

**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.



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Key Audit Matter	How the Key Audit Matter is addressed in our audit
<p><i>Financial impact of TFRS 9 “Financial Instruments” standard and recognition of classification, measurement and impairment on financial assets and related important disclosures</i></p>	
<p>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:</p> <ul style="list-style-type: none"> - 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. 	<p>Our audit procedures included among others include:</p> <ul style="list-style-type: none"> - 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.



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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.



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- 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
Istanbul, Türkiye

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

The Headquarters Address İnkılap Mahallesi
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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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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.

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 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
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.

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

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.

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 LIABILITIES	(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
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.

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	
			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 Cancel 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
						Other Comprehensive Income/Expense Items not to be Reclassified to Profit or Loss			Other Comprehensive Income/Expense Items to be Reclassified to Profit or Loss						
						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	1.467	2.277.800	1.691.368	-	6.843.382
IV.	Total comprehensive income (loss)	-	-	-	-	-	-	-	-	(13.736)	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	10.931	3.969.168	4.043.375	-	10.882.485
IV.	Total comprehensive income (loss)	-	-	-	-	-	2.944	-	-	(57.401)	-	-	-	6.167.585	6.113.128
V.	Capital increase in cash	3.000.000	1.383	-	-	-	-	-	-	-	-	-	-	-	3.001.383
VI.	Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase (decrease) through other changes, equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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			
1.1 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)
1.2 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.

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	Audited
	Current Period 1 January- 31 December 2024^(*)	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.

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.

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.

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 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.

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.

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.

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.

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.

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).

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.

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.

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.

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.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XV. Explanations on Leasing Transactions:

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. Explanations on Provisions and Contingent Liabilities:

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

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

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

XVII. Explanations on Employee Benefit Liabilities:

Obligations for employee benefits are recognized in accordance with the 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.

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 held 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.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued):

Current Tax (Continued)

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

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

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

Deferred Tax

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

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

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

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

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

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on Taxation (Continued):

Transfer Pricing

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

XIX. Additional Explanations on Borrowings:

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

The Bank continues its financial support that it provided and still providing by acquiring sources from domestic and international markets. Domestic resources are provided from Central Bank of the Republic of Türkiye, international organizations such as Islamic Development Bank, 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.

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.

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

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	-	-

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	-	-

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 (-)	-	-

(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 FOUR (Continued)

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		
CET1 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	-	-

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	-	-

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:**

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	2.438	-	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

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

Prior Period (31.12.2023)	Balance Sheet Value	Amount of Adjustment	Value at Capital Report
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

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.

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 / 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.

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.

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 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.

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.

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".

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.

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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SECTION FOUR (Continued)

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	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.

- 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
- 8-Conditional and unconditional retail receivables
- 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):

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	-	-	-	-	81.791	81.791
Fishery	-	-	426.371	-	-	-	-	376.519	49.852	426.371
Manufacturing	-	-	73.358.635	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	-	-	3.245.471	42.226.847	45.472.318
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 multilateral development banks
- 5- Conditional and unconditional receivables from international organizations
- 8- Conditional and unconditional retail receivables
- 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

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						Not Bearing Maturity	Total
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year			
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						Not Bearing Maturity	Total
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year			
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	-	-	-	-

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

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 (IFRS 9)		Expected Credit Loss Provisions (IFRS 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

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:

<u>Date</u>	<u>USD</u>	<u>EURO</u>	<u>100 JPY</u>
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.

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.

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.

SECTION FOUR (Continued)

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.

SECTION FOUR (Continued)

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.

SECTION FOUR (Continued)

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.

SECTION FOUR (Continued)

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.

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.

SECTION FOUR (Continued)

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 adaptation 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

SECTION FOUR (Continued)

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) (*)	
	TL+FC	FC	TL+FC	FC
Current Period (31.12.2024)				
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.

SECTION FOUR (Continued)

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) (*)	
	TL+FC	FC	TL+FC	FC
Prior Period (31.12.2023)				
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.

SECTION FOUR (Continued)

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.

SECTION FOUR (Continued)

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.

SECTION FOUR (Continued)

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.

SECTION FOUR (Continued)

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.

SECTION FOUR (Continued)

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	-	-	-

SECTION FOUR (Continued)

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

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.

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:

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.

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):

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

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.

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.

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.

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

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.

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.

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/Amortisations and Impairments (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/Amortisations and Impairments (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

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

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

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

(Prior Period 31.12.2023)	Loans	Non-Performing Loans	Expected Loss Provision	Total (Net)
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

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

Current Period (31.12.2024)	Up to 3 Months	3-12 Months	1-3 Years	3-5 Years	5 Years and above
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
Toplam	5.412.793	538.452	1.930.507	551.705

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

X. Explanations Related to 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 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 weights 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.

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	
	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

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	
	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	%47,38
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

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

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 (Continued):

Prior Period (31.12.2023)													Total risk amount (after CCF and CRM)
	Risk Class/Risk Weight	0%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Other	
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

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

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

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.

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):

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.

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

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):

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	-	-

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.

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.

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”.

(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 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

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

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

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				
		Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
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	22.161	-	-	-	-	-
Derivative financial liabilities for hedging purposes	-	-	-	-	-	-
Provisions	599.237	-	-	-	-	-
Tax liability	813.963	-	-	-	-	-
Liabilities for assets held for sale and discontinued operations	-	-	-	-	-	-
Subordinated debts	7.577.111	-	-	-	-	-
Shareholders' equity	19.996.996	-	-	-	-	-
Total liabilities and equity	153.596.085	-	3.456.546	-	-	-

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TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

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

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				
		Subject to credit risk	The counterparty credit risk	Securitization positions	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
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

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

TÜRKİYE KALKINMA VE YATIRIM BANKASI A.Ş.

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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	-	-	-

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 counterparty 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.

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.

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	Gains / Losses	Gains / Equity –
	Currency	(+/- x base points)		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 / Losses	Gains / Equity –
	Currency	(+/- x base points)		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)

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	-	-

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

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		
		Loans not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Refinance
Cash Loans Current Period (31.12.2024)				
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	-

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):

	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)	
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

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	-

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.

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

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) Information on non-performing receivables (Net):

2.1.j-1) Information on non-performing loans and restructured loans:

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	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	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	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	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	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.

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:

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	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.

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):

2.1.1) 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

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):

2.4.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.c) Sectoral information about associates and their carrying amounts:

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

4.1.d) Associates quoted in the stock exchange:

None.

SECTION FIVE (Continued)

EXPLANATIONS AND NOTES RELATED TO THE 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

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

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.

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

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

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).

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

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 BRSB 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	-	-

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

SECTION FIVE (Continued)

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

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

SECTION FIVE (Continued)

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

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

SECTION FIVE (Continued)

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

SECTION FIVE (Continued)

**EXPLANATIONS AND NOTES RELATED TO THE 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

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

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).

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

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.

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

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 Arıcağ 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 Arıcağ 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.

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.

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.