Türkiye Sınai Kalkınma Bankası Anonim Şirketi and Its Subsidiaries

Publicly announced consolidated financial statements and related disclosures at September 30, 2024 together with auditor’s review report and interim activity report

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section three)

AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

(Convenience translation of the independent auditor's review report originally issued in Turkish, See Note I of Section Three)

To the General Assembly of Türkiye Sınai Kalkınma Bankası Anonim Şirketi

Introduction

We have reviewed the consolidated balance sheet of Türkiye Sınai Kalkınma Bankası Anonim Şirketi ("the Bank") and its consolidated subsidiaries (collectively referred to as "the Group") at 30 September 2024 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-months-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Basis for the Qualified Conclusion

As mentioned in Section Five Part II 7.c.1 of Explanations and Notes to the Consolidated Financial Statements; a portion of free provision amounting to TRY 100,000 thousand is reversed in the current period out of the total free provision of TRY 1,750,000 thousand provided by the Group management in prior periods outside of the requirements of BRSA Accounting and Financial Reporting Legislation; therefore, the remaining free provision amount as at 30 September 2024 is TRY 1,650,000 thousand in the accompanying consolidated financial statements.

Qualified Conclusion

Based on our review, except for the effects of the matter on the consolidated financial statements described in the basis for the qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial information do not present fairly in all material respects the financial position of Türkiye Sınai Kalkınma Bankası Anonim Şirketi and its consolidated subsidiaries at 30 September 2024 and the results of its operations and its cash flows for the nine-months period then ended in accordance with the BRSA Accounting and Financial Reporting Legislation.

Other Matter

The audit of consolidated financial statements of the Group as at and for the year ended 31 December 2023 were conducted by another audit firm who expressed qualified opinion on 5 February 2024 due to free provision accounted, in the consolidated financial statements. The interim consolidated financial information as of 30 September 2023 was also subjected to a limited review by the same audit firm. In the limited review report dated 31 October 2023, the audit firm expressed that, excepts for the effects of the free provision, nothing came to their attention that would cause them to believe that the interim consolidated financial information did not present fairly in all material respects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

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

Additional Paragraph for Convenience Translation:

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 September 2024. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Gökçe Yaşar Temel, SMMM
Independent Auditor

Istanbul, 31 October 2024

THE CONSOLIDATED FINANCIAL REPORT OF
TÜRKİYE SINAİ KALKINMA BANKASI A.Ş.
FOR THE NINE MONTH PERIOD THEN ENDED 30/09/2024

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The consolidated financial report for the nine month then ended includes the following sections in accordance with "Communiqué on the Financial Statements and Related Explanations and Notes that will be made Publicly Announced" as sanctioned by the Banking Regulation and Supervision Agency.

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT
- INTERIM REPORT

The subsidiaries, associates and joint ventures, financial statements of which are consolidated within the framework of the reporting package, are as follows.

Subsidiaries	**Associates**
Yatırım Finansman Menkul Değerler A.Ş.	İş Finansal Kiralama A.Ş.
TSKB Gayrimenkul Yatırım Ortaklığı A.Ş.	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş.
	İş Faktoring A.Ş.

The accompanying consolidated financial statements and the explanatory footnotes and disclosures for the nine month then ended, unless otherwise indicated, are prepared in **thousands of Turkish Lira ("TL")**, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, and have been independently reviewed and presented as attached.

October 31, 2024

Hakan ARAN **Chairman of Board of Directors**	**Murat BİLGİÇ** **Member of Board of Directors and General Manager**	**Tolga SERT** **Executive Vice President In Charge of Financial Reporting**	**Dilek PEKCAN MİŞE** **Head of Financial Control Department**

İzlem ERDEM **Chairman of Audit Committee**	**Banu ALTUN** **Member of Audit Committee**

Contact information of the personnel in charge for addressing questions about this financial report:

Name-Surname/Title : Gizem Pamukçuoğlu / Head of Financial Institutions and Investor Relations Department
Telephone Number : (212) 334 52 58

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(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION ONE

GENERAL INFORMATION

I. The Parent Bank's incorporation date, beginning status, changes in the existing status

Türkiye Sınai Kalkınma Bankası A.Ş. ("The Parent Bank") was established in accordance with the decision of President of the Republic of Turkey numbered 3/11203 on 12 May 1950. This decision was declared by T.R. Office of Prime Ministry Procedures Directorate Decision Management on 12 May 1950.

According to the classification set out in the Banking Law No: 5411, the status of the Parent Bank is "Development and Investment Bank". The Parent Bank does not have the license of "Accepting Deposit". Since the establishment date of the Parent Bank, there is no change in its "Development and Investment Bank" status.

II. Explanations regarding the Parent Bank's shareholding structure, shareholders holding directly or indirectly, collectively or individually, the managing and controlling power and changes in current year, if any and explanations on the controlling group of the Bank

Türkiye İş Bankası A.Ş. has the authority of managing and controlling power of the Parent Bank directly or indirectly, alone or together with other shareholders. Shareholders of the Parent Bank are as follows:

Current Period **Name Surname/Commercial Title**	**Share Capital**	**Shareholding Rate (%)**	**Paid in Capital**	**Unpaid Capital**
T. İş Bankası A.Ş. Group	1.438.281	51,37	1.438.280	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.570	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,25	1.127.150	-
Total	**2.800.000**	**100,00**	**2.800.000**	**-**

Prior Period **Name Surname/Commercial Title**	**Share Capital**	**Shareholding Rate (%)**	**Paid in Capital**	**Unpaid Capital**
T. İş Bankası A.Ş. Group(*)	1.438.281	51,37	1.438.281	-
T. Vakıflar Bankası T.A.O.	234.569	8,38	234.569	-
Under Custody at Merkezi Kayıt Kuruluşu (Other Institutions and Individuals)	1.127.150	40,26	1.127.150	-
Total	**2.800.000**	**100,00**	**2.800.000**	**-**

(*) İş Bankası Group, which is the capital of the Bank, includes Türkiye İş Bankası A.Ş. (with a 47.68% share), Milli Reasürans Türk A.Ş. (with a 1.90% share), Anadolu Anonim Türk Sigorta Şirketi (with a 0.89% share) and Anadolu Hayat Emeklilik A.Ş. (with a 0.89% share).

In the PDP statement dated August 25, 2023 of the Bank's main partner İş Bankası, information was provided regarding the transfer of the subsidiary and affiliate shares owned by İş Bankası to a newly established joint stock company as a 100% subsidiary of İş Bankası with the same ownership ratio within the framework of the relevant laws, regulations and other legislation. According to the PDP statement dated April 4, 2024, it was decided that the partial division transactions would be carried out based on the financial statements dated December 31, 2023 and that the company to which the transferable affiliate shares would be transferred would be established under the title of TİBAŞ Holding Joint Stock Company. In the PDP statement dated July 19, 2024, it was stated that the process regarding the partial division transactions was ongoing, but that the transactions would not be finalized within the previously determined legal period and that the evaluations of official institutions were awaited. There will be no change in the partnership share ratios within the scope of the statements. The transfer process in question is not expected to have an impact on the Bank. The Parent Bank shares are traded in Istanbul Stock Exchange ("BIST") since December 26, 1986. The Bank's 51,37 % of the shares belongs to İş Bank Group and 40,70 % of these shares are in free floating and traded in BIST Star Market with "TSKB" ticker.

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

III. Explanations regarding the chairman and the members of board of directors, audit committee, general manager and assistant general managers and their shares and responsibilities in the Parent Bank

The Chairman and The Members of Board of Directors:

Name Surname	Title (1)
Hakan Aran (5)	Chairman of the Board of Directors
Ece Börü	Vice Chairman of the Board of Directors
Murat Bilgiç	Member of the Board of Directors and Genaral Manager
Mithat Rende	Member of the Board of Directors
İzlem Erdem (3)	Independent Board Member and Chairman of the Audit Committee
Banu Altun (3)	Independent Board Member and Audit Committee Member
Murat Doğan	Member of the Board of Directors
S. Nuray Duran (3)	Member of the Board of Directors
Abdi Serdar Üstünsalih	Member of the Board of Directors
M. Sefa Pamuksuz	Independent Member of the Board of Directors
Cengiz Yavilioğlu	Member of the Board of Directors

General Manager and Vice Presidents (2)

Name Surname	Title / Area of Responsibility
Murat Bilgiç	General Manager
Seyit Hüseyin Gürel	Executive Vice President – Consulting Services Sales,, Financial and Technical Consulting Structuring and Analysis, Credit Allocation, Credit Structuring and Resolution, Engineering
Hasan Hepkaya	Executive Vice President, Corporate Banking Sales, Project Finance, Corporate Banking Marketing, Credit Operations
Meral Murathan	Executive Vice President – Treasury, Treasury and Capital Market Operations, Financial Institutions and Investor Relations, Development Finance Institutions, Climate Change and Sustainability Management
Özlem Bağdatlı	Executive Vice President – Human Resources, Corporate Communications, Legal Affairs, Pension and Regular Foundations
Mustafa Bilinç Tanağardı	Executive Vice President – Application Development, System Support and Operation, Enterprise Architecture and Process Management, Purchasing and Financial Affairs Management
Poyraz Koğacıoğlu	Executive Vice President – Capital Markets, Mergers and Acquisitions, Corporate Finance
Tolga Sert (4)	Executive Vice President – Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning, Financial Control

(1) The shares of above directors in the Bank are symbolic.

(2) Bank Deputy General Manager Mr. Engin Topaloğlu left his position due to retirement as of February 29, 2024.

(3) At our Bank's Ordinary General Assembly Meeting dated March 28, 2024; Ms. İzlem Erdem, Chairman of the Audit Committee, Ms. Banu Altun Audit Committee Member, Ms. S. Nuray Duran was elected as a Board Member.

(4) At our Bank's Board of Directors meeting dated May 2, 2024; It has been decided to appoint Mr. Tolga Sert as Executive Vice President

(5) Mr. Adnan Bali, our Bank's Board Member and Chairman of the Board, resigned from his position on August 16, 2024. Mr. Hakan Aran was elected as the vacant Board Member within the framework of Article 363 of the Turkish Commercial Code and as the Chairman of the Board within the framework of Article 16 of our Bank's Articles of Association.

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

IV. Information about the persons and institutions that have qualified shares in the Parent Bank

Explanation about the people and institutions that have qualified shares control the Parent Bank's capital directly or indirectly are described in General Information Section II.

V. Summary on the Parent Bank's functions and areas of activity

Türkiye Sınai Kalkınma Bankası A.Ş. is the first private development and investment bank which was established by the Council of Ministers resolution number of 3/11203 established in 1950 with the support of World Bank, Government of Republic of Turkey, Central Bank of Republic of Turkey and commercial banks. As per the articles of association published in the Official Gazette on 2 June 1950, the aim of the Parent Bank is to support all private sector investments but mostly industrial sectors, to help domestic and foreign capital owners to finance the new firms and to help the improvement of Turkish capital markets. The Bank is succeeding its aims by financing, consulting, giving technical support and financial intermediary services. The Parent Bank, which operates as a non-deposit accepting bank, played a major role on manufacturing and finance sectors in every phase of the economic development of Turkey. The Bank started its journey in 1950 financing the private sector investments in Turkey and today it provides loans and project finance with the goal of sustainable development to corporations in different fields. As a leader in meeting the long term financing needs of the private sector, the Bank also continues to offer solutions with respect to the newest needs and client demands.

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institution subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods

Due to differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Account Standards (TAS), the non-financial subsidiaries and associates, TSKB Gayrimenkul Değerleme A.Ş., Terme Metal Sanayi ve Ticaret A.Ş., Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş., TSKB Sürdürülebilirlik Danışmanlığı A.Ş. and Anavarza Otelcilik Anonim Şirketi are not consolidated since they are not in scope of financial institutions according to related Communiqué. These non-financial investment in associates and subsidiaries are accounted by the equity method in the consolidated financial statements.

Türkiye Sınai Kalkınma Bankası A.Ş. and its financial institutions, Yatırım Finansman Menkul Değerler A.Ş., TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. and Yatırım Varlık Kiralama A.Ş. are included in the accompanying consolidated financial statements by line by line consolidation method; İş Finansal Kiralama A.Ş., İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. and İş Faktoring A.Ş. are included in the accompanying consolidated financial statements by equity method.

Financial institutions included in the consolidation are determined in accordance with "Communiqué on Preparation of Consolidated Financial Statements of Banks" published in the Official Gazette dated 8 November 2006 numbered 26340.

Yatırım Finansman Menkul Değerler A.Ş. :

Yatırım Finansman Menkul Değerler A.Ş. ("YF") was established in 15 October 1976. The Company's purpose is to perform capital market operations specified in the Company's articles of association in accordance with the CMB and the related legislation. The Company was merged with TSKB Menkul Değerler A.Ş. on 29 December 2006. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 95,78%. The company's headquarters is located at Istanbul/Turkey.

SECTION ONE (Continued)

GENERAL INFORMATION (Continued)

VI. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institution subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods (Continued)

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. :

TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. ("TSKB GYO") was established on 3 February 2006. Core business of the Company is real estate trust to construct and develop a portfolio of properties and make investment to capital market instruments linked to properties. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 88,74%. The company's headquarters is located at Istanbul/Turkey.

İş Finansal Kiralama A.Ş. :

İş Finansal Kiralama A.Ş. ("İş Finansal Kiralama") was established on 8 February 1988. The Company has been performing its operations in accordance with the Financial Leasing, Factoring and Financing Companies Law No 6361. The purpose of the Company is performing domestic and foreign financial leasing activities and all kind of rental (leasing) transactions within the framework of legislation. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 29,46%. The Company's headquarters is located at Istanbul/Turkey.

İş Faktoring A.Ş. :

İş Faktoring A.Ş. ("İş Faktoring"), was incorporated in Turkey on 4 July 1993 and it has been performing its operations in accordance with the Financial Leasing, Factoring and Financing Companies Law No: 6361. The Company's main operation is domestic and export factoring transactions. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 21,75%. The Company's headquarters is located at Istanbul/Turkey.

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. :

İş Girişim Sermayesi Yatırım Ortaklığı A.Ş ("İş Girişim") started its venture capital operations by the decision of Capital Market Board dated 5 October 2000. The principal activity of the Company is to perform long-term investments to venture capital companies mainly established or to be established in Turkey, have development potential and require resource. The share of Türkiye Sınai Kalkınma Bankası A.Ş. is 16,67%. The Company's headquarters is located at Istanbul/Turkey.

PART ONE (Continued)

GENERAL INFORMATION (Continued)

VII. The existing or potential, actual or legal obstacle on the transfer of shareholder’s equity between the Parent Bank and its subsidiaries or the reimbursement of liabilities

There is no existing or potential, actual or legal obstacle to the reimbursement of liabilities between the Parent Bank and its subsidiaries. The Parent Bank charge or pay cost of the services according to the service agreements done between the Parent Bank and its subsidiaries. Dividend distribution from shareholders’ equity is made according to related legal regulations.

VIII. Written policies of the Bank related to compliance to publicly disclosed obligations of the Parent Bank and assessment of accuracy, frequency and compliance of mentioned disclosures

The Bank Disclosure Policy approved by the meeting of the Board of Directors has entered into force on 28 February 2014. Compliance to public disclosure obligations, frequency of public disclosures and tools and methods used for public disclosures are explained in the disclosure policy of the Parent Bank accessible from the Parent Bank’s corporate website.

CONSOLIDATED BALANCE SHEET (STATEMENT OF CONSOLIDATED FINANCIAL POSITION) AS OF SEPTEMBER 30, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section three)

			Current Period 30 September 2024			Prior Period 31 December 2023		
	ASSETS	**Section 5 Note I**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**FINANCIAL ASSETS (NET)**		**13.877.078**	**13.598.138**	**27.475.216**	**12.366.734**	**15.366.459**	**27.733.193**
1.1	**Cash and Cash Equivalents**		**2.303.308**	**6.181.922**	**8.485.230**	**7.630.646**	**7.992.154**	**15.622.800**
1.1.1	Cash and Balances with Central Bank	**(1)**	496	3.761.744	3.762.240	8.683	2.934.142	2.942.825
1.1.2	Banks	**(3)**	112.249	2.426.730	2.538.979	198.512	5.062.745	5.261.257
1.1.3	Money Market Placements		2.191.890	-	2.191.890	7.424.388	-	7.424.388
1.1.4	Expected Credit Losses (-)		1.327	6.552	7.879	937	4.733	5.670
1.2	**Financial Assets at Fair Value Through Profit or Loss**	**(2)**	**716.218**	**-**	**716.218**	**409.358**	**-**	**409.358**
1.2.1	Government Debt Securities		-	-	-	-	-	-
1.2.2	Equity Instruments		13.886	-	13.886	7.440	-	7.440
1.2.3	Other Financial Assets		702.332	-	702.332	401.918	-	401.918
1.3	**Financial Assets at Fair Value Through Other Comprehensive Income**	**(4)**	**10.248.099**	**6.303.966**	**16.552.065**	**3.851.908**	**5.914.430**	**9.766.338**
1.3.1	Government Debt Securities		9.555.865	5.385.038	14.940.903	3.669.367	5.161.094	8.830.461
1.3.2	Equity Instruments		147.006	918.928	1.065.934	163.648	753.336	916.984
1.3.3	Other Financial Assets		545.228	-	545.228	18.893	-	18.893
1.4	**Derivative Financial Assets**	**(2)**	**609.453**	**1.112.250**	**1.721.703**	**474.822**	**1.459.875**	**1.934.697**
1.4.1	Derivative Financial Assets at Fair Value Through Profit or Loss		609.453	1.112.250	1.721.703	474.822	1.459.875	1.934.697
1.4.2	Derivative Financial Assets at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (NET)**		**21.570.885**	**163.584.984**	**185.155.869**	**18.616.230**	**123.677.102**	**142.293.332**
2.1	**Loans**	**(5)**	**14.184.012**	**154.559.208**	**168.743.220**	**14.151.168**	**117.065.644**	**131.216.812**
2.2	**Lease Receivables**	**(10)**	**-**	**459.598**	**459.598**	**34.052**	**418.318**	**452.370**
2.3	**Factoring Receivables**		-	-	-	-	-	-
2.4	**Other Financial Assets Measured at Amortized Cost**	**(6)**	**10.895.251**	**13.752.235**	**24.647.486**	**8.392.539**	**10.501.573**	**18.894.112**
2.4.1	Government Debt Securities		10.895.251	13.752.235	24.647.486	8.392.539	10.501.573	18.894.112
2.4.2	Other Financial Assets		-	-	-	-	-	-
2.5	**Expected Credit Losses (-)**		**3.508.378**	**5.186.057**	**8.694.435**	**3.961.529**	**4.308.433**	**8.269.962**
III.	**PROPERTY AND EQUIPMENT HELD FOR SALE PURPOSE AND RELATED TO DISCONTINUED OPERATIONS (NET)**	**(16)**	**-**	**-**	**-**	**-**	**-**	**-**
3.1	Held for Sale Purpose		-	-	-	-	-	-
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**EQUITY INVESTMENTS**		**3.670.820**	**-**	**3.670.820**	**2.939.908**	**-**	**2.939.908**
4.1	**Investments in Associates (Net)**	**(7)**	**3.527.096**	**-**	**3.527.096**	**2.825.834**	**-**	**2.825.834**
4.1.1	Accounted Under Equity Method		3.527.096	-	3.527.096	2.825.834	-	2.825.834
4.1.2	Unconsolidated Associates		-	-	-	-	-	-
4.2	**Subsidiaries (Net)**	**(8)**	**120.672**	**-**	**120.672**	**101.016**	**-**	**101.016**
4.2.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Subsidiaries		120.672	-	120.672	101.016	-	101.016
4.3	**Entities under Common Control (Joint Venture) (Net)**		**23.052**	**-**	**23.052**	**13.058**	**-**	**13.058**
4.3.1	Joint Ventures Valued Based on Equity Method		23.052	-	23.052	13.058	-	13.058
4.3.2	Unconsolidated Joint Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**(12)**	**2.815.241**	**-**	**2.815.241**	**2.237.255**	**-**	**2.237.255**
VI.	**INTANGIBLE ASSETS (Net)**	**(13)**	**5.594**	**-**	**5.594**	**8.118**	**-**	**8.118**
6.1	Goodwill		1.005	-	1.005	1.005	-	1.005
6.2	Other		4.589	-	4.589	7.113	-	7.113
VII.	**INVESTMENT PROPERTY (Net)**	**(14)**	**1.888.500**	**-**	**1.888.500**	**1.430.350**	**-**	**1.430.350**
VIII.	**CURRENT TAX ASSET**		**2.101**	**-**	**2.101**	**691**	**-**	**691**
IX.	**DEFERRED TAX ASSET**	**(15)**	**1.157.802**	**-**	**1.157.802**	**1.480.605**	**-**	**1.480.605**
X.	**OTHER ASSETS (Net)**	**(17)**	**2.632.690**	**308.664**	**2.941.354**	**2.640.202**	**150.198**	**2.790.400**
	TOTAL ASSETS		**47.620.711**	**177.491.786**	**225.112.497**	**41.720.093**	**139.193.759**	**180.913.852**

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEET (STATEMENT OF CONSOLIDATED FINANCIAL POSITION) AS OF SEPTEMBER 30, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section three)

			Current Period 30 September 2024			Prior Period 31 December 2023		
	LIABILITIES AND EQUITY	**Section 5 Note II**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**DEPOSITS**	**(1)**	-	-	-	-	-	-
II.	**FUNDS BORROWED**	**(3)**	**71.051**	**123.237.407**	**123.308.458**	**175.418**	**106.675.692**	**106.851.110**
III.	**MONEY MARKET BALANCES**		**6.941.716**	**5.841.421**	**12.783.137**	**1.502.958**	**2.224.922**	**3.727.880**
IV.	**MARKETABLE SECURITIES ISSUED (Net)**	**(3)**	**915.374**	**40.044.501**	**40.959.875**	**1.921.359**	**32.227.091**	**34.148.450**
4.1	Bills		-	-	-	397.337	-	397.337
4.2	Assets Backed Securities		915.374	-	915.374	1.524.022	-	1.524.022
4.3	Bonds		-	40.044.501	40.044.501	-	32.227.091	32.227.091
V.	**BORROWER FUNDS**		**72.817**	**217.842**	**290.659**	**132.820**	**1.349.660**	**1.482.480**
5.1	Borrower Funds		72.817	217.842	290.659	132.820	1.349.660	1.482.480
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**		-	-	-	-	-	-
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**(2)**	**120.609**	**948.568**	**1.069.177**	**32.887**	**1.115.271**	**1.148.158**
7.1	Derivative Financial Liabilities at Fair Value Through Profit or Loss		120.609	948.568	1.069.177	32.887	1.115.271	1.148.158
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	-
VIII.	**FACTORING LIABILITIES**		-	-	-	-	-	-
IX.	**LEASE LIABILITIES**	**(5)**	**43.809**	-	**43.809**	**39.250**	-	**39.250**
X.	**PROVISIONS**	**(7)**	**1.830.457**	**75.223**	**1.905.680**	**1.900.887**	**180.126**	**2.081.013**
10.1	Restructuring Provisions		-	-	-	-	-	-
10.2	Reverse for Employee Benefits		138.175	-	138.175	51.889	-	51.889
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		1.692.282	75.223	1.767.505	1.848.998	180.126	2.029.124
XI.	**CURRENT TAX LIABILITY**	**(8)**	**1.055.669**	-	**1.055.669**	**971.818**	-	**971.818**
XII.	**DEFERRED TAX LIABILITY**	**(8)**	-	-	-	-	-	-
XIII.	**LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)**		-	-	-	-	-	-
13.1	Held for Sale Purpose		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT INSTRUMENTS**	**(10)**	-	**10.214.358**	**10.214.358**	-	**6.043.090**	**6.043.090**
14.1	Loans		-	-	-	-	6.043.090	6.043.090
14.2	Other Debt Instruments		-	10.214.358	10.214.358	-	-	-
XV.	**OTHER LIABILITIES**		**632.757**	**3.070.033**	**3.702.790**	**608.848**	**1.986.703**	**2.595.551**
XVI.	**SHAREHOLDERS' EQUITY**		**29.521.608**	**257.277**	**29.778.885**	**21.770.699**	**54.353**	**21.825.052**
16.1	Paid-in capital	**(11)**	2.800.000	-	2.800.000	2.800.000	-	2.800.000
16.2	Capital Reserves		15.665	-	15.665	15.665	-	15.665
16.2.1	Share Premium		1.007	-	1.007	1.007	-	1.007
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		14.658	-	14.658	14.658	-	14.658
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		3.904.212	230.817	4.135.029	3.564.791	183.946	3.748.737
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		414.239	26.460	440.699	387.135	(129.593)	257.542
16.5	Profit Reserves		14.793.256	-	14.793.256	7.745.308	-	7.745.308
16.5.1	Legal Reserves		664.389	-	664.389	644.594	-	644.594
16.5.2	Status Reserves		75.641	-	75.641	75.641	-	75.641
16.5.3	Extraordinary Reserves		14.050.307	-	14.050.307	7.022.154	-	7.022.154
16.5.4	Other Profit Reserves		2.919	-	2.919	2.919	-	2.919
16.6	Profit Or Loss		7.070.315	-	7.070.315	6.854.098	-	6.854.098
16.6.1	Prior Years' Profit/Loss		6.091	-	6.091	(110.946)	-	(110.946)
16.6.2	Current Year Profit/Loss		7.064.224	-	7.064.224	6.965.044	-	6.965.044
16.7	Non-Controlling Interests		523.921	-	523.921	403.702	-	403.702
	TOTAL LIABILITIES AND EQUITY		**41.205.867**	**183.906.630**	**225.112.497**	**29.056.944**	**151.856.908**	**180.913.852**

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET
AS OF SEPTEMBER 30, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section three)

			Current Period 30 September 2024			Prior Period 31 December 2023		
	OFF-BALANCE SHEET	**Section 5 Note III**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
A.	**OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)**		**21.537.296**	**194.645.138**	**216.182.434**	**22.139.270**	**140.351.536**	**162.490.806**
I.	**GUARANTEES AND COLLATERALS**	**(1)**	**2.828.388**	**18.362.026**	**21.190.414**	**2.508.575**	**9.714.268**	**12.222.843**
1.1	Letters of Guarantee		2.625.737	5.598.606	8.224.343	2.378.872	5.722.479	8.101.351
1.1.1	Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		2.625.737	5.598.606	8.224.343	2.378.872	5.722.479	8.101.351
1.2	Bank Acceptances		-	136.568	136.568	-	-	-
1.2.1	Import Letter of Acceptance		-	136.568	136.568	-	-	-
1.2.2	Other Bank Acceptance		-	-	-	-	-	-
1.3	Letters of Credit		202.651	12.626.852	12.829.503	129.703	3.991.789	4.121.492
1.3.1	Documantery Letters of Credit		202.651	12.626.852	12.829.503	129.703	3.991.789	4.121.492
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	-	-	-	-	-
1.8	Other Guarantess		-	-	-	-	-	-
1.9	Other Collaterals		-	-	-	-	-	-
II.	**COMMITMENTS**	**(1)**	**8.564.626**	**19.452.112**	**28.016.738**	**5.919.274**	**6.563.880**	**12.483.154**
2.1	Irrevocable Commitments		7.048.807	5.623.617	12.672.424	5.412.991	428.175	5.841.166
2.1.1	Forward Asset Purchase and Sale Commitments		13.154	5.407.629	5.420.783	118.180	223.859	342.039
2.1.2	Forward Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	174.503	174.503	-	168.814	168.814
2.1.4	Loan Granting Commitments		-	-	-	-	-	-
2.1.5	Securities Underwriting Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Payment Commitment for Checks		-	-	-	-	-	-
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Expenditure Limits		-	-	-	-	-	-
2.1.10	Commitments for Promotions Related with Credit Cards and Banking Activities		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		7.035.653	41.485	7.077.138	5.294.811	35.502	5.330.313
2.2	Revocable Commitments		1.515.819	13.828.495	15.344.314	506.283	6.135.705	6.641.988
2.2.1	Revocable Loan Granting Commitments		1.515.819	13.828.495	15.344.314	506.283	6.135.705	6.641.988
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**(2)**	**10.144.282**	**156.831.000**	**166.975.282**	**13.711.421**	**124.073.388**	**137.784.809**
3.1	Derivative Financial Instruments for Hedging Purposes		-	44.411.281	44.411.281	-	38.788.055	38.788.055
3.1.1	Fair Value Hedge		-	44.411.281	44.411.281	-	38.788.055	38.788.055
3.1.2	Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Hedge of Net Investment in Foreign Operations		-	-	-	-	-	-
3.2	Held for Trading Transactions		10.144.282	112.419.719	122.564.001	13.711.421	85.285.333	98.996.754
3.2.1	Forward Foreign Currency Buy/Sell Transactions		80.625	761.096	841.721	506.702	601.942	1.108.644
3.2.1.1	Forward Foreign Currency Transactions-Buy		80.625	339.819	420.444	506.702	64.395	571.097
3.2.1.2	Forward Foreign Currency Transactions-Sell		-	421.277	421.277	-	537.547	537.547
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rate		9.687.337	111.307.612	120.994.949	13.204.719	84.683.391	97.888.110
3.2.2.1	Foreign Currency Swap-Buy		644.926	28.788.013	29.432.939	4.944	19.862.066	19.867.010
3.2.2.2	Foreign Currency Swap-Sell		4.873.967	24.103.281	28.977.248	13.148.219	6.935.939	20.084.158
3.2.2.3	Interest Rate Swap-Buy		2.084.222	29.208.159	31.292.381	25.778	28.942.693	28.968.471
3.2.2.4	Interest Rate Swap-Sell		2.084.222	29.208.159	31.292.381	25.778	28.942.693	28.968.471
3.2.3	Foreign Currency, Interest Rate, and Securities Options		376.320	351.011	727.331	-	-	-
3.2.3.1	Foreign Currency Options-Buy		347.760	27.174	374.934	-	-	-
3.2.3.2	Foreign Currency Options-Sell		28.560	323.837	352.397	-	-	-
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 SECURITIES (IV+V+VI)**		**442.498.901**	**2.932.510.226**	**3.375.009.127**	**370.262.312**	**2.352.142.524**	**2.722.404.836**
IV.	**ITEMS HELD IN CUSTODY**		**7.785.107**	**8.665.325**	**16.450.432**	**3.731.818**	**3.967.284**	**7.699.102**
4.1	Customers' Securities Held		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		6.133.916	8.665.325	14.799.241	3.669.388	3.967.284	7.636.672
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		1.651.191	-	1.651.191	62.430	-	62.430
V.	**PLEDGES ITEMS**		**419.073.516**	**2.398.354.457**	**2.817.427.973**	**352.794.305**	**1.922.577.278**	**2.275.371.583**
5.1	Marketable Securities		456.249	-	456.249	456.249	-	456.249
5.2	Guarantee Notes		194.181	2.547.617	2.741.798	176.420	3.109.710	3.286.130
5.3	Commodity		-	-	-	-	-	-
5.4	Warranty		-	-	-	-	-	-
5.5	Real Estate		120.504.446	788.934.847	909.439.293	104.370.588	619.660.191	724.030.779
5.6	Other Pledged Items		297.918.640	1.606.871.993	1.904.790.633	247.791.048	1.299.807.377	1.547.598.425
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	**ACCEPTED BILL OF EXCHANGE AND COLLATERALS**		**15.640.278**	**525.490.444**	**541.130.722**	**13.736.189**	**425.597.962**	**439.334.151**
	TOTAL OFF BALANCE SHEET ITEMS (A+B)		**464.036.197**	**3.127.155.364**	**3.591.191.561**	**392.401.582**	**2.492.494.060**	**2.884.895.642**

