated loans(*)	5.516.800	-	3.712.899	6.038.208
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	2.060.311	-	1.827.616
Subordinated loans	-	2.060.311	-	1.827.616
Subordinated debt instruments	-	-	-	-
Total	5.516.800	2.060.311	3.712.899	7.865.824

(*)With the approval of BRSA dated 19 April 2019, the subordinated loan amounting to EUR 150 million with an indefinite maturity and early repayment option at the end of the 5th year at the earliest, obtained from TWF Market Stability and Equilibrium Sub-Fund under the Türkiye Wealth Fund, was closed by repayment on 27 December 2024 by using the early repayment option.

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 foreign resources item of the balance sheet does not exceed 10% of the balance sheet total.

17. Information on shareholders’ equity:

17.a) Presentation of paid-in capital:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Common stock	5.500.000	2.500.000
Preferred stock	-	-

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SECTION FIVE (Continued)

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

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

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:

Capital System	Paid in Capital	Ceiling
Registered capital	5.500.000	10.000.000

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.ç) 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 (31.12.2024)	Prior Period (31.12.2023)
I. Legal reserve	407.567	205.398
II. Legal reserve	14.471	14.471
Special reserves	-	-
Total	422.038	219.869

17.f) Information on extraordinary reserves:

	Current Period (31.12.2024)	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	-	-
Total	7.536.279	3.695.073

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.ğ) Information on preferred shares:

The Bank has no preferred shares

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EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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17.h) Information on accumulated other comprehensive income or expenses to be reclassified to profit or loss:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
From associates, subsidiaries and jointly controlled entities (joint ventures)	10.931	-	10.931	-
Valuation difference	553	91.451	62.055	87.350
Foreign exchange difference	-	-	-	-
Total	11.484	91.451	72.986	87.350

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:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Forward asset purchase and sales commitments	192.563	1.420.366
Other irrevocable commitments	772.787	262.965
Total	965.350	1.683.331

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

As of 31 December 2024, the first stage expected credit loss for non-compensated and non-cashed non-cash loans is TL 20.727 (31 December 2023: TL 53.840), third stage expected credit loss is TL 1 (31 December 2023: TL 1).

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 633.011 (31 December 2023: TL 609.260). The Bank has TL 133.709 letters of credit (31 December 2023: TL 118.700). The Bank has no bank loans 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 4.308.450 (31 December 2023: TL 4.145.080). TL 1 of this amount (31 December 2023: TL 1) is a customs guarantee letter and TL 155.520 (31 December 2023: TL 84.923 is performance guarantee letters.

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Non-cash loans for providing cash loans	4.919.649	4.669.416
With original maturity of one year or less	-	-
With original maturity more than one year	4.919.649	4.669.416
Other non-cash loans	155.521	84.924
Total	5.075.170	4.754.340

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EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
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III. Explanations and Notes Related to Off-Balance Sheet Accounts (Continued):

1.c-2) Information about risk concentration on sector basis within the non-cash loans account:

	Current Period (31.12.2024)				Prior Period (31.12.2023)			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	-	-	-	-	-	-	-	-
Farming and Livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Industry	149.188	%100,00	4.925.973	%100,00	84.915	%100,00	4.669.416	%100,00
Mining and quarrying	-	-	-	-	-	-	-	-
Manufacturing Industry	1	-	133.709	%2,71	2.488	-	-	-
Electricity, Gas, Water	149.187	%100,00	4.792.264	%87,29	82.427	%100,00	4.669.416	%100,00
Building	-	-	-	-	-	-	-	-
Services	9	-	-	-	9	-	-	-
Wholesale and Retail Trade	-	-	-	-	-	-	-	-
Hotel and Restaurant Services	-	-	-	-	-	-	-	-
Transportation and Communications	-	-	-	-	-	-	-	-
Financial Institutions	9	-	-	-	9	-	-	-
Real Estate and Rental Service	-	-	-	-	-	-	-	-
Self-Employment Services	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	149.197	%100,00	4.925.973	%100,00	84.924	%100,00	4.669.416	%100,00

1.c-3) Non-cash loans classified in group I and II:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	I. Group		I. Group	
Non-Cash Loans	TL	FC	TL	FC
Letters of Guarantee	149.195	4.159.253	84.922	4.060.156
Letters of Credit	-	133.709	-	-
Other Warranties	-	633.011	-	609.260
Total	149.195	4.925.973	84.922	4.669.416

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 31 December 2024 and 31 December 2023.

	Current Period (31.12.2024)				Prior Period (31.12.2023)			
	Forward Purchase	Forward Sale	Swap Purchase	Swap Sale	Forward Purchase	Forward Sale	Swap Purchase	Swap Sale
TL	-	-	2.307.407	4.259.259	-	-	982.007	9.153.209
USD	-	-	4.058.327	5.059.379	-	-	6.794.888	1.934.433
EUR	-	-	3.046.797	-	-	-	3.239.969	-
Other	-	-	-	-	-	-	-	-
Total	-	-	9.412.531	9.318.638	-	-	11.016.864	11.087.642

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EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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 Luxembourg Investment Company Fund) was founded as a stock company having variable capital and subject to laws of Luxembourg. 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 and USD 15 million to DIBT Fund of Funds 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. It has been paid a capital share of USD 76 thousand and as of the balance sheet date, USD 14.924 thousand of the total commitment to the fund has not been paid yet.

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.

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SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Interest on loans(*)				
Short term loans	-	224.346	-	-
Medium and long term loans	3.510.861	5.733.379	1.941.631	4.933.847
Interest on non-performing loans	198.757	-	233.053	-
Premiums received from resource utilization support fund	-	-	-	-
Total	3.709.618	5.957.725	2.174.684	4.933.847

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

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
From Central Bank of the Republic of Türkiye	-	-	-	-
From domestic banks	3.883.176	52.272	2.836.440	14.743
From foreign banks	-	7.632	-	3.838
From foreign head offices and branches	-	-	-	-
Total	3.883.176	59.904	2.836.440	18.581

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income	892.304	1.294.690	571.979	504.766
Financial assets measured at amortised cost	3.245.592	153.717	2.227.445	294.395
Total	4.137.896	1.448.407	2.799.424	799.161

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

None.

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Money market transactions	4.105.714	17.608	2.602.971	787
Reverse repurchase agreements	24.692	-	8.593	-
Total	4.130.406	17.608	2.611.564	787

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SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO THE UNCONSOLIDATED 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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Banks ^(*)	3.072.578	525.402	1.660.274	254.073
Central Bank of the Republic of Türkiye	3.072.578	-	1.660.274	-
Domestic banks	-	-	-	-
Foreign banks	-	525.402	-	254.073
Foreign head office and branches	-	-	-	-
Other Institutions ^(*)	1.803.986	4.710.176	1.412.300	3.902.030
Total	4.876.564	5.235.578	3.072.574	4.156.103

(*) 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 (31.12.2024)		Prior Period (31.12.2023)	
	TP	FC	TP	FC
Interests paid on issued securities	-	259.906	-	182.028

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Money market transactions	100.849	-	11.140	-
Repurchase agreements	1.300.111	5.101	517.455	-
Total	1.400.960	5.101	528.595	-

2.d) Leasing interest expenses:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Immovables	3.045	-	999	-
Movables	2.175	-	1.909	-
Total	5.220	-	2.908	-

3. Information related to dividend income:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Financial assets measured at fair value through profit or loss	6.154	6.151
Financial assets measured at fair value through other comprehensive income	8.632	4.851
Other	14.249	11.874
Total	29.035	22.876

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SECTION FIVE (Continued)

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

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

4. Information related to trading income/loss:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Gain	1.444.747	6.508.654
Gains on capital market operations	150.635	177.986
Gains on derivative financial instruments	903.304	4.241.721
Foreign exchange gains	390.808	2.088.947
Loss (-)	(2.242.666)	(7.112.160)
Losses from the capital market operations	(49.312)	(15.515)
Losses on derivative financial instruments	(1.632.860)	(2.255.617)
Foreign exchange losses	(560.494)	(4.841.028)

5. Information related to other operating income:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Income from sale of assets	2.161	70.582
Reversals from prior years' provisions	422.708	127.888
Other	7.407	19.635
Total	432.276	218.105

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

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Expected credit loss provisions	734.413	492.033
12 month expected credit loss (Stage 1)	224.181	232.206
Significant increase in credit risk (Stage 2)	280.704	122.768
Non-performing Loans (Stage 3)	229.528	137.059
Marketable securities impairment expense	28.223	-
Financial assets measured at fair value through profit or loss	28.223	-
Financial assets measured at fair value through other comprehensive income	-	-
Subsidiaries, associates and joint ventures provision expenses for impairment	2.720	3.304
Associates	-	-
Subsidiaries	2.720	3.304
Joint ventures	-	-
Other provision expenses ^(*)	421.891	344.702
Total	1.187.247	840.039

(*) Other provision expenses amounting to TL 41.936 consist of provision for employment termination benefits and vacation pay liability expenses (31 December 2023: TL 35.346), TL 379.237 of the provision for employee benefits (31 December 2023: TL 203.165), TL 718 of provision for litigation expenses (31 December 2023: TL 6.191), (31 December 2023: TL 100.000 provision for possible risks).

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SECTION FIVE (Continued)

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

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

7. Information related to other operating expenses:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Provision for employee termination benefits(*)	19.942	22.966
Provision expense for bank social aid fund deficits	-	-
Fixed assets impairment charges	-	-
Depreciation charges of fixed assets	32.907	20.941
Intangible assets impairment charges	-	-
Goodwill impairment charges	-	-
Amortization charges of intangible assets	15.316	8.082
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	148.120	96.081
Leasing expenses related to TFRS 16 exceptions	470	236
Maintenance expenses	714	709
Advertisement expenses	61	57
Other expenses (**)	146.875	95.079
Loss on sale of assets	-	-
Other (***)	224.120	228.817
Total	440.405	376.887

(*) “Provision for Severance Pay” and “Provision for Short-Term Employee Rights” expenses are shown in the “Other Provision Expenses” line in the statement of profit or loss.

(**) Other expenses consist of cleaning expenses amounting to TL 8.380 (31 December 2023: TL 4.051), communication expenses amounting to TL 22.389 (31 December 2023: TL 13.119), computer usage expenses amounting to TL 19.742 (31 December 2023: TL 19.796), heating, lighting and water expenses amounting to TL 2.006 (31 December 2023: TL 1.836), vehicle expenses amounting to TL 45.006 (31 December 2023: TL 23.889), dues amounting to TL 2.409 (31 December 2023: TL 1.287), participation share in common expenses amounting to TL 20.720 (31 December 2023: TL 12.039), insurance expenses amounting to TL 6.105 (31 December 2023: TL 5.269), miscellaneous expenses amounting to TL 9.079 (31 December 2023: TL 9.914) and the remaining portion amounting to TL 11.039 (31 December 2023: TL 3.879) consists of other miscellaneous expenses.

(***) Other consists of taxes, duties, fees and funds expenses amounting to TL 122.917 (31 December 2023: TL 76.649), audit and consultancy fees amounting to TL 54.993 (31 December 2023: TL 25.519), BRSA participation share amounting to TL 27.479 (31 December 2023: TL 9.676) and other miscellaneous expenses amounting to TL 18.731 (31 December 2023: TL 6.562), (31 December 2023: TL 110.411 earthquake relief expenses).

8. Announcement of the fees related to the services received from the independent auditor or independent audit firm:

By the decision of the POA dated 26 March 2021, the fee information for the reporting period regarding the services received from the independent auditor or independent audit firm is given in the table below, excluding VAT amounts. These fees do not include the fees for the services provided to the Bank's subsidiaries.

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Independent audit fee for the reporting period	6.800	1.917
Fee for tax advisory services	-	105
Fee for other assurance services	890	557
Fees for services other than independent auditing	-	-
Total	7.690	2.579

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SECTION FIVE (Continued)

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

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

9. Information related to operating profit/loss before taxes:

The Bank’s profit before tax from continuing operations in the accounting period ending on 31 December 2024 is TL 8.698.622 (31 December 2023: TL 5.642.607). Bank has no discontinued operations.

10. Information on tax provision of continued and discontinued operations:

In the accounting period ending on 31 December 2024, the Bank’s income tax provision from continuing operations amounting to TL 2.531.037 (31 December 2023: TL 1.599.232) consists of TL 2.662.920 of current tax charge (31 December 2023: TL 1.762.541) and TL 131.883 of deferred tax income effect (31 December 2023: TL 163.309).

	1 January- 31 December 2024	1 January- 31 December 2023
Reconciliation of Tax Provision		
Profit/Loss Before Tax	8.698.622	5.642.607
Applicable Tax Rate	%30	%30
Calculated Tax	2.609.587	1.692.782
Reconciliation of Allocated and Calculated Tax Provision		
Other (Effect of expenses not allowed by law, discounts, etc.)	(78.550)	(93.550)
Tax Provision	2.531.037	1.599.232

11. Information on net profit and loss of continued and discontinued operations:

The Bank earned a net profit of TL 6.167.585 from continuing operations between 1 January 2024 - 31 December 2024 (period between 1 January 2023 - 31 December 2023: TL 4.043.375 profit).

12. Information on net profit/loss:

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

None.

12.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.

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

The total amount of other fees and commissions received in the profit or loss statement for the accounting period ending on 31 December 2024 is TL 153.622 (31 December 2023: TL 64.201). Of this amount, TL 65.018 (31 December 2023: TL 6.028) consists of compensation for early terminated loans, TL 45.522 (31 December 2023: TL 28.703) consists of investment banking service income and TL 22.060 (31 December 2023: TL 13.210) consists of CBRT investment advance commissions.

The total amount of other fees and commissions given in the statement of profit or loss for the accounting period ending on 31 December 2024 is TL 39.863 (31 December 2023: TL 45.635). Of this amount, TL 4.167 (31 December 2023: TL 13.481) consists of credit guarantee fund limit commissions, and TL 15.771 (31 December 2023: TL 24.483) consists of stock market transaction commissions.

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SECTION FIVE (Continued)

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

V. **Explanations and Notes Related to Statement of Changes in Shareholders’ Equity:**
The paid nominal capital amount in the legal records is TL 5.500.000 (31 December 2023: TL 2.500.000), as of the balance sheet date, the legal reserve funds balance is TL 422.038 (31 December 2023: TL 219.869), the extraordinary reserve funds balance is TL 7.536.279 (31 December 2023: TL 3.695.073) other profit reserves are TL 54.226 (31 December 2023: TL 54.226).

The fair value difference of TL 57.774, which is the entire amount of valuation difference of securities, results from the change in value of financial assets measured at fair value through other comprehensive income.

VI. **Explanations and Notes Related to Statement of Cash Flows:**

1. **Explanations related to “other” items and “effect of change in foreign currency rates on cash and cash equivalents” in statement of cash flows:**

The Bank’s net cash inflow from banking activities amounts to TL 5.850.721 (31 December 2023: TL 8.004.403). The portion of the net cash inflow resulting from banking activities amounting to TL (1.060.222) (31 December 2023: TL 3.966.737) is from the change of asset and liability accounts; the portion amounting to TL 6.910.943 (31 December 2023: TL 4.037.666) arises from operating profit. The item “Net Increase (Decrease) in Other Debts” included in the change of asset and liability accounts arises from funds received, funds provided from repo transactions, miscellaneous debts, other foreign sources and changes in taxes, duties, fees and premiums to be paid as TL 1.589.040 (31 December 2023: TL (3.479.967). The “Other” item included in the operating profit consists of other operating expenses excluding fees and commissions paid and personnel expenses and was realized as TL (412.544) (31 December 2023: TL (1.130.069).

There is cash inflow and outflow from financing activities due to the cash capital increase and subordinated loan in 2024.

The effect of the change in foreign exchange rate on cash and cash equivalent assets includes the exchange rate difference between the exchange rate on the day the foreign currency cash and cash equivalent assets were traded and the exchange rate on the reporting date and amounted to TL (365.060) (31 December 2023: TL 2.022.255).

2. **Cash and cash equivalents at the beginning of the period:**

	31.12.2023	31.12.2022
Cash	83.343	69.571
<i>Cash in TL and foreign currencies</i>	26	45
<i>Demand deposits at banks</i>	83.317	69.526
Cash equivalents	21.318.757	15.229.754
<i>Interbank money market</i>	16.535.221	6.603.772
<i>Time deposits at banks</i>	4.783.536	8.625.982
Total cash and cash equivalents	21.402.100	15.299.325

The total value found as a result of the transactions realized in the previous period gives the total of cash and cash equivalent assets of the current period.

3. **Cash and cash equivalents at the end of the period:**

	31.12.2024	31.12.2023
Cash	81.439	83.343
<i>Cash in TL and foreign currencies</i>	33	26
<i>Demand deposits at banks</i>	81.406	83.317
Cash equivalents	21.631.744	21.318.757
<i>Interbank money market</i>	9.334.580	16.535.221
<i>Time deposits at banks</i>	12.297.164	4.783.536
Total cash and cash equivalents	21.713.183	21.402.100

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SECTION FIVE (Continued)

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

VII. **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 Arıcak 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 Arıcak 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 67.569 (31 December 2023: TL 38.650).

VIII. **Explanations Related to Domestic, Foreign, Off-shore Branches and Representatives Offices Abroad:**

None.

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SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations Related to Operations of the Bank:

The summary of information on the Bank’s rating by International Rating Agencies:

The international ratings of the Bank are performed by Fitch on 17 September 2024.

	2024
Foreign Currency	
Long Term	BB-
Short Term	B
Outlook	Stable
Turkish Lira	
Long Term	BB-
Short Term	B
Outlook	Stable
National	
Long Term	AAA (TUR)
Government Support Note	bb-
Outlook	Stable

	2023
Foreign Currency	
Long Term	B
Short Term	B
Outlook	Stable
Turkish Lira	
Long Term	B
Short Term	B
Outlook	Stable
National	
Long Term	AAA (TUR)
Government Support Note	b
Outlook	Stable

II. Explanations and Notes Related to Subsequent Events:

With the decision of the Board of Directors of the Bank dated 18 December 2024, it has been decided to increase the issued capital of the Bank from TL 5.500.000 to TL 10.000.000 within the registered capital ceiling set as TL 10.000.000 in order to increase placement opportunities. The necessary application was made to the Capital Markets Board on 15 January 2025 for the approval of the Draft Prospectus for the shares with a nominal value of TL 4.500.000 to be issued in this way.

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TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

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SECTION SEVEN

INDEPENDENT AUDITOR’S REPORT

I. Explanations on Independent Auditor’s Report:

The Bank’s unconsolidated financial statements as of and for the period ended 31 December 2024 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) and the audit report dated 6 February 2025 is presented at the beginning of the financial statements and related notes.

II. Explanations and Notes Prepared by Independent Auditor:

None.

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

**Consolidated Financial Statements
as at and for the Year Ended 31 December 2024
with Independent Auditor's Audit Report**

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



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Convenience Translation of the Auditor’s Audit Report Originally Issued in Turkish

Independent Auditors’ Report on Audit of Consolidated Financial Statements

To the General Assembly of Türkiye Kalkınma ve Yatırım Bankası A.Ş.

Opinion

We have audited the consolidated statement of financial position of Türkiye Kalkınm ve Yatırım Bankası A.Ş. (“the Bank”) and its subsidiaries (collectively referred as “Group”) as of December 31, 2024 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements.

In our opinion the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Legislation which includes “Regulation on Accounting Applications for Banks and Safeguarding of Documents” published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards (“TFRS”) for those matters not regulated by the aforementioned regulations.

Basis for Opinion

Our audit was conducted in accordance with “Regulation on independent audit of the Banks” published in the Official Gazette no.29314 dated April 2, 2015, by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards (“ISA”) which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority (“POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

As of December 31, 2023, the consolidated financial statements of the Group, prepared in accordance with the "BRSA Accounting and Financial Reporting Legislation", were audited by another audit firm. The independent audit firm expressed an unqualified opinion in its independent audit report dated February 8, 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How the Key Audit Matter is addressed in our audit
Financial impact of TFRS 9 “Financial Instruments” standard and recognition of classification, measurement and impairment on financial assets and related important disclosures	
As presented in Section 3, disclosure numbered IX, the Group recognizes expected credit losses of financial assets in accordance with TFRS 9 Financial Instruments standard. We considered impairment of financial assets as a key audit matter since: - Amount of on and off-balance sheet items that are subject to expected credit loss calculation is material to the financial statements - There are complex and comprehensive requirements of TFRS 9 - The classification of the financial assets is based on the Group’s business model and characteristics of the contractual cash flows in accordance with TFRS 9 and significant judgment is used on the assessment of the business model and identification of the complex contractual cash flow characteristics of financial instruments - Policies implemented by the management include compliance risk to the regulations and other practices - Processes of TFRS 9 are advanced and complex - Judgements and estimates used in expected credit loss, complex and comprehensive Disclosure requirements of TFRS 9 are comprehensive and complex.	Our audit procedures included among others include: - Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Group’s past experience, local and global practices - Reviewing and testing of processes which are used to calculate expected credit losses by involving our Information technology and process audit specialists - Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments and data sources used in calculating expected loss, taking into account standard requirements, industry and global practices - Reviewing the appropriateness of criteria in order to identify the financial assets having solely payments of principal and interest and checking the compliance to the Group’s Business model - Reviewing the Group’s classification and measurement models of the financial instruments and comparing with TFRS 9 requirements - Evaluating the alignment of the significant increase in credit risk determined during the calculation of expected credit losses, default definition, restructuring definition, probability of default, loss given default, exposure at default and macro-economic variables that are determined by the financial risk management experts with the Group’s past performance, regulations, and other processes that has forward looking estimations - Assessing the completeness and the accuracy of the data used for expected credit loss calculation. - Testing the mathematical accuracy of expected credit loss calculation on sample basis - Evaluating the necessity and accuracy of the updates made or required updates after the modeling process - Auditing of TFRS 9 disclosures.



Responsibilities of Management and Directors for the Consolidated Financial Statements

Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, the responsibilities of us as independent auditors are:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion(The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with government with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code (“TCC”) no 6102; no significant matter has come to our attention that causes us to believe that the Bank’s bookkeeping activities and financial statements for the period January 1 – December 31, 2024, are not in compliance with the TCC and provisions of the Bank’s articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor’s report is Aykut Üşenti.

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

Aykut Üşenti, SMMM
Partner

February 6, 2025
Istanbul, Türkiye

A member firm of Ernst & Young Global Limited

THE CONSOLIDATED FINANCIAL REPORT OF TÜRKİYE KALKINMA VE YATIRIM
BANKASI A.Ş. AS OF 31 DECEMBER 2024

The Headquarters Address	İnkılap Mahallesi Dr.Adnan Büyükdeniz Cad. No:10 Ümraniye / İSTANBUL
Telephone and Facsimile	Tel: 0 216 636 87 00 Fax: 0 216 636 89 28
Website Address	http://www.kalkinma.com.tr
E-mail Address	muhassebe@kalkinma.com.tr

The consolidated financial report for the year ended 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 PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP WHICH IS UNDER CONSOLIDATION
- DISCLOSURES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR’S REPORT

The subsidiaries whose financial statements are consolidated within the framework of this financial report are as follows:

Subsidiaries

Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.
Kalkınma Yatırım Varlık Kiralama A.Ş.

The accompanying consolidated financial statements and notes to these financial statements for the year ended 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 audited.

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 : Zeynep KOÇ / Vice President
Tel No : 0 216 636 88 89

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Consolidated Financial Statements
as of 31 December 2024

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

SECTION ONE

GENERAL INFORMATION

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

The Parent 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 Parent 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 Parent 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 Parent 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:

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

(*) Includes all institutions and individuals and shares of these shareholders are traded in Borsa İstanbul. Therefore, number of shareholders can’t be known.

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Consolidated Financial Statements
as of 31 December 2024

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

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

III. Explanations Regarding the Parent 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 Parent 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	29
Zeynep BOĞA	Board Member	04.08.2023	Master’s Degree	19
Zekeriya ÇOŞTU	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)
İbrahim H. ÖZTOP	General Manager / Information Security, Legal Affairs, CEO Office Directorate and all other areas	16.08.2018	Master’s Degree	28
Satı BALCI	EVP / Subsidiaries and Corporate Relations, Credit Portfolio Management and Monitoring(*), Loan Operations, Treasury and Capital Markets Operations, Türkiye Development Fund	07.11.2017	Bachelor’s Degree	36
Seçil KIZILKAYA YILDIZ	EVP / Financial Analysis and Valuation, Engineering, Economic Research, Sectoral Research, Mergers and Acquisition Advisory, Capital Markets Advisory, Financial Advisory, 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
Muzaffër 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, Corporate Communications(**)	18.10.2022	Master’s Degree	19

(*) With the decision of the Bank’s Board of Directors dated 30 September 2024, the Loan Monitoring Unit was assigned to Executive Vice President Satı BALCI, with the decision dated 6 November 2024, the name of the unit was changed to Credit Portfolio Management and Monitoring.
(**) With the decision of the Bank’s Board of Directors dated 16 October 2024, the Corporate Communications Unit was assigned to Executive Vice President Nuri Yasin KÜLAHÇI.

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.