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE NINE-MONTH PERIOD THEN ENDED SEPTEMBER 30, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section three)

	STATEMENT OF PROFIT OR LOSS	Note	Current Period January 1, 2024 – September 30, 2024	Prior Period January 1, 2023 – September 30, 2023	Current Period July 1, 2024 – September 30, 2024	Prior Period July 1, 2023 – September 30, 2023
I.	**INTEREST INCOME**	**(1)**	**22.477.464**	**12.242.046**	**7.897.546**	**4.925.032**
1.1	Interest on Loans		13.466.922	7.942.301	4.919.798	3.057.082
1.2	Interest Received from Reserve Deposits		689	53	359	26
1.3	Interest Received from Banks		177.148	128.826	25.136	47.398
1.4	Interest Received from Money Market Placements		2.815.072	515.828	534.822	292.920
1.5	Interest Received from Marketable Securities Portfolio		5.790.855	3.601.744	2.317.271	1.501.273
1.5.1	Fair Value Through Profit or Loss		10.772	1.172	3.272	526
1.5.2	Fair Value Through other Comprehensive Income				961.430	222.845
1.5.3	Measured at Amortized Cost				1.352.569	1.277.902
1.6	Finance Lease Income		39.903	22.063	15.563	9.078
1.7	Other Interest Income		186.875	31.231	84.597	17.255
II.	**INTEREST EXPENSES (-)**	**(2)**	**10.853.028**	**5.414.982**	**4.118.807**	**2.143.138**
2.1	Interest on Deposits		-	-	-	-
2.2	Interest on Funds Borrowed		6.084.059	4.064.598	2.164.561	1.656.416
2.3	Interest on Money Market Borrowings		2.060.664	271.643	965.622	92.552
2.4	Interest on Securities Issued		2.623.263	1.026.192	961.768	371.462
2.5	Leasing Interest Expense		7.923	3.218	2.970	1.274
2.6	Other Interest Expense		77.119	49.331	23.886	21.434
III.	**NET INTEREST INCOME (I - II)**		**11.624.436**	**6.827.064**	**3.778.739**	**2.781.894**
IV.	**NET FEES AND COMMISSIONS INCOME / EXPENSES**		**638.474**	**461.243**	**186.562**	**239.636**
4.1	Fees and Commissions Received		729.749	510.188	222.030	263.330
4.1.1	Non-cash Loans		144.075	119.921	49.791	51.508
4.1.2	Other		585.674	390.267	172.239	211.822
4.2	Fees and Commissions Paid (-)		91.275	48.945	35.468	23.694
4.2.1	Non-cash Loans		32.189	16.783	12.300	6.492
4.2.2	Other		59.086	32.162	23.168	17.202
V.	**DIVIDEND INCOME**	**(3)**	**37.050**	**22.012**	**5.284**	**7.735**
VI.	**NET TRADING INCOME**	**(4)**	**(1.718.503)**	**1.957.297**	**(228.405)**	**201.141**
6.1	Securities Trading Gains / (Losses)		54.008	(12.580)	2.758	2.315
6.2	Derivative Financial Instruments Gains / Losses		(1.904.006)	2.232.072	(1.976.553)	231.863
6.3	Foreign Exchange Gains / Losses (Net)		131.495	(262.195)	1.745.390	(33.037)
VII.	**OTHER OPERATING INCOME**	**(5)**	**1.391.092**	**441.484**	**488.261**	**50.397**
VIII.	**GROSS OPERATING INCOME (III+IV+V+VI+VII)**		**11.972.549**	**9.709.100**	**4.230.441**	**3.280.803**
IX.	**EXPECTED CREDIT LOSSES (-)**	**(6)**	**642.907**	**1.440.186**	**(52.543)**	**201.302**
X.	**OTHER PROVISION EXPENSES (-)**	**(6)**	**-**	**870.000**	**-**	**170.000**
XI.	**PERSONNEL EXPENSES (-)**		**1.344.128**	**630.730**	**479.764**	**253.114**
XII.	**OTHER OPERATING EXPENSES (-)**	**(7)**	**1.010.563**	**498.478**	**339.541**	**193.080**
XIII.	**NET OPERATING INCOME/(LOSS) (VIII-IX-X-XI-XII)**		**8.974.951**	**6.269.706**	**3.463.679**	**2.463.307**
XIV.	**AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER**		**-**	**-**	**-**	**-**
XV.	**PROFIT / (LOSS) ON EQUITY METHOD**		**628.299**	**650.515**	**174.322**	**242.271**
XVI.	**GAIN / (LOSS) ON NET MONETARY POSITION**		**-**	**-**	**-**	**-**
XVII.	**PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XIII+...+XVI)**		**9.603.250**	**6.920.221**	**3.638.001**	**2.705.578**
XVIII.	**TAX PROVISION FOR CONTINUED OPERATIONS (±)**	**(8)**	**2.477.549**	**1.839.363**	**1.002.343**	**838.742**
18.1	Provision for Current Income Taxes		2.171.994	2.175.104	**911.905**	1.382.842
18.2	Deferred Tax Income Effect (+)		1.358.004	881.780	**394.883**	111.371
18.3	Deferred Tax Expense Effect (-)		1.052.449	1.217.521	**304.445**	655.471
XIX.	**NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XVI±XVII)**	**(10)**	**7.125.701**	**5.080.858**	**2.635.658**	**1.866.836**
XX.	**INCOME ON DISCONTINUED OPERATIONS**		**-**	**-**	**-**	**-**
20.1	Income on Assets Held for Sale		-	-	-	-
20.2	Income on Sale of Associates, Subsidiaries and JointlyControlled Entities (Joint Venture)		-	-	-	-
20.3	Income on Other Discontinued Operations		-	-	-	-
XXI.	**LOSS FROM DISCONTINUED OPERATIONS (-)**		**-**	**-**	**-**	**-**
21.1	Loss from Assets Held for Sale		-	-	-	-
21.2	Loss on Sale of Associates, Subsidiaries and Jointly Controlled Entities (Joint Venture)		-	-	-	-
21.3	Loss from Other Discontinued Operations		-	-	-	-
XXII.	**PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XX-XXI)**		**-**	**-**	**-**	**-**
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		**-**	**-**	**-**	**-**
23.1	Provision for Current Income Taxes		-	-	-	-
23.2	Deferred Tax Expense Effect (+)		-	-	-	-
23.3	Deferred Tax Income Effect (-)		-	-	-	-
XXIV.	**NET PROFIT/LOSS FROM DISCONTINUEDOPERATIONS (XXII±XXIII)**		**-**	**-**	**-**	**-**
XXV.	**NET PROFIT/LOSS (XIX+XXIV)**	**(10)**	**7.125.701**	**5.080.858**	**2.635.658**	**1.866.836**
25.1	Group's Profit / Loss		7.064.224	5.006.272	2.694.600	1.861.286
25.2	Minority Shares (-)		61.477	74.586	(58.942)	5.550
	Earning / (loss) per share		2,523	1,788	0,962	0,665

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD THEN ENDED SEPTEMBER 30, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section three)

	PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Reviwed Current Period 1 January 2024 – 30 September 2024	Reviewed Prior Period 1 January 2023– 30 September 2023
I.	**CURRENT PERIOD INCOME / LOSS**	**7.125.701**	**5.080.858**
II.	**OTHER COMPREHENSIVE INCOME**	**829.088**	**1.123.321**
2.1	**Not Reclassified Through Profit or Loss**	**645.931**	**2.073.006**
2.1.1	Property and Equipment Revaluation Increase / Decrease	530.000	312.261
2.1.2	Intangible Assets Revaluation Increase / Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurement Gain / Loss	(53.293)	(68)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	147.960	1.777.343
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	21.264	(16.530)
2.2	**Reclassified Through Profit or Loss**	**183.157**	**(949.685)**
2.2.1	Foreign Currency Translation Differences	99.016	149.559
2.2.2	Valuation and / or Reclassification Income / Expense of the Financial Assets at Fair Value Through Other Comprehensive Income	122.653	(851.914)
2.2.3	Cash Flow Hedge Income / Loss	-	-
2.2.4	Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Losses	-	(395.533)
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(38.512)	148.203
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**7.954.789**	**6.204.179**

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD THEN ENDED SEPTEMBER 30, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section three)

							Accumulated Other Comprehensive Incomes or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Incomes or Expenses Reclassified Through Profit or Loss								
	CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
	Prior Period – 30 September 2023		**2.800.000**	**1.007**	**-**	**374**	**1.140.841**	**(963)**	**173.617**	**173.399**	**441.519**	**395.533**	**3.702.923**	**3.945.723**	**-**	**12.773.973**	**218.483**	**12.992.456**
I.	**Balance at Beginning of the Period**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		**2.800.000**	**1.007**	**-**	**374**	**1.140.841**	**(963)**	**173.617**	**173.399**	**441.519**	**395.533**	**3.702.923**	**3.945.723**	**-**	**12.773.973**	**218.483**	**12.992.456**
III.	**Adjusted Beginning Balance (I+II)**		-	-	-	-	**295.905**	**(16)**	**1.777.117**	**149.559**	**(703.711)**	**(395.533)**	-	-	**5.006.272**	**6.129.593**	**74.586**	**6.204.179**
IV.	**Total Comprehensive Income**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	**Capital Increase by Cash**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	**Capital Increase by Internal Sources**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	**Effect of Inflation on Paid-in Capital**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	**Convertible Bonds to Share**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	**Subordinated Debt Instruments**		-	-	-	-	-	-	-	-	-	-	-	**73**	-	**73**	**493**	**566**
X.	**Increase/Decrease by Other Changes**		-	-	-	**14.284**	-	-	-	-	-	-	**4.042.386**	**(4.056.742)**	-	**(72)**	-	**(72)**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	3.897.098	(3.897.170)	-	(72)	-	(72)
11.2	Transfers to Reserves		-	-	-	14.284	-	-	-	-	-	-	145.288	(159.572)	-	-	-	-
11.3	Other																	
	Period-End Balance (III+IV+…...+X+XI)		**2.800.000**	**1.007**	**-**	**14.658**	**1.436.746**	**(979)**	**1.950.734**	**322.958**	**(262.192)**	**-**	**7.745.309**	**(110.946)**	**5.006.272**	**18.903.567**	**293.562**	**19.197.129**

1. Accumulated Revaluation Increase / Decrease of Fixed Assets
2. Accumulated Remeasurement Gain / Loss of Defined Benefit Pension Plan
3. Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)
4. Foreign Currency Translation Differences
5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Asset at Fair Value Through Other Comprehensive Income
6. Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

The accompanying notes are an integral part of these consolidated financial statements.

TÜRKİYE SINAİ KALKINMA BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD THEN ENDED SEPTEMBER 30, 2024

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

(Convenience translation of publicly announced consolidated interim financial statements and review report originally issued in Turkish, See Note I. of Section three)

							Accumulated Other Comprehensive Incomes or Expenses Not Reclassified Through Profit or Loss			Accumulated Other Comprehensive Incomes or Expenses Reclassified Through Profit or Loss								
	CHANGES IN SHAREHOLDERS' EQUITY	Note	Paid-in Capital	Share Premiums	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit or (Loss)	Current Period Profit or (Loss)	Total Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
	Current Period – 30 September 2024																	
I.	**Balance at Beginning of the Period**		**2.800.000**	**1.007**	**-**	**14.658**	**2.071.477**	**1.270**	**1.675.990**	**385.534**	**(127.992)**	**-**	**7.745.308**	**6.854.098**	**-**	**21.421.350**	**403.702**	**21.825.052**
II.	**Corrections and Accounting Policy Changes Made According to TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Beginning Balance (I+II)**		**2.800.000**	**1.007**	**-**	**14.658**	**2.071.477**	**1.270**	**1.675.990**	**385.534**	**(127.992)**	**-**	**7.745.308**	**6.854.098**	**-**	**21.421.350**	**403.702**	**21.825.052**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**275.637**	**(37.305)**	**147.960**	**99.016**	**84.141**	**-**	**-**	**199.941**	**7.064.224**	**7.833.614**	**121.175**	**7.954.789**
V.	**Capital Increase by Cash**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase by Internal Sources**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Effect of Inflation on Paid-in Capital**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII	**Convertible Bonds to Share**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated Debt Instruments**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Increase/Decrease by Other Changes**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(112)**	**(112)**
XI.	**Profit Distribution**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7.047.948**	**(7.047.948)**	**-**	**-**	**(844)**	**(844)**
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(844)	(844)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	6.050.948	(6.050.948)	-	-	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	997.000	(997.000)	-	-	-	-
	Period-End Balance (III+IV+…...+X+XI)		**2.800.000**	**1.007**	**-**	**14.658**	**2.347.114**	**(36.035)**	**1.823.950**	**484.550**	**(43.851)**	**-**	**14.793.256**	**6.091**	**7.064.224**	**29.254.964**	**523.921**	**29.778.885**

1. Accumulated Revaluation Increase / Decrease of Fixed Assets
2. Accumulated Remeasurement Gain / Loss of Defined Benefit Pension Plan
3. Other (Shares of Investments Valued by Equity Method in Other Comprehensive Income Not Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Not Reclassified Through Other Profit or Loss)
4. Foreign Currency Translation Differences
5. Accumulated Revaluation and/or Remeasurement Gain/Loss of the Financial Asset at Fair Value Through Other Comprehensive Income
6. Other (Cash Flow Hedge Gain/Loss, Shares of Investments Valued by Equity Method in Other Comprehensive Income Classified Through Profit or Loss and Other Accumulated Amounts of Other Comprehensive Income Items Reclassified Through Other Profit or Loss)

The accompanying notes are an integral part of these consolidated financial statements.

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

		Note	Reviewed Current Period 30 September 2024	Reviewed Prior Period 30 September 2023
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating Profit Before Changes in Operating Assets and Liabilities**		**5.071.935**	**5.829.811**
1.1.1	Interest Received		18.477.787	9.172.300
1.1.2	Interest Paid		(10.327.454)	(4.906.330)
1.1.3	Dividends Received		52.050	22.012
1.1.4	Fees and Commissions Received		729.749	510.188
1.1.5	Other Income		409.997	189.226
1.1.6	Collections from Previously Written off Loans		274.791	153.162
1.1.7	Payments to Personnel and Service Suppliers		(1.645.055)	(764.460)
1.1.8	Taxes Paid		(1.541.774)	(832.044)
1.1.9	Others		(1.358.156)	2.285.757
1.2	**Changes in Operating Assets and Liabilities**		**(10.753.442)**	**(3.223.653)**
1.2.1	Net (Increase) (Decrease) in Financial Assets at Fair Value through Profit or Loss		(240.658)	(17.598)
1.2.2	Net (Increase) (Decrease) in Due from Banks		-	-
1.2.3	Net (Increase) (Decrease) in Loans		(16.370.165)	(919.321)
1.2.4	Net (Increase) (Decrease) in Other Assets		(1.600.484)	(890.570)
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		(644.293)	(3.341.418)
1.2.9	Net (Increase) (Decrease) in Matured Payable		-	-
1.2.10	Net (Increase) (Decrease) in Other Liabilities		8.102.158	1.945.254
I.	**Net Cash Provided by / (used in) Banking Operations**		**(5.681.507)**	**2.606.158**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net Cash Provided by / (used in) Investing Activities**		**(7.911.414)**	**3.669.640**
2.1	Cash Paid for Purchase of Entities under Common Control, Associates and Subsidiaries		-	-
2.2	Cash Obtained from Sale of Entities under Common Control, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(130.433)	(76.825)
2.4	Disposals of Property and Equipment		916	1.586
2.5	Purchase of Financial Assets at Fair Value through Other Comprehensive Income		(6.344.643)	(287.315)
2.6	Sale of Financial Assets at Fair Value through Other Comprehensive Income		1.398.041	4.147.879
2.7	Purchase of Financial Assets Measured at Amortized Cost		(3.149.976)	(397.215)
2.8	Sale of Financial Assets Measured at Amortized Cost		324.675	296.708
2.9	Others		(9.994)	(15.178)
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net Cash Provided by / (used in) Financing Activities**		**5.333.381**	**1.438.752**
3.1	Cash Obtained From Funds Borrowed and Securities Issued		15.400.072	8.799.668
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued		(10.007.057)	(7.310.194)
3.3	Capital Increase		-	-
3.4	Dividends Paid		(844)	-
3.5	Payments for Financial Leases		(58.790)	(50.722)
3.6	Other		-	-
IV.	**Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents**		**155.831**	**157.141**
V.	**Net Increase in Cash and Cash Equivalents**		**(8.103.709)**	**7.871.691**
VI.	**Cash and Cash Equivalents at Beginning of the Period**		**12.458.035**	**7.641.294**
VII.	**Cash and Cash Equivalents at End of the Period**		**4.354.326**	**15.512.985**

The accompanying notes are an integral part of these consolidated financial statements.

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

I.a Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Maintaining the Documents

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial asset, liabilities and buildings revaluation model which are carried at fair value.

The consolidated financial statements and related explanations and footnotes included in this report have been prepared in accordance with the Regulation on the Procedures and Principles Regarding Banks' Accounting Applications and Document Retention, and other regulations, communiqués, explanations and circulars published by the Banking Regulation and Supervision Agency (BRSA) regarding the accounting and financial reporting principles of banks, and the provisions of the Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority (POA) for matters not regulated by these (hereinafter collectively referred to as the "BRSA Accounting and Financial Reporting Legislation").

The accounting policies and valuation principles used in the 2024 period of Group are presented in the accompanying notes and the accounting policies and valuation principles are explained in Notes II to XXIII below.

The format and content of the accompanying consolidated financial statements and footnotes have been prepared in accordance with the "Communique' on Publicly Announced Financial Statements Explanations and notes to the Financial Statements" and "Communique on Disclosures About Risk Management to be Announced to Public by Banks."

The accompanying consolidated financial statements and the explanatory footnotes, unless otherwise indicated, are prepared in thousands of Turkish Lira ("TL").

According to TAS 29 "Financial Reporting in High-Inflation Economies" Standard, businesses whose functional currency is the currency of a high-inflation economy report their financial statements according to the purchasing power of money at the end of the reporting period. Based on the statement made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023, the financial statements of the enterprises that apply Turkish Financial Reporting Standards (TFRS) for the annual reporting period ending on or after 31 December 2023 are subject to "TAS 29 High Inflationary Reporting Standards". It must be presented in accordance with the accounting principles in "Financial Reporting in Economies" and adjusted for the effect of inflation. In the same statement, it was stated that institutions or organizations authorized to regulate and supervise their own fields may determine different transition dates for the implementation of inflation accounting. In this context, the Banking Regulation and Supervision Agency (BRSA); In accordance with the Board decision dated December 12, 2023; It has been announced that the financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies will not be subject to inflation adjustment. Within the scope of BRSA's Decision No. 10825 dated January 11, 2024; It has been decided that banks, financial leasing, factoring, financing, savings financing and asset management companies will switch to inflation accounting as of Jan 1, 2025.

Based on this, "TAS 29 Financial Reporting Standard in High Inflation Economies" was not applied in the consolidated financial statements of the Parent Bank dated 30 September 2024.

Additional paragraph for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation, as described in the preceding paragraphs, differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 -Financial Reporting in Hyperinflationary Economies as of September 30, 2024 and the differences between accounting principles have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

I. Basis of presentation (Continued)

I.b The valuation principles used in the preparation of the financial statements

The accounting rules and the valuation principles used in the preparation of the financial statements were implemented as stated in the Turkish Accounting Standards and related regulations, explanations and circulars on accounting and financial reporting principles announced by the BRSA. These accounting policies and valuation principles are explained in the below notes through II to XXIII.

As it is intended to update the financial information contained in the latest annual financial statements an interim financial statements prepared as of September 30, 2024, the Parent Bank made estimates in the calculation of expected credit losses and disclosed these in footnote IX "Disclosures on impairment of financial assets". In the coming periods, the Parent Bank will update its relevant assumptions according to necessary extents and review the realizations of past estimates.

I.c The accounting policies for the correct understanding of the financial statements

The following accounting policies that applied according to BRSA regulations and TAS for the correct understanding of the financial statements and valuation principles used in preparation of the financial statements are presented in more detail below.

Changes in accounting policies and disclosures

The IAS/IFRS amendments effective January 1, 2024 have no significant impact on the Parent Bank's accounting policies, financial position and performance. IAS and IFRS amendments that have been published as of the date of finalization of the financial statements but have not entered into force will not have a significant impact on the Parent Bank's accounting policies, financial position and performance.

I.d The items for which different accounting policies were applied while preparing the consolidated financial statements and their ratios to the total of the related items in the consolidated financial statements

Different accounting policies are not applied while preparing the consolidated financial statements.

II. Explanations on usage strategy of financial assets and foreign currency transactions

The main sources of the funds of the Group have variable interest rates. The financial balances are monitored frequently and fixed and floating interest rate placements are undertaken according to the return on the alternative financial instruments. The macro goals related to balance sheet amounts are set during budgeting process and positions are taken accordingly.

Due to the fact that the great majority of the loans extended by the the Group have a flexibility of reflecting changes in the market interest rates to the customers, the interest rate risk is kept at minimum level. Moreover, the highly profitable Eurobond and the foreign currency government indebtness securities portfolio have the attribute of eliminating the risks of interest rate volatility.

The fixed rate Subordinated bond, Eurobond and Greenbond issued by the Group and a portion of fixed rate funds borrowed are subject to fair value hedge accounting. The Parent Bank enters into interest rate swap agreements in order to hedge the change in fair values of its fixed rate financial liabilities. The changes in the fair value of the hedged fixed rate financial liabilities and hedging interest rate swaps are recognized under the trading profit/loss.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

II. Explanations on usage strategy of financial assets and foreign currency transactions (Continued)

In the beginning and later period of the hedging transaction, the aforementioned hedging transactions are expected to offset changes occurred in the relevant period of the hedging transaction and hedged risk (attributable to hedging risk) and effectiveness tests are performed in this regard. The Parent Bank performs effectiveness test at the beginning of the hedge accounting and at each reporting period. The effectiveness tests are carried out using the “Dollar off-set model” and the hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness. TFRS 9 provides the option of deferring the adoption of TFRS 9 hedge accounting and the option to continue to apply the provisions of TAS 39 hedge accounting in the selection of accounting policies. In this context, the Parent Bank continues to apply the provisions of TAS 39 hedge accounting.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized and recognized in income statement over the life of the hedged item from that date of the hedge accounting is discontinued.

The Parent Bank liquidity is regularly monitored. Moreover, the need of liquidity in foreign currencies is safeguarded by currency swaps.

Commercial placements are managed with high return and low risk assets considering the international and domestic economic expectations, market conditions, creditors’ expectations and their tendencies, interest-liquidity and other similar factors. Prudence principle is adopted in the placement decisions. The long term placements are made under project finance. A credit policy is implemented such a way that harmonizing the profitability of the projects, the collateral and the value add introduced by the Parent Bank.

The movements of foreign exchange rates in the market, interest rates and prices are monitored instantaneously. While taking positions, the Parent Bank’s unique operating and control limits are watched effectively besides statutory limits. Limit overs are not allowed. The Parent Bank’s strategy of hedging interest rate and foreign currency risks arising from fixed and variable interest rate funds and foreign currency fair value through other comprehensive income securities are indicated below.

The Parent Bank's foreign currency capital instruments, the fair value difference of which is reflected in other comprehensive income, are largely financed by foreign currency sources. Thus, protection is provided against the possibility of depreciation of the Turkish Lira against other currencies. In order to protect against parity changes, the currency basket balance created by the specified currencies is used. Interest rate risk is reduced by creating an asset composition of the resources used in accordance with the fixed/variable cost structure. What are the currency hedging strategies arising from other foreign currency transactions: A balanced strategy is followed in terms of currency position; In order to hedge against parity risk, the current currency position is monitored according to a basket balance in certain currencies.

Exchange rate difference revenues and expenses arising from foreign currency transactions were recorded in the period in which the transaction was carried out. At the end of the period, the balances of foreign currency active and passive accounts are calculated at the end of the period.

The Parent Bank was converted into Turkish Lira by being subjected to an evaluation from the box office exchange rates and the resulting exchange rate differences were reflected in the records as foreign exchange profit or loss.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

III. Explanations on associates and subsidiaries

Explanations about consolidated subsidiaries are described in General Information Section V.

IV. Explanations on forward and option contracts and derivative instruments

The Parent Bank is exposed to financial risk which depends on changes in foreign exchange rates and interest rates due to activities and as part of banking activities uses derivative instruments to manage financial risk that especially associated with fluctuations in foreign exchange and interest rate. Mainly derivative instruments used by the Group are foreign currency forwards, swaps and option agreements.

The derivative financial instruments are accounted for at their fair values as of the date of the agreements entered into and subsequently valued at fair value. Derivative financial instruments of the Group are classified under "TFRS 9 Financial Instruments" ("TFRS 9"), "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income”. Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values. Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transaction.

In the initial design of a derivative financial instrument as a hedge, the Parent Bank discloses in writing the relationship between the hedged item and the hedging instrument, the risk management objectives and strategies of the relevant hedge, and the methods to be used to measure the hedge's effectiveness. . At the beginning of the association and during the ongoing process, the Parent Bank evaluates whether the hedging method is effective on the changes in the expected fair values of the related instruments during the period in which the method is applied, or whether the effectiveness of each hedge in the actual results is in the range of 80% - 125%.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

V. Explanations on associates and subsidiaries

The Parent Bank's financial subsidiaries' are reflected the consolidated financial statements according to the equity method in accordance with TAS 28 - Investment in Associates and Joint Ventures Related to the Turkish Accounting Standards. Unconsolidated and non financial subsidiaries and associates are presented in the financial statements in accordance with the "TAS 27-Separate Financial Statements" standard with their cost values after the deduction of, if any, impairment losses.

VI. Explanations on interest income and expenses

Interest income is recorded according to the effective interest rate method (rate equal to net present value of future cash flows or financial assets and liabilities) defined in the TFRS 9 "Financial Instruments" standard by applying an accrual basis using the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

If the financial asset is impaired and classified as a non-performing receivable, the Parent Bank applies the effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected creditloss models and accordingly, the calculation of expected credit losses includes an interest amount. Therefore, a reclassification is made between the accounts of "Expected Credit Losses" and "Interest Income From Loans" for calculated amount. If the credit risk of the financial instrument improves to the extent that the financial asset is no longer considered as impaired and the improvement can be attributed to an incident that eventually takes place (such as an increase in the loan's credit rating), interest income at subsequent reporting periods are calculated by applying the effective interest rate to the gross amount.

Interest income and expenses are recorded at their fair values and are accounted for on an accrual basis using the effective interest method (the rate that equates the future cash flows of the financial asset or liability to its current net book value) considering the current principal amount.

VII. Explanations on fees and commission income and expenses

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 Revenue from Contracts with Customers. Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period. Income from asset purchases to a third party or by natural or legal persons contracts are recognized in the period they occur.

VIII. Explanations on financial assets

Initial recognition of financial instruments

Initial recognition of financial instruments the Bank shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of TFRS 15 Revenue from contracts with customers, at initial recognition, the Bank measures financial asset or financial liabilities at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit/loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial instruments

On which category a financial instruments shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Assessment of business model

As per TFRS 9, the Parent Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on the intent of the management on an individual financial intermediary, so the condition is not a classification approach on the basis of a financial instrument but an evaluation by combining the financial assets. When the business model used for the management of financial assets is being evaluated, all evidence is taken into account. Such evidence includes the following:

- How the performance of financial assets held by the business model and business model is reported by the key executive personnel,
- Risks affecting the performance of the business model (financial assets held within the business model) and, in particular type of management and
- How the additional payments to the managers are determined (for example, whether additional payments are determined according to the fair value of the assets being managed or on the contractual cash flows collected).