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Consolidated Financial Statements
as of 31 December 2024

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

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

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

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

V. Summary of Functions and Lines of Activities of the Parent 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 31 December 2024, the Bank has 1 branch operating 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 Parent 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 Parent 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

CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Balance Sheet (Statement of Financial Position)
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- IV. Consolidated Statement of Profit or Loss and Other Comprehensive Income
- V. Consolidated Statement of Changes in Shareholders’ Equity
- VI. Consolidated Statement of Cash Flows
- VII. Statement of Profit Distribution

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Consolidated Balance Sheet (Statement of Financial Position)

as of 31 December 2024

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

I. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note (Section Five I)	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
			TL	FC	TOTAL	TL	FC	TOTAL
ASSETS								
I.	FINANCIAL ASSETS (NET)	(1)	25.339.691	23.655.695	48.995.386	22.306.290	15.543.948	37.850.238
1.1	Cash and Cash Equivalents		20.977.201	1.659.543	22.636.744	20.801.443	1.171.009	21.972.452
1.1.1	Cash and Balances with Central Bank		1.842	-	1.842	2.560	-	2.560
1.1.2	Banks		11.058.573	1.659.543	12.718.116	3.768.650	1.171.009	4.939.659
1.1.3	Money Markets		9.921.861	-	9.921.861	17.046.025	-	17.046.025
1.1.4	Expected Credit Loss (-)		(5.075)	-	(5.075)	(15.792)	-	(15.792)
1.2	Financial Assets Measured at Fair Value Through Profit or Loss		416.293	280.704	696.997	318.816	272.639	591.455
1.2.1	Government Securities		-	-	-	-	-	-
1.2.2	Equity Securities		416.293	280.704	696.997	318.816	272.639	591.455
1.2.3	Other Financial Assets		-	-	-	-	-	-
1.3	Financial Assets Measured at Fair Value Through Other Comprehensive Income		3.802.055	21.715.448	25.517.503	1.120.503	14.100.112	15.220.615
1.3.1	Government Securities		3.201.141	5.848.330	9.049.471	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		592.101	15.867.118	16.459.219	233.895	6.341.424	6.575.319
1.4	Derivative Financial Assets	(1,5)	144.142	-	144.142	65.528	188	65.716
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit or Loss		144.142	-	144.142	65.528	188	65.716
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(2)	30.909.812	72.576.250	103.486.062	25.811.677	71.399.398	97.211.075
2.1	Loans		22.773.031	72.039.804	94.812.835	19.333.681	64.825.027	84.158.708
2.2	Lease Receivables		-	-	-	-	-	-
2.3	Factoring Receivables		-	-	-	-	-	-
2.4	Other Financial Assets Measured at Amortised Cost		9.865.929	536.446	10.402.375	7.900.966	6.574.371	14.475.337
2.4.1	Government Securities		9.865.929	536.446	10.402.375	7.046.016	6.513.924	13.559.940
2.4.2	Other Financial Assets		-	-	-	854.950	60.447	915.397
2.5	Expected Credit Loss (-)		(1.729.148)	-	(1.729.148)	(1.422.970)	-	(1.422.970)
III.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(3)	-	-	-	-	-	-
3.1	Held for Sale Purpose		-	-	-	-	-	-
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	EQUITY INVESTMENTS	(4)	10.586	-	10.586	10.586	-	10.586
4.1	Associates (Net)		10.586	-	10.586	10.586	-	10.586
4.1.1	Associates Accounted Based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated Financial Subsidiaries		10.586	-	10.586	10.586	-	10.586
4.2	Subsidiaries (Net)		-	-	-	-	-	-
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3	Joint Ventures (Net)		-	-	-	-	-	-
4.3.1	Joint Ventures Accounted Based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)	(6)	74.745	-	74.745	43.010	-	43.010
VI.	INTANGIBLE ASSETS (Net)	(7)	52.182	-	52.182	32.323	-	32.323
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		52.182	-	52.182	32.323	-	32.323
VII.	INVESTMENT PROPERTY (Net)	(8)	-	-	-	-	-	-
VIII.	CURRENT TAX ASSET	(9)	9	-	9	5	-	5
IX.	DEFERRED TAX ASSET	(10)	479.355	-	479.355	324.243	-	324.243
X.	OTHER ASSETS (Net)		256.215	239.929	496.144	68.742	159.464	228.206
TOTAL ASSETS			57.122.595	96.471.874	153.594.469	48.596.876	87.102.810	135.699.686

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

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Consolidated Balance Sheet (Statement of Financial Position)

as of 31 December 2024

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

I. CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)		Note (Section Five II)	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
			TL	FC	TOTAL	TL	FC	TOTAL
LIABILITIES								
I.	DEPOSITS	(1)	-	-	-	-	-	-
II.	FUNDS BORROWED	(2)	21.904.450	86.380.401	108.284.851	17.995.416	79.951.624	97.947.040
III.	MONEY MARKET FUNDS	(3)	3.415.017	2.099	3.417.116	2.874.989	-	2.874.989
IV.	SECURITIES ISSUED (Net)	(4)	-	3.735.924	3.735.924	854.950	3.321.427	4.176.377
4.1	Bills		-	-	-	-	-	-
4.2	Asset Backed Securities		-	-	-	854.950	-	854.950
4.3	Bonds		-	3.735.924	3.735.924	-	3.321.427	3.321.427
V.	FUNDS	(5)	2.254.778	6.147.855	8.402.633	2.676.239	3.721.694	6.397.933
5.1	Borrower Funds		1.505.796	3.507.329	5.013.125	325.241	2.584.491	2.909.732
5.2	Other		748.982	2.640.526	3.389.508	2.350.998	1.137.203	3.488.201
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	(6)	-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES	(7,10)	17.382	3.507	20.889	15.195	3.104	18.299
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		17.382	3.507	20.889	15.195	3.104	18.299
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	FACTORING LIABILITIES	(8)	-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	(9)	22.348	-	22.348	21.326	-	21.326
X.	PROVISIONS	(11)	605.012	-	605.012	433.171	-	433.171
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		479.145	-	479.145	271.094	-	271.094
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		125.867	-	125.867	162.077	-	162.077
XI.	CURRENT TAX LIABILITY	(12)	816.578	-	816.578	547.485	-	547.485
XII.	DEFERRED TAX LIABILITY	(13)	-	-	-	-	-	-
XIII.	LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)	(14)	-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBT INSTRUMENTS	(15)	5.516.800	2.060.311	7.577.111	3.712.899	7.865.824	11.578.723
14.1	Borrowings		5.516.800	2.060.311	7.577.111	3.712.899	7.865.824	11.578.723
14.2	Other Debt Instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	(16)	591.609	114.998	706.607	476.658	345.013	821.671
XVI.	SHAREHOLDERS' EQUITY	(17)	19.913.949	91.451	20.005.400	10.795.322	87.350	10.882.672
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		2.483	-	2.483	(506)	-	(506)
16.4	Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss		11.484	91.451	102.935	72.986	87.350	160.336
16.5	Profit Reserves		8.012.952	-	8.012.952	3.969.773	-	3.969.773
16.5.1	Legal Reserves		422.617	-	422.617	220.440	-	220.440
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		7.536.109	-	7.536.109	3.695.073	-	3.695.073
16.5.4	Other Profit Reserves		54.226	-	54.226	54.260	-	54.260
16.6	Profit or (Loss)		6.175.535	-	6.175.535	4.042.957	-	4.042.957
16.6.1	Prior Periods' Profit or (Loss)		-	-	-	289	-	289
16.6.2	Current Period Profit or (Loss)		6.175.535	-	6.175.535	4.042.668	-	4.042.668
16.7	Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES			55.057.923	98.536.546	153.594.469	40.403.650	95.296.036	135.699.686

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

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Consolidated Statement of Off-Balance Sheet Accounts
as of 31 December 2024

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

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ACCOUNTS		Note (Section Five III)	Audited Current Period 31 December 2024			Audited Prior Period 31 December 2023		
			TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)			10.610.912	32.631.385	43.242.297	11.876.311	24.568.607	36.444.918
I. GUARANTEES AND WARRANTIES	(1)		149.197	4.925.973	5.075.170	84.924	4.669.416	4.754.340
1.1 Letters of Guarantee			149.197	4.159.253	4.308.450	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			149.196	4.159.253	4.308.449	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			-	133.709	133.709	-	-	-
1.3.1 Documentary Letters of Credit			-	133.709	133.709	-	-	-
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			-	633.011	633.011	-	609.260	609.260
1.9 Other Collaterals			-	-	-	-	-	-
II. COMMITMENTS	(1,3)		3.895.049	15.540.909	19.435.958	1.656.171	7.929.901	9.586.072
2.1 Irrevocable Commitments			318.549	646.801	965.350	390.901	1.292.430	1.683.331
2.1.1 Asset Purchase and Sale Commitments			72.489	120.074	192.563	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	526.727	772.787	262.911	54	262.965
2.2 Revocable Commitments			3.576.500	14.894.108	18.470.608	1.265.270	6.637.471	7.902.741
2.2.1 Revocable Loan Granting Commitments			3.576.500	14.894.108	18.470.608	1.265.270	6.637.471	7.902.741
2.2.2 Other Revocable Commitments			-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)		6.566.666	12.164.503	18.731.169	10.135.216	11.969.290	22.104.506
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			6.566.666	12.164.503	18.731.169	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			6.566.666	12.164.503	18.731.169	10.135.216	11.969.290	22.104.506
3.2.2.1 Foreign Currency Swap-Buy			2.307.407	7.105.124	9.412.531	982.007	10.034.857	11.016.864
3.2.2.2 Foreign Currency Swap-Sell			4.259.259	5.059.379	9.318.638	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. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)			131.260.731	549.735.253	680.995.984	131.922.770	446.065.549	577.988.319
IV. ITEMS HELD IN CUSTODY			135.670	-	135.670	118.371	-	118.371
4.1 Customer Fund and Portfolio Balances			-	-	-	-	-	-
4.2 Investment Securities Held in Custody			135.670	-	135.670	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			-	-	-	-	-	-
V. PLEDGES RECEIVED			131.125.061	549.735.253	680.860.314	131.804.399	446.065.549	577.869.948
5.1 Marketable Securities			3.476.749	654.546	4.131.295	15.655.237	-	15.655.237
5.2 Guarantee Notes			-	3.360.450	3.360.450	2.390	4.853.729	4.856.119
5.3 Commodity			-	-	-	-	-	-
5.4 Warranty			-	-	-	-	-	-
5.5 Immovable			121.911.393	514.670.160	636.581.553	110.341.770	413.292.111	523.633.881
5.6 Other Pledged Items			5.623.575	26.609.300	32.232.875	5.668.808	23.577.339	29.246.147
5.7 Pledged Items-Depository			113.344	4.440.797	4.554.141	136.194	4.342.370	4.478.564
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES			-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			141.871.643	582.366.638	724.238.281	143.799.081	470.634.156	614.433.237

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

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Consolidated Statement of Profit or Loss
for the Period Ended 31 December 2024

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

III. CONSOLIDATED STATEMENT OF PROFIT OR LOSS		Note (Section Five IV)	Audited	
INCOME AND EXPENSE ITEMS			Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
I.	INTEREST INCOME	(1)	23.760.711	16.178.890
1.1	Interest on Loans		9.667.343	7.108.531
1.2	Interest on Reserve Requirements		-	-
1.3	Interest on Banks		3.952.434	2.859.352
1.4	Interest on Money Market Transactions		4.148.014	2.612.351
1.5	Interest on Marketable Securities Portfolio		5.586.303	3.598.585
1.5.1	Fair Value Through Profit or Loss		-	-
1.5.2	Fair Value Through Other Comprehensive Income		2.186.994	1.076.745
1.5.3	Measured at Amortised Cost		3.399.309	2.521.840
1.6	Financial Lease Interest Income		-	-
1.7	Other Interest Income		406.617	71
II.	INTEREST EXPENSE (-)	(2)	(12.479.523)	(8.653.879)
2.1	Interest on Deposits		-	-
2.2	Interest on Funds Borrowed		(10.112.142)	(7.228.677)
2.3	Interest Expense on Money Market Transactions		(1.400.717)	(528.112)
2.4	Interest on Securities Issued		(259.906)	(182.028)
2.5	Measured at Amortised Expense		(5.454)	(3.066)
2.6	Other Interest Expenses		(701.304)	(711.996)
III.	NET INTEREST INCOME (I - II)		11.281.188	7.525.011
IV.	NET FEES AND COMMISSIONS INCOME		247.242	137.029
4.1	Fees and Commissions Received		287.107	313.988
4.1.1	Non-cash Loans		88.282	90.520
4.1.2	Other	(13)	198.825	223.468
4.2	Fees and Commissions Paid		(39.865)	(176.959)
4.2.1	Non-cash Loans		(2)	(14)
4.2.2	Other	(13)	(39.863)	(176.945)
V.	DIVIDEND INCOME	(3)	29.035	22.876
VI.	TRADING PROFIT / (LOSS) (Net)	(4)	(797.899)	(603.480)
6.1	Trading Gains / (Losses) on Securities		101.323	162.471
6.2	Gains / (Losses) on Derivative Financial Transactions		(729.556)	1.986.104
6.3	Foreign Exchange Gains / (Losses)		(169.666)	(2.752.055)
VII.	OTHER OPERATING INCOME	(5)	436.107	223.334
VIII.	GROSS OPERATING INCOME (III+IV+V+VI+VII)		11.195.673	7.304.770
IX.	EXPECTED CREDIT LOSS (-)	(6)	(734.524)	(492.037)
X.	OTHER PROVISION EXPENSE (-)	(6)	(451.346)	(345.475)
XI.	PERSONNEL EXPENSE (-)		(866.444)	(460.422)
XII.	OTHER OPERATING EXPENSES (-)	(7)	(435.234)	(365.833)
XIII.	NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)		8.708.125	5.641.003
XIV.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XV.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XVI.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAX FROM CONTINUED OPERATIONS (XIII+...+XVI)	(9)	8.708.125	5.641.003
XVIII.	TAX PROVISION FOR CONTINUED OPERATIONS (±)	(10)	(2.532.590)	(1.598.335)
18.1	Current Tax Provision		(2.664.914)	(1.762.726)
18.2	Deferred Tax Income Effect (+)		-	-
18.3	Deferred Tax Expense Effect (-)		132.324	164.391
XIX.	CURRENT PERIOD PROFIT/LOSS FROM CONTINUED OPERATIONS (XVII±XVIII)	(11)	6.175.535	4.042.668
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
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		-	-
XXI.	EXPENSES FOR DISCONTINUED OPERATIONS (-)		-	-
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		-	-
XXII.	PROFIT/LOSS BEFORE TAX FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	CURRENT PERIOD PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/(LOSS) (XIX+XXIV)	(12)	6.175.535	4.042.668
25.1	Group Profit / Loss		6.175.535	4.042.668
25.2	Minority Shares Profit / Loss (-)		-	-
	Earning/(Loss) per share (in TL full)		0,014	0,016

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

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period Ended 31 December 2024

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

IV.	CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
I.	CURRENT PERIOD PROFIT/LOSS	6.175.535	4.042.668
II.	OTHER COMPREHENSIVE INCOME	(54.412)	(4.272)
2.1	Not Reclassified to Profit or Loss	2.989	-
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	4.202	-
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	(1.213)	-
2.2	Reclassified to Profit or Loss	(57.401)	(4.272)
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	(81.402)	(4.409)
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	24.001	(9.327)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	6.121.123	4.038.396

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

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Consolidated Statement of Changes in Shareholders' Equity for the Period Ended 31 December 2024

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

Y.	CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Paid-in Capital	Share Premium	Share Certified Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss	Profit Reserves	Prior Period Net Income (Loss)	Current Period Net Income (Loss)	Total Equity Including Minority Shares	Minority Shares	Total Equity
						1	2	3	4	5	6	
Prior Period 31 December 2023	I. Balance at the beginning of the period					-	(506)			163.141	1.467	6.853.740
	II. Adjustment in accordance with TAS 8	2.500.000	4.038	-	206.074	-	-		2.277.957	1.701.569	-	-
	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)		2.277.957	1.701.569	-	6.853.740
	IV. Total comprehensive income (loss)	-	-	-	-	-	(506)		-	-	-	4.038.396
	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	-	-	-	-	-	-		1.691.816	(1.701.280)	-	(9.464)
	11.1 Dividends distributed	-	-	-	-	-	-		1.691.816	(1.691.816)	-	-
11.2 Transfers to legal reserves	-	-	-	-	-	-	-		(9.464)	(9.464)	-	-
11.3 Other	-	-	-	-	-	-	-		-	-	-	-
	Balances (III+IV+.....+X+XI)	2.500.000	4.038	-	206.074	(506)		3.969.773	289	4.042.668	-	10.882.672
Current Period 31 December 2024	I. Balance at the beginning of the period					-	(506)			149.405	10.931	10.882.672
	II. Adjustment in accordance with TAS 8	2.500.000	4.038	-	206.074	-	-		3.969.773	4.042.957	-	-
	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)		3.969.773	4.042.957	-	10.882.672
	IV. Total comprehensive income (loss)	-	-	-	-	-	2.989		-	-	-	6.175.535
	V. Capital increase in cash	3.000.000	1.383	-	-	-	-		-	-	-	10.882.672
	VI. Capital increase through internal reserves	-	-	-	-	-	-		-	-	-	3.001.383
	VII. Issued capital inflation adjustment difference	-	-	-	-	-	-		-	-	-	-
	VIII. Convertible bonds	-	-	-	-	-	-		-	-	-	-
	IX. Subordinated debt	-	-	-	-	-	-		-	-	-	-
	X. Increase (decrease) through other changes, equity	-	-	-	-	-	-		-	-	-	-
	XI. Profit distribution	-	-	-	-	-	-		(34)	256	-	222
	11.1 Dividends distributed	-	-	-	-	-	-		4.043.213	(4.043.213)	-	-
11.2 Transfers to legal reserves	-	-	-	-	-	-	-		4.043.213	(4.043.213)	-	-
11.3 Other	-	-	-	-	-	-	-		-	-	-	-
	Balances (III+IV+.....+X+XI)	5.500.000	5.421	-	206.074	2.483		92.004	8.012.952	6.175.535	-	20.005.400

1. Accumulated revaluation increases/decreases of fixed assets,
2. Accumulated remeasurement gains/losses of defined benefit plans,
3. Other (Shares of other comprehensive income of investments valued by the equity method that will not be reclassified to profit/loss and accumulated amounts of other comprehensive income elements that will not be reclassified to profit or loss)
4. Foreign currency translation differences,
5. Accumulated evaluation and/or reclassification gains/losses of financial assets at fair value through other comprehensive income,
6. Other (represents cash flow hedging gains/losses, shares of other comprehensive income of investments valued by the equity method to be classified in profit/loss, and accumulated amounts of other comprehensive income items to be reclassified as other profit or loss).

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

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Consolidated Statement of Cash Flows
for the Period Ended 31 December 2024

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

VI. CONSOLIDATED STATEMENT OF CASH FLOWS			
	Note (Section Five VI)	Audited Current Period 1 January- 31 December 2024	Audited Prior Period 1 January- 31 December 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
I.1 Operating Profit Before Changes in Operating Assets and Liabilities	(1)	6.906.489	4.041.997
1.1.1 Interest Received		21.839.423	12.839.463
1.1.2 Interest Paid		(11.380.719)	(5.885.250)
1.1.3 Dividend Received		29.035	22.876
1.1.4 Fees and Commissions Received		287.107	154.721
1.1.5 Other Income		6.937	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables		142.506	141.541
1.1.7 Payments to Personnel and Service Suppliers		(1.067.336)	(541.332)
1.1.8 Taxes Paid		(2.517.428)	(1.580.820)
1.1.9 Other	(1)	(433.036)	(1.109.202)
I.2 Changes in Operating Assets and Liabilities	(1)	(1.060.222)	3.966.737
1.2.1 Net (Increase) / Decrease in Financial Assets at Fair Value Through Profit or Loss		(79.766)	(142.400)
1.2.2 Net (Increase) / Decrease in Due From Banks and Other Financial Institutions		-	-
1.2.3 Net (Increase) / Decrease in Loans		595.226	4.571.645
1.2.4 Net (Increase) / Decrease in Other Assets		(188.316)	420.236
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		(2.976.406)	2.597.223
1.2.9 Net Increase / (Decrease) in Payables		-	-
1.2.10 Net Increase / (Decrease) in Other Liabilities	(1)	1.589.040	(3.479.967)
I. Net Cash Provided from Banking Operations	(1)	5.846.267	8.008.734
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Provided from Investing Activities		(2.628.780)	(3.900.905)
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries		-	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(45.640)	(14.733)
2.4 Disposals of Property and Equipment		2.480	421.475
2.5 Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(33.755.416)	(22.856.316)
2.6 Sale of Financial Assets at Fair Value Through Other Comprehensive Income		27.058.219	19.831.165
2.7 Purchase of Financial Assets Measured at Amortised Cost		(2.738.782)	(3.099.315)
2.8 Sale of Financial Assets Measured at Amortised Cost		6.885.548	1.437.495
2.9 Other		(35.189)	379.324
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Provided from Financing Activities	(1)	(2.516.919)	(17.229)
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		(5.489.924)	-
3.3 Issued Equity Instruments		3.001.383	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(28.378)	(17.229)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(1)	(365.060)	2.022.255
V. Net Decrease/ Increase in Cash and Cash Equivalents (I+II+III+IV)		335.508	6.112.855
VI. Cash and Cash Equivalents at the Beginning of the Period	(2)	21.412.207	15.299.352
VII. Cash and Cash Equivalents at the End of the Period	(3)	21.747.715	21.412.207

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

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Statement of Profit Distribution
for the Period Ended 31 December 2024

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

VII. STATEMENT OF PROFIT DISTRIBUTION		
	Audited Current Period 1 January- 31 December 2024 ^(*)	Audited Prior Period 1 January- 31 December 2023 ^(**)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	8.698.622	5.642.607
1.2 TAXES AND DUTIES PAYABLE(-)	(2.531.037)	(1.599.232)
1.2.1 Corporate Tax (Income tax)	(2.662.920)	(1.762.541)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	131.883	163.309
A. NET INCOME FOR THE YEAR (1.1-1.2)	6.167.585	4.043.375
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	(202.169)
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	6.167.585	3.841.206
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To owners of ordinary shares	-	-
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To owners of ordinary shares	-	-
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES ^(**)	-	3.841.206
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE^(***)		
3.1 TO OWNERS OF ORDINARY SHARES	0,014	0,016
3.2 TO OWNERS OF ORDINARY SHARES (%)	1,4	1,6
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILAGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Since the profit distribution proposal for 2024 to be submitted to the General Assembly for approval has not yet been prepared by the Board of Directors, only the distributable profit amount is specified in the 2024 profit distribution statement.

(**) The profit of 2023 was transferred to legal reserves and extraordinary reserves with the decision of the General Assembly.

(***) Shown with full TL amount.

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Consolidated Financial Statements
as of 31 December 2024

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

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 as of 31 December 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, “Communiqué on the Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette numbered 26340, dated 8 November 2006 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, in accordance with the BRSA's decisions dated 12 December 2023 and numbered 10744 and dated 5 December 2024 and numbered 11021, respectively, it has been decided not to subject the financial statements of banks and financial leasing, factoring, financing, savings financing and asset management companies to inflation adjustment required under TAS 29 in 2024 and 2025. Accordingly, TAS 29 has not been applied in the financial statements of the Bank as of 31 December 2024.

While preparing the consolidated financial statements, the Parent Bank used the financial statements of its subsidiaries Kalkınma Yatırım Varlık Kiralama A.Ş. and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş., which are not subject to inflation accounting in accordance with TAS 29.

c. Other issues:

None.

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Consolidated Financial Statements
as of 31 December 2024

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

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

Accounting policies for the preparation of consolidated 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 - XXVI.

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

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, KfW Development Bank and the OPEC International Development Fund, 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, KfW Development Bank, China Development Bank and the securities issued as allocated to French Development Agency.

During the utilization of the funds obtained, the Parent 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 Parent 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 Parent 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 Parent Bank’s previous experiences are based on when taking positions as well as legal limits. In this way, limit excesses are prevented.

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Consolidated Financial Statements
as of 31 December 2024

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on Utilization Strategy of Financial Instruments and Foreign Currency Transactions (Continued):

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 Parent 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

IV. Explanations on consolidated partnerships:

a. Consolidation principles applied:

Consolidated financial statements are prepared in accordance with the “Communiqué on the Preparation of Consolidated Financial Statements of Banks” and “TFRS - 10 Consolidated Financial Statements” published in the Official Gazette dated 8 November 2006 and numbered 26340.

b. Consolidation principles of subsidiaries

Subsidiaries, whose capital or management is directly or indirectly controlled by the Parent Bank, have the power over the investment made by the Parent Bank and the ability to use its power over the investee in order to affect the amount of returns it has and the amount of returns it will gain due to its relationship with the invested legal entity. partnerships it has.

Subsidiaries are consolidated using the full consolidation method on the basis of operating results, asset and equity sizes. According to the full consolidation method, one hundred percent of the subsidiaries’ assets, liabilities, income, expenses and off-balance sheet items are consolidated with the Parent Bank’s assets, liabilities, income, expense and off-balance sheet items. The book value of the investments of the Bank in its subsidiaries and the capital of its subsidiaries have been clarified. Balances arising from the transactions between the partnerships within the scope of consolidation have been mutually offset.

The Parent Bank and its consolidated subsidiaries will be referred to as the “Group” in the remainder of the report.

The title of the partnerships within the scope of consolidation, the location of the headquarters, the activity subject, the effective and direct shareholding ratio are as follows:

Title	Center of Activities (City/Country)	Main Area of Activity	Effective Partnership Ratios (%)	Direct and indirect partnership rates (%)
Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş.	İstanbul/Türkiye	Portfolio Management	100	100
Kalkınma Yatırım Varlık Kiralama A.Ş.	İstanbul/Türkiye	Asset Lease	100	100

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TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Consolidated Financial Statements
as of 31 December 2024

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

V. Representation of affiliates, subsidiaries and jointly controlled partners not included in consolidation in the consolidated financial statements:

Subsidiaries, subsidiaries and jointly controlled partners that are not included in the scope of consolidation are recognized at cost in accordance with “TAS - 27 Separate Financial Statements” and reflected in the consolidated financial statements after deducting if it has any provision for loss in value.

VI. Explanations on Futures, Option 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.

VII. 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 Parent 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 provision is calculated based on the interest accruals and rediscounts added amounts.

VIII. 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.

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Consolidated Financial Statements

as of 31 December 2024

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

IX. Explanations on Financial Assets:

Financial assets mainly constitute the Group’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 Group 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.

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 a 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.

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

Notes to the Consolidated Financial Statements

as of 31 December 2024

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

IX. Explanations on Financial Assets (Continued)

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 of 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. 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 initial recognition 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 trading 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 statement of other comprehensive income 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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

IX. Explanations on Financial Assets (Continued)

Equity Instruments Measured at Fair Value Through Other Comprehensive Income (Continued)

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 rediscount. 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.

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

IX. Explanations on Financial Assets (Continued):

Loans (Continued)

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.

X. Explanations on Impairment of Financial Assets:

As of 1 January 2019, the Parent 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 the statement of other comprehensive income 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.

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 Parent 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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

X. Explanations on Impairment of Financial Assets (Continued):

The Parent 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 Parent Bank uses the change in default risk during the expected life of the financial instrument. To make this assessment, the Parent 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 three-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.

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

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

X. Explanations on Impairment of Financial Assets (Continued):

Significant Increase in Credit Risk (Continued)

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.

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

X. Explanations on Impairment of Financial Assets (Continued):

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XI. Explanations on Offsetting of Financial Assets and Liabilities:

Financial assets and liabilities are offset on balance sheet when the Group 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.

XII. 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.

XIII. 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 Parent 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 Parent Bank has no discontinued operations.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIV. Explanations on Goodwill and Other Intangible Assets:

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

Intangible fixed assets first are carried at cost which includes acquisition costs and other direct costs bearded 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 using the “straight line method”.

XV. 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.

	Estimated Useful Life (Years)	Depreciation Rate (%)
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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. 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 Parent 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 depredation 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 Group, 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 Group’s TL alternative source cost.

The Parent 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.

XVII.Explanations on Provisions and Contingent Liabilities:

In the consolidated 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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Employee Benefit Liabilities:

Obligations for employee benefits are recognized in accordance with the TAS 19 “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 31 December 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 date have been calculated with a discount rate of 3,01% (31 December 2023: 1,91%). The maximum amount of full TL 46.655,43 effective from January 2025 has been taken into consideration in calculation of provision for employment termination benefits (31 December 2023: full TL 35.058,58).

XIX. 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.

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIX . Explanations on Taxation (Continued):

Current Tax (Continued)

The 75% exemption from corporate tax for the gains arising from the sale of founders' shares, redeemed shares and preemptive rights that are hold for the same period as participation shares was reduced to 50% by the Presidential Decree No. 9160 published in the Official Gazette dated 27 November 2024 and numbered 32735. 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 2021, 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.

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIX . Explanations on Taxation (Continued):

Current Tax (Continued)

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.

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.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XX. Additional Explanations on Borrowings:

The Parent 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 Parent 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, KfW Development Bank and OPEC International Development Fund 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, KfW 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 Parent 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 Parent Bank has not issued any convertible bonds.

XXI. Explanations on Shares Issued:

The Parent 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.

XXII. Explanations on Bill Guarantees and Acceptances:

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

XXIII. Explanations on Government Incentives:

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

XXIV. Earnings Per Share:

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.

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Net Profit for the Period	6.175.535	4.042.668
Weighted Average Number of Ordinary Shares Issued (Thousand)	450.819.672	250.000.000
Earnings Per Share (in Full TL)	0,01370	0,01617

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXIV. Earnings Per Share (Continued)

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.

XXV. Related Parties

For the purposes of these financial statements, shareholders, senior executives and members of the board of directors, 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 VII of Chapter Five.

XXVI. Explanations on Segment Reporting:

As part of its mission, the Parent 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 31 December 2024, explanations in line with segment reporting are shown below.

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SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXVI. Explanations on Segment Reporting (Continued)

	Investment Banking (Treasury)	Corporate Banking	Other	Total Operations of the Group
Current Period (31.12.2024)				
Net Interest Income/(Expense)	12.069.163	(782.521)	(5.454)	11.281.188
Net Fees And Commissions Income/(Expense)	(18.584)	220.623	45.203	247.242
Other Income	1.028.029	768.761	113.099	1.909.889
Other Expense	(1.745.761)	(1.262.241)	(1.722.192)	(4.730.194)
Profit Before Tax	11.332.847	(1.055.378)	(1.569.344)	8.708.125
Tax Provision	-	-	(2.532.590)	(2.532.590)
Net Profit For The Period	11.332.847	(1.055.378)	(4.101.934)	6.175.535
Group Profit / Loss	11.332.847	(1.055.378)	(4.101.934)	6.175.535
Minority Rights Profit / Loss				
Current Period (31.12.2024)				
Segment Assets	58.667.080	94.176.590	740.213	153.583.883
Associates And Subsidiaries	-	10.586	-	10.586
Total Assets	58.667.080	94.187.176	740.213	153.594.469
Segment Liabilities	5.727.176	125.732.076	2.129.817	133.589.069
Shareholders’ Equity	-	-	20.005.400	20.005.400
Total Liabilities	5.727.176	125.732.076	22.135.217	153.594.469

	Investment Banking (Treasury)	Corporate Banking	Other	Total Operations of the Group
Prior Period (31.12.2023)				
Net Interest Income/(Expense)	7.853.610	(325.604)	(2.995)	7.525.011
Net Fees And Commissions Income/(Expense)	(28.017)	121.482	43.564	137.029
Other Income	2.045.747	325.686	25.603	2.397.036
Other Expense	-	(3.249.643)	(1.168.430)	(4.418.073)
Profit Before Tax	9.871.340	(3.128.079)	(1.102.258)	5.641.003
Tax Provision	-	-	(1.598.335)	(1.598.335)
Net Profit For The Period	9.871.340	(3.128.079)	(2.700.593)	4.042.668
Group Profit / Loss	9.871.340	(3.128.079)	(2.700.593)	4.042.668
Minority Rights Profit / Loss	-	-	-	-
Prior Period (31.12.2023)				
Segment Assets	50.858.937	83.531.920	1.298.243	135.689.100
Associates And Subsidiaries	-	10.586	-	10.586
Total Assets	50.858.937	83.542.506	1.298.243	135.699.686
Segment Liabilities	6.028.749	116.163.142	2.625.123	124.817.014
Shareholders’ Equity	-	-	10.882.672	10.882.672
Total Liabilities	6.028.749	116.163.142	13.507.795	135.699.686

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SECTION FOUR

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations Related to Consolidated Equity:

Consolidated 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 Group’s equity amount as of 31 December 2024 is TL 24.238.319, (31 December 2023: 19.762.269 TL) and its capital adequacy ratio is 17,98 % (31 December 2023:16,74%). The capital adequacy ratio of the Group is above the minimum ratio determined by the relevant legislation.

Information on Equity Items:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Common Equity Tier I Capital		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	5.706.074	2.706.074
Share issue premiums	5.421	4.038
Reserves	8.012.952	3.969.773
Gains recognized in equity as per TAS	136.994	208.244
Profit	6.175.535	4.042.957
Net profit for the period	6.175.535	4.042.668
Prior periods’ profit	-	289
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	10.931	10.931
Minority Shares	-	-
Common Equity Tier I Capital Before Deductions	20.047.907	10.942.017
Deductions from Common Equity Tier I Capital	-	-
Valuation adjustments as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	50.933	1.240
Improvement costs for operating leasing	193	995
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	52.182	32.323
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach that exceed total expected loss	-	-

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT

(Continued)

I. Explanations Related to Consolidated Equity (Continued)

Information on Consolidated Equity Items (Continued):

Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities of the Bank	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	479.355	324.243
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions From Common Equity Tier I Capital	582.663	358.801
Total Common Equity Tier I Capital	19.465.244	10.583.216
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in Common Equity Tier I Capital and the related share premiums	-	-
Debt instruments and premiums approved by BRSA	1.500.000	6.384.375
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Shares of Third Parties in Additional Tier 1 Capital	-	-
Shares of Third Parties in Additional Tier 1 Capital (Those within the scope of Temporary Article 3)	-	-
Additional Tier 1 Capital Before Deductions	1.500.000	6.384.375
Deductions From Additional Tier 1 Capital	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of the Bank in equity instruments with the conditions declared in Article 7 issued by banks and financial institutions invested in the Bank’s Additional 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 less of the issued share capital exceeding the 10% threshold of above Common Equity Tier I Capital	-	-

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations Related to Consolidated Equity (Continued)

Information on Consolidated Equity Items (Continued):

Total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from Tier I Capital during the Transition Period	-	-
Goodwill and other intangible assets and related deferred tax liabilities which is not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks’ Own Funds (-)	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	1.500.000	6.384.375
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	20.965.244	16.967.591
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	2.060.311	1.827.616
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Shares of Third Parties in the contribution capital	-	-
Shares of Third Parties in the contribution capital (within the scope of Temporary Article 3)	-	-
Provisions (Article 8 of the Regulation on Own Funds of Banks)	1.212.764	967.062
Tier II Capital Before Deductions	3.273.075	2.794.678
Deductions from Tier II Capital	-	-
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-	-
Investments of the Bank in equity instruments with the conditions declared in Article 8 issued by banks and financial institutions invested in the Bank’s Tier II Capital	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Tier II 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	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	3.273.075	2.794.678
Total Capital (The sum of Tier I Capital and Tier II Capital)	24.238.319	19.762.269
Total Tier I Capital and Tier II Capital (Total Capital)	-	-
Loans granted contrary to the 50th and 51th Article of the Law	-	-
Net book values of movables and immovables exceeding the limit defined in the article 57, clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years	-	-
Other items to be defined by the BRSA (-)	-	-

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations Related to Consolidated Equity (Continued)

Information on Consolidated Equity Items (Continued):

Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	-	-
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-	-
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-	-
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	24.238.319	19.762.269
Total Risk Weighted Amounts	134.789.354	118.075.918
CAPITAL ADEQUACY RATIOS		
Consolidated CET1 Capital Ratio (%)	14,44	8,96
Consolidated Tier I Capital Ratio (%)	15,55	14,37
Capital Adequacy Ratio (%)	17,98	16,74
BUFFERS		
Total additional Common Equity Tier I Capital requirement ratio	2,5	2,5
Capital conservation buffer ratio (%)	2,5	2,5
Bank-specific counter-cyclical capital buffer ratio (%)	-	-
Systemic significant bank buffer ratio (%)	-	-
The ratio of additional Common Equity Tier I Capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to Risk Weighted Assets (%)	-	-
Amounts Lower Than Excesses as per Deduction Rules	-	-
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	-	-
Portion of the total of net long positions of investments in Common Equity Tier I Capital items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	-	-

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations Related to Consolidated Equity (Continued)

Information on Consolidated Equity Items (Continued):

Amount arising from mortgage-servicing rights	-	-
Amount arising from deferred tax assets based on temporary differences	-	-
Limits for Provisions Used in Tier II Capital Calculation	-	-
General loan provisions for exposures in standard approach (before limit of one hundred and twenty-five per ten thousand)	1.212.764	967.062
General loan provisions for exposures in standard approach limited by 1,25% of risk weighted assets	1.212.764	967.062
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	519.724	387.505
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets	-	-
Debt Instruments Covered by Temporary Article 4	-	-
(effective between 1.1.2018-1.1.2022)	-	-
Upper limit for Additional Tier I Capital items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit	-	-
Upper limit for Tier II Capital items subject to Temporary Article 4	-	-
Amount of Tier II Capital items subject to Temporary Article 4 that exceeds upper limit	-	-

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations Related to Consolidated Equity (Continued)

Explanations on the reconciliation of consolidated capital items to balance sheet:

Current Period (31.12.2024)	Balance Sheet Value	Amount of Adjustment	Value at Capital Report
1.Paid-in-Capital	5.500.000	206.074	5.706.074
2.Capital Reserves	211.495	(206.074)	5.421
2.1. Share Premium	5.421	-	5.421
2.2. Share Cancellation Profits	-	-	-
2.3. Other Capital Reserves	206.074	(206.074)	-
3.Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss	2.483	-	2.483
4. Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss	102.935	44.990	147.925
5.Profit Reserves	8.012.952	-	8.012.952
6.Profit or Loss	6.175.535	-	6.175.535
6.1. Prior Periods’ Profit/(Loss)	-	-	-
6.2. Current Period Profit/(Loss)	6.175.535	-	6.175.535
Deductions from Common Equity Tier I Capital (-)	-	(585.146)	(585.146)
Common Equity Tier I Capital	20.005.400	(540.156)	19.465.244
Subordinated Loans	-	1.500.000	1.500.000
Deductions from Tier I capital (-)	-	-	-
Tier I Capital	20.005.400	959.844	20.965.244
Subordinated Loans	-	2.060.311	2.060.311
General Provisions	-	1.212.764	1.212.764
Deductions from Tier II capital (-)	-	-	-
Tier II Capital	-	3.273.075	3.273.075
Deductions from Total Capital (-)	-	-	-
Total	20.005.400	4.232.919	24.238.319

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations Related to Consolidated Equity (Continued):

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

Prior Period (31.12.2023)	Balance Sheet Value	Amount of Adjustment	Value at Capital Report
1.Paid-in-Capital	2.500.000	206.074	2.706.074
2.Capital Reserves	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)	-
3.Accumulated Other Comprehensive Income or Loss that will not be Reclassified to Profit or Loss	(506)	-	(506)
4. Accumulated Other Comprehensive Income or Loss that will be Reclassified to Profit or Loss	160.336	58.839	219.175
5.Profit Reserves	3.969.773	-	3.969.773
6.Profit or Loss	4.042.957	-	4.042.957
6.1. Prior Periods' Profit/(Loss)	289	-	289
6.2. Current Period Profit/(Loss)	4.042.668	-	4.042.668
Deductions from Common Equity Tier I Capital (-)	-	(358.295)	(358.295)
Common Equity Tier I Capital	10.882.672	(299.456)	10.583.216
Subordinated Loans	-	6.384.375	6.384.375
Deductions from Tier I capital (-)	-	-	-
Tier I Capital	10.882.672	6.084.919	16.967.591
Subordinated Loans	-	1.827.616	1.827.616
General Provisions	-	967.062	967.062
Deductions from Tier II capital (-)	-	-	-
Tier II Capital	-	2.794.678	2.794.678
Deductions from Total Capital (-)	-	-	-
Total	10.882.672	8.879.597	19.762.269

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations Related to Consolidated Equity (Continued):

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

Current Period (31.12.2024)	
Issuer-Loan supplier	Bank / Republic of Türkiye Ministry of Treasury and Finance
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
Regulatory treatment	
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)	2.060
Nominal value of instrument (TL million)	2.060
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	-
Interest / dividend payments	
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	-
Convertible into equity shares	
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	-
Write-down feature	
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.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations Related to Consolidated Equity (Continued):

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

Prior Period (31.12.2023)	
Issuer-Loan supplier	Bank / Republic of Türkiye Ministry of Treasury and Finance
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
Regulatory treatment	
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	-
Interest / dividend payments	
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	-
Convertible into equity shares	
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	-
Write-down feature	
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.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations Related to Consolidated Equity (Continued):

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

Current Period (31.12.2024)	
Issuer-Loan supplier	Bank / TWF
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
Regulatory treatment	
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	-
Interest / dividend payments	
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	-
Convertible into equity shares	
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	-
Write-down feature	
	Tier I capital adequacy ratio or consolidated Tier I capital adequacy ratio falls below 5.125%
If bonds can be written-down, write-down trigger(s)	Partially or completely
If bond can be written-down, full or partial	Temporary
If bond can be written-down, permanent or temporary	Available
If temporary write-down, description of write-up mechanism	After senior creditors and Tier II Capital
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.
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	

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

I. Explanations Related to Consolidated Equity (Continued):

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

Prior Period (31.12.2023)	
Issuer-Loan supplier	Bank / TWF
Identifier (CUSIP, ISIN etc.)	-
Governing law (s) of the instrument	BRSA
Regulatory treatment	
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	-
Interest / dividend payments	
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	-
Convertible into equity shares	
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	-
Write-down feature	
	Tier I capital adequacy ratio or consolidated Tier I capital adequacy ratio falls below 5.125%
If bonds can be written-down, write-down trigger(s)	
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
	Complies with the requirements of Article 7 of the Regulation on Equity of Banks.
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	

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations Related to Consolidated Credit Risk

Credit risk refers to the possibility of losses that the Parent Bank may incur due to the loan customer's inability to fulfill its obligations partially or completely on time by not complying with the requirements of the concluded contract. The Bank ensures that credit risk is managed in accordance with the volume, nature and complexity of its loans within the framework of the legal regulations and restrictions of the BRSA, taking into account the best practices.

The most basic banking service that the Parent Bank uses to finance medium and long term investments, which is its main function, is “project evaluation-based lending activity”. Taking into account the proportional size within the balance sheet structure, credit risk constitutes the most important risk item of the Bank.

The general principle of the risk policies to be followed by the Parent Bank is to specialize in the activities that are in accordance with the tasks, vision and structure determined by the Establishment Law, to take risks that can be defined, controlled and/or managed in this sense, to make an effort not to take risks other than the risks that occur due to the structure of its activities and are inevitable. Based on the basic principle of ensuring that the risks to be taken in this context are also defined and manageable risks, the Bank has only manageable risks depending on the sensitivity shown to ensure that credit facilities are compatible with the credit source conditions, except for the credit risk and counterparty risk that occur and are unavoidable due to the need for lending.

In the Parent Bank that has a fully functioning mechanisms based on activities, actively used committees and risk budgeting practices in decision-making and risk management processes, Credit Evaluation Committee continues its activities in order to determine the procedures and principles of the Bank's crediting, to evaluate the projects to be credited within the scope of the Bank's Environmental and Social Policy, to ensure coordination between the units in charge of credit transactions, to assess credit risk and the condition of the loan portfolio, to take decisions on loan allocation, postponement of loan receivables, installments, reorganization of conditions, the procedures and principles regarding the Bank's loan policies, to increase the efficiency of the loan portfolio within the framework of changing and developing conditions and to determine strategies for customers in trouble / legal follow-up.

The majority of the Parent Bank’s loan placements are allocated with the approval of the Credit Evaluation Committee and the Board of Directors in accordance with the reports prepared by the Financial Analysis and Valuation Unit and the Credit Allocation Unit in accordance with the relevant legal regulations. Since the Bank’s placements are in the form of project financing, the amount of loans that can be extended to a company is mainly determined as a result of project evaluation studies, and loan disbursements are made in a controlled manner and by monitoring expenditures.

As for the companies that have been granted loans by the Parent Bank, whose loans have been postponed or connected to the payback plan, the financial data of the companies are regularly monitored until the collection and liquidation of the risk is completed. For companies whose risk exceeds a certain amount or where there is a need for on-site inspection, inspection and determination are carried out both at the company headquarters and at the site of the facility. A Monitoring Report is being prepared, including the recommendations developed as a result of the reviews and evaluations.

The credit worthiness of the borrowers of loans and other receivables is monitored regularly in accordance with the relevant legislation, and in case of an increase in the risk level of the loan borrower, the credit limits are reviewed and additional collateral is obtained if necessary.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations Related to Consolidated Credit Risk (Continued)

In the utilization of the provided resources, the sectors suitable for the borrowing conditions are determined and credited. By monitoring the sectoral distribution of loan customers, this distribution is taken into account in placement decisions and goals.

The Parent Bank ensures that credit risk is managed in accordance with the volume, nature and complexity of its loans within the framework of the legal regulations and restrictions of the BRSA, taking into account the best practices. The Bank provides the identification, measurement and management of the credit risks contained in all of its products and activities, without being limited to credit products only. The issue of whether the credit decision support systems are compatible with the structure, size and complexity of the Parent Bank's activities is constantly reviewed, developed and adjustments are made to the system when necessary by the Board of Directors.

The Parent Bank is registered under Article 54 of the Banking Law No. 5411. it is not subject to the general credit restrictions defined in the article. However, in the Bank's “Loans Policy” and “Risk Limits and Application Principles” documents, it has defined loan restrictions parallel to the restrictions contained in the law. In order to determine the level of credit risk that the Bank may face, the Risk Management Unit actively participates in the measurement, analysis and monitoring process and regularly reports to the Board of Directors and the Audit Committee to Senior Management.

Within the framework of the policies determined within the scope of the BRSA Accounting and Financial Reporting Legislation;

The Parent Bank evaluates its financial assets in 3 stages within the scope of TFRS 9. In this context, for defaulted loans (3.Stage) and loans that have not yet defaulted, but which have significantly increased credit risk of the loan’s disbursement (2.Stage), the Parent Bank calculates the expected lifetime credit loss. For other financial assets covered by TFRS 9 (1.Stage) the Bank reflects the calculation containing the probability of default within 12 months after the reporting date as the expected loss provision.

Futures and other derivative product transactions are carried out at the Bank within the framework of asset-liability management, taking into account the legal limits. The credit risk assumed due to such transactions is managed together with the potential risks arising from market movements. There is no option agreement in the Parent Bank.

In accordance with the TFRS 9 Policy approved by the Board of Directors, the Bank allocates provisions as stipulated in the “Regulation on the Classification of Loans and the Procedures and Principles Related to the Provisions to be Allocated for Them” and the “Communiqué on the Turkish Financial Reporting Standard for TFRS 9 Financial Instruments”.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations Related to Consolidated Credit Risk (Continued)

Risk Categories	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Risk Amount ^(*)	Average Risk Amount	Risk Amount ^(*)	Average Risk Amount
Conditional and unconditional receivables to central governments or central banks	14.046.693	17.863.858	15.426.669	14.233.890
Conditional and unconditional receivables to banks and brokerage houses	26.097.533	25.706.927	32.061.878	33.547.570
Conditional and unconditional corporate receivables	92.095.778	83.508.118	77.072.807	64.164.312
Conditional and unconditional retail receivables	-	-	-	-
Conditional and unconditional receivables secured by real estate property	5.484.131	3.340.207	2.777.807	1.843.164
Overdue receivables	156.399	239.745	319.302	323.958
Receivables defined in high risk category by BRSA	-	-	-	-
Receivables as a collective investment establishment	224.359	237.077	228.491	174.264
Other receivables	1.060.929	944.709	606.148	449.655

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

Restructured loans whose amortization schedule has been changed are followed in the accounts which are specified by related regulations and monitored in accordance with the Parent Bank Bank’s credit risk policies. Accordingly, commercial activities of debtors are analyzed and repayments are monitored whether they are in line with the repayments schedules or not, and necessary precautions are taken.

Since the Parent Bank does not have any risks within the scope of private sector loans and trading accounts in banking accounts in other countries, cyclical capital buffer is not calculated.

a) The share of the Parent Bank’s receivables from the first 100 and 200 cash loan customers in the total cash loan portfolio is 91,70% and 99,43%, respectively (31 December 2023: 86,60% and 98,02%).

b) The share of cash and non-cash receivables from the Parent Bank's first 100 and 200 loan customers in total on-balance sheet and off-balance sheet assets is 57,99% and 62,61%, respectively (31 December 2023: 55,61% and 62,50%).

c) The share of the Parent Bank’s receivables from the first 100 and 200 non-cash loan customers in the total non-cash loan portfolio is 100% (31 December 2023: 100%).

The allocated expected credit loss provision for 1. and 2. Stage is TL 1.126.705 (31 December 2023: TL 892.314).

The expected loss provisions were not taken into account in the calculation of the above-mentioned ratios.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations Related to Consolidated Credit Risk (Continued)

Profile of Significant Risks in Important Regions

	Risk Categories (***)							
	Conditional and Unconditional Receivables from Central Governments or Central Banks	Conditional and Unconditional Receivables from Banks and Brokerage Houses	Conditional and Unconditional Corporate Receivables	Conditional and Non-Conditional Real Estate Mortgage-Secured Receivables	Overdue Receivables	Receivables Defined Under High Risk Category By The Board	Collective Investment Institution Like Investments	Other Receivables
Current Period (31.12.2024)								
Domestic	14.046.693	26.028.158	92.095.778	5.484.131	156.399	-	-	-
European Union (EU) Countries	-	274	-	-	-	-	224.359	-
OECD Countries (*)	-	69.101	-	-	-	-	-	-
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Joint – Ventures	-	-	-	-	-	-	-	54.612
Unallocated Assets (**)	-	-	-	-	-	-	-	1.006.317
Total	14.046.693	26.097.533	92.095.778	5.484.131	156.399	-	224.359	1.060.929
Prior Period (31.12.2023)								
Domestic	15.426.669	31.989.834	77.072.807	2.777.807	319.302	-	-	-
European Union (EU) Countries	-	12	-	-	-	-	228.491	-
OECD Countries (*)	-	72.032	-	-	-	-	-	-
Off-Shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	-	-	-
Other Countries	-	-	-	-	-	-	-	-
Associates, Subsidiaries and Joint – Ventures	-	-	-	-	-	-	-	10.586
Unallocated Assets (**)	-	-	-	-	-	-	-	595.562
Total	15.426.669	32.061.878	77.072.807	2.777.807	319.302	-	228.491	606.148

(*) OECD countries other than EU countries, USA and Canada.
(**) Asset and liability items that can not be allocated on a consistent basis.
(***) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Consolidated Credit Risk (Continued)

Risk profile by sectors or counterparties:

Current Period (31 December 2024)	Conditional and Unconditional Receivables from Central Governments or Central Banks	Conditional and Unconditional Receivables from Banks and Brokerage Houses	Conditional and Unconditional Corporate Receivables	Conditional and Non-Conditional Real Estate Mortgage-Secured Receivables	Overdue Receivables	Collective Investment Institution Like Investments	Other Receivables	TL	FC	TOTAL
Agriculture	-	-	333.511	90.361	-	-	-	350.074	73.798	423.872
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	55.308	-	-	-	-	55.308	55.308
Fishery	-	-	333.511	35.053	-	-	-	350.074	18.490	368.564
Manufacturing	-	-	76.720.881	4.432.006	135.782	-	-	20.728.893	60.559.776	81.288.669
Mining and Quarrying	-	-	-	-	-	-	-	-	-	-
Production	-	-	27.388.337	4.134.939	-	-	-	17.651.867	13.871.409	31.523.276
Electricity, Gas, Water	-	-	49.332.544	297.067	135.782	-	-	3.077.026	46.688.367	49.765.393
Construction	-	-	762.291	890.950	-	-	-	624.531	1.028.710	1.653.241
Services	14.046.693	26.097.533	14.279.095	70.814	20.617	224.359	1.060.929	33.770.507	22.029.533	55.800.040
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-
Accommodation and Dining	-	4	780.653	70.814	20.617	-	-	525.382	346.706	872.088
Transportation and Telecommunication	-	-	2.083.182	-	-	-	-	111.429	1.971.753	2.083.182
Financial Institutions	14.046.693	26.097.529	11.264.405	-	-	224.359	1.060.929	33.128.132	19.565.783	52.693.915
Real Estate and Rental Services	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	17.514	-	-	-	-	-	-	-
Health and Social Services	-	-	133.341	-	-	-	-	5.564	11.950	17.514
Others	-	-	-	-	-	-	-	-	133.341	133.341
Total	14.046.693	26.097.533	92.095.778	5.484.131	156.399	224.359	1.060.929	55.474.005	83.691.817	139.165.822

There are no balances in the following classes:
1- Conditional and unconditional receivables from regional or local governments
2- Conditional and unconditional receivables from multilateral development banks
3- Conditional and unconditional receivables from multilateral development banks
4- Conditional and unconditional receivables from multilateral development banks
5- Conditional and unconditional receivables from multilateral development banks
6- Conditional and unconditional receivables from multilateral development banks
7- Conditional and unconditional receivables from multilateral development banks
8- Conditional and unconditional receivables from multilateral development banks
9- Conditional and unconditional receivables from multilateral development banks
10- Conditional and unconditional receivables from multilateral development banks
11- Conditional and unconditional receivables from multilateral development banks
12- Conditional and unconditional receivables from multilateral development banks
13- Securitization positions
14- Short-term receivables from banks and intermediary institutions and short-term corporate receivables
15- Short-term receivables from banks and intermediary institutions and short-term corporate receivables
16- Stock Investments

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Consolidated Credit Risk (Continued)

Risk profile by sectors or counterparties:

Prior Period (31 December 2023)	Conditional and Unconditional Receivables from Central Governments or Central Banks	Conditional and Unconditional Receivables from Banks and Brokerage Houses	Conditional and Unconditional Corporate Receivables	Conditional and Non- Estate Mortgage- Secured Receivables	Overdue Receivables	Collective Investment Institution Like Investments	Other Receivables	TL	FC	TOTAL
Agriculture	-	-	465.449	42.713	-	-	-	376.519	131.643	508.162
Farming and Stockbreeding	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	39.078	42.713	-	-	-	-	81.791	81.791
Fishery	-	-	426.371	-	-	-	-	376.519	49.852	426.371
Manufacturing	-	-	73.558.635	2.030.894	269.060	-	-	16.999.206	58.659.383	75.658.589
Mining and Quarrying	-	-	395.088	-	-	-	-	2.486	392.602	395.088
Production	-	-	28.084.495	1.706.576	112	-	-	13.751.249	16.039.934	29.791.183
Electricity, Gas, Water	-	-	44.879.052	324.318	268.948	-	-	3.243.471	42.226.847	45.472.318
Construction	-	-	492.905	517.724	-	-	-	908.459	102.170	1.010.629
Services	15.426.669	32.061.878	2.755.818	186.476	50.242	228.491	606.148	30.572.274	20.743.448	51.315.722
Wholesale and Retail Trade	-	-	-	-	-	-	-	-	-	-
Accommodation and Dining	-	4	999.876	171.530	50.242	-	-	432.835	788.817	1.221.652
Transportation and Telecommunication	-	-	819.344	-	-	-	-	161.412	657.932	819.344
Financial Institutions	15.426.669	32.061.874	609.260	-	-	228.491	606.148	29.966.638	18.965.804	48.932.442
Real Estate and Rental Services	-	-	-	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	70.040	14.946	-	-	-	11.389	73.597	84.986
Health and Social Services	-	-	257.298	-	-	-	-	-	257.298	257.298
Others	-	-	-	-	-	-	-	-	-	-
Total	15.426.669	32.061.878	77.072.807	2.777.807	319.302	228.491	606.148	48.856.458	79.636.644	128.493.102

There are no balances in the following classes:

1- Conditional and unconditional receivables from regional or local governments

2- Conditional and unconditional receivables from central banks

3- Conditional and unconditional receivables from multilateral development banks

4- Conditional and unconditional receivables from international development banks

5- Conditional and unconditional receivables from international organizations

6- Conditional and unconditional receivables from international organizations

7- Conditional and unconditional receivables from international organizations

8- Conditional and unconditional receivables from international organizations

9- Conditional and unconditional receivables from international organizations

10- Conditional and unconditional receivables from international organizations

11- Conditional and unconditional receivables from international organizations

12- Conditional and unconditional receivables from international organizations

13- Securitization positions

14- Short-term receivables from banks and intermediary institutions and short-term corporate receivables

15- Shock Investment

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Consolidated Credit Risk (Continued)

Analysis of Maturity-Bearing Risks According to Remaining Maturities

Risk Categories Current Period (31.12.2024)	Term to Maturity						
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Not Bearing Maturity	Total
Conditional and unconditional receivables from central governments or central banks	648.625	349.580	1.526.023	1.589.525	9.910.527	22.413	14.046.693
Conditional and unconditional receivables from banks and brokerage houses	15.656.064	3.378.606	3.387.191	98.566	1.824.311	1.752.795	26.097.533
Conditional and unconditional corporate receivables	1.302.884	2.621.052	5.311.699	8.702.432	74.008.221	149.490	92.095.778
Conditional and unconditional real estate mortgage-secured receivables	2.418	-	18.960	162.583	5.300.170	-	5.484.131
Overdue receivables	-	-	-	-	-	156.399	156.399
Collective investment institution like investments	-	-	-	-	-	224.359	224.359
Other receivables	-	-	-	-	-	1.060.929	1.060.929
Total	17.609.991	6.349.238	10.243.873	10.553.106	91.043.229	3.366.385	139.165.822

Risk Categories Prior Period (31.12.2023)	Term to Maturity						
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Not Bearing Maturity	Total
Conditional and unconditional receivables from central governments or central banks	299.212	-	6.521.205	976.671	7.300.414	329.167	15.426.669
Conditional and unconditional receivables from banks and brokerage houses	17.147.732	4.379.716	1.791.284	1.852.639	5.632.450	1.258.057	32.061.878
Conditional and unconditional corporate receivables	954.052	3.520.489	3.658.011	8.090.808	60.849.447	-	77.072.807
Conditional and unconditional real estate mortgage-secured receivables	36.646	135.225	137.204	310.774	2.157.958	-	2.777.807
Overdue receivables	-	-	-	-	-	319.302	319.302
Collective investment institution like investments	-	-	-	-	-	228.491	228.491
Other receivables	-	-	-	-	-	606.148	606.148
Total	18.437.642	8.035.430	12.107.704	11.230.892	75.940.269	2.741.165	128.493.102

Information on Risk Categories

For the determination of risk weights for risk classes defined in the Article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy of Banks”, all counterparties are treated as non-rated since no rating agency is authorized.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Consolidated Credit Risk (Continued)

Credit Risk by Risk Weights - Standard Approach^(*)

Current Period (31.12.2024)														Deductions from Equity
	Risk Weights	0%	2%	10%	20%	25%	35%	50%	75%	100%	200%	250%	Other Risk Weights	Deductions from Equity
Before Credit Risk Mitigation		11.959.597	303.590	-	14.388.189	-	45.350	11.733.974	-	100.736.674	-	-	-	52.318
After Credit Risk Mitigation		11.959.597	303.590	-	14.388.189	-	45.350	16.749.793	-	95.720.855	-	-	-	-

Prior Period (31.12.2023)														Deductions from Equity
	Risk Weights	0%	2%	10%	20%	25%	35%	50%	%75	100%	200%	250%	Other Risk Weights	Deductions from Equity
Before Credit Risk Mitigation		9.095.069	244.686	-	15.219.014	-	51.762	7.922.062	-	95.960.509	-	-	-	32.252
After Credit Risk Mitigation		9.095.069	244.686	-	15.219.014	-	51.762	13.181.873	-	90.700.698	-	-	-	-

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations Related to Consolidated Credit Risk (Continued)

Miscellaneous Information According to Important Sectors or Counterparty Type:

The Parent Bank classifies its loans and allocates provisions within the framework of TFRS 9 Policy approved by the Board of Directors. In this context, for impaired loans the Bank calculates lifetime expected credit loss and reflects it as provision when the credit risk of the loan has not yet gone into default but has increased significantly from the date of disbursement (Stage 2) and in case of default (Stage 3).