Business model evaluation is not based on scenarios in which the operator is not expected to be at a reasonable level, such as the "worst case" or "pressure case" scenarios. The same business model does not require a change in the classification of other financial assets as long as the cash flows are realized differently from the expected future date when the business model is assessed, the error correction is made in the financial statements or all relevant information available at the time of the valuation of the business model is taken into account. However, when evaluating the business model for newly created or newly acquired financial assets, information about how past cash flows have been taken into account along with other relevant information is also taken into account. The business models that comprise the bet are composed of three categories. These categories are as follows:

- Business model aimed to hold assets in order to collect contractual cash flows: This is a model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. Financial assets held within the scope of this business model are measured at amortized cost if the contractual terms of the financial asset pass the cash flow test, which includes only principal and interest payments arising from the principal balance on certain dates.

- Business model whose objective is to hold assets in order to collect contractual cash flows: The Bank may hold financial assets in this business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

SECTION THREE (Continued)
ACCOUNTING POLICIES (Continued)
VIII. Explanations on financial assets (continued)

Financial assets held under this business model are accounted for at fair value through other comprehensive income if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance on certain dates.

- Other Business Models: Financial assets are measured at fair value through profit or loss in case they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Financial assets measured at fair value through profit/loss and derivative financial assets are assesed in this business model.

The contractual cash flows including solely principle and interest on principle

As per TFRS 9, the Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In a basic lending agreement, the time value of money and the consideration of credit risk are often the most important element of interest. In order to assess whether the element provides consideration for only the passage of time, an entity applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss.

Measurement categories of financial assets and liabilities

Financial assets are classified compliance with TFRS 9 in three main categories as listed below:

- Financial assets measured at fair value through profit/loss
- Financial assets measured at fair value through other comprehensive income and
- Financial assets measured at amortized cost

a. Financial assets at the fair value through profit or loss:

Financial assets whose fair value difference is reflected in profit/loss, financial assets managed by other models other than the business model aimed at retaining contractual cash flows to collect and the business model aimed at collecting and selling contractual cash flows, and the contractual terms of the financial asset do not lead to cash flows that include interest payments arising only from the principal and principal balance on certain dates; are financial assets that are acquired in order to profit from fluctuations in price and similar factors that occur in the market in the short term, or that are part of a portfolio intended to make a profit in the short term, regardless of the reason for which they are obtained. At the first time of disbursement, the Parent Bank exercised the option of classifying some of its loans and issued securities as financial assets/liabilities irrevocably with fair value differences reflected in profit/loss in order to eliminate accounting discrepancies in accordance with IFRS 9. Financial assets whose fair value difference is reflected in profit/loss are recorded with their fair values and are subject to valuation with their fair values following their registration. The gains and losses resulting from the valuation are included in the profit / loss calculations. In line with the Uniform Chart of Accounts (CIP) statements, the positive difference between the cost of acquisition and the discounted value of the financial asset is in "Interest Income", if the fair value of the asset is above the discounted value, the positive difference is in the "Capital Market Operations Profits" account, and if the fair value is below the discounted value, the negative difference between the discounted value and the fair value is "Capital Market Operations Losses" account. In the event that the financial asset is disposed of before maturity, the gains or losses incurred are recognized within the same principles.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets (continued)

b. Financial Assets at Fair Value Through Other Comprehensive Income:

In addition to Financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial asset with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, they are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are measured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement.

"Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss" under shareholders' equity. Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition an entity can choose in a irrecovable was to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is taken into the financial statements as profit or loss.

c. Financial Assets Measured at Amortized Cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest (internal efficiency) rate method. Interest income obtained from financial assets measured at amortized cost is accounted in income statement.

In the "Fair value through other comprehensive income" and "measured at amortized cost" securities portfolio of the Parent Bank, there are Consumer Price Indexed (CPI) Bonds.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

VIII. Explanations on financial assets (continued)

c. Financial Assets Measured at Amortized Cost (continued) :

The Parent Bank considered expected inflation index of future cash flows prevailing at the reporting date while calculating internal rate of return of the Consumer Price Indexed (CPI) marketable securities. The effect of this application is accounted as interest received from marketable securities in the consolidated financial statements.These securities are valued and accounted according to the effective interest method based on the real coupon rates and the reference inflation index at the issue date and the estimated inflation rate. As stated in the Investor's Guide of CPI Government Bonds by Republic of Turkey Undersecretariat of Treasury the reference indices used to calculate the actual coupon payment amounts of these securities are based on the previous two months CPI's. The Parent Bank determines the estimated inflation rate accordingly. The inflation rate is estimated by considering the expectancies of the Central Bank and the Bank which are updated as needed within the year.

d. Loans:

Loans are financial assets that have fixed or determinable payments terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the "Effective Interest Rate (internal rate of return) Method". Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers. Turkish Lira ("TL") cash loans are composed of foreign currency indexed loans and working capital loans; foreign currency ("FC") cash loans are composed of investment loans, export financing loans and working capital loans.

All loans of the Parent Bank has classified under Measured at Amortized Cost, after loan portfolio passed the test of "All cash flows from contracts are made only by interest and principal" during the transition period.

Foreign currency indexed loans are converted into TL from the foreign currency rate as of the opening date and followed in TL accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the income statement.

IX. Explanations on impairment of financial assets

As of January 1, 2018, loss allowance for expected credit losses is recognised on financial assets and loans measured at amortized cost, financial assests measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts not measured at fair value through profit or loss based on TFRS 9 and regulation published in the Official Gazette no. 29750 dated 22 June 2016 in connection with "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans". TFRS 9 impairment requirements are not eligible for equity instruments.

At each reporting date, it shall be assessed whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, it shall be used the change in the risk of a default occuring for the financial instrument.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

IX. Explanations on impairment of financial assets (continued)

Calculation of expected credit losses

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Risk parameters used in TFRS 9 calculations are included in the future macroeconomic information. While macroeconomic information is included, macroeconomic forecasting models and multiple scenarios used in the (“ICAAP”) are considered.

Within the scope of TFRS 9, the probability of default (PD), Loss given default (LGD) and Exposure at default (EAD) models have been developed. The models developed under TFRS 9 are based on the following segmentation elements:

- Loan portfolio (corporate /specilization)
- Product type
- Credit risk rating notes (ratings)
- Collateral type
- Duration since origination of a loan
- Remaining time to maturity
- Exposure at default

Probability of Default (PD): PD refers to the likelihood that a loan will default within a specified time horizon given certain characteristics. Based on TFRS 9, two different PDs are used in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months following the balance sheet date.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

The Parent Bank uses internal rating systems for loan portfolio. The internal rating models used include customer financial information and knowledge of survey responses based on expert judgement. Probability of default calculation has been carried out based on past information, current conditions and forward looking macroeconomic parameters.

Loss Given Default (LGD): If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

Exposure at Default (EAD): For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors. Credit conversion factor corresponds to the factor which adjusts the potential increase of the exposure between the current date and the default date.

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

Stage 1:

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk is recorded in the amount of 12-month expected credit losses. 12-month expected credit loss is calculated based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

IX. Explanations on impairment of financial assets (continued)

Calculation of expected credit losses (continued)

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is determined on the basis of the instrument's lifetime expected credit losses. Calculation of expected credit losses is similar to descriptions above, but probability of default and loss given default rates are estimated through the life of the instrument.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized and interest revenue is calculated on the net carrying amount. The probability of default is taken into account as 100%.

The default assessment of the Parent Bank is made according to the following conditions:

1. Objective Default Definition: It means debt having past due more than 90 days. Current definition of default in the Parent Bank and its consolidated financial subsidiaries is based on a more than 90 days past due definition.

2. Subjective Default Definition: It means the conviction that the debt will not be paid. If the borrower is deemed to be unable to perform its obligations on the loan, the borrower should be considered in default, regardless of whether there is a pending balance or the number of days of default.

Debt instruments measured at fair value through other comprehensive income

In accordance with TFRS 9, impairment provisions are applied for financial assets measured at fair value through other comprehensive income when recognizing and measuring expected loss provision. However, the carrying amount of the financial asset at fair value through other comprehensive income is not reduced in the statement of financial position. The expected loss provision is recognized in other comprehensive income and when the related financial asset is derecognised, the expected loss provision previously recognized in other comprehensive income is classified in the income statement.

Significant increase in credit risk

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance for that financial instrument is measured at an amount equal to "12-month expected credit losses". However, if there is a significant increase in credit risk of a financial instrument since initial recognition, the Parent Bank measures loss allowance regarding such instrument at an amount equal to "lifetime expected credit losses".

The Parent Bank makes qualitative and quantitative assessments regarding assessment of significant increase in credit risk of financial assets to be classified as Stage 2 (Significant Increase in Credit Risk) due to the significant increase in credit risk.

Quantitative assessments compare the relative change between the probability of default (PR) measured at the transaction date and the PD measured at the report date. In the event of a significant deterioration in PD, the credit risk is considered to have increased significantly and the financial asset is classified as Tier 2. In this context, the Parent Bank calculated threshold values to determine at what rate the relative change is a significant deterioration.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

IX. Explanations on impairment of financial assets (continued)

Significant increase in credit risk (continued)

When determining the significant increase in the bank credit risk, The Parent Bank also assessed the absolute change in the PD date on the transaction date and on the reporting date. If the absolute change in the PD ratio is above the threshold values, the related financial asset is classified as Stage 2.

Within the scope of qualitative assessments, if any of the following conditions are met, the related financial asset is classified as Stage 2.

- Loans overdue more than 30 days as of the reporting date
- Loans classified as watchlist
- When there is a change in the payment plan due to restructuring

Three scenarios are used in forward-looking expectations: base, bad and good. Final provisions are calculated by weighting over the probabilities given to the scenarios. In addition, for the possible effects, the Parent Bank has established additional provisions for the sectors and customers whose effects are considered to be high by making individual valuations for the risks that cannot be captured through the models in the expected credit loss calculation.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

X. Explanations on offsetting, derecognition and restructuring of financial instruments

a. Offsetting of financial instruments

Financial assets and liabilities are offset when a legally enforceable right to set off or when the Group has the intention of collecting or paying the net amount of related assets and liabilities, and they are shown in the financial statements with their net amounts. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

b. Derecognition of financial instruments

Derecognition of financial assets due to change in contractual terms

Based on TFRS 9, the renegotiation or modification of the contractual cash flows of a financial asset can lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a ‘new’ financial asset. When the Parent Bank assesses the characteristics of the new contractual terms of the financial asset, it evaluates the contractual cash flows including foreign currency rate changes, conversion to equity, counterparty changes and solely principal and interest on principle. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, it is recalculated the gross carrying amount of the financial asset and recognized a modification gain or loss in profit or loss.

Where all risks and rewards of ownership of the asset have not been transferred to another party and the Bank retains control of the asset, the Bank continues to recognize the remaining portion of the asset and liabilities arising from such asset. When the Bank retains substantially all the risks and rewards of ownership of the transferred asset, the transferred asset continues to be recognized in its entirety and the consideration received is recognized as a liability.

Derecognition of financial assets without any change in contractual terms

The asset is derecognized if the contractual rights to cash flows from the financial asset are expired or the related financial asset and all risks and rewards of ownership of the asset are transferred to another party. Except for equity instruments measured at fair value through other comprehensive income, the total amount consisting of the gain or loss arising from the difference between the book value and the amount obtained and any accumulated gain directly accounted in equity shall be recognized in profit/loss.

Derecognition of financial liabilities

It shall be removed a financial liability (or a part of a financial liability) from the statement of financial position when, and only when, it is extinguished when the obligation specified in the contract is discharged or cancelled or expires.

c. Reclassification of financial instruments

Based on TFRS 9, the Parent Bank shall reclassify all affected financial assets at amortised cost to financial assets measured at fair value through other comprehensive income and fair value through profit or loss in the subsequent accounting when, and only when, it changes its business model for managing financial assets.

The Parent Bank’s financial assets reclassification details are presented in Section 3, Note VIII.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

X. Explanations on offsetting, derecognition and restructuring of financial instruments (continued)

d. Restructuring and refinancing of financial instruments

The Parent Bank may change the original contractual terms of a loan (maturity, repayment structure, guarantees and sureties) which were previously signed, in case the loan cannot be repaid or if a potential payment difficulty is encountered based on the new financing power and structure of the borrower.

Restructuring is to change the financial terms of existing loans in order to facilitate the payment of debt. Refinancing is granting a new loan by the Parent Bank which will cover either the principal or the interest payment in whole or in part of one or a few existing loans due to the anticipated financial difficulty which the customer or group encounter currently or will encounter in the future. Changes in the original terms of a credit risk can be made in the current contract or through a new contract.

Resturected Loans can be classified in standart loans unless the firm has difficulty in payment. Companies which have been restructured and refinanced can be removed from the watchlist when the following conditions are met:

- Subsequent to the through review of company's financial data and its owners' equity position, at circumstances when it is not anticipated that the owner of the company will face financial difficulties; and it is assessed that the restructured debt will be paid on time (starting from the date when the debt is restructured all due principal and interest payments are made on time).
- At least 2 years should pass over the date of restructuring (or if it is later), the date of removal from non-performing loan category, at least 10% (or the ratio specified in the legislation) of the total principal amount at the time restructuring /refinancing shall be paid and no overdue amount (principal and interest) shall remain at the date of restructuring / refinancing.

In order for the restructured non-performing loans to be classified to the watchlist category, the following conditions must be met:

- Recovery in debt service
- At least one year should pass over the date of restructuring
- Payment of all accrued and overdue amounts by debtor (interest and principal) since the date of restructuring /refinancing or the date when the debtor is classified as nonperforming (earlier date to be considered) and fulfillment of the payment condition of all overdue amounts as of the date of restructuring /refinancing
- Collection of all overdue amounts, disappearance of the reasons for classification as nonperforming receivable (based on the conditions mentioned above) and having no overdue more than 30 days as of the date of reclassification

During the follow-up period of at least two years following the date of restructuring/refinancing, if there is a new restructuring/refinancing or a delay of more than 30 days, the transactions which were non-performing at the beginning of the follow-up period are classified as non-performing loans again.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XI. Explanations on sales and repurchase agreements and lending of securities

Funds provided under repurchase agreements are accounted under "Funds Provided under Repurchase Agreements-TL" and "Funds Provided under Repurchase Agreements-FC" accounts.

The repurchase agreements of the Group are based on the Eurobonds and government bonds issued by Republic of Turkey Undersecretariat of Treasury. Marketable securities subject to repurchase agreements are classified under assets at fair value through profit or loss, assets at fair value through comprehensive income or assets at measured at amortized costs with parallel to classifications of financial instruments. The income and expenses from these transactions are reflected to the interest income and interest expense accounts in the income statement. Receivables from reverse repurchase agreements are recorded in "Receivables from Reverse Repurchase Agreements" account in the balance sheet.

XII. Explanations on assets held for sale and discontinued operations

Assets held for sale are measured at the lower of the assets' carrying amount and fair value less costs to sell. This assets are not amortized and presented separately in the financial statements. 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 asset (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 groups) , and an active programme to complete should be initiated to locate a customer. Also the asset (or the disposal group) should have an active market sale value, which is a reasonable value in relation to its current fair value. Also, the sale is expected to be accounted as a completed sale beginning from one year after the classification date; and the essential procedures to complete the plan should indicate the possibility of making significant changes on the plan or lower probability of cancelling.

Events or circumtances may extend the completion of the sale more than one year. Such assets are still classified as held for sale if there is sufficient evidence that the delay inthe sale process is due to the events and circumtances occured beyond the control of the entity or the entry remains commited to its plan to sell the asset (or disposal group).

A discontinued operation is a division of a bank that is either disposed of or classified as held for sale. Results of discontinued operations are presented separately in the income statement.

XIII. Explanations on goodwill and other intangible assets

Goodwill arising on the acquisition of a subsidiary or a jointly controlled entity represents the excess of the cost of acquisition over the subsidiary or jointly controlled interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or jointly controlled entity recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to each of the cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XIII. Explanations on goodwill and other intangible assets (Continued)

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. Intangible assets that are acquired prior to 1 January 2005 are carried at restated historical cost as of December 31, 2004; and those acquired subsequently are carried at cost less accumulated amortization, and any impairment. Intangible assets are depreciated on a straight line basis over their expected useful lives. Depreciation method and period are reviewed periodically at the end of each year. Intangible assets are mainly composed of rights and they are depreciated principally on a straight-line basis between 1-15 years.

XIV. Explanations on tangible assets

Tangible assets rather than real estate, purchased before 1 January 2005, are accounted for at their restated costs as of December 31, 2004 and the assets purchased in the following periods are accounted for at acquisition cost less accumulated depreciation and reserve for impairment. Gain or loss resulting from disposals of the tangible assets is reflected to the income statement as the difference between the net proceeds and net book value.

Since the third quarter of 2015, the Group has changed its accounting policy and adopted the revaluation method within the scope of IAS 16 in the valuation of buildings and land. The redemption period of the properties is specified in the appraisal report. In the event that the cost price is above the "Net realizable value" of the relevant tangible asset estimated within the framework of the "Turkish Accounting Standard for Impairment from Assets" ("TAS 36"), the value of the asset in question is reduced to the "Net realizable value" and is associated with the expense accounts for the allocated impairment. The positive difference between the real estate values in the appraisal report prepared by the companies authorized in the field of independent valuation and the net book value of the related properties is followed in the equity accounts. In the valuation of immovables, cost method approach, precedent comparison and income reduction methods were taken into consideration to the extent of their applicability to real estate. Normal maintenance and repair expenses on tangible assets are recognized as expenses. There are no pledges, mortgages and similar takyidat on tangible assets. Tangible assets are depreciated by applying the linear depreciation method and their useful lives are determined according to the IAS.

Depreciation rates and estimated useful lives of tangible assets are as follows:

Tangible Assets	Expected Useful Lives (Years)	Depreciation Rate (%)
Cashvault	4-50	2-25
Vehicles	5	20
Buildings	50	2
Other Tangible Assets	1-50	2-100

Investment Properties

Investment properties are real estate held to earn rent income, gain in value or both. An investment property is recognized as an asset if it is probable that future economic benefits related to the property will be available to operate and the cost of the investment property can be reliably measured. The fair value model has been chosen for valuation of investment properties. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XV. Explanations on leasing transactions

TFRS 16 Leases

TFRS 16 Leasing standard abolishes the dual accounting model currently applied for lessees through recognizing finance leases in the balance sheet whereas not recognizing operational lease.Instead, it is set forth a single model similar to the accounting of financial leases (on balance sheet). For lessors, the accounting stays almost the same. The Group has started to apply "TFRS 16 Leases" Standard starting from 1 January 2019.

The Group has applied TFRS 16 with a simplified retrospective approach. The new accounting policies of the Parent Bank regarding to application TFRS 16 are stated below:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes

(a) the amount of lease liabilities recognised,

(b) lease payments made at or before the commencement date less any lease incentives received, and

(c) All initial direct costs incurred by the Group.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the ease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XV. Explanations on leasing transactions (Continued)

TFRS 16 Leases (Continued)

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.
The At the commencement date of the lease, the lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which were not paid at the commencement date of the lease:

a) Fixed payments,

b) Variable rental payments based on an index or rate, the initial measurement of which is made using an index or rate on the date the lease actually begins,

c) Amounts expected to be paid by the Group under residual value commitments

d) If the parent company is reasonably confident that the Parent Bank will exercise the purchase option, the exercise price of this option and

e) Penalty payments for termination of the lease if the lease term shows that the Parent Bank will exercise an option to terminate the lease.

Variable lease payments that do not depend on an index or rate are recognized as an expense in the period when the event or condition that triggers the payment occurs. The Group uses the revised discount rate for the remainder of the lease term, as this rate if the implied interest rate in the lease can be easily determined; If it cannot be determined easily, the Parent Bank determines it as the alternative borrowing interest rate at the date of reassessment.
After the lease actually commenced, the Group measures the lease liability as follows:

(a) Increase the carrying amount to reflect the interest on the lease liability, and

(b) Decreases book value to reflect lease payments made.

In addition, if there is a change in the lease term, a change in the underlying fixed lease payments, or a change in the assessment of the option to purchase the underlying asset, the value of the finance lease liabilities is remeasured.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVI. Explanations on provisions and contingent liabilities

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If aforesaid criteria did not form, the Group discloses the issues mentioned in notes to financial statements. Provisions are determined by using the Group's best expectation of expenses in fulfilling the obligation, and discounted to present value if material.

Explanations on contingent assets

Contingent assets consist of unplanned or other unexpected events that usually cause a possible inflow of economic benefits to the Group. Since recognition of the contingent assets in the financial statements would result in the accounting of an income, which may never be generated, the related assets are not included in the financial statements; on the other hand, if the inflow of the economic benefits of these assets to the Parent Bank is probable, an explanation is made thereon in the footnotes of the financial statements. Nevertheless, the developments related to the contingent assets are constantly evaluated and in case the inflow of the economic benefit to the Parent Bank is almost certain, the related asset and the respective income are recognized in the financial statements of the period in which the change occurred.

XVII. Explanations on liabilities regarding employee benefits

Severance pay according to the current laws and collective bargaining agreements in Turkey, is paid in case of retirement or dismissal. The Group calculates a provision for severance pay to allocate that employees need to be paid upon retirement or involuntarily leaving by estimating the present value of probable amount. There is no indemnity obligations related to the employees who are employed with contract of limited duration exceeding 12 month period. Actuarial gains and losses are accounted under Shareholder's Equity since 1 January 2013 in accordance with the Revised TAS 19.

The Parent Bank employees are members of the Industrial Development Bank of Turkey Joint Stock Company Civil Servants and Contractors Relief and Pensions Foundation and the Industrial Development Bank of Turkey A.Ş. Members Munzam Social Security and Solidarity Foundation ("Funds"). The technical financial statements of the said Funds are audited by an actuary registered in the registry of actuaries in accordance with the provisions of the Insurance Law and the "Regulation on Actuaries" issued pursuant to this law.

A temporary article published in the Official Gazette No. 32121 dated March 3, 2023 was added to the Social Insurance and General Health Insurance Law dated 31 May 2006 and numbered 5510. In the provisional article in question, "Those who request for monthly bonding after the effective date shall be entitled to old-age or pension in accordance with the provisions of subparagraph (B) of the first paragraph of the provisional Article 81 of the Law No. 506, the second paragraph of the provisional Article 10 of the Law No. 1479, the subparagraph (B) of the first paragraph of the provisional Article 2 of the Law No. 2925 and the provisional Article 205 of the Law No. 5434, they shall benefit from old-age or pension if they meet other conditions other than age in the said provisions. No retrospective payment shall be made on the basis of this paragraph and no retrospective rights shall be claimed." In this context, the members of the pension fund have the opportunity to retire early as of April 1, 2023. This change has no significant impact on the Bank's financials and funds.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on liabilities regarding employee benefits (Continued)

The first paragraph of the provisional Article 23 of the Banking Law No. 5411 ("Banking Law") published in the Official Gazette dated November 1, 2005 and numbered 25983 contains the provision that bank funds shall be transferred to the Social Insurance Institution within 3 years from the date of publication of the Banking Law. According to the Banking Law; A commission consisting of representatives from various organizations shall calculate the liability according to actuarial calculations, taking into account the income and expenses of the fund, on the basis of the circuit for each ballot box. The specified obligation shall be paid in equal annual installments for not more than 15 years. However, the said article of the Banking Law was annulled by the Constitutional Court's decision dated March 22, 2007, E. 2005/39, K. 2007/33 published in the Official Gazette dated March 31, 2007 and numbered 26479, and its validity was suspended as of the date of publication of the decision, and the reasoned decision on the cancellation of the relevant paragraph was published in the Official Gazette dated December 15, 2007 and numbered 26731.

Following the publication of the Constitutional Court's reasoned decision on the annulment, the relevant articles of the Social Security Law No. 5754 regulating the principles regarding the transfer of the Principal Bank fund participants to the Social Security Institution were adopted by the TGNA on April 17, 2008 and entered into force by being published in the Official Gazette dated May 8, 2008 and numbered 26870.

The Social Security Law provides that the cash value of the liability in relation to the transferred persons as of the date of transfer; that the technical interest rate to be used in the actuarial account shall be 9,80% shall be determined by a commission consisting of representatives of the Social Security Institution, the Ministry of Finance, the Undersecretariat of the Treasury, the Undersecretariat of the State Planning Organization, the BRSA, the SDIF, the Bank and the Funds, if the income and expenses of the funds in respect of the insurance branches covered by the Social Security Law and the monthly and revenues paid by the funds are above the monthly and revenues within the framework of the regulations of the Social Security Institution. It stipulates that it will be calculated taking into account the differences and that the transfer will be completed within a period of 3 years starting from January 1, 2008.

Within the scope of the Provisional Article 20 of Article 73 of the Social Security Law No. 5754 dated April 17, 2008 ("Law") published in the Official Gazette dated May 8, 2008 and numbered 26870; It is envisaged that the ballot boxes will be transferred to the SSI within three years following the publication of the law. With the amendment in the first paragraph of the Provisional Article 20 of the Social Insurance and General Health Insurance Law No. 5510 published in the Official Gazette dated March 8, 2012 and numbered 28227, the 2-year postponement authority granted to the Council of Ministers was extended to 4 years. With the decision of the Council of Ministers published in the Official Gazette dated April 9, 2011 and numbered 27900, it was decided to extend the transfer process for 2 years. Accordingly, the transfer had to be completed by 8 May 2013. This time, with the Decision of the Council of Ministers No. 2013/467 published in the Official Gazette dated May 3, 2013 and numbered 28636, this period is extended for another 1 year and the transfer must be completed by May 8, 2014. However, since the transfer procedures did not take place, it was decided to extend the period for the transfer for another year with the Decision of the Council of Ministers published in the Official Gazette No. 28987 dated April 30, 2014. In accordance with the provision of the Law on Occupational Health and Safety dated April 4, 2015 and numbered 6645, which was published in the Official Gazette dated April 23, 2015 and numbered 29335 and entered into force, and the Law on the Amendment of Some Laws and Decree Laws, the Council of Ministers was authorized to determine the transfer date to the Social Security Institution and the transfer of the ballot boxes was postponed to an unknown date. As of the date of the announcement of the financial statements, there is no decision taken by the Council of Ministers on this issue. In accordance with the Social Security Law, after the transfer of the monthly and/or income to the participants of the ballot boxes and their beneficiaries to the Social Security Institution, the other social rights and payments of these persons that are not covered despite being included in the foundation deed to which they are subject will continue to be covered by the organizations employing the participants of the chests and the polling stations.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVII. Explanations on liabilities regarding employee benefits (continued)

This authority was transferred to the President with the Decree Law No. 703 published in the Official Gazette dated July 9, 2018 and numbered 30473. After the transfer of fund participants and those who have been granted monthly and/or income in accordance with the Social Security Law and their beneficiaries to the Social Security Institution, other social rights and payments that are not covered despite being included in the foundation deed to which these persons are subject will continue to be covered by the funds and the institutions employing the fund participants.

As of December 31, 2023, the cash value of the principal obligations of the Parent Bank for the Assistance and Pension of Civil Servants and Contractors of TSKB A.Ş. Civil Servants and Contractors Assistance and Pension Foundation was calculated by an independent actuary using the actuarial assumptions specified in the Law and according to the actuary's report dated January 15, 2024, no technical or actual deficit requiring provision as of December 31, 2023 was identified. In addition, the management of the Parent Bank foresees that the amount of the possible liability that may arise during and after the transfer to be made within the framework specified above will be at a level that can be met by the assets of the Fund and will not impose any additional burden on the Parent Bank.

XVIII. Explanations on taxation

Corporation tax expense is the sum of current tax expense and deferred tax income or expense.

Current year tax liability is calculated over the taxable portion of the profit for the period. Taxable profit is calculated taking into account items of income or expense that are taxable or deductible, and items that are not taxable or deductible. Taxable profit therefore differs from the profit reported in the income statement.

With the Law submitted to the Grand National Assembly of Turkey on July 5, 2023 and published in the Official Gazette dated July 15, 2023, amendments were made to the Corporate Tax Law No. 5520. Accordingly; Starting from the declarations to be submitted as of October 1, 2023, the corporate tax rate has been increased from 25% to 30% for banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. In addition, with the amendment, as of July 15, 2023; the 50% tax exemption stipulated in Law No. 5520 for immovable sales gains has been abolished. However, this exemption will be applied as 25% to the sales of immovables that were in the assets of the enterprises before July 15, 2023.

In the financial statements dated September 30, 2024, 30% was used as the tax rate in the calculations of the period tax

Within the scope of Article 298 of the Tax Procedure Law, it has been ruled that the financial statements will be subject to inflation adjustment if the increase in the producer price index is more than 100% in the last 3 accounting periods, including the current period, and more than 10% in the current accounting period and these conditions have been met as of December 31, 2021.