The Bank has determined the “Significant Increase in Credit Risk” and “Classification” criteria in the TFRS 9 Provisions Methodology document approved by the Board of Directors, and its loans are classified and provisions are set aside in line with these criterias.

Current Period (31.12.2024) Major Sectors / CounterParties	Loans		Provisions
	Impaired Loans (TFRS 9)		Expected Credit Loss Provisions (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Default (Stage 3)	
Agriculture	-	-	-
Farming and Stockbreeding	-	-	-
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	5.164.614	664.162	1.073.764
Mining and Quarrying	-	-	-
Production	35.151	20.006	20.267
Electricity, Gas and Water	5.129.463	644.156	1.053.497
Construction	-	-	-
Services	493.804	67.454	49.876
Wholesale and Retail Trade	-	-	-
Accommodation and Dining	45.220	63.343	44.009
Transportation and Telecommunication	315.243	8	1.410
Financial Institutions	-	-	-
Real Estate and Rental Services	-	-	-
Professional Services	-	-	-
Educational Services	-	-	-
Health and Social Services	133.341	4.103	4.457
Others	-	1.134	1.134
Total	5.658.418	732.750	1.124.774

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

II. Explanations Related to Consolidated Credit Risk (Continued)

Miscellaneous Information According to Important Sectors or Counterparty Type (Continued)

Prior Period (31.12.2023) Major Sectors / CounterParties	Loans		Provisions
	Impaired Loans (TFRS 9)		Expected Credit Loss Provisions (TFRS 9)
	Significant Increase in Credit Risk (Stage 2)	Default (Stage 3)	
Agriculture	-	-	-
Farming and Stockbreeding	-	-	-
Forestry	-	-	-
Fishery	-	-	-
Manufacturing	3.130.758	751.728	745.794
Mining and Quarrying	-	-	-
Production	459.682	6.403	8.021
Electricity, Gas and Water	2.671.076	745.325	737.773
Construction	-	-	-
Services	271.652	95.220	49.572
Wholesale and Retail Trade	-	-	-
Accommodation and Dining	76.964	91.756	45.914
Transportation and Telecommunication	-	-	-
Financial Institutions	-	-	-
Real Estate and Rental Services	-	-	-
Professional Services	-	-	-
Educational Services	37.015	-	7
Health and Social Services	157.673	3.464	3.651
Others	-	1.134	1.134
Total	3.402.410	848.082	796.500

Information on Movements in Value Adjustments and Provisions:

Current Period (31.12.2024)	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1. Stage 3 Provisions	528.780	90.946	(43.375)	-	576.351
2. Stage 1 and 2 Provisions	892.314	349.851	(115.460)	-	1.126.705

Prior Period (31.12.2023)	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1. Stage 3 Provisions	567.821	42.357	(81.398)	-	528.780
2. Stage 1 and 2 Provisions	539.816	363.744	(11.246)	-	892.314

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

III. Explanations Related to Consolidated Currency Risk :

The Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent Bank as of the date of the financial statements and the last five business days prior to that date are as follows:

Date	USD	EURO	100 JPY
31/12/2024	35,2898	36,7084	22,6057
30/12/2024	35,2392	36,7439	22,3514
27/12/2024	35,1614	36,5995	22,3346
26/12/2024	35,2341	36,6329	22,4335
25/12/2024	35,2058	36,6246	22,4298

The simple arithmetic average value of the Bank’s foreign exchange purchase rate for the last thirty days from the date of the financial statements is US Dollar: TL 34,9223, Euro: TL 36,5651, CHF: TL 39,2820.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

III. Explanations Related to Consolidated Currency Risk (Continued):

Information on the currency risk of the Parent Bank:				
Current Period (31.12.2024)	EURO	USD	Other FC ^(*)	Total
Assets				
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	362.235	1.293.944	3.364	1.659.543
Financial assets measured at fair value through profit and loss	224.299	56.405	-	280.704
Money market placements	-	-	-	-
Financial assets measured at fair value through other comprehensive income	6.660.703	15.054.745	-	21.715.448
Loans	26.082.676	45.957.128	-	72.039.804
Subsidiaries, associates and jointly controlled entities (joint ventures)	-	-	-	-
Financial assets measured at amortised cost	536.446	-	-	536.446
Derivative financial assets held for trading	-	-	-	-
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets	96.659	143.270	-	239.929
Total assets	33.963.018	62.505.492	3.364	96.471.874
Liabilities				
Interbank deposits	-	-	-	-
Foreign currency deposits	-	-	-	-
Money market borrowings	2.099	-	-	2.099
Funds provided from other financial institutions	30.793.420	58.227.507	-	89.020.927
Securities issued	3.735.924	-	-	3.735.924
Subordinated debt instruments	2.060.311	-	-	2.060.311
Sundry creditors	10.919	104.079	-	114.998
Derivative financial liabilities held for trading	-	3.507	-	3.507
Other liabilities	439.559	3.159.221	-	3.598.780
Total liabilities	37.042.232	61.494.314	-	98.536.546
Net balance sheet position	(3.079.214)	1.011.178	3.364	(2.064.672)
Net off-balance sheet position	3.046.797	(1.001.052)	-	2.045.745
Assets on derivative instruments	3.046.797	4.058.327	-	7.105.124
Liabilities on derivative instruments	-	(5.059.379)	-	(5.059.379)
Non-cash loans	2.298.219	2.627.754	-	4.925.973
Prior Period (31.12.2023)				
Total assets	34.328.407	52.772.408	1.995	87.102.810
Total liabilities	37.054.639	58.241.397	-	95.296.036
Net balance sheet position	(2.726.232)	(5.468.989)	1.995	(8.193.226)
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 47% GBP, 42% CHF and 11% JPY.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

III. Explanations Related to Consolidated Currency Risk (Continued):

Currency Risk Sensitivity:

The table below shows the Bank’s sensitivity to the 10% change in the US Dollar and Euro exchange rates.

	Increase in Exchange Rates	Effect on Profit/Loss ^(*)		Effect on Shareholders’ Equity	
	%	Current Period (31.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)	Prior Period (31.12.2023)
USD	10	(7.020)	319.029	1.505.474	981.130
EURO	10	(4.354)	49.643	674.157	414.765
Other	10	336	200	-	-

^(*) It refers to the values before the tax effect is deducted.

	Increase in Exchange Rates	Effect on Profit/Loss ^(*)		Effect on Shareholders’ Equity	
	%	Current Period (31.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)	Prior Period (31.12.2023)
USD	10	7.020	(319.029)	(1.505.474)	(981.130)
EURO	10	4.354	(49.643)	(674.157)	(414.765)
Other	10	(336)	(200)	-	-

^(*) It refers to the values before the tax effect is deducted.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

IV. Explanations Related to Consolidated Interest Rate Risk:

Interest rate risk refers to the probability of losses that the Bank may incur due to movements in interest rates, depending on the position status of financial instruments. Changes in interest rates affect the level of return on assets and the cost of liabilities. The interest rate risk arising from banking accounts includes repricing risk, yield curve risk, base risk and optionality risk.

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

The Parent 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. Considering that material part of the entire loan portfolio consists of variable-rate loans and is financed by borrowing, changes in borrowing costs are reflected in variable-rate loans, and the other loans are financed by Bank equity, it is unlikely that there will be interest rate risk due to interest rate changes.

Within the framework of the Parent 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.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

IV. Explanations Related to Consolidated Interest Rate Risk (Continued):

Within the scope of the interest rate limits, the BHFoR 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 (based on days to repricing dates).

End of the Current Period (31.12.2024)	Up to 1 Month	1–3 Months	3–12 Months	1–5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye ⁽¹⁾	-	-	-	-	-	1.836	1.836
Banks ⁽¹⁾	12.637.012	-	-	-	-	79.628	12.716.640
Financial assets measured at fair value through profit or loss	-	-	-	-	-	696.997	696.997
Money market placements	9.918.269	-	-	-	-	-	9.918.269
Financial assets measured at fair value through other comprehensive income ⁽³⁾	2.554.709	3.751.549	8.303.655	10.742.261	156.516	8.813	25.517.503
Loans ⁽²⁾	19.865.266	21.012.207	18.285.097	7.964.007	25.826.803	156.399	93.109.779
Financial assets measured at amortised cost	646.816	349.580	1.894.602	1.914.385	5.572.121	-	10.377.504
Other assets ⁽⁴⁾	144.142	-	-	-	-	1.111.799	1.255.941
Total Assets ⁽⁵⁾	45.766.214	25.113.336	28.483.354	20.620.653	31.555.440	2.055.472	153.594.469
Liabilities							
Interbank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market borrowings	3.417.116	-	-	-	-	-	3.417.116
Miscellaneous payables	-	-	-	-	-	171.549	171.549
Marketable securities issued	-	-	3.735.924	-	-	-	3.735.924
Funds provided from other financial institutions	7.017.242	35.113.999	31.616.580	8.222.600	29.703.938	-	111.674.359
Other liabilities ^{(4) (6)}	2.150.348	-	-	-	5.516.800	26.928.373	34.595.521
Total Liabilities	12.584.706	35.113.999	35.352.504	8.222.600	35.220.738	27.099.922	153.594.469
Long position on balance sheet	33.181.508	-	-	12.398.053	-	-	45.579.561
Short position on balance sheet	-	(10.000.663)	(6.869.150)	-	(3.665.298)	(25.044.450)	(45.579.561)
Long position on off-balance sheet	128.539	-	-	-	-	-	128.539
Short position on off-balance sheet	-	(34.644)	-	-	-	-	(34.644)
Total Position	33.310.047	(10.035.307)	(6.869.150)	12.398.053	(3.665.298)	(25.044.450)	93.895

(1) Balances without maturity are shown in “Non-interest Bearing” column.
(2) Net balance of non-performing loans is shown in “Non-interest Bearing” column.
(3) Securities representing share in capital are shown in “Non-interest Bearing” column.
(4) Deferred tax asset, shareholders’ equity and other non-interest-bearing assets and liabilities are shown in “Non-Interest Bearing” column.
(5) The expected credit losses for financial assets and other assets are reflected to the related items.
(6) Subordinated loans are shown in the “Other Liabilities” line.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

IV. Explanations Related to Consolidated Interest Rate Risk (Continued):

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

End of the Prior Period (31.12.2023)	Up to 1 Month	1–3 Months	3–12 Months	1–5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye ⁽¹⁾	-	-	-	-	-	2.560	2.560
Banks ⁽¹⁾	4.844.282	10.088	-	-	-	80.879	4.935.249
Financial assets measured at fair value through profit or loss	-	-	-	-	-	591.455	591.455
Money market placements	17.034.643	-	-	-	-	-	17.034.643
Financial assets measured at fair value through other comprehensive income ⁽³⁾	1.203.398	1.904.250	6.601.145	5.435.363	58.097	18.362	15.220.615
Loans ⁽²⁾	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	-	8.201.445	2.431.941	3.774.223	-	14.473.466
Other assets ⁽⁴⁾	65.716	-	-	-	-	638.368	704.084
Total Assets ⁽⁵⁾	40.932.562	21.940.915	29.421.935	15.766.495	25.986.853	1.650.926	135.699.686
Liabilities							
Interbank deposits	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-
Money market borrowings	2.874.989	-	-	-	-	-	2.874.989
Miscellaneous payables	-	-	-	-	-	373.726	373.726
Marketable securities issued	-	-	4.176.377	-	-	-	4.176.377
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 ⁽⁴⁾	472.047	-	6.038.208	-	3.712.899	16.616.199	26.839.353
Total Liabilities	10.439.497	28.630.222	43.626.226	7.594.593	28.419.223	16.989.925	135.699.686
Long position on balance sheet	30.493.065	-	-	8.171.902	-	-	38.664.967
Short position on balance sheet	-	(6.689.307)	(14.204.291)	-	(2.432.370)	(15.338.999)	(38.664.967)
Long position on off-balance sheet	-	-	-	-	-	-	-
Short position on off-balance sheet	-	(33.007)	(37.771)	-	-	-	(70.778)
Total Position	30.493.065	(6.722.314)	(14.242.062)	8.171.902	(2.432.370)	(15.338.999)	(70.778)

⁽⁷⁾ Balances without maturity are shown in “Non-interest Bearing” column.
⁽⁸⁾ Net balance of non-performing loans is shown in “Non-interest Bearing” column.
⁽⁹⁾ Securities representing share in capital are shown in “Non-interest Bearing” column.
⁽¹⁰⁾ Deferred tax asset, shareholders’ equity and other non-interest-bearing assets and liabilities are shown in “Non-Interest Bearing” column.
⁽¹¹⁾ The expected credit losses for financial assets and other assets are reflected to the related items.
⁽¹²⁾ Subordinated loans are shown in the “Other Liabilities” line.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

IV. Explanations Related to Consolidated Interest Rate Risk (Continued):

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

End of the Current Period (31.12.2024)	EURO	USD	JPY	TL
Assets ^(*)				
Cash (Cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	3,33	4,54		50,33
Financial assets measured at fair value through profit or loss	-	-	-	-
Money market placements	-	-	-	48,97
Financial assets measured at fair value through other comprehensive income	4,65	6,60		46,52
Loans	6,46	8,25		18,99
Other financial assets measured at amortised cost ^(**)	4,55			46,19
Liabilities ^(*)				
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	47,81
Miscellaneous payables	-	-	-	-
Marketable securities issued	6,63	-	-	-
Funds accepted by development and investment banks	2,30	2,60		45,84
Funds provided from other financial institutions ^(***)	3,60	5,97		22,64

^(*) 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 also include subordinated loans.

End of the Prior Period (31.12.2023)	EURO	USD	JPY	TL
Assets ^(*)				
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 ^(**)	4,62	7,68	-	50,76
Liabilities ^(*)				
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Money market borrowings	-	-	-	40,57
Miscellaneous payables	-	-	-	-
Marketable securities issued ^(****)	7,50	-	-	44,01
Funds accepted by development and investment banks	0,86	4,53	-	43,07
Funds provided from other financial institutions ^(***)	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 also include subordinated loans.
^(****)TL portfolio consists of issues of Kalkınma Yatırım Varlık Kiralama A.Ş..

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

V. Explanations Related to Position Risk of Equity Securities:

None.

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

1. Explanations on Consolidated Liquidity Risk Management

The Parent 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 Parent 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 the Parent 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 Parent Bank is to provide quality asset structure in which any liabilities can be fulfilled. Since the Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent Bank’s reputation.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

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

1. Consolidated Liquidity Risk Management (Continued):

In the liquidity risk management of the Parent Bank, the limitations within the scope of the relevant regulations of the BRSA and the internal risk limits determined within the framework of the Parent 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.

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 Parent 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. Consolidated liquidity coverage ratio

The Bank’s liquidity coverage ratios are prepared monthly 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 levels of consolidated foreign currency and total liquidity coverage ratios are shown below by specified monthly:

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

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

2. Consolidated liquidity coverage ratio (Continue)

Period	TP+YP	YP
31 October 2024	330,15	148,84
30 November 2024	330,70	118,96
31 December 2024	390,76	165,72

	Total Unweighted Value (Average) ^(*)		Total Weighted Value (Average) ^(*)	
	TL+FC	FC	TL+FC	FC
Current Period (31.12.2024)				
HIGH-QUALITY LIQUID ASSETS				
Total high-quality liquid assets (HQLA)	-	-	17.928.077	5.720.041
CASH OUTFLOWS				
Retail and small business customers deposits	-	-	-	-
Stable deposits	-	-	-	-
Less stable deposits	-	-	-	-
Unsecured funding other than retail and small business customers deposits	4.113.643	2.682.189	2.610.803	1.365.444
Operational deposits	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured funding	4.113.643	2.682.189	2.610.803	1.365.444
Secured funding			-	-
Other cash outflows	12.239.546	7.454.747	12.239.546	7.454.747
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	12.239.546	7.454.747	12.239.546	7.454.747
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	26.268.678	24.545.468	1.313.434	1.227.273
Other irrevocable or conditionally revocable commitments	4.835.479	4.683.443	4.528.480	4.376.444
TOTAL CASH OUTFLOWS			20.692.263	14.423.908
CASH INFLOWS				
Secured receivables	-	-	-	-
Unsecured receivables	20.339.751	4.555.958	19.209.857	3.665.879
Other cash inflows	12.509.353	7.349.465	12.509.353	7.349.465
TOTAL CASH INFLOWS	32.849.104	11.905.423	31.719.210	11.015.344
			Upper Limit Applied Amounts	
TOTAL HIGH-QUALITY LIQUID ASSETS			17.928.077	5.720.041
TOTAL NET CASH OUTFLOWS			5.173.066	3.973.087
LIQUIDITY COVERAGE RATIO (%)			346,57	143,97

(*) The average of last three months’ liquidity coverage ratios calculated by monthly simple averages.

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

2. Consolidated liquidity coverage ratio (Continued):

Period	TP+YP	YP
31 October 2023	200,18	106,04
30 November 2023	193,02	100,00
31 December 2023	198,42	100,00

	Rate of “Percentage to be Taken into Account” not Implemented Total Value ^(*)		Rate of “Percentage to be Taken into Account” Implemented Total Value ^(*)	
	TL+FC	FC	TL+FC	FC
Prior Period (31.12.2023)				
HIGH-QUALITY LIQUID ASSETS				
Total high-quality liquid assets (HQLA)	-	-	9.622.453	2.094.847
CASH OUTFLOWS				
Retail and small business customers deposits	-	-	-	-
Stable deposits	-	-	-	-
Less stable deposits	-	-	-	-
Unsecured funding other than retail and small business customers deposits	2.388.024	1.297.796	1.758.498	860.022
Operational deposits	-	-	-	-
Non-operational deposits	-	-	-	-
Other unsecured funding	2.388.024	1.297.796	1.758.498	860.022
Secured funding			-	-
Other cash outflows	13.685.646	3.392.326	13.685.646	3.392.326
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	13.685.646	3.392.326	13.685.646	3.392.326
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	8.492.908	6.517.397	424.645	325.870
Other irrevocable or conditionally revocable commitments	3.743.582	3.660.612	3.743.551	3.660.581
TOTAL CASH OUTFLOWS			19.612.340	8.238.799
CASH INFLOWS				
Secured receivables	-	-	-	-
Unsecured receivables	22.224.909	2.229.563	21.286.142	1.477.142
Other cash inflows	13.613.657	11.229.229	13.613.657	11.229.229
TOTAL CASH INFLOWS	35.838.566	13.458.792	34.899.799	12.706.371
			Üst Sınır Uygulanmış Değerler	
TOTAL HIGH-QUALITY LIQUID ASSETS			9.622.453	2.094.847
TOTAL NET CASH OUTFLOWS			4.903.085	2.059.700
LIQUIDITY COVERAGE RATIO (%)			196,25	101,71

(*) The average of last three months’ liquidity coverage ratios calculated by monthly simple averages.

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

3. Explanations related to consolidated liquidity coverage ratio

Significant factors that impact the result of consolidated 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 82,4%. 6,4% of the Parent Bank’s total funding consists of funds provided from Ministry of Treasury and Finance, borrowers and banks; 5,8% consists of subordinated debt instruments; 2,6% is provided from money markets and 2,8% consists of securities issued.

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

Derivative transactions of the Parent 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 Parent 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 consolidated 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.

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VI. 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 31 December 2024, the average of the Parent Bank's net stable funding rates for the last three months is 141,93% (31 December 2023: 162,75%).

		Amount Not Subject to Recognition Due to Remaining Maturity				Total Amount Subject to Consideration Ratio
		Demand ^(*)	Short-term (less than 6 months)	Short-term (6 months to less than 1 year)	Long-term (1 year and longer)	
Current Period (31.12.2024)						
1	A. CURRENT STABLE FUND					
2	Equity Components	20.678.008	-	-	3.560.311	24.238.319
3	Principal Capital and Contributed Capital	20.678.008	-	-	3.560.311	24.238.319
4	Other Equity Components	-	-	-	-	-
5	Individual and Retail Customer Deposits/Participation Funds	-	-	-	-	-
6	Stable Deposits/Participation Funds	-	-	-	-	-
7	Low Stable Deposits/Participation Funds	-	-	-	-	-
8	Other Liabilities to Others	-	11.203.556	455.002	113.849.837	117.124.756
9	Operational Deposits/Participation Funds	-	-	-	-	-
10	Other Liabilities	-	11.203.556	455.002	113.849.837	117.124.756
11	Liabilities Equivalent to Interrelated Assets					
12	Other Liabilities	11.327.747	407.652	-	-	-
13	Derivative Liabilities		311.297	-	-	-
14	Other Equity Items and Liabilities Not Included Above	11.327.747	96.355	-	-	-
15	STABLE FUNDING REQUIREMENT					141.363.075
16	B. REQUIRED STABLE FUNDING					
17	High-Quality Liquid Assets					972.148
18	Operational Deposits/Participation Funds Deposited with Credit Institutions or Financial Institutions					
19	Live Receivables	-	31.546.024	1.630.903	109.908.851	100.746.741
20	Receivables from Credit Institutions or Financial Institutions with Collateral Consisting of First-Quality Liquid Assets	-	-			
21	Receivables from Credit Institutions or Financial Institutions with Collateral Not Consisting of First-Quality Liquid Assets	-	31.546.024	1.630.903	11.906.215	17.453.570
22	Receivables from Corporate Customers, Entities, Individuals, and Retail Customers, Central Governments, Central Banks, and Public Institutions Other than Credit Institutions or Financial Institutions	-	-		91.820.897	78.047.762
23	Receivables subject to 35% or lower risk weight	-	-	-	-	-
24	Receivables Secured by Residential Real Estate Mortgages	-	-	-	45.350	29.478
25	Receivables subject to 35% or lower risk weight	-	-	-	45.350	29.478
26	Tradable Stocks and Bonds with High-Quality Liquid Asset Characteristics	-	-	-	6.136.389	5.215.931
27	Assets Equivalent to Interrelated Liabilities					
28	Other Assets	2.031.809	96.208	-	-	2.062.939
29	Physical Delivery Commodities Including Gold	-				-
30	Initial Margin of Derivative Contracts or Guarantee Fund Provided to Central Counterparties		-	-	-	-
31	Derivative Assets		-	-	-	-
32	Amount of Derivative Liabilities before Deduction of Variation Margin		-	-	-	31.130
33	Other Assets Not Included Above	2.031.809	96.208			2.031.809
34	Off-Balance Sheet Liabilities		9.414.992			470.750
35	REQUIRED STABLE FUNDING					104.252.577
36	NET STABLE FUNDING RATIO (%)					135,60

(*) 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.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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 ^(*)	Short-term (less than 6 months)	Short-term (6 months to less than 1 year)	Long-term (1 year and longer)	
	Prior Period (31.12.2023)					
	A. CURRENT STABLE FUND					
1	Equity Components	12.272.401	-	4.358.880	3.130.988	19.762.269
2	Principal Capital and Contributed Capital	12.272.401	-	4.358.880	3.130.988	19.762.269
3	Other Equity Components	-	-	-	-	-
4	Individual and Retail Customer Deposits/Participation Funds	-	-	-	-	-
5	Stable Deposits/Participation Funds	-	-	-	-	-
6	Low Stable Deposits/Participation Funds	-	-	-	-	-
7	Other Liabilities to Others	2.909.732	23.363.891	7.099.519	94.501.261	104.299.570
8	Operational Deposits/Participation Funds	-	-	-	-	-
9	Other Liabilities	2.909.732	23.363.891	7.099.519	94.501.261	104.299.570
10	Liabilities Equivalent to Interrelated Assets					
11	Other Liabilities	9.074.089	1.031.984	-	-	-
12	Derivative Liabilities		217.463	-	-	-
13	Other Equity Items and Liabilities Not Included Above	9.074.089	814.521	-	-	-
14	STABLE FUNDING REQUIREMENT					124.061.839
	B. REQUIRED STABLE FUNDING					
15	High-Quality Liquid Assets					1.110.126
16	Operational Deposits/Participation Funds Deposited with Credit Institutions or Financial Institutions					
17	Live Receivables	-	25.421.279	2.351.696	80.780.232	74.868.805
18	Receivables from Credit Institutions or Financial Institutions with Collateral Consisting of First-Quality Liquid Assets	-	-	-	-	-
19	Receivables from Credit Institutions or Financial Institutions with Collateral Not Consisting of First-Quality Liquid Assets	-	24.978.340	1.939.685	7.138.710	11.855.304
20	Receivables from Corporate Customers, Entities, Individuals, and Retail Customers, Central Governments, Central Banks, and Public Institutions Other than Credit Institutions or Financial Institutions	-	442.939	412.011	72.330.190	61.908.136
21	Receivables subject to 35% or lower risk weight	-	-	-	-	-
22	Receivables Secured by Residential Real Estate Mortgages	-	-	-	46.336	30.118
23	Receivables subject to 35% or lower risk weight	-	-	-	46.336	30.118
24	Tradable Stocks and Bonds with High-Quality Liquid Asset Characteristics	-	-	-	1.264.996	1.075.247
25	Assets Equivalent to Interrelated Liabilities					
26	Other Assets	1.827.286	711.149	-	-	1.899.760
27	Physical Delivery Commodities Including Gold	-				-
28	Initial Margin of Derivative Contracts or Guarantee Fund Provided to Central Counterparties		-	-	-	-
29	Derivative Assets		-	-	-	50.728
30	Amount of Derivative Liabilities before Deduction of Variation Margin		-	-	-	21.746
31	Other Assets Not Included Above	1.827.286	711.149	-	-	1.827.286
32	Off-Balance Sheet Liabilities		11.796.859	-	-	589.843
33	REQUIRED STABLE FUNDING					78.468.534
34	NET STABLE FUNDING RATIO (%)					158,10

(*) 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.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. 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	Undistribut ed ⁽¹⁾	Total
Current Period (31.12.2024)								
Assets								
Cash (cash in vault, effectives, money in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	1.836	-	-	-	-	-	-	1.836
Banks	79.628	12.637.012	-	-	-	-	-	12.716.640
Financial assets measured at fair value through profit or loss	696.997	-	-	-	-	-	-	696.997
Money market placements	-	9.918.269	-	-	-	-	-	9.918.269
Financial assets measured at fair value through other comprehensive income	8.813	1.768.399	3.937.974	8.371.533	11.287.819	142.965	-	25.517.503
Loans	-	1.474.107	3.296.815	14.848.802	52.853.592	20.480.064	156.399	93.109.779
Financial assets measured at amortised cost	-	689.039	447.067	1.896.968	1.773.580	5.570.850	-	10.377.504
Other assets	-	144.142	-	-	-	-	1.111.799	1.255.941
Total Assets ⁽³⁾	787.274	26.630.968	7.681.856	25.117.303	65.914.991	26.193.879	1.268.198	153.594.469
Liabilities								
Bank deposits	-	-	-	-	-	-	-	-
Other deposits	-	-	-	-	-	-	-	-
Funds provided from other financial institutions	-	3.238.952	2.806.749	9.239.977	37.058.411	59.330.270	-	111.674.359
Money market borrowings	-	3.417.116	-	-	-	-	-	3.417.116
Marketable securities issued	-	-	-	65.084	1.835.420	1.835.420	-	3.735.924
Miscellaneous payables	171.549	-	-	-	-	-	-	171.549
Other liabilities ⁽³⁾	2.862.777	2.218.814	745.498	-	-	7.577.111	21.191.321	34.595.521
Total Liabilities	3.034.326	8.874.882	3.552.247	9.305.061	38.893.831	68.742.801	21.191.321	153.594.469
Liquidity Gap	(2.247.052)	17.756.086	4.129.609	15.812.242	27.021.160	(42.548.922)	(19.923.123)	-
Net Off-Balance Position	-	128.539	(34.644)	-	-	-	-	93.895
Derivative Financial Assets	-	8.706.736	705.796	-	-	-	-	9.412.532
Derivative Financial Liabilities	-	8.578.197	740.440	-	-	-	-	9.318.637
Non-Cash Loans	149.197	-	-	140.033	-	4.785.940	-	5.075.170
Prior Period (31.12.2023)								
Total Assets	693.256	24.476.924	6.767.083	29.059.025	51.120.142	22.625.586	957.670	135.699.686
Total Liabilities	2.811.411	7.589.658	3.227.892	23.642.087	34.027.588	52.596.133	11.804.917	135.699.686
Liquidity Gap	(2.118.155)	16.887.266	3.539.191	5.416.938	17.092.554	(29.970.547)	(10.847.247)	-
Net Off-Balance Position	-	(33.007)	(37.771)	-	-	-	-	(70.778)
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	84.924	-	-	85.965	-	4.583.451	-	4.754.340

⁽¹⁾ 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.

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

⁽³⁾ Subordinated loans are shown in the “Other Liabilities” line.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

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

Remaining maturity distribution of contractual financial liabilities:

The following table shows the maturity distribution of the Bank’s non-derivative financial liabilities prepared in accordance with the provisions of TFRS 7. The distribution has been prepared based on the earliest dates on which the Bank’s liabilities are due to be paid without discounting. The interest payable on these liabilities is included in the table. The recorded values of the related liabilities in the balance sheet do not include these amounts.

Current Period (31.12.2024)	Book Value	Total	Up To 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above
Liabilities							
Funds from Other Financial Institutions	111.674.359	162.759.028	3.068.013	3.536.323	15.182.174	60.572.640	80.399.878
Debts to Money Markets	3.417.116	3.458.749	1.879.448	1.579.301	-	-	-
Issued Securities	3.735.924	4.694.347	-	92.728	93.237	2.440.633	2.067.749
Subordinated Debt Instruments	7.577.111	22.032.856	-	-	-	-	22.032.856
Total	126.404.510	192.944.980	4.947.461	5.208.352	15.275.411	63.013.273	104.500.483

Prior Period (31.12.2023)	Book Value	Total	Up To 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above
Liabilities							
Funds from Other Financial Institutions	101.435.241	142.776.682	4.417.162	2.994.934	22.170.089	52.505.376	60.689.121
Debts to Money Markets	2.874.989	2.874.989	2.874.989	-	-	-	-
Issued Securities	4.176.377	5.183.620	-	525.194	494.266	1.820.096	2.344.064
Subordinated Debt Instruments	11.578.723	25.261.806	-	-	6.141.140	-	19.120.666
Total	120.065.330	176.097.097	7.292.151	3.520.128	28.805.495	54.325.472	82.153.851

Contractual maturity analysis of the Parent Bank’s derivative instruments is as follows:

Current Period (31.12.2024)	Total	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above
Swap Transactions	9.508.656	5.181.266	2.741.315	1.586.075	-	-

Prior Period (31.12.2023)	Total	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above
Swap Transactions	11.098.952	10.099.891	999.061	-	-	-

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

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

Remaining maturity distribution of contractual financial liabilities (Continued)

The following table shows the distribution of the Bank’s non-cash loans according to their remaining maturities.

Current Period (31.12.2024)	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above	Total
Letters of Credit	-	-	-	133.709	-	-	133.709
Endorsements	-	-	-	-	-	-	-
Letters of Guarantee	149.197	-	-	6.324	-	4.152.929	4.308.450
Acceptance loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	633.011	633.011
Total	149.197	-	-	140.033	-	4.785.940	5.075.170

Prior Period (31.12.2023)	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and above	Total
Letters of Credit	-	-	-	-	-	-	-
Endorsements	-	-	-	-	-	-	-
Letters of Guarantee	84.924	-	-	85.965	-	3.974.191	4.145.080
Acceptance loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	609.260	609.260
Total	84.924	-	-	85.965	-	4.583.451	4.754.340

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VII. Explanation Related to Consolidated 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 31 December 2024, the Group’s leverage ratio calculated from the average of three months is 14,73% (31 December 2023: 11,72%). 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.

Summary comparison table of total asset amount and total risk amount in consolidated financial statements prepared in accordance with TAS:

		Current Period ⁽¹⁾⁽²⁾	Prior Period ⁽¹⁾⁽³⁾
		(31.12.2024)	(31.12.2023)
1	The total amount of assets included in the consolidated financial statements issued in accordance with TAS	211.805.516	179.826.057
2	The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué ‘Preparation of Consolidated Financial Statements’	60.839.361	48.719.279
3	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué ‘Preparation of Consolidated Financial Statements’ and risk amounts of such instruments	689.053	812.874
4	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communiqué ‘Preparation of Consolidated Financial Statements’ and risk amounts	(2.722.103)	(2.303.955)
5	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué ‘Preparation of Consolidated Financial Statements’ and risk amounts of such items	(21.229.692)	(7.413.630)
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué ‘Preparation of Consolidated Financial Statements’ and risk amounts of such items	144.162.555	135.074.217
7	Total risk amount	163.359.197	140.996.766

⁽¹⁾ The amounts in the table show the averages of the last nine months of the relevant period.

⁽²⁾ The current period amount of the consolidated financial statements prepared in accordance with the 6th paragraph of the 5th article of the Communiqué on the Preparation of the Consolidated Financial Statements of Banks has been prepared by using the Independent financial statements of non-financial corporations dated 30 June 2024.

⁽³⁾ The previous period amount of the consolidated financial statements prepared in accordance with the 6th paragraph of the 5th article of the Communiqué on the Preparation of the Consolidated Financial Statements of the Banks has been prepared by using the audited financial statements of the non-financial corporations dated 30 June 2023.

	Current Period (31.12.2024)	Prior Period (31.12.2023)
On-balance sheet assets		
Balance sheet assets (Excluding derivative financial instruments and credit derivatives, including collaterals)	152.639.700	132.072.403
(Assets deducted in determining Tier 1 capital)	-	-
Total risk amount of on-balance sheet assets	152.639.700	132.072.403
Derivative financial instruments and loan derivatives		
Replacement cost of derivative financial instruments and loan derivatives	-	-
Potential loan risk amount of derivative financial instruments and loan derivatives	689.053	812.874
Total risk amount of derivative financial instruments and loan derivatives	689.053	812.874
Financing transactions secured by marketable security or commodity		
Risk amount of financing transactions secured by marketable security or commodity (excluding on-balance sheet)	1.887.654	1.779.837
Risk amount from brokerage activities	-	-
Total risk amount of financing transactions secured by marketable security or commodity	1.887.654	1.779.837
Off-balance sheet items		
Gross notional amount of off-balance sheet transactions	29.372.482	13.745.282
(Adjustments amount due to multiplication with credit conversion rates)	(21.229.692)	(7.413.630)
Total risk amount of off-balance sheet transactions	8.142.790	6.331.652
Capital and total risks		
Tier 1 capital	24.062.722	16.519.940
Total risks	163.359.197	140.996.766
Leverage ratio		
Leverage ratio	14,73	11,72

^(*) Calculated by taking the average of the last three months financial statements’ data.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VIII. Explanations on the Presentation of Consolidated Financial Assets and Liabilities at Fair Values:

When fair value of financial assets and liabilities are determined, discounted values are taken into consideration according to remaining maturities. Transactions traded on the stock exchange are valued by using the daily weighted average prices of the last working day on the balance sheet date based on the stock market value.

	Book Value (*)		Fair Value	
	Current Period (31.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)	Prior Period (31.12.2023)
Financial Assets	154.069.687	136.431.799	154.660.658	136.974.963
Money markets placements	9.921.861	17.046.025	9.921.861	17.046.025
Banks	12.718.116	4.939.659	12.718.116	4.939.659
Financial assets measured at fair value through profit or loss	696.997	591.455	696.997	591.455
Financial assets measured at fair value through other comprehensive income	25.517.503	15.220.615	25.517.503	15.220.615
Financial assets measured at amortised cost	10.402.375	14.475.337	10.246.272	14.374.184
Loans	94.812.835	84.158.708	95.559.909	84.803.025
Financial Liabilities	123.158.943	117.564.067	122.100.997	117.597.381
Interbank deposits	-	-	-	-
Other deposits	-	-	-	-
Funds provided from other financial institutions	111.674.359	101.435.241	112.243.474	102.260.744
Subordinated debt instruments	7.577.111	11.578.723	5.811.249	10.802.460
Securities issued	3.735.924	4.176.377	3.874.725	4.160.451
Sundry creditors	171.549	373.726	171.549	373.726

^(*) The book values of financial assets and liabilities in the table are calculated by adding accrual amounts at the end of the period.

Methods and estimations used for the fair value determination of financial instruments which are not presented with their market values in the financial statements:

- i- For the fair value determination of loans, interest rates as of balance sheet date are considered.
- ii- For the fair value determination of banks, interest rates as of balance sheet date are considered.
- iii- In order to calculate the fair value of other financial assets measured at amortized cost, the stock market value as of the balance sheet date has been used.
- iv- For the fair value determination of the funds provided from other financial institutions, subordinated debt instruments and securities issued, alternative resource interest rates are considered.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

VIII. Explanations regarding the presentation of consolidated financial assets and liabilities at fair value
(Continued)

Information on fair value measurements recognized in the financial statements:

TFRS 7 “Financial Instruments: Disclosures” Standard requires the items, which are recognized in the balance sheet at their fair values to be shown in the notes by being classified. According to this standard, the related financial instruments are classified into three levels in such a way that they will express the significance of the data used in fair value measurements. At the first level, there are financial instruments, whose fair values are determined according to quoted prices in active markets for identical assets or liabilities, at the second level, there are financial instruments, whose fair values are determined by directly or indirectly observable market data, and at the third level, there are financial instruments, whose fair values are determined by the data, which are not based on observable market data. Investor valuation and price reports are used for determination of fair values of level 3 assets The financial assets, which are recognized in the balance sheet at their values, are shown below as classified according to the aforementioned principles.

Current Period (31.12.2024)	Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss	-	-	696.997
Debt securities	-	-	-
Share certificates	-	-	696.997
Other	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	24.749.229	759.461	-
Debt securities	24.749.229	759.461	-
Share certificates ⁽¹⁾	-	-	-
Other	-	-	-
Derivative Financial Assets	-	144.142	-
Investment in Associates and Subsidiaries ⁽¹⁾	-	-	-
Derivative Financial Liabilities	-	20.889	-

¹⁾ Non-public subsidiaries, affiliates and unlisted shares are monitored at cost of acquisition. Cost may be an appropriate estimate of fair value. This situation is measured at cost because there is not enough recent information regarding the measurement of fair value or because fair value can be measured by more than one method and among these methods, cost best reflects the fair value estimate

Prior Period (31.12.2023)	Level 1	Level 2	Level 3
Financial Assets at Fair Value Through Profit or Loss	-	-	591.455
Debt securities	-	-	-
Share certificates	-	-	591.455
Other	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	14.968.360	233.893	4.186
Debt securities	14.968.360	233.893	-
Share certificates ⁽¹⁾	-	-	4.186
Other	-	-	-
Derivative Financial Assets	-	65.716	-
Investment in Associates and Subsidiaries ⁽¹⁾	-	-	-
Derivative Financial Liabilities	-	18.299	-

¹⁾ Non-public subsidiaries, affiliates and unlisted shares are monitored at cost of acquisition. Cost may be an appropriate estimate of fair value. This situation is measured at cost because there is not enough recent information regarding the measurement of fair value or because fair value can be measured by more than one method and among these methods, cost best reflects the fair value estimate

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
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VIII. Explanations Related to the Presentation of Financial Assets and Liabilities at Fair Values (Continued):

The table below shows the movement table of Level 3 financial assets.

Level 3 Movement Table	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the Beginning of the Period	595.641	293.443
Purchases During the Period	19.525	108.231
Disposals Through Sale/Redemptions	(4.024)	(8.372)
Valuation Effect	90.040	202.339
Transfers	(4.186)	-
Balance at the End of the Period	696.997	595.641

IX. Explanations on the Transactions Made on Behalf of Others and Items Held in Trust

The Bank provides security buying, selling and custody services on behalf and account of others. The Bank also acts as an intermediary in the execution of tourism and infrastructure investments on behalf of the Republic of Türkiye Ministry of Culture and Tourism, and no new resources have been transferred in this context recently.

The Bank does not carry out any transactions based on faith.

X. Explanations Related to Consolidated Risk Management:

1. General informatşon on risk management and risk-weighted amounts:

The Paraet Bank’s risk management approach:

It should be emphasized firstly that the Bank is actively using committees and risk budgeting in decision-making mechanisms and risk management processes while assessing risk management performance in addition to the functional and financial performance, which has operational mechanisms based on a wide range of activities. Within the framework of the Bank's vision, mission, strategic objectives and targets set by the Board of Directors and risk management policies and strategies; the Asset and Liability Committee and the Credit Evaluation Committee constitute two main committees that play a critical role in the execution of the Bank’s activities; which the Asset and Liability Committee ensuring that the assets and liabilities are managed effectively and efficiently by taking into consideration the current and possible economic developments and the factors such as interest, maturity and currency, and establishing coordination and communication between the Senior Management and the Bank's units, and the Credit Evaluation Committee with the function of determining the principles of lending, evaluating the credit-participation risk and the situation of the investment, evaluating the reports prepared on the loan appraisal and in summary taking care of all the lending activities. Within the framework of the short-term strategies determined by the Asset and Liability Committee in line with the vision and strategic objectives of the Bank’s Strategic Plan, each of the units in the Bank comply with these targets and the risk budgeting application based on the consolidation of these budgets are applied to contribute to the basic activities of the Bank.

Risk monitoring processes constitute the main determinant of risk management policies in decision making processes in the Bank. The organizational structure of the risk monitoring processes is composed of, the “Internal Control and Compliance” and “Risk Management” Directorates which the duties and authorities established within the Bank with the decision of the Board of Directors pursuant to the Banking Law and the BRSA legislation, the Audit Committee and the Internal Inspection Department. The units within the internal systems of the Bank and the Audit Committee undertake their activities in accordance with the “Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process” dated 11/07/2014 and numbered 29057 of the BRSA.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued)

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

The Paraet Bank’s risk management approach (Continued)

The general principle of the risk policies followed by the Bank where committees and the implementation of risk budgeting are actively used in decision-making mechanisms and risk management processes; which was approved by Board of Directors dated 11.01.2016, 2016-01-15/015 stated in the Bank’s “Risk Management Strategies, Policies and Implementation Principles”, “To specialize in the activities in accordance with the mission, vision and structure determined by the Establishment Law, to take risks that can be identified, controlled and / or managed, and to make efforts to avoid any risks other than the risks inevitable and arising as part of the nature of the activities”. While the Bank is specializing in its activities and shaping the asset composition in line with this general principle in accordance with its vision and structure, in the risk management policy it is subject to the principle of “taking risks that can be controlled and / or managed, not taking any risks other than the risks that are unavoidable and to apply this principle as much as possible. In this context, it is the basic principle to ensure that the risks to be taken are defined and manageable.

In addition, to the extent that risk measurement and reporting techniques allow, measurement of the present and future potential impacts of the risks taken is made and written limits for the quantifiable risks arising from the operations of the Bank are determined according to the BRSA regulations. Therefore, the risk appetite of the Bank is determined and monitored by the risk limits prepared in accordance with the provisions of Article 39 titled “Risk Appetite Structure” of Internal Systems and ICAAP Regulations of Banks No. 29057 issued by the BRSA and published in the Official Gazette on 11 July 2014. “Risk Limits and Implementation Principles”, which are revised by the Risk Management Department annually in accordance with the Bank's risk policies and accepted by the Board of Directors, are the main policy that determines the Bank’s risk appetite structure.

According to the “Risk Limits and Implementation Guidelines” which is the most important indicator of the risk appetite of the Bank, limits, early warning limits and actions to be taken in case of exceeding limit are determined by basic risk groups. In determining limits, the legal limits shape the general framework. However, in addition to the principle of prudence in risk management, specific limits specific to the Bank are also set for each risk type. The early warning limits are intended to prevent limit overs, and the limits are set one level below (or above). Each risk group covered by the Bank’s risk limits is monitored by reports made to the Senior Management and the Audit Committee on a daily, weekly, monthly basis by the Risk Management Department and is first informed to the relevant unit in the framework of the actions to be taken in determining the elimination of exceeded limits.

It is clear that both the decision-making mechanisms and the risk management processes are the general principle of risk policies and the Bank has a “risk avoider” risk appetite within the framework of risk limits and implementation principles.

The limits stated in the text of “Risk Appetite Structure, Risk Limits and Implementation Principles” approved by the Board of Directors within the framework of the 37th article of “Regulation on Internal Systems of Banks” issued by the BRSA for quantifiable risks arising from the activities of the Bank are determined. The Risk Management Department monitors compliance with these limits and regularly reports to the Board of Directors, the Audit Committee and the Senior Management.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued)

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

The Paraet Bank’s risk management approach (Continued)

Stress test scenario analyzes carried out by the Bank within the scope of risk management activities include various techniques to measure the potential resilience of the Bank portfolio against unexpected risks. Capital Planning Buffer prepared in accordance with the provisions of the “Stress Test Program” specified in article 43 of “Regulation on Internal Systems of Banks and Internal Capital Adequacy Assessment Process” and Guidelines for Stress Tests to be Used by Banks in Capital and Liquidity Planning and specified in Article 59 of the Regulation. The results of the implementation of the scenarios determined by the BRSA used in the calculation are sent to the BRSA within the scope of the ISEDES (Internal Capital Adequacy Assessment Process) Report prepared by Risk Management Department annually. In the ISEDES Report, the Bank’s capital adequacy level is evaluated by applying the BRSA and our Bank scenarios on the Bank’s 3-year Strategic Plan predictions.

The stress test scenario analyzes, which are updated quarterly for the Bank, are also structured in a structure parallel to ISEDES practices. Stress testing is carried out by applying two negative scenarios of the relevant year, determined by the BRSA, to the financial statements and capital adequacy ratio components of the period to be tested.

In the stress test study, shocks are given on the basis of two basic parameters (interest and exchange rate), and by each parameter and each scenario the effects of these shocks on;

- i- Balance sheet and statement of profit or loss
- ii- Legal equity
- iii- Risk Weighted Assets (RWA)
- iv- Capital Adequacy Ratio (CAR)

are evaluated.

The first parameter used in the scenario analysis is the exchange rate and the other is the interest rates. Exchange rate and interest shocks are designed as base, negative and extremely negative scenarios sent by BRSA.

On the Bank’s securities portfolio, portfolio sensitivity is firstly calculated against changes in interest rates, and two separate scenarios are set forth to compensate for the potential loss arising from adverse interest rate changes.

The Bank’s “Proforma Cash Flows Statement” analysis, which is prepared based on the possible cash inflows and outflows in the next one-year period, including seven different scenarios, ranging from 45 percent to 95 percent of “loan collection rates” and implicitly including currency and interest forecasts, it is the most detailed scenario analysis that the Bank has prepared. In this analysis, the effects of different collection ratios on the liquidity risk of the Bank are evaluated.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued)

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

The Paraet Bank’s risk management approach (Continued)

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 31 December 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 (31.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)
1	Credit risk (excluding counterparty credit risk) (CCR)	106.681.360	99.876.756	8.534.509
2	Of which standardized approach (SA)	106.681.360	99.876.756	8.534.509
3	Of which internal rating-based (IRB) approach		-	
4	Counterparty credit risk	363.655	612.536	29.092
5	Of which standardized approach for counterparty credit risk (SA-CCR)	363.655	612.536	29.092
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	20.484.321	14.226.300	1.638.746
17	Of which standardized approach (SA)	20.484.321	14.226.300	1.638.746
18	Of which internal model approaches (IMM)		-	
19	Operational Risk	7.260.018	3.360.326	580.801
20	Of which basic indicator approach	7.260.018	3.360.326	580.801
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	Total (1+4+7+8+9+10+11+12+16+19+23+24)	134.789.354	118.075.918	10.783.148

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X.Explanations Related to Consolidated Risk Management (Continued)

2. Credit risk explanations:

General qualitative information on credit risk:

The Bank calculates its legal credit risk as per the framework of the “Regulation on the Measurement and Evaluation of Banks’ Capital Adequacy” and Basel II criteria. The management of credit risk is essential in such a way as to ensure that the standard ratio of legal capital adequacy is above the minimum limit of existing regulations.

Within the scope of “Basel II application” under the measure of credit risk, the standard method prescribed by the BRSA is used and this measurement method based on weighting to the classes and guarantees of the loans is embodied in the KR520 form which is reported monthly to the BRSA. There are basically 3 main headings of the form:

- Risk Classes,
- Credit Risk Reduction Techniques and Credit Risk Substitution Effects,
- Distribution by Risk Weights.

In order to determine the credit risk, the Bank’s Risk Weighted Assets are classified by “Separation On The Basis of Risk Classes”. After the asset is classified according to the risk classes, collaterals received on loans are assessed under Basel II “Credit Risk Mitigation Techniques and Credit Risk Substitution Effects”. The credit risk is measured monthly within the standard method framework, by using the algorithm in the “Basel II Credit Rating Classification”.

Respecting the credit risk management measurement, monitoring, stress testing and scenario analysis studies in line with the volume, quality and complexity of loans and reporting results are provided to the Audit Committee and the Board of Directors.

Beside the standard method for determining the level of credit risk that the Bank may encounter, by moving from the Bank’s loan portfolio structure for risk measurement and monitoring activities;

- Credit Risks by Sectors
- Credit Risks by Region
- Non-performing Loans Analysis
- Concentration Analysis of Credits
- Risks Weights of Loan Collaterals
- Sectoral Risks According to Risk Weights of Loans
- Distribution of Loans by Maturity and Source
- Distribution of Performing Credits are analyzed and reported.

In the Bank’s credit risk management policy, diversification of credit portfolio is essential. Although the Bank is not subject to the credit restrictions imposed on banks accepting deposits pursuant to Article 77 of the Banking Law No. 5411, the Bank has determined its credit limits with the “Credit Policy” published with the approval of the Board of Directors. Credit risk limits are determined in the text of “Risk Appetite Structure, Risk Limits and Implementation Principles” approved by the Board of Directors, and the limits are monitored daily, weekly and monthly by the Risk Management Unit and reported to the Top Management.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

General qualitative information on credit risk (Continued)

All units, including the departments within the Internal Systems, fulfill their duties, authorities, and responsibilities within the scope of credit risk management in accordance with the framework of the Banking Law, Internal Systems Regulation, and Bank’s Duties, Authorities, Responsibilities, and Organization Principles.

The senior management is responsible for the implementation of the credit risk strategy approved by the board of directors and the development of policies and procedures for the recognition, measurement, monitoring, and control of credit risk, and these policies and procedures include credit risks related to all banking activities in the Bank’s portfolio.

The explanations prepared by 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 below.

The Bank reveals risks of the effects of income/expense, capital loss, liquidity adequacy, etc. that may arise regarding macroeconomic indicators and bank-specific situations with periodic reports and stress test studies. Daily, weekly, monthly and annual reports are produced with the risk measurement models and methods used by the Bank regarding the risk situation of the Bank, and they are regularly reported to the Board of Directors, Audit Committee, and Senior Management. The possible effects on the Bank's equity and capital adequacy ratios and liquidity adequacy level are closely monitored.

It is aimed to disseminate the risk appetite framework and culture created by the Bank through the training given to the personnel, risk measurements and reporting, and risk reporting to the Board of Directors, Senior Management, and Committees.