However, with the "Law on Amendments to the Tax Procedure Law and the Corporate Tax Law" numbered 7352, published in the Official Gazette numbered 31734 dated January 29, 2022, provisional article 33 was added to the Tax Procedure Law numbered 213, including provisional tax periods. Financial statements will not be subject to inflation correction, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met for the 2021 and 2022 accounting periods (as of the accounting periods ending in 2022 and 2023 for those assigned a special accounting period) and the 2023 accounting period provisional tax periods, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met, and It has become law that the financial statements dated 2023 will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met or not, and the profit/loss differences arising from the inflation adjustment will be shown in the previous years' profit/loss account. According to the 17th article of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, banks are companies within the scope of the Financial Leasing, Factoring, Financing and Savings Finance Companies Law No. 6361 dated 21 November 2012.

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XVIII. Explanations on taxation (continued)

Profit/loss differences resulting from inflation adjustments to be made by payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies in the 2024 and 2025 accounting periods, including provisional tax periods, are taken into account in determining the earnings. It has become law that it will not be taken. 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 Communiqué on Amendments to the Tax Procedure Law General Communiqué numbered 547 (sequence number 537), published in the Official Gazette numbered 32073 dated January 14, 2023, the procedures and principles of the articles of law allowing the revaluation of immovable properties and depreciable economic assets have been rearranged. Accordingly, the Bank has revalued some of its assets in its balance sheet until September 30, 2023, provided that the conditions set forth in the Provisional Article 32 of the Tax Procedure Law and the Duplicate Article 298/ç are met. Since the financial statements were subject to inflation adjustment as of December 31, 2023, no revaluation was applied as of December 31, 2023. Corporate tax is calculated by taking into account the depreciation allocated on the revalued values of the assets revalued in this context until September 30, 2023.

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the legal tax base calculation, according to the balance sheet method, taking into account the legal tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated provided that it is highly probable to benefit from these differences by obtaining taxable profit in the future.

According to the temporary article 33 of the Tax Procedural Law, in the financial statements dated September 30, 2024, the tax effects arising from the inflation adjustment of corporate taxes are included in the deferred tax calculation as of September 30, 2024.

Stages 1 and 2 Deferred tax is recorded for stage expected loss provisions.

No deferred tax liability or asset is calculated for interim timing differences arising from the first entry of assets or liabilities other than goodwill or business combinations into the financial statements and which do not affect both business and financial profit or loss.

The recorded value of the deferred tax asset is reviewed as of each balance sheet date. To the extent that it is unlikely to generate a financial profit at a level that would allow the benefit of some or all of the deferred tax asset to be obtained, the recorded value of the deferred tax asset shall be reduced. Deferred tax is calculated on the tax rates in effect at the time the assets are formed or liabilities are fulfilled and is recorded on the income statement as an expense or income. However, if the deferred tax relates to assets that are directly associated with equity in the same or a different period, it is directly associated with the equity account group. Deferred tax receivables and liability are netted off.

Pursuant to Article 53 of the Banking Law No. 5411 dated October 19, 2005, all special provisions allocated in relation to loans and other receivables are taken into account as expenses in determining the corporate tax base in the year in which they are allocated pursuant to paragraph 2 of the same article.

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 Parent Bank borrows funds from domestic and foreign institutions borrowing from money market and issues marketable securities in domestic and foreign markets when needed. The funds borrowed are recorded at their purchase costs and valued at amortized costs using the effective interest method. Some of the securities issued by the Parent Bank and resources used with fixed interest rates are subject to fair value hedge accounting. While the credit risk and rediscounted accumulated interest on hedging liabilities are recorded in the income statement under the interest expense, the credit risk and net amount excluding accumulated interest results from hedge accounting are accounted in the income statement under the derivative financial instruments gains/losses by fair value.

XX. Explanations on share certificates issued

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 28, 2024, 5% of the net profit for 2023 was allocated as a legal reserve, TL 997.000 was allocated to a special fund for the purpose of receiving venture capital investment funds, and the remaining portion was allocated as an extraordinary reserve fund.

In accordance with the decision taken at the Ordinary General Assembly meeting held on March 28, 2023, 5% of the net profit for 2022 was allocated as a legal reserve, TL 145.288 was allocated to a special fund for the purpose of receiving venture capital investment funds, and the remaining portion was allocated as an extraordinary reserve fund.

XXI. Explanations on acceptances

The Parent Bank realizes acceptances simultaneously with the payment dates of the customers and they are presented as commitments in the off-balance sheet accounts.

XXII. Explanations on government incentives

The Parent Bank does not use government incentives.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION THREE (Continued)

ACCOUNTING POLICIES (Continued)

XXIII. Explanations on segment reporting

In accordance with its mission, the Parent Bank operates mainly in the fields of corporate banking and investment banking. Corporate banking provides financial solutions and banking services to medium and large corporate clients. Services offered to corporate customers include foreign trade transactions services covering investment loans, project finance, business loans on TL and foreign currency basis, letters of credit and letters of guarantee, and externally guaranteed letters of guarantee.

Investment banking operating income includes revenues from Treasury transactions and Corporate Finance activities. Within the scope of investment banking activities, in addition to the fund management of the Parent Bank, all kinds of corporate finance services are offered to corporate customers along with Securities brokerage transactions, cash management and derivative transactions.

The segmental allocation of the Group's net profit, total assets and total liabilities are shown below.

Current Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Net Interest Income	4.243.854	6.852.943	527.639	11.624.436
Net Fees and Commission Income	145.255	266.480	226.739	638.474
Other Income	361.604	-	1.694.837	2.056.441
Other Expense	(861.735)	(1.892.217)	(1.962.149)	(4.716.101)
Profit Before Tax	3.888.978	5.227.206	487.066	9.603.250
Tax Provision				(2.477.549)
Net Profit				**7.125.701**
Group's profit / loss				7.064.224
Minority share profit / loss				61.477
Current Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Segment Assets	158.300.333	50.280.292	12.861.052	221.441.677
Investment in Associates and Subsidiaries	-	-	3.670.820	3.670.820
Total Assets	**158.300.333**	**50.280.292**	**16.531.872**	**225.112.497**
Segment Liabilities	173.566.266	10.481.944	11.285.402	195.333.612
Shareholders' Equity	-	-	29.778.885	29.778.885
Total Liabilities	**173.566.266**	**10.481.944**	**41.064.287**	**225.112.497**

Prior Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Net Interest Income	3.899.681	2.601.448	325.935	6.827.064
Net Fees and Commission Income	115.438	167.730	178.075	461.243
Other Income	65.226	1.928.551	1.077.531	3.071.308
Other Expense	(1.512.605)	(122.988)	(1.803.801)	(3.439.394)
Profit Before Tax	2.567.740	4.574.741	(222.260)	6.920.221
Tax Provision				(1.839.363)
Net Profit				**5.080.858**
Group's profit / loss				5.006.272
Minority share profit / loss				74.586
Prior Period	**Corporate Banking**	**Investment Banking**	**Other**	**Total**
Segment Assets	121.922.873	44.875.480	11.175.591	177.973.944
Investment in Associates and Subsidiaries	-	-	2.939.908	2.939.908
Total Assets	**121.922.873**	**44.875.480**	**14.115.499**	**180.913.852**
Segment Liabilities	145.121.291	2.481.059	11.486.450	159.088.800
Shareholders' Equity	-	-	21.825.052	21.825.052
Total Liabilities	**145.121.291**	**2.481.059**	**33.311.502**	**180.913.852**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Explanations related to consolidated shareholders' equity

The capital adequacy standard ratio has been calculated in accordance with the Regulation on Equities of Banks, the Regulation on Measurement and Assessment of Capital Adequacy of Banks and the BRSA decision numbered 10747 dated 12 December 2023. Within the framework of the said Board decision, the amount subject to credit risk has been calculated using the foreign exchange buying rates of the Central Bank of the Republic of Turkey as of 26 June 2023, while the equity item has been calculated without taking into account the negative net valuation differences of the securities acquired on or before 1 January 2024 and included in the "Securities at Fair Value Through Other Comprehensive Income" portfolio. The Group's capital adequacy standard ratio calculated as of 30 September 2024 is 24.77%. (31 December 2023: 25.96)

	Consolidated	Consolidated
CORE EQUITY TIER 1 CAPITAL	**Current Period**	**Prior Period**
Paid-in capital to be entitled for compensation after all creditors	2.800.374	2.800.374
Share premiums	1.007	1.007
Reserves	14.793.256	7.745.308
Other comprehensive income according to TAS	4.985.604	4.357.068
Profit	7.070.315	6.854.098
Current Period Profit	7.064.224	6.965.044
Prior Period Profit	6.091	(110.946)
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit	-	-
Minority shareholder	523.921	403.702
Core Equity Tier 1 Capital Before Deductions	**30.174.477**	**22.161.557**
Deductions from Core Equity Tier 1 Capital		
Valuation adjustments calculated as per the 1st clause of article 9.(i) of the Regulation on Bank Capital	-	-
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS	250.396	233.889
Leasehold improvements on operational leases	8.094	6.744
Goodwill (net of related tax liability)	1.005	1.005
Other intangible assets other than mortgage-servicing rights (net of related tax liability)	4.589	7.113
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	-	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Net amount of defined benefit plans	-	-
Investments in own common equity	-	-
Shares obtained against article 56, paragraph 4 of Banking Law	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank does not own 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I capital	682.965	786.083
The portion of mortgage servicing rights exceeding 10% of the Tier I capital	-	-

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

The portion of deferred tax assets based on temporary differences exceeding 10% of the Tier I capital	-	-
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	-	-
The amount of overage resulting from net long positions of investments in the core capital elements of banks and financial institutions in which more than 10% of the shareholding is owned and not consolidated	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions from Tier I capital in cases where there are no adequate additional Tier I or Tier II capitals	-	-
Total Regulatory Adjustments to Tier 1 Capital	**947.049**	**1.034.834**
Core Equity Tier I Capital	**29.227.428**	**21.126.723**
ADDITIONAL TIER I CAPITAL		
Preferred stock not ıncluded in core equity and related share premiums	-	-
Debt instruments and the related issuance premiums defined by the BRSA	10.190.400	5.871.100
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	**10.190.400**	**5.871.100**
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above tier i capital	-	-
The total of net long position of the direct or indirect investments in additional Tier I capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	-	-
Other items to be defined by the BRSA	-	-
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Core Equity Tier 1 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 Core Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
In case there is not enough additional capital, the amount to be deducted from the additional capital is (-)	-	-
Total Deductions From Additional Tier I Capital	**-**	**-**
Total Additional Tier I Capital	**10.190.400**	**5.871.100**
Total Tier I Capital (Tier I Capital=Core Equity Tier I Capital+Additional Tier I Capital)	**39.417.828**	**26.997.823**
TIER II CAPITAL		
Debt instruments and the related issuance premiums defined by the BRSA	-	-
Debt instruments and the related issuance premiums defined by the BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	1.854.557	1.222.464
Tier II Capital Before Deductions	**1.854.557**	**1.222.464**
Deductions From Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

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 (-)	-	-
Total of net long positions of the investments in Tier II Capital items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	**1.854.557**	**1.222.464**
Total Capital (The sum of Tier I Capital and Tier II Capital)	**41.272.385**	**28.220.287**
Deductions from Total Capital		
Loans granted against the articles 50 and 51 of the Banking 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	-	-
Items to be Deducted from sum of Tier I and Tier II (Capital) during the Transition Period		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier I capital and Tier II capital of banking, and financial entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier I capital, Additional Tier I capital, Tier II capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, and financial entities that are outside the scope of regulatory consolidation, where the Bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Core Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	**41.272.385**	**28.220.287**
Total Risk Weighted Assets	166.629.824	108.714.184
CAPITAL ADEQUACY RATIOS		
Consolidated Core Capital Adequacy Ratio (%)	17,54	19,43
Consolidated Tier I Capital Adequacy Ratio (%)	23,66	24,83
Consolidated Capital Adequacy Ratio (%)	24,77	25,96
BUFFERS		
Total buffer requirement (a+b+c)	2,506	2,504
Capital conservation buffer requirement (%)	2,500	2,500
Bank specific counter-cyclical buffer requirement (%)	0,006	0,004
Systematic significant buffer (%)	-	-
The ratio of Additional Core 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	13,04	14,93
Amounts below the Excess Limits as per the Deduction Principles		
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	-	-
Total of net long positions of the investments in Tier I capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the issued share capital	2.938.647	2.150.910
Remaining mortgage servicing rights	-	-
Excess amount arising from deferred tax assets from temporary differences	-	-

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

I. Explanations related to consolidated shareholders' equity (continued)

Limits Related to Provisions Considered in Tier II Calculation		
General reserves for receivables where the standard approach used (before tenthousandtwentyfive limitation)	5.660.162	5.312.170
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	1.854.557	1.222.464
Excess amount of total provision amount to credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)		-
Upper limit for Additional Tier I Capital subjected to temprorary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temprorary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temprorary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temprorary Article 4	-	-

Explanations on the reconciliation between amounts related to equity items and on balance sheet

There are no differences between the amounts related to consolidated equity items and on balance sheet figures.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

Information on debt instruments to be included in the equity calculation

Issuer	Türkiye Sınai Kalkınma Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN etc.)	XS2778918834 US90015YAF60
Governing law(s) of the instrument	Regulation on Equities of Banks (Official Gazette Date: 05.09.2013 Official Gazette Number: 28756) Capital Markets Board Debt Instruments Communiqué VII-128.8 (Official Gazette Date: 07.06.2013 Official Gazette Number: 28670)
Consideration in Equity Calculation	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and/or consolidated basis	Eligible on unconsolidated and consolidated
Instrument type	Bond issue to be included in the additional capital calculation
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date – Million USD)	300
Par value of instrument (Million USD)	300
Accounting classification	347001 (Passive Account) - Equity Subordinated Bond
Original date of issuance	21 March 2024
Perpetual or dated	Undated
Original starting and maturity date	21 March 2023
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	There is a repayment option for the first 5 years (after the 5th year) on March 21, 2029.
Subsequent call dates, if applicable	The relevant option can be exercised after the 5th year, or if it is not exercised after the 5th year, it can be exercised at every 5th anniversary.
Interest/dividend payments	
Fixed or floating dividend/coupon	Fixed interest payments must be made every 6 months
Coupon rate and any related index	9,75%
Existence of a dividend stopper	Yes.
Fully discretionary, partially discretionary or mandatory	Yes. Partially optional.
Existence of step up or other incentive to redeem	None
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	
If convertible, conversion trigger (s)	None
If convertible, fully or partially	None
If convertible, conversion rate	None
If convertible, mandatory or optional conversion	None
If convertible, specify instrument type convertible into	None
If convertible, specify issuer of instrument it converts into	None
Write-down feature	
If write-down, write-down trigger(s)	Yes
If write-down, full or partial	Full or Partial
If write-down, permanent or temporary	Permanent and temporary.
If temporary write-down, description of write-up mechanism	Yes
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After contribution capitals
In compliance with article number 7 and 8 of “Own fund regulation”	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.
Details of incompliances with article number 7 and 8 of “Own fund regulation”	It has the conditions set forth in Article 7. It does not meet the conditions stated in Article 8.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated currency risk

No long or short position is taken due to the uncertainties and changes in the markets therefore; no exposure to foreign currency risk is expected. However, possible foreign currency risks are calculated on monthly basis under the standard method in the foreign currency risk table and their results are reported to the official authorities and the Parent Bank's top management. Thus, foreign currency risk is closely monitored.

The position limit for currency risk is calculated in accordance with the terms of the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis". Foreign currency risk, as a part of general market risk, is also taken into consideration in the calculation of Capital Adequacy Standard Ratio.

Short position are taken for foreign currency risks, and when any exchange rate risk arises from customer transactions, no exchange rate risk is carried by taking a counter position.

Announced current foreign exchange buying rates of the Parent Bank as at reporting date and the previous five working days in US Dollar and Euro are as follows:

	1 US Dollar	1 Euro
The Bank's "Foreign Exchange Valuation Rate"		
September 30, 2024	33,9680	37,9355
Prior Five Workdays:		
September 27, 2024	33,9111	37,8550
September 26, 2024	33,9393	37,8287
September 25, 2024	33,9006	37,9449
September 24, 2024	33,9359	37,7299
September 23, 2024	33,9156	37,8736

The basic arithmetic average values of the Parent Bank for the last thirty days from the date of the financial statement of the current exchange rate in US Dollars and Euros are 33,8161 and 37,5797 in full TL, respectively.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

II. Explanations related to consolidated currency risk (continued)

Information on the Group's foreign currency risk:

	Euro	**US Dollar**	**Other FC**	**Total**
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased, Precious Metals) and Balances with the Central Bank of Turkey	2.252	3.759.492	-	3.761.744
Banks (8)	131.351	1.077.278	1.218.960	2.427.589
Financial Assets at Fair Value Through Profit or Loss (1)	262.483	504.009	-	766.492
Money Market Placements	-	-	-	-
Financial Assets at Fair Value through Other Comprehensive Income	2.649.747	3.654.219	-	6.303.966
Loans (2)	69.861.880	80.913.261	610	150.775.751
Subsidiaries, Associates and Entities Under Common Control (Joint Vent.)	-	-	-	-
Financial Assets Measured at Amortized Cost (3)	996.169	12.716.725	-	13.712.894
Derivative Financial Assets for Hedging Purposes (4)	-	399.868	-	399.868
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (5)	19.203	258.712	105	278.020
Total Assets	**73.923.085**	**103.283.564**	**1.219.675**	**178.426.324**
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Money Market Borrowings	383.861	5.457.560	-	5.841.421
Funds Provided From Other Financial Institutions	41.314.218	81.923.189	-	123.237.407
Marketable Securities Issued	356.843	49.902.016	-	50.258.859
Miscellaneous Payables	291.257	1.560.849	1.214.491	3.066.597
Derivative Financial Liabilities for Hedging Purposes (4)	-	84.648	-	84.648
Other Liabilities (6)	335.903	532.378	1.257	869.538
Total Liabilities	**42.682.082**	**139.460.640**	**1.215.748**	**183.358.470**
Net Balance Sheet Position	**31.241.003**	**(36.177.076)**	**3.927**	**(4.932.146)**
Net Off-Balance Sheet Position	**(31.038.486)**	**34.519.000**	**968.333**	**4.448.847**
Financial Derivative Assets	3.166.602	39.664.404	3.070.118	45.901.124
Financial Derivative Liabilities	(34.205.088)	(5.145.404)	(2.101.785)	(41.452.277)
Non-Cash Loans (7)	4.544.200	13.817.826	-	18.362.026
Prior Period				
Total Assets	**53.521.525**	**86.846.237**	**26.484**	**140.394.246**
Total Liabilities	**36.308.879**	**115.295.068**	**19.773**	**151.623.720**
Net Balance Sheet Position	**17.212.646**	**(28.448.831)**	**6.711**	**(11.229.474)**
Net Off –Balance Sheet Position	**(16.318.968)**	**28.590.448**	**630**	**12.272.110**
Financial Derivative Assets	1.783.110	30.780.011	626.441	33.189.562
Financial Derivative Liabilities	(18.102.078)	(2.189.563)	(625.811)	(20.917.452)
Non-Cash Loans (7)	5.606.944	4.107.324	-	9.714.268

(1) Derivative financial transactions exchange rate difference rediscount of TL 153,873 has been deducted from "Financial Assets at Fair Value Through Profit or Loss".
(2) The loans granted include TL 918,201 worth of foreign currency indexed loans, TL 459,598 worth of Financial Lease Receivables, TL 1,070 worth of Non-Performing Receivables and TL (1,070) worth of Default (Third Stage/Special Provision), TL (5,160,186) worth of Stage 1 and Stage 2 (including foreign currency indexed loans) expected loss provision.
(3) Includes TL (39,341) worth of Stage 1 expected loss provision.
(4) Derivative Financial Assets for Hedging Purposes are included in the "Derivative Financial Assets" line in the financial statement; Derivative Financial Liabilities for Hedging Purposes are included in the "Derivative Financial Liabilities" line in the financial statement. Exchange rate difference rediscounts of TL (207,983) and TL 16,668 are not taken into account in the "Derivative Financial Assets for Hedging Purposes" and "Derivative Financial Liabilities for Hedging Purposes" lines, respectively.
(5) It does not include prepaid expenses of TL 29,174 and valued foreign exchange purchase commitment rediscounts of TL 1,459. (11) It includes the TL 1st stage expected loss provision amount.
(6) Derivative financial transactions exchange rate difference rediscounts of TL 273,019 and valued foreign exchange sale commitment rediscounts of TL 1,196 are not included in the "Other Liabilities" line.
(7) It has no effect on the net off-balance sheet position.
(8) Includes the first stage expected loss provision amount of (4,305) TL.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated interest rate risk

The interest rate sensitivity of assets, liabilities and off-balance sheet items is measured by the Parent Bank. The general and specific interest rate risk tables within the standard method are calculated by including assets and liabilities, and the interest rate risk faced by the Parent Bank is calculated and taken into account in calculating the Capital Adequacy Standard Ratio as part of the overall market risk.

The results that may occur with forward-looking forecast-simulation reports are determined, and the effect of fluctuations in interest rates is evaluated by sensitivity analysis and scenario analysis. With the maturity distribution (Gap) analysis, the cash need arising in each maturity period is determined. In the interest rates applied, it is ensured that there is always a plus difference (spread) between the cost of liability and the return on assets.

When the Parent Bank liabilities are taken into consideration, it is seen that the resources obtained from within the country are quite low. The Parent Bank procures the majority of its resources from abroad with the advantages of being a development and investment bank.

Changes in interest rates are controlled by interest rate risk statements, gap analysis, scenario analysis and stress tests, and the effect on assets and liabilities and possible changes in cash flows are examined. Parent Partnership The Parent Bank monitors many risk control ratios, such as the ratio of market risk to total risk-weighted assets and the ratio of risk-to-risk value to equity, calculated by the internal model.

In order to prevent the negative impact of assets or equity as a result of fluctuations in interest rates or liquidity difficulties, continuous controls are carried out within the scope of risk policies and the Senior management, the Board of Directors and the Audit Committee are constantly informed.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated interest rate risk (continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)

Closing of Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing (1)(2)	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	3.762.240	3.762.240
Banks	476.158	65.712	-	-	-	1.997.109	2.538.979
Financial Assets at Fair Value Through Profit and Loss (3)	842.847	283.545	358.307	230.455	7.563	715.204	2.437.921
Money Market Placements	2.003.900	187.990	-	-	-	-	2.191.890
Financial Assets at Fair Value Through Other Comprehensive Income	3.888.700	551.351	736.362	10.082.745	226.973	1.065.934	16.552.065
Loans	41.759.072	48.152.305	52.241.939	20.015.280	3.882.053	-	166.050.649
Financial Assets Measured at Amortized Cost	52.635	5.977.459	4.865.157	10.576.997	3.175.238	-	24.647.486
Other Assets	-	-	-	-	-	6.931.267	6.931.267
Total Assets	**49.023.312**	**55.218.362**	**58.201.765**	**40.905.477**	**7.291.827**	**14.471.754**	**225.112.497**
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	12.782.748	389	-	-	-	-	12.783.137
Miscellaneous Payables	-	-	-	-	-	3.226.311	3.226.311
Marketable Securities Issued (4)	1.807.748	1.784.149	15.370.906	32.211.430	-	-	51.174.233
Funds Provided from Other Financial Institutions	38.020.295	30.370.860	45.292.376	8.478.757	1.146.170	-	123.308.458
Other Liabilities	417.627	250.201	373.988	247.939	-	33.330.603	34.620.358
Total Liabilities	**53.028.418**	**32.405.599**	**61.037.270**	**40.938.126**	**1.146.170**	**36.556.914**	**225.112.497**
Balance Sheet Long Position	**-**	**22.812.763**	**-**	**-**	**6.145.657**	**-**	**28.958.420**
Balance Sheet Short Position	**(4.005.106)**	**-**	**(2.835.505)**	**(32.649)**	**-**	**(22.085.160)**	**(28.958.420)**
Off-Balance Sheet Long Position	-	1.284.414	-	10.292.858	155.687	-	11.732.959
Off-Balance Sheet Short Position	(9.814.683)	-	(1.665.456)	-	-	-	(11.480.139)
Total Position	**(13.819.789)**	**24.097.177**	**(4.500.961)**	**10.260.209**	**6.301.344**	**(22.085.160)**	**252.820**

(1) Amounts in investments in associates and subsidiaries, deferred tax asset, tangible and intangible assets, other assets, other miscellenous liabilities, shareholders' equity, provisions and tax liability are presented in "non-interest bearing" column, in order to reconcile the total assets and liabilities on the balance sheet.
(2) Expected credit losses for stage 1 and stage 2 are shown in other assets, interest-free column.
(3) Derivative financial assets and Loans measured at fair value through profit or loss.
(4) Includes Tier 2 subordinated bonds which are classified on the balance sheet as subordinated loans.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated interest rate risk (continued)

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates)

Closing of Prior Period	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Non-interest bearing (1)(2)**	**Total**
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	2.942.825	2.942.825
Banks	4.486.143	60.572	-	-	-	714.542	5.261.257
Financial Assets at Fair Value Through Profit and Loss (3)	1.462.194	22.819	54.469	392.991	3.235	408.347	2.344.055
Money Market Placements	7.125.928	114.559	183.901	-	-	-	7.424.388
Financial Assets at Fair Value Through Other Comprehensive Income	1.607.642	38.106	1.529.624	3.855.381	1.818.599	916.986	9.766.338
Loan	60.742.033	16.627.330	28.650.600	17.184.879	5.384.649	-	128.589.491
Financial Assets Measured at Amortized Cost	8.392.539	-	-	7.861.133	2.640.440	-	18.894.112
Other Assets	-	-	-	-	-	5.691.386	5.691.386
Total Assets	**83.816.479**	**16.863.386**	**30.418.594**	**29.294.384**	**9.846.923**	**10.674.086**	**180.913.852**
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Money Market Borrowings	3.101.899	625.981	-	-	-	-	3.727.880
Miscellaneous Payables	-	-	-	-	-	2.201.367	2.201.367
Marketable Securities Issued	737.516	518.664	639.421	30.744.818	-	1.508.031	34.148.450
Funds Provided from Other Financial Institutions (4)	66.357.642	12.873.858	21.187.698	11.493.912	981.090	-	112.894.200
Other Liabilities	968.100	27.441	101.978	221.482	-	26.622.954	27.941.955
Total Liabilities	**71.165.157**	**14.045.944**	**21.929.097**	**42.460.212**	**981.090**	**30.332.352**	**180.913.852**
Balance Sheet Long Position	**12.651.322**	**2.817.442**	**8.489.497**	**-**	**8.865.833**	**-**	**32.824.094**
Balance Sheet Short Position	**-**	**-**	**-**	**(13.165.828)**	**-**	**(19.658.266)**	**(32.824.094)**
Off-Balance Sheet Long Position	-	-	-	8.938.975	415.732	-	9.354.707
Off-Balance Sheet Short Position	(4.489.815)	(235.935)	(4.875.812)	-	-	-	(9.601.562)
Total Position	**8.161.507**	**2.581.507**	**3.613.685**	**(4.226.853)**	**9.281.565**	**(19.658.266)**	**(246.855)**

(1) Amounts in investments in associates and subsidiaries, deferred tax asset, tangible and intangible assets, other assets, other miscellenous liabilities, shareholders' equity, provisions and tax liability are presented in "non-interest bearing" column, in order to reconcile the total assets and liabilities on the balance sheet.
(2) Expected credit losses for stage 1 and stage 2 are shown in other assets, interest-free column.
(3) Derivative financial assets and Loans measured at fair value through profit or loss.
(4) Includes Tier 1 subordinated loans which are classified on the balance sheet as subordinated loans.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated interest rate risk (continued)

Average interest rates applied to monetary financial instruments: %

	Euro	US Dollar	Yen	TL
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	-	4,35	-	49,83
Financial Assets at Fair Value Through Profit and Loss	-	-	-	52,50
Money Market Placements	-	-	-	52,11
Available-for-Sale Financial Assets	4,57	6,47	-	47,80
Loans	8,00	9,68	-	56,70
Financial Assets Measured at Amortized Cost	5,84	8,09	-	28,01
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,27	4,35	-	47,15
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued (1)	4,75	5,64	-	49,00
Borrower Funds	0,25	0,50	-	39,00
Funds Provided From Other Financial Institutions	4,62	6,36	-	42,80

(1) Includes Tier 2 subordinated bonds which are classified on the balance sheet as subordinated loans.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

III. Explanations related to consolidated interest rate risk (continued)

Average interest rates applied to monetary financial instruments in prior period: %

	Euro	US Dollar	Yen	TL
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	-	-	44,72
Banks	-	5,49	-	14,21
Financial Assets at Fair Value Through Profit and Loss	-	-	-	42,83
Money Market Placements	-	-	-	33,36
Available-for-Sale Financial Assets	4,57	6,60	-	43,27
Loans	8,51	9,94	-	35,62
Financial Assets Measured at Amortized Cost	5,84	8,14	-	44,72
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Money Market Borrowings	0,31	2,85	-	42,08
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	6,93	-	41,00
Borrower Funds	0,25	0,50	-	37,00
Funds Provided From Other Financial Institutions(1)	4,75	6,85	-	43,00

(1) Includes Tier 1 subordinated loans which are classified on the balance sheet as subordinated loans.

IV. Explanations related to consolidated stock position risk

The Group is exposed to equity shares risk arising from investments on firms traded in Borsa Istanbul (BIST). Share certificate investments are almost used for trading purpose. However, these investments are not actively bought/sold by the Group. The Group classified its share certificate investments both as available for sale and as trading securities and net profit/loss of the Group is not affected unless the Group sell share certificates in portfolio of available for sale.

Equity shares risk due from banking book

Below is the comparison table of the Group's share certificate instruments' book value, fair value and market value.

Current Period	Comparison		
Share Certificate Investments	**Book Value**	**Fair Value**	**Market Value**
Investment in Shares-Grade A	**2.758.791**	**-**	**2.718.591**
Quoted	2.758.791	-	2.718.591

Prior Period	Comparison		
Share Certificate Investments	**Book Value**	**Fair Value**	**Market Value**
Investment in Shares-Grade A	**2.257.932**	**-**	**3.176.416**
Quoted	2.257.932	-	3.176.416

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

IV. Explanations related to consolidated stock position risk (continued)

Equity shares risk due from banking book (continued)

On the basis of the following table, private equity investments in sufficiently diversified portfolios, type and amount of other risks, cumulative realized gains and losses arising from selling and liquidation in the current period, total unrealized gains and losses, total revaluation increases of trading positions on stock market and their amount that included to core capital and supplementary capital are shown.

Current Period	Realized Revenues and Losses in Period	Revaluation Value Increases		Unrealized Gains and Losses		
Portfolio		Total	Included in Core Capital	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	707.404	707.404	-	-	-
Other Share Certificates	-	995.012	995.012	-	-	-
Total	**-**	**1.702.416**	**1.702.416**	**-**	**-**	**-**

Prior Period	Realized Revenues and Losses in Period	Revaluation Value Increases		Unrealized Gains and Losses		
Portfolio		Total	Included in Core Capital	Total	Included in Core Capital	Included in Supplementary Capital
Private Equity Investments	-	-	-	-	-	-
Share Certificates Quoted on a Stock Exchange	-	641.020	641.020	-	-	-
Other Share Certificates	-	813.401	813.401	-	-	-
Total	**-**	**1.454.421**	**1.454.421**	**-**	**-**	**-**

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio

1. Explanations related to the consolidated liquidity risk

1.a Information about the governance of consolidated liquidity risk management, including: risk tolerance; structure and responsibilities for consolidated liquidity risk management; internal consolidated liquidity reporting; and communication of consolidated liquidity risk strategy, policies and practices across business lines and with the board of directors

Liquidity risk management is conducted by Treasury Department in line with the strategies set by Asset and Liability Committee within the limits and policies approved by Board of Directors, and is monitored and controlled through reportings from Risk Management, Budget Planning and Financial Control Departments to Audit Committee, Board of Directors, Senior Management and relevant departments.

Considering the Parent Bank's strategies and competitive conditions, Asset and Liability Committee has the responsibility of taking the relevant decisions regarding optimal balance sheet management of the Parent Bank, and monitoring the implementations. Treasury Department performs cash position management within the framework of the decisions taken at Asset and Liability Committee meetings.

The Risk Management Department reports to the Board of Directors and the Asset and Liability Committee regarding liquidity risk within the scope of internal limits and legal regulations. Additionally, liquidity stress tests are performed based on various scenarios and reported with their impact on legal limit utilization. Treasury Control Unit under the Budget Planning and Investor Relations Department also make cash flow projection reportings to the Treasury Department and the Asset Liability Committee at certain periods and when needed.

1.b Information on the centralization degree of consolidated liquidity management and funding strategy and the functioning between the Bank and the Bank's subsidiaries

Within the scope of consolidation, liquidity management is not centralized and each subsidiary is responsible for its own liquidity management. However, the Parent Bank monitors the liquidity risk of each subsidiary within the defined limits.

1.c Information on the Bank's funding strategy including the policies on funding types and variety of maturities

Among the main funding sources of the Parent Bank, there are development bank credits, capital market transactions, syndicated loans, bilateral contractual resources, repo transactions and money market transactions and these sources are diversified to minimize the liquidity risk within the terms of market conditions. The funding planning based on those loans is performed long term such as a minimum of one year and the performance is monitored by the Asset and Liability Committee.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

1. Explanations related to the consolidated liquidity risk (continued)

1.ç Information on liquidity management on the basis of currencies constituting a minimum of five percent of the Parent Bank's total liabilities:

The Parent Bank's obligations consist of Turkish Lira (TRY), US Dollar (USD) and Euro (EUR) currency types. Turkish Lira obligations mainly consist of equity and repurchase agreements, whereas foreign currency obligations consist of foreign currency credits, securities issued and repurchase agreements. All loans provided from foreign sources are in foreign currencies. For this reason, foreign resources can be used in TL funding by currency swap transactions when necessary.

1.d Information on consolidated liquidity risk mitigation techniques:

Liquidity limits are defined for the purpose of monitoring and keeping the risk under certain levels. The Parent Bank monitors those limits' utilization and informs the Board of Directors, the Parent Bank Senior Management and the relevant departments regularly. Regarding those limits, the Treasury Department performs the required transactions with the relevant cost and term composition in accordance with market conditions from the sources previously defined in Article C. The Parent Bank minimizes the liquidity risk by holding high quality liquid assets and diversification of funds.

1.e Information on the use of stress tests

Within the scope of liquidity stress tests, the deteriorations that may occur in the cash flow structure of the Parent Bank are assessed by the Parent Bank's scenarios. The results are analyzed by taking into account the risk appetite and capacity of the Bank and reported to the senior management by the Risk Management Department ensuring the necessary actions are taken.

1.f General information on urgent and unexpected consolidated liquidity situation plans:

There is a Contingency Funding Plan for the contingent periods that arises beyond the Parent Bank's control. In a potential liquidity shortfall, Treasury Department is responsible from assessment, taking relevant actions and informing Parent Bank's Asset and Liability Committee. In contingent cases, to identify the liquidity risk arising, cashflow projections and funding requirement estimations are exercised based on various scenarios. To assess the stress scenarios, cashflow in terms of local currency is monitored regularly by Treasury Department. Scenario analysis on the Parent Bank's unencumbered sources are conducted daily. Transaction limits for organized markets are monitored timely and essential collateral amount to trade in those markets is withheld at hand. Repo transactions and/or available for sale portfolio securities in local and foreign currency that are major funding sources in shortfall periods for the Parent Bank are monitored consistently. In crisis situations, insignificant commitments, non-cash loans and outflows arising from derivative transactions may be temporarily postponed in a way that does not damage the Parent Bank's reputation. TSKB has the optionality of choosing one or more of the following for meeting it's liquidity requirement that are selling liquid assets off, increasing short term borrowing, decreasing illiquid assets, increasing capital.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

2. Consolidated Liquidity Coverage Ratio

According to regulations which is published on 28948 numbered gazette on March 21, 2014 related to calculation of liquidity coverage ratio of banks, calculated liquidity coverage ratios are shown below. Including the reporting period for the last three months consolidated foreign currency and total liquidity coverage ratio and consolidated foreign currency and total liquidity coverage ratio's minimum and maximum levels are shown below by specified thereby weekly.

	Current Period		Prior Period	
	TL+FC	FC	TL+FC	FC
30/04/2024	251	300	579	692
31/05/2024	265	391	629	740
30/06/2024	224	317	561	609

		Rate of "Percentage to be taken into account" not Implemented Total value		Rate of "Percentage to be taken into account" Implemented Total value	
Current Period		**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			18.380.101	10.296.838
CASH OUTFLOWS					
2	Retail and Customers Deposits	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured Funding other than Retail and Small Business Customers Deposits	15.784.212	9.857.277	14.258.338	8.423.752
6	Operational deposits	675.119	576.750	168.780	144.188
7	Non-Operational Deposits	-	-	-	-
8	Other Unsecured Funding	15.109.093	9.280.527	14.089.558	8.279.564
9	Secured funding			-	-
10	Other Cash Outflows	859.459	1.188.258	859.459	1.188.258
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	745.473	1.074.272	745.473	1.074.272
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	113.986	113.986	113.986	113.986
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	37.323.488	26.711.096	5.677.939	2.650.841
16	**TOTAL CASH OUTFLOWS**			**20.795.736**	**12.262.851**
CASH INFLOWS					
17	Secured Lending Transactions	6.534	-	-	-
18	Unsecured Lending Transactions	17.378.960	10.315.606	12.417.190	6.904.485
19	Other contractual cash inflows	637.872	3.931.800	637.872	3.931.800
20	**TOTAL CASH INFLOWS**	**18.023.366**	**14.247.406**	**13.055.062**	**10.836.285**
				Upper Limit Applied Amounts	
21	**TOTAL HQLA STOCK**			**18.380.101**	**10.296.838**
22	**TOTAL NET CASH OUTFLOWS**			**7.740.674**	**3.065.713**
23	**Liquidity Coverage Ratio (%)**			**237**	**336**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

2. Consolidated Liquidity Coverage Ratio (continued):

		Rate of "Percentage to be taken into account" not Implemented Total value		Rate of "Percentage to be taken into account" Implemented Total value	
Prior Period		**TL+FC**	**FC**	**TL+FC**	**FC**
HIGH QUALITY LIQUID ASSETS (HQLA)					
1	High quality liquid assets			16.959.136	11.208.053
CASH OUTFLOWS					
2	Retail and Customers Deposits	-	-	-	-
3	Stable deposits	-	-	-	-
4	Less stable deposits	-	-	-	-
5	Unsecured Funding other than Retail and Small Business Customers Deposits	8.622.425	5.131.613	7.383.817	3.973.795
6	Operational deposits	841.079	756.598	210.270	189.150
7	Non-Operational Deposits	-	-	-	-
8	Other Unsecured Funding	7.781.346	4.375.015	7.173.547	3.784.645
9	Secured funding			-	-
10	Other Cash Outflows	592.569	969.390	592.569	969.390
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	360.331	737.152	360.331	737.152
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	232.238	232.238	232.238	232.238
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	24.814.362	17.693.334	3.605.895	1.752.381
16	**TOTAL CASH OUTFLOWS**			**11.582.281**	**6.695.566**
CASH INFLOWS					
17	Secured Lending Transactions	1.874	-	-	-
18	Unsecured Lending Transactions	21.341.839	7.914.212	17.415.145	4.986.107
19	Other contractual cash inflows	769.408	6.893.860	769.408	6.893.860
20	**TOTAL CASH INFLOWS**	**22.113.121**	**14.808.072**	**18.184.553**	**11.879.967**
				Upper Limit Applied Amounts	
21	**TOTAL HQLA STOCK**			**16.959.136**	**11.208.053**
22	**TOTAL NET CASH OUTFLOWS**			**2.895.570**	**1.673.892**
23	**Liquidity Coverage Ratio (%)**			**586**	**670**

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

3. Minimum explanations related to the liquidity coverage ratio by Banks:

As per The Regulation on The Calculation of Liquidity Coverage Ratio, Liquidity Coverage Ratio is the ratio of high quality liquid assets to net cash outflows.For total and foreign currency limits 100% and minimum 80% are assigned on consolidated and unconsolidated basis respectively. For the development and investment banks, Banking Regulations and Supervision Agency decided to apply zero percent to the total and foreign currency consolidated and unconsolidated liquidity coverage ratios unless stated otherwise.

In the Liquidity Coverage Ratio calculation, the items with the highest impact are high quality liquid assets, foreign funds and money market transactions. High quality liquid assets mainly consist of the required reserves held in the Central Bank of the Republic of Turkey and unencumbered securities issued by the Treasury.

The main source of funds of the main partnership the Parent Bank is long-term resources established from international financial institutions. The share of these resources in total funding is approximately 60,4%, and the share of resources provided by securities and syndication loans issued within the scope of bank resources diversification activities in total borrowing is 32,2%. 7,4% of the Parent Bank's total funding comes from repo money markets.

30-day cash flows arising from derivative transactions are included in the calculation in accordance with the Regulation. The Parent Bank also takes into consideration the liabilities depending on the possibility of changing the fair values of the derivative transactions in accordance with the Regulation.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

Presentation of assets and liabilities according to their remaining maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed (1)(2)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Checks Purchased) and Balances with the Central Bank of Turkey	-	3.762.240	-	-	-	-	-	3.762.240
Banks	1.997.109	541.870	-	-	-	-	-	2.538.979
Financial Assets at Fair Value Through Profit and Loss (3)	316.266	1.078.278	294.371	349.055	1.014	-	398.937	2.437.921
Money Market Placements	-	2.003.900	187.990	-	-	-	-	2.191.890
Financial Assets at Fair Value Through Other Comprehensive Income	-	161.017	329.232	367.325	13.661.053	967.504	1.065.934	16.552.065
Loans	-	10.091.684	9.578.767	38.562.798	85.183.705	22.633.695	-	166.050.649
Financial Assets Measured at Amortized Cost	-	-	2.038.016	2.183.068	11.789.967	8.636.435	-	24.647.486
Other Assets(2)	404.197	-	-	1.027.332	-	-	5.499.738	6.931.267
Total Assets	**2.717.572**	**17.638.989**	**12.428.376**	**42.489.577**	**110.635.739**	**32.237.634**	**6.964.609**	**225.112.497**
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Provided from Other Financial Institutions	-	7.137.523	3.077.190	21.795.635	38.423.023	52.875.087	-	123.308.458
Money Market Borrowings	-	12.782.748	389	-	-	-	-	12.783.137
Marketable Securities Issued (4)	-	1.807.750	868.775	16.286.283	32.211.425	-	-	51.174.233
Miscellaneous Payables	-	-	-	-	-	-	3.226.311	3.226.311
Other Liabilities	-	594.309	298.903	354.718	133.302	-	33.239.126	34.620.358
Total Liabilities	**-**	**22.322.330**	**4.245.257**	**38.436.636**	**70.767.750**	**52.875.087**	**36.465.437**	**225.112.497**
Liquidity Gap	**2.717.572**	**(4.683.340)**	**8.183.119**	**4.052.941**	**39.867.989**	**(20.637.453)**	**(29.500.828)**	**-**
Net Off-balance sheet Position	**-**	**(165.280)**	**(64.106)**	**134.243**	**349.685**	**(1.722)**	**-**	**252.820**
Financial Derivative Assets	-	13.586.507	11.422.147	24.004.131	29.307.599	5.293.667	-	**83.614.051**
Financial Derivative Liabilities	-	13.751.787	11.486.253	23.869.888	28.957.914	5.295.389	-	**83.361.231**
Non-cash Loans	-	196.780	1.556.134	11.279.512	1.596.604	5.295.074	1.266.312	**21.190.416**
Prior Period								
Total Assets	**1.417.154**	**22.835.956**	**12.798.884**	**32.910.674**	**77.945.553**	**28.311.382**	**4.694.249**	**180.913.852**
Total Liabilities	**-**	**5.886.433**	**5.429.546**	**20.908.672**	**76.095.049**	**43.824.790**	**28.769.362**	**180.913.852**
Liquidity Gap	**1.417.154**	**16.949.523**	**7.369.338**	**12.002.002**	**1.850.504**	**(15.513.408)**	**(24.075.113)**	**-**
Net Off-balance sheet Position	**-**	**(22.337)**	**(348.496)**	**(257.864)**	**386.317**	**(4.475)**	**-**	**(246.855)**
Financial Derivative Assets	-	7.390.823	8.245.327	6.841.241	40.331.116	5.960.470	-	68.768.977
Financial Derivative Liabilities	-	7.413.160	8.593.823	7.099.105	39.944.799	5.964.945	-	69.015.832
Non-cash Loans	-	1.601.176	867.555	2.570.079	2.909.879	3.560.593	713.561	12.222.843

(1) Among the active accounts that make up the balance sheet, tangible assets, intangible assets, subsidiaries and affiliates, deferred tax assets, fixed assets, prepaid expenses and other assets that are needed to continue banking activities and cannot be converted into cash in a short time. and passive accounts such as other foreign resources, total equity, provisions, tax liability are shown in the "Undistributed" column.
(2) First and second stage expected loss provisions are shown in the other assets, undistributable column.
(3) Includes derivative financial assets and loans at fair value through profit or loss.
(4) Includes Tier 2 subordinated bonds which are classified on the balance sheet as subordinated loans.

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

4. Net stable funding rate

In accordance with the "Regulation on the Calculation of Net Stable Funding Ratio of Banks" published in the Official Gazette dated 26 May 2023 and numbered 32202, the procedures and principles to ensure that banks provide stable funding in order to prevent the funding risk that they may be exposed to on a consolidated and unconsolidated basis in the long term from causing deterioration in liquidity levels has been determined.

The net stable funding ratio is calculated on both consolidated and non-consolidated bases by dividing the amount of available stable funding by the required stable funding amount. The available stable funding represents the portion of a bank’s liabilities and equity expected to be permanent, while the required stable funding refers to the portion of the Bank’s on-balance-sheet assets and off-balance-sheet commitments expected to be refinanced. The amount of available stable funding is calculated by summing the amounts of the Bank's liabilities and equity elements, valued according to IFRS, after applying the relevant consideration ratios. The required stable funding amount is calculated by summing the amounts, after applying the relevant consideration ratios, of the Bank’s on-balance-sheet assets valued according to IFRS and off-balance-sheet commitments, after deducting the special provisions allocated under the Regulation on the Classification of Loans and Provisions to be Set Aside for These Loans.

The consolidated and non-consolidated net stable funding ratios, which are calculated monthly during equity calculation periods, must have a simple quarterly arithmetic average of at least 100% for the periods of March, June, September, and December. Development and investment banks are exempt from meeting the minimum ratios until otherwise determined by the Board.

The three-month simple arithmetic average of the net stable funding rates for the last three months including the reporting period was calculated as 113.08%, and the three-month simple arithmetic average of the previous period was calculated as 131.25%.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

4. Net stable funding rate (continued)

Current Period		a	b	c	ç	d
		Amount without Consideration Rate Applied, According to Remaining Maturity				Total Amount with Consideration Rate Applied
		Demand	Less then 6 Month	6-12 Months	1 Years and Over	
Current Stable Fund						
1	Equity Components	32.029.034	-	-	10.190.400	42.219.434
2	Core capital and supplementary capital	32.029.034	-	-	10.190.400	42.219.434
3	Other equity components	-	-	-	-	-
4	Real Individual and Retail Customer Deposits/Participation Funds	-	-	-	-	-
5	Stable deposits/participation funds	-	-	-	-	-
6	Less stable deposits/participation funds	-	-	-	-	-
7	Liabilities to Other Parties	290.660	43.953.894	18.905.812	113.319.140	128.293.902
8	Operational deposits/participation funds	290.660	-	-	-	145.330
9	Other liabilities	-	43.953.894	18.905.812	113.319.140	128.148.572
10	Liabilities Equivalent to Interconnected Assets					
11	Other liabilities	5.083.940	3.360.791	-	-	-
12	Derivative liabilities			646.703		
13	Other equity components and liabilities not listed above	5.083.940	2.714.088	-	-	-
14	**Current Stable Fund**					**170.513.336**
Required Stable Funding						
15	High-Quality Liquid Assets					11.655.134
16	Operational Deposits/Participation Funds Deposited with Credit or Financial Institutions	-	-	-	-	-
17	Live Receivables	91.359	36.204.301	25.995.388	108.333.433	119.913.956
18	Receivables from credit or financial institutions secured by high-quality liquid assets	-	-	-	-	-
19	Unsecured receivables or those secured by non-high-quality liquid assets from credit or financial institutions	-	10.364.505	6.016.561	3.559.309	8.122.266
20	Receivables from corporate clients outside of credit or financial institutions, institutions, individuals and retail customers, central governments, central banks, and public institutions	-	25.610.843	19.882.902	104.440.806	111.274.240
21	*Receivables subject to a risk weight of 35% or less*	-	-	-	1.236.589	803.783
22	Receivables secured by residential real estate mortgages	-	-	-	-	-
23	*Receivables subject to a risk weight of 35% or less*	-	-	-	-	-
24	Non-high-quality liquid assets including publicly traded stocks and debt securities	91.359	228.953	95.925	333.318	517.450
25	Liabilities Equivalent to Interconnected Liabilities					
26	Other Assets	13.123.615	854.642	-	-	13.959.735
27	Physical commodities including gold	-				-
28	Initial margin for derivative contracts or guarantee funds provided to a central counterparty			123.478		104.956
29	Derivative assets			44.058		44.058
30	Value of derivative liabilities before deduction of variation margin			86.108		86.108
31	Other assets not listed above	13.123.615	600.998	-	-	13.724.613
32	Off-Balance Sheet Liabilities		8.893.718	8.556.715	26.335.936	2.189.318
33	**Required Stable Funding**					**147.718.143**
34	**Net Stable Funding Ratio (%)**					**115,43**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

V. Explanations related to consolidated liquidity risk management, liquidity coverage ratio and net stable funding ratio (continued)

4. Net stable funding rate (continued)

Prior Period		**a**	**b**	**c**	**ç**	**d**
		Amount without Consideration Rate Applied, According to Remaining Maturity				Total Amount with Consideration Rate Applied
		Demand	**Less then 6 Month**	**6-12 Months**	**1 Years and Over**	
Current Stable Fund						
1	Equity Components	22.349.187	-	-	5.871.100	28.220.287
2	Core capital and supplementary capital	22.349.187	-	-	5.871.100	28.220.287
3	Other equity components	-	-	-	-	-
4	Real Individual and Retail Customer Deposits/Participation Funds	-	-	-	-	-
5	Stable deposits/participation funds	-	-	-	-	-
6	Less stable deposits/participation funds	-	-	-	-	-
7	Liabilities to Other Parties	1.482.480	17.418.201	12.922.672	112.918.607	123.403.742
8	Operational deposits/participation funds	1.482.480	-	-	-	741.240
9	Other liabilities	-	17.418.201	12.922.672	112.918.607	122.662.502
10	Liabilities Equivalent to Interconnected Assets					
11	Other liabilities	3.913.321	1.021.833	-	-	-
12	Derivative liabilities			850.909		
13	Other equity components and liabilities not listed above	3.913.321	170.924	-	-	-
14	**Current Stable Fund**					**151.624.029**
Required Stable Funding						
15	High-Quality Liquid Assets					9.911.111
16	Operational Deposits/Participation Funds Deposited with Credit or Financial Institutions	-	-	-	-	-
17	Live Receivables	98.324	44.043.229	13.995.953	82.214.393	91.970.734
18	Receivables from credit or financial institutions secured by high-quality liquid assets	-	-	-	-	-
19	Unsecured receivables or those secured by non-high-quality liquid assets from credit or financial institutions	-	20.117.837	2.054.612	2.607.588	6.652.570
20	Receivables from corporate clients outside of credit or financial institutions, institutions, individuals and retail customers, central governments, central banks, and public institutions	-	23.925.392	11.927.504	79.488.912	85.133.412
21	*Receivables subject to a risk weight of 35% or less*	-	-	-	1.793.055	1.165.486
22	Receivables secured by residential real estate mortgages	-	-	-	-	-
23	*Receivables subject to a risk weight of 35% or less*	-	-	-	-	-
24	Non-high-quality liquid assets including publicly	98.324	-	13.837	117.893	184.752
25	Liabilities Equivalent to Interconnected Liabilities					
26	Other Assets	12.134.360	2.205.255	-	-	13.415.438
27	Physical commodities including gold	-				-
28	Initial margin for derivative contracts or guarantee funds provided to a central counterparty			181.277		154.085
29	Derivative assets			160.891		160.891
30	Value of derivative liabilities before deduction of variation margin			99.665		99.665
31	Other assets not listed above	12.134.360	866.437	-	-	13.000.797
32	Off-Balance Sheet Liabilities		5.425.788	3.629.626	15.308.544	1.218.198
33	**Required Stable Funding**					**116.515.481**
34	**Net Stable Funding Ratio (%)**					**130,13**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VI. Explanations related to consolidated leverage ratio

a) Information about the consolidated leverage ratio between current and prior periods

The table regarding the Group's leverage ratio calculated in accordance with the "Regulation on Measurement and Evaluation of Leverage Levels of Banks" published in the Official Gazette dated 5 November 2013 and numbered 28812 is provided below.

As of the Group's balance sheet date, the leverage ratio calculated based on the arithmetic average of the values found as of the end of the months in the previous three-month period was 14.56% (31 December 2023: 12.98). The amount of on-balance sheet assets increased by approximately 27.88% compared to the previous period.

b) Comparison table of total assets and total risk amounts in the financial statements prepared in accordance with TAS

		Current Period	Prior Period
1	Total Amount of Asset and Risk Situated in The Consolidated Financial Statements Prepared in Accordance with TAS (2)	180.588.948	148.549.215
2	The difference between Amount of Asset in the Consolidated Financial Statements Prepared in Accordance with TAS and the Communiqué on Preparation of Consolidated Financial Statements of Banks (2)	(44.523.549)	(32.364.637)
3	The difference between total amount and total risk amount of derivative financial instruments with credit derivative in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	668.755	683.472
4	The difference between total amount and total risk amount of risk investment securities or commodity collateral financing transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	10.117.450	1.430.380
5	The difference between total amount and total risk amount of off-balance sheet transactions in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	(12.075.531)	(6.468.900)
6	The other differences between amount of assets and risk in the Communiqué on Preparation of Consolidated Financial Statements of Banks (1)	-	-
7	**Total Exposures (1)**	**262.022.061**	**198.470.339**

(1) The arithmetic average of the last 3 months in the related periods.
(2) Consolidated financial statements prepared in accordance with the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated.
(3) Since the consolidated financial statements prepared in accordance with TAS as of the current period are not yet ready, the consolidated financial statements prepared in accordance with TAS as of 31 December 2023 and 30 June 2023 as of the previous period were used.

c) Consolidated Leverage Ratio

		Current Period(1)	Prior Period(1)
	Balance sheet Assets		
1	Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	226.230.070	177.277.593
2	(Assets deducted from Core capital)	(1.047.379)	(1.186.200)
3	**Total risk amount of balance sheet assets (sum of lines 1 and 2)**	**225.182.691**	**176.091.393**
	Derivative financial assets and credit derivatives		
4	Cost of replenishment for derivative financial assets and credit derivatives	262.570	777.323
5	Potential credit risk amount of derivative financial assets and credit derivatives	790.378	473.902
6	**Total risk amount of derivative financial assets and credit derivatives (sum of lines 4 and 5)**	**1.052.948**	**1.251.225**
	Financing transactions secured by marketable security or commodity		
7	Risk amount of financing transactions secured by marketable security or commodity	3.105.338	866.786
8	Risk amount arising from intermediary transactions	25.584	49.629
9	**Total risk amount of financing transactions secured by marketable security or commodity (sum of lines 7 and 8)**	**3.130.922**	**916.415**
	Off-balance sheet transactions		
10	Gross notional amount of off-balance sheet transactions	44.731.031	26.680.206
11	(Correction amount due to multiplication with credit conversion rates)	(12.075.531)	(6.468.900)
12	**Total risk of off-balance sheet transactions (sum of lines 10 and 11)**	**32.655.500**	**20.211.306**
	Capital and total risk		
13	Core Capital	38.139.759	25.764.354
14	Total risk amount (sum of lines 3, 6, 9 and 12)	262.022.061	198.470.339
	Leverage ratio		
15	**Leverage ratio**	**14,56%**	**12,98%**

(1) The footnote format has been prepared by taking the average amounts of 3 months according to the BRSA regulations.

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management

Linkages between financial statements and risk amounts

The footnotes prepared in accordance with the "Regulation on Calculation Risk Management Disclosures", which was published in the Official Gazette No. 29511 of 23 October 2015 and entered into force as of March 31, 2016, and the disclosures pertaining thereto are provided in this section.

As the standard approach is utilized for the calculation of the capital adequacy of the Parent Bank, no statement has been included as regards the methods based on internal models as per the relevant communiqué.

Explanations on the Parent Bank's risk management approach and risk weighted amounts

The Parent Bank's risk management approach is within the scope of the policies and implementation principles determined by the Board of Directors and in a way that serves to create a common risk culture throughout the institution; is a structure in which risks are defined in accordance with international regulations and measurement, analysis, monitoring and reporting activities are carried out within this framework.

The risk management process, which is shaped within the scope of the relevant policies and implementation principles and serves to create a common risk culture throughout the organization; It is a structure where risks are defined in accordance with international regulations and measurement, analysis, monitoring and reporting activities are carried out within this framework. A Risk Management Department was established within the Bank in order to ensure compliance with the relevant policies, implementation principles and processes and to manage the risks faced by the Bank in line with these policies. The Risk Management Directorate, whose duties and responsibilities are determined by the regulations approved by the Board of Directors, carries out its activities through the Deputy General Manager Responsible for Internal Systems, who is independent of executive activities and executive units and subordinate to the Audit Committee.

The Risk Management Department develops the systems needed in the risk management process and carries out these activities, monitors the compliance of risks with policies and standards, the Parent Bank limits and risk appetite indicators, and carries out compliance with the relevant legal legislation and Basel criteria. In addition to the standard approaches used for legal reporting, risk measurements subject to reporting are also carried out with advanced approaches through internal models and supported by stress tests.

The Risk Management Department submits the detailed solo and consolidated risk management reports prepared monthly and quarterly to the Board of Directors through the Audit Committee. In these reports, measurements, stress tests and scenario analyses related to the main risks are included and the level of compliance with the determined limit level and risk appetite indicators are monitored.