As a part of the risk appetite structure, it is aimed to determine the risk appetite level of the Bank through regulations such as the determination of risk limits, limit exceedance exceptions, and early warning levels. Limits are updated periodically, taking into account the developments in the Bank's strategy and risk appetite. Early warning levels indicating that the determined limits are approached have also been determined, and in case the limit levels are approached or exceeded, the relevant units take the necessary actions and arrangements. Risk limits are determined together with the relevant senior managers, including the Manager of the Risk Management Unit and the General Manager of the Bank, and submitted to the Board of Directors for approval following the approval of the Audit Committee. While determining the limits, the macroeconomic environment and market trends, as well as the targets and policies of the Bank are taken into account, and risk concentration limits are determined based on sector, geographical region, country and product.

Since the Bank uses a standard approach in capital adequacy calculations, explanations within the scope of the internal rating-based approach are not included.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Credit quality of assets:

Current Period (31.12.2024)		Default (a)	Non-Default (b)	Provisions/Amortisations and Impairment (c)	Net Value (a+b-c)
		The gross amount in financial tables that valued according to TAS			
1	Loans	732.750	94.080.085	(1.703.056)	93.109.779
2	Debt securities	-	35.920.579	(83.284)	35.837.295
3	Off-balance receivables	2	5.075.168	(20.728)	5.054.442
4	Total	732.752	135.075.832	(1.807.068)	134.001.516

		Default (a)	Non-Default (b)	Provisions/Amortisations and Impairment (c)	Net Value (a+b-c)
		The gross amount in financial tables that valued according to TAS			
Prior Period (31.12.2023)					
1	Loans	848.082	83.310.626	(1.421.094)	82.737.614
2	Debt securities	-	29.679.219	(8.659)	29.670.560
3	Off-balance receivables	2	4.754.338	(53.480)	4.700.860
4	Total	848.084	117.744.183	(1.483.233)	117.109.034

Changes in stocks of default loans and debt securities:

	Current Period (31.12.2024)	
1	Defaulted loans and debt securities at the end of prior reporting period	848.082
2	Defaulted loans and debt securities from last reporting period	27.174
3	Returned to non-defaulted status	-
4	Amounts written of	-
5	Other changes	(142.506)
6	Defaulted loans and debt securities at the end of reporting period (1+2-3-4+-5)	732.750

	Prior Period (31.12.2023)	
1	Defaulted loans and debt securities at the end of prior reporting period	894.374
2	Defaulted loans and debt securities from last reporting period	95.249
3	Returned to non-defaulted status	-
4	Amounts written of	-
5	Other changes	(141.541)
6	Defaulted loans and debt securities at the end of reporting period (1+2-3-4+-5)	848.082

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Additional disclosures about the credit quality of assets(Continued):

The Bank evaluates its financial assets in 3 Stages within the scope of TFRS 9. In this context, for defaulted loans (3.Stage) and loans that have not yet defaulted, but which have significantly increased credit risk from the date of the loan's issuance (2.Stage), the Bank calculates the expected lifetime credit loss. The Bank's other financial assets covered by TFRS 9 (1.Stage); the Bank reflects the probability of default within 12 months after the reporting date as the expected loss provision.

In case of payment failure of borrowers to the Bank due to temporary liquidity shortage loans and other receivables, including overdue interest, are restructured within the scope of the Provision Regulation by opening additional loans when necessary in order to provide liquidity strength to the borrower and to ensure the collection of the Bank’s receivables.

Temporary liquidity shortage is considered as a manageable cash deficit caused by a loan borrower who has the solvency to pay his obligations on time and in full becoming irregular due to fluctuations in fund inflows and outflows, sales revenues or operating income arising from normal activities due to an unexpected and temporary reason.

Restructured loans will continue to be monitored in the groups in which they are classified and monitored until that date. During this period, provisions for these receivables continue to be allocated within the scope of TFRS 9.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Breakdown of non-performing loans and respective provisions by geographic regions

Current Period (31.12.2024)	Non-performing loans	Stage 3 Expected Credit Loss
Domestic	732.750	576.351
European Countries	-	-
OECD Countries	-	-
Total	732.750	576.351

Prior Period (31.12.2023)	Non-performing loans	Stage 3 Expected Credit Loss
Domestic	848.082	528.780
European Countries	-	-
OECD Countries	-	-
Total	848.082	528.780

Information in terms of major sectors and type of counterparties

Current Period (31.12.2024)	Loans	Non-Performing Loans	Expected Loss Provision	Total (Net)
Agriculture	887.280	-	1.337	885.943
Farming and animal breeding	-	-	-	-
Forestry	518.716	-	1.305	517.411
Fishery	368.564	-	32	368.532
Industry	76.090.400	664.162	1.617.844	75.136.718
Mining and quarry	-	-	-	-
Manufacturing	32.417.864	20.006	128.968	32.308.902
Electricity, gas and water	43.672.536	644.156	1.488.876	42.827.816
Construction	-	-	-	-
Service	17.102.405	67.454	82.741	17.087.118
Wholesale and retail trade	-	-	-	-
Hotel and restaurant services	851.466	63.343	45.439	869.370
Transportation and communication	2.343.708	8	5.434	2.338.282
Financial institutions	13.756.376	-	26.746	13.729.630
Real estate and leasing services	-	-	-	-
Self-employment services	-	-	-	-
Educational services	17.514	-	664	16.850
Health and social services	133.341	4.103	4.458	132.986
Other	-	1.134	1.134	-
Total	94.080.085	732.750	1.703.056	93.109.779

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Information in terms of major sectors and type of counterparties (Continued):

	Loans	Non-Performing Loans	Expected Loss Provision	Total (Net)
Prior Period (31.12.2023)				
Agriculture	426.371	-	498	425.873
Farming and animal breeding	-	-	-	-
Forestry	-	-	-	-
Fishery	426.371	-	498	425.873
Industry	72.145.595	751.728	1.309.764	71.587.559
Mining and quarry	392.602	-	5.755	386.847
Manufacturing	32.510.780	6.403	180.230	32.336.953
Electricity, gas and water	39.242.213	745.325	1.123.779	38.863.759
Construction	1.010.628	-	13.243	997.385
Service	9.728.032	95.220	96.455	9.726.797
Wholesale and retail trade	-	-	-	-
Hotel and restaurant services	1.171.405	91.756	47.947	1.215.214
Transportation and communication	-	-	-	-
Financial institutions	8.214.342	-	44.391	8.169.951
Real estate and leasing services	-	-	-	-
Self-employment services	-	-	-	-
Educational services	84.986	-	422	84.564
Health and social services	257.299	3.464	3.695	257.068
Other	-	1.134	1.134	-
Total	83.310.626	848.082	1.421.094	82.737.614

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Maturity analysis for non-performing loans

	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and above
Current Period (31.12.2024)					
Corporate and Commercial Loans	-	14.889	40.201	644.156	32.370
Other	-	-	-	-	1.134
Total	-	14.889	40.201	644.156	33.504

Prior Period (31.12.2023)	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and above
Corporate and Commercial Loans	-	68.030	709.012	36.314	33.592
Other	-	-	-	-	1.134
Total	-	68.030	709.012	36.314	34.726

Breakdown of restructured receivables by whether provision has been allocated or not

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Loan Balance	Expected Loss Provisions	Loan Balance	Expected Loss Provisions
Restructured from Performing Loans	5.391.875	537.866	1.185.182	79.615
Restructured from Non-Performing Loans	20.918	586	745.325	472.090
Total	5.412.793	538.452	1.930.507	551.705

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Qualitative requirements to be disclosed to the public regarding credit risk mitigation techniques:

In the calculation of the amounts subject to credit risk, the Parent Bank evaluates the loans in terms of risk weight, taking into consideration the risk classes, grading notes and risk reduction elements within the context of “Communiqué on Credit Risk Mitigation Techniques”.

The Parent Bank does not make on-balance sheet and off-balance sheet netting within the scope of credit risk mitigation. Applications related to valuation and management of collateral are carried out in line with the “Communiqué on Credit Risk Mitigation Techniques”. Main guarantees taken by the Bank in the context of credit risk mitigation techniques are financial guarantees (cash) and guarantees (Turkish Treasury and banks). Monetary guarantees are evaluated with the most recent values as of the reporting date in the credit risk reduction process. In the event that a bank loan customer receives guarantees obtained from other institutions, the credit risk worthiness of the guaranteeing institution in the credit risk reduction process is taken into consideration.

Overview of credit risk mitigation techniques:

	Current Period (31.12.2024)	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	6.306.135	88.506.699	%100	-	-	-	-
2	Debt Instruments	-	35.920.579	%100	-	-	-	-
3	Total	6.306.135	124.427.278	%100	-	-	-	-
4	Overdue	-	732.750	%100	-	-	-	-

	Prior Period (31.12.2023)	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	4.307.948	79.850.760	%100	-	-	-	-
2	Debt Instruments	-	29.679.219	%100	-	-	-	-
3	Total	4.307.948	109.529.979	%100	-	-	-	-
4	Overdue	-	848.082	%100	-	-	-	-

Qualitative information on ratings used by banks while calculating credit risk with standard approach :

The risk weigths of the risk categories as per the Article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Bank” are determined pursuant to the regulations. Any external risk ratings which are determined by any international rating agency are not used.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Standard Approach - Credit risk exposure and credit risk mitigation effects

The Parent Bank calculates the credit risk with a standard approach and do not use a rating score.

Current Period (31.12. 2024)	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amount and Intensity of Risk Weighted Amount	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Intensity of risk weighted amount
Risk Class						
Exposures to central governments and central banks	14.046.693	-	15.633.834	-	3.674.463	23,50%
Exposures to regional or local governments	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	25.675.522	9.454.025	30.757.980	386.372	13.454.691	43,20%
Exposures to corporates	87.087.470	14.864.478	80.484.511	5.008.307	85.492.818	100,00%
Retail exposures	-	-	-	-	-	-
Exposures secured by residential property	45.350	-	45.350	-	15.873	35,00%
Exposures secured by commercial property	5.438.781	-	5.407.781	-	2.953.856	54,62%
Past-due receivables	156.399	-	156.399	-	88.508	56,59%
Exposures in high-risk categories by the Agency Board	-	-	-	-	-	-
Collateralized securities	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	224.298	61	224.298	61	224.359	100,00%
Other exposures	1.150.246	-	1.060.929	-	1.060.703	99,98%
Equity share investments	-	-	-	-	-	-
Total	133.824.759	24.318.564	133.771.082	5.394.740	106.965.271	76,86%

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Standard Approach - Credit risk exposure and credit risk mitigation effects (Continued)

Prior Period (31.12.2023)	Exposures before CCF and CRM		Exposures post-CCF and CRM		Risk Weighted Amount and Intensity of Risk Weighted Amount	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Intensity of risk weighted amount
Risk Class						
Exposures to central governments and central banks	15.426.669	-	17.152.893	-	8.127.217	47,4%
Exposures to regional or local governments	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-
Exposures to banks and brokerage houses	30.466.555	262.919	37.195.272	131.465	19.528.511	52,3%
Exposures to corporates	72.318.476	12.657.072	65.332.441	4.754.331	70.086.772	100,0%
Retail exposures	-	-	-	-	-	-
Exposures secured by residential property	51.762	-	51.762	-	18.117	35,0%
Exposures secured by commercial property	2.726.045	-	2.720.997	-	1.579.441	58,0%
Past-due receivables	319.302	-	319.302	-	184.772	57,9%
Exposures in high-risk categories by the Agency Board	-	-	-	-	-	-
Collateralized securities	-	-	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
Exposures in the form of collective investment undertakings	228.437	54	228.437	54	228.491	100,0%
Other exposures	651.322	-	606.148	-	605.126	99,8%
Equity share investments	-	-	-	-	-	-
Total	122.188.568	12.920.045	123.607.252	4.885.850	100.358.447	78,1%

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Standard Approach - Exposures by asset classes and risk weights:

The bank calculates credit risk with a standard approach and does not use a rating score.

Current Period (31.12.2024)													
		0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Total risk amount (after CCF and CRM)
	Risk Class/Risk Weight												
1	Exposures to central governments and central banks	11.959.371	-	-	-	-	-	-	3.674.463	-	-	-	15.633.834
2	Exposures to regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	-	-	14.423.829	-	-	11.706.160	-	4.710.773	-	-	303.590	31.144.352
7	Exposures to corporates	-	-	-	-	-	-	-	85.492.818	-	-	-	85.492.818
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	45.350	-	-	-	-	-	-	45.350
10	Exposures secured by commercial property	-	-	-	-	-	4.907.851	-	499.930	-	-	-	5.407.781
11	Past-due receivables	-	-	-	-	-	135.782	-	20.617	-	-	-	156.399
12	Exposures in high-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	224.359	-	-	-	224.359
16	Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	226	-	-	-	-	-	-	1.060.703	-	-	-	1.060.929
18	Total	11.959.597	-	14.423.829	-	45.350	16.749.793	-	95.683.663	-	-	303.590	139.165.822

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

2. Credit risk explanations (Continued):

Standard Approach - Exposures by asset classes and risk weights (Continued):

Prior Period (31.12.2023)													
	Risk Class/Risk Weight	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	Total risk amount (after CCF and CRM)
1	Exposures to central governments and central banks	9.025.676	-	-	-	-	-	-	8.127.217	-	-	-	17.152.893
2	Exposures to regional or local governments	-	-	-	-	-	-	-	-	-	-	-	-
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	68.372	-	15.219.014	-	-	10.629.701	-	11.164.964	-	-	244.686	37.326.737
7	Exposures to corporates	-	-	-	-	-	-	-	70.086.772	-	-	-	70.086.772
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-
9	Exposures secured by residential property	-	-	-	-	51.762	-	-	-	-	-	-	51.762
10	Exposures secured by commercial property	-	-	-	-	-	2.283.112	-	437.885	-	-	-	2.720.997
11	Past-due receivables	-	-	-	-	-	269.060	-	50.242	-	-	-	319.302
12	Exposures in high-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-	-
13	Collateralized securities	-	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	228.491	-	-	-	228.491
16	Equity share investments	-	-	-	-	-	-	-	-	-	-	-	-
17	Other exposures	1.021	-	-	-	-	-	-	605.127	-	-	-	606.148
18	Total	9.095.069	-	15.219.014	-	51.762	13.181.873	-	90.700.698	-	-	244.686	128.493.102

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

3. Counterparty credit risk disclosures:

Qualitative explanation of the evaluation of counterparty credit risk according to measurement methods:

A counterparty credit risk is the risk that a counterparty who is involved in a transaction that is liable to both parties defaults before the final payment in the cash flow of that transaction.

The Bank takes necessary measures to limit counterparty credit risks arising from bilateral transactions, such as off-balance sheet over the counter derivative transactions, by taking into account risk capacities.

Transactions made by the Treasury Department including counter-party risks such as over the counter forward, swaps and options are reported daily to the Senior Management and Risk Management Department. All transactions made with counterparty are considered within the limits of the counterparty. Exceeded limits are reported daily to the responsible managers and are recorded with all measures taken to overcome these limitations.

Current Period (31.12.2024)		Replacement Cost	Potential Credit Risk Amount	EEPE	Alpha Used for Computing Regulatory EAD	EAD Post-CRM	Risk Weighted Amounts
1	Standardized Approach - CCR (for derivatives)	-	380.349		1,4	532.489	361.081
2	Internal Model Method (for derivative transactions and security financing transactions)			-	-	-	-
3	Simple financial collateral method used for CRM (for securities financing transactions)					-	-
4	Comprehensive financial collateral method used for CRM (for securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and credit securities financing transactions					151.097	2.574
6	Total						363.655

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

3. Counterparty credit risk disclosures (Continued):

Evaluation of counterparty credit risk according to measurement methods

Prior Period (31.12.2023)		Replacement Cost	Potential Credit Risk Amount	EEPE	Alpha Used for Computing Regulatory EAD	EAD Post-CRM	Risk Weighted Amounts
1	Standardized Approach - CCR (for derivatives)	50.728	527.402		1,4	809.381	610.166
2	Internal Model Method (for derivative transactions and security financing transactions)			-	-	-	-
3	Simple financial collateral method used for CRM (for securities financing transactions)					-	-
4	Comprehensive financial collateral method used for CRM (for securities financing transactions)					-	-
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and credit securities financing transactions					118.499	2.370
6	Total						612.536

Capital Requirement for CVA:

Derivative transactions of the Bank consists of forward foreign exchange buying-selling and swap money buying-selling transactions. There are no interest-based swap transactions, option contracts and other derivative transactions. The Bank has no derivative products to be created to differentiate them from the main contract.

Current Period (31.12.2024)		Risk Amount (After using credit risk mitigation techniques)	Risk-weighted amounts
	Total amount of portfolios subject to CVA capital requirement according to the advanced method	-	-
1	(i) Value-at-risk component (including 3*multiplier)	-	-
2	(ii) Stress value-at-risk (including 3*multiplier)	-	-
3	Total amount of portfolios subject to CVA capital requirement according to the standard method	379.996	79.335
4	Total amount subject to CVA capital requirement	379.996	79.335

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

3. Counterparty credit risk disclosures (Continued):

Capital Requirement for CVA (Continued):

Prior Period (31.12.2023)		Risk Amount (After using credit risk mitigation techniques)	Risk-weighted amounts
	Total amount of portfolios subject to CVA capital requirement according to the advanced method	-	-
1	(i) Value-at-risk component (including 3*multiplier)	-	-
2	(ii) Stress value-at-risk (including 3*multiplier)	-	-
3	Total amount of portfolios subject to CVA capital requirement according to the standard method	809.381	130.670
4	Total amount subject to CVA capital requirement	809.381	130.670

Standard approach - counterparty credit risk based on risk classes and risk weights:

Current Period (31.12.2024)									
Risk Weights / Risk Class	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk ^(*)
Exposures to central governments and central banks	22.413	-	-	-	-	-	-	-	-
Exposures to regional or local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	-	-	-	-	357.583	-	303.590	363.655
Exposures to corporates	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	22.413	-	-	-	-	357.583	-	303.590	363.655

^(*) Total credit risk: The amount to be taken into account in the calculation of capital adequacy after credit risk reduction is applied.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

3. Counterparty credit risk disclosures (Continued):

Standard approach - counterparty credit risk based on risk classes and risk weights (Continued):

Prior Period (31.12.2023)									
Risk Weights / Risk Class	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk ^(*)
Exposures to central governments and central banks	7.180	-	-	-	-	1.987	-	-	321.987
Exposures to regional or local governments	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	-
Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-
Exposures to international organizations	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	68.372	-	-	-	-	285.655	-	244.686	290.549
Exposures to corporates	-	-	-	-	-	-	-	-	-
Retail exposures	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	75.552	-	-	-	-	607.642	-	244.686	612.536

^(*) Total credit risk: The amount to be taken into account in the calculation of capital adequacy after credit risk reduction is applied.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

3. Counterparty credit risk disclosures (Continued):

Collaterals used for counterparty credit risk (Continued)

A counterparty credit risk is the risk that a counterparty who is involved in a transaction that is liable to both parties defaults before the final payment in the cash flow of that transaction.

The Bank takes necessary measures to limit counterparty credit risks arising from bilateral transactions, such as off-balance sheet derivative transactions, by taking into account risk capacities.

Current Period (31.12.2024)	Collaterals for derivative transactions				Collaterals for other transactions	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debt	-	-	656.486	-	41.331	3.413.630
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	656.486	-	41.331	3.413.630

Prior Period (31.12.2023)	Collaterals for derivative transactions				Collaterals for other transactions	
	Collaterals received		Collaterals given		Collaterals received	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash-domestic currency	-	-	-	-	-	-
Cash-foreign currency	-	-	-	-	-	-
Domestic sovereign debt	-	-	276.707	-	247.294	2.737.755
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	276.707	-	247.294	2.737.755

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

3. Counterparty credit risk disclosures (Continued):

Credit derivatives
None.

Explanations on counterparty credit risk:

	Risk Amount After CRM	RWA
Current Period (31.12.2024)		
Total risks arising from qualified transactions where one of the parties is CCP	650.834	3.909
Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	174.906	3.498
(i) OTC derivatives	-	-
(ii) Other derivative transactions	174.906	3.498
(iii) Securities financing transactions	-	-
(iv) Netting groups to which cross product netting is applied	-	-
Non-free initial margin	469.430	-
Free initial deposit	-	-
The amount put into the guarantee fund	6.498	411
The amount promised to be put into the guarantee fund	-	-
Total risks arising from non-qualified transactions where one of the parties is CCP	-	-
Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	-	-
(i) OTC derivatives	-	-
(ii) Other derivative transactions	-	-
(iii) Securities financing transactions	-	-
(iv) Netting groups to which cross product netting is applied	-	-
Non-free initial margin	-	-
Free initial deposit	-	-
The amount put into the guarantee fund	-	-
The amount promised to be put into the guarantee fund	-	-

Securitization disclosures

None.

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

3. Counterparty credit risk disclosures (Continued):

Explanations on counterparty credit risk (Continued):

	Risk Amount After CRM	RWA
Prior Period (31.12.2023)		
Total risks arising from qualified transactions where one of the parties is CCP	304.383	2.698
Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	126.187	2.524
(i) OTC derivatives	-	-
(ii) Other derivative transactions	126.187	2.524
(iii) Securities financing transactions	-	-
(iv) Netting groups to which cross product netting is applied	-	-
Non-free initial margin	169.512	-
Free initial deposit	-	-
The amount put into the guarantee fund	8.684	174
The amount promised to be put into the guarantee fund	-	-
Total risks arising from non-qualified transactions where one of the parties is CCP	-	-
Regarding the risks arising from the transactions in the CCP (excluding the initial margin and the amount placed in the guarantee fund)	-	-
(i) OTC derivatives	-	-
(ii) Other derivative transactions	-	-
(iii) Securities financing transactions	-	-
(iv) Netting groups to which cross product netting is applied	-	-
Non-free initial margin	-	-
Free initial deposit	-	-
The amount put into the guarantee fund	-	-
The amount promised to be put into the guarantee fund	-	-

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CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

4. Explanations on market risk:

Qualitative information to be publicly disclosed on market risk:

The Parent Bank is exposed to market risk depending on the fluctuations that may occur in the financial market as a result of its activities, in exchange rates, interest rates and stock prices.

The Parent Bank calculates and legally reports its market risk by using the standard method within the framework of the provisions of the “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy” published in the Official Gazette No. 29511 dated 23 October 2015.

In addition to the monthly standardized methodology, the market risk is calculated on a daily basis using the Value At Risk (“VaR”) approach. The VaR calculated by using the internal model to predict the potential loss in financial market conditions, the stress tests and scenario analysis results, including the price changes occurring in the crises that occurred in previous years or the probable effects of different interest and exchange rate shocks on existing portfolios are reported to Audit Committee and top management.

In accordance with the “Regulation on the Internal Systems of Banks and the Internal Capital Adequacy Assessment Process” published on the Official Gazette dated 11 July 2014 and numbered 29057, the limits of these risks are determined by taking into account the main risks borne by the Bank and such risk limits are determined within the framework of changing market conditions and Bank strategies “Risk Appetite Structure, Risk Limits and Implementation Principles” which are frequently revised and approved by the Board of Directors.

The reports prepared within the framework of compliance with the risk limits are regularly presented to the Board of Directors, the Audit Committee and senior management.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

4. Explanations on market risk (Continued):

PR1-Market risk amounts based on standard approach:

		Current Period (31.12.2024)	Prior Period (31.12.2023)
		RWA	RWA
	Direct (cash) Products		
1	Interest rate risk (general and specific)	20.372.690	14.150.941
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	111.631	75.359
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	Total	20.484.321	14.226.300

5. Linkages between the financial statements and risk amounts:

Explanations on differences between the amounts prepared as per TAS and the risk amounts:

“Credit Risks” are calculated over the securities classified as “Financial assets at fair value through profit or loss” and “Financial assets at fair value through other comprehensive income”.

Repurchase and reverse repo transactions of the Bank are subject to “Counterparty Credit Risks” and the Capital Obligation against Counterparty Credit Risk is calculated and reported under the “Credit Risk”. In addition, “Market Risk” is calculated over the securities used in the “Reverse Repo” transactions.

The amount in the “Off-balance amounts” row of the “Main sources of differences between risk amounts and amounts valued in accordance with TAS in the financial statements” table is reported as the “Amount Subject to Credit Risk” by multiplying it with the “Credit Conversion Ratios”.

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SECTION FOUR (Continued)

CONSOLIDATED INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations Related to Consolidated Risk Management (Continued):
5. Linkages between the financial statements and risk amounts (Continued):
- Differences and matching between accounting consolidation and legal consolidation:

Current Period (31.12.2024)	Carrying values in financial statements prepared as per TAS(*)	Carrying values in financial statements prepared as per TAS within legal consolidation	Items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	
Assets							
Cash and Balances with the Central Bank	3.374	1.836	1.836	-	-	-	-
Financial assets held for trading			-	-	-	-	-
Financial assets at fair value through profit or loss							
Banks	649.424	696.997		696.997	-	-	-
Money market receivables	14.531.233	12.716.639		12.716.639	-	40.053	-
Financial Assets at Fair Value Through Other Comprehensive Income	6.641.492	9.918.269		9.878.216	-		-
Derivative Financial Assets	21.481.157	25.517.503		3.944.830	-	21.572.673	-
Loans and Receivables	13.907	144.142		144.142	-	-	-
Factoring receivables	90.271.736	93.109.778		93.109.778	-	-	-
Financial Assets Measured at Amortised Cost	-	-		-	-	-	-
Investments in associates	10.628.258	10.377.505		10.377.505	-	-	-
Subsidiaries	10.586	10.586		10.586	-	-	-
Lease receivables	-	-		-	-	-	-
Tangible assets (net)	80.168	74.745		74.552	-	-	193
Intangible assets (net)	41.143	52.182		-	-	-	52.182
Investment properties (net)	-	-		-	-	-	-
Tax asset	384.117	479.364		479.364	-	-	-
Other assets	352.942	494.922		494.922	-	-	-
Total Assets	145.589.537	153.594.468	131.929.368	-	-	21.612.726	52.375

(*) The financial position table dated 30 June 2024, prepared in accordance with the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, was used.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations Related to Consolidated Risk Management (Continued):
5. Linkages between the financial statements and risk amounts (Continued):
- Differences and matching between accounting consolidation and legal consolidation (Continued):

Current Period (31.12.2023)	Carrying values in financial statements prepared as per TAS(*)	Carrying values in financial statements prepared as per TAS within legal consolidation	Items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	
Liabilities							
Deposit	-	-	-	-	-	-	-
Derivative financial liabilities held for trading	21.718	20.889	-	20.889	-	-	-
Funds borrowed	99.773.702	108.284.851		-	-	-	-
Money markets balances	4.582.972	3.417.116	-	3.417.116	-	-	-
Issued securities	4.775.709	3.735.924	-	-	-	-	-
Funds	5.303.587	8.402.633	-	-	-	-	-
Miscellaneous Payables	-	174.586	-	-	-	-	-
Other external funding's payable	683.435	532.021	-	-	-	-	-
Factoring Payables	-	-	-	-	-	-	-
Debits from leasing transactions	28.658	22.348	-	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-	-	-	-
Provisions	543.609	605.012	-	-	-	-	-
Tax liability	774.558	816.578	-	-	-	-	-
Liabilities for assets held for sale and discontinued operations	-	-	-	-	-	-	-
Subordinated debts	11.986.960	7.577.111	-	-	-	-	-
Shareholders' equity	16.614.629	20.005.400	-	-	-	-	-
Total liabilities and equity	145.089.537	153.594.469	-	3.438.005	-	-	-

(*) The financial position table dated 30 June 2024, prepared in accordance with the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, was used.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations Related to Consolidated Risk Management (Continued):
5. Linkages between the financial statements and risk amounts (Continued):
- Differences and matching between accounting consolidation and legal consolidation (Continued):

Prior Period (31.12.2023)	Carrying values in financial statements prepared as per TAS (*)	Carrying values in financial statements prepared as per TAS within legal consolidation	Items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	
Assets							
Cash and Balances with the Central Bank	1.873	2.560	2.560	-	-	-	-
Financial assets held for trading	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss							
Banks	256.752	591.455	591.455	-	-	-	-
Money market receivables	11.655.094	4.935.249	4.935.249	-	-	-	-
Financial Assets at Fair Value Through	7.876.167	17.034.644	16.795.102	239.542			
Other Comprehensive Income							
Derivative Financial Assets	8.981.676	15.220.615	1.322.568	-	-	13.898.047	-
Loans and Receivables	1.264.983	65.715	65.715	-	-	-	-
Factoring receivables	81.510.661	82.737.614	82.737.614	-	-	-	-
Financial Assets Measured at Amortised Cost	-	-	-	-	-	-	-
Investments in associates	10.449.189	14.473.466	14.473.466	-	-	-	-
Subsidiaries	10.586	10.586	10.586	-	-	-	-
Lease receivables	-	-	-	-	-	-	-
Tangible assets (net)	65	-	-	-	-	-	-
Intangible assets (net)	48.122	43.010	43.010	-	-	-	32.323
Investment properties (net)	22.072	32.323	-	-	-	-	-
Tax asset	-	-	-	-	-	-	-
Other assets	24.288	324.243	324.243	-	-	-	-
	195.820	228.206	228.206	-	-	-	-
Total Assets	122.297.348	135.699.686	121.529.774	239.542	-	13.898.047	32.323

(*) The financial position table dated 30 June 2023, prepared in accordance with the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, was used.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

- X. Explanations Related to Consolidated Risk Management (Continued):
5. Linkages between the financial statements and risk amounts (Continued):
- Differences and matching between accounting consolidation and legal consolidation (Continued):

Prior Period (31.12.2023)	Carrying values in financial statements prepared as per TAS (*)	Carrying values in financial statements prepared as per TAS within legal consolidation	Items in accordance with TAS				Not subject to capital requirements or subject to deduction from capital
			Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	
Liabilities							
Deposit	-	-	-	-	-	-	-
Derivative financial liabilities held for trading	311.569	18.299	-	18.299	-	-	-
Funds borrowed	91.105.474	97.947.040	-	-	-	-	-
Money markets balances	2.626.272	2.874.989	-	2.874.989	-	-	-
Issued securities	3.241.298	4.176.377	-	-	-	-	-
Funds	5.688.852	6.397.933	-	-	-	-	-
Miscellaneous Payables	-	373.365	-	-	-	-	-
Other external funding's payable	858.691	448.306	-	-	-	-	-
Factoring Payables	-	-	-	-	-	-	-
Debts from leasing transactions	22.004	21.326	-	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-	-	-	-
Provisions	237.201	433.171	-	-	-	-	-
Tax liability	195.024	547.485	-	-	-	-	-
Liabilities for assets held for sale and discontinued operations	-	-	-	-	-	-	-
Subordinated debts	9.384.429	11.578.723	-	-	-	-	-
Shareholders' equity	8.626.534	10.882.672	-	-	-	-	-
Total liabilities and equity	122.297.348	135.699.686	-	2.893.288	-	-	-

(*) The financial position table dated 30 June 2023, prepared in accordance with the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks, was used.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

5. Linkages between the financial statements and risk amounts (Continued):

Main sources of differences between the risk amounts and carrying values in financial statements prepared as per TAS:

	Current Period (31.12.2024)	Total	Subject to credit risk	Securitization positions	Subject to counterparty risk	Subject to market risk
1	Carrying values of assets in accordance with TAS within legal consolidation	153.594.469	131.929.369	-	-	21.612.726
2	Carrying values of liabilities in accordance with TAS within legal consolidation	153.594.469	-	-	3.417.116	-
3	Total net amount under legal consolidation	-	131.929.369	-	(3.417.116)	21.612.726
4	Off-balance sheet items	43.242.296	5.394.740	-	18.723.932	-
5	Valuation differences	-	-	-	-	-
6	Differences arising from netting of differences (other than line 2)	-	-	-	-	-
7	Differences arising from consideration of provisions	-	-	-	-	-
8	Differences arising from the applications of the BRSA	-	-	-	-	-
	Risk amounts	196.836.765	137.324.109	-	18.723.932	21.612.726

	Prior Period (31.12.2023)	Total	Subject to credit risk	Securitization positions	Subject to counterparty risk	Subject to market risk
1	Carrying values of assets in accordance with TAS within legal consolidation	135.699.686	121.529.774	-	239.542	13.898.047
2	Carrying values of liabilities in accordance with TAS within legal consolidation	135.699.686	-	-	2.874.989	-
3	Total net amount under legal consolidation	-	121.529.774	-	(2.635.447)	13.898.047
4	Off-balance sheet items	36.444.918	4.885.849	-	22.104.507	-
5	Valuation differences	-	-	-	-	-
6	Differences arising from netting of differences (other than line 2)	-	-	-	-	-
7	Differences arising from consideration of provisions	-	-	-	-	-
8	Differences arising from the applications of the BRSA	-	-	-	-	-
	Risk amounts	172.144.604	126.415.623	-	22.344.049	13.898.047

There is no significant difference between the amounts reported in the financial statements by TAS and the risk amounts used within the scope of capital adequacy.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

6. Operational risk disclosures:

According to the Parent Bank's Operational Risk Management Policy, operational risk management practices are developed taking into account the fact that errors and irregularities are overlooked as a result of failures in internal controls, the Bank's management and staff do not act in accordance with time and conditions, errors and failures in information technology systems, losses that may arise from disasters such as earthquakes, fires, floods, and losses caused by other factors that may occur on the Bank and sector basis.

The amount based on the operational risk at the Bank is determined by Article 14 of the “Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks”. It is calculated using the basic indicator method within the scope of the article. The value found by multiplying the average of fifteen percent of the bank’s year-end gross income amounts realized as of the last three years by twelve and a half is taken into account as the amount based on operational risk.

Annual gross income is calculated by adding net interest income, net fee and commission income, dividend income from shares other than subsidiary and affiliate shares, commercial profit/loss (net) and other operating income, profit/loss from the sale of assets tracked in securities measured at amortised cost, extraordinary income and insurance indemnity amounts to net interest income as shown in the statement of profit or loss of financial reports.

Current Period (31.12.2024)	31.12.2021	31.12.2022	31.12.2023	Total / Positive GI year number	Ratio (%)	Total
Gross income	1.496.489	3.109.323	7.010.218	3.872.010	15	580.801
Amount subject to operational risk (Total*12,5)	7.260.018					

Prior Period (31.12.2023)	31.12.2020	31.12.2021	31.12.2022	Total / Positive GI year number	Ratio (%)	Total
Gross income	770.710	1.496.489	3.109.323	1.792.174	15	268.826
Amount subject to operational risk (Total*12,5)	3.360.326					

The Operational Risk Management Policy, which has been renewed to determine the policy, principles, approach and basic elements on Operational Risk management in order to set out the risks that the Bank will be exposed to in line with its general strategies and long-term goals and the strategies it will follow for these risks, has been approved by the Board of Directors as of 30.12.2020. With this policy, it is aimed to contribute to the establishment of an settled and consistent "Operational Risk Culture" throughout the Bank through the identification, detection, measurement, evaluation and reporting of Operational Risks.

It is envisaged that audit findings, internal loss data, risk control and self-assessment report, operational risk analysis report, external data, business process map and key risk indicators will be used in the identification and evaluation of operational risk. In order to analyze the operational risk, risk control and self-assessment studies, operational risk analysis report, scenario analysis and stress tests are planned to be carried out. As part of reducing operational risks and improving the effectiveness of the operational risk management process, controlling the risks incurred by applying established policies and procedures, reducing them using risk reduction techniques such as insurance, transferring them to another area, using methods such as the use of basic elements that will increase the effectiveness of operational risk management can be listed as the main elements that will increase the effectiveness of operational risk management.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

6. Operational risk disclosures (Continued):

The Bank's Support Services procedures, emergency and contingency plans, which enable the transfer of operational risks by obtaining some necessary support services from specialized organizations, as well as special policies, procedures and controls on money laundering and terrorist financing, which may cause operational risks, management of IT risks, are also envisaged to be established.

In the Bank, all operational risks are within the framework of defining, evaluating, monitoring and controlling / reducing risks. All operational risks in the Bank, within the framework of the identification, evaluation, monitoring and control/reduction of risks, is managed under the supervision of the Board of Directors and the Audit Committee. The results of the activities of the Internal Audit Unit and Internal Control and Compliance Unit for monitoring operational risks are monitored and evaluated by the Audit Committee.

Legal measurements for Operational Risk are made using the Basic Indicator Method within the scope of the Regulation on Measurement and Assessment of Capital Adequacy of Banks. Studies of other measurement methods for Measurement of Operational Risks within the scope of Basel and BRSA regulations are carried out by the Risk Management Unit.

7. Interest rate risk on banking accounts:

The Parent Bank calculates the interest rate risk on banking book according to “Regulation on Measurement and Evaluation of Interest Rate Risk on Banking Book as per Standard Shock Method” and reports to the BRSA monthly.

The interest rate risk report arising from the banking book includes the following items as assets: due from the Central Bank, money market receivables, due from banks, financial assets at fair value through other comprehensive income (excluding government debt securities), reverse repurchase agreements receivables, loan receivables, other financial assets measured at amortised cost and other receivables; liabilities consist of payables to the Central Bank, payables to money markets, payables to banks, funds obtained from repurchase agreements, securities issued, loans used, subordinated debts and other payables.

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SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT
(Continued)

X. Explanations Related to Consolidated Risk Management (Continued):

7. Interest rate risk disclosures in banking accounts (Continued):

Economic value differences due to the interest rate instabilities calculated according to “Regulation on Measurement and Evaluation of Interest Rate Risk on Banking Book as per Standard Shock Method” are presented below for each currency.

	Current Period (31.12.2024)	Applied Shock		Gains / Equity –
	Currency	(+/- x base points)	Gains / Losses	Losses / Equity
1	TL	(+) 500 base points	(208.081)	%(0,86)
2	TL	(-) 400 base points	180.657	%0,75
3	EURO	(+) 200 base points	210.044	%0,87
4	EURO	(-) 200 base points	(255.784)	%(1,06)
5	USD	(+) 200 base points	(120.901)	%(0,50)
6	USD	(-) 200 base points	132.945	%0,55
	Total (For Positive Shocks)		(118.939)	%(0,49)
	Total (For Negative Shocks)		(57.818)	%(0,24)

	Prior Period (31.12.2023)	Applied Shock		Gains / Equity –
	Currency	(+/- x base points)	Gains / Losses	Losses / Equity
1	TL	(+) 500 base points	(141.928)	%(0,73)
2	TL	(-) 400 base points	124.270	%0,64
3	EURO	(+) 200 base points	209.535	%1,08
4	EURO	(-) 200 base points	(262.744)	%(1,36)
5	USD	(+) 200 base points	(103.505)	%(0,54)
6	USD	(-) 200 base points	118.633	%0,61
	Total (For Positive Shocks)		(35.898)	%(0,19)
	Total (For Negative Shocks)		(19.841)	%(0,10)

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and Notes Related to Consolidated 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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Cash in TL/Foreign currency	33	-	26	-
CBRT	1.809	-	2.534	-
Other	-	-	-	-
Total	1.842	-	2.560	-

1.1.1.a. Information on required reserve deposits:

Since the Parent 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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Unrestricted demand deposit	1.809	-	2.534	-
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Total	1.809	-	2.534	-

1.1.2. Information on banks:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Banks				
Domestic	11.058.573	1.591.167	3.768.650	1.099.153
Foreign	-	68.376	-	71.856
Foreign head office and branches	-	-	-	-
Total	11.058.573	1.659.543	3.768.650	1.171.009

1.1.2.a) Information regarding Foreign Bank Accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period (31.12.2024)	Prior Period (31.12.2023)	Current Period (31.12.2024)	Prior Period (31.12.2023)
EU Countries	35.789	47.652	-	-
USA and Canada	32.587	24.204	-	-
OECD Countries	-	-	-	-
Off-Shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	68.376	71.856	-	-

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SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

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

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

1.1.3. Information on money market placements:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Money Market Placements	9.881.807	-	16.806.484	-
Receivables from Reverse Repo Transactions	40.054	-	239.541	-
Total	9.921.861	-	17.046.025	-

1.1.4 Information on expected credit loss provisions for financial assets

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Cash and balances with Central Bank	6	-	-	-
Banks	1.477	-	4.410	-
Receivables from money market	3.592	-	11.382	-
Total	5.075	-	15.792	-

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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, treasury bills and similar securities	861.643	-	706.459	-
Other	-	-	-	-
Total	861.643	-	706.459	-

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bonds, treasury bills and similar securities	673.223	189.842	16.734	1.572.231
Other	-	-	-	-
Total	673.223	189.842	16.734	1.572.231

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

I. Explanations and Notes Related to Consolidated 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:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Debt Securities	25.518.203	15.203.882
Quoted on a stock exchange ^(*)	24.757.868	15.203.882
Unquoted	760.335	-
Share Certificates	12.938	19.200
Quoted on a stock exchange	-	-
Unquoted	12.938	19.200
Provision for impairment (-)	(13.638)	(2.467)
Total	25.517.503	15.220.615

(*) 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:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	144.142	-	65.528	188
Futures	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Total	144.142	-	65.528	188

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 Parent Bank:

None.

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

I. Explanations and Notes Related to Consolidated 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 Current Period (31.12.2024)	Standard Loans	Loans Under Close Monitoring		
		Loans not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Non-specialized loans	88.100.505	496.496	5.116.702	-
Loans given to enterprises	5.183.382	-	-	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	12.139.877	-	-	-
Consumer loans	-	-	-	-
Other	70.777.246	496.496	5.116.702	-
Specialized loans	321.162	45.220	-	-
Other receivables	-	-	-	-
Total	88.421.667	541.716	5.116.702	-

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	-
Loans given to enterprises	8.603.353	-	6.002	-
Export loans	-	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	8.214.342	-	-	-
Consumer loans	-	-	-	-
Other	62.291.237	2.720.250	599.194	-
Specialized loans	799.284	76.964	-	-
Other receivables	-	-	-	-
Total	79.908.216	2.797.214	605.196	-

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
First and Second Stage Expected Loss Reserves	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12 Months expected credit losses	578.282	-	624.594	-
Significant increase in credit risk	-	548.423	-	267.720

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

1. Explanations and Notes Related to Consolidated Assets (Continued)

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

2.1. Information on loans (Continued):

2.1.c) Information on the distribution of cash loans according to maturity structure:

Cash Loans Current Period (31.12.2024)	Standard Loans	Loans Under Close Monitoring		
		Loans not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Refinancing
Short-Term Loans	867.103	-	-	-
Medium and Long-Term Loans	87.554.564	541.716	5.116.702	-

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	Refinancing
Short-Term Loans	-	-	6.002	-
Medium and Long-Term Loans	79.908.216	2.797.214	599.194	-

2.1.ç) Information about loan movements:

	Stage I	Stage II	Stage III	Total
Beginning of Term (31.12.2023)	79.908.216	3.402.410	848.082	84.158.708
In-Term Supplement	26.978.172	2.598.780	89.694	29.666.646
Closed During the Period	35.915.294	1.539.477	205.026	37.659.797
Sold Loans	-	-	-	-
Write-offs	-	-	-	-
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	2.598.780	-	-	2.598.780
Transfer to Stage 3	-	14.889	-	14.889
Foreign Exchange Effect	20.049.353	1.211.594	-	21.260.947
End of Term (31.12.2024)	88.421.667	5.658.418	732.750	94.812.835

2.1.d) Net value, collateral type and risk matching of collaterals of standard loans:

Type of Collateral	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Net Value of Collateral (*)	Loan Balance	Net Value of Collateral (*)	Loan Balance
Letter of Guarantee	31.304.969	34.339.936	29.886.086	32.857.560
Real Estate Mortgage	14.316.166	14.316.166	15.393.162	15.781.700
Other (Guarantee, commercial enterprise pledge, export documents, etc.)	13.643.855	13.643.855	12.078.300	12.078.300
Unsecured	-	26.121.710	-	19.190.656
Total	59.264.990	88.421.667	57.357.548	79.908.216

(*) Between the appraisal and mortgage amount lower one and if these exceed the credit risk, loan amount is taken into account as the net value of the collateral.

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

1. Explanations and Notes Related to Consolidated Assets (Continued)

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

2.1. Information on loans (Continued):

2.1.e) Net value, collateral type and risk matching of collaterals of loans under close monitoring:

Type of Collateral	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Net Value of Collateral (*)	Loan Balance	Net Value of Collateral (*)	Loan Balance
Letter of Guarantee	1.411.273	1.411.273	1.296.695	1.296.695
Real Estate Mortgage	4.226.228	4.226.228	2.060.988	2.060.988
Other (Guarantee, commercial enterprise pledge, export documents, etc.)	20.919	20.919	38.327	38.327
Unsecured	-	-	-	6.400
Total	5.658.420	5.658.420	3.396.010	3.402.410

(*) Between the appraisal and mortgage amount lower one and if these exceed the credit risk, loan amount is taken into account as the net value of the collateral.

2.1.f) Information about consumer loans, personal credit cards, staff loans and staff credit cards:

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

2.1.g) Information about installment commercial loans and corporate credit cards:

As of the balance sheet date, there are no installment commercial loans and corporate credit cards issued by the Bank.

2.1.ğ) Distribution of loans according to users:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Public	241.375	301.788
Private	94.571.460	83.856.920
Total	94.812.835	84.158.708

2.1.h) Distribution of domestic and international loans:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Domestic Loans	94.812.835	84.158.708
Foreign Loans	-	-
Total	94.812.835	84.158.708

2.1.ı) Loans given to subsidiaries and associates:

None.

2.1.i) Default (third stage) provisions:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Loans with limited collectability	508.374	494.166
Loans with doubtful collectability	34.473	-
Uncollectible loans	33.504	34.614
Total	576.351	528.780

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

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

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

2.1. Information on loans (Continued):

2.1.j) Information on non-performing receivables (Net):

2.1.j.1) Information on non-performing loans and restructured loans:

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Current Period (31.12.2024)			
Gross amounts before provisions	-	40.201	33.504
Restructured loans	644.156	14.889	-
Prior Period (31.12.2023)			
Gross amounts before provisions	68.031	-	34.726
Restructured loans	745.325	-	-

2.1.j.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
Prior Period End Balance (31.12.2023)	813.356	-	34.726
Additions (+)	25.649	-	1.525
Transfer from other categories of non-performing loans (+)	-	81.476	-
Transfer to other categories of non-performing loans (-)	(81.476)	-	-
Collections (-)	(113.373)	(26.386)	(2.747)
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and commercial loans	-	-	-
Consumer loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current Period End Balance (31.12.2024)	644.156	55.090	33.504
Provision(-)	(508.374)	(34.473)	(33.504)
Net Balance on Balance Sheet	135.782	20.617	-

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

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Current Period (31.12.2024)			
Interest accruals and rediscount with valuation differences	124.673	13.884	23
Provision amount (-)	(124.673)	(13.884)	(23)
Net Balance	-	-	-
Prior Period (31.12.2023)			
Interest accruals and rediscount with valuation differences	94.657	-	45
Provision amount (-)	(94.657)	-	(45)
Net Balance	-	-	-

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SECTION FIVE (Continued)

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

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

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

2.1. Information on loans (Continued):

2.1.j.4) Information on non-performing receivables arising from loans granted in foreign currency:

None

2.1.j.5) Information on gross and net amounts of non-performing loans by user groups:

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Current Period (Net) (31.12.2024)	135.782	20.617	-
Loans to Real Persons and Legal Entities (Gross)	644.156	55.090	33.504
Provision amount (-)	(508.374)	(34.473)	(33.504)
Loans to Real Persons and Legal Entities (Net)	135.782	20.617	-
Banks (Gross)	-	-	-
Provision amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision amount (-)	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net) (31.12.2023)	319.190	-	112
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)	-	-	-

2.1.j.6) Net value, collateral type and risk matching of collaterals of non-performing loans:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
Type of Collateral	Net Value of Collateral (*)	Loan Balance	Net Value of Collateral (*)	Loan Balance
Letter of Guarantee	54.153	55.090	68.031	68.031
Real Estate Mortgage	666.666	668.201	769.378	770.537
Other (Guarantee, commercial enterprise pledge, export documents, etc.)	-	-	-	-
Unsecured	-	9.459	-	9.514
Total	720.819	732.750	837.409	848.082

(*) Between the appraisal and mortgage amount lower one and if these exceed the credit risk, loan amount is taken into account as the net value of the collateral.

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SECTION FIVE (Continued)

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

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

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

2. 1. Information on loans (Continued):

2.1.k) 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.l) 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 31 December 2024, the Bank does not have any credits deducted from its accounting records (31 December 2023: None).

2.2. Information on finance lease receivables (Net):

The Group has no receivables arising from leasing transactions. (31 December 2023: None.).

2.3. Information on factoring receivables:

None.

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

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

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

2. 1. Information on loans (Continued):

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Government bonds	2.576.811	2.057.668
Treasury bills	-	-
Other government debt securities	-	-
Total	2.576.811	2.057.668

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Government bonds	3.446.168	7.378.696
Treasury bills	-	-
Other government debt securities	-	-
Total	3.446.168	7.378.696

2.4.c) Information on government securities other financial assets measured at amortised cost:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Government bonds	9.784.858	13.077.571
Treasury bills	-	-
Other government debt securities	617.517	482.369
Total	10.402.375	13.559.940

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Debt Securities	10.402.375	14.475.337
Quoted on a stock exchange	10.402.375	14.475.337
Unquoted	-	-
Provision for impairment (-)	-	-
Total	10.402.375	14.475.337

2.4.e) Movement of other financial assets measured at amortised cost:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the beginning of the period	14.475.337	7.665.261
Foreign currency difference on monetary assets	554.804	2.479.122
Purchases during the year (*)	6.458.307	5.427.202
Disposals through sales and redemptions (**)	(11.086.073)	(1.096.248)
Provision for impairment (-)	-	-
Balance at the end of the period	10.402.375	14.475.337

(*) TL 2.605.245 arises from the rediscount increase in purchases during the year (31 December 2023: TL 2.175.960).

(**) Disposals through sales and redemptions consist of TL 2.231.295 after coupon redemption rediscount reduction amount (31 December 2023: TL 258.738).

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

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

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

None.

4. Information on equity investments:

4.1. Information on associates:

4.1.a) If there are subsidiaries that are not consolidated in accordance with the Communiqué on the Preparation of Consolidated Financial Statements of Banks and the relevant Turkish Accounting Standard, the reasons for not consolidation:

Subsidiaries that are not included in the scope of consolidation because they are not financial affiliates are valued according to the cost method.

4.1.b) General information on associates:

	Title	Address (City/Country)	Bank's Share Ratio - If Different, Voting Ratio (%)	Bank's Risk Group Share Ratio (%)
1	Maksan A.Ş.	Malatya	20	31,14

4.1.c) Financial statement information of associates ordered above:

(*)	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	760.432	529.734	65.554	-	-	93.555	124.054	-

(*) The financial information of Maksan A.Ş. is provided from the unreviewed financial statements without the implementation of inflation accounting as of 30 September 2024. Prior period profit/loss amount is provided from the unreviewed financial statements as of 30 September 2023.

4.1.d) Movement of associates:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the beginning of the period	10.586	10.586
Movements during the period	-	-
Additions	-	-
Bonus shares certificates	-	-
Shares in current year profit	-	-
Disposal	-	-
TFRS 9 classification change	-	-
Revaluation increase	-	-
Provision for impairment (-) / Cancellation of provision	-	-
Balance at the end of the period	10.586	10.586
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

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

None.

4.1.f) Information on consolidated subsidiaries:

None.

4.1.g) Associates quoted in the stock exchange:

None.

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

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

4. Information on equity investments(Continued):

4.2. Information on subsidiaries (Net)

The Parent Bank does not have any capital requirement arising from its subsidiaries included in the consolidated capital adequacy standard ratio.

4.2.a) General information on subsidiaries

The Parent Bank has 100% participation 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 a nominal capital of TL 1.800 that was increased to TL 50.000 on 19 August 2024.

4.2.a.1) General information on unconsolidated subsidiaries

None.

4.2.a.2) General information on consolidated subsidiaries

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

4.2.a.3) Financial statement information regarding subsidiaries in the order above:

(*)	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Securities Income	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	946	873	-	-	407.117	347	432	-
2	60.334	51.557	4.377	-	-	4.883	(4.443)	-

(*) The financial information of Kalkınma Yatırım Varlık Kiralama A.Ş. and Kalkınma Girişim Sermayesi Portföy Yönetimi A.Ş. are provided from the unaudited financial statements without the implementation of inflation accounting as of 31 December 2024. Prior period informations are provided from the unaudited financial statements without the implementation of inflation accounting as of 31 December 2023.

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

4. Information on equity investments (Continued):

4.2. Information on subsidiaries (Net) (Continued):

4.2.b) Movement of subsidiaries:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the beginning of the period	16.746	4.050
Movements during the period	27.280	12.696
Additions	30.000	6.536
Bonus shares certificates	-	9.464
Shares in current year profit	-	-
Disposals	-	-
Revaluation increase	-	-
Provision for impairment (-) / Cancellation of provision	(2.720)	(3.304)
Balance at the end of the period	44.026	16.746
Capital commitments	-	-
Share percentage at the end of the period (%)	100	100

4.2.c) Sectoral information about subsidiaries and their carrying amounts:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Banks	-	-
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Financing companies	-	-
Other financial subsidiaries	44.026	16.746

4.2.ç) Subsidiaries quoted on the stock exchange:

None.

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

The Parent Bank has no joint ventures.