Prospective risk assessments are carried out by applying stress tests on credit, market and interest risk at regular intervals and the impact of the results on the Parent Bank's financial strength in general is evaluated. The relevant results are reported to the Audit Committee and contribute to the evaluation of the Parent Bank's financial structure in times of stress. Stress test scenarios are created by evaluating the effects of the past economic crises on macroeconomic indicators and the expectations for the next period. In the light of the created stress scenarios, the Parent Bank's risks and capital position in the coming period are foreseen and necessary analyzes are made in terms of legal and internal capital adequacy ratios and the ICAAP report is reported to the BRSA.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FOUR (Continued)

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT (Continued)

VII. Explanations related to consolidated risk management (continued)

Overview of risk weighted assets

		Risk Weighted Amount		Minimum Capital Requirement
		Current Period	**Prior Period**	**Current Period**
1	Credit risk (excluding counterparty credit risk)	139.366.244	91.250.195	11.149.300
2	Standardised approach	139.366.244	91.250.195	11.149.300
3	Internal rating-based approach	-	-	-
4	Counterparty credit risk	1.651.663	1.169.625	132.133
5	Standardised approach for counterparty credit risk	1.651.663	1.169.625	132.133
6	Internal model method	-	-	-
7	Basic risk weight approach to internal models equity position in the Banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach	-	-	-
14	IRB supervisory formula approach	-	-	-
15	Simplified supervisory formula approach	-	-	-
16	Market risk	1.980.338	1.903.575	158.427
17	Standardised approach	1.980.338	1.903.575	158.427
18	Internal model approaches	-	-	-
19	Operational risk	16.284.961	9.013.514	1.302.797
20	Basic indicator approach	16.284.961	9.013.514	1.302.797
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	7.346.618	5.377.275	587.729
24	Floor adjustment	-	-	-
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**166.629.824**	**108.714.184**	**13.330.386**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the consolidated assets

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

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Cash in TL/Foreign Currency	-	-	1	-
Balances with the Central Bank of Turkey	496	3.761.744	8.682	2.934.142
Other	-	-	-	-
Total	**496**	**3.761.744**	**8.683**	**2.934.142**

	Current Period		Prior Period(1)	
	TL	**FC**	**TL**	**FC**
Unrestricted demand deposits	496	7.269	8.682	36.542
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Other (2)	-	3.754.475	-	2.897.600
Total	**496**	**3.761.744**	**8.682**	**2.934.142**

(1) Expected loss provision amounting to 4.055 TL has been allocated to the "Central Bank of the Republic of Turkey" account (31 December 2023: 520 TL)

(2) It is the required reserve amount kept blocked at the CBRT regarding Turkish lira assets and foreign currency liabilities.

As per the Communiqué numbered 2005/1 "Reserve Deposits" of the CBRT, banks keep reserve deposits at the CBRT for their TL and FC liabilities mentioned in the communiqué. Reserves are calculated and set aside every two weeks on Fridays for 14 days periods. The CBRT Required reserves of 2 May 2015 has started to pay interest to the Required reserves, reserve options and unrestricted account held in US dollars according to regulation released at 5 May 2015.

In accordance with the Communiqués on Amendments to the "Communiqué on Required Reserves" numbered 2011/11 and 2011/13 of the Central Bank of the Republic of Turkey, it establishes mandatory reserves at the Central Bank of the Republic of Turkey based on the rates specified below for Turkish Lira and foreign currency liabilities. As of September 30, 2024, the Required Reserve rates are shown in the table below:

Reserve Rates for Turkish Lira Liabilities (%)	
Original Maturity	**Reserve Ratio**
Borrower Funds	0
Until 1 year maturity (1 year included)	8
1-3 year maturity (3 year included)	5,5
More than 3 year maturity	3
Securities issued by development and investment banks with a maturity of more than 1 year	0

Original Maturity	**Reserve Ratio**
Borrower Funds	25
Until 1 year maturity (1 year included)	21
1-2 year maturity (2 year included)	16
2-3 year maturity (3 year included)	11
3-5 year maturity (5 year included)	7
More than 5 year maturity	5

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the consolidated assets (continued)

2 Information on financial assets at fair value through profit and loss:

2.a Information on financial assets designated at fair value through profit and loss given as collateral or blockage:

As of the reporting date, the Group has no financial assets designated at fair value through profit and loss given as collateral or blockage (December 31, 2023: None).

2.b Information on financial assets designated at fair value through profit and loss given as repurchase agreements:

As of the reporting date, the Group has no financial assets designated at fair value through profit and loss subject to repurchase agreements (December 31, 2023: None).

2.c Positive differences related to derivative financial assets :

Derivative Instruments (1)	Current Period		Prior Period	
	FC	**TL**	**FC**	**FC**
Forward Transactions	-	511	5.461	857
Swap Transactions	609.453	919.641	469.361	1.148.379
Futures Transactions	-	-	-	-
Options	-	213	-	-
Other	-	-	-	-
Total	**609.453**	**920.365**	**474.822**	**1.149.236**

(1) Derivative Financial Assets for Hedging Purposes amounting to TL 191.885 are shown in the "Derivative Financial Assets" account (31 December 2023: TL 310.639).

As part of its economic hedging strategy, the Parent Bank has implemented TL cross currency interest rate swap transactions in which the Parent Bank's default risk is the reference. These swap agreements are subject to a direct closing condition for both the Parent Bank and the counterparty, in the event of a credit default event (such as a non-payment) related to the Parent Bank, to cancel the amounts accrued in the contract and all future payments for both the Parent Bank and the counterparty. As of September 30, 2024, the market rediscount value of these the swap process with a nominal amount of $ 25 million is TL 518.700 and a redemption date of is 2027 (December 31, 2023: The market rediscount value of swaps with a nominal amount of $ 25 million is TL 401.197).

2.d Loans at Fair Value Through Profit or Loss:

As of September 30, 2024, there are no loans whose fair value difference is reflected in profit or loss.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

3. Information on banks and foreign bank accounts

3.a Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	112.249	371.791	198.512	4.368.862
Foreign	-	2.054.939	-	693.883
Branches and head office abroad	-	-	-	-
Total	**112.249**	**2.426.730**	**198.512**	**5.062.745**

(1) A provision of 3.198 TL (31 December 2024: 4.777 TL) has been allocated to the "Banks" account.

3.b Information on banks and foreign bank accounts:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

4. Available-for-sale financial assets subject to repurchase agreements:

4.a.1 Information on financial assets at fair value through other comprehensive income subject to repurchase agreements:

	Current Period		Prior Period	
	TL	FC	TL	FC
Government bonds	-	-	-	919.660
Treasury bills	-	-	-	-
Other government debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	**-**	**-**	**-**	**919.660**

4.a.2 Information on financial assets at fair value through other comprehensive income given as collateral or blockage:

As of the balance sheet date, all financial assets shown as collateral at fair value through other comprehensive income consist of financial assets issued by the Undersecretariat of Treasury of the Republic of Turkey. The book value of these assets is TL 5,231,678 (31 December 2023: TL 4,042,808).

	Current Period		Prior Period	
	TL	FC	TL	FC
Share certificates	-	-	-	-
Bond, treasury bill and similar investment securities	4.150.422	1.081.256	3.149.373	893.435
Other	-	-	-	-
Total	**4.150.422**	**1.081.256**	**3.149.373**	**893.435**

4.b Major types of financial assets at fair value through other comprehensive income:

Financial assets at fair value through other comprehensive income consist of 57.73% government bonds, 32.53% Eurobonds, and 9.74% shares and other securities (31 December 2023: 37.57% government bonds, 52.85% Eurobonds, and 9.58% shares and other securities).

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

4. Available-for-sale financial assets subject to repurchase agreements (continued)

4.c. Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	15.593.261	8.926.193
Quoted on a stock exchange	10.207.615	3.748.551
Unquoted	5.385.646	5.177.642
Share certificates	1.070.828	921.878
Quoted on a stock exchange	91.869	108.512
Unquoted	978.959	813.366
Impairment provision(-)	(112.024)	(81.733)
Other	-	-
Total	**16.552.065**	**9.766.338**

The net book value of the Group's shares that are not traded on the stock exchange and are tracked under financial assets at fair value through other comprehensive income is TL 974,065 (31 December 2023: TL 808,472).

5. Explanation on loans

5.a Information on all types of loans and advances given to shareholders and employees of the Parent Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	391.757	-	597.442	-
Corporate shareholders	391.757	-	597.442	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	8.383	-	10.072	-
Total	**400.140**	-	**607.514**	-

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanation on loans (continued)

5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans:

Current Period (1)		Loans Under Close Monitoring		
			Amendments on Conditions of Contract	
Cash Loans	**Standard Loans**	**Loans Not Subject to Restructuring**	**Loans with Revised Contract Terms**	**Refinance**
Non-specialized loans	149.610.487	6.480.479	6.470.672	-
Working Capital loans	25.875.887	272.924	4.105.027	-
Export loans	1.902.678	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	16.633.303	-	-	-
Consumer loans	8.383	-	-	-
Credit cards	-	-	-	-
Other	105.190.236	6.207.555	2.365.645	-
Specialized loans	-	-	-	-
Other receivables	2.428.414	-	-	-
Total	**152.038.901**	**6.480.479**	**6.470.672**	**-**

(1) Purchase Loans, Fleet Leasing Loans, Refinancing Loans and Portfolio Transfer Loans, totaling TL 1,868,433, shown under "Operating Loans" in the Parent Bank's chart of accounts, are shown under the "Other" category in the footnote above due to their "Investment" nature.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.b Information on Standard and Close Monitoring loans and restructured Close Monitoring loans: (continued)

Prior Period (1)		**Loans Under Close Monitoring**		
			Amendments on Conditions of Contract	
Cash Loans	**Standard Loans**	**Loans Not Subject to Restructuring**	**Loans with Revised Contract Terms**	**Refinance**
Non-specialized loans	112.977.913	6.023.402	6.744.619	-
Working Capital loans	15.824.843	218.923	4.185.837	-
Export loans	2.744.636	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	13.351.262	-	-	-
Consumer loans	10.072	-	-	-
Credit cards	-	-	-	-
Other	81.047.100	5.804.479	2.558.782	-
Specialized loans	-	-	-	-
Other receivables	1.524.750	-	-	-
Total	**114.502.663**	**6.023.402**	**6.744.619**	**-**

(1) Purchasing Loans, Fleet Leasing Loans, Refinancing Loans and Portfolio Transfer Loans, totaling 1.763.838 TL, shown under "Operating Loans" in the Parent Bank's chart of accounts, are shown under the "Other" category in the footnote above due to their "Investment" nature.

	Current Period		**Prior period**	
	Standard Loans	**Loans under Close Monitoring**	**Standard Loans**	**Loans under Close Monitoring**
12 Months Expected Credit Loss	890.913	-	1.207.821	-
Significant Increase in Credit Risk	-	4.604.266	-	3.968.988

5.c Loans according to their maturity structure:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the assets (continued)

5. Explanations on loans (continued)

5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

Current Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Individual Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Loans- TL	2.658	5.725	8.383
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	2.658	5.725	8.383
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Vehicle Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts- TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	**2.658**	**5.725**	**8.383**

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.d Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel (continued):

Prior Period	Short Term	Medium and Long Term	Total
Consumer Loans-TL	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans –Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Individual Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Loans- TL	441	9.631	10.072
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	441	9.631	10.072
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real Estate Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards- TL	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Personnel Credit Cards-FC	-	-	-
With Instalments	-	-	-
Without Instalments	-	-	-
Overdraft Accounts- TL (Real Persons)	-	-	-
Overdraft Accounts-FC (Real Persons)	-	-	-
Total	**441**	**9.631**	**10.072**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.e Information on commercial loans with instalments and corporate credit cards:

The Parent Bank has not granted any commercial loans with instalments and corporate credit cards as of the reporting date (December 31, 2023: None).

5.f Loans according to borrowers:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

5.g Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	164.533.915	127.270.684
Foreign Loans	456.137	-
Total	**164.990.052**	**127.270.684**

5.h Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	2.191.424	2.325.017
Indirect loans granted to subsidiaries and associates	-	-
Total	**2.191.424**	**2.325.017**

5.i Specific provisions provided against loans or default (Stage 3) provisions:

	Current Period	Prior Period
Loans and receivables with limited collectability	1.366.202	1.446.480
Loans and receivables with doubtful collectability	6.409	1.391.307
Uncollectible loans and receivables	1.779.558	241.904
Total	**3.152.169**	**3.079.691**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.j Information on non-performing loans (net):

5.j.1 Information on loans and other receivables restructured or rescheduled from non-performing loans:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period			
Gross amounts before provisions	479.689	12.818	1.725.946
Restructured loans	479.689	12.818	1.725.946
Prior Period			
Gross amounts before provisions	749.784	1.450.294	152.289
Restructured loans	749.784	1.450.294	152.289

5.j.2 Movement of non-performing loans:

	III. Group	IV. Group	V. Group
Current Period	Loans and Receivables With Limited Collectability	Loans and Receivables With Doubtful Collectability	Uncollectible Loans and Receivables
Prior Period End Balance	**2.237.702**	**1.450.294**	**258.132**
Additions (+)	265.657	-	1.132
Transfers from Other Categories of Non-performing Loans (+)	-	314.210	1.578.447
Transfers to Other Categories of Non-performing Loans (-)	506.270	1.386.387	102
Collections (-)	80.557	365.298	13.936
Write-offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	83	-	62
Current Period End Balance	**1.916.615**	**12.818**	**1.823.735**
Provisions (-)	1.366.202	6.409	1.779.558
Net Balance on Balance Sheet	**550.413**	**6.409**	**44.177**

(1) The amount related to real estate acquired by the Bank due to its non-performing receivables is shown in the collections line.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.j Information on non-performing loans (net) (continued):

5.j.2 Movement of non-performing loans (continued):

Prior Period	III. Group Loans and Receivables With Limited Collectability	IV. Group Loans and Receivables With Doubtful Collectability	V. Group Uncollectible Loans and Receivables
Prior Period End Balance	**283.191**	**1.661.963**	**388.822**
Additions (+)	1.983.177	-	103
Transfers from Other Categories of Non-performing Loans (+)	-	-	15.038
Transfers to Other Categories of Non-performing Loans (-)	-	15.038	-
Collections (-)	29.005	196.631	61.220
Write-offs (-)(1)	-	-	84.611
Sold (-)			
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Exchange rate differences of non-performing loans	339	-	-
Current Period End Balance	**2.237.702**	**1.450.294**	**258.132**
Provisions (-)	1.446.480	1.391.307	241.904
Net Balance on Balance Sheet	**791.222**	**58.987**	**16.228**

(1) As of December 31, 2023, when the calculation is made by taking into account the loans written off, the effect on the Bank's non-performing loan ratio is calculated as 6 basis points.

5.j.3 Information on foreign currency non-performing loans and other receivables:

	III. Group Loans and Receivables With Limited Collectability	IV. Group Loans and Receivables With Doubtful Collectability	V. Group Uncollectible Loans and Receivables
Current Period			
Period End Balance	-	-	1.070
Provision (-)	-	-	1.070
Net Balance on Balance Sheet	-	-	-
Prior Period:			
Period End Balance	925	-	-
Specific Provision (-)	925	-	-
Net Balance on Balance Sheet	-	-	-

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5. Explanations on loans (continued)

5.j Information on non-performing loans (net) (continued):

5.j.4 Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans With Limited Collectability	Loans With Doubtful Collectability	Uncollectible Loans
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	1.916.615	12.818	1.815.889
Provision Amount (-)	1.366.202	6.409	1.771.712
Loans to Real Persons and Legal Entities (Net)	550.413	6.409	44.177
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	7.846
Provision Amount (-)	-	-	7.846
Other Loans and Receivables (Net)	-	-	-

	III. Group	IV. Group	V. Group
	Loans and Receivables With Limited Collectability	Loans and Receivables With Doubtful Collectability	Uncollectible Loans and Receivables
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	2.237.702	1.450.294	251.166
Provision Amount (-)	1.446.480	1.391.307	234.938
Loans to Real Persons and Legal Entities (Net)	791.222	58.987	16.228
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	6.966
Provision Amount (-)	-	-	6.966
Other Loans (Net)	-	-	-

5.j.5 Information on interest accruals, rediscount, and valuation differences calculated for non-performing loans and their provisions:

	III.Group	IV.Group	V.Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	83	-	62
Provision amount (-)	83	-	62
Prior Period (Net)	-	-	-
Interest Accruals and Rediscount with Valuation Differences	339	-	-
Provision amount (-)	339	-	-

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

5.k Main principles of liquidating non-performing loans and receivables:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

5.l Explanations about the deregistration policy

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

6. Information on held-to-maturity investments

6.a The information was subjected to repo transactions and given as collateral/blocked amount of investments :

	Current Period		Prior Period	
	TP	**FC**	**TP**	**FC**
Collateralised/Blocked Investments	2.358.099	3.151.456	2.923.306	3.588.592
Subject to Repurchase Agreements	4.925.959	4.199.755	221.806	2.396.438
Total	**7.284.058**	**7.351.211**	**3.145.112**	**5.985.030**

6.b Information on government debt investments held-to-maturity:

	Current Period	Prior Period
Government Bonds	24.647.486	18.894.112
Treasury Bills	-	-
Other Government Debt Securities	-	-
Total	**24.647.486**	**18.894.112**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

6.c Information on held-to-maturity investments :

	Current Period	Prior Period
Debt Securities		
Quoted on a Stock Exchange	10.895.251	8.392.539
Not Quoted on a Stock Exchange	13.752.235	10.501.573
Impairment provision (-)	-	-
Total	**24.647.486**	**18.894.112**

6.d Movement of held-to-maturity investments within the year :

	Current Period	Prior Period
Balance at Beginning of the Period	**18.894.112**	**12.825.981**
Foreign Currency Differences on Monetary Assets	1.743.782	3.861.667
Purchases During The Period	3.149.976	475.734
Disposals Through Sales And Redemptions (-)	324.675	334.204
Impairment Provision (-)	-	-
Interest Income Accruals	1.184.291	2.064.934
Balance at End of Period	**24.647.486**	**18.894.112**

An expected loss provision of TL 19,737 (31 December 2023: TL 13,462) has been allocated to the "Financial assets valued at amortized cost" account.

7. Information on investments in associates (net):

7.a As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated associates and reason of unconsolidating:

Subsidiaries that were not included in the scope of consolidation because they were not financial subsidiaries were valued according to the equity method.

7.b Information on unconsolidated associates:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	Terme Metal Sanayi ve Ticaret A.Ş. (Terme)	Istanbul/Turkey	17,83	18,76
2	Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş. (Ege Tarım)	Izmir/Turkey	10,05	20,10

Non-financial associates, as above, are not consolidated in accordance with the Communiqué on "Preparing Consolidated Financial Statements of the Banks".

		Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit /Loss	Prior Period Profit/Loss	Fair Value
1	Terme (1)	26.515	23.537	20.164	-	-	(7)	(5)	-
2	Ege Tarım (2)	214.500	165.402	173.379	3.127	-	15.060	11.268	-

(1) Given as of June 30, 2024. The previous period profit/loss amount is given as of June 30, 2023.

Information on associates disposed in the current period

In the current period the Group has not disposed any associates.

Information on associates purchased in the current period

In the current period the Group has not purchased any associates.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

7. Information on investments in associates (net) (continued)

7.c Information on the consolidated associates:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	İş Faktoring A.Ş. (İş Faktoring)	Istanbul/Turkey	21,75	100,00
2	İş Finansal Kiralama A.Ş. (İş Finansal)	Istanbul/Turkey	29,46	60,82
3	İş Girişim Sermayesi Yatırım Ortaklığı A.Ş. (İş Girişim)	Istanbul/Turkey	16,67	59,86

		Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/ Loss	Prior Period Profit/ Loss	Fair Value
1	İş Faktoring	21.234.185	3.938.500	36.391	5.419.486	-	688.532	973.456	-
2	İş Finansal (1)	52.520.951	8.621.424	82.795	8.616.667	-	1.385.101	1.398.755	7.975.121
3	İş Girişim (1)(2)	2.299.740	2.277.766	18.473	56.574	-	42.983	18.801	1.674.679

(1) Fair value is calculated based on the stock market value as of September 30, 2024.
(2) (2) Financial values as of September 30, 2024, excluding company valuations, were taken into account.

	Current Period	Prior Period
Balance at the Beginning of the Period	**2.825.834**	**1.493.750**
Movements During the Period	701.262	1.332.084
Purchases	-	-
Bonus Shares Received	-	-
Current Year Share of Profit	-	-
Sales	-	-
Revaluation Increase/Decrease (1)	701.262	1.332.084
Provision for Impairment (-)	-	-
Other	**3.527.096**	**2.825.834**
Balance at the End of the Period	-	-
Capital Commitments	-	-
Share Percentage at the End of the Period (%)		

(1) It includes accounting differences with the equity method.

Information on associates disposed in the current period

In the current period the Group has not disposed any associates.

Information on associates purchased in the current period

In current period the Group has not purchased any associates.

7.d Sectoral information of consolidated associates and the related carrying amounts in the legal books:

	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	856.624	672.276
Leasing Companies	2.287.293	1.796.189
Financial Service Companies	-	-
Other Financial Associates	379.629	353.819

7.e Information on consolidated associates quoted on stock market:

	Current Period	Prior Period
Associates Quoted on Domestic Stock Markets	2.666.922	2.150.006
Associates Quoted on Foreign Stock Markets	-	-

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)
EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

8. Information related to subsidiaries (net)

8.a Information related to equity component of subsidiaries:

	YF	TSKB GYO
Current Period (1)	**Current Period**	**Current Period**
CORE CAPITAL		
Paid-in capital, which comes after all other receivables in terms of receivables in case of liquidation of the company	63.500	650.000
Share Premium	-	1.136
Legal Reserves	19.684	8.862
Other Comprehensive Income/Loss according to TAS	28.665	-
Current and Prior Years' Profit	753.454	3.667.212
Leasehold Improvements (-)	4.378	-
Intangible Assets (-)	1.254	75
Total Core Capital	**859.671**	**4.327.135**
Supplementary Capital	**-**	**-**
Capital	**-**	**-**
Net Available Capital	**859.671**	**4.327.135**

(1) The values in question are taken from the consolidated financial statements dated 30 September 2024.

	YF	TSKB GYO
Prior Period (1)	**Prior Period**	**Prior Period**
CORE CAPITAL		
Paid-in Capital	63.500	650.000
Share Premium	-	1.136
Legal Reserves	13.001	8.862
Other Comprehensive Income/Loss according to TAS	31.289	-
Current and Prior Years' Profit	529.957	2.684.982
Leasehold Improvements (-)	3.459	-
Intangible Assets (-)	1.738	80
Total Core Capital	**632.550**	**3.344.900**
Supplementary Capital	**-**	**-**
Capital	**-**	**-**
Net Available Capital	**632.550**	**3.344.900**

(1) The information is obtained from financial statements subject to consolidation as of December 31, 2023.

Paid in capital has been indicated as Turkish Lira in articles of incorporation and registered in trade registry. Effect of inflation adjustments on paid in capital is the difference caused by the inflation adjustment on shareholders' equity items. Extraordinary reserves are the status reserves which have been transferred with the General Assembly decision after distributable profit have been transferred to legal reserves. Legal reserves are the status reserves which have been transferred from distributable profit in accordance with the Article of 519 of the Turkish Commercial Code No 6102. The Parent Bank's internal capital adequacy assessment process is made annually on a consolidated basis. Consolidated subsidiaries and associates are included in the assessment.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

8. Information related to subsidiaries (net) (continued)

8.b As per Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards unconsolidated subsidiaries and reason of unconsolidating and needed capital if they are subject to capital requirement:

TSKB Gayrimenkul Değerleme A.Ş., and TSKB Sürdürülebilirlik Danışmanlığı A.Ş. are valued at cost and are not consolidated since they are not financial subsidiaries. Unconsolidated subsidiaries of the Parent Bank are not subject to minimum capital requirement.

8.c Information related to unconsolidated subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage- If different voting percentage (%)	Bank's risk group share percentage (%)
1	TSKB Gayrimenkul Değerleme A.Ş. (TSKB GMD)	Istanbul /Türkiye	100	100
2	TSKB Sürdürülebilirlik Danışmanlığı A.Ş. (TSKB SD)	Istanbul/Türkiye	100	100

		Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
1	TSKB GMD	140.491	106.714	24.845	21.187	-	35.355	21.739	-
2	TSKB SD	16.970	13.959	471	2.549	-	140	(1.160)	-

8.d Information on consolidated subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1	Yatırım Finansman Menkul Değerler A.Ş.(YF)	Istanbul /Turkey	95,78	98,51
2	TSKB Gayrimenkul Yatırım Ortaklığı A.Ş. (TSKB GYO)	Istanbul/Turkey	88,74	88,74

	Total Assets	Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair Value
YF (1)	4.537.135	948.637	124.039	1.156.664	6.439	250.179	200.129	-
TSKB GYO (1)(2)	4.510.798	4.327.210	4.260.645	30.061	-	982.230	587.107	10.500.750

(1) Financial data regarding consolidated subsidiaries have been prepared in accordance with BRSA regulations.

(2) The fair value is calculated based on the stock market value of 30 September 2024.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

8. Information related to subsidiaries (net) (continued)

8.e Information related to consolidated subsidiaries (continued):

Unconsolidated movement related subsidiaries subjected to consolidation is as follows:

	Current Period	Prior Period
Balance at the Beginning of the Period	**3.676.484**	**1.989.634**
Movements During the Period	1.112.951	1.686.850
Purchases	-	-
Bonus Shares Obtained	-	-
Current Year Shares of Profit	-	-
Sales	-	-
Revaluation Increase (1)	1.112.951	1.686.850
Provision for Impairment	-	-
Balance At the End of the Period	**4.789.435**	**3.676.484**
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(1) Includes accounting differences with the equity method.

According to the principles of consolidation accounting, the cost values of the consolidated subsidiaries have been deducted from the accompanying consolidated financial statements.

Subsidiaries disposed in the current period

In the current period, the Group has not disposed any subsidiaries.

Subsidiaries purchased in the current period

In the current period, the Group has not purchased any subsidiaries.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

8. Information on subsidiaries (net) (continued)

8.f Sectoral information on subsidiaries subject to consolidation and the related carrying amounts in the legal books:

Subsidiaries	Current Period	Prior Period
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Financial Service Companies	-	-
Other Financial Subsidiaries	4.668.763	3.575.468

8.g Subsidiaries subject to consolidation quoted on stock market:

	Current Period	Prior Period
Subsidiaries quoted on domestic stock exchanges	3.839.966	2.968.335
Subsidiaries quoted on foreign stock exchanges	-	-

9. Information related to entities under common control

TSKB GYO, one of the subsidiaries of the Parent Bank, established a joint venture with Bilici Yatırım Sanayi ve Ticaret A.Ş. in Adana under the name of Adana Otel Projesi Adi Ortaklığı (“Adana Hotel Project”) on 26 May 2011 and Anavarza Otelcilik Anonim Şirketi on 27 March 2015.

The capital structure of the Adana Otel Projesi Adi Ortaklığı (“Adana Hotel Project”) is designated as 50% of participation Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for TSKB GYO. The main operations of Adana Otel Projesi Adi Ortaklığı is to start, execute, and complete the hotel project which will be operated by Divan Turizm İşletmeleri A.Ş. (previous name “Palmira Turizm Ticaret A.Ş.”).

The capital structure of Anavarza Otelcilik Anonim Şirketi is designated as 50% of participation Bilici Yatırım Sanayi ve Ticaret A.Ş. and 50% of participation for TSKB GYO. The main operations of Anavarza Otelcilik Anonim Şirketi is tourism oriented hotels, motels, accommodation facilities, gastronomy, sports, entertainment and health care.

Bilici Yatırım TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi, owned by TSKB GYO with 50%-50% Bilici Yatırım Sanayi ve Ticaret A.Ş has been transformed into a company named "Yarsuvat Turizm Anonim Şirketi" together with all its assets and liabilities, as a whole, by changing the type.

Transformation of Bilici Yatırım TSKB GYO Adana Otel Projesi Adi Ortaklığı Ticari İşletmesi to Yarsuvat Turizm Anonim Şirketi and after transformation transfer to Anavarza Otelcilik A.Ş. with all its assets and liabilities as a whole was completed with the Merger document of Adana Chamber of Commerce dated 20.12.2019 and numbered 9647.

	Total Assets	Equity	Total Fixed Assets	Interest Income	Securities Income	Current Year Profit /Loss	Prior Year Profit /Loss	Fair Value
Anavarza Otelcilik	65.089	40.417	1.749	4.410	-	14.291	31.526	-

10. Information on finance lease receivables (net)

10.a Maturities of investments on finance leases:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	78.668	71.231	73.222	62.626
Between 1- 4 years	121.682	97.977	136.146	95.832
More than 4 years	367.541	290.390	448.289	293.912
Total	**567.891**	**459.598**	**657.657**	**452.370**

An expected loss provision of TL 80,695 (31 December 2023: TL 72,631) has been allocated to the “Financial Lease Receivables” account.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

10. Information on finance lease receivables (net) (continued)

10.b The information on net investments in finance leases:

	Current Period	Prior Period
Gross investments in finance leases	**567.891**	**657.657**
Unearned revenue from finance leases (-)	108.293	205.287
Cancelled finance leases (-)	-	-
Net investments in finance leases	**459.598**	**452.370**

10.c Explanation with respect to finance lease agreements, the criteria used in determination of contingent rents, conditions for revisions or purchase options, updates of leasing amounts and the restrictions imposed by lease arrangements, whether arrays in repayment occur, whether the terms of the contract are renewed, if renewed, the renewal conditions, whether the renewal results any restrictions, and other important conditions of the leasing agreement:

Finance lease agreements are made in accordance with the related articles of the Financial Leasing, Factoring and Financing Company Law No. 6361. There are no restructuring or restrictions having material effect on financial statements.

11. Information on derivative financial assets for hedging purposes

There is a positive difference of TL 191,885 regarding derivative financial instruments for hedging purposes (December 31, 2023: TL 310,639 positive difference).

As of September 30, 2024, the contract amounts and net fair values of derivative financial instruments determined as hedging instruments are summarized in the table below:

	Current Period			Prior Period		
	Face Value	**Asset**	**Liability**	**Face Value**	**Asset**	**Liability**
Interest Rate Swap	13.615.507	144.790	84.647	12.304.847	94.859	130.762
FC	13.615.507	144.790	84.647	12.304.847	94.859	130.762
TL	-	-	-	-	-	-
Swap Currency Transactions	30.795.774	47.095	16.668	26.483.208	215.780	39.214
FC	30.795.774	47.095	16.668	26.483.208	215.780	39.214
TL	-	-	-	-	-	-

11.a Information on fair value hedge accounting

Current Period Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item (1)	Fair Value of Hedging Instrument (1)		Income St Effect (Profit/Loss Through Derivative Financial Instruments)
				Asset	**Liability**	
Interest Rate Swap Transactions	Fixed Rate Eurobond and Green bond Issued	Interest Rate Risk	(172.828)	172.872	-	44
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	79.946	-	(83.990)	(4.044)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(163.142)	200.546	-	37.404

(1) The fair value of the protected asset and hedged instrument subject to hedge accounting is shown as the net market value excluding credit risk and accumulated interest.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

11.b Information on fair value hedge accounting (continued)

Prior Period Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item (1)	Fair Value of Hedging Instrument (1)		Income St Effect (Profit/Loss Through Derivative Financial Instruments)
				Asset	Liability	
Interest Rate Swap Transactions	Fixed Rate Eurobond and Green bond Issued	Interest Rate Risk	(112.672)	-	77.745	(34.927)
Interest Rate Swap Transactions	Fixed Rate Loans Used	Interest Rate Risk	107.833	-	(115.332)	(7.499)
Cross Currency Swap Transactions	Fixed Rate Issued Eurobond	Interest Rate Risk	(103.960)	152.334	-	48.374

(1) The fair value of hedged item and hedging instrument are presented as net market value excluding credit risk and accumulated interest.

12. Explanations on tangible assets (net)

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

13. Information on intangible assets

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

14. Information on investment properties

In the current period, the Group has three investment properties with a net book value of TL 1,435,350 (31 December 2023: TL 1,430,351) belonging to its subsidiary operating in the field of real estate investment trusts. The movement table of investment properties as of 30 September 2024 and 31 December 2023 is as follows:

Current Period	Opening Balance of Current Period	Additions	Disposals	Change in Fair Value	Closing Balance of Current Period
Tahir Han	221.000	-	-	102.900	323.900
Pendorya Mall	720.000	50.431	-	158.069	928.500
Adana Hotel Project	489.350	-	-	146.750	636.100
Total	**1.430.350**	**50.431**	-	**407.719**	**1.888.500**

Prior Period	Closing Balance of Prior Period	Additions	Disposals	Change in Fair Value	Closing Balance of Prior Period
Tahir Han	139.860	-	-	81.140	221.000
Pendorya Mall	410.000	-	-	310.000	720.000
Adana Hotel Project	215.050	-	-	274.300	489.350
Total	**764.910**	-	-	**665.440**	**1.430.350**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

15. Information on deferred tax assets

15.a Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax asset:

The Group has computed deferred tax asset or liability on temporary differences arising from carrying values of assets and liabilities in the accompanying financial statements and their tax bases.

Assets:	**Current Period**	**Prior Period**
Provisions	1.678.345	1.581.182
Loan commissions accrual adjustment	91.736	67.478
Employee benefit provision	41.930	16.278
Marketable Securities	9.662	142.402
Useful life difference of fixed assets	7.930	8.118
Others	69.043	76.945
Total Deferred Tax Asset	**1.898.646**	**1.892.403**
Deferred tax liabilities:		
Marketable securities	(339.601)	(5.482)
Valuation of derivative instruments	(195.551)	(235.992)
Resource commissions accrual adjustment	(131.713)	(74.847)
Useful life difference of fixed assets	(6.149)	(14.440)
Others (1)	(67.830)	(81.037)
Total Deferred Tax Liability	**(740.844)**	**(411.798)**
Net Deferred Tax Asset	**1.157.802**	**1.480.605**

(1) In addition, there is a deferred tax liability related to hedge accounting of TL 23,988 in the Other Item. (31 December 2023: TL 32,350 tax liability).

	Current Period	**Prior Period**
Deferred Tax as of January 1 Asset / (Liability) - Net	1.480.605	724.131
Deferred Tax (Loss) / Gain	(305.555)	705.510
Deferred Tax that is Realized Under Shareholder’s Equity	(17.248)	50.964
Deferred Tax Asset / (Liability) Net	**1.157.802**	**1.480.605**

15.b Temporary differences over which deferred tax asset are not computed and recorded in the balance sheet in prior periods, if so, their expiry date, losses and tax deductions and exceptions:

There is no temporary differences over which deferred tax asset are not computed and recorded in the balance sheet in prior periods. (December 31, 2023: None).

15.c Allowance for deferred tax and deferred tax assets from reversal of allowance:

As of the reporting date, the Bank has no allowance for deferred tax and deferred tax liability from reversal of allowance (December 31, 2023: None).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and disclosures related to the consolidated assets (continued)

16. Explanation on assets held for sale

As of the balance sheet date, the Parent Bank does not have any fixed asset transactions related to assets held for sale and discontinued operations (31 December 2023: None).

17. Information about other assets

17.a Other assets which exceed 10% of the balance sheet total and breakdown of these which constitute at least 20% of grand total:

Other assets do not exceed 10% of total assets, excluding off-balance sheet commitments (December 31, 2023: None).

II. Explanations and disclosures related to the liabilities

1. Information of maturity structure of deposits

1.a.1 Maturity structure of deposits:

The Parent Bank is not authorized to accept deposits.

1.a.2 Information on saving deposits under the guarantee of saving deposit insurance fund and exceeding the limit of deposit insurance fund:

The Parent Bank is not authorized to accept deposits.

1.b Information on the scope whether the Bank with a foreign head office suits saving deposit insurance of the related country:

The Parent Bank is not authorized to accept deposits.

1.c Saving deposits which are not under the guarantee of deposit insurance fund:

The Parent Bank is not authorized to accept deposits.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

2. Negative differences table related to derivative financial liabilities

Derivative Financial Liabilities Held For Trading (1)	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Forward Transactions	1.104	410	11.755	642
Swap Transactions	119.505	845.951	21.132	944.653
Futures Transactions	-	-	-	-
Options	-	892	-	-
Other	-	-	-	-
Total	**120.609**	**847.253**	**32.887**	**945.295**

(1) Derivative Financial Liabilities for Hedging Purposes amounting to 101.315 TL (31 December 2023: 169.976 TL) are shown in the "Derivative Financial Liabilities" account.

3. Information on banks and other financial institutions:

3.a General information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	71.051	1.002.056	175.418	-
From Foreign Banks, Institutions and Funds	-	122.235.351	-	106.675.692
Total	**71.051**	**123.237.407**	**175.418**	**106.675.692**

3.b Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Short-term	71.051	1.002.056	175.418	601.435
Medium and long-term	-	122.235.351	-	106.074.257
Total	**71.051**	**123.237.407**	**175.418**	**106.675.692**

3.c Additional information about the concentrated areas of liabilities:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Nominal	890.880	38.970.622	1.835.880	31.248.930
Cost	890.880	38.780.169	1.784.332	31.086.300
Book Value	915.374	40.044.501	1.921.359	32.227.091

As of September 30, 2024, the details of the Group's issued securities whose redemption date has not yet come are as follows:

Date of export	**Maturity Date**	**Currency**	**Nominal Amount**	**Interest Rate**	**Coupon Payment Frequency**
23/01/2020	23/01/2025	USD	400.000.000	6,0000 %	6 months
14/01/2021	14/01/2026	USD	350.000.000	5,8750 %	6 months
19/09/2023	19/10/2028	USD	300.000.000	9,3750 %	6 months
17/04/2024	22/10/2024	EUR	9.200.000	4,7500 %	-
24/04/2024	24/10/2024	USD	20.000.000	6,1000 %	-
14/05/2024	12/11/2024	USD	10.000.000	6,1250 %	-
23/05/2024	21/11/2024	USD	15.000.000	6,2000 %	-
13/08/2024	13/02/2025	USD	27.000.000	6,0750 %	-
27/08/2024	27/02/2025	USD	10.000.000	5,9500 %	-

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

3. Information on banks and other financial institutions

3.c Additional information about the concentrated areas of liabilities (continued)

The details of the issues issued by Yatırım Varlık Kiralama A.Ş. as of March 31, 2024, whose redemption date has not yet arrived, are as follows:

ISIN Code	Fund User	Export Amount (TL)	Export Date	Redemption Date
TRDYVKS62511	MLP Sağlık Hizmetleri A.Ş.	1.000.000.000	12/12/2023	12/06/2025

( ) The amount of 109.120 Thousand TL taken into the group portfolio is eliminated in the financials.*

3.d Additional information about the concentrated areas of liabilities:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

4. Other liabilities which exceed 10% of the balance sheet total and the breakdown of these which constitute at least 20% of grand total

There are no other liabilities which exceed 10% of the balance sheet total (December 31, 2023: None).

5. Explanations on financial lease obligations (net)

5.a Explanations regarding liabilities arising from financial leasing transactions:

As of the balance sheet date, 163 computers are subject to financial leasing transactions. In the current period, the Group has a liability of TL 5,442 regarding financial leasing transactions (31 December 2023: TL 4,128).

5.b Explanations regarding operational leases:

As of the reporting date, the Group's 2 head office buildings, 12 branch, 29 cars, 405 phones and 132 unit computers are subject to operational leasing.(December 31, 2023: 2 head office buildings, 11 branch, 28 cars, 388 phones and 298 computers under operational leasing). In the current period, the Group has lease liability with TFRS 16 amounting to TL 43.809 related to operational lease transactions (December 31, 2023 : TL 39.250).

5.c Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms:

The Group has no sale and lease back transactions as of the reporting date (December 31, 2023: None).

6. Negative differences on derivative financial instruments held for hedging purposes:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair Value Hedge (1)	-	101.315	-	169.976
Cash Flow Hedge	-	-	-	-
Hedge of net investment in foreign operations	-	-	-	-
	-	**101.315**	-	**169.976**

(1) Derivative Financial Liabilities for Hedging Purposes are shown in the "Derivative Financial Liabilities" account.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

7. Information on provisions

7.a Foreign exchange losses on the foreign currency indexed loans and finance lease receivables:

As of the reporting date, the Parent Bank has no foreign exchange losses on the foreign currency indexed loans (December 31, 2023: None).

7.b Uncompensated and uncashable non-cash loans stage three expected loss provisions or non-cash loans expected loss provisions:

The Parent Bank has an uncompensated and uncashable non-cash loans stage three expected loss provision of TL 4,071 (31 December 2023: TL 84,696).

The Parent Bank has an expected loss provision for non-cash loans amounting to TL 101,719 (31 December 2023: TL 112,766).

7.c Information related to other provisions:

7.c.1 Provisions for possible losses:

Taking into account possible developments that may occur in the economy and markets, a free provision of TL 1,650,000 has been set aside within the precautionary principle (December 31, 2023: TL 1,750,000).

7.c.2 Information on employee termination benefits and unused vacation accrual:

The Group has calculated and reflected the employee rights reserve in its financial statements using the actuarial valuation method specified in TAS 19.

The following actuarial assumptions were used in the calculation of total liabilities.

	Current Period (%)	Previous Period (%)
Real Discount Rate	3,28	3,28
Nominal Discount Rate	26,10	23,58
Inflation Rate	22,10	19,65

As of 30 September 2024, severance pay provision of TL 94,866 (31 December 2023: TL 30,178) and leave obligation of TL 43,309 (31 December 2023: TL 21,710) are shown in the employee rights provision item in the financial statements.

Liabilities on pension rights:

As explained on the Section Three, Accounting Policies, XV. Explanations on Liabilities Regarding Employee Benefits as of September 30, 2024, the Parent Bank has no obligations on pension rights (December 31, 2023: None).

Liabilities for pension funds established in accordance with Social Security Institution

None as of September 30, 2024 (December 31, 2023: None).

Liabilities resulting from all kinds of pension funds, foundations etc. which provide post-retirement benefits for the employees

As of December 31, 2023, the cash value of the Parent Bank's principal liabilities of the TSKB A.Ş. Civil Servants and Contractors Relief and Pension Foundation fund was calculated by an independent actuary using actuarial assumptions and according to the actuary's report dated January 15, 2024, no technical or actual deficit requiring provision as of December 31, 2023 was identified. In this context, considering the provisions of the Law explained in the accounting policies regarding the “Obligations Regarding Employees’ Rights” in Section 3 No. XVI for the Fund’s transferable liabilities, the Parent Bank has no liability as of September 30, 2024 for other social rights and payments included in the foundation deed and other than the transferable liabilities, and for the health benefits provided to employees.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

7. Information on provisions (continued)

7.c Information related to other provisions (continued):

7.c.3 Explanations on litigation

Not available (31 December 2023: 70,000 TL).

7.c.4 If other provisions exceeds 10% of total provisions, the name and amount of sub-accounts:

7.c.1. apart from the free provisions set aside for possible risks specified in the article, there are general provisions set aside for non-cash loans of 101.720 TL and other miscellaneous provision amounts (31 December 2023: 112.767 TL).

8. Information on taxes payable

8.a Information on current taxes payable

8.a.1 Information on taxes payable:

	Current Period		Prior Period	
Corporate Taxes and Deferred Taxes	TL	FC	TL	FC
Corporate Taxes Payable	922.523	-	866.968	-
Deferred Tax Liability	-	-	-	-
Total	**922.523**	-	**866.968**	-

8.a.2 Information on taxes payable:

	Current Period	Prior Period
Corporate Taxes Payable	922.523	866.968
Taxation of Securities	47.730	33.989
Capital gains tax on property	-	-
Banking and Insurance Transaction Tax (BITT)	38.126	40.316
Foreign Exchange Transaction Tax	-	-
Value Added Tax Payable	4.288	5.934
Other	34.510	20.084
Total	**1.047.177**	**967.291**

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

8. Information on taxes payable (continued)

8.a.3 Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	2.729	1.473
Social Security Premiums-Employer	3.622	1.834
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	724	412
Unemployment Insurance-Employer	1.417	808
Other	-	-
Total	**8.492**	**4.527**

8.b Explanations on deferred taxes liabilities:

As of the reporting date, the Group has no deferred tax liability (December 31, 2023: None).

9. Information on liabilities regarding assets held for sale

None (December 31, 2023: None).

10. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

11. Explanations on shareholders' equity

11.a Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	2.800.000	2.800.000
Preferred stock	-	-

11.b Paid-in capital amount, explanation as to whether the registered share capital system ceiling is applicable at bank, if so, amount of registered share capital:

Capital System	Paid-in capital	Ceiling
Registered Capital System	2.800.000	7.500.000

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

In line with the decision taken at the Ordinary General Assembly held on March 28, 2024, the Parent Bank does not have any capital increase during the current period.

In line with the decision taken at the Ordinary General Assembly held on March 28, 2023, the Parent Bank does not have any capital increase during the current period.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and disclosures related to the consolidated liabilities (continued)

11. Information on shareholders' equity (continued)

11.d Information on share capital increases from capital reserves:

None (December 31, 2023: None).

11.e Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments:

The Parent Bank has no capital commitments for its associates in the last fiscal year and at the end of the following period (December 31, 2023: None).

11.f Indicators of the Parent Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Parent Bank's equity due to the uncertainty of these indicators:

The prior period income, profitability and liquidity of the Parent Bank and their trends in the successive periods are followed by Budget Planning and İnvestor Relations Department by considering the outcomes of the potential changes in the foreign exchange rate, interest rate and maturity alterations on profitability and liquidity under various scenario analyses. The Parent Bank operations are profitable, and the Parent Bank retains the major part of its profit by capital increases or capital reserves within the shareholders equity.

11.g Information on preferred shares:

There are no privileges granted to the shares representing the capital of the parent Bank (December 31, 2023: None).

11.h Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TP	**YP**	**TP**	**YP**
From Associates, Subsidiaries, and Entities Under Common Control	**906.477**	**-**	**788.864**	**-**
Available for Sale Financial Assets	**841.371**	**257.277**	**1.090.315**	**54.353**
Valuation Differences	356.821	257.277	704.781	54.353
Foreign Exchange Difference	484.550	-	385.534	-
Total	**1.747.848**	**257.277**	**1.879.179**	**54.353**

(1)Amounts included in other comprehensive income of investments valued according to the equity method are included.

11.i Informations on legal reserves:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

11.j Information on extraordinary reserves:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

12. Information on minority shares:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items

1. Information on off-balance sheet liabilities

1.a Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Commitments for Letter of Credit	4.402.381	2.506.167
Commitments for Stock Brokerage Purchase and Sales	1.030.657	2.066.447
Commitments for Forward Purchase and Sales of Assets	5.420.783	342.039
Capital Commitments for Subsidiaries and Associates (1)	174.503	168.814
Commitments for Money Market Brokerage Purchase and Sales	16.354	39.346
Other	1.627.746	718.353
Total	**12.672.424**	**5.841.166**

(1) The remaining amount that the Parent Bank has committed to purchase from the shares of the fund established under the name of Turkish Growth and Innovation Fund (TGIF) planned to be established by the European Investment Fund (EIF) and the Parent Bank's TSKB It includes the capital participation commitment amount for the cash capital increase of Sustainability Inc.

1.b Possible losses and commitments related to off-balance sheet it including items listed below:

1.b.1 Non-cash loans including guarantees, surety and acceptances, financial collaterals and other letters of credits:

As of the balance sheet date, the total of letters of credit, guarantees and acceptances opened by the Group is TL 12,829,503 (31 December 2023: TL 4,121,492).

1.b.2 Certain guarantees, tentative guarantees, surety ships and similar transactions:

As of the balance sheet date, the total of letters of guarantee given by the Group is TL 8,224,343 (31 December 2023: TL 8,101,351).

1.c.1 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash Loans Given Against Achieving Cash Loans	4.681.613	4.778.714
With Maturity of One Year or Less than One Year	1.374.899	33.829
With Maturity of More than One Year	3.306.714	4.744.885
Other Non-Cash Loans	16.508.801	7.444.129
Total	**21.190.414**	**12.222.843**

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and disclosures related to the consolidated off-balance sheet items (Continued)

1. Information on off-balance sheet liabilities (Continued)

1.c.2 Information on sectoral risk breakdown of non-cash loans:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

1.c.3 Information on non cash loans classified under Group I and Group II:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

2. Information related to derivative financial instruments

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

3. Explanations on loan derivatives and risk exposures

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

4. Explanations on contingent liabilities and assets

There are 100 legal cases against the Group which are amounting to TL 987 as of the reporting date (December 31, 2023 TL 986 - 104 legal cases).

Tax Audit Committee inspectors made an investigation for the years 2008-2011 about the payments made by the Parent Bank and employees to “Türkiye Sınai Kalkınma Bankası A.Ş. Mensupları Munzam Sosyal Güvenlik ve Yardımlaşma Vakfı” (Foundation) established in accordance with the decisions of Turkish Commercial Law and Civil Law as made to all Foundations in the sector. According to this investigation it has been communicated that the amount Parent Bank is obliged to pay is a benefit in the nature of fee for the members of Foundation worked at the time of payment, the amount Foundation members are obliged to pay should not been deducted from the basis of fee; accordingly tax audit report was issued with the claim that it should be taken penalized income tax surcharge / penalized stump duty deducted from allowance and total amount of TL 17.325 tax penalty notice relating to period in question to Parent Bank relying on this report.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

4. Information related to derivative financial instruments (continued)

Some of the lawsuits are decided favorable, remaining of lawsuits are decided unfavorable by the tax courts of first instance. On the other hand, appeal and objection have been requested by the Parent Bank against the decision of the Court with respect to the Parent Bank and by the administration against the decision of the Court with respect to the administration and completion of appeal process is waited. The tax and penalty notices related to the decision of the tax court of first instance against the Parent Bank are accrued by administration depending on legal process and as of July 31, 2014 the Parent Bank has made total payments amounting to TL 22.091.

A similar case has been submitted to the Constitutional Court in the form of individual remedies by the main shareholder of the Parent Bank in relation to the Parent Bank's liabilities to pay, the Constitutional Court gave the decision with court file number 2014/6192. According to court decision published in the Official Gazette dated 21 February 2015 and numbered 29274, the assessments against the Parent Bank was contrary to the principle of legality and the Parent Bank's property rights has been violated. This decision is considered to be a precedent for the Parent Bank and an amount of TL 12.750 corresponding to the portion that the Parent Bank was obliged to pay for the related period is recognized as income in the prior period.

Due to the ownership of Pendorya AVM, which is built on the real estate owned by TSKB GYO registered in Istanbul Province, Pendik District, Doğu Mahallesi, 105 Map, 865 Island, Plot 64, Sağlam Satış ve Paz. Inc. (Malazlar A.Ş.) Pendik 2nd Civil Court of First Instance, prevention of seizure against IMM Presidency and road contractor Karacan Yapı on the grounds that some of the side road construction around Pendorya AVM passes through the parcels owned by it, He filed a lawsuit with the demand for the collection of TL 7 compensation from the defendants, without prejudice to his rights. TSKB GYO intervened alongside the defendants

Relating to immovable property, subject of litigation discovery review and expert reports were submitted to the court file. Objections to the report and statement of TSKB GYO have been given. IBB Presidency has declared that expropriation proceedings related to the subject have been initiated. For this reason, lawsuit was removed from "Possessory Actions" and converted to the "Confiscating without expropriating" by the judge.

In the new lawsuit, which was also accepted by the plaintiff, the plaintiff requested compensation from the Administration and since the precedent information sent from the Land Registry and the Municipality was not sufficient to determine the compensation amount, it was deemed appropriate to conduct an expert examination. The expert reports were submitted to the Court on May 30, 2013 and the Court decided to add Pendik Municipality to the case as an internal defendant due to its relevance to the issue. In the last hearing held on December 24, 2013, it was decided to accept the expert reports and to receive the relevant amount (645 TL) from the Pendik Municipality and pay it to the Plaintiff and to cancel the seized part by proceeding through the land registry. The reasoned decision was notified and the decision, which was appealed by the plaintiff and the defendants Pendik Municipality, was overturned by the Court of Cassation and returned and a request was made by IMM for a correction of the decision. IMM and the plaintiff Sağlam Satış ve Paz. A.Ş. (Malazlar A.Ş.) requested a correction of the decision. The request for correction of the decision of the Court of Cassation's reversal decision was rejected and sent to the first instance court in accordance with the reversal decision. The first instance court decided to abide by the decision of the Court of Cassation's reversal. Notification of the reasoned decision is awaited.

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations related to the consolidated off-balance sheet items (continued)

4. Information related to derivative financial instruments (continued)

Regarding the zoning change made by Beyoğlu Municipality and the loss of rights resulting from this, Beyoğlu Municipality accepted TSKB GYO's objection regarding the 1486 block, 76 parcel (Fındıklı Building II) in Beyoğlu District, Istanbul Province, however, since IMM approval could not be obtained, a lawsuit was filed in order not to suffer a loss of rights. Later, IMM Assembly also accepted the Company's objection and approved Beyoğlu Municipality's decision as is. The decision in question was also sent to the Cultural and Natural Heritage Protection Board for approval. The Board did not find the changes made to the zoning plan for protection purposes appropriate.

The court made a decision as no solution for the relevant claim due to Beyoğlu Municipality approved the reclaim. However, there has to be permission by Istanbul Metropolitan Municipality, and Cultural and Natural Heritage Preservation Board for the exact result. Thats why, decision was appealed by the company. The Council of State reversed the judgement based on unappropriate zoning plan changes with the decision of 28 March 2014. In addition, a new implementation development plan covering the Fındıklı Building II, which has been canceled by the judicial authorities and which is owned by TSKB GYO, is being prepared by the Municipality of Beyoğlu on December 21, 2010, the 1/1000 Scaled Beyoğlu District Protected Urban Site Protected Development Plan. For this content, TSKB GYO's application were made in writing to the Beyoğlu Municipality on 28 October 2014 in order to plan by taking into account the 1/1000 Scale Implementation Plan which is being prepared by the Municipality of Beyoğlu and the Istanbul Metropolitan Municipality. The court requested the Municipality to ask the plan including the immovable subject to the decision of the Council of State is still in force as a result of the decision of dismissal and that the plan canceled by the court in the letter sent from the Municipality is still valid answered in the form. In the case which was started to discuss again in court; an expert opinion examination was made. The Court has ruled in favor of the Bank by canceling the administrative proceeding. Against decision, within the legal period, Beyoğlu Municipality has applied for the appeal law and it is expected that the file will be sent to Istanbul Regional Administrative Court for examination. The decision to cancel the administrative action given by the Council of State in favor of the Group has been approved and the decision has become final.

A lawsuit was filed by one of the investors of TSKB GYO regarding the cancellation of Articles 5, 7 and 9, which were decided at the Ordinary General Assembly meeting held on April 27, 2018. In the petition, a stay of execution was requested regarding Articles 5 and 7, the request for interim injunction regarding the stay of execution was rejected, and an appeal was filed by the plaintiff. The petition for response to the case and the legal opinion have been submitted. In the first session of the file, it was decided to dismiss the case. The notification of the reasoned decision is awaited.

According to the Legal Department of the Parent Bank, other lawsuits filed against the Parent Bank are not expected to have a significant impact on the financial statements. The provision for a lawsuit filed against the Bank is included in the Note 7.c.3 of Section Five.

5. Explanations on services provided in the name and account of others

The Parent Bank does not have any activities such as safekeeping or placement on behalf of real persons or legal entities, foundations, retirement insurance funds and other institutions. Details of the securities received as deposits are shown in the off-balance sheet accounts table.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement

1. Information on interest income

1.a Information on interest on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on Loans (1)				
Short Term Loans	1.038.032	402.702	490.773	385.374
Medium and Long Term Loans	2.497.476	9.438.906	787.755	6.270.084
Interest on Non-performing Loans	34.124	55.682	8.315	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	**3.569.632**	**9.897.290**	**1.286.843**	**6.655.458**

(1) Commissions received from loans are shown in interest income.

1.b Information on interest received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey (1)	689	-	53	-
Domestic Banks	120.092	51.270	104.737	21.780
Foreign Banks	-	5.786	-	2.309
Branches and Head Office Abroad	-	-	-	-
Total	**120.781**	**57.056**	**104.790**	**24.089**

(1) Interests given by the CBRT for required reserves established in Turkish Lira and required reserves established in US Dollars, reserve options and free accounts are shown in the "From the Central Bank of the Republic of Turkey" line.

1.c Information on interest received from marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit and Loss	10.772	-	1.172	-
Financial Assets at Fair Value Through Other Comprehensive Income	1.916.088	261.116	399.521	292.919
Financial Assets Measured at Amortized Cost	2.857.243	745.636	2.430.289	477.843
Total	**4.784.103**	**1.006.752**	**2.830.982**	**770.762**

As stated in the accounting policies, the Parent Bank makes the valuation of Consumer Price Indexed government bonds in its securities portfolio based on the index calculated by taking into account the reference index on the date of issue and the estimated inflation rate. The estimated inflation rate used in the valuation is updated during the year as deemed necessary. As of September 30, 2024, the valuation of the said securities was made according to the annual inflation estimate of 44.9% (October 2023-October 2024) (September 30, 2023: 62.2%). In the event that the CPI estimate increases or decreases by 1%, the pre-tax profit as of September 30, 2024 will increase by approximately 58 Million (full amount) TL or decrease by the same amount.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

1. Information on interest income (continued)

1.d Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	148.295	113.308

2. Information on interest expenses

2.a Information on the interest given to the loans used:

	Current Period		Prior Period	
	FC	TL	FC	YP
Banks	440.668	2.051.128	16.643	1.550.045
The Central Bank of Turkey	-	-	-	-
Domestic Banks	139.523	258.538	16.643	449.648
Foreign Banks	301.145	1.792.590	-	1.100.397
Branches and Head Office Abroad	-	-	-	-
Other Financial Institutions	-	3.592.263	-	2.497.910
Total (1)	**440.668**	**5.643.391**	**16.643**	**4.047.955**

(1) Commissions given to the Banks and Other Institutions are presented under interest expense.

2.b Information on interest expenses to associates and subsidiaries:

There is no interest expense to its associates and subsidiaries (September 30, 2024: None).

2.c Information on interest expense to securities issued:

	Current Period		Prior Period	
	FC	TL	FC	TL
Interest on securities issued (1)	83.202	2.540.061	56.977	969.215

(1) Commissions given to issuance have been included to interest expense.

3. Information on dividend income:

Not prepared in accordance with the Article No.25 of the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks.

4. Information on net trading income (net)

	Current period	Prior period
Profit	**38.846.726**	**7.201.991**
Gains on capital market operations	139.537	64.056
Gains on derivative financial instruments (1)	3.963.254	5.502.204
Foreign exchange gains	34.743.935	1.635.731
Losses (-)	**40.565.229**	**(5.244.694)**
Losses on capital market operations	85.529	(76.636)
Losses on derivative financial instruments (1)	5.867.260	(3.270.132)
Foreign exchange losses	34.612.440	(1.897.926)

(1) (1) The profit amount arising from exchange rate changes related to Derivative transactions amounting to TL 1,275,467 is included in "Profit from Derivative Financial Transactions" (September 30, 2023: TL 3,513,466); The loss amount arising from exchange rate changes related to Derivative transactions amounting to TL (3,306,164) is included in "Loss from Derivative Financial Transactions" (September 30, 2023: TL (1,462,692)).