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

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

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SECTION FIVE (Continued)

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

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

6. Information on tangible assets:

	Real-Estates	Real-Estates held for sale	Vehicles	Other	Total
Current Period (31.12.2024)					
Cost					
Balance at the beginning of the period	21.937	2.880	20.023	51.980	96.820
Provision for impairment	-	(650)	-	-	(650)
Movements during the period	-	-	-	-	-
-Additions	17.274	16.750	20.587	11.277	65.888
-Disposals (-)	(20.985)	(121)	-	(1.654)	(22.760)
-Transfer from investment properties	-	-	-	-	-
-Provision for impairment (-)	-	-	-	-	-
-Reversal from provision for impairment (-)	-	650	-	-	650
Balance at the end of the period	18.226	19.509	40.610	61.603	139.948
Accumulated Depreciation					
Balance at the beginning of the period	21.823	-	5.491	25.845	53.159
Movements during the period	-	-	-	-	-
-Depreciation charge	17.215	-	6.787	10.483	34.485
-Transfer from investment properties	-	-	-	-	-
-Disposals (-)	(20.812)	-	-	(1.629)	(22.441)
-Provision for impairment (-)	-	-	-	-	-
Balance at the end of the period	18.226	-	12.278	34.699	65.203
Net book value at the end of the period	-	19.509	28.332	26.904	74.745

	Real-Estates	Real-Estates held for sale	Vehicles	Other	Total
Prior Period (31.12.2023)					
Cost					
Balance at the beginning of the period	19.184	37.740	23.972	46.008	126.904
Provision for impairment	-	(651)	-	-	(651)
Movements during the period					
-Additions	2.753	311.368	1.968	10.192	326.281
-Disposals (-)	-	(346.228)	(5.917)	(4.220)	(356.365)
-Transfer from investment properties	-	-	-	-	-
-Provision for impairment (-)	-	-	-	-	-
-Reversal from provision for impairment (-)	-	-	-	-	-
Balance at the end of the period	21.937	2.229	20.023	51.980	96.169
Accumulated Depreciation					
Balance at the beginning of the period	13.947	-	2.539	20.331	36.817
Movements during the period	-	-	-	-	-
-Depreciation charge	7.876	-	4.387	9.551	21.814
-Transfer from investment properties	-	-	-	-	-
-Disposals (-)	-	-	(1.435)	(4.037)	(5.472)
-Provision for impairment (-)	-	-	-	-	-
Balance at the end of the period	21.823	-	5.491	25.845	53.159
Net book value at the end of the period	114	2.229	14.532	26.135	43.010

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SECTION FIVE (Continued)

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

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

7. Information on intangible assets:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Cost		
Balance at the beginning of the period	58.597	39.853
Movements during the period	-	-
-Additions	35.189	18.744
- Disposals	-	-
Balance at the end of the period	93.786	58.597
Accumulated Amortisation		
Balance at the beginning of the period	26.274	18.180
Movements during the period	-	-
-Amortization charge	15.330	8.094
-Disposals	-	-
Balance at the end of the period	41.604	26.274
Net book value at the end of the period	52.182	32.323

8. Information on investment properties:

None.

9. Information on current tax assets:

The Group’s current tax asset is TL 9 (31 December 2023:TL 5).

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SECTION FIVE (Continued)

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

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

10. Information on deferred tax assets:

As of 31 December 2024, the Group has a deferred tax asset of TL 496 144 (31 December 2023: TL324.243). 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 31 December 2024, the Parent Bank has no tax assets calculated over the period loss or tax deduction (31 December 2023: None).

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Deferred Tax Asset		
Differences between Book Value and Tax Value of Fixed Assets	53.959	24.277
Interest rediscounts	2.833	2.815
Employee benefits provisions	28.429	19.148
TFRS 16 Leases	1.601	17
Personnel bonus premium provision	114.973	62.072
TFRS 9 Provision	353.560	289.035
Other	32.567	33.507
Total Deferred Tax Asset	587.922	430.871
Deferred Tax Liability		
Securities portfolio - Financial	26.766	13.684
Securities portfolio - Non-financial	44.825	78.545
TFRS 16 Leasing	-	174
Derivative financial assets	36.976	14.225
Total Deferred Tax Liability	108.567	106.628
Net Deferred Tax Asset/(Liabilities)	479.355	324.243

11. Non-current assets held for sale and related to discontinued operations:

The Group has no fixed assets held for sale or related to discontinued operations.

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SECTION FIVE (Continued)

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

II. Explanations and Notes Related to Consolidated Liabilities:

1. Information on maturity structure of deposits:

The Parent Bank is not accepting deposits.

2. Information on funds borrowed:

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
From Central Bank of the Republic of Türkiye(*)	21.894.170	-	17.995.416	-
From domestic banks and institutions	10.280	7.607.345	-	4.666.865
From foreign banks, institutions and funds	-	78.773.056	-	75.284.759
Total	21.904.450	86.380.401	17.995.416	79.951.624

(*)The securities amounting to TL 45.960.576 (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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Short-term	94.470	1.305.004	-	10.414.970
Medium and long-term	21.809.980	85.075.397	17.995.416	69.536.654
Total	21.904.450	86.380.401	17.995.416	79.951.624

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, KfW 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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Liabilities to money markets	115.332	-	223.415	-
Funds provided under repurchase agreements	3.299.685	2.099	2.651.574	-
Total	3.415.017	2.099	2.874.989	-

4. Information on securities issued (Net):

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Asset backed securities	-	-	854.950	-
Bonds	-	3.735.924	-	3.321.427
Total	-	3.735.924	854.950	3.321.427

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SECTION FIVE (Continued)

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

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

5. Explanations on funds:

Of the TL 8.402.633 provided by the Bank (31 December 2023 : TL 6.397.933), TL 603.727 is from the World Bank (31 December 2023 : TL 328.577), TL 2.043 is from the European Commission Fund (31 December 2023 : TL 1.813), TL 183.542 is from the KfW Development Bank (31 December 2023 : None) and TL 311.025 is from the Republic of Türkiye Ministry of Treasury and Finance (31 December 2023 : TL 22.350) and TL 7.302.296 consists of funds from borrowers and banks (31 December 2023: TL 6.045.193).

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

None.

7. Negative differences table for derivative financial liabilities:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Forward transactions	-	-	-	-
Swap transactions	17.382	3.507	15.195	3.104
Futures transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	17.382	3.507	15.195	3.104

8. Information on factoring liabilities:

None.

9. Explanations on financial lease payables (Net):

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	Gross	Net	Gross	Net
Less than 1 year	9.662	7.549	7.700	5.655
1-4 years	16.444	14.799	18.279	15.671
More than 4 years	-	-	-	-
Total	26.106	22.348	25.979	21.326

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 unindemnified non-cash loans:

As of 31 December 2024, the first stage expected credit loss for non-compensated and non-cashed non-cash loans is TL 20.727 (31 December 2023: TL 53.480), third stage expected credit loss is TL 1 (31 December 2023: TL 1).

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SECTION FIVE (Continued)

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

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

11. Explanations on Provisions: (Continued)

11.c) Other provisions:

- i) As of 31 December 2024, there are 83 lawsuits filed against the Group and there is a risk amount of TL 19.762 The Group has provided litigation provision amounting to TL 5.139 (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 Group accounts provisions for employee benefits in accordance with the Turkish Accounting Standards No: 19 and recognizes it in financial statements. As of 31 December 2024, the Group allocated provision for severance pay amounting to TL 54.724 (31 December 2023: TL 42.665), for unused vacation accruals amounting to TL 41.178 (31 December 2023: TL 21.521) and for planned employee benefits provision amounting to TL 383.244 (31 December 2023: TL 203.165).

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Balance at the beginning of the period	42.314	20.061
Expenses during the period	20.397	23.076
Actuarial loss/gain	(4.157)	-
Paid during the period	(3.830)	(823)
Balance at the end of the period	54.724	42.314

12. Information on Current Tax Liability:

12.a) Information on current tax liability:

12.a.1) Information on tax provision:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Corporate Tax and Deferred Tax				
Corporate tax payable	747.352	-	498.718	-
Deferred tax liability	-	-	-	-
Total	747.352	-	498.718	-

12.a.2) Information on taxes payable:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Corporate tax payable	747.352	498.903
Taxation on income on marketable securities	2.938	5.393
Property tax	-	-
Banking insurance transaction tax (BITT)	12.968	14.269
Foreign exchange transaction tax	94	287
Value added tax payable	3.318	1.542
Other	31.785	16.252
Total	798.455	536.646

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SECTION FIVE (Continued)

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

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

12. Information on current tax liability:

12.a.3) Information on premiums:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Social security premiums- Employee	6.949	4.281
Social security premiums- Employer	9.406	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	148	86
Unemployment insurance- Employee	453	268
Unemployment insurance- Employer	959	582
Other	91	57
Total	18.124	10.839

13. Information on deferred tax liabilities

None.

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

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

15. Information on subordinated debt instruments:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	5.516.800	-	3.712.899	6.038.208
Subordinated loans	5.516.800	-	3.712.899	6.038.208
Subordinated debt instruments	-	-	-	-
Debt instruments to be included in contribution capital calculation	-	2.060.311	-	1.827.616
Subordinated loans	-	2.060.311	-	1.827.616
Subordinated debt instruments	-	-	-	-
Total	5.516.800	2.060.311	3.712.899	7.865.824

(*)With the approval of BRSA dated 19 April 2019, the subordinated loan amounting to EUR 150 million with an indefinite maturity and early repayment option at the end of the 5th year at the earliest, obtained from TWF Market Stability and Equilibrium Sub-Fund under the Türkiye Wealth Fund, was closed by repayment on 27 December 2024 by using the early repayment option.

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 foreign resources item of the balance sheet does not exceed 10% of the balance sheet total

17. Information on shareholders’ equity:

17.a) Presentation of paid-in capital:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Common stock	5.500.000	2.500.000
Preferred stock	-	-

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SECTION FIVE (Continued)

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

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

17. Information on shareholders’ equity(Continued):

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:

Capital System	Paid in Capital	Ceiling
Registered capital	5.500.000	10.000.000

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.ç) 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 (31.12.2024)	Prior Period (31.12.2023)
I. Legal reserve	408.146	205.969
II. Legal reserve	14.471	14.471
Special reserves	-	-
Total	422.617	220.440

17.f) Information on extraordinary reserves:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	7.536.109	3.695.073
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency capital exchange difference	-	-
Total	7.536.109	3.695.073

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 Parent 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.ğ) Information on preferred shares:

The Bank has no preferred shares.

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SECTION FIVE (Continued)

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

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

17. Information on shareholders’ equity(Continued):

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
From associates, subsidiaries and jointly controlled entities (joint ventures)	10.931	-	10.931	-
Valuation difference	553	91.451	62.055	87.350
Foreign exchange difference	-	-	-	-
Total	11.484	91.451	72.986	87.350

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

1. Information on off-balance sheet liabilities:

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Forward asset purchase and sales commitments	192.563	1.420.366
Other irrevocable commitments	772.787	262.965
Total	965.350	1.683.331

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

As of 31 December 2024, the first stage expected credit loss for non-compensated and non-cashed non-cash loans is TL 20.727 (31 December 2023: TL 53.480), third stage expected credit loss is TL 1 (31 December 2023: TL 1).

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

The Group has guarantees given amounting to TL 633.011 (31 December 2023: TL 609.260). The Group has TL 133.709 letters of credit (31 December 2023: TL 118.700). The Bank has no bank loans as of the current period.

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

The total amount of the Parent Bank’s letters of guarantee is TL 4.308.450 (31 December 2023: TL 4.145.080). TL 1 of this amount (31 December 2023: TL 1) is a customs guarantee letter and TL 155.520 (31 December 2023: TL 84.923) is a performance guarantee letters.

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

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Non-cash loans for providing cash loans	4.919.649	4.669.416
With original maturity of one year or less	-	-
With original maturity more than one year	4.919.649	4.669.416
Other non-cash loans	155.521	84.924
Total	5.075.170	4.754.340

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SECTION FIVE (Continued)

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

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

1. Information on off-balance sheet liabilities (Continued)

1.c.2) Information about risk concentration on sector basis within the non-cash loans account:

	Current Period (31.12.2024)				Current Period (31.12.2023)			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	-	-	-	-	-	-	-	-
Farming and Livestock	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Industry	149.188	%100,00	4.925.973	%100,00	84.915	%100,00	4.669.416	%100,00
Mining and quarrying	-	-	-	-	-	-	-	-
Manufacturing Industry	1	-	133.709	%2,71	2.488	-	-	-
Electricity, Gas, Water	149.187	%100,00	4.792.264	%87,29	82.427	%100,00	4.669.416	%100,00
Building	-	-	-	-	-	-	-	-
Services	9	-	-	-	9	-	-	-
Wholesale and Retail Trade	-	-	-	-	-	-	-	-
Hotel and Restaurant Services	-	-	-	-	-	-	-	-
Transportation and Communications	-	-	-	-	-	-	-	-
Financial Institutions	9	-	-	-	9	-	-	-
Real Estate and Rental Service	-	-	-	-	-	-	-	-
Self-Employment Services	-	-	-	-	-	-	-	-
Educational Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	149.197	%100,00	4.925.973	%100,00	84.924	%100,00	4.669.416	%100,00

1.c.3) Non-cash loans classified in group I and II:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	I. Group		I. Group	
Non-cash loans	TL	FC	TL	FC
Letters of guarantee	149.195	4.159.253	84.922	4.060.156
Letters of credit	-	133.709	-	-
Other warranties	-	633.011	-	609.260
Total	149.195	4.925.973	84.922	4.669.416

2. Information on derivative financial instruments:

Derivative transactions of the group 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 31 December 2024 and 31 December 2023.

	Current Period (31.12.2024)				Prior Period (31.12.2023)			
	Forward Purchase	Forward Sale	Swap Purchase	Swap Sale	Forward Purchase	Forward Sale	Swap Purchase	Swap Sale
TL	-	-	2.307.407	4.259.259	-	-	982.007	9.153.209
USD	-	-	4.058.327	5.059.379	-	-	6.794.888	1.934.433
EUR	-	-	3.046.797	-	-	-	3.239.969	-
Other	-	-	-	-	-	-	-	-
Total	-	-	9.412.531	9.318.638	-	-	11.016.864	11.087.642

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SECTION FIVE (Continued)

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

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

3. Information on contingent liabilities and assets:

Istanbul Venture Capital Initiative (IVCI - A Luxemburg Investment Company Fund) was 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 and USD 15 million to DIBT Fund of Funds 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. It has been paid a capital share of USD 76 thousand and as of the balance sheet date, USD 14.924 thousand of the total commitment to the fund has not been paid yet.

4. Services supplied on behalf of others

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

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SECTION FIVE (Continued)

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

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

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Interest on loans ^(*)				
Short term loans	-	224.346	-	-
Medium and long term loans	3.510.861	5.733.379	1.941.631	4.933.847
Interest on non-performing loans	198.757	-	233.053	-
Total	3.709.618	5.957.725	2.174.684	4.933.847

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

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
From Central Bank of the Republic of Türkiye	-	-	-	-
From domestic banks	3.892.531	52.271	2.840.771	14.743
From foreign banks	-	7.632	-	3.838
From foreign head offices and branches	-	-	-	-
Total	3.892.531	59.903	2.840.771	18.581

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Financial assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at fair value through other comprehensive income	892.304	1.294.690	571.979	504.766
Financial assets measured at amortised cost	3.245.592	153.717	2.227.445	294.395
Total	4.137.896	1.448.407	2.799.424	799.161

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

None.

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Money market transactions	4.105.714	17.608	2.602.971	787
Reverse repurchase agreements	24.692	-	8.593	-
Total	4.130.406	17.608	2.611.564	787

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SECTION FIVE (Continued)

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

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

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Banks ^(*)	3.072.578	525.402	1.660.274	254.073
Central Bank of the Republic of Türkiye	3.072.578	-	1.660.274	-
Domestic banks	-	-	-	-
Foreign banks	-	525.402	-	254.073
Foreign head office and branches	-	-	-	-
Other Institutions ^(*)	1.803.986	4.710.176	1.412.300	3.902.030
Total	4.876.564	5.235.578	3.072.574	4.156.103

(*) 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 (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Interest Paid on Issued Securities	-	259.906	-	182.028

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

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Money market transactions	95.505	-	11.140	-
Repurchase agreements	1.300.111	5.101	516.972	-
Total	1.395.616	5.101	528.112	-

2.d) Leasing interest expenses:

	Current Period (31.12.2024)		Prior Period (31.12.2023)	
	TL	FC	TL	FC
Immovables	3.220	-	1.047	-
Movables	2.234	-	2.019	-
Total	5.454	-	3.066	-

3. Information related to dividend income:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Financial assets measured at fair value through profit or loss	6.154	6.151
Financial assets measured at fair value through other comprehensive income	8.632	4.851
Other	14.249	11.874
Total	29.035	22.876

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SECTION FIVE (Continued)

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

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

4. Information related to trading income/loss:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Gain	1.444.788	6.508.686
Gains on capital market operations	150.635	177.986
Gains on derivative financial instruments	903.304	4.241.721
Foreign exchange gains	390.849	2.088.979
Loss (-)	(2.242.687)	(7.112.166)
Losses from the capital market operations	(49.312)	(15.515)
Losses on derivative financial instruments	(1.632.860)	(2.255.617)
Foreign exchange losses	(560.515)	(4.841.034)

5. Information related to other operating income:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Income from sale of assets	2.161	70.582
Reversals from prior years’ provisions	422.708	127.888
Other	11.238	24.864
Total	436.107	223.334

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

6. Group’s expected credit loss expenses and other provision expenses:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Expected credit loss provisions	734.524	492.037
12 month expected credit loss (Stage 1)	224.292	232.210
Significant increase in credit risk (Stage 2)	280.704	122.768
Non-performing Loans (Stage 3)	229.528	137.059
Marketable securities impairment expense	28.224	-
Financial assets measured at fair value through profit or loss	28.224	-
Financial assets measured at fair value through other comprehensive income	-	-
Subsidiaries, associates and joint ventures provision expenses for impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Other provision expenses (*)	423.122	345.475
Total	1.185.870	837.512

(*) Other provision expenses amounting to TL 43.167 (31 December 2023: TL 36.118) consist of provision for employment termination benefits and vacation pay liability expenses, provision for employee benefits amounting to TL 379.237 (31 December 2023: TL 203.165), provision for litigation expenses amounting to TL 718 (31 December 2023: TL 6.192) (December 31, 2023: TL 100.000 provision expenses for possible risks).

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SECTION FIVE (Continued)

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

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

7. Information related to other operating expenses:

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Provision for employee termination benefits(*)	20.397	23.447
Provision expense for bank social aid fund deficits	-	-
Fixed assets impairment charges	-	-
Depreciation charges of fixed assets	34.485	21.814
Intangible assets impairment charges	-	-
Goodwill impairment charges	-	-
Amortization charges of intangible assets	15.330	8.094
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	152.608	102.390
Leasing expenses related to TFRS 16 exceptions	470	236
Maintenance expenses	714	709
Advertisement expenses	61	57
Other expenses (**)	151.363	101.388
Loss on sale of assets	-	-
Other (***)	232.811	233.535
Total	455.631	389.280

(*) “Provision for Severance Pay” and “Provision for Short-Term Employee Rights” expenses are shown in the “Other Provision Expenses” line in the statement of profit or loss.

(**) Other expenses consist of cleaning expenses amounting to TL 8.380 (31 December 2023: TL 4.051), communication expenses amounting to TL 22.389 (31 December 2023: TL 13.119), computer usage expenses amounting to TL 19.742 (31 December 2023: TL 19.796), heating, lighting and water expenses amounting to TL 2.006 (31 December 2023: TL 1.836), vehicle expenses amounting to TL 45.006 (31 December 2023: TL 23.889), dues amounting to TL 2.409 (31 December 2023: TL 1.287), participation share in common expenses amounting to TL 20.720 (31 December 2023: TL 12.039), insurance expenses amounting to TL 6.105 (31 December 2023: TL 5.269), miscellaneous expenses amounting to TL 9.079 (31 December 2023: TL 9.914) and the remaining portion amounting to TL 15.527 (31 December 2023: TL 10.118) consists of other miscellaneous expenses.

(***) Other consists of taxes, duties, fees and funds expenses amounting to TL 123.455 (31 December 2023: TL 76.953), audit and consultancy fees amounting to TL 56.759 (31 December 2023: TL 26.746), BRSA participation share amounting to TL 27.479 (31 December 2023: TL 9.676) and other miscellaneous expenses amounting to TL 25.118 (31 December 2023: TL 9.749), (31 December 2023: TL 110.411 earthquake relief expenses).

8. Announcement of the fees related to the services received from the independent auditor or independent audit firm:

By the decision of the POA dated 26 March 2021, the fee information for the reporting period regarding the services received from the independent auditor or independent audit firm is given in the table below, excluding VAT amounts.

	Current Period (31.12.2024)	Prior Period (31.12.2023)
Independent audit fee for the reporting period	8.688	2.267
Fee for tax advisory services	-	163
Fee for other assurance services	890	563
Fees for services other than independent auditing		-
Total	9.578	2.993

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SECTION FIVE (Continued)

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

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

9. Information related to operating profit/loss before taxes:

The Group's profit before tax from continuing operations for the year ended December 31, 2024 is TL 8.708.125 (31 December 2023: TL 5.641.003). The Group has no discontinued operations.

10. Information on tax provision of continued and discontinued operations:

In the accounting period ending on 31 December 2024, the Group's income tax provision from continuing operations amounting to TL 2.532.590 (31 December 2023: TL 1.598.335) consists of TL 2.664.914 of current tax charge (31 December 2023: TL 1.762.726), TL 132.324 of deferred tax income effect (31 December 2023: TL 164.391).

	1 January-31 December 2024	1 January-31 December 2023
Reconciliation of Tax Provision		
Profit/Loss Before Tax	8.708.125	5.641.003
Applicable Tax Rate	%30	%30
Calculated Tax	2.612.438	1.692.301
Reconciliation of Allocated and Calculated Tax Provision		
Other (Effect of expenses not allowed by law, discounts, etc.)	(79.848)	(93.966)
Tax Provision	2.532.590	1.598.335

11. Information on net profit and loss of continued and discontinued operations:

Group has earned net profit of TL 6.175.535 from continuing operations between 1 January 2024-31 December 2024 (1 January 2023-31 December 2023: TL 4.042.668).

12. Information on net profit/loss:

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

None.

12.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.

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

The total amount of other fees and commissions received in the profit or loss statement for the accounting period ending on 31 December 2024 is TL 198.825 (31 December 2023: TL 223.468). Of this amount, TL 65.018 (31 December 2023: TL 6.028) consists of compensation for early terminated loans, TL 45.522 (31 December 2023: TL 28.703) consists of investment banking service income and TL 22.060 (31 December 2023: TL 13.210) consists of CBRT investment advance commissions.

The total amount of other fees and commissions given in the statement of profit or loss for the accounting period ending on 31 December 2024 is TL 39.863 (31 December 2023: TL 176.945). Of this amount, TL 15.771 (31 December 2023: TL 24.483) consists of credit guarantee fund limit commissions, and TL 4.167 (31 December 2023: TL 13.481) consists of stock market transaction commissions.

14. Profit / loss attributable to minority rights:

None.

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SECTION FIVE (Continued)

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

V. Explanations and Notes Related to Statement of Changes in Shareholders' Equity:

The paid nominal capital amount in the legal records is TL 5.500.000 (31 December 2023: TL 2.500.000), as of the balance sheet date, the legal reserve funds balance is TL 422.617 (31 December 2023: TL 220.440), the extraordinary reserve funds balance is TL 7.536.109 (31 December 2023: TL 3.695.073) other profit reserves are TL 54.226 (31 December 2023: TL 54.260).

The fair value difference of TL 57.774, which is the entire amount of valuation difference of securities, results from the change in value of financial assets measured at fair value through other comprehensive income.

VI. Explanations and Notes Related to Consolidated Statement of Cash Flows:

1. Explanations related to “other” items and “effect of change in foreign currency rates on cash and cash equivalents” in statement of cash flows:

The Parent Bank's net cash inflow from banking activities amounts to TL 5.846.267. (31 December 2023: TL 8.008.734). The portion of the net cash inflow resulting from banking activities amounting to TL (1.060.222) (31 December 2023: TL 3.966.737) is from the change of asset and liability accounts; the portion amounting to 6.906.489. (31 December 2023: TL 4.041.997) arises from operating profit. The item “Net Increase (Decrease) in Other Debts” included in the change of asset and liability accounts arises from funds received, funds provided from repo transactions, miscellaneous debts, other foreign sources and changes in taxes, duties, fees and premiums to be paid as TL 1.589.040. (31 December 2023: TL 3.479.967). The “Other” item included in the operating profit consists of other operating expenses excluding fees and commissions paid and personnel expenses and was realized as TL (433.036) (31 December 2023: TL (1.109.202)).

There is cash inflow and outflow from financing activities due to the cash capital increase and subordinated loan in 2024.

The effect of the change in foreign exchange rate on cash and cash equivalent assets includes the exchange rate difference between the exchange rate on the day the foreign currency cash and cash equivalent assets were traded and the exchange rate on the reporting date and amounted to TL (365.060). (31 December 2023: TL 2.022.255).

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SECTION FIVE (Continued)

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

VI. Explanations and Notes Related to Consolidated Statement of Cash Flows(Continued):

2. Explanations Cash and cash equivalents at the beginning of the period:

	31.12.2023	31.12.2022
Cash	83.450	69.598
Cash in TL and foreign currencies	26	45
Demand deposits at banks	83.424	69.553
Cash equivalents	21.328.757	15.229.754
Interbank money market	16.535.221	6.603.772
Time deposits at banks	4.793.536	8.625.982
Total cash and cash equivalents	21.412.207	15.299.352

The total value found as a result of the transactions realized in the previous period gives the total of cash and cash equivalent assets of the current period.

3. Cash and cash equivalents at the end of the period:

	31.12.2024	31.12.2023
Cash	81.471	83.450
Cash in TL and foreign currencies	33	26
Demand deposits at banks	81.438	83.424
Cash equivalents	21.666.244	21.328.757
Interbank money market	9.334.580	16.535.221
Time deposits at banks	12.331.664	4.793.536
Total cash and cash equivalents	21.747.715	21.412.207

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SECTION FIVE (Continued)

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

VII. Explanations Related to Risk Group of the Parent 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 Group 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 of the Parent Bank	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 Arıcak 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 of the Parent Bank	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	3.839	-	-	-	-	-
Closing Balance ^(*)	3.859	-	-	-	-	-
Interest and Commissions Income	-	-	-	-	-	-

^(*) TL 3.859 of loan disbursed to Arıcak 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 Parent Bank and its risk groups:

None.

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

The total of benefits provided to the top management of the Parent Bank is TL 42.962 (31 December 2023: TL 21.540).

VIII. Explanations Related to Domestic, Foreign, Off-shore Branches and Representatives Offices Abroad:

None.

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SECTION SIX

OTHER EXPLANATIONS

I. Other Explanations Related to Operations of the Bank:

a) The Summary of Information on the Parent Bank’s rating by International Rating Agencies:

The international ratings of the Parent Bank are performed by Fitch on 17 September 2024.

	2024
Foreign Currency	
Long Term	BB-
Short Term	B
Outlook	Stable
Turkish Lira	
Long Term	BB-
Short Term	B
Outlook	Stable
National	
Long Term	AAA (TUR)
Government Support Note	bb-
Outlook	Stable

	2023
Foreign Currency	
Long Term	B
Short Term	B
Outlook	Stable
Turkish Lira	
Long Term	B
Short Term	B
Outlook	Stable
National	
Long Term	AAA (TUR)
Government Support Note	b
Outlook	Stable

II. Explanations and Notes Related to Subsequent Events:

With the decision of the Board of Directors of the Bank dated 18 December 2024, it has been decided to increase the issued capital of the Bank from TL 5.500.000 to TL 10.000.000 within the registered capital ceiling set as TL 10.000.000 in order to increase placement opportunities. The necessary application was made to the Capital Markets Board on 15 January 2025 for the approval of the Draft Prospectus for the shares with a nominal value of TL 4.500.000 to be issued in this way.

With the Board of Directors decision dated January 24, 2025, it was decided to increase the capital of Kalkınma Yatırım Varlık Kiralama A.Ş. from TL 50 to TL 250 by increasing TL 200 in cash.

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SECTION SEVEN

INDEPENDENT AUDIT REPORT

I. Explanations on Independent Auditors’ Report:

The Bank’s consolidated financial statements as of and for the period ended 31 December 2024 have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) and the audit report dated 6 February 2025 is presented at the beginning of the financial statements and related notes.

II. Explanations and Notes Prepared by Independent Auditor:

None.

THE DEVELOPMENT AND INVESTMENT BANK OF TÜRKİYE



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