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

5. Information related to other operating income

	Current Period	Prior Period
Provisions Released	279.779	92.237
Gains on Sale of Assets	524	1.492
From Associate and Subsidiary Sales	-	-
From Immovable Fixed Asset Sales	-	-
From Property Sales	524	1.492
From Other Asset Sales	-	-
Other (1)	1.110.789	347.755
Total	**1.391.092**	**441.484**

(1) It includes the cancellation of the free reserve set aside for possible risks in the amount of TL 100,000 in the current period and the cancellation of the lawsuit provision in the amount of TL 70,000.

The Group's expected loss provisions and other provision expenses

	Current Period	Prior Period
Expected Credit Loss	640.963	1.435.766
12 Months Expected Credit Loss (Stage 1) (2)	(229.011)	388.478
Significant Increase in Credit Risk (Stage 2)	598.253	1.007.845
Non-performing Loans (Stage 3)	271.721	39.443
Marketable Securities Impairment Expenses	1.944	4.420
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	1.944	4.420
Associates, Subsidiaries, and Entities under Common Control (Joint Venture) Value Decrease	-	-
Associates	-	-
Subsidiaries	-	-
Entities under Common Control (Joint Venture)	-	-
Other (1)	-	870.000
Total	**642.907**	**2.310.186**

(1) There is no free provision expense allocated for possible risks in the current period (30 September 2023: TL 850,000).
(2) Provision cancellations made from Stage 1 credit provisions in the relevant period are shown by netting under the expected loss provisions and other provision expenses item.

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

7. Information related to other operating expenses

	Current Period	Prior Period
Reserve for Employee Termination Benefits	14.059	8.107
Bank Social Aid Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	25.120	15.715
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortization Expenses of Intangible Assets	2.525	2.851
Impairment on Subsidiaries Accounted for Under Equity Method	-	-
Impairment on Assets for Resale	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Assets Held for Sale	-	-
Other Operating Expenses	410.561	267.160
Rent Expenses	8.603	7.595
Maintenance Expenses	16.036	6.816
Advertisement Expenses	4.477	1.896
Other Expenses (1)	381.445	250.853
Loss on Sales of Assets	-	-
Other (2)	558.298	204.645
Total	**1.010.563**	**498.478**

(1) Includes non-bank service expenses amounting to TL 75,007; computer usage expenses amounting to TL 38,702; communication expenses amounting to TL 22,643 (30 September 2023: Includes non-bank service expenses amounting to TL 26,567; computer usage expenses amounting to TL 25,515; communication expenses amounting to TL 12,365). (2) Also includes expense amounting to TL 380,608 related to the issuances of Yatırım Varlık Kiralama A.Ş. as an intermediary. The same amount includes other activity taxes and duties expenses excluding corporate tax amounting to TL 118,387; permission provisions expenses amounting to TL 16,305 (30 September 2023: Includes taxes and duties expenses excluding corporate tax amounting to TL 77,398; permission provisions expenses amounting to TL 12,779).

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

Income items for the period ended 30 September 2024 are net interest income of TL 11,624,436 (30 September 2023: TL 6,827,064), net fee and commission income of TL 638,474 (30 September 2023: TL 461,243) and other operating income of TL 1,391,092 (30 September 2023: TL 441,484). The Group's profit before tax as of 30 September 2024 increased by 38.77% compared to the profit before tax of the previous period. The Group's net interest income increased by 70.27% compared to the previous period.

9. Information on tax provision for continued and discontinued operations

9.a Information on current tax charge or benefit and deferred tax charge or benefit:

The calculated current tax expense is TL 2,171,994 (September 30, 2023: TL 2,175,104). The deferred tax expense is TL 305,555 (September 30, 2023: TL 335,741 income).

9.b Information related to deferred tax benefit or charge on temporary differences:

Deferred tax income calculated on temporary differences is TL 305.555 (September 30, 2023: TL 335.741 income).

(Amounts are expressed in thousands of Turkish Lira (TL) unless otherwise stated.)

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and disclosures related to the consolidated income statement (continued)

9. Information on tax provision for continued and discontinued operations (continued)

9.c Information related to deferred tax benefit / charge on temporary differences, losses, tax deductions and exceptions:

None. (September 30, 2023: None)

10. Explanations on net profit/loss from continued and discontinued operations:

The Group is increased the net profit by 40,25 % for the period ended September 30, 2024 compared to prior period.

11. Explanations regarding net profit/loss for the period

11.a The nature and amount of certain income and expense items from ordinary operation is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Group's performance for the period:

The Group has generated TL 22.477.464 of interest income, TL 10.853.028 of interest expenses, TL 638.474 of net fees and commission income from banking operations (September 30, 2023: TL 12.242.046 interest income, TL 5.414.982 interest expenses, TL 461.243 net fee and commission income).

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

There are no changes in the accounting estimates. (September, 30 2023: None).

11.c Minority share of profit and loss:

The current year loss attributable to minority shares is TL 61.477 (September 30, 2023: TL 74.586 Profit). The total shareholders' equity, including current year profit attributable to minority shares is TL 523.921 (September 30, 2023: TL 293.562).

12. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below.

	Current Period	Previous Period
Other Fee and Commission Income Received		
Consulting Income	-	-
Public Offering Commissions	130.893	58.945
Brokerage Commission Income	218.853	183.060
Insurance Commissions	-	-
Investment Fund Management Fees	38.722	21.184
Other	197.206	127.078
Total	**585.674**	**390.267**

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

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations on the risk group of the Parent Bank

1. Information on the volume of transactions related to the Parent Bank's own risk group, outstanding loan and deposit transactions and income and expenses of the period

1.a Current period:

Risk Group of the Parent Bank (1)	Subsidiaries and Associates		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the period	2.325.017	2	597.442	-	-	-
Balance at the end of the period	2.191.424	2	391.757	-	-	-
Interest and commission income received	123.028	4.253	37.910	-	-	-

(1) Mutual transactions between the Parent Bank and fully consolidated subsidiaries have been eliminated.

1.b Prior period:

Risk Group of the Parent Bank (1)	Subsidiaries and Associates		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at the beginning of the period	1.496.337	2	592.026	-	-	-
Balance at the end of the period	2.325.017	2	597.442	-	-	-
Interest and commission income received (2)	109.055	4.253	43.873	-	-	-

(1) Mutual transactions between the Parent Bank and fully consolidated subsidiaries have been eliminated.

1.c Information on deposit held by Parent Bank's own risk group:

The Parent Bank is not authorized to accept deposits.

2. Information on forward and option agreements and other similar agreements made with related parties

Risk Group of the Parent Bank	Subsidiaries and Associates		Direct and Indirect Shareholders of the Parent Bank		Other Entities Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions	-	-	-	-	-	-
Beginning of the Period	1.114.465	-	-	-	-	-
End of the Period	1.333.667	1.114.465	-	-	-	-
Total Profit / Loss (1)	(27.387)	(2.692)	-	-	1.900	-
Hedging Risk Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit / Loss	-	-	-	-	-	-

(1) The previous period includes information as of September 30, 2023

3. Total salaries and similar benefits provided to the key management personnel

Benefits provided to key management personnel in the current period amount to TL 144.847 (September 30, 2023: TL 75.061).

SECTION FIVE (Continued)

EXPLANATIONS AND DISCLOSURES ON CONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. Explanations and footnotes related to post-balance sheet issues

Within the scope of the Parent Bank's foreign debt instrument issuance ceiling, debt instruments worth 350,000,000 USD were issued abroad on October 17, 2024.

As a result of the Corporate Governance Rating study conducted by SAHA Corporate Governance and Credit Rating Services Inc. (SAHA), the Parent Bank's Corporate Governance Rating Score was increased from 96.55% (9.66 out of 10) to 96.67% (9.67 out of 10) as of October 18, 2024.

With the decision of the Board of Directors of the Parent Bank dated October 30, 2024, it was decided to authorize the General Management to sell up to a nominal amount of 25 Million TL of the shares of TSKB Gayrimenkul Yatırım Ortaklığı A.Ş., in which 88.74% of the shares are traded on the stock exchange, within one year, without involving a definitive commitment.

SECTION SIX

AUDITORS' REPORT

I. Explanations on the auditors' limited review report

The consolidated financial statements prepared as of September 30, 2024 and for the period ending on the same date were subject to a limited audit by PwC Independent Auditing and Certified Public Accountants Inc., and the limited audit report dated October 31, 2024 was presented before the consolidated financial statements.

II. Explanations and notes prepared by independent auditors

There are no other explanations and notes not expressed in sections above related with the Group's operation.

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

SECTION SEVEN

INFORMATION ON INTERIM ACTIVITY REPORT

I. Interim period activity report included chairman of board of directors and CEO's assessments for the interim activities

GENERAL INFORMATION

Board of Directors

Name&Surname	Position	Term	Independent Member	Committees and Roles
Hakan Aran	Chairman of the Board	2024-2027	No	-
Ece Börü	Board Member	2024-2027	No	Corporate Governance Committee Member, Sustainability Committee Member
Murat Bilgiç	Board Member	2024-2027	No	Credit Revision Committee Member, Sustainability Committee Member, Risk Committee Member
Banu Altun	Board Member	2024-2027	Yes	Audit Committee Member, Credit Revision Committee Chairman, Risk Committee Member
Murat Doğan	Board Member	2024-2027	No	Remuneration Committee Member, Credit Revision Committee Member
Dr. Ş. Nuray Duran	Board Member	2024-2027	No	Sustainability Committee Member
İzlem Erdem	Board Member	2024-2027	Yes	Audit Committee Chair, Corporate Governance Committee Chair, Remuneration Committee Chair, Risk Committee Chair
M. Sefa Pamuksuz	Board Member	2024-2027	Yes	Corporate Governance Committee Member
Mithat Rende	Board Member	2024-2027	No	Sustainability Committee Member
Abdi Serdar Üstünsalih	Board Member	2024-2027	No	-
Cengiz Yavilioğlu	Board Member	2024-2027	No	-

** Considered as an independent member pursuant to the Corporate Governance Communique by the CMB for being a Member of the Audit Committee.*

Information on the Bank's Board Meetings

The Board of Directors adopted 30 Board resolutions between January 1, 2024 and September 30, 2024. Board Members attended the meetings at a satisfactory level.

SECTION SEVEN

INFORMATION ON INTERIM ACTIVITY REPORT

I. Interim period activity report included chairman of board of directors and CEO's assessments for the interim activities (continued)

GENERAL INFORMATION (Continued)

Senior Management and Directors

Name&Surname	Position
Murat Bilgiç	CEO
Meral Murathan	Executive Vice President - Treasury, Treasury and Capital Market Operations, Financial Institutions and Investor Relations, Development Finance Institutions, Climate Change and Sustainability Management
Hasan Hepkaya	Executive Vice President - Corporate Banking Marketing, Corporate Banking Sales, Project Finance, Loan Operations
Özlem Bağdatlı	Executive Vice President - Human Resources, Corporate Communications, Legal Affairs, Pension and Assistance Funds
Bilinç Tanağardı	Executive Vice President - Application Development, System Support and Operation, Enterprise Architecture and Process Management, Procurement and Financial Affairs Management
Poyraz Koğacıoğlu	Executive Vice President - Capital Markets, Mergers and Acquisitions, Corporate Finance
S. Hüseyin Gürel	Executive Vice President - Advisory Services Sales, Financial and Technical Advisory, Loan Allocation, Credit Restructuring and Resolution, Engineering
Tolga Sert	Executive Vice President - Credit Portfolio Management and Analytics, Financial Analysis, Budget and Planning, Financial Control
Burcu Ünüvar, PhD	Director/Chief Economist - Economic Research
Melis Sökmen	Director - Human Resources, Corporate Communications
Burç Boztunç	Director - Treasury, Treasury and Capital Market Operations

SECTION SEVEN

INFORMATION ON INTERIM ACTIVITY REPORT

I. Interim period activity report included chairman of board of directors and CEO’s assessments for the interim activities (continued)

GENERAL INFORMATION (Continued)

Changes in the Bank's Senior Management and Directors during the period

Serving as the CEO at İşbank Since April 1, 2021, Hakan Aran was elected Chairman of the Board of TSKB in August 2024. The relevant resume information is available below.

şMr. Hakan Aran

Born in 1968 in Antakya, Hakan Aran graduated from Middle East Technical University (METU), Faculty of Engineering, Department of Computer Engineering. Mr. Aran holds a Master's degree in Business Administration from Başkent University Institute of Social Sciences and is currently pursuing a PhD in banking at Istanbul Ticaret University.

In 1990, Mr. Aran joined İşbank as a Software Specialist and was appointed Software Development Department Manager in 2005. In 2008, he was promoted as Executive Vice President for operations, digital banking and technology and took part in the Bank's major transformation programs. On April 1, 2021, he was appointed as the 17th CEO of İşbank. As of August 2024, he continues to serve as the Chairman of the Board of TSKB.

SECTION SEVEN

INFORMATION ON INTERIM ACTIVITY REPORT

I. Interim period activity report included chairman of board of directors and CEO's assessments for the interim activities (continued)

ASSESSMENTS OF THE CHAIRMAN REGARDING THE PERIOD

As the third quarter of 2024 draws to a close, global economic activity appears to have slowed somewhat, albeit with diverging performances across countries. Although interest rate cuts by major central banks, particularly the US Federal Reserve (FED), will support economic activity in the medium term, recently heightened geopolitical uncertainties feed downside risks to global growth. Although inflation continues to decline in advanced economies, fluctuations in commodity prices play a critical role in disinflationary processes. The presidential election in the US and the steps taken by Europe and China that may affect competition in various areas, particularly industrial policies, are also among the topics that will be at the forefront of the global agenda.

In our country, annual inflation has been on a downward trend as a result of the tight economic policies that have been pursued decisively for some time. Accordingly, CBRT's rate cuts are expected to start in November-December. In the Medium Term Program announced in September, growth forecasts for 2024-2026 were revised down slightly, while inflation forecasts were revised upwards. In the upcoming period, outcomes of the economic policies implemented and potential further rating upgrades by international rating agencies will be closely monitored.

In the first nine months, the banking sector realized a loan growth of %21,5 on an currency rate-adjusted basis. Profitability indicators, which declined due to tight monetary policy and regulations, are expected to recover in the upcoming periods with potential interest rate cuts. In line with its specialized business model, its development banking mission and its activities in investment banking, TSKB strongly realized its expectations in the first 9 months of 2024 and continued to diverge positively from the sector. Since the beginning of the year, the Bank has provided a total of approximately USD 1,7 billion in foreign funding, supporting its qualified growth strategy with its strong liquidity and capital structure. For the remainder of the year, the Bank will continue to perform activities in corporate banking, investment banking and consultancy in line with its targets and the UN Sustainable Development Goals.

Sincerely,
Chairperson of the Board
Hakan Aran

SECTION SEVEN

INFORMATION ON INTERIM ACTIVITY REPORT

I. Interim period activity report included chairman of board of directors and CEO's assessments for the interim activities (continued)

ASSESSMENTS OF THE CHIEF EXECUTIVE OFFICER REGARDING THE PERIOD

Throughout the period we left behind, we achieved a performance in line with our growth targets and diverging from the sector. In line with our mission for development, in the first nine months of the year, we provided long-term cash loan support of USD 1,5 billion to our clients regarding hybrid or renewable energy projects for domestic consumption, inclusiveness and financing of earthquake-affected regions. Thus, our current loan portfolio consists of %91 SDG-linked loans, primarily SDGs 1, 7, 8, 9, 12 and 13. In advisory services and investment banking, we continued to guide the green transformation journeys of our stakeholders and to offer innovative solutions to cover the needs of our customers.

We endeavor to diversify our strong liquidity, which enables us to move forward in line with our growth strategy, with new sources. All in all, our year-to-date funding totaled USD 1,7 billion, of which approximately USD 500 million was raised in this quarter. In August, we signed a USD 50 million financing agreement under the repayment guarantee of the Republic of Türkiye Ministry of Treasury and Finance, the first collaboration between the International Islamic Trade Finance Corporation (ITFC) and TSKB. Through this funding, we aim to contribute to Türkiye's post-earthquake economic recovery and support the reconstruction of businesses in the region. In addition, we issued the eighth bond standing at USD 350 million with a maturity of 5 years in international markets in October with a demand nearly 3 times oversubscribed by qualified investors. Thus, in a period of intense bond offerings on the agenda, TSKB was pleased to complete another successful issuance. During the same month, we signed our second loan agreement with the EBRD as part of the Green Economy Financing Facility (GEFF). This facility will be used to finance green economy investments such as energy efficiency, renewable energy and climate resilience measures in addition to nature and biodiversity, blue economy, sustainable transportation and tourism investments.

As a result of our operations in line with our mission and year-end targets, our Bank's total assets amounted to TL 225,1 billion, while our total loan portfolio reached TL 168,7 billion with a %75 share in total assets in the first nine months of the year. While we continued to maintain our asset quality and reserve ratios above the sector average, we also diverged from the sector with our superior capital adequacy ratio of %24,8 (excluding the BRSA temporary measures), supported by our internal capital generation capacity. During a period when tight monetary policies and regulations had a significant impact on sector profitability, we achieved a cumulative net profit of TL 7 billion and a return on equity ratio of %37,4.

Thanks to the effective management of our human capital, one of the most important components of our value creation model, with a vision of sustainability and inclusiveness, we have been awarded for three consecutive years at the Excellence Awards organized by the Brandon Hall Group. This year, we received six awards in total, including gold awards in the categories of Best Unique or Innovative HR Program, Best Recruitment Marketing and Employer Branding Program, Best Unique or Innovative Learning and Development Program, Best Employee Engagement Program, and bronze awards in the categories of Best Extended Enterprise Learning Program and Best Use of Social/Collaborative Learning. At the Sustainable Business Awards organized for the 11th time this year, the Bank made it to the finals with its 2023 Integrated Annual Report and TSKB Climate Report in the "Sustainable Business Reporting" category and received the award for its 2023 Integrated Annual Report titled "Net Negative, Inclusive Development Towards 2053".

As a financial institution that has adopted sustainability and inclusiveness as its mission in every field, we will continue to create lasting value for our country's economy and implement innovative and pioneering activities for the rest of the year as we approach the 75th anniversary of our Bank step by step.

Sincerely,
CEO
Murat Bilgiç

SECTION SEVEN

INFORMATION ON INTERIM ACTIVITY REPORT

ECONOMIC HIGHLIGHTS FROM THE INTERIM PERIOD

Economic Highlights from Q3 2024

While the recovery in global economic activity stalled in the third quarter of 2024, the divergence across countries continues. Standing at 50,8 in June, the purchasing managers' index (PMI) dropped to 48,8 in September, entering the contraction zone. Services PMI, on the other hand, showed a more resilient outlook with a limited decline to 52,9 in September from 53,1 in June. In early August, volatility in global financial markets increased and risk appetite declined due to the weaker-than-expected balance sheet data of technology companies, heightened concerns over global growth and the rapid appreciation of the Japanese yen in particular.

The Turkish economy slowed down in the second quarter of 2024. In the second quarter of 2024, the contribution from private sector consumption to gross domestic product (GDP) on the expenditures side declined, while net external demand continued to make a positive contribution. Calendar-adjusted and seasonally adjusted data shows that the GDP saw a quarter-on-quarter growth of %0,1, with an annualized GDP growth rate of %2,8. Annualized GDP in USD terms stood at USD 1 trillion 201,6 billion in the second quarter of 2024.

In Türkiye, preliminary data for the third quarter of 2024 indicates that economic activity continued to slow down. According to seasonally and calendar adjusted figures, industrial production rose by %0,3 in July but contracted by %1,7 in August. Retail sales remained relatively resilient, increasing by %0,9 and %2,2 month-on-month in July and August, respectively. According to seasonally adjusted figures, the unemployment rate declined from %8,8 in July to %8,5 in August, while broadly defined unemployment indicators showed a relatively weak outlook. The purchasing managers' index (PMI) remained in contraction zone, falling from 47,9 in June to 44,3 in September. While the capacity utilization rate has generally declined in the last three months, sectoral confidence indices have been fluctuating. Banking sector loan volume and other indicators for expenditures point to some recovery.

The external balance continued to improve in the third quarter. While exports continue to recover, imports and the foreign trade deficit shrink with the support of price effects. While the increase in services revenues slowed down, developments on the revenues side limited the improvement in the current account balance. In its preliminary data, the Ministry of Trade reports that exports increased by %3,2 in the first nine months of the year compared to the same period in 2023, while imports fell by %7,9. Therefore, the foreign trade deficit decreased from USD 87,7 billion in the first nine months of 2023 to USD 60,1 billion during the same period of 2024. The 12-month total current account deficit went down from USD 40,5 billion in December 2023 to USD 11,3 billion in August 2024.

The disinflation process, which started in June 2024, accelerated in the third quarter, supported by the base effect. Annual inflation in the headline consumer price index (CPI) fell to %49,4 in September 2024 from %71,6 in June 2024. In the same period, annual inflation in the general domestic producer price index (D-PPI) decreased from %50,1 to %33,1. The decline in annual inflation is expected to continue in the upcoming months, albeit at a slower pace. CBRT kept the policy rate unchanged at %50,00 at its meetings in July, August and September, while maintaining its cautious stance on the loss of momentum in domestic demand and the trend of inflation. In order to maintain the rebalancing in domestic demand, the CBRT also introduced regulations to encourage TL deposits and took new steps in liquidity management. It also imposed additional restrictions on credit growth in foreign currency.

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INFORMATION ON INTERIM ACTIVITY REPORT

I. Interim period activity report included chairman of board of directors and CEO’s assessments for the interim activities (continued)

ECONOMIC HIGHLIGHTS FROM THE INTERIM PERIOD (continued)
Markets

Global markets followed a volatile course in the third quarter of 2024. The FED started to cut interest rates by 50 basis points in September, while the ECB cut rates by 25 basis points during its September meeting, following June. Global risk appetite recovered on the back of interest rate cuts by global central banks, particularly the FED, and the comprehensive economic support package announced in China at the end of September. Recently, heightened geopolitical uncertainties have increased the upward pressure on energy prices and limited the risk appetite. Recent data has raised expectations that the FED will follow a gradual path in rate cuts and the ECB will continue to cut rates in 2024.

Domestic financial markets presented a mixed picture in the third quarter. In the third quarter, Borsa İstanbul 100 and 30 indices fell by %9,2 and %6,7, respectively. During the same period, the decline in the banking sector was recorded as %4,8. Bond yields experienced a volatile trajectory, as the compound interest rate of the 2-year benchmark bond, which stood at %41,6 at the end of the second quarter, closed at %41,2 by the end of the third quarter. While the country risk premium fluctuated up and down, the Turkish lira depreciated slightly in the second quarter and the USD/TL currency rate stood at %34,2 as of mid-October.

Banking Sector

In the third quarter of 2024, compared to the year start, total loans saw a nominal increase of %28,3 in TL terms and a %21,5 increase in FX-adjusted terms, based on the currency basket. According to BRSA's Weekly Bulletin, as of September 27, the sector's Turkish lira (TL) loans rose by %19,5, while foreign currency (FX) loans grew by an FX-adjusted %25,5.

In the third quarter of 2024, total corporate loans rose by %14,4, primarily propelled by the growth in TL corporate loans. Adjusted for the currency impact, SME loans increased by %19, while corporate loans excluding SMEs increased by %19,6. SME loans grew by %15,5 in state-owned banks and by %23,1 in private banks.

In the third quarter of 2024, NPLs in the sector increased by %36,3 in nominal terms, with the NPL ratio standing at %1,72 owing to the contribution of the increase in total loans and the impact of asset write-offs and portfolio sales. NPLs increased by 10 bps in the third quarter of the year due to the 31 bps negative contribution of the increase in performing loans, 8 bps negative contribution from the exchange rate effect and 49 bps positive contribution of NPL origination. NPLs in the sector reached TL 260,9 billion in the third quarter of 2024. This increase was mainly led by total retail loans originating from retail credit cards. The non-performing loan ratio in retail loans rose from %1,65 to %2,54 due to the two-fold increase in non-performing loan formation. With the contribution of performing loans, the non-performing loan ratio declined from %1,51 to %1,28 in corporate loans excluding SMEs compared to year-end. The non-performing loan ratio in SME loans rose from %1,78 to %1,84 due to the %26,1 increase in non-performing loans.

As of the third quarter of 2024, TL deposits in the sector shrinked by %26,7 in nominal terms, while FX deposits surged by %12. FX deposits decreased by %3,5 compared to year-end on an FX-adjusted basis.

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GENERAL ASSEMBLY RESOLUTIONS

The Bank's annual Ordinary General Assembly meeting was held at the Head Office on March 28, 2024. General Assembly resolutions were shared with shareholders via the Interim Report for the Period of January 1 - March 31, 2024, the Bank's web site and the Public Disclosure Platform.

HIGHLIGHTS FROM THE BANK'S OPERATIONS IN THE INTERIM PERIOD

Continuing to work for sustainable and inclusive development through its innovative and pioneering projects, TSKB achieved a significant success at the Sustainable Business Awards organized for the 11th time this year. In the "Sustainable Business Reporting" category, our Bank made it to the finals with its 2023 Integrated Annual Report and TSKB Climate Report and received the award for its 2023 Integrated Annual Report titled "Net Negative, Inclusive Development Towards 2053". TSKB also achieved a great success and won a total of 6 awards, comprising 4 gold and 2 bronze awards, at the Excellence Awards by Brandon Hall Group, one of the world's most respected corporate award events evaluating human resources practices.

In July, TSKB secured a syndicated loan of USD 190 million from international financial institutions at a renewal rate of %155. The syndicated loan agreement, consisting of two tranches of USD 49 million and EUR 130 million with 367 days maturity, was signed with the participation of 14 banks from 11 countries, including 6 new participants.

In August, the Bank signed a USD 50 million financing agreement with ITFC (International Islamic Trade Finance Corporation), the first collaboration between the two institutions, to support the economic and social recovery of the earthquake-affected regions.

In addition to funding and lending activities in the earthquake region, TSKB published the New Earthquake Report in August to increase disaster awareness and preparedness. The report 'Comma - The Earthquake Year is Not a Single Year' presents findings on the economic outlook of the region since February 6, 2023 and puts forth recommendations for recovery and reconstruction. The report underlines that the earthquake will have long-term repercussions.

Another important development during the period was the first investment of the TSKB Venture Capital Investment Fund, which was launched in cooperation between TSKB and Maxis Venture Capital. Through the fund, it collaborated with Poweren Elektrik to introduce 110 MW SPP and WPP projects with storage.

In October, TSKB successfully issued a bond of USD 350 million in RegS/144A format with a maturity of 5 years through intraday transactions in global international markets. Completed at a new issue premium of zero, the issuance was oversubscribed nearly three times by qualified investors from the UK, the USA, Europe, Asia and the Middle East.

Highlights from the Bank's Corporate Governance Operations

The Bank's Sustainability Principles Compliance Framework, Corporate Governance Compliance Report and Information Forms were published on the Public Disclosure Platform (PDP). The reports concerned are available at https://www.kap.org.tr/en/Bildirim/1256086, https://www.kap.org.tr/en/Bildirim/1256085 and https://www.kap.org.tr/en/Bildirim/1256084 respectively.

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FINANCIAL HIGHLIGHTS FROM THE INTERIM PERIOD

The summary for the Bank's main financial indicators as of September 30, 2024 is provided below:

Total assets surged by %35 year on year and by %24 compared to 2023 year-end, reaching TL 225,1 billion.

As of end-September, the total loan portfolio reached TL 168,7 billion, exhibiting a growth of %44 year-on-year, %29 compared to the end of 2023 and %11,5 in FX-adjusted terms. The loans to assets ratio stood at %75. The ratio of non-performing loans to total loans fell to %2,2 as of the end of September.

The shareholders' equity reached TL 29,2 billion, marking a %55 rise year on year and a %36 expansion compared to 2023 year-end. The capital adequacy ratio stood at %26 by the end of 2023, was registered as %24,8 as of the end of September.

In the first nine months of 2024, net interest income elevated by %70 year on year to stand at TL 11.624 million, while the income from fees and commissions rose by %38 to reach TL 638 million. The cost-to-income ratio stood at %9,4 by the end of 2023, reaching %14,4 in the first nine months of 2024.

In the first nine months of the year, the Bank's net profit reads as TL 7.125 million with a surge of %40 year-on-year.

The return on equity was %41,2 by the end of 2023 and stood at %37,4 in the first nine months of 2024.

The return on assets ratio stood at %4,8 at end-2023 and at %4,6 in the first nine months of 2024.

RISK MANAGEMENT

TSKB's Risk Management Policies and the codes of practice pertaining to such policies are comprised of written standards set by the Board of Directors and implemented by the Bank's senior management.

Under TSKB's Risk Management Policies, the main risks the Bank is exposed to are identified as credit risks, asset-liability management risks (market risk, structural interest rate risk, liquidity risk) and operational risks. A Risk Management Department is established within the Bank to ensure compliance with the said risk policies and the codes of practice pertaining thereto and to manage - in parallel with these policies - the risks the Bank is exposed to.

TSKB's Risk Management Department is actively involved in all processes regarding the management of risks and regularly reports to the Board of Directors, the Audit Committee, the senior management and the relevant departments within the Bank. The roles, responsibilities and structure of the Department are set in the Regulation on Risk Management Department.

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FURTHER INFORMATION

Developments making a significant impact on the Bank's operations during the period are explained above. For further information, the Integrated Annual Report for 2023 is available on the following website: https://www.tskb.com.tr/uploads/file/tskb-efr-eng-short-version-final.pdf